

**Contracting Authority**

Government of the Republic of Serbia, Ministry of Finance,

Department for Contracting and Financing of EU Funded Programmes (CFCU)

EUROPEAN PROGRESS PROGRAMME

European Partnership with Municipalities

Restricted Call for Proposals

Guidelines  
for grant applicants

22.02.01 Financing Agreement

Reference: EuropeAid/136873/IH/ACT/RS

Deadline for submission of Concept note is 28 April 2015

NOTICE

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

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1. The EUROPEAN PARTNERSHIP WITH MUNICIPALITIES (EUROPEAN PROGRESs)

* 1. Background

European PROGRESS is a multi-donor Programme, financed by the European Union (EU), the Government of Switzerland and the Government of Serbia, designed to support sustainable development in the South East and South West Serbia. The Programme has been conceptualised jointly with the European Integration Office of the Government of the Republic of Serbia (SEIO), which has responsibility for monitoring implementation and providing assistance and facilitation.

The programme will intensively work on strengthening local administration capacities and increasing efficiency and effectiveness in service providing and implementation of existing legal framework, especially regarding public procurement. This is in line with the findings of the Serbia 2014 Progress Report (pages 10 and 25). In order to increase potentials of municipalities in strengthening industrial activities this programme will support development of infrastructure preconditions for economic development, as well as satisfy basic infrastructure needs of benefiting municipalities, which is fully in line with the Serbia 2014 Progress Report (pages 20 and 22). Furthermore, the programme will provide support to SMEs and agricultural producers in increasing their competitiveness through introduction of cooperation, new technologies and standardisation, which is underlined in the Serbia 2014 Progress Report as one of main issues concerning economic criteria (pages 29, 30, 31, 37 and 38).

The European Union has earmarked 19.6 million Euros and the Swiss Government 4.86 million Euros for the implementation of European PROGRES. The Government of Serbia will provide co-funding of individual projects through the line ministries and local self-governments. From the total budget, eight million Euros have been set aside for priority infrastructure projects, which will be implemented directly through the Ministry of Finance’s Central Financing and Contracting Unit (CFCU). The European Integrations Office of the Government of Serbia provides strategic guidance and the Programme is implemented by UNOPS and the Government of the Republic of Serbia.

The United Nations Office for Project Services (UNOPS) has been granted with an initial budget of 17.46 million Euros and has the overall responsibility for the Programme implementation.

Through a multi-sector approach this Programme will contribute to sustainable development of underdeveloped areas and creation of more favorable environment for infrastructure and business growth by strengthening local governance, improving vertical coordination, planning and management capacities, improving business environment and development, as well as enhancing implementation of social inclusion and employment policies.

The Programme works towards achieving four main results, while good governance principles are interwoven as a cross cutting aspect of the entire intervention:

1. Strengthened local governance, planning and management capacities through introduction of new, or improvement/elimination of existing procedures and processes in line with the principles of good governance

2. Increased competitiveness of local economy through improved business environment and management/organizational capacities of small and medium enterprises/agricultural cooperatives

3. Improved access to employment, offering equal opportunities to both men and women, and social inclusion of most vulnerable and marginalised groups through development and implementation of local policies resulting in reduced migration from South East and South West Serbia

4. Effects of Serbia’s European accession communicated to general public.

Final beneficiaries, but also the key stakeholders and financial contributors of this Programme are 34 municipalities from the third and fourth group of development level, which have responsibility of taking ownership of activities implemented in their territory:

* Novi Pazar, Ivanjica, Nova Varoš, Priboj, Prijepolje, Raška, Sjenica and Tutin, in the South West Serbia
* Prokuplje, Blace, Žitorađa, Kuršumlija in the Toplica District
* Leskovac, Bojnik, Vlasotince, Lebane, Medveđa and Crna Trava in the Jablanica District
* Vranje, Bosilegrad, Bujanovac, Vladičin Han, Preševo, Surdulica and Trgovište in the Pčinja District
* Brus in Rasinska District
* Aleksinac, Gadžin Han, Doljevac, Merošina and Svrljig in Niški District
* Babušnica, Bela Palanka in Pirotski District
* Knjaževac in Zaječarski District.

Other beneficiaries include municipality-founded institutions and public utility companies, civil society organisations (CSO) and media in the participating municipalities. It is the inhabitants of the South East and South West Serbia who will feel the biggest benefits of the Programme.This Programme will have direct effect on beneficiary municipalities in a variety of sectors: good governance as cross-cutting and with specific result activities, education, employment, infrastructure and economic development. New and improved economic infrastructure will enable creation of jobs and promote sustainable economic development. An emphasis on inter-municipal projects, in particular the common economic development exercises, will enhance mutual cooperation and trust between ethnic groups and factions.

