



Contracting Authority: European Commission

Central Asia Invest Programme III

Guidelines
for grant applicants

Restricted Call for proposals

Budget line 19.10.02

Reference: EuropeAid 133802/C/ACT/Multi

Deadline for submission of proposals: 25 February 2013

Notice

This is a restricted Call for Proposals. In the first instance, only Concept Notes must be submitted for evaluation. Thereafter, applicants whose Concept Notes have been pre-selected will be invited to submit a Full Application Form. Further to the evaluation of the Full Applications, an eligibility check will be performed for those which are provisionally selected. This check will be undertaken on the basis of the supporting documents requested by the Contracting Authority and the signed "Declaration by the Applicant" sent together with the application.

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1. CENTRAL ASIA INVEST III

1.1 BACKGROUND

Due to their strategic location, high literacy rates and vast natural resources, the economies of Central Asia have a significant growth potential. However, they are facing major challenges linked to the heritage of a centrally planned system, weak institutional development, legal and institutional reforms and a relatively limited regional integration. The regulatory environment, depending on the country, is characterised by complex laws and regulations. The enforcement of existing laws and regulations represents a challenge. Registration and licensing are lengthy processes, whilst obtaining credit for Small and Medium Enterprises (SMEs) remains problematic in all countries. Land property rights have not yet been fully established in most of the countries, and privatisation and restructuring of the larger economic concerns are still pending. The investment climate is still not conducive to small scale investment by SMEs.

In the past decade, the economic development in Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) has generally been robust, with visible differences between the countries and resulting prospects. The growth of private sector has been supported so far with varying results. The governments have committed themselves to liberalization and structural reforms and have made efforts to improve the investment climate. Their agendas include new legislation and regulation on private entrepreneurship, support to the private sector development, professional training and reform of the credit system as well as trade and transit facilitation with immediate neighbours.

At the micro level, SMEs can act as the motor of an economy and considering their role as generators of public revenue and providers of employment, income, goods and services, they have the potential to play an important role in poverty reduction. In Central Asia, SMEs currently account for an inadequate percentage of Gross Domestic Product (GDP). Most of them have a fragmented knowledge of business administration, in particular of financial management, strategic marketing or human resource management. Especially in rural areas, their access to information is restricted and SMEs are isolated from knowledge and technology transfer. In conjunction with the level of appropriate vocational education sometimes being low, these SMEs face difficulties to produce with competitive quality and their capacity to find business partners, especially at regional or international level is limited. SMEs also usually lack access to necessary financing to start and develop their activities.

At the meso level, business intermediaries can play a key role in the reform process towards a market economy, contributing to civil society development and to the creation of new employment opportunities and income. In Central Asia, business intermediary organisations (public or private sector operators representing SMEs) can be characterized as having limited access to business information and know-how. Networks at regional, national and international level are not yet fully established. Management capacities are limited. Due to missing know-how, business support institutions in most cases do not deliver proper business services such as legal, technical and economic advice, support to export and investment promotion, match-making (exhibition, fairs, economic forums, etc.), or support in project management to enter new or expand existing markets. In-depth sector or trade-related knowledge is barely available. Functioning strategies of income generation to optimize service delivery are not systematically applied. The financial basis of those support institutions is usually limited. In addition, lobbying and advocacy functions in favour of the private sector need further development. Thus, by improving Business Intermediary Organizations (BIO) capacity to assist small businesses and to create bridges between the governments and the private sector, they will contribute to the eradication of poverty and to the gradual democratic and economic transition of these countries. In November 2007, the Central Asia Invest programme was launched by the EC with the aim to promote the development of SMEs in Central Asia, supporting the efforts of the Central Asia states. After CAI I being implemented from 2007 to 2009, CAI II ended in 2012 after 3 years of funding commitments.

The CAI programme is working on 2 levels:

1. On the meso-level, through Central Asia Business Intermediary Organizations to improve their services to SMEs (capacity building): Central Asia Invest provides grants to partnerships between Central Asian and European Business Intermediary Organisations through the launch of Call for Proposals.

2. On the policy level, to improve the overall business climate and to encourage regional economic integration. In 2009, in the framework of the second edition of the Central Asia Invest programme, a contribution agreement between EU and OECD was signed on the "Eurasia Competitiveness Programme – Central Asia Initiative". The main activities aim at proposing reforms in the three following sectors: (i) Investment promotion, (ii) Access to finance for SMEs, (iii) Human Capital for financial and business services.

1.2 OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The **global objective** of this Call for Proposals is to promote the development of the private sector, with special emphasis on encouraging the growth and expansion of Small and Medium Enterprises in Central Asia.

