

The European Union's IPA 2011 Programme for MONTENEGRO

Project: EuropeAid/131532/C/SER/ME

Capacity Building and Support to Local Self-Government for Implementation of Municipal Development Grants

Marija Šošić
PREPARATION OF
EU GRANT
APPLICATIONS



*This Project is
financed by
the European Union*



Implemented by HCL Consultants Limited in consortium with sa WYG International and GOPA

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Publisher:

**Technical Assistance to Capacity Building and Support to
Local Self- Government for Implementation of Municipal Development Grants**

For the Publisher:

Fabio Drago

Graphic Design:

Siniša Radulović

Printed by:

DPC, Podgorica

Circulation:

200

August 2015

CIP - Каталогизација у публикацији
Национална библиотека Црне Горе, Цетиње

ISBN 978-9940-678-03-6
COBISS.CG-ID 27475216

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1

INTRODUCTION

Preparation of EU grant applications (Manual) is developed within the project “Capacity Building and Support to Local Self-Government for Implementation of Municipal Development Grants” implemented in 2012-2015. The project is continuation of the “Technical Assistance to Local Self-Government Reform” that lasted from March 2010 to March 2012. The purpose of both projects was to build capacities of local self-governments in Montenegro to absorb EU funds through implementation of three Municipal Development Grant Schemes. The Manual, composed of several volumes that cover all aspects of identification, formulation and implementation of EU-funded projects, incorporates vast experience obtained during implementation of these grant schemes¹. The Manual is meant to be used by practitioners from municipal administration in every-day work with EU projects, as a hands-on tool whose different sections are to be consulted when needed in practice.

The Manual *Preparation of EU grant applications* deals with the topic of grants. The purpose of this Manual is to provide information and advice to Montenegrin local self-governments on procedures for getting a grant and developing a grant application to be financed by EU funds. Being an EU candidate country, Montenegro still receives financial support from the European Union through external actions, i.e. following the rules applicable outside of the European Union. They are presented in a comprehensive manner in the Practical Guide to Contract Procedures for European Union External Actions (PRAG). This document is available at the website of the EuropeAid: <http://ec.europa.eu/europeaid/prag/document.do?locale=en2>.

¹ For more information about the project visit the website: www.lsgpr.me

The subject of Grants is treated in the Section 6 of PRAG.

PRAG is alive document that is being occasionally improved and updated. This Manual was elaborated on the basis of the PRAG 2013, i.e. the version 2013.1 published in March 2013 but then updated after publishing of PRAG 2014 on 15th of March 2014. This means that all grant schemes launched after this date will be prepared and implemented based on this version of PRAG – among other, new cross-border cooperation (CBC) programmes.

Please note that this Manual doesn't give a full overview of rules related to all types of grants foreseen by the PRAG, but describes in details only those applicable to local self-governments in EU candidate countries³.

2 Development and Cooperation - EuropeAid is a Directorate-General within the European Commission responsible for designing EU development policies and delivering aid through programmes and projects across the world. EuropeAid's homepage: http://ec.europa.eu/europeaid/index_en.htm. The website was re-designed and improved in 2014. More information on funding procedures and opportunities is available at http://ec.europa.eu/europeaid/about-funding_en.

3 The 2014 version of PRAG specifies that this Chapter - Chapter 6 of PRAG, covers different types of grants awarded under direct or indirect management with partner countries. .

2

DEFINITION OF GRANT AND OTHER TERMS

The definition of **grants** given by the European Commission states that *they are direct financial contributions from the EU budget or from the European Development Fund. They are awarded as donations/non-commercial contributions to third parties that implement projects or activities related to the EU's external aid programmes.*

When we talk about an “**external aid programme**”, we should be reminded that the external (outside of the EU) assistance includes different funding instruments.. They are planned in the framework of the 7-years financial perspectives. Based on multiannual country strategic planning documents as well as on annual plans, EU funding is distributed to the actions that are fitting in the overall strategic framework. External aid comprises funding instruments through which the financing is provided to different countries in the whole world. In the case of EU candidate and potential candidate countries, the main EU funding comes through Instrument for Pre-accession countries – IPA¹. The first IPA was used in the period 2007-2013, while the new financial perspective introduced new approach to IPA, now called IPA II and valid for the period 2014-2020.

Grants differ from other types of contracts and other legal commitments through which the EU funding is spent. For example, PRAG sets rules for implementation of procurement contracts and grant contracts, which are easy to distinguish:

- While the procurement contract covers BUYING, purchase of different services, supplies or works, the grants contract represent a means of GIVING money to an entity that proposes how it will contribute to achievement of an external aid programmes’ objectives.

¹ For more information about IPA, visit: http://ec.europa.eu/enlargement/instruments/overview/index_en.htm.

- While beneficiary of the grant is the owner of project results and is responsible for its implementation, that is not the case with the procurement contracts – in the other case, the institution that makes the purchase (of services, supplies or works) i.e. the Contracting Authority owns the results and products produced under the contract. This can be the Delegation of the European Union in the country, national government and respective ministry, or even user of grant when purchase is foreseen and needed for implementation of the grant project.
- Under the procurement contract, all 100% of costs get covered, while the grant contract usually foresees that the EU funding covers only a part of the costs encountered, with co-financing from the entity implementing the action or a third party (such as national government, project partners, other donors).
- While the procurement contract is based on the profit-making from the side of the Contractor, the grants are non-profitable, i.e. they must only balance income and expenditure for the action (unless the objective is to reinforce the financial capacity of an organization using the grant, or to generate income for external action). This however doesn't mean that commercial bodies can't receive grants, it just means that the financed action may not give rise to profit (and vice versa, non-profit organisations may get procurement contract).
- Additionally grant contracts are based on the reimbursement of the costs that are eligible for EU funding: the costs must be encountered during the implementation of the action and they must be necessary for carrying out the planned activities.
- Grant contracts may not be cumulative or awarded retrospectively. The amount specified in the grant contract as awarded for financing may not be exceeded.

While preparing a proposal based on which a grant may be awarded, the entity that applies for a grant is called an **"applicant"**. After signing of the grant contract, it is called a **"grant beneficiary"** i.e **coordinator** of the action (earlier called leader), while in the terminology related to grants there are also other beneficiaries: **beneficiary country** (or partner country, to whose development the action will contribute) or **final beneficiaries** (entities/groups that will benefit from the project in the long term at the level of the society or sector at large) or **target groups** (groups/entities that will be directly positively affected by the action).

The other actors eligible within the grant contract, besides applicants, are:

- Co-applicants and Affiliated entities:

Co-applicants were called partners in the past. They become grant

beneficiary and contract signatories after award of the grant. They participate in implementation of the action in equal manner as applicant, just without coordination role that the applicant has. They may receive funds for the activities that they are implementing. Affiliated entities is a new category that is introduced in 2013 but elaborated in more details in the last PRAG. These are the entities that have “structural link” with the applicant, i.e. they are linked in terms of capital or legally (i.e. parent/ daughter/sister companies, networks, federations, associations). They can also be reimbursed for the costs encountered during implementation of the action, but they are not grant beneficiaries as applicant and co-applicants.

- **Associates, contractors and sub-grantees:** .

Associates may assist applicant and co-applicants in design and implementation of the action, however they don't have to fulfil the same eligibility criteria as applicants, and only their per diems and travel costs may be covered.

Finally, contractors are entities or persons engaged through procurement procedures to provide service, supply or implement works within the grant contract. For their engagement, procurement rules specified in the Annex IV of the grant contract have to be followed.

Also recently introduced eligible category represents sub-grantees: namely, it is allowed now to implement grant schemes for financially weaker entities, with the maximum amount of 60.000 euro. For that purpose, grant beneficiary launches Call for proposals using the same PRAG templates and following requirements prescribed in their Guidelines for applicants.

The type of grants that is of interest for local self-governments under IPA is, the so-called, “**grant for actions**”: these grants are awarded for implementation of a specific action that has for aim achievement of an objective of an external aid programme².

The grants are awarded notably through **Calls for proposals** (described in the following Chapter) in which the eligible applicants have opportunity to compete for the available funds. They are all published at the Europe-Aid website as well as on the websites of the Delegation of the European Union in the targeted country/ies. In specific circumstances, grants can be awarded directly to an organisation, without the call.

² Opposite to “operational grants” that cover running costs of beneficiary organization.

Municipal employees should follow regularly the news on newly published calls for proposals on the following websites:

<https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?ADSSChck=1421278651438&do=publi.welcome&userlanguage=en>

<http://www.delimne.ec.europa.eu/code/navigate.php?ld=1626>

Also relevant to procedures used during implementation of grant programmes, is the management mode, i.e. the structure responsible for management of EU funds in the specific country. This job can be given to EU bodies such as European Commission directly or Delegations of the European Union in the country, which represents **direct management**. On the other side, if national institutions take over this function, it is called **indirect management**. This can further include ex-ante control (where European Commission approves all documents and reports related to Calls for proposals before they are launched) or ex-post control (where the control takes place after implementation). In order to take over this role, the country has to appoint and capacitate structures that go through control from the side of the European Union, before obtaining acceptance of their accreditation.

Since grants are given as donations to different types of beneficiaries around the world (non-governmental organizations, public bodies, universities, hospitals, etc), there are sets of strict rules that must be respected when grants are awarded:

- **eligibility criteria:**

- **rule of nationality**

- Rule of nationality regulates the first criteria on who may apply for an EU grant for action: these are first of all natural and legal persons established in an eligible country in accordance with the basic act governing the programme in question (such can be IPA regulation for the grants financed in the Balkans)³. There may be exceptions to the nationality rule, but only if it is previously approved by the European Commission, so that the other entities which do not have legal personality under the applicable national law may apply for grants (provided that their representatives have the capacity to take on legal

³ The list of the countries eligible under IPA II (financial period 2014-2020) is available in Annex A2a of PRAG, under Part II, on pages 2-3 and 6-7 of this document. The list of countries eligible under IPA I (financial perspective 2007-2013) is available in Annexes A2b1 and A2b2 of the 2014 PRAG version.

obligations on their behalf and that they offer financial and operational guarantees equivalent to those provided by legal persons). Other exceptions are related to limiting the eligibility of potential applicants: these restrictions are not allowed unless a programme under which the grants are to be awarded, is of a special nature. These exceptions are clearly stated in the Guidelines for the specific Call for Proposals, and previously approved by the European Commission.

- **Experts** employed or legally contracted on grants do not fall under nationality rule, i.e. they can be of any nationality, unless differently specified in the applicable financial decision or agreement with the beneficiary country.
- **Rule of origin** is implemented in the same manner as the rule of nationality, defining eligible countries from which all supplies purchased under the financed contract have to originate, as per valid financial instrument (in our case, IPA II). This rule has become more flexible with the 2014 PRAG version, when general derogation is given to all purchase below 100.000 euro, i.e. only purchase of supplies of that or higher value have to respect rule of origin. The "origin" is defined as the country where goods went through *last, substantial transformation*, not the country from which the goods are shipped and supplied.

- **grounds for exclusion**

The list of conditions that all beneficiaries of EU funding have to fulfill, being contracted through grant or procurement contract, is given in the article 2.3.3 of the PRAG. A special declaration that the applicant in case of grant is not in any of the listed situations must be provided if the requested amount is above 60.000 euro. These conditions ensure that the contractor is not in breach with the law in different aspects, including financial stability. The full text of the article 2.3.3 is enclosed as Annex to this Manual.

- **programming**

In order to launch a Call for proposals and to award grants, it has to be programmed in the relevant planning documents of the European Commission or its representative bodies or responsible national institutions. At yearly basis, a work plan has to be prepared, publishing the forecasted grant programmes at the Europeaid website. PRAG defines also templates for each document to be prepared during planning and implementation of the grant programme, including an announcement of foreseen grant programmes with provisional timing.

Municipal employees that are working on projects have to be familiar with the programming process that takes place at national level and governmental structures leading the process, to participate actively in it and to follow published notices as well as published programming documents on the website:

http://ec.europa.eu/enlargement/instruments/funding-by-country/montenegro/index_en.htm (multi-annual programming documents are available on this page, as well as an overview of IPA programmes-projects allocated to Montenegro on annual basis).

Information on EU activities and integration processes in Montenegro are available at the website of the Ministry of Foreign Affairs and European Integration:

<http://www.mvpei.gov.me/rubrike/Evropske-integracije/>.

● **transparency**

One of the main principles that is respected in contracting of EU funds is *transparency*, balanced with the requirements of *confidentiality* and *security*. Transparency at the level of grant programmes includes its wide publication, but in such a way that it can be easily accessed by all potential applicants. The EC pays special attention in due dissemination of information. Transparency is present through the whole process, at the end by publishing all awarded grants in previous year. There are, however, exceptional cases when only one beneficiary is adequate for implementation of specific grant (direct grant). This is mainly the case with specialized institutions.

● **equal treatment**

The need of fair and equal treatment of potential applicants is integrated in the Evaluation process (as explained in details in the Chapter: "Evaluation process and award of the grant contracts". In that stage, clear, previously defined criteria have to be used by the members of the Evaluation Committee in order to ensure equal treatment of all applicants.

● **non-cumulation**

General rule is that one beneficiary can't receive more grants from the EU for the same action. In certain circumstances, one action may be co-financed from separate EU budget lines. In order to avoid cumulation, applicants have to declare when they apply for grant, what are the other EU funds that they applied for/received and for which actions.

European commission has a database of all financed projects and can check provided information. The consequences of providing false data are very strict and may lead to multiannual ban of access to funds.

- **non-retroactivity**

As a rule, grants can't be awarded for actions that are already completed. In exceptional and duly justified cases, the actions may start before the grant contract is signed, but in general, grants can cover only the costs that are incurred after the contract is signed and valid. In case of infrastructure projects, for example, the condition may be that the applicant has technical documentation ready in order to get grant for construction. In that case, the elaboration of the technical design and its review will take place before the signing of the contract and it can't be later on paid from the grant, neither the grant beneficiary may be reimbursed for those costs. A common question on payment of costs retroactively is related to the payment of experts to prepare a project proposal: again, these costs may not be covered from the project budget in case the grant is awarded, nor they can be calculated as applicant's co-funding. This rule may also have exceptions, in specific justified cases (such as for example crisis management aid), but only if approved by the European Commission.

- **co-financing and co-financing in kind**

Even though there may also be exceptions to this rule under specific circumstances that would be defined in the Guidelines for applicants, in general grants may not finance the full costs of the action, but only an allowed percentage. Both minimum and maximum *co-funding* required are specified, which is usually from 5-25% minimum and 49% maximum.

Co-financing may be provided through beneficiary's own resources, income generated by the action (if allowed) and contributions from third parties. It is important that co-funding is ensured or agreed with third parties (donors, national institutions) in the phase of preparation of grant application. Financial co-funding has to be proved at the end of the project, as it is integral part of the project budget. If *in-kind contributions* are allowed by the Guidelines for applicants, it has to be used according to national rules on taxation and social security. In-kind contributions include provision of services of goods free of charge, and do not include financial expenditures.

- **non-profit rule**

The rule that the grant may not produce profit is often wrongly interpreted: non-profit rule doesn't mean that the grant beneficiary has to be non-profit entity, it just means that it is not allowed to generate profit within the framework of specific action. PRAG defines profit "*as a surplus of the receipts over the eligible costs approved by the Contracting Authority when the request for payment of the balance is made. In case a profit is made, the Contracting*

Authority has the right to reduce the final amount of the grant by the percentage of the profit corresponding to the final Union contribution to the eligible costs approved." On the other hand, this rule does not apply in several cases which should be specified in the grant contract if allowed by the Call for proposals, such as the reinforcement of the financial capacity of the beneficiary through the grant, income generated by persons in need (unemployed, refugees), income generated in order to ensure continuity after the end of the grant contract, educational needs or in case of grants less than €60.000.