The Programme will contribute to strengthened competitiveness of participating areas, making them more attractive to foreign and domestic investment and less prone to deterring factors. It should thereby serve to help reduce the widening disparities between regions in the country, improving cohesion and stability on the national level. The reduction of unemployment will also help enhance intra-regional social cohesion and promote stability locally.

Attention to employment that takes into account equal opportunities for men and women, and keeps environmental concerns in mind can help build awareness of the regions’ unique characteristics and potential for tourism. This is not only a prospective growth industry, but can assist in forming a more positive regional identity that can inspire youths to remain and develop their regions rather than seek their careers in other regions or countries.

The Programme will work **Horizontal dimension of good governance** by providing specific support to the local self-governments endeavouring to improve their organisational structures which would internally enhance concrete application of the five good governance principles[[1]](#footnote-2), thus making the public sector in a municipality, including local administration, more accountable, transparent and efficient in providing services to the citizens. This will start with the Programme providing support to municipalities in assessing and identifying governance issues that need to be addressed at the local level, and subsequently in development and/or improvement of new/existing local policies or regulations that will be in the line with the overall objective.

## Features of the Sector

Regional disparities in the Republic of Serbia are among the highest in Europe. While Belgrade is currently enjoying the Gross Domestic Product (GDP) per capita of almost 180% of the national average and generates the largest share of GDP, the Southern and Eastern Serbia region stand on 63% of national average and contribute to GDP with less than 15%. According to the Regulation on the Single List of Development of regions and local self-governments for 2013 (Official Gazette of the Republic of Serbia No. 107/2012), adopted by the Government of the Republic of Serbia in November 2012, 46 of 150 municipalities are extremely underdeveloped (development level less than 60% of the national average), with 23 classified as devastated (development levels lower than 50% of the national average).

The largest concentration of the extremely underdeveloped municipalities is in the South East and South West Serbia, where 29 municipalities belong to the group of 46 extremely underdeveloped. Other five municipalities participating in the Programme are closely connected geographically and are from the third group development level (less than 80% of the national average), sharing similar economic and social problems as well as communication and utility infrastructure needs[[2]](#footnote-3).

Opportunities for any wide and sustainable economic growth in these underdeveloped municipalities are severely hampered by stagnant and opaque local regulations, depleted and inadequate capacities of local administrations and their officials, obsolete and/or run-down infrastructure, lowered levels of education and other investments in human capital, which all result in unfavourable business environment. In turn this influences the ability to attract new direct foreign and domestic investments. These obstacles are underpinned by other elements of poor governance practices resulting in general inability to implement national reforms at the local level.

A common feature of all local self-governments (LSGs) is that they are not well prepared to implement complex activities related to municipal planning and economic development. The infrastructure projects are chosen on ad hoc basis, without proper planning or impact assessment. The key preconditions for strategic planning: planning documentation, planning of investments, and resolved land ownership - are missing. The budgets are still prepared annually despite the fact that the legislation envisages process that takes into account three-year investment needs. The failure to update the land registers over decades led to huge discrepancies between the land registers and the land cadastre, resulting in additional obstacles in infrastructure development.

The speed of economic development is closely connected with the amount of direct domestic and foreign investments. The investment decisions of companies/investors are mainly influenced by the existing business opportunities and ease of doing business. The obsolete and inadequate infrastructure, lack of project documentation and low potentials for promotion and attracting of investors, therefore hamper further development. The lack of project documentation is a consequence of poor design capacities and financial constraints preventing municipalities to entrust these tasks to the third parties. This has a discouraging effect on the financiers and very often prompts them to abandon investments. Introduction of capital investment plans, whereby selection of investment projects would be based on a long-term perspective, taking into account achievement of financial, social, environment benefits, would solve the issue.

The 2014 World Bank’s report “Doing Business” puts Serbia on the 93rd place (out of 189 economies) seven ranks lower than in the previous year[[3]](#footnote-4). Some sub-national indicators exist for five Serbian municipalities (Belgrade, Zrenjanin, Kruševac, Užice and Vranje) as pilot municipalities within Easy Doing Business in South East Europe 2011. Serbia has also dropped on the World Economic Forum competitiveness list and now holds 101 place (out of 148 countries), compared to last year’s 99th[[4]](#footnote-5).

Enterprises in the South East and South West Serbia have little potential for increasing competitiveness on their own. Participation of small and medium enterprises (SMEs) from these areas in the total annual profit of SMEs in Serbia is ranging from 0.4% in Toplički District to 1% in Pčinjski District[[5]](#footnote-6). SMEs from the, South East and South West Serbia participate in the total export of Serbian SMEs just with an average 2.5% (Pčinjski 1.1%, Jablanički 1,2%, Toplički 0.4%, Raški 3.7%, Zlatiborski 4.4%)[[6]](#footnote-7). As for agricultural producers and processors, they don’t have sufficient knowledge of new technologies and market requirements and benefits of cooperation and agglomeration of production.