The **specific objectives** of this Call for Proposals are:

1. To reinforce the role and the competences of Central Asian Business Intermediary Organisations, specifically with regard to their capacity to support SMEs and to influence policies in favour of micro and small scale companies;
2. To improve the business climate for SMEs, including encouraging regional economic integration.

The expected results of this programme will be:

1. Increased capacity of Business Intermediary Organisation to assist local SMEs and to advocate for better policies in favour of micro and small scale companies;
2. Increased capacity of SMEs to approach the internal and foreign markets, including awareness of their rights and obligations under the national and international law.

1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this Call for Proposals is EUR 3.800.000. The Contracting Authority reserves the right not to award all available funds.

Size of grants

Any grant requested under this Call for Proposals must fall between the following minimum and maximum amounts:

- minimum amount: EUR 250.000
- maximum amount: EUR 500.000

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%**
- Maximum percentage: **85%** of the total eligible costs of the action (see also Section 2.1.4).

The balance (i.e. the difference between the total cost of the action and the amount requested from the Contracting Authority) must be financed from the applicant's or partners' own resources, or from sources other than the European Union budget or the European Development Fund¹.

¹ Where a grant is financed by the European Development Fund, any mention of European Union financing must be understood as referring to European Development Fund financing.

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 EU external actions, which is applicable to the present call (available on the Internet at this address: http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm).

2.1 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

- applicant(s) which may request a grant (2.1.1), and their partners (2.1.2);
- actions for which a grant may be awarded (2.1.3);
- types of cost 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 legal persons **and**
- be non profit making **and**
- be specific types of organisations :
 - (i) **Business intermediaries** representing Small and Medium-sized Enterprises and promoting trade and investment between Europe and Central Asia. This includes, *inter alia*, chambers of commerce, sector-specific trade, industrial and professional associations, regulatory bodies and agencies promoting trade, investment and commercial activities as well as sector-based agencies concerned with working with SMEs **or**
 - (ii) **Public agencies** (typically boards of investment, trade promotion agencies etc) at regional and local level, which are not directly or strictly related to the governments **and**
- be established in ² a Member State of the European Union or of
 - (i) a Member State of the European Economic Area (Norway, Iceland and Liechtenstein)
 - (ii) an official Candidate Country as recognised by the EU (Iceland, Turkey, Former Yugoslav Republic of Macedonia, Montenegro)
 - (iii) an official Acceding Country as recognised by the EU (Croatia)
 - (iv) any of the following eligible Central Asian countries: Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan **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 EU external actions (available from the following Internet address: http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm);

² To be determined on the basis of the organisation'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 have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a "Memorandum of Understanding" has been concluded.

In Part A, section III of the grant application form (“Declaration by the applicant”), applicants must declare that they do not fall into any of these situations.

2.1.2 *Partnerships and eligibility of partners*

Applicants must act with partner organisations as specified hereafter.

Partnership

Partnership, i.e. the applicant and it(s) partner(s), will constitute a **minimum of two partners, at least 1 from Central Asia and 1 from Europe** (EU Member States, EEA Member States or official candidate country as recognized by the EC).

There is no upper limit on the number of members of a partnership.

Each member of a partnership must have a precise and clearly defined role in the designing and implementation of the project and this must be explained in the proposal. Furthermore, the budget must be balanced and distributed according to the activities and roles of the partners. However, this does not mean that very large partnerships are necessarily seen as preferable to smaller ones. The partnership should be composed in such a way as to allow for the achievement of project objectives in the most efficient and cost-effective manner.

Applicants' partners participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the grant beneficiary. They must therefore satisfy the eligibility criteria as applicable on the grant beneficiary himself. In addition to the categories referred to in section 2.1.1, the following are however also eligible:

- (i) Research institutions and think tanks from Central Asian countries.
- (ii) Public agencies (typically boards of investment, trade promotion agencies etc) that are directly and strictly related to the governments (both in Asia and in Europe)

We encourage the involvement of partners from more than one Central Asian country, provided that their role is clearly identified in the proposal.

Even though the Contracting Authority concludes a contract with the Beneficiary only, all partners should be shown to actively contribute to the implementation of the project. It is strongly recommended that the applicant and its partners draw up an agreement defining the technical and financial rights and obligations of each partnership member. A clear written allocation of responsibilities and a balanced distribution of costs will contribute to the partnership's success.

The Applicant and each partner must sign and date a “partnership statement” individually in the Application Form (Annex A, Part B, Section III, 2). The signatures of the Applicant and of each partner must appear in original.

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.

