

Approved

by the decision of the Scientific Council

of the National Research Foundation of Ukraine of 26.02.2026

(Minutes of the meeting № 9)

**Procedure Governing the Application of Enforcement Measures by the National Research Foundation of Ukraine to Grantees and Legal Entities (Enterprises, Institutions, Organizations, and Institutions of Higher Education) that Have Undertaken to Ensure the Implementation of Scientific Research and Development Envisaged by Research Projects**

## **1. General Provisions**

According to Clause 35 of the Decree of the Cabinet of Ministers of Ukraine No. 1170 “On Approval of the Procedure for the Competitive Selection and Financing of Projects by the National Research Foundation of Ukraine”, the National Research Foundation of Ukraine (hereinafter – the Foundation) may apply enforcement measures to grantees in the event of a breach of the terms and conditions of a grant agreement. At the same time, the applicable legislation of Ukraine does not establish an exhaustive list of such measures, nor does it specify in detail the procedure for their application depending on the nature and gravity of the breach.

In order to ensure a consistent, transparent and predictable approach to responding to breaches of grant agreements, the Foundation has developed a separate document that defines a system of measures and an indicative typology of breaches of grant agreement (hereinafter – the agreement) that do not constitute breaches of its essential terms.

## **2. Purpose and Objectives**

The purpose of this Document is to:

- ensure the proper performance of the agreements;
- harmonise the Foundation’s approaches to addressing breaches of the agreements where such breaches do not concern essential terms thereof;
- prevent arbitrary or disproportionate application of enforcement measures;
- enhance the transparency and predictability of decisions adopted by the Scientific Council of the Foundation for grantees or legal entities (enterprises, institutions, organisations, higher education institutions) that have undertaken to

ensure the implementation of scientific research and development envisaged by research projects (hereinafter – the legal entities).

This Document does not establish new types of legal liability and does not replace the mechanisms provided for under the legislation of Ukraine; rather, it is of a managerial and corrective nature.

### **3. Justification for Establishing Levels of Enforcement Measures**

The practice of monitoring the implementation of projects funded through the grant support of the Foundation indicates that a significant proportion of breaches are procedural, organisational, or communication-related in nature, do not constitute breaches of the essential terms of the agreements, and do not in all cases require termination of grant funding or recovery of funds. At the same time, the absence of a response to such breaches may result in systemic risks, a decline in the quality of project implementation, delays in project timelines, and violations of the principles of integrity.

In this regard, this document:

- provides for a gradation of enforcement measures according to their level of severity (Levels I–III);
- establishes the principles of consistency and proportionality in their application;
- defines the possibility of strengthening enforcement measures in cases of systematic, serious, or intentional breaches, even where each individual breach does not constitute an essential breach.

This approach is consistent with the general principles of administrative law and established legal practice concerning the comprehensive assessment of a subject's conduct.

### **4. Indicative List of Types of Breaches That Do Not Constitute Breaches of Essential Terms of the Agreements**

This section of the document sets out an indicative list of types of breaches which, as a general rule, do not require termination of grant funding or recovery of funds. The purpose of establishing such a list is to:

- ensure a consistent approach to the classification of typical breaches;
- reduce subjectivity in decision-making;
- enhance legal certainty for grantees and legal entities.

However, this list is not exhaustive, and the classification of a specific breach is carried out by the Scientific Council of the Foundation, taking into account the circumstances of the case, (possible) negative consequences, and the frequency and

systematic nature of the breaches.

Indicative typology of breaches that do not constitute breaches of essential terms of the agreement:

- 1) failure to comply with the deadlines for performing tasks under the project (including, inter alia, in respect of the publication of its results);
- 2) deviation from the declared scientific results (in respect of the project performance indicators);
- 3) inefficient planning or use of the grant funding;
- 4) breach of the provisions of the agreement relating to communication;
- 5) breach of the requirements concerning the preparation and formatting of documentation under the agreement.

## **5. Principles Governing the Application of Enforcement Measures**

The Scientific Council of the Foundation shall adopt decisions on the application of enforcement measures in compliance with the following principles:

- proportionality;
- transparency;
- objectivity;
- reasonableness;
- non-discrimination;
- consistency;
- ensuring the right of the grantee/legal entity to provide explanations.