The National Employment Strategy 2011-2020 recognises that women constitute the “largest category at risk in the Serbian labour market” and at the same time “the most heterogeneous vulnerable group”. The situation is especially difficult for women with lower levels of education, women younger than 24 and older than 50[[7]](#footnote-8), while Roma women are among the groups with the lowest employment rate in the society.

There is a high unemployment rate in the South East and South West Serbia, especially among young people, Roma and vulnerable groups. The most difficult situation is in Crna Trava, Trgovište and Lebane, where the number of employees dropped by 47% in comparison to 2002. The average employment in the South is 18%, which is by 6.3% less than the Republic’s average, while average unemployment in the region is 44.8%.

On average more than 40% unemployed are without any qualifications (Raška District 44%, Jablanički District 32%, Pčinjski District 47.5%, Toplički District 40.5%[[8]](#footnote-9)), only 6.5% of population are with college or university education and 32.7% with high school education. This is also one of serious obstacles to economic development especially having in mind the capacity of local self-governments to lead coordinated responses to social inclusion of vulnerable and marginalised groups and to promote new approaches to social service delivery in the community. The educational profile of the labour force does not correspond to the needs of the economy.

The South Serbia is being depopulated swifter than any other region in the country, with 37 inhabitants leaving each day. Since the abolition of the visa regime in December 2009, more than 50,000 asylum requests have been filed in the EU countries[[9]](#footnote-10). Asylum seekers from Serbia were most numerous in Germany, Sweden and Belgium, while in the EU overall, they ranked third[[10]](#footnote-11). In January 2014, the European Union (EU) adopted a mechanism, which allows suspension of the visa free regime for countries that are seen as producing high numbers of false asylum seekers[[11]](#footnote-12). In order to contribute to efforts of the Serbian Government regarding reduction of asylum seekers from these parts of Serbia the Programme will develop and implement specific activities dealing with migration issues, both on the level of support to individual migrants and on the institutional level.

Finally, all current difficulties faced by the underdeveloped municipalities could be overcome by introducing principles of good governance in every day work. Accountability of municipalities towards citizens is especially weak due to non-existence of mechanisms by which citizens could oversee and control the functioning of local self-governments. And yet, this is the key principle to be adopted, re-introduced or reinforced: who in the system of local governance is accountable to whom, by which and whose regulations, procedures and oversight. This relates, among others, to the management of public resources, efficiency in service provision, equal opportunities for all, and participation in decision-making and effectually translates into local institutions and entities abiding to the rule of law.

* 1. Objectives of the programme and priority issues

The **global objective** of this Call for Proposals is to contribute to sustainable development of underdeveloped areas of Serbia by creating more favorable environment for business and infrastructure growth, thus increasing employability and social inclusion.

The **specific objective** of this Call for Proposals is to improve local infrastructure facilities in target municipalities. The activities will cover improvement of living conditions and economic infrastructure.

The prioritieshave been identified based on the main strategic documents for the **Competitiveness sector**, which are presented in National priorities for international assistance (NAD) 2014-2017 with projections until 2020. Namely, ***dynamic and stable economic growth based on increase in investments.*** Economic growth and increase in competitiveness of the economy represent a realistic basis for increase in employment and living standard of the population.

* 1. Financial allocation provided by the contracting authority

The overall indicative amount made available under this Call for Proposals is **EUR 3.500.000.**

The Contracting Authority reserves the right not to award all available funds.

**Indicative allocation of funds by lot**

If the allocation indicated for a specific lot cannot be used due to insufficient quality or number of proposals received, the Contracting Authority reserves the right to reallocate the remaining funds to another lot.

Total amount of funds that will be given through this project is EUR 3,500,000.00 divided in two lots:

**Lot 1: Local infrastructure projects aiming at improvement of living conditions**

Size of grants: EUR 100,000–200,000

**Lot 2: Local infrastructure projects contributing to economic development**

Size of grants: EUR 100,000–300,000

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

* Minimum percentage: 51 % of the total eligible costs of the action.
* Maximum percentage: 90% of the total eligible costs of the action (see also Section 2.1.5).

The balance (i.e. the difference between the total cost of the action and the amount requested from the Contracting Authority) **must be financed** from sources other than the European Union Budget or the European Development Fund[[12]](#footnote-13).

1. Rules FOR thIS call for proposalS

These guidelines set out the rules for the submission, selection and implementation of the actions financed under this Call, in conformity with the Practical Guide, which is applicable to the present call (available on the Internet at this address: <http://ec.europa.eu/europeaid/prag/document.do?chapterId=6.5.&id=221>).