3

STRUCTURE OF THE CALL FOR PROPOSALS

Call for Proposals is a public invitation to all eligible potential applicants to prepare a proposal of the action that contributes to achievement of objectives of the specific grant programme. The proposed action has to be in line with the mandate of the organisation that submits the proposal, in case of local governments, the action should relate to its competences. In this way, grants support at the same time achievement of missions of eligible organisation/institution.

Call for Proposals is launched also following the strict rules. It can be implemented by the European Commission or its representative body (such as Delegation of the European Union in the respective country or responsible national body). An Institution that implements the Call for proposals and signs the grant contract is called a **Contracting Authority**.

Launching a Call for Proposals (CfP) is followed by high **publicity**, in line with the rule of transparency described in the previous Chapter: besides EuropeAid website where all CfPs are published, is also publicized locally through the website of the Contracting Authority, national newspapers, other media. The publication notice may be published in both English and local language, while the documents necessary for applying are available in English. There is a possibility to publish also unofficial translation in local language.

Besides internet and local media publicity, informative sessions are usually organized for potential applicants. The dates of the informative sessions

can be published together with the Call in its Guidelines for applicants, or additionally at the website of the Contracting Authority.

The CfPs are usually **restricted**, which means that all interested applicants submit only Concept Notes of their proposals, and only those that are shortlisted based on the Concept Note, are invited to submit the whole application. On the other hand, **open** CfPs are possible, inviting all applicants to submit immediately the whole application, while, in any case, the first steps of evaluation are done only based on the Concept Note. The choice of Open Call has to have clear justification, where some of the acceptable reasons for it may be specific technical nature of the call, limited number of expected proposals, limited budget or organizational constraints. The use of Open Call has to be approved by the European Commission prior to its launching. For example, the Calls for municipal as well as for inter-municipal infrastructure and development actions launched in Montenegro in 2011 and 2012 were open, as the number of eligible applicants was limited (14 and 21 municipalities and their public bodies).

When the Call for proposals and Guidelines for applicants are published, attention should be paid if the Call is restricted or open, as it can happen that earlier you were applying for restricted Calls and therefore submitting only Concept Note in the first stage, while the current Call is open and full application needs to be submitted. Information on the type of the call is provided at the very beginning of the Guidelines for applicants (second page, under the title Notice).

4

STRUCTURE OF THE GUIDELINES

The Guidelines for Applicants are drafted using templates that are available in PRAG¹, and have to be approved by the European Commission before publishing. The Guidelines are published together with the Application form and its annexes, as well as the set of documents presented as “documents for information”. This package includes contractual documents, list of per diems and other standard documents needed for implementation of the grants. These documents should also be carefully consulted before starting to write an application. The Guidelines have the following content:

4.1 The Call

In this section, the background about the situation in the country and the sector is presented, as well as overall and specific objective of the Call and priority issues within which the action should be defined. *When writing the application, this section of the Guidelines should always be consulted, ensuring that the objectives of our action are in line with the objectives and framework of the Call.* In this section, financial allocation of the EU funding is also defined: it gives the minimum and maximum amounts of the grant to be awarded, as well as the percentage of the EU funding.

¹ Templates used by the Contracting Authorities for preparation of the Call for proposals: <http://ec.europa.eu/europeaid/prag/annexes.do?group=E>.

4.2 Rules for the Call for proposals

- The second part of the Guidelines starts with set of **eligibility criteria** that have to be transparent and non-discriminatory:

- Who are the **applicants** that may apply (including rule of nationality, non-profit rule and grounds for exclusion), **co-applicants** and **affiliated entities**, as well as **associates** in the action and **contractors** that don't have the same status as three other categories. In the case of the award of the grant contract, the applicant will have a role of the Coordinator of the action and be in charge of communication with the Contracting Authority, co-applicants are beneficiaries at the same level as the Coordinator, while affiliated entities don't become beneficiaries nor contract signatories but their costs encountered during implementation of the action may be eligible. *Associates* may get reimbursed for travel costs and per diems, while *contractors* get engaged following the procurement rules defined in the Grant Contract (Annex IV of the Grant Contract).

- With what **actions** we can apply: how long the action may last (minimum and maximum duration), where the action may take place, what are the sectors/themes under which the action may take place (related to the priority issues defined in the Section 1 of the Guidelines) as well as types of actions, concrete eligible activities and the conditions of potential financial allocations to third parties (sub-granting). **Visibility** rules are important part of successful implementation and the application form has to state clearly what are the activities that will take place in order to ensure wide visibility of the EU funding and the activities to be implemented in line with the Communication and Visibility Manual for EU external actions². The important condition for all applicants is the number of applications with which they can apply, but it can be different from the number of their applications that may be awarded: e.g. an applicant may be entitled to apply with as many applications as wanted but may receive only 1 grant.

- What types of **costs** are eligible: the budget has to be realistic and cost-effective, respecting the eligibility of the costs under category direct costs (spent on activities), contingency reserve, indirect

² http://ec.europa.eu/europeaid/sites/devco/files/communication_and_visibility_manual_en.pdf

cost (administrative costs, i.e. overhead) and potential contributions in-kind (described in details under the Chapter on Budget of this Manual).

Disrespect on any of eligibility criteria leads to rejection of applications.

- When you get introduced to the eligibility criteria, the Guidelines provide information about the **process** that your application will go through, once submitted:
 - First of all, **how to apply and procedures to be followed** are explained in details. In order to participate in CfPs as applicants, the organizations can be asked to register in PADOR. It is an on-line database in which organisations register and update their data regularly, through the EuropeAid website: http://ec.europa.eu/europeaid/work/onlineservices/pador/index_en.htm. This database includes numerous information on management, technical and financial capacities of the applicant. *All questions related to information that need to be added to PADOR are listed at the end of the Application Form (Sections 3.2 to 3.4), so that you can use it while preparing data to be entered in PADOR.* For example, while in open calls all participating applicants, co-applicants and affiliated entities are obliged to register, in the restricted call, only applicants asking for more than 60.000,00 Euro are obliged to register during the First phase when submitting Concept Notes. In this other case, the immediate registration of other involved organisations is optional but strongly recommended, while in the Second phase, during submission of full proposals of pre-selected candidates, the registration of all 3 categories of participants is obligatory. Please pay attention to the instructions for registration available at PADOR website, with special instructions for local self-governments and public bodies.

Having in mind that collection of data for PADOR is a demanding activity, and that the registration through internet can take longer time or the database can be unaccessible at certain moments, it is highly recommended to register in PADOR much before the deadline for the submission of Concept Notes/Application Forms. Once registered, the number obtained is to be used for all future Calls, with regular updating of information for each new Call.

All Montenegrin local self-governments have already registered in PADOR for the Calls implemented in the previous years, as well as a lot of municipal public utilities and institutions.

- As already described, the procedure for applying differs between Restricted and Open Calls, with 2 steps in the Restricted Call and 1 step in the Open. In both cases, Guidelines for applicants give instructions on all steps to be taken and conditions to be fulfilled: depending on the Call, the language in which the Application Form/ Concept Note should be written is specified (English, French, Spanish or Portuguese – please be advised to use English), as well as the allowed differences between data presented in the Concept Note and later to be submitted Application Form (estimated amounts in the Concept Note vs. detailed budget with Application Form, with possible variation of the requested EU contribution of maximum 20%). Any major discrepancy from the instructions may lead to the rejection of the application. The Contracting Authority may ask for clarification, but only if the information provided is not clear, not if it's missing. When preparing a Concept Note and a full application, a special attention should be paid to the information provided in the Concept Note, as it will be firstly evaluated and should comprise all important information. Further on, the Guidelines give detailed instructions on where and how to send Concept notes/Full Application Forms: number of copies (original, copies, electronic copy), how to pack and sealed it, at which address to send it (by post or personally, electronic/fax delivery is not allowed). Together with the Concept Note/Full Application Form, Checklist for Concept Note/ Full Application Form is to be sent as well as signed Declaration of Applicant. *Again, incomplete applications may be automatically rejected.* The date and time till which Concept Notes/Full Application Forms must be submitted are given. *The deadlines are strict and only a minute late submission leads automatically to the rejection of the application.* In hand delivery, all applications arrived are registered with exact time of submission, while in the case of sending by post, the proof of sending on time is a dispatch, postmark or a date of a deposit slip. If an application is send by post, their delivery time can be later than a deadline for hand delivery – in this case, an applicant should ensure that the postal package will be delivered before the first Evaluation Session is foreseen to be kept (foreseen in the Guidelines for applicants). Further information in this Section include the deadlines for submission of potential questions on procedures and deadline until which the Contracting Authority is obliged to give answers.

- The Guidelines further on present in details **the evaluation criteria and the process of selection of applications**, ensuring transparency of the evaluation process. Not only that the criteria are explained, but questions used by the evaluators when assessing compliance with prescribed selection and award criteria are listed, together with the maximum number of points possible to get for each criteria/questions. The questions and scoring are presented in this Manual together with the Concept Note and Full application form (see the following Chapter). The Full Evaluation grid is enclosed as Annex to the Manual. The criteria that are specified in the Guidelines cannot be altered during the evaluation procedure and have to be applied precisely by the Evaluation Committee.

The evaluation criteria are divided into selection and award criteria:

- **Selection criteria** are used to assess if 1) the applicant has financial capacity and 2) the applicant, co-applicants together with affiliated entities have sufficient operational capacities to implement the action successfully. With the PRAG version 2013.1, this criteria was assessed only with Yes and No without giving scores, however the version 2014 gave back scores to this section also. It includes: stable and sufficient sources of finances throughout the project including co-financing commitments, experience in project management, technical experience and knowledge, management capacities in terms of staff, skills and equipment. These criteria are eliminatory, it is required to get minimum 12 points for this section, however, if the score of at least one sub-section is 1, the application will be rejected despite the total number of points.
- **Award criteria** are assessing the compliance of applications with the objectives and priorities of the Call. It happens often that applicants have a good idea, and submit an application that will bring an important benefit to the wide number of people, however, if it is not in line with particular priorities of the Call, it can't be financed. The award criteria are scored and cover the relevance of the action regarding the Call and needs of target groups as well as how well the proposal is compiled and coherent (assessed based on the Concept Note), then effectiveness and feasibility, expected impact, sustainability, cost-effectiveness (assess based on the Full Application Form).

- The other instructions given in the Guidelines, such as **submission of supporting documents** that is relevant only for provisionally selected applications, then **notification** of the Contracting Authority's decision and **conditions for implementation** after the Contracting Authority's decision to award a grant, they are all described in the second part of this Manual, as the steps that take place after preparation and submission of the Application Form.

- **Early warning system (EWS)** and central exclusion database is applied to grant beneficiaries as well as to any other parties with which the EC is supposed to have financial relations. It is an internal alert tool of the European Commission. It contains restricted information concerning third parties likely to represent a threat to the EU financial interests in the form of warnings (often called flags), inserted in the LEF (Legal Entity File – see more about LEF in the Chapter about the Submission of the supporting documents of this Manual).

“The purpose of these warnings is to inform the EC that the third parties with whom the Commission has or is likely to have financial relations either:

- *are suspected of having committed or have committed fraud or serious administrative errors;*
- *are subject to an attachment order (“saisie-arrêt” in French) which prevents the Commission to pay directly the third parties;*
- *are subject to significant recovery orders issued by the Commission on which payment is significantly overdue, i.e. are “very bad debtors”;*
- *or are excluded in accordance with the Financial Regulation or Council regulations imposing CFSP³ related financial restrictions;*
- *and to incite them in these various situations to take the appropriate measures provided in the Union legislation to protect the financial interest of the Union.*

The information contained in the EWS is confidential and may only be disclosed to the third party concerned by the warning upon its request as provided for in Article 8 of the EWS Decision (but not to other third parties)⁴.

³ CFSP: Common Foreign and Security Policy

⁴ Section 3.3.12.1 of PRAG 2013.2, pages 74-75.

If applicants or where applicable affiliated entities are in any of these situations, the grants may not be approved. These are checked during a pre-selection process.

As you can see, the preparation to participate in certain Call has to be thorough and applicants have to take time to get acquainted with all relevant documentation (grant contract, manual, procurement rules) that are to be reflected in the application.

4.3 List of Annexes

The set of annexes provided with the Guidelines to applicants include documents to be filled out by the applicant and submitted to the Contracting Authority for evaluation (Documents to be completed) as well as a set of documents only to be read by the potential applicant (Documents for information):

Documents to be completed are described in the following Chapters and they include:

- Annex A: Grant Application Form (Word format) and
 - Annex B: Budget (Excel format) in all Calls,
- while the following annexes are to be completed only if requested in the Guidelines of the particular Call:
- 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 include standard grant contract with all its annexes:

- Annex G: Standard Grant Contract with:
 - 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 action – not obligatory for all Calls
 - Annex VIII: Model financial guarantee – not obligatory for all Calls
 - Annex IX: Standard template for transfer of ownership of assets – not obligatory for all Calls

As well as other information on procedures and standards defined by the EU useful for preparation and implementation of applications:

- Annex H: Daily allowance rates (Per diem) http://ec.europa.eu/europeaid/funding/about-calls-tender/procedures-and-practical-guide-prag/diems_en
- Annex K: Guidelines and Checklist for assessing Budget and Simplified cost options
- ANNEX J: Information on the tax regime applicable to grant contracts signed under the call
- Project Cycle Management Guidelines: http://ec.europa.eu/europeaid/sites/devco/files/methodology-aid-delivery-methods-project-cycle-management-200403_en_2.pdf

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5

STRUCTURE OF THE APPLICATION FORM¹ AND LOGICAL FRAMEWORK MATRIX

In this Chapter, all fields of the Application Form are presented in details, with instructions and advice on the type of information to be provided in each section. Below presented advice does not repeat all questions and instructions provided in the Form, but give additional explanations. We suggest to read carefully questions in each section of the Form before filling in the application, and only then the instructions presented in this manual.

5.1 Basic information

At the very beginning of the Application Form, basic information on applicant has to be provided:

Title of the action:	<u>FULL TITLE OF THE ACTION</u> <u>(See explanation under the section 1.1.)</u>
[Number and title of lot]	<u>See explanation under the section 1.1.</u>
Location(s) of the action:	<u>Here you list all the places where the action will take place</u>
Name of the applicant	<u>Here you put the name of the organisation that is leading the project</u>
Nationality of the applicant	<u>As stated in the statutes of the organization</u>

¹ The template of the grant Application Form, as well as of the Grant Guidelines and all annexes relevant to grants, are part of PRAG document (Practical Guide to Contract Procedures for EU external actions). They are available at <http://ec.europa.eu/europeaid/prag/annexes.do?group=E>. The presented structure of the Application Form is defined in the PRAG, version 2014 (valid from 15 March 2014). However, this document is being regularly updated based on the experiences in its implementation.

