



Contracting Authority:

The European Union represented by

The Delegation of the European Union
to Albania

and

The Delegation of the European Union
to Montenegro

**Cross-Border Cooperation Programme
Albania - Montenegro, 2007-2013**
Instrument for Pre-Accession Assistance (IPA),
Component II

Guidelines for grant applicants
Third Call for proposals

Budget lines IPA 2010 and 2011:
BGUE-B2010-22.020401-C1-ELARG DELALB
BGUE-B2011-22.020401-C1-ELARG DELALB
BGUE-B2010-22.020401-C1-ELARG DELMNE
BGUE-B2011-22.020401-C1-ELARG DELMNE

Reference: EuropeAid/133455/M/ACT/Multi

Deadline for submission of proposals: **03 December 2012**

NOTICE

This is an open Call for Proposals, where all documents are submitted at one stage. At the first evaluation step, together with the Opening and Administrative Checks, an Eligibility check will be performed. This check will be undertaken on the basis of the supporting documents requested by the Contracting Authority (CA) and the signed "Declaration by the Applicant" sent together with the application.

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1. CROSS BORDER COOPERATION PROGRAMME ALBANIA - MONTENEGRO

1.1 BACKGROUND

These Guidelines are intended to be used by those applying for grants under the 3rd Call for proposals for the **Cross-Border Cooperation Programme Albania-Montenegro, 2007-2013 (hereinafter ‘the Programme’)**. This Programme is the result of joint planning efforts made by the governments and other stakeholders of the two countries. The Programme analyses the socio-economic situation of the border region, sets out a common strategy for remedying problems identified and formulates joint priorities and measures for development.

The territory of the eligible area for the Programme covers 11,681 km², with a total population of 714,613 inhabitants. The overall borderline length is 210 km (land 172 km, and 38 km border waters of Adriatic Sea, Shkodra Lake and rivers). The eligible territories are listed in section 2.1.3 below.

Joint actions and cross-border projects implemented under the Programme should have an impact on the social and economic situation of the population, improve the joint management and valorisation of natural and cultural resources and strengthen the image and the cohesion of the cross-border region and sub-regions.

Based on the Programme, grant schemes, such as the one which is the subject of this Call, will be launched at regular intervals on both sides of the border in order to select cross-border cooperation projects that contribute to achieving the strategic objectives agreed upon by the participating countries and fall under identified priorities and measures.

The current Call for proposals will facilitate the cooperation between the two countries and will be implemented under the IPA CBC financial allocations for 2010 and 2011. It includes three measures aimed at supporting economic, environmental and social development. This Call for proposals is intended to function as a catalyser of pilot actions that would foster cooperation in the two countries within the framework of IPA Programme, promote the design of feasible and sustainable projects and strengthen the administrative capacity of beneficiaries and national institutions for the implementation and management of the projects.

More details about the programming area, related development strategy and priority measures can be found in the Operational Document of the Cross-Border Cooperation Programme Albania-Montenegro, available for download on the web page of the Operating Structure in Albania at www.mie.gov.al, on the web page of the Operating Structure in Montenegro at www.mip.gov.me and the CBC online forum at www.cbc-mne.org, as well as on the programme website www.albania-montenegro.org

The Programme is implemented jointly by both countries. In Albania, the responsible institutions are:

- The Ministry of Integration, responsible for the overall coordination of the Programme
- The Delegation of the European Union to Albania (EUDAL), responsible for all contract and payment issues.

In Montenegro, the responsible institutions are:

- The Ministry of Foreign Affairs and European Integration (MFAEI), responsible for the overall coordination and implementation of the Programme
- The Delegation of the European Union to Montenegro (EUDMNE), responsible for all contract and payment issues.

Moreover, the implementation of the Programme is overseen by a Joint Monitoring Committee (JMC), composed of state officials and representatives of civil society from Albania and Montenegro. The JMC is also responsible for selecting the projects to be financed under the Programme.

Both countries are assisted by the Joint Technical Secretariat (JTS) based in Shkodra (Albania), composed of representatives from Albania and Montenegro. The JTS is the administrative body responsible for the day-to-day management of the Programme including support and advice to potential applicants. The JTS has an

Antenna located in Podgorica (Montenegro). The JTS will be the main contact point for applicants to the Programme, though all information can be obtained from the Antenna, as well.

1.2 OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

1.2.1 Overall objective of the Programme

The **global objective** of the Programme is to promote cooperation between people, communities and institutions from the bordering areas, aiming at sustainable development, stability and prosperity in the mutual interest of citizens of the two countries.

The **specific objectives** of the Programme are:

- Promotion of economic development through the economic valorisation of its tourist and cultural potentials;
- Improvement of the protection, promotion and management of sensitive ecosystems and their sustainable development;
- Furtherance of citizens' cooperation and partnership building across the border.

1.2.2 Priorities and measures to be implemented through the 3rd Call for proposals

These Guidelines for Applicants relate to the 3rd Call for proposals under the Priority Axis 1 of the Cross-Border Programme Albania-Montenegro: **Promotion of regional cohesion and competitiveness, through an approach that integrates economic, environmental, cultural and social development.**

This Priority Axis will be implemented through three different measures. Each of them is specifically targeted on the specific objectives identified above:

Priority 1: Promotion of regional cohesion and competitiveness, through an approach that integrates economic, environmental, cultural and social development
<i>Measure 1.1:</i> Economic development with an emphasis on tourism promotion
<i>Measure 1.2:</i> Environment protection and promotion
<i>Measure 1.3:</i> Enhancing social cohesion through people-to-people actions

1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this Call for proposals is € 2,610,000 (out of which €1,530,000 by Albania and € 1,080,000 by Montenegro).

In the case where not all the available programme funds for the 2nd Call for proposals (from the 2008 – 2009 allocations) are awarded, the JMC in agreement with the Contracting Authorities (CAs) may reallocate these remaining funds to the 3rd Call for proposals.

European Union funding in adjacent areas

In duly justified cases, the proportion of funds available for actions or part of actions to be implemented in the adjacent areas of Montenegro (see section 2.1.3 below) is limited to 20% of the respective allocation for Montenegro. Under this Call for proposals, a maximum amount of **€216,000**, belonging to the allocation for Montenegro, may be assigned to finance applications with activities totally or partially taking place in adjacent areas. The selection of applications with activities in the adjacent area shall be in all cases confirmed by the European Commission.

In case all funds available for adjacent areas under the Call for proposals have already been allocated, any additional application which includes activities in adjacent areas may be proposed by the JMC for funding to the European Commission not including the financing of activities envisaged in the adjacent areas.

The JMC will monitor the percentage of funds spent in adjacent areas at the level of the Programme in order to ensure compliance with the 20% rule.

Where expenditure in the adjacent area is proposed, the applicant must clarify in the Application Form and in the Budget description, the activities which will be carried out in the adjacent area and the costs relating to those activities.

The CAs of the Cross-Border Programme Albania-Montenegro, the Delegation of the European Union to Albania and the Delegation of the European Union to Montenegro, reserve the right not to award all the available programme funds in this Call for proposals.

Suspensive clause:

The conclusion of contracts with applicants under the allocation for Albania resulting from this Call for proposals is subject to the fulfilment of the following condition:

- *The entering into effect of the Financing Agreement between the European Commission and the Republic of Albania concerning the Cross-border Programme Albania – Montenegro under the IPA Component II for year 2011.*

The conclusion of contracts with applicants under the allocation for the Republic of Montenegro resulting from this Call for proposals is subject to the fulfilment of the following condition:

- *The entering into effect of the Financing Agreement between the European Commission and Montenegro concerning the Cross-border Programme Albania – Montenegro under the IPA Component II for year 2011.*

Size of grants

Any grant awarded under this Programme must fall between the following minimum and maximum amounts, as shown below. Each action will consist of two grants: one awarded in Albania and one in Montenegro. Thus, when submitting the budget of the action, the application will have a consolidated budget and two separate budgets for the financial contribution which is sought from each of the participating countries.