* 1. Eligibility criteria

There are three sets of eligibility criteria, relating to:

1. the actors:

* The **applicant**, i.e. the entity submitting the application form (2.1.1),
* if any, its **co-applicant(s)** (**where it is not specified otherwise the applicant and its co-applicant(s) are hereinafter jointly referred as the "*applicants***") (2.1.1),
* and, if any, **affiliated entity(ies)**to the applicant and/or to a co-applicant(s). (2.1.2);

1. the actions:

Actions for which a grant may be awarded (2.1.4);

1. the costs:

* types of cost that may be taken into account in setting the amount of the grant (2.1.5).
  + 1. Eligibility of applicants (i.e. applicant and co-applicant(s))

**Applicant**

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

1. be a legal person **and**
2. be a non-profit making **and**
3. be a municipality, city municipality or city (hereinafter referred to as **municipality**) **and**
4. be established in[[13]](#footnote-14) a Member State of the European Union or in a country covered by the Article 19 of the IPA Regulation[[14]](#footnote-15) **and**
5. be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary.

(2) The potential applicant may not participate in calls for proposals or be awarded grants if it is in any of the situations listed in Section 2.3.3 of the Practical Guide ; (available on the Internet at this address: <http://ec.europa.eu/europeaid/prag/document.do?chapterId=2.3.3.&id=221>)

In Part A, section 3 of the grant application form (‘Declaration by the applicant’), the applicant must declare that the applicant himself, the co-applicant(s) and affiliated entity(ies)are not in any of these situations.

The applicant may act individually or with co-applicant(s)

If awarded the Grant contract, the applicant will become the Beneficiary identified as the Coordinator in annex E3h1 (Special Conditions). The Coordinator is the main interlocutor of the Contracting Authority. It represents and acts on behalf of any other co-beneficiary (if any) and coordinate the design and implementation of the Action.

**Co-applicant(s)**

The applicants may act in partnership with co-applicant organisations.

Co-applicant(s) participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the applicant.

Co-applicant(s) must satisfy the eligibility criteria as applicable to the applicant himself.

In addition to the applicants’ eligibility criteria in point 1(c) above, the following entities are also eligible as co-applicants: Public Utility Companies, Higher Education Institutions, Regional Chamber of Commerce, Industry associations, tourism organisations, educational and training institutions, business support organisations, kindergartens, social and health care institutions, RDAs, research institutions.

Co-applicant(s) must sign the Mandate in Part B section 4 of the grant application form.

If awarded the Grant contract, the co-applicant(s) (if any) will become beneficiaries in the Action (together with the Coordinator).

* + 1. Affiliated entities

The applicant and its co-applicant(s) may act with affiliated entity(ies).

**Only the following entities may be considered as affiliated entities to the applicant and/or to co-applicant(s):**

Only entities having a structural link with the applicants, in particular a legal or capital link.

This structural link encompasses mainly two notions:

(i) Control, as defined in Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings:

Entities affiliated to a beneficiary may hence be:

* Entities directly or indirectly controlled by the beneficiary (daughter companies or first-tier subsidiaries). They may also be entities controlled by an entity controlled by the beneficiary (granddaughter companies or second-tier subsidiaries) and the same applies to further tiers of control;
* Entities directly or indirectly controlling the beneficiary (parent companies). Likewise, they may be entities controlling an entity controlling the beneficiary;
* Entities under the same direct or indirect control as the beneficiary (sister companies).

(ii) Membership, i.e. the beneficiary is legally defined as a e.g. network, federation, association in which the proposed affiliated entities also participate or the beneficiary participates in the same entity (e.g. network, federation, association) as the proposed affiliated entities.

The structural link shall as a general rule be neither limited to the action nor established for the sole purpose of its implementation. This means that the link would exist independently of the award of the grant; it should exist before the call for proposals and remain valid after the end of the action.

By way of exception, an entity may be considered as affiliated to a beneficiary even if it has a structural link specifically established for the sole purpose of the implementation of the action in the case of so-called “sole applicants” or “sole beneficiaries”. A sole applicant or a sole beneficiary is an entity formed by several entities (a group of entities) which together comply with the criteria for being awarded the grant. For example, an association is formed by its members.

##### What is not an affiliated entity?

The following are not considered entities affiliated to a beneficiary:

* Entities that have entered into a (procurement) contract or subcontract with a beneficiary, act as concessionaires or delegates for public services for a beneficiary,
* Entities that receive financial support from the beneficiary,
* Entities that cooperate on a regular basis with the beneficiary on the basis of a memorandum of understanding or share some assets,
* Entities that have signed a consortium agreement under the grant contract.

How to verify the existence of the required link with the beneficiary?

The affiliation resulting from control may in particular be proved on the basis of the consolidated accounts of the group of entities the beneficiary and its proposed affiliates belong to.

The affiliation resulting from membership may in particular be proved on the basis of the statutes or equivalent act establishing the entity (network, federation, association) which the beneficiary constitutes or in which the beneficiary participates.

If the applicants are awarded a contract, their affiliated entity(ies) will not be become Beneficiary(ies) of the Action and signatory(ies) of the Contract. However, they will participate in the design and in the implementation of the Action and the costs they incur (including those incurred for Implementation Contracts and Financial Support to third parties) may be accepted as eligible costs, provided they comply with all the relevant rules already applicable to the Beneficiary(ies) under the Grant Contract.