Project proposals involving Small and medium enterprises as associates are particularly encouraged.

- Contractors

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

- Sub-grantees

The grant beneficiaries may award financial support (sub-grants) to third entities (the sub-grantees). Sub-grantees are neither partners nor associates nor contractors. Sub-grantees are subject to the nationality and origin rules set out in Annex IV to the standard grant contract.

The applicant will act as the lead organisation and, if selected, as the contracting party (the "Beneficiary").

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.

Duration

The planned duration of an action may not be lower than 12 nor exceed 24 months.

Sectors or themes

In order to effectively upgrade the services provided to the local SMEs by Central Asian Business Intermediary Organisations, the applicants shall clearly focus their proposals on specific sectors and themes.

- Themes
 - Access to finance,
 - Human resources development,
 - Investment policy & promotion.
- Sectors :
 - Agro-business & food processing,
 - Tourism,
 - Handicraft, art and cultural crafts,
 - Transports & logistics,
 - Information & communication technologies,
 - Environment.

The list is not exhaustive and other sectors and themes can be taken into consideration if duly justified.

Location

The main activities of the Actions must take place in one or more of the countries from Central Asia. Priority will be given to projects to be implemented in at least 2 countries:

Central Asia	
Kazakhstan	Turkmenistan
Kyrgyz Republic	Uzbekistan
Tajikistan	

If justified in interest of the Central Asian beneficiaries, some Actions may also take place in one or more of the following countries:

European Union		
Austria	Germany	Netherlands
Belgium	Greece	Poland
Bulgaria	Hungary	Portugal
Cyprus	Ireland	Romania
Czech Republic	Italy	Slovakia
Denmark	Latvia	Slovenia
Estonia	Lithuania	Spain
Finland	Luxembourg	Sweden
France	Malta	United Kingdom

European Economic Area	
Iceland	Norway
Liechtenstein	
Official Candidate Countries as recognized by the EU	
Iceland	Turkey
FYRoM	Montenegro
Official Acceding Countries as recognised by the EU	
Croatia	

Types of action

Institutional capacity building activities, including exchange of best practices and experiences, targeting Central Asian Business Intermediaries (BIOs) and Small and Medium Enterprises (SMEs). Activities targeting directly SMEs, such as training, organization of internships and study tours for staff of companies, will have to be organized **only in the framework of capacity building programmes for BIOS**. In this case, selection criteria for participating SMEs should be provided in the proposal.

Projects will have to be **sector and theme focused and have to demonstrate clear benefits for Central Asian SMEs**, encouraging their growth and expansion.

Applicants should have a knowledge of Central Asia business environment. Priority will be given to indigenous BIOS with large SME membership and/or large services portfolio to SMEs.

Types of activity

Institutional capacity building activities may indicatively include:

- Training activities for Central Asian BIOS. These will aim at upgrading the skills and capacities of the staff, making them better equipped to service the local businesses and to face the new challenges of the markets. Training activities may include master classes for managers and employees (management, promotion and internationalization, networking, data base management, customer satisfaction, marketing and communication, business start-up and development etc.), internships, practical demonstrations, study visits.
- Capacity building seminars, workshops and training for staff of BIOS and Central Asian SMEs on issues required for accessing the European marketplace (business familiarisation, raising awareness of market opportunities, corporate social responsibility issues, organisational methods, promotional strategies, improvement of services, technical regulations, commercial and customs regulations, etc);
- Mutual visits and staff exchanges between Central Asian and European BIOS;
- Creation of information links and exchange of matchmaking opportunities between European and Central Asian BIOS (organisations and companies' partner search database);
- Other topics could be exchange of best practices, production techniques, technological know-how, corporate social responsibility, environmental Europe-Central Asia trade relations and co-operation.

In promoting the programme's objectives, the following approaches should be adopted:

- Ensuring that implementation is carried out by the most **effective** organisations.
- Proposals should have clear **exit strategies** which must prove the sustainability of results.
- Actions should be developed through consultation with beneficiaries (**demand-driven**).
- '**Opportunity-led**' approaches should be encouraged rather than 'problem-led' approaches.
- Where possible, actions should be designed to coordinate, extend and develop the work of existing regional programmes/ projects.
- **Gender issues** should be clearly addressed, as should issues of exclusion from the mainstream on other grounds, such as caste, ethnicity and religion. The participation of enterprises established by women or minorities will be encouraged.
- **Environmental issues** should be clearly addressed.

Priority will be given to projects which have a direct impact on groups of SMEs, facilitating them to benefit from their participation in the projects activities.