In Albania:

Measure	Size of Available Grant (€)
<i>Measure 1.1: Economic development with an emphasis on tourism promotion</i>	Maximum amount: 300,000 Minimum amount: 75,000
<i>Measure 1.2: Environment protection and promotion</i>	Maximum amount: 300,000 Minimum amount: 75,000
<i>Measure 1.3: Enhancing social cohesion through people-to-people actions</i>	Maximum amount: 150,000 Minimum amount: 45,000

In Montenegro:

Measure	Size of Available Grant (€)
<i>Measure 1.1: Economic development with an emphasis on tourism promotion</i>	Maximum amount: 250,000 Minimum amount: 90,000
<i>Measure 1.2: Environment protection and promotion</i>	Maximum amount: 250,000 Minimum amount: 90,000
<i>Measure 1.3: Enhancing social cohesion through people-to-people actions</i>	Maximum amount: 135,000 Minimum amount: 50,000

For Albania the funds are tentatively allocated per priority measure as follows:

Measure 1.1: Economic development	€ 612,000 (or 40% of the total amount)
Measure 1.2: Environment protection and promotion	€ 535,500 (or 35% of the total amount)
Measure 1.3: Social cohesion	€ 382,500 (or 25% of the total amount)

For Montenegro the funds are tentatively allocated per priority measure as follows:

Measure 1.1: Economic development	€ 432,000 (or 40% of the total amount)
Measure 1.2: Environment protection and promotion	€ 378,000 (or 35% of the total amount)
Measure 1.3: Social cohesion	€ 270,000 (or 25% of the total amount)

In case where the tentative amount foreseen for the specific measure cannot be used due to the insufficient quality or the low number of proposals received, the Contracting Authorities reserve the right to reallocate the remaining funds to another measure.

Any grant requested under this Call for proposals must fall between the following minimum and maximum percentages of total eligible costs of the action:

- Minimum percentage: 50% of the total estimated eligible cost of the action;
- Maximum percentage: 85% of the total eligible cost of the action.

The balance – co-financing (i.e. the difference between the total cost of the action and the amount requested from the Contracting Authority) must therefore fall between the following minimum and maximum percentages of total eligible costs of the action:

- Minimum percentage: 15% of the total estimated eligible cost of the action;
- Maximum percentage: 50% of the total eligible cost of the action.

The co-financing must be financed from the applicant's or partners' own resources, or from sources other than the European Union budget or the European Development Fund.

Payments by the Contracting Authorities (CA) under the EU funded grant will be carried out in line with one of the two options below¹:

	Option 1: Actions with an implementation period not exceeding 12 months or where the financing provided by the CA does not exceed € 100,000	Option 2: Actions with an implementation period of more than 12 months and where the financing provided by the CA is more than € 100,000
Pre-financing	80% of the total grant amount	80% of the estimated budget for the first 12 months
Further pre-financing	Not due	When at least the 70% of the previous payment (and at least 100% of all other payments before the last one) is spent, further pre-financing instalments will cover the Beneficiary's financing needs for the following 12 month period of implementation of the action. Payment

¹ The description of the payment options listed here is intended for informative purposes only. In no way it can substitute or contradict the legal setup contained in the "General Conditions applicable to European Union-financed grant contracts for external actions" (Annex II to the standard grant contract).

		requests must be accompanied by an interim report and an expenditure verification (if required)
Balance payment	The balance payment within 45 days of the CA approving the final report, accompanied by a request for payment of the balance.	The balance payment within 45 days of the CA approving the final report accompanied by a request for payment of the balance and an expenditure verification report.

2. RULES FOR THIS CALL FOR PROPOSALS

These guidelines set out the rules for the submission, selection and implementation of actions financed under this Call, in conformity with the provisions of the Practical Guide to contract procedures for EC external actions, which is partly and selectively applicable to the present Call².

2.1 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

- applicant(s) (2.1.1) and their partners (2.1.2), which may request a grant;
- actions for which a grant may be awarded (2.1.3);
- types of costs which may be taken into account in setting the amount of the grant (2.1.4).

2.1.1 Eligibility of applicants: who may apply?

(1) In order to be eligible for a grant, applicants **must**:

- be nationals³ of Albania, Montenegro, a Member State of the European Union, other IPA beneficiary country, a country that is a beneficiary of the European Neighbourhood and Partnership Instrument (ENPI), or a Member State of the European Economic Area, with the exception of the international inter-governmental organisations, **and**
- be registered or accredited⁴ in Albania when applying for the allocation assigned to Albania and be registered or accredited in Montenegro when applying for the allocation assigned to Montenegro, at least 12 (twelve) months before the launch of this Call for proposals;
- belong to one of the following categories:
 - local / regional / national authorities/institutions;local government units and their institutions;
 - associations of municipalities and/or other local government associations;
 - national / regional / local agencies (responsible at central, regional or municipal level);
 - national / regional / local public employment agencies;
 - public bodies supporting the labour force and labour unions;
 - business support organizations, chambers of commerce, development agencies (ICT development agencies, agencies for the development of SMEs, etc.) educational, employers' associations, producer associations;
 - national park administrations, local/regional forestry directorates and bodies in charge of nature protection and water management;
 - fire / emergency services at local / regional / national level;
 - health care institutions;

² Available on the Internet at this address: http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm

³ Nationality is being determined on the basis of the operator's statutes which should demonstrate that it has been established by an instrument governed by the national law of the country concerned. In this respect, any legal entity whose statutes, with the exception of international inter-governmental organisations, have been established in another country cannot be considered an eligible organisation, even if the statutes are registered in Albania or Montenegro or a "Memorandum of Understanding" has been concluded.

⁴ The lead beneficiaries shall be established in the respecting participating beneficiary country, according to the meaning of the provisions of Article 96(3) of the IPA Regulation (EC) No 718/2007 as amended by Regulation (EU) No 80/2010.

- cultural institutions;
 - tourism organisations / associations at local / regional / national level;
 - public and private educational and/or research institutions vocational and training center (training and R&D institutions, etc.);
 - non-governmental and non-profit making organizations, associations and foundations (NGOs and NPOs), including the Red Cross and Red Crescent national societies;
 - international intergovernmental organisations;
 - public enterprises (note that for this Grant scheme private companies are not eligible; SMEs may benefit indirectly from this Call for Proposals through the Chambers of Commerce and agencies for the development of SMEs), **and**
- be legal persons, **and**
 - be non-profit making, for the purpose of this Call for proposals (with the exception of private bodies supporting the labour force and private educational and / or research institutions), **and**
 - be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary.
- (2) Potential applicants may not participate in Calls for proposals or be awarded grants if they are in any of the situations which are listed in Section 2.3.3 of the Practical Guide to contract procedures for EC external actions:
- a. they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
 - b. they have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*; (i.e. against which no appeal is possible);
 - c. they have been guilty of grave professional misconduct proven by any means which the Contracting Authority can justify;
 - d. they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Contracting Authority or those of the country where the contract is to be performed;
 - e. they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the EU's financial interests;
 - f. they are currently subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation.

In part B section VI.A and VI.B of the grant application form (“Declarations by the applicants”), both applicants must declare that they do not fall into any of the above mentioned situations.

3. In order to be eligible for a grant, applicants **must not** be affected by potential conflict of interest with the Joint Structures of the Programme (Joint Monitoring Committee, Joint Steering Committee, Joint Technical Secretariat) and the Operating Structures (Ministry of Integration in Albania and Ministry of Foreign Affairs and European Integration in Montenegro). Should such a situation arise during the performance of the contract, the beneficiary must immediately inform the Contracting Authority.

Please note that profit making organizations, with the exceptions broached above, and political parties are not eligible, neither as applicants nor as partners.

2.1.2 Partnerships and eligibility of partners

Each proposal must always have 2 applicants (one applying for funding out of the Albanian allocation and

the other out of the Montenegrin one) acting in partnership. This partnership will not be accepted when established between operators (Lead Functional Applicant 1 and Lead Applicant 2) responding to the same name or belonging to the same mother organisation, irrespective of the fact that they are registered or accredited in each of the two eligible participating countries.

"Each applicant will act as the Lead Applicant for the part of the action financed from the IPA CBC financial allocation to either Montenegro or Albania. In case a project is approved for financing, each applicant will act as contracting party (the 'beneficiary') and sign a separate contract with the respective Contracting Authority."

Each proposal must include at least one applicant or partner being national of Albania and at least one applicant or partner being national of Montenegro.

If the applicant for funds under the responsibility of the Contracting Authority in Albania is not a national of Albania, he must have at least one partner national of Albania. If the applicant for funds under the responsibility of the Contracting Authority in Montenegro is not a national of Montenegro, he must have at least one partner national of Montenegro.

If the applicant for funds in Albania or Montenegro is a non-governmental institution, he must have at least one partner being a national/regional/local government authority/institution.

Partners

The applicant must have other partner organization(s) from the other side of the border.

The applicant may have other partners from the same side of the border. Applicants may have as many other partners as they consider appropriate.

Applicant's partners participate in designing and/or implementing the action, and the costs they incur are eligible in the same way as those incurred by the applicant. They must therefore satisfy the same eligibility criteria as applicants, but partners do not need to be registered or accredited in Albania or in Montenegro, when the applicant with whom they have formed a partnership is a national of Albania or Montenegro.