EuropeAid ID	Here you enter the number that you get when you register in PADOR.
Ongoing contract/Legal Entity File Lumber (if available)	You fill in this field only if your organization is already implemented an EU grant contract
Legal status	E.g. non profit making, governmental body, international organisation.
Co-applicant 1	<i>Name; EuropeAid ID; Nationality and date of establishment; Legal status; Relation with the applicant or co-applicant</i>
Affiliated entity ²	<i>Name; EuropeAid ID; Nationality and date of establishment; Legal status; Relation with the applicant or co-applicant</i>

Applicant's contact details for the purpose of this action	
Postal address:	Make sure that all the contact details are correct, phone numbers reachable, faxes in function, email regularly checked. In case a change happens during the evaluation process, inform the Contracting Authority in written about the change.
Telephone number: (fixed and mobile) Country code + city code + number	
Fax number: Country code + city code + number	
Contact person for this action:	
Contact person's email:	
Address:	
Website of the Organisation:	

5.2 PART A: Concept Note

INSTRUCTIONS

for the drafting of the concept note should be read carefully, as they define *the font and size of the letters* and *maximum length* of this Part of the application form, stressing the importance of clear presentation of the project idea as well as of appropriate formulation of each answer related to the value of relevant evaluation criteria (presented in the Guidelines of the Call for Proposals). It is important to follow fully all instructions: for example, if the **maximum length** of the text is 5 pages, at one side it means the text shouldn't be longer and it's not allowed to decrease the size of font or the margins in order to fit in more text. On the other side, it also means that too little text will not give the expected information and 2 or 3 pages will not give quality answers to all questions from the evaluation grid, thus decreasing the number of points to be received during the evaluation.

Since there is a **minimum number of points** that has to be obtained on different sections of the Concept Note in order to be taken into further consideration for award of grant, each sentence of the Concept Note should be carefully written. The space for the Concept Note is limited on small number of pages, and very often, knowing that we may be eliminated in early stage of the evaluation if this text is not convincing enough to evaluators, we tend to present here lots of information. But, the more doesn't necessarily mean the better. It is quite a challenge to fit in these few pages all these ideas and data we have collected, than to answer all questions from the form but not to repeat the text, finally, to be sure that the information we leave are really those that are of the highest relevance for the success of the Concept Note.

According to the main principles of Project Cycle Management (PCM) and logical framework approach (LFA) that are used in formulation of project ideas in the European Union and worldwide, development of a proposal is starting with analytical phase, to be continued with planning phase and scheduling of activities, costs and resources. *Therefore, before starting to write the Concept Note, the process of formulation of project idea has to start with the analytical phase and then planning phase.* There are plenty of materials produced on PCM and LFA, in English but also in local languages all around the world. *Therefore, before starting to prepare your application, please be advised to read the Europaid Project Cycle Management Guidelines*

that are available on the Europaid website: http://ec.europa.eu/europeaid/sites/devco/files/methodology-aid-delivery-methods-project-cycle-management-200403_en_2.pdf, paying special attention to the Chapter on Logical Framework Approach². In practice, it would mean that you have first to complete the preparatory analysis, analysis of stakeholders, of problems, of objectives and of strategies; then, using the results of the first phase, you will prepare a **logical framework matrix (logframe)**, as a tool for planning of the project. Once the logframe is ready, you can start writing the Concept Note. During elaboration of the whole Application Form, logframe is used as a starting point for developing different parts of the application; however, while formulating project proposal, a logframe will be modified as appropriate, in order to provide a comprehensive, logical overview of the main elements of the project proposal. Logframe matrix is included in the application as Annex C.

It's of crucial importance to:

- *Define project idea first through analysis stage of the Project Cycle Management (preparatory analysis, stakeholders analysis, problem analysis, analysis of objectives, analysis of strategies), then through planning stage (preparation of the logical framework matrix).*
- ***Not to start filling in the Application Form before you have prepared logframe matrix!***
- *While preparing the proposal, keep next to you the evaluation criteria described in details in Guidelines for applicants, make sure that your answers fulfil properly the requirements.*
- *Make sure you have integrated all elements from the final version of the logframe in the relevant sections of the Application Form – since the logframe matrix is being modified during development of the proposal, its consistency with the Application form is to be checked at the end, before printing the Application Form.*

SUMMARY OF THE ACTION

This Section is to be completed at the end, after the logframe matrix and budget are finalised.

In this section, the following information should be provided on maximum 1 page:

² Translation of PCM Guidelines into Serbian is available in the Knowledge center of the Union of Municipalities of Montenegro: <http://www.centarznanja.me>.

Title of the action: The title of the action should present clearly what will be done through the project, it should be self-explanatory: if you build a road, an appropriate title could be “*Construction of the road between villages ...*”. As the title shows what will be achieved till the end of the project implementation, it usually corresponds to the specific objective of the action. In many cases, acronyms are often used, even obligatory in some calls (e.g. CAN - “Crossborder Air Networking”).

Lot: Some Calls for Proposals are divided into “lots”, with separate available budgets for each lot. The total budget as well as priorities of each lot are described in the Guidelines for Applicants. Lots may correspond to different countries covered by the grant, different type of applicants eligible for each lot or, different topics covered. If no lots defined, this field is not applicable (NA) for applicants.

Location(s) of the action: / Total duration of the action: Eligible location of the action, as well as minimum and maximum duration, is defined in the Guidelines for applicants. You should check if both the location and foreseen duration of your project fits in the eligible area/timing, taking care that they are realistic and adequate to the foreseen project activities to be properly implemented.

Amount of requested EU financing / indicative percentage: You should be aware not to make a mistake here and enter the amount of the total project budget. Make sure that the figures entered in this section are the same as in the submitted budget. You should double-check if the percentage of the requested EU co-financing is in line with the minimum and maximum % as proscribed in the Guidelines for applicants.

Objectives of the action: / Estimated results: / Main activities: In this one-page overview of the project it is important to list *objectives* as well as *results* and *activities* identically as they are defined in the logical framework matrix (Annex C of the Application). A common mistake is to start filling in the Application Form before developing the *logframe matrix*: the matrix itself is a result of the series of analysis (stakeholders, problem/objectives, strategies) which has to be performed during identification of the project idea, explaining clearly the causality between the objectives-results-activities³. This mistake

³ For more instructions on definition of problems/objectives/results and logical framework approach, please read the EC Aid Delivery Methods, Volume 1 - Project Cycle Management Guidelines (<http://>

usually ends up with inconsistencies in different parts of the project proposal that are difficult to be corrected in the later stages, it can lead to conceptual mistakes and consequently to rejection of the application.

Target group(s) / Final beneficiaries: The identification of these two groups of beneficiaries is done using the results of the stakeholder analysis: while the *target groups* represent the beneficiaries whose problem(s) will be directly solved (fully or partially) by the project at the level of specific objective, the *final beneficiaries* will have benefits from the project in the long term, at the level of overall objective. In this part of the Application Form, those two categories have to be only listed and *quantified*, while they (as well as their needs and benefits from the action) will be described in other sections of the Application Form. The number of both identified groups of beneficiaries has to be specified and in correspondence with the value of the project: an expensive project shouldn't have to small number of beneficiaries, off course, social value of project also counts.

DESCRIPTION OF THE ACTION

Under this section, one-page summary of the project is to be presented:

- 1) Background** to the project preparation answers to the question why this specific idea was selected: how we have decided to apply with this project, were there any consultations with citizens or partners, were any preparatory activities implemented (such as, in case of infrastructure projects, elaboration of feasibility study, technical design or other necessary documentation). Besides the connection with the existing strategies that is described in the later sections, a participation of beneficiaries and stakeholders in the identification and planning of the project is a valuable element of each application.
- 2)** In this section, a short description of **overall and specific objectives** listed in the previous section of the Concept Note is to be given. An *overall objective* represents a long-term impact that the project has/contributes to, while it can't be achieved by one single project. An overall objective has to be in line with the overall ob-

ec.europa.eu/europeaid/sites/devco/files/methodology-aid-delivery-methods-project-cycle-management-200403_en_2.pdf

jective of the Call for Proposals, it is advisable to define the project overall objective using the same key words as in the objective of the Call. On the other side, a *specific objective* is attainable, defined as a change that will be achieved by the project, i.e. as a “purpose” of the project. Both objectives have to be *clearly defined and realistic, with clear cause-consequence connection* between them. The latest logical framework matrix template leaves the possibility to define one specific objective i.e. purpose of the action, which can contribute to accomplishment of more than one overall objective: in any case, the most important is to clearly show that the achievement of project purpose is directly contributing to the achievement of the overall objective. A difficult moment in definition of the project objectives is to avoid overlapping, but at the same time to ensure clear direct link between two objectives. The level of the specific objective can be different (more concrete or broader), depending of the type and scope of the project. For example: if the overall objective is *a socio-economic development of certain area* and we want to build a road, the specific objective may be defined as *improving mobility of goods and people in the area by strengthening road infrastructure* (that creates link between specific objective: mobility of people and result: road construction)⁴. When defining specific objective, it is important to present how the position of target group will be improved by the project.

- 3) All **stakeholders** have to be identified in the very beginning of the planning process, before developing objectives and results. The overview of stakeholders should include all institutions, groups, companies, that may have certain interest that the project is, or is not, implemented. Namely, besides those that supports the project implementations, e.g. citizens that live in the area where we will create a park, there are in most of the cases certain groups that have negative attitude towards the project, e.g. owners of kiosks that will be removed from that area. The stakeholders shall be briefly presented in this section, without forgetting those with negative attitude. In other parts of the application form, the measures of decreasing their negative attitudes and ensuring that they will not jeopardize implementation of the project, are to be explained.

⁴ For more instructions on definition of problems/objectives/results and logical framework approach, please read the EC Aid Delivery Methods, Volume 1 - Project Cycle Management Guidelines (http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t101_en.htm)

Question from the Evaluation Grid:

1), 2) and 3)

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?

(2x5 points)

- 4)** A brief overview of **results and outputs** per types of activities is to be presented in this section. The results are also to be defined during elaboration of the logframe, and they describe how will the activities contribute to the achievements of specific objective, i.e. how will they help improve situation of the beneficiaries. The results are, however, often confused with the outputs: in general we consider that the difference between the outputs and the results is that the **outputs** have a physical nature (e.g. a road, a depurator, a seminar) and the **results** are immaterial (if a road is built, the time distance between two places is reduced, etc). However, both the outputs and the results are to be listed. A project can have more results, but not too many (we tend to recommend two to four, except in cases of complex projects). Also in this case, it is a good practice to concentrate the attention on the most important results that should be delivered. While the results should also be copied from the results of the logframe matrix, the outputs are usually used to measure in which degree the project is successfully implemented, and listed as corresponding indicators in the logframe matrix.
- 5) Timeframe** of the project should be presented concisely in this section, only specifying overall duration, sequencing of the groups of activities and specific factors that are taken into account. Again, not all the activities and sub-activities are to be listed in this part of the Application Form. In general, timing has to be realistic (see more about timing of the action under the chapter 2.2.3 of the Full Application Form).

Question from the Evaluation Grid:

3) and 4)

2.2 Is the action feasible and consistent in relation to the objectives and expected results?

(2x5 points)

RELEVANCE OF THE ACTION

Keep in mind while writing:

- Write clear and simple sentences that everyone can understand.
- Avoid too technical language used by professionals in the field.
- Especially avoid “big” words that sound knowledgeable but have no meaning in the given context.
- Don’t delete instructions, titles nor questions, make an effort and find answer to each question.
- Follow the guidelines on length of the text (not too long nor too short).
- The application is to be written in English, make sure the language is correct so that the good project doesn’t become unreadable because of bad English.

This section of the Concept Note is the most important part of the whole Application Form, with the highest possible maximum score during the evaluation. Several aspects of the project relevance are to be described in this section:

Relevance to the objectives/sectors/themes/specific priorities of the call for proposals

In this section, we explain first how our project fits in the framework of the programme, i.e. in *the objectives and priorities as well as any other specific requirements of the Call for Proposals*. This is why the project idea should be defined only after carefully reading the Guidelines for applicants. If our project idea doesn’t contribute to the achievements of objectives as defined by the Guidelines, and it’s not addressing at least one priority of the Call, there is no use to apply for the funds. The project proposal can have all the elements of a successful project, it can even be the highest priority defined in relevant national and strategic documents, but it will be most likely rejected if its objectives do not correspond to the objectives of the Call: for example, we can’t apply with the project of construction of kindergarden if the purpose of the Call is “valorization of tourism and cultural potentials”; or, a local self-government can’t apply alone if the requirement is to have a Civil Society Organisation (CSO) as partner on the project, even if the project tackles the problems of local CSOs. When describing the relevance to the Call,

it is not enough to state that the project objective “ is in line with the Overall/Specific Objective of the Call”, but to present HOW it is linked. (e.g. By establishing inter-municipal business center, the project connects municipalities and local businesses, thus ensuring compliance with the priority of the call: promoting and establishing efficient inter-municipal initiatives)

Question from the Evaluation Grid:

1.1 How relevant is the proposal to the objectives and priorities of the Call for Proposals?

(2x5 points)

Relevance to the particular needs and constraints of the target country/countries, region(s) and/or relevant sectors (including synergy with other EU initiatives and avoidance of duplication)

As the next step, an *analysis of the current situation in the sector in the country, regional and local level* is to be presented. This paragraph shouldn't be too long (all together, around 1 page), but should include statistical data, information from reports (such as EC Country Progress Reports) and already existing analysis. While presenting the specific problems to be solved by the project, it is important to explain how they are currently addressed, and to clearly present their hierarchy. In order to be funded, the project has to be in line with the existing strategic documents at all levels, and this link is to be described here. The references to the specific national, regional AND local strategies have to exist and to be clear and precise. Additionally, all synergies with already, currently or to-be implemented actions are to be mentioned, no matter if they are implemented by the local self-government or other actors.

Question from the Evaluation Grid:

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)

(2x5 points)

Describe and define the target groups and final beneficiaries, their needs and constraints and how the action will address these needs

In this paragraph, all *target groups and final beneficiaries* listed in the *Section 1.1 Summary of the Action* are presented in details: why they are selected as beneficiaries, basic information on each group with the number of beneficiaries whenever possible, what are they needs and why they currently can't satisfy them, as well as how the project will deal with all identified needs per group. We have to be careful not just to repeat the problems described in the situation analysis, but to go "a step forward" and identify specific problems of each target group/final beneficiaries that are caused by the presented overall problems. The involvement of the beneficiary groups in different stages of the project development and management has to be integrated in the project.

Question from the Evaluation Grid:

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 points)

Particular added-value elements

The *cross-cutting or "horizontal" elements* are giving an added value to the project proposal, it shows that we were thinking strategically and that we have in mind the overall position and impact of the project in the community/society. When planning the project, it is very important to take into consideration different elements from this category. However, there is no need to artificially try to find ALL these elements in our project: simply, a project can't always have impact on all vulnerable groups, or have impact on environment: in the cases of infrastructure projects (e.g. construction of a road), the environmental aspect is obvious, while on the other hand, it is less likely that it will contribute, for example, to the promotion of gender equality. Yet, You should always carefully examine and describe also less clear links.

Question from the Evaluation Grid:

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 points)

In the cases of the restricted Calls for proposals, when only the Concept Note is submitted in the first phase of the evaluation, it includes the following forms, described in more details later in the text.

1. Checklist for the Concept Note
2. Declaration by the applicant for the Concept Note
3. Assessment grid for the Concept Note

5.3 PART B: Full Application Form

5.3.1 General Information

Reference of the Call for Proposals	The reference and the title of the Call for Proposals are given on the cover page of the Application Form. Make sure not to use the old form from another Call, and to include wrong details on the Call.
Title of the Call for Proposals	
Name of the applicant	The name of the organisation can be added both in original and in English.
No. of the proposal	This field is used only in the case of the restricted fall, after the Concept note is already evaluated and the full Application is being submitted.
Title of the action	Make sure the title and location are the same as on the first page of the Application.
Location of the action <i>-specify country(ies) region(s) that will benefit from the action</i>	
[No. of the Lot]	See explanation under the section 1.1.