Applicants are encouraged to include in their projects appropriate **dissemination actions** which increase multiplier effects, including scope for replication and extension of the outcome of the action. Please note that sustainability and multiplier effects are part of the project evaluation (see also section 2.3).

Sub-granting

In order to **support the achievement of the objectives of the action**, and in particular where the **implementation of the action proposed by the applicant requires financial support to be given to third**

parties, the applicant **may** propose awarding sub-grants. However, sub-granting may not be the main purpose of the action and it must be duly justified.

In case where the applicant foresees to award sub-grants, it has to specify in its application the total amount of the grant which may be used for awarding sub-grants as well as the minimum and maximum amount per sub-grant a list with the types of activity which may be eligible for sub-grants must be included in the application, together with the criteria for the selection of the beneficiaries of these sub-grants. The maximum amount of a sub-grant is limited to EUR 10.000 per third party while the total amount which can be awarded as sub-grants to third parties is limited to EUR 100.000.

Note that the applicant must comply with the objectives and priorities and guarantee the visibility of the EU-financing (see the Communication and Visibility Manual for EU external actions laid down and published by the European Commission at (see http://ec.europa.eu/europeaid/work/visibility/index_en.htm).

The following types of action 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 concerned with public relations and sales promotional activities;
- activities that conflict, either directly or indirectly, with the policies of the European Union or which may be linked to a prejudicial image;
- SME match-making events.

Number of applications and grants per applicant

An applicant *may submit more than one* application under this Call for Proposals, however the partners, the geographical coverage and content must be different for each proposal. Please note that in this case, each proposal must be submitted in a separate envelope with different electronic versions.

Partners should be careful to avoid claims for double funding if they are working on more than one Central Asia-Invest (or another EC funded) project at the same time. Where a partner has already gained financial support under the Central Asia Invest Programme, subsequent proposals will only be accepted if, at the time of submitting the new proposal, the organisation is up to date with all reporting obligations as identified in the grant contract.

An applicant *may not be awarded more than two grant(s)* under this Call for Proposals.

An applicant *may at the same time be partner* in another application.

Partners *may take part in more than one* application.

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

Only "eligible costs" can be taken into account 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 based on supporting documents (except for subsistence costs and indirect costs where flat-rate funding applies).

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 other ineligible costs). The checks may give rise to

requests for clarification and may lead the Contracting Authority to impose modifications or reductions to address such mistakes or inaccuracies. The amount of the grant and the percentage of the EU co-financing as a result of these corrections may not be increased.

It is therefore in the applicant's interest to provide a **realistic and cost-effective budget**.

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 G of the Guidelines).

Note that taxes, including VAT will only be accepted as eligible costs when the Beneficiary (or, where applicable, its partners) can show it cannot reclaim them. Taxes shall in such case be included in the Budget of the Action under each heading Information on taxes can be found in Annex J to these Guidelines.

Contingency reserve

A contingency reserve not exceeding 5% of the estimated 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 estimated total eligible direct costs. Indirect costs are eligible provided that they do not include costs assigned to another heading of the budget of the standard 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 standard grant contract, no supporting documents need to be provided.

If the applicant is in receipt of an operating grant financed from the EU, 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 may not be treated as co-financing by the Beneficiary.

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

Ineligible costs

The following costs are not eligible:

- debts and debt service charges
- provisions for losses or potential future liabilities;
- interest owed;
- costs declared by the beneficiary and covered by another action or work programme;
- purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred to the final beneficiaries and/or local partners, at the latest by the end of the action;
- currency exchange losses;
- credit to third parties.

2.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

Prior registration in PADOR for this Call for Proposals is obligatory.

- **Phase 1, The Concept Note:** Registration in PADOR is obligatory for the applicants of grants.

Registration is optional but recommended for:

- Their partners
- **Phase 2, The full proposal:** Registration in PADOR is obligatory for all pre-selected applicants and all their partners.

PADOR is an on-line database in which organisations register themselves and update regularly their data, through the EuropeAid website: http://ec.europa.eu/europeaid/work/onlineservices/pador/index_en.htm

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

You have to indicate on the paper version of the proposal the EuropeAid ID (EID). To get this identification, your organisation must register, save and "sign" (committing your responsibility) in PADOR obligatory data (on each screen the fields written in orange) and the related documents (see section 2.4).

Notwithstanding the above, if the organisation is in a situation where it is impossible to register in PADOR, it shall submit a justification proving that such impossibility is of a general nature and goes beyond the control of the applicant and or its partner(s). In this case, the applicant and/or the partners concerned shall complete the "PADOR off-line form"³ in annex of these Guidelines and send it by the submission deadline along with the application to the address indicated in sections 2.2.2 and 2.2.6. Subsequently, the registration in PADOR will be initiated by the European Commission. If, at a later stage, the organisation wishes to update itself its data, an access request will have to be sent to the PADOR helpdesk.