Each Partner shall:

- Be responsible for the implementation of the action under its responsibility according to the project plan and the agreement signed with the Lead partner/applicant;
- Co-operate with the other partners in the implementation of the action, the reporting and the monitoring;
- Be responsible for information and communication measures for the public;
- Provide the information requested for audit by the audit bodies responsible for it;
- Assume responsibility in the event of any irregularity in the expenditure which was declared, including eventual repayment to the European Union.

Lead Partner/Applicant

The partners in each beneficiary country shall appoint the Lead Partner among themselves prior to the submission of the application. Therefore, there will be two Lead Partners/Applicants for each application, one in each participating country (see the chart below).

Each Lead Partner will act as the Applicant for the part of the action financed from the IPA CBC financial allocation to either Albania or Montenegro. In case a project is approved for financing, each Applicant will act as contracting party (the "Beneficiary") and sign a separate contract with the respective CA⁵.

According to the provisions of Article 96(3) of the IPA Implementing Regulation No 718/2007⁶, amended by Commission Regulation (EU) No 80/2010 of 28 January 2010, each Applicant shall assume the following responsibilities for the part of the action taking place in the respective country:

- It shall lay down the arrangements for its relations with the other partners participating in the action taking place in the respective country in an agreement comprising, *inter alia*, provisions guaranteeing the sound financial management of the funds allocated to the action, including the arrangements for recovering amounts unduly paid;
- It shall be responsible for ensuring the implementation of the action taking place in the respective country;
- It shall be responsible for transferring the European Union contribution to the other partners participating in the action taking place in the respective country;
- It shall ensure that the expenditure presented by the partners participating in the action taking place in the respective country has been paid for the purpose of implementing the action and corresponds to the activities agreed between the partners participating in the action.

The two Applicants from the participating countries shall ensure a close co-ordination among them in the implementation of the action.

Functional Lead Applicant

The two Applicants shall appoint among themselves a Functional Lead Applicant prior to the submission of the project proposal, which will be responsible for:

- the overall coordination of the project activities on both sides of the border;
- organising joint meetings of project partners, regular information exchange and correspondence;
- Responsible for reporting to the JTS and the CAs on the overall progress of the joint project.

The following **are not** partners and do not have to sign the “partnership statement”:

- **Associates**

Other organisations may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.1. The associates have to be mentioned in Part B section IV - “Associates of the Applicant participating in the Action” of the Grant Application Form.

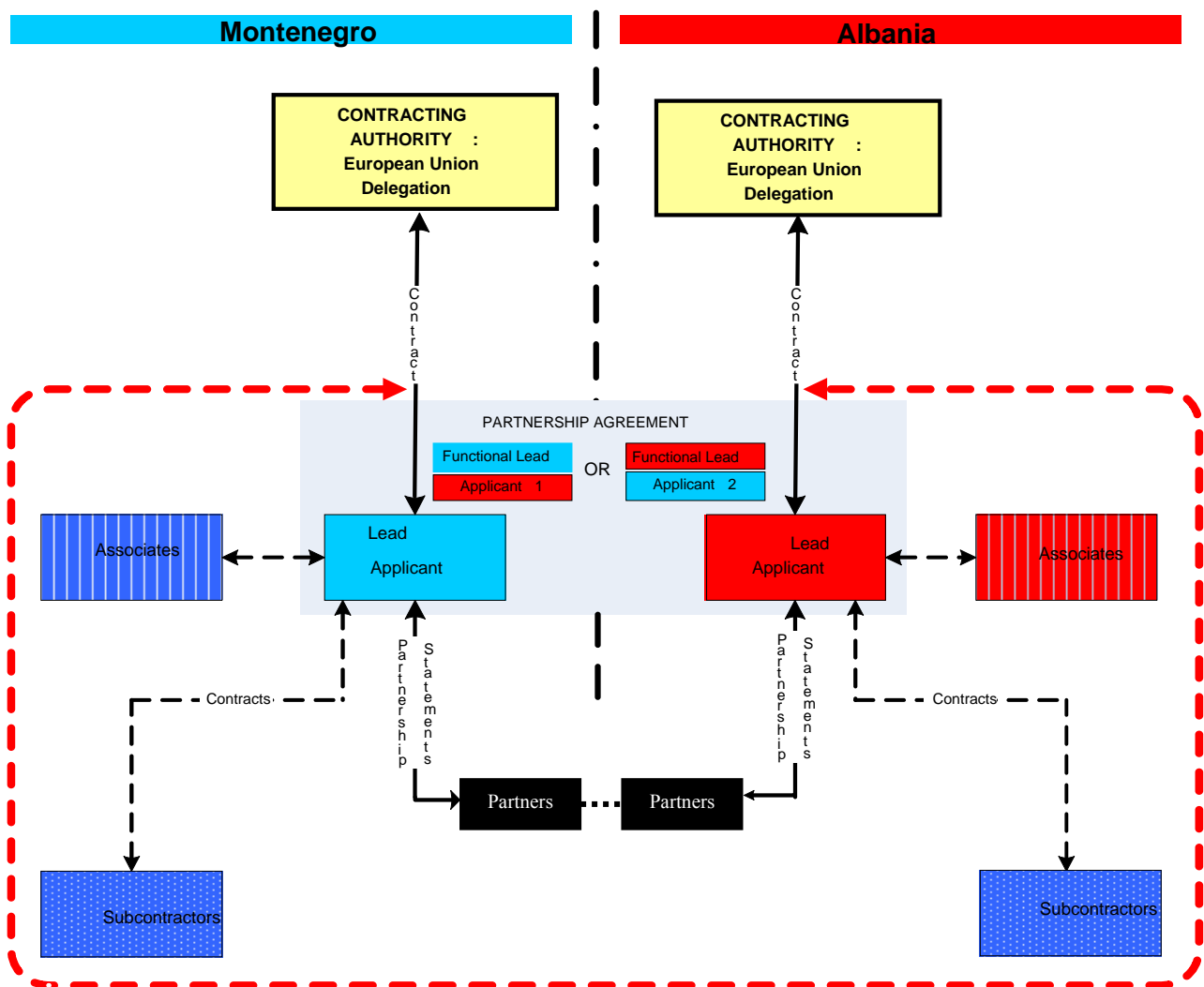
- **Subcontractors**

The grant beneficiaries have the possibility to award contracts to subcontractors. Subcontractors are neither partners nor associates, and are subject to the procurement rules set out in Annex IV to the standard grant contract.

The chart below illustrates the relationships between the various applicants/partners of a Cross-Border-Cooperation project:

⁵ The respective EU Delegation in Albania and in Montenegro.

⁶ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2007R0718:20100130:EN:PDF>



JOINT CBC PROJECT

2.1.3 Eligible actions: actions for which an application may be made

Definition: An action (or project) is composed of a set of activities.

The action must involve cross-border cooperation in order to be eligible, i.e. it must:

- take place in the Albanian and/or in the Montenegrin part of the programme area;
- have effect on both the Albanian and Montenegrin parts of the programme area;
- foresee cooperation of the two cross-border applicants and partners in at least one of the four following ways:
 - Joint project development: applicants and partners cooperate in designing the action, filling in a joint application form and drawing up their respective budget;
 - Joint financing: activities are financed from the applicants' and partners' budgets;
 - Joint staffing: staff on both sides of the border act as one project team;
 - Joint implementation: beneficiaries coordinate their activities across the border.

Duration

The planned duration of an action shall not be shorter than 6 (six) nor exceed 24 (twenty four) months.

Sectors or themes

Applicants will submit applications for actions falling under only one of the 3 priority measures described below:

MEASURE 1.1 - Economic development with an emphasis on tourism promotion

The specific objective of this measure is the promotion of economic development of the programming area through economic valorization of its tourist and cultural potentials.

This measure focuses mainly on actions supporting the promotion of the eligible area as a tourist destination.

The measure is based on the fact that the rich natural resources and favourable climate, as well as the cultural and historical sites in the two countries, are obvious economic opportunities. Tourism is therefore considered as a sector that can highly contribute to enhancing the economic development of the cross border region.

Actions will aim at creating favourable conditions for enhancing quality of services and products in the tourism sector and at strengthening the identity and the attractiveness of the eligible area, which also includes strengthening the cultural offer and promoting the regional agro-food products and handicrafts.