The application of enforcement measures shall not relieve the grantee or the legal entity from the obligation to remedy the identified breaches and shall not preclude the possibility of applying other measures in accordance with the legislation of Ukraine.

## **6. Expected Outcomes of Adopting the Document**

The adoption of this document is expected to:

- enhance the quality of management of grant-funded projects;
- ensure an appropriate balance between supporting grantees and safeguarding public interests;
- minimise the occurrence of conflicts and litigation;

- increase the level of trust in the activities of the Foundation.

## **7. Enforcement Measures Applicable to Grantees/ Legal Entities (in Case of Breaches of Its Essential Terms)**

In the event of a breach by a grantee or legal entity of the terms and conditions of the agreement that do not constitute breaches of essential terms, the Scientific Council of the Foundation, within the scope of monitoring the implementation of the agreement, shall apply enforcement measures. Such measures shall take into account the nature of the breaches, their repetition, systematic character, consequences, and the degree of risk to the successful implementation of the project. The measures are intended to ensure proper compliance with the terms of the agreement without terminating it.

Enforcement measures shall be applied progressively — from Level I to Level II and then to Level III. The application of measures of a higher level shall be permitted only if the breaches have not been remedied following the application of measures of the preceding level, except in duly justified cases where the nature of the breach objectively requires the immediate application of higher-level measures.

Enforcement measures are divided into the following levels:

### **Level I (Preventive Level)**

Level I measures may be applied in cases of minor breaches or breaches committed for the first time, which have not caused significant impediments to the implementation of the project.

Level I measures include:

- issuance of an official written warning to the grantee/legal entity and to the project PI;
- a demand to remedy the breaches within the timeframe specified by the Foundation (the grantee/legal entity may be granted a specific period to eliminate the identified deficiencies and bring its activities into compliance with the terms and conditions of the agreement);
- a demand to submit clarified or additional information (the Foundation may require the submission of revised or supplementary reporting materials or explanations);
- a demand to submit a compliance plan.

### **Level II (Restrictive Level)**

Level II measures may be applied in cases of repeated breaches or breaches that have given rise to risks (procedural, financial, or reputational) with respect to the quality and timeliness of project implementation.

Level II measures include:

- official written notification to the governing body of the grantee/legal entity regarding the identified breaches;
- introduction of intensified control measures over the performance of this and/or other projects of the grantee/legal entity;
- publication of information concerning the grantee/legal entity that has committed breaches of the terms and conditions of the agreement on the official website of the Foundation. Such publication shall be carried out only after the grantee/legal entity has been given the opportunity to submit explanations to the Foundation and does not constitute an establishment of legal liability;
- a demand to amend or withdraw a publication based on the project's findings, if the violation is related to its preparation and publication;
- a demand to replace the project implementer who caused the violations in question.

### **Level III (Sanctional Level)**

Level III measures may be applied in cases of systematic, gross, deliberate, or intentional breaches of the terms and conditions of the agreement which, taken together, demonstrate the grantee's or legal entity's improper performance of its obligations, even where no individual breach constitutes a breach of essential terms of the agreement. The application of Level III measures does not exempt the Foundation from its obligation to comply with the procedure for terminating the agreement and the decision of the Scientific Council on the recovery of funds, as specified in the agreement and legislation of Ukraine.

Level III measures include:

- inclusion of the grantee/legal entity and/or project PI in the list of persons/grantees (legal entities) who have committed gross breaches of the terms and conditions of the agreement, with a temporary restriction on the right of the grantee/legal entity and/or project PI to participate in the calls for proposals held by the Foundation, for a period determined by the Scientific Council of the Foundation.;
- temporary suspension of funding (in full or in part) until the identified breaches have been remedied, without termination of the agreement.

The application of enforcement measures at any level shall not relieve the grantee or legal entity of the obligation to remedy the identified breaches and shall not preclude the application of financial, civil-law, administrative, or criminal measures in accordance with the legislation of Ukraine.