All questions related to the registration in PADOR should be addressed to the PADOR helpdesk at: Europeaid-pador@ec.europa.eu.

2.2.1 *Concept Note content*

Applications must be submitted in accordance with the instructions on the Concept Note included in the Grant Application Form annexed to these Guidelines (Annex A).

Applicants must apply in English.

In the Concept Note, the applicants must only provide an estimate of the amount of contribution requested from the Contracting Authority. Only the applicants invited to submit a full application in the second phase will be required to present a detailed budget. The elements assessed on the basis of the Concept Note may not be modified by the applicant in the full application form. The EU contribution may not vary from the initial estimate by more than 20%. The applicant is free to adapt the percentage of co-financing required within the minimum and maximum amount and percentages of co-financing, as laid down in the present Guidelines under section 1.3.

Any error or major discrepancy related to the points listed in the instructions on the Concept Note may lead to the rejection of the Concept Note.

Clarifications will only be requested when information provided is unclear, thus preventing the Contracting Authority from conducting an objective assessment.

Hand-written Concept Notes will not be accepted.

Please note that only the Concept Note form will be evaluated. It is therefore of utmost importance that this document contain ALL relevant information concerning the action. No additional annexes should be sent.

2.2.2 *Where and how to send Concept Notes*

The Concept Note together with the Checklist for the Concept Note (Part A section 2 of the grant application form) and the Declaration by the applicant for the Concept Note (Part A section 3 of the grant application form) must be submitted in one original and 1 copy in A4 size, each bound.

Concept Notes must be submitted as well in electronic format (CD-Rom). The electronic format must contain **exactly the same** application as the paper version enclosed.

Where an applicant sends several different Concept Notes (if allowed to do so by the Guidelines of the Call), each one must be sent separately.

The outer envelope must bear the **reference number and the title of the call for proposals**, together with [the title] the full name and address of the applicant, and the words "Not to be opened before the opening session".

³ Which corresponds to Sections 3 and 4 of Part B of the application form.

Concept Notes 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:

Postal address

European Commission
EuropeAid Development and Cooperation Directorate-General
Directorate H, Asia, Central Asia, Middle East/Gulf and Pacific
Unit H3 Finances, Contracts and Audit
Office: J-54, 8/16
Avenue du Bourget 1
B-1049, Brussels
Belgium

Address for hand delivery or by private courier service

European Commission
EuropeAid Development and Cooperation Directorate-General,
Directorate H, Asia, Central Asia, Middle East/Gulf and Pacific
Unit H3 Finances, Contracts and Audit
Office: J-54, 8/16
Avenue du Bourget 1
B-1140, Brussels
Belgium

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

Applicants must verify that their Concept Note is complete using the Checklist for Concept Note (Part A section 2 of the grant application form). Incomplete Concept Notes may be rejected.

2.2.3 *Deadline for submission of the Concept Notes*

The deadline for the submission of Concept Note is **Monday, 25 February 2013** 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 (Brussels time)** as evidenced by the signed and dated receipt. Any Concept Note submitted after the deadline will automatically be rejected.

However, for reasons of administrative efficiency, the Contracting Authority may reject any Concept Note received after the effective date of approval of the Concept Note evaluation (see indicative calendar under section 2.5.2).

2.2.4 *Further information for Concept Note*

Questions may be sent by e-mail or by fax no later than 21 days before the deadline for the submission of Concept Notes to the below address(es), indicating clearly the reference of the Call for Proposals:

E-mail address: europaaid-ca-invest@ec.europa.eu

Fax: + 32 2 296 5879

The Contracting Authority has no obligation to provide further clarifications after this date.

Replies will be given no later than 11 days before the deadline for the submission of Concept Notes.

In the interest of equal treatment of applicants, the Contracting Authority 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 as well as other important notices to applicants during the course of the evaluation procedure, may be published on the internet at the EuropeAid web site <https://webgate.ec.europa.eu/europaaid/online-services/index.cfm?do=publi.welcome> , as the need arises. It is therefore highly recommended to regularly consult the abovementioned website in order to be informed of the questions and answers published.

All questions related to PADOR registration should be addressed to the PADOR help desk:

Europeaid-pador@ec.europa.eu

2.2.5 *Full Application form*

Applicants invited to submit a full application form following the pre-selection of the Concept Note must do so by using the Part B of the application form annexed to these Guidelines (Annex A). Applicants should keep strictly to the format of the application form and fill in the paragraphs and the pages in order.