The programme shall encourage initiatives of modernising tourism services by developing joint business advisory services, stimulating regular interaction between businesses located across the cross-border region via: business-to-business networks; joint marketing and promotion on domestic and EU markets; enhancement of innovativeness by cooperation with educational organisations for innovation and vocational training services; selected investments in business infrastructure and promoting the area's image to potential investors and visitors, etc.

MEASURE 1.2 - Environment protection and promotion

The objective of this measure is to support joint initiatives and actions aimed at protecting, promoting and managing sensitive ecosystems and sustainable environmental development of the area.

There is great concern for the protection of natural resources in both sides of the border. Industrial pollution, poor waste and water management, use of agriculture pesticides, overfishing and illegal hunting, illegal constructions in urban and tourist areas are all elements that have already damaged and continue to be a serious threat to the sustainability of environment in this area. There is low level of awareness of population and business community on the importance of environmental matters.

This measure is a response to the existing concern for the protection of natural resources in the two countries. Therefore, the actions envisaged to take place under this measure shall seek to strengthen cross-border collaboration through joint activities designed to protect environment and the natural heritage.

The measure also supports cooperation of environment protection organisations for the preparation and implementation of management plans for eco-tourism sites, with a main but not exclusive focus on Shkodra Lake and its surroundings.

MEASURE 1.3 - Enhancing social cohesion through people-to-people actions

This measure aims at encouraging the citizens of the eligible area to get involved in a wide variety of initiatives for cooperation and partnership building. The people-to-people actions are expected to directly enhance the flow of information and communication across the bordering area.

Actions under this measure will intensively facilitate the strengthening of local communities, local institutions and NGOs and encourage these actors to engage in cross-border partnerships.

Actions under this measure shall eventually aim to bring people, local communities and civil society organisations of the border region closer to each other, supporting the exposure and promotion of local heritage through local exhibitions, support to craftsmanship and traditional production, development of culinary or aesthetic propensity, valorisation and recognition of the old traditions, etc.

Location

Actions must take place in the programme area⁷, which consists of the following eligible regions and municipalities:

Eligible regions in Albania	Eligible municipalities in Montenegro	Adjacent municipality in Montenegro
<p>1. Shkodër Region (including the following local government units: Municipality of Shkodër; Municipality of Vau i Dejës; Commune of Ana e Malit; Commune of Bushat; Commune of Bërdicë; Commune of Dajç; Commune of Gur i Zi; Commune of Hajmel; Commune of Postribë; Commune of Pult; Commune of Rrethina; Commune of Shalë; Commune of Temal; Commune of Shosh; Commune of Velipojë; Commune of Mnel-Vig; Commune of Shllak; Municipality of Koplík; Commune of Gruemirë; Commune of Kastrat; Commune of Këlmend; Commune of Qendër; Commune of Shkrel; Municipality of Pukë; Municipality of Fushë-Arrëz; Commune of Blerim; Commune of Iballë; Commune of Fierzë; Commune of Gjegjan; Commune of Qafë-Mali; Commune of Qelëz; Commune of Qerret; Commune of Rrapë)</p> <p>2. Kukës Region (including the following local government units: Municipality of Kukës; Commune of Bushtricë; Commune of Gryk-Cajë; Commune of Kalis; Commune of Shishtavec; Commune of Malzi; Commune of Surroj; Commune of Zapod; Commune of Ujmisht; Commune of Bicaj; Commune of Topojan; Commune of Shtiqën; Commune of Kolsh; Municipality of Krumë; Commune of Golaj; Commune of Gjinaj; Commune of Fajza; Municipality of Bajram Curri; Commune of Tropojë; Commune of Bytyq; Commune of Llugaj; Commune of Lekbibaj; Commune of Bujan; Commune of Markgegaj; Commune of Fierzë)</p>	<ol style="list-style-type: none"> 1. Budva 2. Berane 3. Andrijevica 4. Plav 5. Danilovgrad 6. Podgorica 7. Bar 8. Ulcinj 9. Cetinje 	<p>Rožaje</p>

⁷ Limited activities implemented outside the programme area can only be justified in exceptional cases, when the project can prove that it could achieve its objectives only through the implementation of those activities.

Types of actions

To be eligible, an action which may be financed under this Call **must** fulfil the following criteria:

- deliver a clear cross-border benefit;
- comply with national (Albanian and Montenegrin) legislation, especially related to national environment and nature protection legislation and national strategies for sustainable economic, tourism and agricultural development⁸;
- include partners from both sides of the border (see section 2.1.2);
- establish contacts and links between local communities in the programming area;
- support links between relevant institutions/organisations from both sides of the border;
- encourage equal participation by women and marginalized groups;
- be environmentally sustainable;
- make sure that all investments (e.g. infrastructure works) be carried out in compliance with the relevant Community environmental legislation. The procedures for Environmental Impact Assessment (EIA) as set down in the EIA-directive⁹ fully apply to all investment projects under IPA. If the EIA-directive has not yet been fully transposed, the procedures should be similar to the ones established in the above-mentioned directive. If a project is likely to affect sites of nature conservation importance, an appropriate nature conservation assessment shall be made, equivalent to that provided for in Article 6 of the Habitats Directive¹⁰.

The actions should relate to the objectives and measures as stated in section 1.2.

Types of activities

By way of illustration, projects could contain a range of activities which may be financed under this Call for proposals and which are indicated below. The following list is not exhaustive and appropriate innovative activities that are not mentioned below may also be considered for support.

Measure 1.1: Economic development with an emphasis on tourism promotion

- Support to joint innovative actions aiming at introducing new tourist practices;
- Establishing networks and associations for the purpose of achieving a coordinated development of joint entrepreneurial activities;
- Know-how transfer for improving knowledge and skills of people in entrepreneurship, new technologies, marketing, promotion;
- Joint activities for the development of basic infrastructures for protection of historical, cultural, artistic, and linguistic heritage in the cross-border area;
- Marketing and joint activities to enhance typical products in the cross-border area;
- Development of activities aiming at supporting the cooperation between SMEs, education, research and development organisations for improving business innovativeness and technology;
- Joint vocational/adult training projects addressing market demand and sectoral needs skills;
- Research studies to identify market gaps, market opportunities, high value products, dissemination of results across border region;

⁸ Including, but not limited to: The Regional Development Strategies for each region in Albania; the National Strategy for Development and Integration (NSDI), the Decentralization Strategy for Albania; etc.

⁹ Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment (OJ L 175, 5.7.1985, p. 40. Directive as last amended by Directive 2003/35/EC, OJ L 156, 25.6.2003, p. 17.

¹⁰ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L206, 22.7.1992). Directive as last amended by Regulation (EC) No 1882/2003 (OJ L284, 31.10.2003, p. 1)

- Joint initiatives for establishing cross-border clusters (e.g. multi-media, tourism, ICT, food processing, electronics, biotechnology);
- Stimulate use of ICT in production, for tourism information and marketing and management of SMEs;
- Support to re-building or up-grading of small-scale tourism infrastructure (walking paths, cycle routes, equipping visitor centres, information points, networking tourism centres, etc.).

Measure 1.2: Environment protection and promotion

- Support to integrated protection and management of sensitive ecosystems and good use of surface waters, giving priority to the protection of Shkodra Lake basin;
- Support to the development of integrated environmental monitoring systems and databases;
- Actions designed to reduce negative effects on environment and encourage environmentally-friendly economic activities;
- Support to the improvements of the waste water and solid waste disposal systems, aiming at protecting the area from the on-going pollution;
- Actions designed to prevent and manage natural disasters and man-made environmental hazards;
- Cross-border cooperation between organisations involved in environmental protection and management of protected sites;
- Actions designed to deal jointly with pollution in the eligible region;
- Cooperation on the matters pertaining to the provision of information and awareness rising of the population about the importance, protection and promotion of the environment and natural heritage;
- Preparation of feasibility studies and other technical documentation for large-scale infrastructure interventions, to be financed by sources other than this Programme;
- Environmental strategic impact assessment studies;
- Environmental remediation activities.

Measure 1.3: Enhancing social cohesion through people-to-people actions

- Actions to improve the flow of information and communication between border regions;
- Local cultural exchanges;
- Support to the fight against social exclusion;
- Support to the joint programmes based on utilization of multiethnic assets;
- Education and training initiatives;
- Support to the joint health protection related activities;
- Youth exchange activities from both sides of the border;
- Organization of local exhibitions or fairs;
- Promotional events for cultural heritage or natural attractions;
- Bilateral actions for the joint solution of common social problems;
- Support to the introduction of EU practices and models for promoting health in schools and building sustainable health protection awareness system in particular for vulnerable and Roma groups.