Affiliated entity(ies) must satisfy the same eligibility criteria as the applicant and the co-applicant(s). They must sign the affiliated entity(ies) statement in Part B section 5 of the grant application form.

* + 1. Associates and Contractors

The following entities are not applicant(s) nor affiliated entity(ies) and do not have to sign the "mandate" or "affiliated entities' statement":

* Associates

Other organisations may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant, with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.1. Associates must be mentioned in Part B section 6 — ‘Associates of the Applicant participating in the Action’ — of the Grant Application Form.

* Contractors

The grant beneficiaries and their affiliated entities are permitted to award contracts. Associates or affiliated entity(ies) cannot be also contractors in the project. Contractors are subject to the procurement rules set out in Annex IV to the standard grant contract.

* + 1. Eligible actions: actions for which an application may be made

Definition

An **action** is composed of a **set of activities**.

Duration

The initial planned duration of an action may not be lower than 12 months nor exceed 18 months.

Sectors or themes

For actions to be eligible they must contribute to the objectives as outlined in section 1.2 and be in line with the socio-economic development priorities of the area, as defined in the relevant national/regional/sub-regional/local strategies and plans.

The prioritieshave been identified based on the main strategic documents for the **Competitiveness sector**, which are presented in National priorities for international assistance (NAD) 2014-2017 with projections until 2020. Namely, ***dynamic and stable economic growth based on increase in investments.*** Economic growth and increase in competitiveness of the economy represent a realistic basis for increase in employment and living standard of the population.

Projects also must contribute to enhanced governance. Therefore, the project proposal must address at least one of the five principles of good governance (accountability, transparency, efficiency, non-discrimination and participation) and propose adequate measures. In addition, project implementation must follow the principles of good governance.

Location

Actions must take place in one or more of the following municipalities:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Raška | Novi Pazar | Bojnik | Bosilegrad | Trgovište | Knjazevac |
| Ivanjica | Tutin | Vlasotince | Bujanovac | Aleksinac | Svrljig |
| Nova Varoš | Blace | Lebane | Vladičin Han | Brus | Babusnica |
| Priboj | Žitorađa | Leskovac | Vranje | Doljevac | BelaPalanka |
| Prijepolje | Kuršumlija | Medveđa | Preševo | Gadzin Han |  |
| Sjenica | Prokuplje | CrnaTrava | Surdulica | Merosina |  |

Types of actions

Projects must be infrastructure, municipal or inter municipal in nature, i.e. they must produce impact affecting individual or groups of municipalities.

**For Lot** 1-Local infrastructure projects aiming at improvement of living conditions

All infrastructure projects (i.e. construction or reconstruction projects, including purchase of equipment with proven direct link to infrastructure improvement), that will contribute to better living conditions of citizens are eligible for this call for proposal. The following types of actions are **among other** eligible under this lot:

* Environment protection, improvement of solid waste management, waste water treatment, reduction of pollution and energy efficiency projects.
* Actions aiming at improvement of living conditions for vulnerable groups, including Roma, through advancing and upgrading of existing social and communal infrastructure.

Indicators for Lot 1:

* Number of available/improved educational facilities
* Number of public institution buildings enabled for full accessibility for physically impaired persons
* Number of user coverage with water supply/ sewage system or percentage of improved quality of water supply/sewage system
* Number of users of health services served in new improved health care facilities
* Number of public buildings that satisfy energy efficiency standards
* Percentage of separated waste
* Number of closed waste dumping sites
* Amount of waste removed from rivers

**For Lot 2-** Local infrastructure projects contributing to economic development

The following types of actions are **among other** eligible under this lot:

* All infrastructure projects (i.e. construction or reconstruction projects, including purchase of equipment with proven direct link to infrastructure improvement) that are contributing to establishment of conditions for development of new businesses and attraction of investments are eligible for this action. For example business support facilities: business incubators, information centres, business development centres, laboratories and research facilities, technology centres.
* Infrastructure construction and procurement projects aiming towards rehabilitation of Brownfield sites are eligible for this action
* Communal equipping of Greenfield sites and improvement of infrastructure conditions in the existing industrial zones are eligible under this call

Indicators for Lot 2:

* Number of new or upgraded business support facilities (business incubators, information centres, business development centres, laboratories and research facilities, technology centres)
* Surface of Brownfield sites restored to function
* Surface of Greenfield sites communally equipped and ready for investment

The following types of action are ineligible:

* Actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences, congresses;
* Actions concerned only or mainly with individual scholarships for studies or training courses
* Actions where impacts will directly benefit single enterprises
* Studies and research based activities
* Preparation of feasibility studies, preparatory actions for investments (for instance main project design)
* Actions linked to political parties
* Actions related to:

- The tobacco industry (CAEN code 16);

- Production of alcoholic distilled beverages (CAEN code 1591);

- Arms and munitions (CAEN code 296).