The elements assessed on the basis of the Concept Note cannot be modified by the applicant in the full application form. The EU contribution may not vary from the initial estimate by more than 20%, while the applicant is free to adapt the percentage of co-financing required within the minimum and maximum amount and percentages of co-financing, as laid down in these Guidelines under section 1.3.

Applicants must submit their applications in the same language as their Concept Note.

Please complete the full application form carefully and as clearly as possible so that it can be assessed properly.

Any error related to the points listed in the Checklist (Part B, Section 6 of the Grant Application form) or any major inconsistency in the full application form (e.g. the amounts mentioned in the budget worksheets are inconsistent) may lead to the rejection of the application.

Clarifications will only be requested when information provided is unclear, thus preventing the Contracting Authority from conducting an objective assessment.

Hand-written applications will not be accepted.

Please note that only the full application form and the published annexes which have to be filled in (budget, logical framework) will be transmitted to the evaluators and assessors. It is therefore of utmost importance that these documents contain ALL relevant information concerning the action. **No supplementary annexes should be sent.**

2.2.6 *Where and how to send the Full Application form*

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:

Postal address

European Commission
EuropeAid Development and Cooperation Directorate-General
Directorate H, Asia, Central Asia, Middle East/Gulf and Pacific
Unit H3 Finances, Contracts and Audit
Office: J-54, 8/16
Avenue du Bourget 1
B-1049, Brussels
Belgium

Address for hand delivery or by private courier service

European Commission
EuropeAid Development and Cooperation Directorate-General,
Directorate H, Asia, Central Asia, Middle East/Gulf and Pacific
Unit H3 Finances, Contracts and Audit
Office: J-54, 8/16
Avenue du Bourget 1
B-1140, Brussels
Belgium

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

Applications must be submitted in one original and 1 copy in A4 size, each bound. The full application form, budget and logical framework must also be supplied in electronic format (CD-Rom) in a separate and unique file (e.g. the full application form must not be split into several different files). The electronic format must contain **exactly the same** application as the paper version.

The Checklist (Section 6 of Part B of the grant application form) and the Declaration by the applicant (Section 7 of Part B of the grant application form) must be stapled separately and enclosed in the envelope

Where an applicant sends several different applications (if allowed to do so by the Guidelines of the Call), each one must be sent separately.

The outer envelope must bear the **reference number and the title of the Call for Proposals**, together with the number and title of the lot the full name and address of the applicant, and the words "Not to be opened before the opening session".

Applicants must verify that their application is complete using the checklist (Section 6 of Part B of the grant application form). Incomplete applications may be rejected.

2.2.7 *Deadline for submission of the Full Application form*

The deadline for the submission of applications will be indicated in the letter sent to the applicants whose application has been preselected.

However, for reasons of administrative efficiency, the Contracting Authority may reject any application received after the effective date of approval of evaluation report for full applications (see indicative calendar under Section 2.5.2)

2.2.8 *Further information for the Full Application form*

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 addresses listed below, indicating clearly the reference of the Call for Proposals:

E-mail address: europaaid-ca-invest@ec.europa.eu

Fax: + 32 2 296 5879

Contracting Authority has no obligation to provide further clarifications after this date.

Replies will be given no later than 11 days before the deadline for the submission of applications.

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

Questions that may be relevant to other applicants, together with the answers, will be published on the internet at website <https://webgate.ec.europa.eu/europaaid/online-services/index.cfm?do=publi.welcome>. It is therefore highly recommended to regularly consult the abovementioned website in order to be informed of the questions and answers published.

2.3 EVALUATION AND SELECTION OF APPLICATIONS

Applications will be examined and evaluated by the Contracting Authority with the possible assistance of external assessors. All actions submitted by applicants will be assessed according to the following steps and criteria.

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

(1) STEP 1: OPENING & ADMINISTRATIVE CHECKS AND CONCEPT NOTE EVALUATION

The following will be assessed:

- The submission deadline has been respected. If the deadline has not been respected the application will automatically be rejected.
- The Concept Note satisfies all the criteria specified in points 1-5 of the Checklist Section 2 of Part A of the grant application form). If any of the requested information is missing or is incorrect, the application may be rejected on that sole basis and the application will not be evaluated further.

The evaluation of the Concept Notes that have passed the first administrative check will cover the relevance and design of the action.

The Concept Note will be given an overall score out of 50 points in accordance with the breakdown provided in the Evaluation Grid below. The evaluation shall also verify the compliance with instructions provided in the guidance for Concept Note.