The following types of actions are ineligible:

- Actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences, congresses;
- Actions concerned only or mainly with individual scholarships for studies or training courses;
- Actions only and mainly aimed at the upgrading of infrastructure and equipment in publicly and privately owned facilities;
- Actions without cross-border impact;

- Actions that have the purpose or effect of producing a profit¹¹ for the beneficiary; during the duration / implementation of the project
- Actions linked to political parties;
- Actions which fall within the general activities of competent state or regional institutions or administration services, including local government;
- Actions with provisions for financing the usual (routine) activities of the national, regional and local operators, especially covering their running costs;
- Actions confined to charitable donations;
- Actions started before the signature of the grant contracts;
- Actions covered by other European Union programmes;
- Actions related to:
 - the tobacco industry (CAEN code 16);
 - production of alcoholic distilled beverages (CAEN code 1591);
 - arms and munitions (CAEN code 296).

Number of applications and grants per applicant

An applicant may submit more than one application under this Call for proposals.

An applicant shall not be awarded more than two grants under this Call for proposals, limited to maximum one per measure.

An applicant may at the same time be partner in another application.
Partners may take part in more than one application.

In all cases, the capacity of an organisation (applicant or partner) to implement more than one grant will be assessed.

2.1.4 Eligibility of costs: costs which may be taken into consideration for the grant

Only “eligible costs” can be taken into consideration for a grant. The categories of costs considered as eligible and non-eligible are indicated below. The budget is both a cost estimate and a ceiling for “eligible costs”. Note that the eligible costs must be based on real costs grounded upon and justified with supporting documents (except for subsistence costs and indirect costs where flat-rate funding is applied).

As a general rule, amounts included in the budget should always indicate a unit rate and a number of units. Applicants are advised against the use of global sums. However, the applicants may request global sums in well justified cases.

Recommendations to award a grant are always subject to the condition that the checking process which precedes the signing of the contract does not reveal problems requiring changes to the budget (for instance arithmetical errors, inaccuracies or unrealistic costs and ineligible costs). The checks may give rise to requests for clarification and may lead the CAs to impose modifications or reductions to address such mistakes or inaccuracies. The amount of the grant and the percentage of EU financing (size of grant) as a result of these corrections shall not be increased.

It is therefore in the applicant's interest to provide **a realistic and cost-effective budget**, clearly and explicitly referring, whenever appropriate, to concrete activities and outputs.

¹¹ According to article 165 of the Commission Regulation (EC) no 2342/2002 (Implementing rules of the Financial Regulation), profit shall be defined as a surplus of receipts over the costs of the action in question when the request is made for final payment of a grant for an action. Lump-sums and flat-rate financing should be established in such a way as to exclude a priori a profit.

The European Union places a great deal of importance to the visibility of the Operation. Therefore the applicants are encouraged to set aside some financial resources for marking of buildings, goods, locations, etc. with the EU logo as well as for brochures or other visibility activities such as reasonable costs associated with opening ceremonies and other such events. For more information on requirements for visibility please visit http://ec.europa.eu/europeaid/work/visibility/index_en.htm

Even though conducting an expenditure verification (audit) is not obligatory when the financing provided by the CA does not exceed € 100,000, the applicants are strongly recommended to allocate part of the budget envisaged for this activity.

When the financing provided by the CA exceeds € 100,000, conducting an expenditure verification (audit) is obligatory. A report on the verification of the action's expenditure, produced by an approved auditor who meets the specific conditions of the Terms of Reference for the expenditure verification, shall be produced in accordance with the provisions of article 15.6 of the General Conditions applicable to European Union-financed grant contracts for external actions (see annexes).

Eligible direct costs

To be eligible under the Call for proposals, costs must comply with the provisions of Article 14 of the General Conditions to the Standard Grant Contract (see Annex D of the Guidelines).

Eligible costs are costs actually incurred by the beneficiary of this grant which meet all the following criteria:

- they are incurred during the implementation of the action as specified in Article 2 of the Special Conditions (see annex D of these Guidelines) with the exception of costs relating to final reports, expenditure verification and evaluation of the action, whatever the time of actual disbursement by the Beneficiary and/or its partners. Procedures to award subcontracts for goods/services/works used/provided/delivered during the implementation period, as referred to in the article 1.3 paragraph 3 of the General Conditions (see also annex D), may have been initiated but contracts may not be concluded by the Beneficiary or its partners before the start of the implementation period of the Action, provided the provisions of Annex IV (see as well annex D) were respected,
- must be indicated in the estimated overall budget of the action,
- must be necessary for the implementation of the action which is the subject of the grant,
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary,
- must be reasonable, justified and compliant with the requirements of sound financial management, in particular regarding economy and efficiency.

Subject to the above, the following direct costs of the Beneficiaries and their partners shall be eligible:

- The cost of staff assigned to the action, corresponding to actual salaries plus social security charges and other remuneration-related costs; **salaries and costs must not exceed those normally borne by the Beneficiary or his partners**, as the case may be, unless it is justified by showing that it is essential to carry out the action;
- Travel and subsistence costs for staff and other persons taking part in the action, provided they do not exceed those normally borne by the Beneficiaries or their partners, as the case may be. Any flat-rate reimbursement of the subsistence costs must not exceed the rates set out in Annex III of the Standard Grant Contract (see Annex D), which correspond to the scales published by the European Union at the time of signing of the contract;
- Purchase costs for supplies and new equipment and rental costs for equipment and supplies specifically for the purposes of the Action, and costs of services, provided they correspond to market rates;
- Costs of consumables;
- Subcontracting expenditure or costs originating from the organisation of seminars, workshops, conferences, fairs or any other public event;
- Costs arising directly from the requirements of the contract (dissemination of information, evaluation specific to the action, audits, translation, printing, insurance, etc.);

- Costs of local office and public utilities (in case of rent especially for the needs of the project);
- Costs for site supervision during the implementation of the works contracts;
- The purchase of land for an amount up to 10% of the total eligible costs of the action;
- Cost of studies elaborated within the project implementation such as feasibility studies, geotechnical, topographical, hydrological, market and other site studies, business plans, preparation of the works tender documentation, etc.;
- Value added taxes, if the following conditions are fulfilled:
 - they are not recoverable by any means;
 - it is established that they are borne by the final beneficiary; and
 - they are clearly identified in the project proposal.
- Charges for trans-national financial transactions;
- Where the implementation of an operation requires a separate account or accounts to be opened, the bank charges of opening and administering the accounts;
- Legal consultancy fees, notaries fees, costs of financial experts, and accountancy and audit costs, if they are directly linked to the co-financed operation and are necessary for its implementation;
- The costs of guarantees provided by a bank or other financial institutions, to the extent that the guarantees are required by national or EU legislation;

Contingency reserve

A contingency reserve not exceeding 5% of the direct eligible costs may be included in the Budget of the Action. It can only be used with the **prior written authorisation** of the Contracting Authority.

Eligible indirect costs (overheads)

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding fixed at not more than 7% of the total eligible direct costs.

Indirect costs are eligible provided that they do not include costs assigned to another heading of the Budget of the grant contract. The applicant may be asked to justify the requested percentage before contracting. However, once the flat-rate has been fixed in the special conditions of the grant contract, no supporting documents need to be provided.

If the applicant is in receipt of an operating grant financed from the EU budget, no indirect costs may be claimed within the proposed Budget for the Action.

Contributions in kind

Contributions in kind are not considered actual expenditure and are not eligible costs. The contributions in kind shall not be treated as co-financing by the Beneficiaries.

The cost of staff assigned to the Action is not a contribution in kind and may be considered as co-financing in the Budget of the Action when paid by the Beneficiaries or their partners.

Notwithstanding the above, if the description of the action as proposed by the Beneficiary foresees contributions in kind, such contributions have to be provided.

Ineligible costs

The following costs **are not eligible**:

- (a) taxes, except for value added taxes if the following conditions are fulfilled:
 - (i) they are not recoverable by any means;
 - (ii) it is established that they are borne by the final beneficiary; and
 - (iii) they are clearly identified in the project proposal;
- (b) customs and import duties, or any other charges;

- (c) purchase, rent or leasing of land and existing buildings (except for the purchase of land for an amount below 10 % of the total eligible costs in which case ownership must be transferred to the final beneficiaries and/or local partners, at the latest by the end of the action;
- (d) items already financed in another framework;
- (e) costs associated to activities carried out before the commencement date of the action;
- (f) operating costs, except for overheads, provided they are based on real costs attributable to the implementation of the operation concerned;
- (g) second hand equipment;
- (h) costs for any preparatory study or the preparation of preliminary design for works to be carried out before the commencement date of the action ;
- (i) fines, financial penalties and expenses of litigation;
- (j) bank charges, costs of guarantees and similar charges, except for:
 - charges for transnational financial transactions;
 - the bank charges for opening and administering the accounts, where the implementation of an operation requires a separate account or accounts to be opened;
 - the cost of guarantees provided by a bank or other financial institutions, to the extent that the guarantees are required by national or Community legislation;
- (k) conversion costs, charges and exchange losses associated with any of the component specific euro accounts, as well as other purely financial expenses;
- (l) contributions in kind;
- (m) credits to third parties;
- (n) interest on debt;
- (o) debts and provisions for losses or debts.