Types of activity

**For Lot 1** (list not exhaustive)

* Construction, reconstruction and procurement of equipment – buildings for education, health, social care, culture and sports
* Works to improve energy efficiency - replacement of joinery, improvement on facades and improvement on heating systems
* Accessibility infrastructure for physically impaired persons
* Construction, reconstruction and procurement of equipment – water supply and sewage systems
* Construction, reconstruction and procurement of equipment– waste management, waste water systems, recycling

**For Lot 2** (list not exhaustive)

* Construction, reconstruction and equipping of business support facilities (business incubators, information centres, business development centres, laboratories and research facilities, technology centres)
* Upgrading and communal equipping of Greenfield sites
* Rehabilitation of Brownfield sites
* Construction and reconstruction of communal infrastructure leading to industrial zones – water, sewage, electricity, access roads

***NOTE****: Procurement of equipment will only be eligible in close and proven connection with infrastructure component of the action*

***NOTE:*** *As indicated in the above Section “Sector or themes”, each applicant must also demonstrate that it will follow the principles of good governance in implementation. As a minimum, the project proposal must address at least one of the five principles of good governance (accountability, transparency, efficiency, non-discrimination and participation) and propose adequate measures.*

Financial support to third parties[[15]](#footnote-16)

Applicants may not propose financial support to third parties.

Visibility

The Applicants must take all necessary steps to publicise the fact that the European Union has financed or co-financed the Action. As far as possible, actions that are wholly or partially funded by the European Union must incorporate information and communication activities designed to raise the awareness of specific or general audiences of the reasons for the action and the EU support for the action in the country or region concerned, as well as the results and the impact of this support.

Applicants must comply with the objectives and priorities and guarantee the visibility of the EU financing (see the Communication and Visibility Manual for EU external actions specified and published by the European Commission at <https://ec.europa.eu/europeaid/communication-and-visibility-manual-eu-external-actions_en>).

Number of applications and grants per applicant

An applicant may not submit more than **two (2) applications** under this Call for proposals.

An applicant may not be awarded more than **one (1) grant** under this Call for proposals, in the role of applicant.

The applicant may be a co-applicant or an affiliated entity in another application at the same time.

A co-applicant may not submit more than 2 applications under this Call for proposals.

A co-applicant may not be awarded more than 2 grants under this Call for proposals.

Affiliated entity(ies) may not submit more than 2 applications under this Call for proposals.

Affiliated entity(ies) may not be awarded more than 2 grants under this Call for proposals.

* + 1. Eligibility of costs: costs that can be included

Only ‘eligible costs’ can be covered by a grant. The categories of costs that are eligible and non-eligible are indicated below. The budget is both a cost estimate and an overall ceiling for ‘eligible costs’.

The reimbursement of eligible costs may be based on any or a combination of the following forms:

* actual costs incurred by the Beneficiary(ies) and affiliated entity(ies)
* one or more simplified cost options.

Simplified cost options may take the form of:

* **unit costs:** covering all or certain specific categories of eligible costs which are clearly identified in advance by reference to an amount per unit.
* **lump sums:** covering in global terms all or certain specific categories of eligible costs which are clearly identified in advance.
* **flat-rate financing:** covering specific categories of eligible costs which are clearly identified in advance by applying a percentage fixed ex ante.

The amounts or rates have to be based on estimates using objective data such as statistical data or any other objective means or with reference to certified or auditable historical data of the applicants or the affiliated entity(ies). The methods used to determine the amounts or rates of unit costs, lump sums or flat-rates must comply with the criteria established in Annex K, and especially ensure that the costs correspond fairly to the actual costs incurred by the Grant Beneficiary(ies) and affiliated entity(ies), are in line with their accounting practices, no profit is made and the costs are not already covered by other sources of funding (no double funding). Refer to Annex Kfor directions and a checklist of controls to assess the minimum necessary conditions that provide reasonable assurance for the acceptance of the proposed amounts.

The applicant proposing this form of reimbursement, must clearly indicate in worksheet no.1 of Annex B, each heading/item of eligible costs concerned by this type of financing, i.e. add the reference in capital letters to "UNIT COST" (per month/flight etc), "LUMPSUM" or "FLAT RATE" in the Unit column. (see example in Annex K).

Additionally in Annex B, in the second column of worksheet no.2, "Justification of the estimated costs" per each of the corresponding budget item or heading the applicant must:

* describe the information and methods used to establish the amounts of unit costs, lump sums and/or flat-rates, to which costs they refer, etc.
* clearly explain the formulas for calculation of the final eligible amount[[16]](#footnote-17)
* identify the beneficiary who will use the simplified cost option (in case of affiliated entity, specify first the beneficiary), in order to verify the maximum amount per each beneficiary (which includes if applicable simplified cost options of its affiliated entity(ies))

At contracting phase, the Contracting Authority decides whether to accept the proposed amounts or rates on the basis of the provisional budget submitted by the applicant, by analysing factual data of grants carried out by the applicant or of similar actions and by performing checks established by Annex K.