THE ACTION

In this section, the elements that are defined through analytical phase and preparation of the logical framework matrix (logframe) are to be developed in details, allowing us to present all aspects of the problems faced, the way how you plan to address them and what will be achieve, the use of resources, as well as synergies, further steps and impacts that go beyond the action. After the Concept Note persuade the Evaluation Committee that you have a good idea, in the Full Application Form you show the overall maturity of the action.

5.3.2 Description of the Action

DESCRIPTION

In order to describe the action, detailed questions are given, to which it has to be answered:

- *it's important to answer to ALL questions and to provide all available information on the topic.*
- *it is necessary to develop in details the statements briefly presented in the Concept Note, not only to copy/paste the already said. Each paragraph has to give new information*
- *the text should remain clear, precise, consistent, and logical; avoiding repetitions, political, too technical or "poetic" descriptions.*

- Starting from the objectives and results presented in the Concept Note, as well as identified target groups and beneficiaries, here we explain *how the situation of all groups of beneficiaries will improve after our action is implemented*: while the section 1.1.3 identifies concrete problems and needs of beneficiaries and gives explanation how we will tackle them, we develop further the connection between identified objectives and results with each group of beneficiaries. Here we focus on the **impact** that our action (and specific activities) will have on specific group.

Moreover, a special attention is paid to the benefit that the action will have on raising capacities of target groups or partners: for example, if the grant is asked for purchase of a vehicle for waste collection, it will have impact on all citizens as a target group as they will be provided with better communal services and their living conditions will improve, but it will also strengthen capacities of the communal public utility to perform its duties. In this case public utility may be at the same time *project partner*, as well as target group. When it comes to *managerial capacities*, it is always welcome to include activity/ies that are fostering management aspects, as it will ensure that the achieved results will be institutionalised and the beneficiary/partner will be confident with managing, in the given example, purchased equipment. This issue will be further explained later in the text, in the section on sustainability, where it is asked to present how managerial capacities of the applicant organisation will be strengthened.

Don't forget to list here *publications* that you plan to publish (if any): in the last example, it could be a study on European waste management standards, but also a booklet on waste disposal for school children.

Present clearly benefits of EACH result on EACH target and final beneficiary group.

Always keep in mind, and describe it, the cause-consequence link between overall objective – specific objective – results.

Question from the Evaluation Grid:

4.1 Is the action likely to have a tangible impact on its target groups?

(5 points)

- In this section, we *describe in details all planned activities, and this should be the longest part of the application*. Before we start listing **activities** in chronological order, we should have another look in the objectives and results, and keep them in mind all the time, so that, while presenting an activity, we don't forget to present clearly how it contributes to the achievement of the specific result/purpose/objective. Using the list of activities as presented in the logframe, keep the numbering that connects activities to results (result 1 – activities 1.1, 1.2,...). The activities can be grouped, but also composed of number of sub-activities. While explaining activities, many issues may arise that were not obvious in the earlier stages, for example, we may realize that more time is needed for its realization than foreseen. As long as the activities are linked and together give a comprehensive picture of how the whole project will be implemented, how they will built on each other, we show that we know exactly what we want to do, that we are ready to start implementing the action as soon as the contract is signed. If the idea is too vague and there is not enough ground for its execution, description of activities will show it. Therefore, we have to be concrete: if we want to raise awareness of people on some topic, the activities could be organization of a public event, printing of a leaflet, radio, TV show, etc. If we are not quite sure what to do and we have no experience with organization of events, we could say only:

Public events that will raise awareness of citizens will be organized at the beginning of the project.

But if we know what has to be done, we would give all details of the activity:

One public event will be organized at the beginning of the project, in order to introduce the topic to local population. The event will be held in the municipal hall, for 40-50 people. Citizens will be informed about the event at different ways: first of all, one-page leaflet will be printed in 300 copies and available to citizens at visible spots in the municipal hall (i.e. at one-stop shop). Moreover, a radio commercial will be recorded and released at the most popular local radio station, in the period of 10 days around noon, when most people listen to the radio. The NGO that is a project partner will support applicant in implementation of this activity by informing citizens about the event using its regular communication tools (website, facebook page). One of the experts working for the NGO will also have a presentation on the topic at the public event, while other speakers will be one representative of the municipality and a guest from the ministry in charge for the topic. Etc, etc....

We were already discussing the difference between results and outputs (section on the Concept Note, 1.3), saying that outputs are “physical”. So, while we have already defined “immaterial” results to which the activity will contribute, for each activity there is a list of **outputs** that will be achieved, in previous example, which would be: *1 public event for 40-50 people, 300 leaflets, 1 radio commercial.*

A special attention should be paid to description of activities related to procurement. We can procure services, supplies or works. For each of these, PRAG⁵ proscribes thresholds and relevant procedures that need to be implemented. Again, proper description of activities is connected with the budget: we have to know the value of procurements we want to make in order to know what type of procurement we have to use. For each type, different rules are proscribed, and we have to explain it clearly in the description of activity. While the main principle to be respected is fair treatment of potential bidders, common elements are:

- 1) preparation of tender dossier (in case you don't have enough knowledge within the organization in the field of procurement or in

⁵ The grant contract doesn't specifically oblige on the use of PRAG for the procurement. There is an annex to the grant contract (Annex IV) that proscribes the use of “best international practice” and only general rules from PRAG. However, based on the experience, use of PRAG is the safest way to be sure that our actions are in line with “best international practice”. In order to be able to substantiate the use of certain procedure according to the best international practice, you would need to have in depth knowledge about procurement rules at international level (the practice of the EU and other international institutions such as World Bank and similar).

regards to the EU procurement rules, it will include one additional, small procurement: engagement of expert to do it),

- 2) launching of the tender (including adequate publicizing, provision of clarifications if any questions are asked by potential bidders, organization of visit to site in case of works),
- 3) evaluation of the tender (establishment of the competent Evaluation Committee according to the EU rules, opening of offers, evaluation)
- 4) signing of the contract (asking the selected bidder to provide supporting documents and its reviewing, preparation of the contract and its signing).

When planning and describing procurement activities, it is of crucial importance to forget about relevant national legislation and to pay special attention to timing defined by PRAG. For example, the time spent on procurement of works, on construction of a building, or local road, for example, lasts 4 to 6 months.

This detailed presentation of the activity will also help us make more accurate assessment of costs, as you will now know that you will have certain costs for printing the leaflet, for recording the commercial, and when you know the number of people – you will know how much money is needed for refreshment, etc (see more on budget preparation in the section about the Annex B: Budget).

Here you don't mention in which month the activity will be implemented, as it will be presented in the Action Plan later on (Section 2.1.3), but you give *general sequencing of activities*, e.g. *prior to*, *after*, *in parallel*, and when relevant, a duration of the action.

By the way, don't forget to give title to each activity, the same as they are presented in the logframe⁶.

While describing activities, express clearly:

- *WHO implements it and WHO participates*
- *WHY we implement it (what is the result)*
- *HOW will it be implemented*
- *WHEN in relation to other activities*
- *HOW MANY (participants, leaflets)*

6 Always keep in mind that a logframe is a living document, it is normal to look at it while writing the proposal and modify it based on the new overview of the action that you get while going into details.

- Also, in the case the **provision of sub-grants** is allowed by the Guidelines for applicants and foreseen in the application, the main elements of the Call for proposals should be defined: objectives, results, fixed list of types of activities to be addressed. The maximum amount of a sub-grant is EUR 60 000 per third party, except where a redistribution of the grant is the main purpose of the Action.
- In case of the restricted procedure, eventual changes from the Concept Note have to be mentioned here.

Question from the Evaluation Grid:

3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?

(5 points)

METHODOLOGY

- While in the previous section you were describing **WHAT** you will do, here, the accent is on **HOW we will do it**: *what are the **techniques and methods** that we have selected in order to achieve the best, the most efficient, sustainable, results.* Besides describing what tools you chose for implementation of specific activities, it has to be clear why you have selected it, out of all other available options. For example, if you want to educate certain group of people on specific topic, you can do it through organisation of training, or through elaboration of written manual, or through on-the-job training. Depending on the type of the projects, different techniques are suitable, i.e. rules and type of procurement to be used, surveys, study visits etc. When describing reasons for the use of specific method, various could be taken into account: innovative character, positive experience with similar actions (of the applicant, partners or others), adequate to particular target group, based on the capacities of the applicant and partners, the best option within the financial or time limits given by the Call, or similar.
- Additional element to successful application is the link with **previous actions**. This is very important aspect, here you should present similar relevant actions implemented not only by you as a leader of the project, but also by partners. Even a well done analysis of the problem and planning of activities that include potential project beneficiaries and

those interested in the project, during development of the project idea, should be recognised as a relevant previous action.

- Any linkages with actions in the same field should be described: if your action is part of a **larger programme** or you can make **synergies** with other actions going on or foreseen, explain clearly how your action can be linked with it and how you will ensure this connection. Any donor, governmental, or other actors' initiative should be taken into consideration, but make sure that the concrete connection exists: if you receive a grant, you will have to implement everything you present in the application. Give special importance to the *EU initiatives*. For example, if the government has a strategy on regulating the waste management in the whole country, moreover it receives the EU support for it, your action on waste management should contribute to its implementation.
- Since the actions are usually implemented in partnership with several entities, with additional expected participation of beneficiaries and other stakeholders in the activities to be implemented, the **roles** of all those groups should be described here, specifying why they have that specific role. This includes the roles of co-applicants, affiliated entities (if any), target groups, beneficiaries, other relevant stakeholders such as representatives of relevant ministry or agency, CSOs or others, and may comprise political support, participation in promotional activities, or similar.
- In order to ensure that the action is implemented as foreseen, the activities have to be properly **monitored** and **evaluated**. We have to be aware of clear distinction between these two processes. **Monitoring** includes procedures of regular internal following of the implementation of activities and achievement of expected results and outputs, which can be done through regular meetings of the project team, for example. Monitoring is done during the whole project implementation and includes less formal procedures. The aim is to review the progress of the action and to make modifications in the Work Plan when needed. We don't monitor only if we are completing activities on time, but also if we are using more or less resources than planned. During monitoring we also use the identified indicators (as presented in the second column of the Logframe) for activities and results, to check if we achieved exactly what we planned: for example, we may organise a seminar as we planned, but instead of 30 participants foreseen, only 10 people came. If we are monitoring the implementation regularly, we

will compare the output we got with the one we planned, and, in this case, design a measure to correct what is not done according to the plan. In this case, we could organise additional event if we have savings in the budget, or, find another way to inform more people about the topic of the seminar. In order to be able to perform monitoring properly, it is important to have well prepared Work (Action) Plans, with precise outputs to be achieved, resources to be used and responsible organisation/persons.

On the other side, **evaluation** is more official, implemented usually by external professional, at the mid of the project implementation or at its end. Differently from monitoring, evaluation is focused on assessment of achievements of set indicators related to results and objectives. Additionally, it identifies lessons learnt that will be useful to the implementing organisation and partners in planning and implementation of future projects and similar activities. It is done based on the review of the project documentation and comparison with the approved application form, logframe and budget. Further on, it includes interviews with the project team, managers of the implementing organisation, partners, target groups. Evaluation can also be done internally, preferably not by the project team members but another staff/department of the implementing organisation. An example of efficient and not expensive evaluation of achievement of objectives, when the indicator is citizens' satisfaction with the service in question (that is to be improved or introduced through the project), can be a survey done at the beginning and end of the project.

With clear understanding of what monitoring and evaluation includes and how important it is, it will be easy to complete this part of the application, keeping in mind actors involved in the action (among partners and beneficiaries and hierarchical within our organisation). The questions you should answer here are the following: WHO will do the monitoring/evaluation, WHEN it will be done, HOW it will be done (methods: meetings, interviews, survey,...), WHAT will be monitored/evaluated (indicators, spent resources, time schedule,...) and WHY and FOR WHOM (what will be achieved with it and who will use the recommendations/report).

Question from the Evaluation Grid:

3.3 Does the proposal contain objectively verifiable indicators for the outcome of the action? Is evaluation foreseen?

(5 points)

- One more element of well planned methodology for project implementation is adequate **project team** assigned to the action. The instruction in the application form clearly says that we shouldn't list the names of the persons that we plan to work on the project. Instead, it is of high importance to include all positions that are needed in order to ensure successful quality implementation of activities. Don't list only the titles of positions, even though they all sound self-explanatory (e.g. Project manager manages project, Financial manager takes care of finances), it is important to describe briefly but clearly what will be the role and responsibility of each member of the project team having in mind the proposed activities. When it comes to the structure of the team and the number of members, there is no unique formula: it will depend on the type of activities to be implemented and on partners involved. Two positions necessary to show that the proper project management will be ensured are Project Manager and Financial Manager, while other common positions may be Project Assistant, Project Coordinator (in case of wide partnership), Communication Officer in case of strong promotional activities, Technical Advisor in case of infrastructure project or other with technical components, as well as Public Procurement Officer and similar. When thinking about the structure of the team, don't start from the positions of your colleagues that you want to include, start from the competences that are needed to implement different types of foreseen activities. After describing all responsibilities, think about the percentage of the engagement on the action of each team member, having in mind for which activities they will be responsible: if each component of the action is covered by different project staff, all of them will have less job then if only Project Manager takes care of most of the action. *Make sure that all positions are really needed, but also that the percentage of engagement is realistic:* it is not always favourable to include only one or two team members as it shows that we are not aware of the scope of the work we need to implement and that we didn't ensure relevant knowledge for successful implementation (e.g. missing of technical advisor while the project manager is not an engineer in case of infrastructure projects). On the other side, too many team members without clear responsibility or with overlapping is also not advisable: *the proposed project team has to be efficient and competent.*

In order to show full capacities to implement the action successfully, all **means** to be used should be listed here: this list is taken from the logframe, the second column (Indicators) of the row "Activities". This includes, but it's not limited to: project team (e.g. project team of 5

members), office equipment (i.e. computers, printer, fax, etc), contracts to be signed within the action (e.g. 1 service contract for preparation of tender dossier, 1 supply contract, etc), other equipment or people involved (e.g. municipal staff that will support certain activities but not be a part of the team, such may be a driver, lawyer, PR, etc). This section additionally shows that you have full understanding of all aspects of implementation of your idea in practice.

Question from the Evaluation Grid:

*1.3 Do the applicant and, if applicable, their affiliated entity(ies) have sufficient management capacity?
(including staff, equipment and ability to handle the budget for the action)?*

(5 points)

- We have already listed different target groups and final beneficiaries in previous sections: we have explained their current problems and how they will benefit from the action. In this section, we have to present what is the opinion, the **attitude of each stakeholder** towards the action and/or some of activities. All stakeholders were identified in the analytical phase, before we prepared the logframe of the action. Some of them may not be involved in the project, but may have certain opinion on the action, either positive or negative. *Don't try to present only positive attitudes*, as it shows that you didn't do the analysis well and that you may have problems during implementation that you didn't take into consideration and thus will not be able to answer to appropriately. Also a group of people can have positive attitude towards the action (citizens living in certain area will welcome the construction of the new street in their neighbourhood), but they may have negative attitude towards certain activity (closing other streets around during construction, so that they can't use their cars, noise). In case of negative attitude, we should think of activities that will decrease their dissatisfaction.
- No matter what is the purpose of the project, as well as beneficiaries, it is important to ensure appropriate **visibility** of the action, stating the EU funding. These can be various, depending of the type of action: EU display panel (in case of infrastructure), printing leaflets and brochures, organisation of public events, EU signs for each supply, TV shows, radio jingles, etc. All these activities have to be done according

to the *Communication and Visibility Manual for European Union External Actions*⁷, and we should mention it here, showing that we are aware of all rules for implementation of EU funded actions.