Please note that:

The Grants shall not have the purpose or effect of producing profit for the beneficiaries and partners as the direct result of the operations / activities financed under the Grant during the period of their implementation.

Civil servants or other public employees of the central, regional and local administrations which participate under this Call for proposals may not receive fees for their contribution to the action other than their standard, regular salaries in the respective institution. The salaries of the civil servants or other public employees of the central, regional and local administrations involved in the action may be presented as co-financing contribution of the applicants up to the percentage of co-financing required for the action.

2.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

The applicants and partners may register their organisation/institution data, and upload supporting documents in PADOR. Please note that the prior registration in PADOR¹² for all applicants and their partners for this Call for proposals is highly **recommended, but not obligatory**.

PADOR is an on-line database in which organisations register themselves and update regularly their data, through the EuropeAid website.

In PADOR, the organisations introduce the same data that is requested in the chapters II (for the main applicants) and III (for the partners of the main applicants) of the paper application form. This data concerns the organisation itself and it is not linked to the project proposal.

Before starting the registration of your organisation in PADOR, please read the "Quick guide" available on the website. It explains the registration process.

In case of registration in PADOR, you have to indicate on the paper version of the proposal the EuropeAid ID. To get this identification, your organisation must register, submit and save (committing your responsibility) in PADOR obligatory data and the related documents (see section 2.4).

2.2.1 *Application form*

Applications must be submitted in accordance with the instructions on the Grant Application Form annexed to these Guidelines (Annex A). Applicants must fill in the Grant Application Form jointly. Applicants should keep strictly to the format of the application and fill in the paragraphs and the pages in order. Applicants are requested to provide budget estimates with amounts rounded to two decimals.

Applicants must apply in English, which is the language of this Call for proposals and the Programme.

Hand-written applications will not be accepted.

Any error, major discrepancy or major inconsistency in the Application Form and its annexes (e.g. the amounts mentioned in the budget are inconsistent with those mentioned in the application form) may lead to the rejection of the application.

Clarifications will only be requested when information provided is unclear or inconsistent, thus preventing the body responsible for the evaluation of applications from conducting an objective assessment.

Please note that only the Application Form and the published annexes which have to be filled in (budget, logical framework) will be evaluated. It is therefore of utmost importance that these documents contain all relevant information concerning the action.

VERY IMPORTANT: in the application form, objectives and activities must be clearly identified (who does what). Results shall be directly and clearly related to the relevant activities, as well as clearly identified in terms of quality and quantity. The proposed budget shall reflect clearly the activities and the means foreseen for the implementation of the action.

The following are the documents which must be submitted as an application for a grant in the first place:

¹² For further information on PADOR, please consult the following website:
http://ec.europa.eu/europeaid/work/onlineservices/pador/index_en.htm
Helpdesk for questions related to the functioning of PADOR:
Europeaid-ON-LINE-REGISTRATION-HD@ec.europa.eu

ANNEX A: GRANT APPLICATION FORM (EXCEL FORMAT)¹³, INCLUDING THE BUDGET (EXCEL FORMAT) AND THE LOGICAL FRAMEWORK (EXCEL FORMAT)

CURRICULUM VITAE FOR PROJECT MANAGERS (WORD FORMAT)

SUPPORTING DOCUMENTS

The Application Form and the entire Application package are available at:

- the website of the Ministry of Integration in Albania (<http://www.mie.gov.al>);
- the website of the Ministry of Foreign Affairs and European Integration in Montenegro (www.mip.gov.me);
- the CBC forum website (<http://www.cbc-mne.org>);
- the website of the EuropeAid (http://ec.europa.eu/europeaid/work/funding/index_en.htm)
- the programme website www.albania-montenegro.org

Despite the fact that only one Application Form is submitted, in the description of the action it should be clear which activities are implemented on each side of the border, by each applicant (or partners), as well as the contribution of each applicant and partner in each expected result and output.

The applicants will attach to the application form the CVs of the project managers to be recruited by the applicants. The CV format must be the Euro pass English standard CV which can be downloaded at: <http://europass.cedefop.europa.eu/europass/home/hornav/Downloads/EuropassCV/CVTemplate.csp> and is annexed in the Application package.

The Declaration by the Applicant must be signed and stamped by each applicant separately (Sections VI.A and VI.B of Part B of the Grant Application Form).

Both Applicants must sign and stamp the joint Partnership Agreement between Applicants (Section VI.C of Part B of the Grant Application Form).

When an applicant has its respective partners, the Partnership Statements (Section III.2 of Part B of the Grant Application Form) must be signed and stamped by both the applicant and each of its partners.

Please make sure that **all above documents** are signed by the legally authorized representative of the relevant institution or organization.

Applicants must verify that the project proposal is complete on the basis of the checklist which is part of the application form (worksheet "V Checklist") and that the signatures and official stamps, where required, are well visible and recognizable on both the original and the copies. **Incomplete applications may be rejected.**

Applications must be submitted in two originals and two copies in A4 size, each bound. The complete application form (integrated single excel file) must also be supplied in electronic format (CD) in a unique file (e.g. the application form must not be split into several different files). The electronic format must contain **exactly the same** application as the paper version enclosed. In case of any discrepancy, the paper version will prevail.

¹³ This annex is an integrated excel document, which comprises of several different worksheets. Logical framework matrix and Budget are parts of this integrated document.

2.2.2 Submission of supporting documents

In order to allow the JMC, JSC and CAs to verify the eligibility of the applicants and their partners, the applicants are requested to submit the following documents together with the Application Form and its annexes:

1. The statutes or articles of association of the applicants and of each partner organisation. Where an applicant and/or (a) partner(-s) is a public body created by a law, a copy of the said law must be provided.

This obligation does not apply to international organisations which have signed a framework agreement with the European Commission. A list of the relevant framework agreements is available at the following address:

http://ec.europa.eu/europeaid/work/procedures/implementation/international_organisations/index_en.htm

2. Copy of the applicants' latest accounts (the profit and loss account and the balance sheet for the previous financial year for which the accounts have been closed). For organization registered in Albania such documents must be certified by an independent external auditor.

This obligation does not apply to public bodies nor to international organisations. It does not apply either when the accounts are in practice the same documents as an external audit report. In the latter case, this report must be submitted.

3. Legal Entity Sheet (see annex B of these Guidelines) duly completed and signed by the applicants, accompanied by the justifying documents which are requested therein. If any of the applicants has already signed a contract with the CA, instead of the legal entity sheet and its supporting documents, the legal entity number as well as the copy of the previous legal entity sheet, may be provided, unless a change in its legal status occurred in the meantime.

4. Financial Identification Form (see Annex C of these Guidelines), certified by the bank to which the payments will be made. This bank must be located in the country where the applicant is registered. If the applicant has already signed a contract with the European Commission or where the European Commission has been in charge of the payments of a contract, a copy of the previous financial identification form may be provided instead, unless a change in its bank account occurred in the meantime.

5. Work documentation – when applicable

For all the applicants whose application involves the execution of works, the following documents will be required in addition to the aforementioned ones:

- Positive Decision on Environmental Impact Assessment or a statement from the relevant public authority that the latter is not needed for the specific activities;
- Proof of ownership or long term lease (10 years after the signature of the contract) of the land /assets;
- Preliminary works design or detailed works design;
- All necessary legal authorisations (e.g. location and construction permits);
- Indicative priced bill of quantities – calculated in EUR.

Where the requested supporting documents are not uploaded in PADOR, they must be supplied in the form of originals, photocopies or scanned versions (i.e. showing legible stamps, signatures and dates) of the said originals.

However, the Legal Entity Sheet and the Financial Identification Form must always be submitted in original.

Where such documents are not in one of the official languages of the European Union **a translation in English or in the language of the country where the action is implemented of the relevant parts of**

these documents, proving the applicant's eligibility, must be attached and will prevail for the purpose of analysing the application.

Where these documents are in an official language of the European Union other than English and other than **the language of the country where the action is implemented**, it is **strongly** recommended, in order to facilitate the evaluation, to provide as well a translation of the relevant parts of the documents, proving the applicant's eligibility, into English.