The evaluation criteria are divided into headings and subheadings. Each subheading will be given a score between 1 and 5 in accordance with the following assessment categories: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

Scores

1. Relevance of the action	Sub-score	30
1.1 How relevant is the proposal to the objectives and priorities of the Call for Proposals?*	5x2**	
1.2 How relevant to the particular needs and constraints of the target country(ies) or region(s) is the proposal? (including synergy with other EU initiatives and avoidance of duplication).	5x2*	
1.3 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?	5	
1.4 Does the proposal contain specific added-value elements, such as environmental issues, promotion of gender equality and equal opportunities, needs of disabled people, rights of minorities and rights of indigenous peoples, or innovation and best practices and the other additional elements indicated under 1.2. of these guidelines?	5	
2. Design of the action	Sub-score	20
2.1 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 relevant stakeholders?	5x2**	
2.2 Is the action feasible and consistent in relation to the objectives and expected results?	5x2**	

TOTAL SCORE 50

* Note: A score of 5 (very good) will only be allocated if the proposal specifically addresses more than the required minimum number of priorities as indicated in Section 1.2 (Objectives of the programme) of these guidelines.

** the scores are multiplied by 2 because of their importance.

Once all Concept Notes have been assessed, a list will be established with the proposed actions ranked according to their total score.

First, only the Concept Notes which have been given a score of a minimum of 30 points will be considered for pre-selection.

Secondly, the list of Concept Notes will be reduced in accordance to the ranking to those whose sum of requested contributions amounts to at least **twice** the available budget for this Call for Proposals, taking into account the indicative financial envelopes foreseen by lot.

Following the Concept Note evaluation, the Contracting Authority 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 and whether the Concept Note were evaluated and the results of that evaluation. The preselected applicants will subsequently be invited to submit full applications.

(2) STEP 2: EVALUATION OF THE FULL APPLICATION

First, the following will be assessed:

- The submission deadline has been respected. If the deadline has not been respected the application will automatically be rejected.
- The full application form satisfies all the criteria specified in points 1-8 of the Checklist (Section 6 of Part B of the grant application form). If any of the requested information is missing or is incorrect, the application may be rejected on that **sole** basis and the application will not be evaluated further.

An evaluation of the quality of the applications, including the proposed budget, and of the capacity of the applicant and its partners, will be subsequently 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' 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. This also applies to any partners of the applicant.

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 Contracting Authority can be confident will comply with its objectives and priorities. 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.

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
1. Financial and operational capacity	20
1.1 Do the applicant and, if applicable, partners have sufficient experience of project management?	5
1.2 Do the applicant and, if applicable partners have sufficient technical expertise? (notably knowledge of the issues to be addressed.)	5
1.3 Do the applicant and, if applicable, partners have sufficient management capacity? (including staff, equipment and ability to handle the budget for the action)?	5
1.4 Does the applicant have stable and sufficient sources of finance?	5
2. Relevance of the action	30
<i>Score transferred from the Concept Note evaluation</i>	
3. Effectiveness and feasibility of the action	20
3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	5
3.2 Is the action plan clear and feasible?	5
3.3 Does the proposal contain objectively verifiable indicators for the outcome of the action? Is evaluation foreseen?	5
3.4 Is the partners' level of involvement and participation in the action satisfactory?	5
4. Sustainability of the action	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:	5

- 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. Budget and cost-effectiveness of the action	15
5.1 Are the activities appropriately reflected in the budget?	5x2*
5.2 Is the ratio between the estimated costs and the expected results satisfactory?	5
Maximum total score	100

*the scores are multiplied by 2 because of their importance

Note on Section 1. Financial and operational capacity

If the score is less than 12 points for section 1, 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.

(3) STEP 3: VERIFICATION OF ELIGIBILITY OF THE APPLICANT AND PARTNERS

The eligibility verification, based on the supporting documents requested by the Contracting Authority (see Section 2.4) will only be performed for the applications that have been provisionally selected according to their score and within the available financial envelope.

- The Declaration by the applicant (Section 7 of Part B the grant application form) will be cross-checked with the supporting documents provided by the applicant. Any missing supporting document or any incoherence between the Declaration by the applicant 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.

Following the above analysis and if necessary, any rejected application will be replaced by the next best placed application in the reserve list that falls within the available financial envelope, which will then be examined for the eligibility of its applicant and the partners.