The total amount of financing on the basis of simplified cost options that can be authorised by the Contracting Authority for any of the applicants individually (including simplified cost options proposed by their own affiliated entities) cannot exceed EUR 60 000 (the indirect costs are not taken into account).

**Within this call for proposals simplified cost option can only be applied in the main budget headings 1. Human resources and 2. Travel costs.**

Recommendations to award a grant are always subject to the condition that the checks preceding the signing of the contract do not reveal problems requiring changes to the budget (such as arithmetical errors, inaccuracies, unrealistic costs and ineligible costs). The checks may give rise to requests for clarification and may lead the Contracting Authority to impose modifications or reductions to address such mistakes or inaccuracies. It is not possible to increase the grant or the percentage of EU co-financing as a result of these corrections.

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

Eligible direct costs

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

**NOTE:**

*Civil servants or other public employees of central and local administrations which participate under this Call for Proposals may not receive fees for their contribution to the action other than their salaries in the respective institution.*

*The salaries of the civil servants or other public employees of the central and local administrations may be presented as co-financing contribution of the applicant only with the prior approval of the Contracting Authority during contracting stage.*

Contingency reserve

The budget may include a contingency reserve not exceeding 5 % of the estimated direct eligible costs. It can only be used with the **prior written authorisation** of the Contracting Authority.

Eligible indirect costs

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding, but the total must not exceed 7 %of the estimated total eligible direct costs. Indirect costs are eligible provided that they do not include costs assigned to another budget heading in the standard grant contract. The applicant may be asked to justify the percentage requested before the contract is signed. However, once the flat rate has been fixed in the special conditions of the standard grant contract, no supporting documents need to be provided.

If any of the applicants or affiliated entity(ies) is in receipt of an operating grant financed by the EU, it may not claim indirect costs on its incurred costs within the proposed budget for the action.

Contributions in kind

Contributions in kind mean the provision of goods or services to a Beneficiary(ies) or affiliated entity(ies) free of charge by a third party. As contributions in kind do not involve any expenditure for a Beneficiary(ies)or affiliated entity(ies), they are not eligible costs.

Contributions in kind may not be treated as co-financing.

Ineligible costs

The following costs are not eligible:

1. taxes, including value added taxes;
2. customs and import duties, or any other charges;
3. purchase, rent or leasing of land and existing buildings;
4. fines financial penalties and expenses of litigation;
5. operating costs;
6. second-hand equipment;
7. bank charges, costs of guarantees and similar charges;
8. conversion costs, charges and exchange losses associated with any of the component specific euro accounts, as well as other purely financial expenses;
9. contributions in kind;
10. any leasing costs;
11. depreciation costs;

“On case by case basis” it can be decided that the following expenditure is eligible:

1. operating costs, including rental costs, exclusively related to the period of co-financing of the operation;
2. value added taxes, if the following conditions are fulfilled:
3. the value added taxes are not recoverable by any means;
4. it is established that they are borne by the final beneficiary, and
5. they are clearly identified in the project proposal.
6. purchase of land and existing building when justified by the nature of the operations.
   1. How to apply and the procedures to follow

Prior registration in PADOR for this Call for Proposals is not obligatory. Information in PADOR will not be drawn upon in the present Call.

* + 1. Concept Note content

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

Applicants must apply in English.

In the Concept Note, applicants must only provide an estimate of the amount of contribution requested from the Contracting Authority and an indicative percentage of that contribution in relation to the total amount of the Action. Only the applicants invited to submit a full application in the second phase will be required to present a detailed budget. The elements outlined in the Concept Note may not be modified by the applicant in the full application form. The EU contribution may not vary from the initial estimate by more than 20 %. Applicants are free to adapt the percentage of co-financing required within the minimum and maximum amount and percentages of co-financing, as laid down in these Guidelines in section 1.3. Own contributions by the applicants can be replaced by other donors' contributions at any time.

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

Clarifications will only be requested when information provided is not sufficient to conduct an objective assessment.

Hand-written Concept Notes will **not be accepted.**

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

* + 1. Where and how to send Concept Notes

The Concept Note together with its relating Checklist and Declaration by the applicant (to be found in **Part A** sections **2 and 3** of the grant application form) must be submitted in one original and two(2)copies in A4 size, each bound.

An electronic version of the Concept Note must also be submitted. A CD-Rom with the Concept Note in electronic format will be included, along with the paper version, in a sealed envelope as described below. The electronic file must contain **exactly the same** application as the paper version enclosed.

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

The outer envelope must bear the **reference number and the title of the call for proposals**, together with [the lot number and title] the full name and address of the applicant, and the words ‘Not to be opened before the opening session’ and „NE OTVARATI PRE ZVANIČNOG OTVARANJA PRIJAVA”.