If the abovementioned supporting documents are not provided by the submission deadline indicated in section 2.2.3, the application may be rejected.

2.2.3 Where and how to send the Applications

Applications must be submitted in a sealed envelope by registered mail, private courier service or by hand-delivery (a signed and dated certificate of receipt will be given to the deliverer) at the address below:

Joint Technical Secretariat
Cross-Border Programme Albania-Montenegro
Rruga: "13 Dhjetori, ", No. 1 Godina e Bashkise, Kati IV
Shkodër, Albania

Applications sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses **will be rejected**.

The Checklist (worksheet *V Checklist* of the Grant Application Form) and the Declarations by the applicants (worksheets *VI Declaration App 1* & *VI Declaration App 2* of the Grant Application Form) must be stapled separately and enclosed in the envelope.

Where an applicant sends several different applications, each one has to be sent separately.

The outer envelope must bear the following pieces of information:

- **publication reference number of the Call for proposals,**
- **the title of the Call for proposals,**
- **the number and title of the component (Measure no. and Measure title),**
- **the full name and address of the Lead functional applicant,** and
- the words "Not to be opened before the opening session" and in Albanian "Të mos hapet përpara sesionit të hapjes së aplikimeve" or in Montenegrin "Ne otvarati prije početka sastanka za otvaranje prijedloga projekata".

2.2.4 Deadline for submission of Applications

The deadline for the submission of applications is **03 December 2012**, as evidenced by the date of dispatch, the postmark or the date of the deposit slip. In the case of hand-deliveries, the deadline for receipt is **at 16.00 hours local time**, as evidenced by the signed and dated receipt issued by the Joint Technical Secretariat.

Any application submitted after the deadline will automatically be rejected. However, for reasons of administrative efficiency, the body responsible for evaluation may reject any application received after the effective date of the submission of the Report on Opening, Administrative and Eligibility Check to the two EU Delegations in Tirana and Podgorica.

2.2.5 Further information for the Applicants

The date, time and place of the information sessions on this Call for proposals will be published on the websites of the Albanian Ministry of Integration: <http://www.mie.gov.al>, and the Montenegrin Ministry of Foreign Affairs and European Integration: www.mip.gov.me, as well as on the CBC online forum: www.cbc-mne.org and programme website www.albania-montenegro.org.

Questions may be sent by e-mail or by fax no later than 21 days before the deadline for the submission of applications to the address below, indicating clearly the reference of the Call for proposals:

E-mail address: jts.almne@gmail.com

Fax: +355 222 400 215

The Contracting Authorities will reply no later than 11 days before the deadline for the submission of applications. The CAs have no obligation to provide further clarifications after this date.

In the interest of equal treatment of applicants, the Contracting Authorities cannot give a prior opinion on the eligibility of an applicant, a partner, an action or specific activities.

Questions that may be relevant to other applicants, together with the answers, will be published on the websites of the Albanian Ministry of Integration: <http://www.mie.gov.al>, and the Montenegrin Ministry of Foreign Affairs and European Integration: www.mip.gov.me, as well as on the CBC online forum: www.cbc-mne.org and programme website www.albania-montenegro.org and EuropeAid website: http://ec.europa.eu/europeaid/work/procedures/index_en.htm. It is therefore highly recommended to regularly consult the abovementioned websites in order to be informed of the questions and answers published.

2.3 EVALUATION AND SELECTION OF APPLICATIONS

The evaluation and selection of applications under the Programme is the responsibility of the Joint Monitoring Committee (JMC), composed of representatives of the participating countries. The JMC may delegate the evaluation to a Joint Steering Committee (JSC) with the possible assistance of external assessors. Both committees are assisted in their tasks by the Joint Technical Secretariat (JTS), which will administer the process of evaluation and selection of proposals.

All applications submitted by applicants will be assessed according to the following steps and criteria:

(1) STEP 1: OPENING SESSION, ADMINISTRATIVE AND ELIGIBILITY CHECK

The following will be assessed:

- The submission deadline has been respected. If the deadline has not been respected, the application will automatically be rejected on that sole basis.
- The application satisfies all the criteria specified in the relevant points of the Checklist (Section V of part B of the Grant Application Form). If any of the requested administrative information/documents is missing or is incorrect, the application may be rejected on that **sole** basis and the application might not be evaluated further.
- All supporting documents have been submitted. The Declaration by the applicants (Section VI.A and VI.B of part B of the grant application form of the Grant Application Form) will be cross-checked with the supporting documents provided by the applicants. Any missing supporting document or any incoherence between the Declaration by the applicants and the supporting documents may lead to the rejection of the application on that sole basis.

- The eligibility of the applicant, the partners and the action will be verified according to the criteria set out in sections 2.1.1, 2.1.2 and 2.1.3. If any of the eligibility criteria is not satisfied, the application will be rejected on that sole basis.

Following the opening session and the administrative and eligibility check, the JMC or the JSC will send a letter to all applicants, indicating whether their application was submitted prior to the deadline, informing them of the reference number they have been allocated, whether they have satisfied all the criteria mentioned in the checklist and whether they have been recommended for further evaluation.

Note: If the body responsible for the evaluation of the applications discovers in any step that the applicants, the partners or the action do not meet the eligibility criteria, the application may be rejected in any moment of the evaluation process.

(2) STEP 2: EVALUATION OF THE FULL APPLICATION

An evaluation of the quality of the applications, including the proposed budget, and of the capacity of the applicants and their partners, will be carried out in accordance with the evaluation criteria set out in the Evaluation Grid included below. There are two types of evaluation criteria: selection and award criteria.

The selection criteria are intended to help evaluate the applicants' and partners' financial and operational capacity to ensure that they:

- have stable and sufficient sources of finance to maintain their activity throughout the period during which the action is being carried out and, where appropriate, to participate in its funding;
- have the management capacity, professional competencies and qualifications required to successfully complete the proposed action.

The award criteria allow the quality of the applications submitted to be evaluated in relation to the set objectives and priorities, and grants to be awarded to actions which maximise the overall effectiveness of the Call for proposals. They enable the selection of applications which the CA can be confident will comply with its objectives and priorities and guarantee the visibility of the EU financing. They cover such aspects as the relevance of the action, its consistency with the objectives of the Call for proposals, quality, expected impact, sustainability and cost-effectiveness.

If the examination of the application reveals during this step that the proposed action does not meet the eligibility criteria stated in paragraph 2.1.3 above, the application shall be rejected on this sole basis.

Scoring:

The evaluation criteria are divided into sections and subsections. Each subsection will be given a score between 1 and 5 in accordance with the following guidelines: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

Evaluation Grid

Section	Maximum Score
SELECTION CRITERIA	20
1. Financial and operational capacity	20
1.1 Do the applicants and, if applicable, partners have sufficient experience of project management ?	5
1.2 Do the applicants and, if applicable partners have sufficient technical expertise ? (notably knowledge of the issues to be addressed by the project proposal)	5
1.3 Do the applicants and, if applicable, partners have sufficient management capacity ? (including staff, equipment and ability to handle the budget for the action)?	5
1.4 Do the applicants have stable and sufficient sources of finance ?	5
AWARD CRITERIA	80
2. Relevance	30
2.1 How relevant is the proposal to the objectives and one or more of the priorities of the Call for proposals? Note: A score of 4 (good) will only be allocated if the proposal specifically addresses at least one measure .	5

Note: A score of 5 (very good) will only be allocated if the proposal, in addition to address a least one measure, contains specific added-value elements, such as, for instance, promotion of gender equality and equal opportunities.	
2.2 How relevant to the particular needs and constraints of the target territorial units in Albania and Montenegro is the proposal? (including synergy with other EC initiatives and avoidance of duplication)	5
2.3 How clearly defined and strategically chosen are those involved (final beneficiaries, target groups)? Have their needs been clearly defined and does the proposal address them appropriately? Does the application address the needs of the target groups on both sides of the border?	5
2.4 Does the proposal involve genuine cross-border cooperation (at least one of the following: joint development, joint staffing, joint implementation, joint financing)? Proposals with more than one form of cooperation and convincing cross-border partnership (joint development, joint financing, joint staffing and joint implementation) will receive higher score.	5 x 2
2.5 Are the activities proposed likely to have a clear cross-border benefit?	5
3. Methodology	25
3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	5
3.2 How coherent is the overall design of the action? (in particular, does it reflect the analysis of the problems involved, take into account external factors and anticipate an evaluation?)	5
3.3 Is the applicants' and partners' level of involvement and participation in the action satisfactory? How well is the cross-border partnership organised?	5
3.4 Is the action plan clear and feasible?	5
3.5 Does the proposal contain objectively verifiable indicators for the outcome of the action?	5
4. Sustainability	15
4.1 Is the action likely to have a tangible impact on its target groups?	5
4.2 Is the proposal likely to have multiplier effects ? (including scope for replication and extension of the outcome of the action and dissemination of information)	5
4.3 Are the expected results of the proposed action sustainable : - financially (<i>how will the activities be financed after the funding ends?</i>) - institutionally (<i>will structures allowing the activities to continue be in place at the end of the action? Will there be local "ownership" of the results of the action?</i>) - at policy level (where applicable) (<i>what will be the structural impact of the action — e.g. will it lead to improved legislation, codes of conduct, methods, etc?</i>) - environmentally (if applicable) (<i>will the action have a negative/positive environmental impact?</i>)	5
5. Budget and cost-effectiveness	10
5.1 is the ratio between the estimated costs and the expected results satisfactory?	5
5.2 Is the proposed expenditure necessary for the implementation of the action?	5
Maximum total score	100

Note on Section 1. Financial and operational capacity

If the total average score is less than 12 points for section 1, the application will be rejected.