DURATION and indicative action plan for implementing the action

Each Call for proposals proscribes the allowed maximum and minimum duration of actions to be financed: having those in mind, here you should state how many months will your project lasts: be realistic, not too ambitious but also not too slow, for example, if a tender for procurement of works that is open for 2 months fails, you need additional minimum 4 months to sign the contract.

When presenting the Action Plan in the given table (gantogram), make sure you use the same numbering and titles of activities as in the logframe. If the project lasts more than 12 months, you should complete 2 tables, 1 for the first 12 months of duration of the action and the other for total additional period. Pay attention to the difference in presenting the activities in these tables: in the year 1 you have to give more detailed overview of activities, dividing each of them on the time needed for “preparation of” and for “execution of” the same activity. The title of the activity can be “Preparation of the tender dossier”, which will then be presented in the Action Plan in 2 rows, as Preparation of Activity “Preparation of the tender dossier” (and that would include, for example, engagement of expert, or only reviewing of the existing technical documentation) and Execution of Activity “Preparation of the tender dossier” (work on elaboration of tender dossier). In the last column of the action plan, you should say who will implement the specific activity: this can be either the organization that is leading the project or a project partner⁸ or subcontractor.

For following years, the periods are represented as 6 months periods (semesters) and you specify only in which semester the action will take place, without specifying when the preparation will take place and when the execution of the activity. The period of 10 semesters is offered, while you will mark only those in which your action will take place, i.e. if your project lasts 18 months, you will list activities that will take place in the first 12 months in the table of the Year 1 and all the others will take place in semester 3 given in the second table.

The given gantogram presents months as month 1 of the implementation (not of the year), month 2, etc and you should keep it, as you don't know

⁷ Available at http://ec.europa.eu/europeaid/work/visibility/documents/communication_and_visibility_manual_en.pdf

⁸ The term “partners” comprises both co-applicants and affiliated entities.

when exactly will implementation of your action start (even though you have the preliminary date of the contract signing in the Guidelines to applicants of the Call, it may happen much later).

Question from the Evaluation Grid:
3.2 Is the action plan clear and feasible?

(5 points)

SUSTAINABILITY

- The benefit that the target groups will have from the action, in the light of achievement of overall and specific objectives, are already described under the section 2.1.1. In this part of the Application Form, you should elaborate on the presented indicators at the level of overall objectives, presenting in details what long-term changes will be made or initiated by the action, i.e its **impact** with quantified data where possible, at technical, economic, social, and policy levels.

You should be careful not to mix this section with the question on *policy sustainability* (described in the text below), as well as with the already mentioned section 2.1.1 where, among other, it is presented how technical and management capacities of target groups are improved with the action. In this paragraph, the focus is on impact on *final beneficiaries, system, and the whole society*. On the other side, the following paragraph on sustainability at policy level addresses the systematic improvements at the level of the applicant, target groups and partners.

- In this section, you should present several issues:
 - How will you **disseminate** information on the results of the action and to whom?
 - How will the applicant, partners, target groups **built on** the achieved results?
 - How will the action be **replicated** to another fields in the responsibility of applicant/partners/target groups, or how will the results of action be used by other subjects that have similar problems, (multiplier effect)?

Question from the Evaluation Grid:

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 points)

- In the phase of development of logframe matrix, some **risks** were already identified, during identification of the *preconditions* and *assumptions* (see more about assumptions in the following section). When we talk about risks, we talk about *hypothetical situations that may jeopardize the action or decrease its impact - if they happen*. They may be of different nature (**physical, environmental, political, economic and social** risks) and you are asked here to identify. All of them for each activity, whenever possible.

There is always a set of risks related to an action, and it is not good to pretend that your action has no risks: it means only that you are not aware of it and thus will not be able to cope with it, if it happens. Therefore, by identifying specific risks for each activity, it is important to come up with a proposal of the **measure** you will take to prevent it to have negative impact on the project. The following table may be used for identification of risks:

Activity:	Risk:	Measures:
e.g. Execution of works	The Contractor is late with the execution and doesn't meet deadlines.	We will engage a high-level on-site supervisor to monitor and control the execution of works and inform us of any potential delays or problems on the site. We will introduce in the contract provisions on potential consequences in terms of payment of penalties, etc.

The measures proposed for each risk should be identified based on a tool for risk management, analysing the combination of impact that a risk may have on the action, and probability that the risk will be faced:

while those risks that would have low impact on the action do not require high attention and lots of resources to be avoided, the risks with high impact on the action will have to be carefully examined.

Example of a risk for the action that includes construction:

Risk:	Probability that it happens (high/medium/low):	Impact on the project (high/medium/low):
Bad weather conditions during construction	High if implemented on the North / Low if implemented on the Coast	High

Finally, you summarise the risks for all activities in the following groups: physical, environmental, political, economic and social.

- When we identify **assumptions**, we answer to the question: what external factors that are not under our control may have impact on implementation of the action? Assumptions and **preconditions** are defined during the planning phase and development of logframe matrix. Here, all assumptions from the logframe have to be described in more details: *when* is an assumption relevant for the project (preconditions have to be fulfilled BEFORE the implementation, assumptions may influence realisation of results and specific objective DURING implementation, or, the achievement of the overall objective AFTER the action is completed); *why it is important* that an assumption holds true and *why it is likely to happen*. If the assumption doesn't hold true, our action is at risk - in fact, assumption can be seen as a framework in which risks may happen. To summarize, the main difference is that when we make an assumption, we expect that **assumption will happen**. If the assumption doesn't happen then the project is negatively affected. With a risk we anticipate that the **risk might happen** and thus negatively impact our project.
- **Sustainability of the action is expressed in 3 dimensions:**
 - a. **Financial sustainability:** The budget of the action doesn't include the forecast of the costs that will be encountered after the action ends. The future costs related to operating and maintenance have to be assessed⁹, and in this paragraph, the source of funding for

⁹ The Inter-municipal Development Grant Programme foresees, for actions that include execution of works, the elaboration of the Summary of all the relevant financial and economic information as part of the supporting documentation.

covering of these costs has to be identified. Here, you have to be concrete, e.g. it is not advisable just to say that the additional funding will be covered from municipal budget, state budget or donor funds. If it's municipal budget, it has to be specified from which budget line, based on which decision/legal obligation, how big the costs are in regards to current municipal budget, etc.

The covering of future costs doesn't have to be financed only by public or donor funds, it may be (normally partially) financed through the tariffs or paid by users.

Your action may be a part of a larger programme to be implemented in phases: in case there are more phases to be implemented after completion of the action, a concrete source(s) of funding have to be clearly stated and a guarantee in the form of supporting document such as letter of intent (or the legal act/agreement or other) will have to be provided. Otherwise, there is a high risk the results of the action will not be used.

- b. **Institutional sustainability:** Here you should list all institutions and organizations that will continue to be involved in the follow-up of the action after its completion, and explain what their role will be. You have to show that you will have capacities to maintain results of the action, through newly established or already existing structures. All types of agreements with partners or target groups and systematic involvement of relevant institutions show that the institutional framework is established and ensure sustainability of the action. You should take care of expressing who will keep the *ownership* of the outcomes of the action, i.e, in case of supply of waste management vehicles within the grant implemented by a municipality, it will be transferred to the communal public utility that will use it in everyday work.
- c. **Policy level sustainability:** Sustainability at policy level should describe all acts, decisions, models, tools developed and adopted by relevant bodies/institutions during the implementation of the action, that will stay in power after the action ends. It can include set of rules of functioning of certain municipal service, as well as municipal act on waste collection or similar.
- d. **Environmental sustainability:** Depending on the type of the action, it can take more or less impact on the environment: here you should explain how your action have positive impact on the environment, or, in other cases (mainly infrastructural) what will

you do to decrease potential negative impacts on the environment (e.g. the execution of works will be done following the environmental standards, using environmentally friendly materials, or similar). Don't forget that certain projects (e.g. construction of a big object on the place where the green area was before) requires elaboration of Environmental Impact Assessment (EIA)¹⁰. In some cases, special activities can be integrated in the action in order to foster environmental aspect (such as campaign on protection of rivers, in case of the project of "urbanisation" of riverside).

Question from the Evaluation Grid:

4.3 Are the expected results of the proposed action sustainable:

- financially (how will the activities be financed after the funding ends?)*
- institutionally (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?)*
- at policy level (where applicable) (what will be the structural impact of the action — e.g. will it lead to improved legislation, codes of conduct, methods, etc?)*
- environmentally (if applicable) (will the action have a negative/positive environmental impact?)*

(5 points)

10 Information about the EIA can be found on the website of the European Union (<http://ec.europa.eu/environment/eia/home.htm>) as well as on the website of the Ministry for Sustainable Development and Tourism of Montenegro (<http://www.mrt.gov.me/en/ministry>).

LOGFRAME MATRIX

Successful logframe matrix is made if:

- *The statements from logframe are regularly checked during elaboration of the Application Form and modified accordingly.*
- *The indicators are SMART (specific, measurable, achievable, realistic, time-bounded)*
- *It presents the action in a comprehensive manner, clear, coherent and concise.*

The logframe matrix¹¹ is the most important step in the project formulation: even though Logframe Matrix is enclosed as Annex to the Application Form, it should be done at the very beginning: before starting to answer the questions from the Application Form, a detailed analysis should be made with participation of partners, including *analysis of problems*. Based on the identified problems and following the objectives and priorities of Guidelines for applicants, *objectives* (overall and specific), *results* and *activities* are firstly formulated and interconnected (described in the section on Concept Note). The next step is to identify *preconditions* and *assumptions*, i.e. risks out of our control that are necessary to be met in order to implement activities / achieve set results and objectives. These are the main elements of the logical framework of a project. Additionally, logframe matrix specifies *means* and *costs* necessary to implement foreseen activities, as well as indicators that show if we are successful in achieving results and objectives and *sources* (usually documents) based on which it will be possible to verify if the foreseen indicators are achieved (Sources of verifications). Well-defined indicators make easier and more relevant processes of monitoring and evaluation of the action.

Question from the Evaluation Grid:

3.3 Does the proposal contain objectively verifiable indicators for the outcome of the action? Is evaluation foreseen?

(5 points)

11 For detailed instructions on logical framework approach and how to prepare logframe matrix, read Europaid Project Cycle Management Guidelines that are available on the Europaid website: http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t101_en.htm.

BUDGET of the action, amount requested from the Contracting Authority and other expected sources of funding

In this Section, only instructions are given and no information needs to be provided in the Application Form itself. The form of the budget where you present detailed budget of the action, with the sources of funding and justification of each cost, is enclosed in the Annex B. The rules for the eligibility of costs are presented in the Guidelines for applicants. Detailed instructions and advice on how to prepare an efficient budget are given in the section on Annexes to Application Form.

Questions from the Evaluation Grid:

5.1 Are the activities appropriately reflected in the budget?

(5 points)

5.2 Is the ratio between the estimated costs and the expected results satisfactory?

(10 points)

APPLICANT'S EXPERIENCE

This information will be used to assess whether you have sufficient and stable experience of managing actions in the same sector and of a comparable scale to the one for which a grant is being requested.

Take care of the following:

- Don't leave it for the end, start collecting data on experience of the organisation as soon as you start writing the proposal,*
- Write clear descriptions of the past projects.*
- Don't include only projects financed by the EU or other donors (but also those funded by the government or your organisation).*
- Include also projects that were not implemented directly by your organisation, but where you were partners.*
- "Similar and other" actions may include actions of approximately same value as the action we want to apply with, of similar type of activities to be implemented, in the same sector.*

Here you should describe carefully what the project was about and what the role of your organisation on the project was. Even though it looks easy, this part is important for assessing *Financial and operational capacity of the applicant*, selection criteria where you have to get minimum points in order to be further evaluated. In case of municipalities, it can be a challenge to find all information relevant for this section, therefore time needed for it shouldn't be underestimated.

Question from the Evaluation Grid:

1.1 Do the applicant and, if applicable, their affiliated entity(ies) have sufficient experience of project management?

(5 points)

The same information is to be provided about co-applicants in the Section **2.1.8. Co-applicant(s)'s experience** and about affiliated entities in the section **2.2. Affiliated entity(ies) experience (if applicable)**.

5.3.3 The Applicant

Check carefully in the Guidelines if the registration in PADOR is obligatory: as previously said, the registration is currently obligatory for all Calls in Montenegro.

Don't forget to add recent changes in PADOR, if you are already registered, since your Financial and operational capacity is mainly assessed based on the information provided in PADOR.

Make sure the data are accurate, and make sure you don't forget the password for the access to this database (this can easily happen, for example, a person who used PADOR left the municipal administration and no one took over necessary data).

The EuropAid number that you receive when you register in PADOR is to be entered in this section. More about the database and process of registration you may find on: http://ec.europa.eu/europeaid/work/online-services/pador/index_en.htm. The Application Form here gives the overview of offline PADOR registration form (sections 3.2, 3.3 and 3.4), but once you register online, you shouldn't fill in this part of the application: *you may use this part of the Application Form in order to collect necessary information, prepare them all, and once you have them completed, register and enter all data at once.*

Question from the Evaluation Grid:

1.2 Do the applicant and, if applicable their affiliated entity(ies) have sufficient technical expertise? (notably knowledge of the issues to be addressed.)

(5 points)

1.3 Do the applicant and, if applicable, their affiliated entity(ies) have sufficient management capacity? (including staff, equipment and ability to handle the budget for the action)?

(5 points)

1.4 Does the applicant have stable and sufficient sources of finance?

(5 points)

The Co-applicant and Affiliated entity(ies) participating in the action

Read carefully the rules on eligibility of co-applicants for each Call for Proposals, described in the Guidelines for applicants.

Besides the description of the role of partners in the application form, there are 2 forms that need to be filled in by the partner organization: *the new version of PRAG added additional request to provide information on experience of co-applicants and affiliated entities.*

Additional authorisation that co-applicants are giving to the Applicant to submit the application and sign contract on their behalf is added with the PRAG 2013.1, in the form of **Mandate (to be signed by co-applicants). Affiliated entity(ies)'s Statement** has also to be signed by the authorized person.

Make sure that you get the Statement signed on time, as you have to submit the original, not scanned nor faxed copy is acceptable.

Question from the Evaluation Grid:

3.4 Is the co-applicants and affiliated entity(ies)' level of involvement and participation in the action satisfactory?

(5 points)

Associates of the applicant participating in the action

The same as Description of affiliated entities, all associates on the action have to be presented using the given form, with a difference that they don't have to be registered in PADOR. *Read carefully the rules on eligibility of associates for each Call for Proposals described in the Guidelines for applicants.*

Checklist for the full application form

Checklist is to be filled in at the end of the process of preparation of Application Form: read each question carefully and check if it is ok, don't take it for granted and just complete it without double-checking all information, as your application may be rejected if any condition listed in the checklist is not fulfilled.

Declaration by the applicant

Declaration of the Applicant has to be signed by the authorized person of your organization (in case of a municipality, that should be a mayor). The most important is that, by signing this Declaration, your organization shows commitment to implementation of the grant according to the contract available with the application form, it re-confirms the applicant's financial and professional capacities to implement the action properly, and, moreover, it states that it's not in any of the situations listed in the Section 2.3.3 of the Practical Guide to contract procedures for EU external actions (Annex 1 to this Manual).

Read carefully section 2.3.3 of the Practical Guide!