2.4 SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS

Applicants who have been provisionally selected or listed under the reserve list will be informed in writing by the Contracting Authority. They will be requested to supply the following documents in order to allow the Contracting Authority to verify the eligibility of the applicants and their partners:

Supporting documents may/must be provided through PADOR, see Section 2.2

1. The statutes or articles of association of the applicant organisation⁴ and of each partner organisation. Where the Contracting Authority has recognized the applicant's eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, the applicant may submit, instead of its statutes, copy of the document proving the eligibility of the applicant in a

⁴ Where the applicant and/or (a) partner(s) is a public body created by a law, a copy of the said law must be provided

former Call (e.g.: copy of the special conditions of a grant contract received during the reference period), unless a change in its legal status has occurred in the meantime.⁵

2. Copy of the applicant's latest accounts (the profit and loss account and the balance sheet for the previous financial year for which the accounts have been closed)⁶.
3. Legal entity sheet (see annex D of these Guidelines) duly completed and signed by the applicant, accompanied by the justifying documents which are requested therein. If the applicant has already signed a contract with the Contracting Authority, instead of the legal entity sheet and its supporting documents the legal entity number may be provided, unless a change in its legal status occurred in the meantime.
4. A financial identification form conforming to the model attached at Annex E 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.

This bank account must yield interest or equivalent benefits. If the costs for opening and/or maintaining such an account equals or exceeds the expected interest, applicants may be exempted from this obligation by submitting a declaration of honour to this fact.

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.

Where such documents are not in one of the official languages of the European Union, a translation into English 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, it is **strongly** recommended, in order to facilitate the evaluation, to provide a translation of the relevant parts of the documents, proving the applicant's eligibility, into English.

If the abovementioned supporting documents are not provided before the deadline indicated in the request for supporting documents sent to the applicant by the Contracting Authority, the application may be rejected.

Based on the verification of the supporting documents by the Evaluation Committee it will make a final recommendation to the Contracting Authority which will decide on the award of grants.

2.5 NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

2.5.1 Content of the decision

Applicants will be informed in writing of the Contracting Authority's decision concerning their application and, in case of rejections, the reasons for the negative decision.

Applicants believing that they have been harmed by an error or irregularity during the award process may file a complaint. See further Section 2.4.15 of the Practical Guide.

⁵ To be inserted only where the eligibility conditions have not changed from one call for proposals to the other.

⁶ This obligation does not apply to natural persons who have received a scholarship, nor to public bodies nor to international organisations. It does not apply either when the accounts are in practice the same documents as the external audit report already provided pursuant to Section 2.4.2.

2.5.2 Indicative time table

	DATE	TIME*
Information meeting (if any)	Not applicable	Not applicable
Deadline for request for any clarifications from the Contracting Authority	04th February 2013	
Last date on which clarifications are issued by the Contracting Authority	14 th February 2013	-
Deadline for submission of Concept Notes	25 th February 2013	< 16.00 >
Information to applicants on the opening & administrative checks and Concept Note evaluation (step 1)	April 2013*	-
Invitations for submission of Full Application Form	April 2013*	-
Deadline for submission of Full Application Form	June 2013*	-
Information to applicants on the evaluation of the Full Application Form (step 2)	July 2013*	-
Notification of award (after the eligibility check) (step 3)	Sept 2013*	-
Latest Deadline Contract signature	Dec 2013*	-

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

This indicative timetable may be updated by the Contracting Authority during the procedure. In such case, the updated timetable shall be published on internet at the EuropeAid web site <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>

2.6 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 Authority's standard grant contract (see Annex G 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 grant contract.

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 standard grant contract.

2.7 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 (WORD FORMAT)

ANNEX B: BUDGET (EXCEL FORMAT)

ANNEX C: LOGICAL FRAMEWORK (EXCEL FORMAT)

ANNEX D: LEGAL ENTITY SHEET

ANNEX E: FINANCIAL IDENTIFICATION FORM

ANNEX F: PADOR OFF-LINE FORM

DOCUMENTS FOR INFORMATION

ANNEX G: STANDARD GRANT CONTRACT

- ANNEX II: GENERAL CONDITIONS APPLICABLE TO EUROPEAN UNION-FINANCED GRANT CONTRACTS FOR EXTERNAL ACTIONS
- 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 EU FINANCED GRANT CONTRACT FOR EXTERNAL ACTIONS
- ANNEX VIII: MODEL FINANCIAL GUARANTEE
- ANNEX IX: STANDARD TEMPLATE FOR TRANSFER OF OWNERSHIP OF ASSETS

ANNEX H: DAILY ALLOWANCE RATES (PER DIEM), available at the following address:
http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm

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

<http://ec.europa.eu/europeaid/prag/annexes.do?group=E>

PROJECT CYCLE MANAGEMENT GUIDELINES

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