Project assessors will assign a score of at least 3 points in **experience of project management** when the applicants meet the following minimum requirement:

- The applicants individually have project management experience in the relevant thematic sector (worksheet 2.2 *Sectors* of the Application Form) for a minimum duration of one year within the last five years (from 2007 onwards), and each one has managed at least one project within those last five years for a minimum accumulated amount falling at least within the range of € 30,000 to € 300,000.(applicants under measure 1.1 and 1.2) and within a range of € 20.000 to € 150.000 (applicants under measure 1.3).

Project assessors will assign a score of at least 3 points in **technical expertise** if, in worksheet 2.2 *sectors* of the Application Form, each applicant has marked those thematic sectors that are related to the thematic areas of this Call for proposals (education, water supply and sanitation, government and civil society, conflict prevention and resolution, peace and security, other social infrastructure and services, trade and tourism, general environment protection, and other multi-sector).

Project assessors will assign a score of at least 3 points in **management capacity** when each applicant meets the following minimum requirement:

- The applicant has a number of paid staff (see section 3.3.3 at the worksheet 3.3 Resources of the Application Form) of at least 2 to 5 in their headquarters during the last calendar year (i.e. 2011).

Project assessors will assign a score of at least 3 points in **stable and sufficient sources of finance** when each applicant meets the following:

- The applicant shows in section 3.3.1 at the worksheet 3.3 Resources of the Application Form a minimum turnover or equivalent of at least 30% of the grant requested from the respective Contracting Authority during year N, i.e. 2011.

Note on Section 2. Relevance

If the total average score is less than 20 points for section 2, the application will be rejected.

Provisional selection

Following the evaluation, a table listing the applications ranked according to their score and within the available financial envelope will be established as well as a reserve list following the same criteria.

2.4 NOTIFICATION OF THE CONTRACTING AUTHORITY’S DECISION

2.4.1 Content of the decision

Based on the ranking list of scores, the JMC will make a final recommendation to the CAs which will decide on the award of grants. Applicants will be informed in writing of the Contracting Authorities decision concerning their application and, in case of rejections, the reasons for the negative decision. The letters to the successful applicants will be sent within 15 days of the award decision and letters to the unsuccessful applicants within a further 15 days of the dispatch of award letters.

In the event that the Contracting Authorities could not draw a contract with any of the applicants who were awarded a grant or after budgetary revision of the applications which received an award some funds are freed, the next best placed application(-s) in the reserve list that falls within the available envelope could receive a grant award.

Applicants believing that they have been harmed by an error or irregularity during the award process may file a complaint to the Contracting Authority directly. The Contracting Authority must reply within 90 days of receipt of the complaint (*see further Section 2.4.15 of the “Practical Guide to Contract procedures for EC external actions”*).

2.4.2 Indicative time table

	DATE (dd.mm.yyyy)	TIME*
Information sessions	Date and time to be announced after the launch of this Call for proposals	
Deadline for request for any clarifications from the Contracting Authority (CA)	12 November 2012	16.00
Last date on which clarifications are issued by the CA	22 November 2012	16.00
Deadline for submission of project proposals	03 December 2012	16.00
Information to applicants on the opening,	March 2013	

administrative and eligibility check (step 1)		
Information to applicants on the evaluation of the Full Application Form (step 2) and notification of award	May 2013	
Contract signature	July 2013	

Provisional time. All times are in the time zone of the country of the Contracting Authority.

This indicative timetable may be updated by the JSC during the procedure. In such case, the updated timetable shall be published on the websites of the Albanian Ministry of European Integration: <http://www.mie.gov.al> and Montenegro Ministry of Foreign Affairs and European Integration www.mip.gov.me, as well as on the programme website www.albania-montenegro.org and CBC online forum www.cbc-mne.org.

2.5 CONDITIONS APPLICABLE TO IMPLEMENTATION OF THE ACTION FOLLOWING THE CONTRACTING AUTHORITY'S DECISION TO AWARD A GRANT

Following the decision to award a grant, the Beneficiary will be offered a contract based on the Contracting Authorities standard contract (see Annex D of these Guidelines). By signing the application form (Annex A of these Guidelines), the applicant declares accepting, in case where it is awarded a grant, the contractual conditions as laid down in the Standard Contract.

If the successful applicant is an international organisation, the model Contribution Agreement with an international organisation or any other contract template agreed between the international organisation concerned and the CA will be used instead of the standard grant contract provided that the international organisation in question offers the guarantees provided for in article 53d (1) of the Financial Regulation, as described in Chapter 7 of the Practical Guide to contract procedures for EC external actions.

Implementation contracts

Where implementation of the action requires the Beneficiary to award procurement contracts, it must award the contract to the tenderer offering the best value for money, that is to say, the best price-quality ratio, in compliance with the principles of transparency and equal treatment for potential contractors, care being taken to avoid any conflict of interests. To this end, the Beneficiary must follow the procedures set out in Annex IV to the Contract.

2.6 EARLY WARNING SYSTEM AND CENTRAL EXCLUSION DATABASE

The applicants and, if they are legal entities, persons who have powers of representation, decision-making or control over them, are informed that, should they be in one of the situations mentioned in:

- the Commission Decision of 16.12.2008 on the Early Warning System (EWS) for the use of authorising officers of the Commission and the executive agencies (OJ, L 344, 20.12.2008, p.125) or
- the Commission Regulation of 17.12.2008 on the Central Exclusion Database (CED) (OJ L344, 20.12.2008, p.12),

their personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the EWS only or both in the EWS and CED, and communicated to the persons and entities listed in the above-mentioned Decision and Regulation, in relation to the award or the execution of a grant agreement or decision.

3. LIST OF ANNEXES

DOCUMENTS TO BE COMPLETED

ANNEX A: GRANT APPLICATION FORM (EXCEL FORMAT)

ANNEX B: LEGAL ENTITY SHEET (PDF FORMAT)

ANNEX C: FINANCIAL IDENTIFICATION FORM (PDF FORMAT)

DOCUMENTS FOR INFORMATION

ANNEX D: GRANT CONTRACT FOR “EXTERNAL ACTIONS OF THE EUROPEAN UNION”

- ANNEX II: GENERAL CONDITIONS APPLICABLE TO EUROPEAN COMMUNITY-FINANCED GRANT CONTRACTS FOR EXTERNAL ACTIONS
- ANNEX III: MODEL OF BUDGET
- ANNEX IV: CONTRACT AWARD PROCEDURES
- ANNEX V: STANDARD REQUEST FOR PAYMENT
- ANNEX VI: MODEL NARRATIVE AND FINANCIAL REPORT
- ANNEX VII: MODEL REPORT OF FACTUAL FINDINGS AND TERMS OF REFERENCE FOR AN EXPENDITURE VERIFICATION OF AN EC FINANCED GRANT CONTRACT FOR EXTERNAL ACTIONS
- ANNEX VIII: PRE-FINANCING GUARANTEE
- ANNEX IX: STANDARD TEMPLATE FOR TRANSFER OF OWNERSHIP OF ASSETS

ANNEX E: DAILY ALLOWANCE RATES (PER DIEM), available at the following address:

http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm

PROJECT CYCLE MANAGEMENT GUIDELINES

http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t101_en.htm

ANNEX J: INFORMATION ON TAX REGIME APPLICABLE TO GRANT CONTRACTS SIGNED UNDER THE CALL