Assessment grid of the full application form

*Don't fill in this section!
The Assessment grid is there only for your information, to be aware of the steps of the evaluation process.*

6

STRUCTURE OF THE BUDGET

6.1 Budget Form

Information on the eligibility of the project costs is given for each Call of Proposals in the Section 1.3, 2.1.4 and 2.2.5 of the Guidelines for Applicants. Following carefully the eligibility criteria for the costs, the full project budget should be drawn, ensuring cost-effectiveness. In summary, the project costs that can be budgeted and that are eligible are the following:

- ✓ Defined as eligible in the Guidelines per applicants,
- ✓ Encountered during project implementation,
- ✓ Foreseen by the project budget submitted with the application,
- ✓ Necessary for project implementation,
- ✓ Registered in the accountancy system of the beneficiary;
- ✓ Realistic and in line with good management practices.

The latest versions of PRAG give certain flexibility in budgeting, foreseeing several simplified cost options: besides estimate and later on reimbursement of actual cost incurred, costs can be presented as 1) unit costs, 2) lump sums, 3) flat rate financing. These options allow reimbursement of costs based on approximate presentation of costs, however with objective data and method used to calculate it. These options may be used following the instructions given in *Annex K* to the Guidelines for Applicants: Guidelines and checklist for assessing action budgets and simplified cost options for Union financed grant contracts.

The budget includes information to be presented in three sheets:

- Worksheet 1: **Budget of the Action** where all costs are presented in details per type of costs for the total project duration, as well as for the first 12 months. Based on this assessment of the budget costs needed in the first year of the implementation, the first pre-financing installment will be calculated, therefore, it is important that the budget is carefully developed. When preparing a budget, also read carefully instructions given at the bottom of the Worksheet 1. In this worksheet, the costs are presented per price per unit (e.g. 4000 leaflets per 0,5 Euro = 200,00 Euro) whenever possible, while calculation of average and global prices should be clearly explained in the Worksheet 2.
- Worksheet 2: **Justification** of the Budget should provide explanation why each budget line is needed for project implementation and for which activity, to which results it will contribute, as well as how are the foreseen amounts obtained and calculated.
- Worksheet 3: **Sources of Funding**: Since the co-financing of the Action funded by the EU is a must, this worksheet presents the amounts as well as percentages of the contributions provided by applicants and partners as well as EU, EU member countries, other donors including potentially national government. When defining percentages of contributions, *please keep in mind the minimum and maximum allowed percentages of eligible and of accepted costs.*

6.2 Budget headings

The structure of the budget comprises 13 budget headings. Within each budget heading, several budget lines are listed, with the possibility to add new budget lines if needed. Budget headings, on the other side, are not allowed to be modified nor deleted, even though there are no costs within certain heading.

- Budget Heading 1: Human resources:

This budget line covers costs of **salaries** of temporary or permanently employed staff of the beneficiary, calculated per percentage of their engagement: while the unit rate is gross salary with all contributions to be paid, the number of units is calculated as “the number of working months sum the working percentage” (for example, 18 months of project implementation with 50% - half time working on the project gives a unit rate of 9 months). When budgeting the salaries, please pay attention that the public servants (including those employed in municipal administrations and public utilities) shouldn't receive additional fee a part of their regular salaries unless otherwise specified in the Guidelines. The budgeted salaries should be equal to average of the last 3 months salaries received by an employee on the same or similar position, and it the Contracting Authority may ask to check it before signing of the contract.

The positions budgeted should be in line with the foreseen activities, and their involvement in the project should be clearly justified.

Besides, the budget heading 1 includes the costs of **Per diems**, both for local and international staff and both in local country or when travelling abroad – as long as it is in line with the maximum allowed rates given by the European Commission for each country (list available at http://ec.europa.eu/europeaid/perdiem_en). Per diems should cover accommodation and meals for project staff. Having in mind that the EU rates of per diems are much higher than national rates, it is recommended to ask for realistic rates. Before contract signing, the Contracting Authority may ask to modify costs assessed as unrealistic.

- Budget Heading 2: Travel

This budget heading covers the costs of both local and international travel of project team or target groups/beneficiaries or partners on the project. If plane tickets are included, the price per ticket is to be calculated, while if the costs of fuel are budgeted, they should be budgeted per km.

- **Budget Headings 3: Equipment and supplies,**
- **Budget Heading 5: Other costs, services and**
- **Budget Heading 6: Other**

These three budget headings include different costs that involve procurement of **supply** (3), **services** (5) and other (**works** or various services) (6). The rules of implementation of procurement are changing, but within the grant contract, they should be implemented in line with the Annex IV of the Standard Grant Contract (enclosed to the guidelines for each call for proposals). In general, it is based on the rules defined in PRAG. More information about the costs and procedures of procurement are available in the other manual developed within this project, dedicated to procurement. The budget heading 5 includes, among other, different **visibility costs** that shouldn't be under-estimated nor forgotten, since the EU funding should be widely shown. In case of the budget heading 3 and purchase of equipment, one should be careful not to ask for the equipment of a certain brand, since each procurement should be competitive for all potential bidders, in the Worksheet 1, only total equipment may be budgeted (e.g. furniture for office), but in the Worksheet 2 all items are presented (e.g. table, 2 chars, drawer, with description of characteristics).

- **Budget heading 4** includes the costs of the project office and renting in the country of implementation: the advice is not to charge for local office costs at the same time as the high percentage of administrative costs or points decreased during evaluation.

- All these budget headings, 1-6, are summed in the costs of the **budget heading 7: Direct eligible costs**, i.e. the costs encountered for the implementation of the concrete activities.

- Under the **budget heading 8: Contingency reserve**, an applicant is allowed to ask for maximum 5% of direct eligible costs in order to cover unforeseen costs that may encounter during implementation. However, since the use of these funds requires written approval of the Contracting Authority before they are encountered and the procedure may be quite complicated, applicants should be careful when counting on contingency reserve.

- Together, budget headings 1-7 and 8 are composing *Total direct eligible costs*, i.e. **budget heading 9**.

- Since each project implementation includes certain costs of the office, communication bills, etc, **budget heading 10: Indirect costs** are allowed in the maximum amount of 7% of the eligible costs. Together with direct

eligible costs, they give a *total amount of the eligible costs under the **budget heading 11***.

- Additionally, in the last years, a problem appeared with different regimes of payment of VAT and similar taxes in different countries: since the percentage of EU contribution is VAT exempted and the other national contributions may not be (as it is currently the case of Montenegro), the need for accepting additional related costs was recognized by the European Commission. Therefore, **budget heading 12: Taxes** allows beneficiaries who are not part of VAT system and can't get return of the paid VAT such as the case of local governments, to include those costs in the project budget.
- As a result, the project budget has two different percentages of contributions to be calculated: *eligible costs (budget heading 11)* and *acceptable costs (budget heading 12)* that include costs of taxes that are otherwise ineligible. In that respect, the Guidelines for applicants sets maximum percentages of the EU contributions for both eligible and for acceptable costs.

7

EVALUATION PROCESS AND AWARD OF THE GRANT CONTRACTS

7.1 The Evaluation Committee

Before the evaluation process starts, a competent Evaluation Committee is appointed by the Contracting Authority: besides a Chairperson and a Secretary who don't vote, minimum three evaluators (it has to be an odd number of members) are appointed. The work of the Evaluation Committee is defined in details and the basic rules are the same for all types of contracts (including procurement and grants), in order to ensure quality impartial assessment of applications:

- Members of the Evaluation Committee have to be *technically* and *administratively available* to assess applications with quality, which includes also understanding of the language in which applications are submitted (in our case English).
- The members of the Evaluation Committee representing staff of the Contracting Authority have to represent at least two *different departments* that are not in hierarchical relation, if the structure of the entity allows it.
- *Substitute members* may be nominated, under the same conditions as members, if needed for preventing delays in evaluation due to unavailability.
- All members or nominated substitutes have to participate in the whole evaluation process and to *attend all meetings* (only presence

at opening session is not obligatory). Eventual absence has to be noted and explained in the Evaluation Report.

- In case a member has to withdraw from the Evaluation Committee, a replacement has to be appointed using the same standard procedure for appointment and having professional and administrative knowledge. If this happens, it should be explained in the Evaluation Report.
- Members of the Evaluation Committee may be supported by the “assessors” in cases there are too many applications submitted or there is a specific technical knowledge needed in order to properly assess the applications (e.g. civil engineers for construction projects). Assessors are giving their opinion of certain applications or certain aspects of all applications that help the members of the Evaluation Committee to give scores to applications.
- The principle of *Impartiality and confidentiality* is described in the Section 2.8.2 of PRAG: the evaluation process has to be implemented in strict confidentiality, therefore all members of the Evaluation Committee (including non-voting members, assessors or any other observers) must sign a Declaration of Impartiality and Confidentiality. In order to perform its duties impartially and objectively, members of the Evaluation Committee can't be in any situation of real or potential conflict of interest: if in that situation, a member has to withdraw from the membership and to be replaced. A potential conflict of interest includes “family, emotional life, political or national affinity, economic interest or any other shared interest with the beneficiary”¹. Additionally, a complete confidentiality has to be ensured: only after the approval of the Evaluation Report by the Contracting Authority, information from the evaluation may be disclosed. In order to avoid any potential irregularities in this aspect, proposals are in general not allowed to be taken out of the room where the evaluation takes place (except copies given to assessors or EC delegation). This rule on confidentiality should be considered of highest importance as any effort of the applicant may result in exclusion of the proposal in question from further competition.

¹ Section 2.8.2 of PRAG 2013.2, with definition of “conflict of interest”:

Acts likely to be affected by a conflict of interest may, inter alia, take one of the following forms:

- (a) granting oneself or others unjustified direct or indirect advantages;
- (b) refusing to grant a beneficiary the rights or advantages to which that beneficiary is entitled;
- (c) committing undue or wrongful acts or failing to carry out acts that are mandatory.

A conflict of interest shall be presumed to exist if an applicant, candidate or tenderer is a member of staff covered by the Staff Regulations, unless his participation in the procedure has been authorised in advance by his superior.

- *Responsibilities* of the Evaluation Committee are described in the Section 2.8.3 of PRAG.

While *Chairperson* carries responsibility to respect of PRAG procedures during the evaluation process and to ensure its impartiality and transparency, *evaluators* have joint responsibility for decisions taken by the Committee. Additionally, *Secretary* performs all administrative tasks during the evaluation process. The Evaluation Committee is obliged to communicate with applicants only in writing, keeping track of the communication. The Evaluation Committee has the right to decide which formal requirements may be taken with certain flexibility, without endangering principle of *equal treatment* and with upholding the principle of *proportionality*. PRAG defines these cases (both in the case of procurements and grant programmes)². *Any decision taken by the Evaluation Committee has to be noted in the Evaluation Report.*

2 Tenders or proposals should not be rejected in the following cases:

- if they are submitted in fewer than the number of copies required;
- if they are submitted in the correct format and provide the requisite information, but the document is organised incorrectly, e.g. information is provided in section X of the form when it should have been provided in section Y;
- if they have not been signed or contain a scanned signature (the signature can be requested later - but if it is not obtained or if the original document provided later is not exactly the same as the one received earlier, the tender must be rejected). The possibility to provide copies cannot be accepted for tender guarantees.
- If candidates, applicants or tenderers can demonstrate that a required document is not available (e.g. under national law, duplicates of a given lost document cannot be obtained from the issuing administration), provided that an acceptable alternative is obtained (e.g. a declaration by the said administration that the document for the candidate, applicant or tenderer is still valid but no duplicate can be issued);
- Tenderers in a service contract procedure who have not submitted all the documentary evidence for the exclusion or the selection criteria together with the tender. The necessary documentary proof may be requested from the successful tenderer giving a reasonable delay.
- If information is made available to the evaluation committee that a key expert in a service tender procedure is no longer available. Instead the evaluation committee should proceed with the evaluation of the original tender and the awarded tenderer will be given a chance to replace the key expert, see 3.3.12.1.

7.2 Stages in the Evaluation Process

The Evaluation process includes 3 stages:

1. **Opening & administrative checks and concept note evaluation**

Each application received at the address of the Contracting Authority is first *registered*: the receipt with the date and time of the reception is signed by the responsible staff of the Contracting Authority and registered. During opening session, the applications are *numbered* and main administrative check is done before the first part of the Application Form, Concept Note, is read. First of all, it is checked if the application arrived within the given *deadline*. **Administrative check** is done based on the Checklist on the Concept Note provided within the Application Form which is packed together with the Declaration of applicant. The Checklist can't be modified by the Evaluation Committee! The administrative criteria to be checked in the first stage are the following:

- The *Instructions* for the Concept Note have been followed.
- The *Declaration* by the Applicant has been filled in and signed.
- The proposal is typed and is in the requested *language* (as specified in the Guidelines)³.
- The requested number of original and *copies* is submitted.
- An *electronic version* of the concept note (CD-Rom) is enclosed.

In this phase, the application may be *rejected only if some of those requirements is not properly fulfilled*. However, the Evaluation Committee may decide to ask for additional information or *clarification* in case of the obvious clerical error, without forgetting the principle of equal treatment of all potential applicants. For open calls, the administrative check is done using the Evaluation grid of the full Application (section 7, part 1 of the Application Form, see more in the description of the following phase of the evaluation).

If an application passes the administrative check of the Concept Note, the evaluation of the Concept note, i.e. *criteria of relevance and design* of the action are evaluated and scored (Evaluation Grid is enclosed to the Manua

3 In our case, it is advised to use English

in Annexes). Each member of the Evaluation Committee gives scores to two sections of the Concept Note within the maximum possible points per each question in the Evaluation Grid: due to the importance of these two sections, the maximum number of points per question (5) is in some cases doubled. Overall, a maximum that an application can get for the Concept Note is 50 points, while those with less than 30 can't be pre-selected for further evaluation. Once the ranking is made, the list of applications that passed the evaluation of the Concept Note is reduced in order to accommodate only the best scored applications of the total value of at least double than available budget. After the completion of this phase, all applicants get the notification letter informing them if they passed the first evaluation stage or not. If passed, an application received a number that is to be used in all further correspondence with the Evaluation Committee during the evaluation process. In case of the restricted calls, pre-selected candidates are also invited to send their Full Application Forms, within the given deadline that gives sufficient time to applicants to prepare quality applications.

2. Evaluation of the full application

The evaluation of the full applications starts again with the additional administrative checks in case of the restricted call: it is first checked if the deadline for submission is respected. The following step is checking of compliance with the Evaluation Grid for the Full Application Form (Part B of the Application Form, section 7):

- If the correct application form is used,
- If the Declaration of Applicant has been filled in and signed,
- The proposal is typed and is in the requested language (as specified in the Guidelines)⁴.
- The requested number of original and copies is submitted.
- An electronic version of the concept note (CD-Rom) is enclosed.
- If mandates of all co-applicants (if any) have been completed, signed and included.
- If statements of all affiliated entities (if any) have been completed, signed and included
- If the budget is included, presented in the correct form and in the required currency.
- If the logframe is completed and included.

⁴ In our case, it is strongly advised to use English.

Again, if any of those information is missing or incorrect, the Evaluation committee may decide to exclude it.

In the following step, the evaluation starts with the evaluation of selection criteria, i.e. of *financial and operational capacities*, with maximum score of 20 points (questions enclosed in Annexes). If less than 12 points is allocated or at least one sub-question received only 1 point, the application is rejected in this stage. Further, the award criteria are checked and scored, with maximum 100 points out of which maximum 30 points is given to relevance and transferred from the results of evaluation of the Concept notes.

Finally, a list of *provisionally selected applications* is made based on ranking, in the limit of the available budget. A reserve list is made of lower-ranked applications, in case some application from the list of provisionally selected fails to comply with requirements during the next phase of the evaluation. Again, all applicants are informed if their application is preselected and if they should subsequently submit the required supporting documents.

3. Verification of eligibility of the applicants and affiliated entity(ies)

In this phase, only for those applications that are on the list of pre-selected, the correctness of the information provided in the Declaration by the applicant are checked through supporting documents provided by applicants. If some documents are missing or there is an incoherence between the Declaration and the supporting documents, the application may be rejected.

Further on, the eligibility of applicants and the affiliated entities(ies), and the action is verified according to the eligibility criteria set in the Guidelines for applicants (nationality, location, duration of action, total amount in line with the requirements from the Guidelines in Euro and in percentage). *The Evaluation Committee may decide to check eligibility criteria in any previous phase of the evaluation and is allowed to exclude then all those who don't meet them.*

Finally, the Evaluation Committee drafts *Evaluation Report* with the recommendations on the award. In drafting recommendations, the Evaluation Committee may make certain exemptions:

- It may happen that certain application is recommended to be awarded in case it meets certain conditions before signing of the contract, taking into account equal treatment of applicants.
- It may decide not to allocate all the available funds if it finds that there are too few proposals of the quality required to receive a grant.
- It may decide to reject a proposal if it has selected another which is of a similar nature but has been awarded a higher score.
- Where several proposals submitted by the same applicant are selected for financing, but the applicant does not have the financial and operational capacity required to implement all the actions together, the Committee may reject the proposals which have been awarded a lower score, and select the proposals that the applicant has the capacity to implement.
- It may also draw up, in the same conditions, a ranked reserve list comprising a limited number of proposals that obtained the best scores after those selected for financing. This reserve list is valid for the period stated in the evaluation report. The proposals included in that list are likely to receive a grant if funds become available under the call for proposals (if the eligible costs of the selected proposals fall, or it is impossible to sign a contract with the selected applicants, etc).

7.3 Standard supporting documents

The supporting documents will be examined only for the provisionally selected applicants in the last phase of the evaluation. However, it may be decided to ask for the submission of those documents together with the Application Form, if approved by the EC. Adequate supporting documents have to be submitted for all project partners, i.e. applicant, co-applicants, affiliated entities. No supporting document will be requested for applications for low value grants (less than 60.000,00 Euro). The list of standard supporting documents (Section 2.4. of the template Guidelines) is enclosed as an Annex. Some of the documents to be submitted using the given EC templates are explained in the Chapter on the Application Form. Additionally to standard supporting documents, depending on the type of the projects to be awarded, additional documentation may be required, such can be, in the case of infrastructure project, technical design, construction permit, etc.

7.4 Awarding grants

Following the recommendations of the Evaluation Committee, a Contracting Authority informs selected applicants on their results, both to successful and unsuccessful candidates. The Grant contract to be signed follows a template provided with the Guidelines for applicants within the Set of documents for information (See list of annexes to the Guidelines). Letters to **successful applicants** must be sent within 15 days of the award decision: **unsuccessful applicants** must be notified on the outcome within 15 days of the notification to the successful applicants.

The budget proposed for the action by the successful applicant at the call for proposals stage must be corrected to remove any obvious arithmetical errors or ineligible costs prior to signing the contract (“budget clearing”). The description of the action is corrected accordingly if needed.

Other minor corrections may be made to the Description of the action or to the budget, if they do not conflict with the rule of equal treatment of applicants.

8

ANNEXES

8.1 Article 2.3.3. of the PRAG

2.3.3. Exclusion criteria

I- Exclusion criteria applicable for participation in procurement procedures

Candidates, tenderers or applicants will be excluded from participation in procurement procedures if:

(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, or persons having powers of representation, decision making or control over them, have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member State 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, including by decisions of the European Investment Bank and international organisations;

(d) they are not in compliance with their 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, or persons having powers of representation, decision making or control over them, have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such an illegal activity is detrimental to the EU's financial interests;

(f) they are currently subject to an administrative penalty referred to in Article 103(1) of the Financial Regulation (for budget-funded programmes) / Article 99 of the Financial Regulation (for 10th EDF-funded programmes).

Points (a) to (d) do not apply to the purchase of supplies on particularly advantageous terms from either a supplier which is definitively winding up its business activities or from the receivers or liquidators of a bankruptcy, through an arrangement with creditors, or through a similar procedure under national law.

Points (b) and (e) do not apply when the candidates or tenderers can demonstrate that adequate measures have been adopted against the persons having powers of representation, decision making or control over them who are subject to the judgement referred to in points (b) or (e).

Points (a), (c) and (d) do not apply if duly justified by the Contracting Authority in negotiated procedures where it is indispensable to award the contract to a particular entity for technical or artistic reasons or for reasons connected with the protection of exclusive rights.

The cases referred to in point (e) applicable are the following:

1) cases of fraud as referred to in Article 1 of the Convention on the protection of the European Communities' financial interests drawn up by the Council Act of 26 July 1995;¹

2) cases of corruption as referred to in Article 3 of the Convention on the fight against corruption involving officials of the European

¹ OJ C 316, 27.11.1995, p.48.

Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997;²

3) cases of involvement in a criminal organisation, as defined in Article 2 of Council Framework Decision 2008/841/JHA³

4) cases of money laundering as defined in Article 1 of Directive 2005/60/EC of the European Parliament and the Council⁴;

5) cases of terrorist offences, offences linked to terrorist activities, and inciting, aiding, abetting or attempting to commit such offences, as defined in Articles 1, 3 and 4 of Council Framework Decision 2002/475/JHA⁵

II- Exclusion criteria applicable during the procurement procedure
Contracts may not be awarded to candidates, applicants or tenderers who, during the procurement or grant award procedure:

a) are subject to a conflict of interest;

b) are guilty of misrepresentation in supplying the information required by the Contracting Authority as a condition of participation in the contract procedure or fail to supply this information;

c) find themselves in one of the exclusion situations for this procurement or grant award procedure.

Candidates, tenderers and applicants other than those in a restricted procedure, negotiated procedure or competitive dialogue, must sign a declaration together with their applications, certifying that the entity does not fall into any of the exclusion situations cited under points I and II (see article 143.1 RAP).

Information on the ownership/management, control and power of representation of the entity and a certification that they do not fall into the relevant exclusion situations must be provided where specifically requested by the Contracting Authority. This may be the case where there are doubts about the personal situation and in consider-

² OJ C 195, 25.6.1997, p. 1.

³ OJ L 300, 11.11.2008, p. 42.

⁴ OJ L 309, 25.11.2005, p. 15.

⁵ OJ L 164, 22.6.2002, p. 3.

ation of the national legislation of the country in which the tenderer, candidate or applicant is established.

However, for procurement contracts with a value of € 20 000 or less, the Contracting Authority may refrain from requiring a declaration depending on its risk assessment. For grants, no declaration shall be required for contributions of €60 000 or less.

Following the notification of award, tenderer(s) to which the contract is to be awarded (including consortium members), must supply evidence that they do not fall into the exclusion situations, unless such evidence has already been submitted earlier in the procedure. In restricted procedures for services and for the competitive dialogue, these supporting documents must be sent together with the tender and verified by the Contracting Authority before signature of the contract with the successful tenderer(s). In restricted procedures for works, these supporting documents must be sent together with the application. The evidence on non exclusion must be verified for all the candidates to be invited to tender. In addition, the tenderers and candidates must certify that the situation has not altered since the date of issue of the evidence. As regards subcontractors and experts, where specifically requested by the Contracting Authority, the successful tenderers must submit a declaration from the intended subcontractor/expert, and/or documentary evidence that the subcontractor/expert is not in one of the exclusion situations.

For procurement contracts with a value of less than the international thresholds (services <€ 300 000, supply <€ 300 000, works <€ 5 000 000) the Contracting Authority may waive the obligation to submit documentary evidence, depending on its risk assessment. Furthermore, a waiver may be granted where documentary evidence has been submitted in the past 12 months to the Contracting Authority for another procedure, provided that this evidence is still valid. In all cases, evidence may still be required in case of doubts. For grants, generally no documentary evidence is required.

As satisfactory evidence that the candidate, tenderer or applicant is not in one of the situations described in :

- (a), (b) or (e) of point I (Exclusion criteria applicable for participation

in procurement procedures), the Contracting Authority will accept a recent extract from the judicial record or, failing that, a recent equivalent document issued by a judicial or administrative authority in the country of origin or provenance showing that the requirements are satisfied. For (d), The Contracting Authority will accept a recent certificate issued by the competent authority of the State concerned. Where no such document or certificate is issued in the country concerned⁶ and for the other exclusion criteria listed above, it may be replaced by a sworn/solemn statement made before a judicial or administrative authority, a notary or a qualified professional body in the country of origin or provenance.

Whenever one candidate, tenderer or applicant, due to its nature (for instance, national public administrations and international organisations), cannot fall into some of the categories above and/or cannot provide the documents indicated above, a simple declaration explaining their situation will suffice.

The documents may be originals or copies; however originals must be made available to the Contracting Authority upon request. The date of issuing of the documents provided must be no earlier than one year before the date of submission of the tender. If the supporting documents are not written in one of the official languages of the European Union, a translation into the language of the procedure must be attached. Where the documents are in an official language of the European Union other than the one of the procedure, they have to be accepted. It is, however, strongly recommended that a translation into the language of the procedure be provided, in order to facilitate the evaluation of the documents.

Delegated Contracting Authorities can, if necessary, consult the relevant European Commission services in order to judge the situation of the candidates, tenderers or applicants.

Note that, before excluding a candidate, tenderer or applicant from a procurement or grant procedure, principles such as the right of defence and proportionality must be considered. To that end, unless the evidence is such that no further investigation is necessary (for ex-

⁶ Information from the 27 Member States, some Candidate Countries and EEA countries on the different forms of documentary evidence issued/acceptable in each of the countries is available via the eCERTIS tool, which is managed by the Internal Market DG: - http://ec.europa.eu/internal_market/publicprocurement/e-procurement/e-certis/index_en.htm.

ample in case of a judgement of a competent authority of a Member State which has the force of *res judicata*), a contradictory procedure with the candidate, tenderer or applicant should be ensured.

Before taking the award decision at the very latest, the Contracting Authority must check whether any of the parties involved (i.e. applicants and co-applicants, candidates or tenderers, including affiliated entity(ies), indicated subcontractors and individual experts) have been recorded by the Early Warning System (EWS). The Contracting Authority cannot conclude a contract with entities which are recorded at exclusion level of the EWS.⁷ If any of the parties involved are recorded in the EWS at other level, measures of reinforced monitoring should be applied during the execution of the contract and payments. Where the Contracting Authority limits the number of candidates invited to submit a tender or full proposal, e.g. in a restricted procedure, such checks must be conducted before the candidates are selected.

⁷ 14 European Commission Decision of 16 December 2008 on the Early Warning System for the use of authorising officers of the European Commission and the executive agencies (2008/969/CE, Euratom) OJ 2008 L 344 of 20 December, p. 125 (<http://www.cc.cec/budg/i/early-warning/early-warning-system-intro-en.html>).

8.2 Evaluation Grids for the Concept Note and for Full Application Form

EVALUATION GRID FOR CONCEPT NOTE		
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 Da li je akcija izvodljiva i konzistentna u odnosu na ciljeve i očekivani rezultati?	5x2**	
EVALUATION GRID FOR FULL APPLICATION		
SECTION	Maximum score	
1. Financial and operational capacity	20	
1.1 Do the applicants and, if applicable, their affiliated entity(ies) have sufficient experience of project management?	5	
1.2 Do the applicants and, if applicable, their affiliated entity(ies) have sufficient technical expertise? (especially knowledge of the issues to be addressed.)	5	
1.3 Do the applicants and, if applicable, their affiliated entity(ies) 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	

EVALUATION GRID FOR FULL APPLICATION	
SECTION	Maximum score
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 any evaluation planned?	
3.4 Is the co-applicant(s)'s and affiliated entity(ies)'s 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, extension and information sharing.)	5
4.3 Are the expected results of the proposed action sustainable?: - financially (how will the activities be financed after the funding ends?) - institutionally (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?) - at policy level (where applicable) (what will be the structural impact of the action — e.g. will it lead to improved legislation, codes of conduct, methods, etc?) - environmentally (if applicable) (will the action have a negative/ positive environmental impact?)	5
5. Budget and cost-effectiveness of the action	15
5.1 Are the activities appropriately reflected in the budget?	5
5.2 Is the ratio between the estimated costs and the expected results satisfactory?	10
Maximum total score	100

*these scores are multiplied by 2 because of their importance

Note on Section 1. Financial and operational capacity

If the total answer is negative to one or more of the criteriascore for section 1 is less than 12 points, the application will be rejected. If the score for at least one of the subsections under section 1 is 1, the application will also be rejected.

**these scores are multiplied by 2 because of their importance

Only the Concept Notes with a score of at least 30 will be considered for pre-selection.

8.3. Template of Logframe Matrix (enclosed in electronic form)

LOGICAL FRAMEWORK FOR THE PROJECT				
	Intervention logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
Overall objectives	<p>Please list them and number them. What are the overall broader objectives to which the action will contribute? O1 – "Title of objective 1" O2 – Title of objective 2"</p>	<p>Please indicate a target value for each indicator in this column whenever possible. What are the key indicators related to the overall objectives?</p>	<p>Please list the sources of verification for each indicator. What are the sources of information for these indicators?</p>	
Specific objective	<p>What specific objective is the action intended to achieve to contribute to the overall objectives? SO – "Title of the specific objective"</p>	<p>Which indicators clearly show that the objective of the action has been achieved? Please list the indicators as follows: SO. "Indicator 1": target value SO. "Indicator 2": target value ...</p>	<p>What are the sources of information that exist or can be collected? What are the methods required to get this information?</p>	<p>Which factors and conditions outside the Beneficiary's responsibility are necessary to achieve that objective? (external conditions) Which risks should be taken into consideration?</p>
Expected results	<p>Results are the outputs/outcomes helping to achieve the specific objective. What are the expected results? R1 – "Title of result 1" R2 – Title of result 2"</p>	<p>What are the indicators to measure whether and to what extent the action achieves the expected results? Please list the indicators for each result, as follows: 1.1 "Indicator 1" : target value (R1) 1.2 "Indicator 2" : target value (R1) 1.3 2.1 "Indicator 1" : target value (R2) 2.2 "Indicator 2": target value (R2) ...</p>	<p>What are the sources of information for these indicators? Ex: Source 1 (Indicator 1.2, 2.3 etc) Or Indicator 1.1: source 1 Indicator 1.2: source 1 ...</p>	<p>What external conditions must be met to obtain the expected results on schedule?</p>

LOGICAL FRAMEWORK FOR THE PROJECT				
	Intervention logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
Activities	<p>What are the key activities to be carried out, to produce the expected results? (Group the activities by result and number them as follows: A1.1 – "Title of activity 1" (R1) A1.2 – Title of activity 2" (R1) (sub activities may also be created A1.2.1 etc) A2.1 – "Title of activity 1" (R2) A2.2 – Title of activity 2" (R2)</p>	<p>Means: What are the means required to implement these activities, e. g. staff, equipment, training, studies, supplies, operational facilities, etc.</p>	<p>What are the sources of information on action progress? Costs What are the action costs? How are they classified? (Breakdown in the Budget for the Action)</p>	<p>What preconditions must be met before the action starts? What conditions outside the Beneficiary's direct control have to be met for the implementation of the planned activities?</p>

8.4. Template of the Budget (enclosed in electronic form)

WORKSHEET 1:

1. BUDGET FOR THE ACTION ¹	All Years				Year 1 ²				
	Costs	Unit ¹³	# of units	Unit value (in EUR)	Total Cost (in EUR) ³	Unit	# of units	Unit value (in EUR)	Total Cost (in EUR)
1. Human Resources									
1.1 Salaries (gross salaries including social security charges and other related costs, local staff) ⁴	Per month				Per month				
1.1.1 Technical	Per month				Per month				
1.2 Administrative/ support staff	Per month				Per month				
1.3 Per diems for missions/travel ⁵									
1.3.1 Abroad (staff assigned to the Action)	Per diem				Per diem				
1.3.2 Local (staff assigned to the Action)	Per diem				Per diem				
1.3.3 Seminar/ conference participants	Per diem				Per diem				
Subtotal Human Resources									
2. Travel⁶									
2.1. International travel	Per flight				Per flight				
2.2 Local transportation	Per month				Per month				

**1. BUDGET
FOR THE
ACTION¹**

Costs	All Years				Year 1 ²			
	Unit ¹³	# of units	Unit value (in EUR)	Total Cost (in EUR) ³	Unit	# of units	Unit value (in EUR)	Total Cost (in EUR)
<i>Međuzbir, putovanja</i>								
3. Equipment and supplies⁷								
3.1 Purchase or rent of vehicles	Per vehicle				Per vehicle			
3.2 Furniture, computer equipment								
3.3 Machines, tools...								
3.4 Spare parts/ equipment for machines, tools								
3.5 Other (please specify)								
Subtotal Equipment and supplies								
4. Local office								
4.1 Vehicle costs	Per month				Per month			
4.2 Office rent	Per month				Per month			
4.3 Consumables - office supplies	Per month				Per month			
4.4 Other services (tel/ fax, electricity/ heating, maintenance)	Per month				Per month			

**1. BUDGET
FOR THE
ACTION¹**

Costs	All Years				Year 1 ²			
	Unit ¹³	# of units	Unit value (in EUR)	Total Cost (in EUR) ³	Unit	# of units	Unit value (in EUR)	Total Cost (in EUR)
Subtotal Local office								
5. Other costs, services⁸								
5.1 Publications ⁹								
5.2 Studies, research ⁹								
5.3 Expenditure verification/ Audit								
5.4 Evaluation costs								
5.5 Translation, interpreters								
5.6 Financial services (bank guarantee costs etc.)								
5.7 Costs of conferences/ seminars ⁹								
5.8. Visibility actions ¹⁰								
Subtotal Other costs, services								
6. Other								
Subtotal Other								
7. Subtotal direct eligible costs of the Action (1-6)								

1. BUDGET FOR THE ACTION ¹	All Years				Year 1 ²				
	Costs	Unit ¹³	# of units	Unit value (in EUR)	Total Cost (in EUR) ³	Unit	# of units	Unit value (in EUR)	Total Cost (in EUR)
8. Indirect costs (maximum 7% of 7, subtotal of direct eligible costs of the Action)									
9. Total eligible costs of the Action (7+ 8)									
10. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)									
11. Total eligible costs (9+10)									
12. - Taxes ¹¹ - Contributions in kind ¹²									
13. Total accepted¹¹ costs of the Action (11+12)									

1. The description of items must be sufficiently detailed and all items broken down into their main components. The number of units and the unit value must be specified for each item depending on the indications provided. The budget has to include costs related to the Action as a whole, regardless the part financed by the Contracting Authority.

2. This section must be completed if the Action is to be implemented over more than one reporting period (usually 12 months).

3. If the Contracting Authority is not the European Commission, the budget may be established in euro or in the currency of the country of the Contracting Authority. Costs and unit values are rounded to the nearest euro cent.

4. If staff are not working full time on the Action, the percentage should be indicated alongside the description of the item and reflected in the number of units (not the unit value).

5. Indicate the country where the per diems are incurred.

Per diems are not considered a simplified cost option for the purposes of Union financing when the Grant Beneficiary reimburses a fixed amount to its staff according to its staff rules and asks for the reimbursement of that same amount in the action budget. That is an actual cost.

Otherwise, if the Beneficiary proposes a reimbursement on the basis of simplified costs option (for instance a "unit cost"), it must specify "UNIT COST per diem" in the "unit value" column and the applicable rates (in any case the final eligible cost may not exceed the rates published by the E.C. at the time of such mission).

6. Costs for CO₂ offsetting of air travel may be included. CO₂ offsetting shall in that case be achieved by supporting CDM/Gold Standard projects (evidence must be included as part of the supporting documents) or through airplane company programmes when available. Indicate the place of departure and the destination. If information is not available, enter a global amount.

7. Please separate cost for purchase or rental.

8. Specify the typology of costs or services. Global amounts will not be accepted.

9. Only indicate here when fully subcontracted

10. Communication and visibility activities should be properly planned and budgeted at each stage of the project implementation.

11. Only to be filled in when provided for in the Call for Proposal (i.e. taxes are not eligible and the beneficiary(ies) can show they cannot reclaim them). Please see glossary of terms (Annex A 1) of the Practical Guide to contract procedures for EU external actions for the definition of taxes. Please note that direct taxes are not included (such as taxes on salary of staff working for the action which are part of the gross salary). Note: Where the Call for Proposal does not exclude the coverage of taxes and the beneficiary can show it cannot reclaim, taxes may be eligible and should be included in each relevant heading. Taxes that can be reclaimed are not considered as eligible nor accepted costs.

12. Only to be filled in when contributions in kind as may be accepted as co-financing. The amount indicated must be identical to the one indicated in worksheet 3 "expected sources of funding"

13. Use "UNIT COST per flight/month/kit etc..." or "LUMPSUM" or "FLAT RATE" in case of simplified cost options. Use different lines for each type of simplified cost options and per beneficiary. In worksheet 2, the methods used to determine and calculate them must be clearly described and substantiated and the Beneficiary proposing and using them must be univocally identified. (for more guidance see Annex K - Guidelines-Checklist for simplified cost options).

WORKSHEET 2:**2. JUSTIFICATION OF THE BUDGET FOR THE ACTION**

Costs	All years	
	Clarification of the budget items	Justification of the estimated costs
	<i>Provide a narrative clarification of each budget item demonstrating the necessity of the costs and how they relate to the action (e.g. through references to the activities and/or results in the Description of the Action).</i>	<i>Provide a justification of the calculation of the estimated costs. Note that the estimation should be based on real costs or on simplified cost options if allowed, as described in section 2.1.5 of the Guidelines for Grants Applicants</i>
1. Human Resources		
1.1 Salaries (gross salaries including social security charges and other related costs, local staff)		
1.1.1 Technical		
1.1.2 Administrative/ support staff		
1.2 Salaries (gross salaries including social security charges and other related costs, expat/int. staff)		
1.3 Per diems for missions/travel		
1.3.1 Abroad (staff assigned to the Action)		
1.3.2 Local (staff assigned to the Action)		
1.3.3 Seminar/conference participants		
Subtotal Human Resources		

2. JUSTIFICATION OF THE BUDGET FOR THE ACTION

Costs	All years	
	Clarification of the budget items	Justification of the estimated costs
	<i>Provide a narrative clarification of each budget item demonstrating the necessity of the costs and how they relate to the action (e.g. through references to the activities and/or results in the Description of the Action).</i>	<i>Provide a justification of the calculation of the estimated costs. Note that the estimation should be based on real costs or on simplified cost options if allowed, as described in section 2.1.5 of the Guidelines for Grants Applicants</i>
2. Travel		
2.1. International travel		
2.2 Local transportation		
Subtotal Travel		
3. Equipment and supplies		
3.1 3.1 Purchase or rent of vehicles		
3.2 Furniture, computer equipment		
3.3 Machines, tools...		
3.4 Spare parts/equipment for machines, tools		
3.5 Other (please specify)		
Subtotal Equipment and supplies		
4. Local office		
4.1 Vehicle costs		
4.2 Office rent		
4.3 Consumables - office supplies		
4.4 Other services (tel/fax, electricity/heating, maintenance)		
Subtotal Local office		

2. JUSTIFICATION OF THE BUDGET FOR THE ACTION

Costs	All years	
	Clarification of the budget items	Justification of the estimated costs
	<i>Provide a narrative clarification of each budget item demonstrating the necessity of the costs and how they relate to the action (e.g. through references to the activities and/or results in the Description of the Action).</i>	<i>Provide a justification of the calculation of the estimated costs. Note that the estimation should be based on real costs or on simplified cost options if allowed, as described in section 2.1.5 of the Guidelines for Grants Applicants</i>
5. 5. Other costs, services		
5.1 Publications		
5.2 Studies, research		
5.3 Expenditure verification/Audit		
5.4 Evaluation costs		
5.5 Translation, interpreters		
5.6 Financial services (bank guarantee costs etc.)		
5.7 Costs of conferences/seminars		
5.8. Visibility actions		
Subtotal Other costs, services		
6. Other		
Subtotal Other		
12. - Taxes - Contributions in kind		

WORKSHEET 3:

3. EXPECTED SOURCES OF FUNDING & SUMMARY OF ESTIMATED COSTS¹

		Amount EUR	Percentage %
Expected sources of funding			
EU/EDF contribution sought in this application (A)		<input type="text"/>	
Other contributions (Applicant, other Donors etc)			
<i>Name</i>	<i>Conditions⁶</i>	<input type="text"/>	
		<input type="text"/>	
Revenue from the Action		<input type="text"/>	
To be inserted if applicable and allowed by the guidelines:			
In-kind contributions ⁵		<input type="text"/>	
Expected TOTAL CONTRIBUTIONS		<input type="text"/>	
Estimated Costs			
Estimated TOTAL ELIGIBLE COSTS ² (B)		<input type="text"/>	
EU/EDF contribution expressed as a percentage of total eligible costs ⁴ (A/B x 100)			<input type="text"/>
To be inserted if applicable and allowed by the guidelines:			
Taxes/In-kind contributions ⁵		<input type="text"/>	
Estimated TOTAL ACCEPTED COSTS ³ (C)		<input type="text"/>	
EU/EDF contribution expressed as a percentage of total accepted costs ⁴ (A/C x 100)			<input type="text"/>

1. Expected sources of funding and estimated costs must be in balance. It is reminded that the figures introduced in the table shall respect all the points included in the checklist for the full application form (part 7 of the full application form)
2. as per heading 11 of the Budget of the Action
3. as per heading 13 of the Budget of the Action
4. do not round, enter percentage with 2 decimals (e.g. 74,38%)
5. as per heading 12 of the Budget of the Action
6. with reference to art.17.4 (b) of the General Conditions

8.5 Section 2.4 of the template Guidelines

2.4 SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS

An applicant that has been provisionally selected or placed on the reserve list will be informed in writing by the Contracting Authority. It will be requested to supply the following documents in order to allow the Contracting Authority to verify the eligibility of the applicant, (if any) of the co-applicant(s) and (if any) of their affiliated entity(ies)¹:

For centralised call only: [Supporting documents may/must be provided through PADOR, see Section 2.2]

1. The statutes or articles of association of the applicant, (if any) of each co-applicant(s) and (if any) of each affiliated entity(ies).²Where the Contracting Authority has recognised the applicant's, or the co-applicant(s)'s, or their affiliated entity(ies)'s eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, it should be submitted, instead of the statutes or articles of association, a copy of the document proving their eligibility in a former Call (e.g. a copy of the special conditions of a grant contract received during the reference period), unless a change in legal status has occurred in the meantime³. This obligation does not apply to international organisations which have signed a framework agreement with the European Commission.
2. An external audit report produced by an approved auditor, certifying the applicant's accounts for the last financial year available where the total amount of the grant exceeds € 750 000 (€ 100 000 for an operating grant). The external audit report is not required from (if any) the co-applicant(s).

This obligation does not apply to public bodies and international organisations provided that the international organisation in ques-

¹ No supporting document will be requested for applications for a grant not exceeding EUR 60000.

² Where the applicant and/or a co-applicant(s) and or an affiliated entity(ies) is a public body created by a law, a copy of the said law must be provided.

³ To be inserted only where the eligibility conditions have not changed from one call for proposals to the other.

tion offers the guarantees provided for in the applicable Financial Regulation, as described in Chapter 6 of the Practical Guide.

If eligible and depending on the authorising officer's risk assessment: This obligation does not apply to secondary and higher education establishments.]

3. A copy of the applicant's latest accounts (the profit and loss account and the balance sheet for the last financial year for which the accounts have been closed)⁴. A copy of the latest account is not required from (if any) the co-applicant(s) nor from (if any) affiliated entity(ies).
4. [Legal entity sheet (see annex D of these Guidelines) duly completed and signed by each of the applicants (i.e. by the applicant and (if any) by each co-applicant(s), accompanied by the justifying documents requested there. If the applicants have already signed a contract with the Contracting Authority, instead of the legal entity sheet and supporting documents, the legal entity number may be provided, unless a change in legal status occurred in the meantime.]
5. [A financial identification form of the applicant (not from co-applicant(s)) conforming to the model attached at Annex E of these Guidelines, certified by the bank to which the payments will be made. This bank should be located in the country where the applicant is established. If the applicant has already submitted a financial identification form in the past for a contract where the European Commission was in charge of the payments and intends to use the same bank account, a copy of the previous financial identification form may be provided instead.]
6. [List any other supporting documents required].

Where entities without legal personality are eligible as per section 2.1.1:

[7. Entities without legal personality must, to the extent possible, submit the documentation listed above. In addition, a letter

⁴ This obligation does not apply to natural persons who have received a scholarship or that are in most need in receipt of direct support, nor to public bodies and 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.

must be provided by the legal representative certifying his/her capacity to undertake legal obligations on behalf of the entity. <list any other documentation, as required>]

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 [or in the language of the country where the action is implemented], a translation into <the/one of the language(s) of the call for proposals > of the relevant parts of these documents proving the applicant(s)'s eligibility, must be attached for the purpose of analysing the application.

Where these documents are in an official language of the European Union other than <the/one of the language(s) of the call for proposals >, it is strongly recommended, in order to facilitate the evaluation, to provide a translation of the relevant parts of the documents, proving the applicants' eligibility, into <the/one of the language(s) of the call for proposals >.

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. After verifying the supporting documents, the Evaluation Committee will make a final recommendation to the Contracting Authority, which will decide on the award of grants.

NB :. In the eventuality that the Contracting Authority is not satisfied with the strength, solidity, and guarantee offered by the legal or capitalstructural link between one of the applicants and its affiliated entity, it can require the submission of the missing documents allowing for its conversion into co-applicant. If all the missing documents for co-applicants are submitted, and provided all necessary eligibility criteria are fulfilled, the above mentioned entity becomes a co-applicant for all purposes. The applicant has to submit the application form revised accordingly.

8.6 About logical framework approach (excerpts from the EC PCM Guidelines that are enclosed in electronic form)

EC Project Cycle Management Guidelines, Section 5, pages 57-84 (European Commission, Brussels, March 2004):

http://ec.europa.eu/europeaid/aid-delivery-methods-project-cycle-management-guidelines-vol-1_en

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ANNEXES IN ELECTRONIC FORM

Annexes are available in electronic format on the enclosed CD.

List of the Annexes

Annex 1 – Logical Framework Matrix Template (as per PRAG 2014)

Annex 2 – Budget Form in Excel (as per PRAG 2014)

Annex 3 – Template Guidelines for Grant Calls for proposals (PRAG 2014)

Annex 4 – EC Project Cycle Management Guidelines

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