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

Ministry of Finance,

Department for Contracting and Financing of EU Funded Programmes (CFCU)

Division for Evaluation and Contracting

Sremska Str, 3-5/VII floor, Office 701, Belgrade, 11000

Republic of Serbia

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

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

* + 1. Deadline for submission of Concept Notes

The deadline for the submission of Concept Notes is 28 April 2015 as evidenced by the date of dispatch, the postmark or the date of the deposit slip. In the case of hand-deliveries, the deadline for receipt is at 15:00 hours local time as evidenced by the signed and dated receipt. Any Concept Note submitted after the deadline will be rejected.

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

* + 1. Further information about Concept Notes

An information session on this Call for Proposals will be held at least 21 day before the deadline for submission of Concept Notes. The date, venue and the schedule of the information sessions on this call for proposals will be published at a later date at the following websites [www.cfcu.gov.rs](http://www.cfcu.gov.rs) and <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>.

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

E-mail address: [cfcu.questions@mfin.gov.rs](mailto:cfcu.questions@mfin.gov.rs)

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

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

To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of applicants, affiliated entity(ies),an action or specific activities.

Questions that may be relevant to other applicants, together with answers and other important notices in the course of the evaluation procedure, will be published on the EuropeAid website <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>, on the website of the Contracting Authority in the Republic of Serbia: [www.cfcu.gov.rs](http://www.cfcu.gov.rs) as the need arises. It is therefore advisable to consult the abovementioned website regularly in order to be informed of the questions and answers published.

* + 1. Full Application forms

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

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

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

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

Any error related to the points listed in the Checklist (Part B, Section 7 of the Grant Application form) or any major inconsistency in the full application form (e.g. if the amounts in the budget worksheets are inconsistent) may lead to the rejection of the application.

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

Hand-written applications will not be accepted.

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

* + 1. Where and how to send Full Application forms

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

Ministry of Finance,

Department for Contracting and Financing of EU Funded Programmes (CFCU)

Division for Evaluation and Contracting

Sremska Str, 3-5/ VII floor, Office 701, Belgrade, 11000

Republic of Serbia

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

Applications must be submitted in one original and two (2) copies in A4 size, each bound. The full application form, budget and logical framework must also be supplied in electronic format (CD-Rom) in a separate and single file (i.e. the full application form must not be split into several different files). The electronic file must contain **exactly the same** application as the paper version.

The Checklist (Section 7 of Part B of the grant application form) and the Declaration by the applicant (Section 8 of Part B of the grant application form) must be stapled separately and enclosed in the envelope.

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

The outer envelope must bear the **reference number and the title of the Call for Proposals**, together with the number and title of the lot, the full name and address of the applicant, and the words ‘Not to be opened before the opening session’ and ‘NE OTVARATI PRE ZVANIČNOG OTVARANJA PRIJAVA”.

**Applicants must verify that their application is complete using the checklist (Section 7 of Part B of the grant application form). Incomplete applications may be rejected.**

* + 1. Deadline for submission of Full Application forms

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

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

* + 1. Further information about Full Application forms

Questions may be sent by e-mail no later than 21 days before the deadline for the submission of applications to the addresses listed below, **indicating clearly the reference of the Call for Proposals:**

E-mail address: [cfcu.questions@mfin.gov.rs](mailto:cfcu.questions@mfin.gov.rs)

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

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

To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of applicants, affiliated entity(ies), or an action.

No individual replies will be given to questions. All questions and answers as well as other important notices to applicants during the course of the evaluation procedure, will be published on the website <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome> and on the website of the Contracting Authority in the Republic of Serbia: www.cfcu.gov.rs. It is therefore advisable to consult the abovementioned website regularly in order to be informed of the questions and answers published.

* 1. Evaluation and selection of applications

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

If the examination of the application reveals that the proposed action does not meet the eligibility criteria stated in paragraph 2.1, the application will be rejected on this sole basis.

1. **STEP 1: OPENING&ADMINISTRATIVE CHECKS AND CONCEPT NOTE EVALUATION**

The following will be assessed:

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

The Concept Notes that pass the first administrative check will be evaluated on the relevance and design of the proposed action.

The Concept Note will receive an overall score out of 50 using the breakdown in the evaluation grid below. The evaluation will also check on compliance with the instructions on the Concept Note, which can be found in Part A of the Application Form.

The evaluation criteria are divided into headings and subheadings. Each subheading will be given a score between 1 and 5 as follows: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

|  |  |  |
| --- | --- | --- |
|  | **Scores** | |
| **1. Relevance of the action** | Sub-score | **30** |
| 1.1 How relevant is the proposal to the objectives and priorities of the Call for Proposals?\* | 5x2\*\* |  |
| 1.2 How relevant to the particular needs and constraints of the target country(ies) or region(s) is the proposal (including synergy with other EU initiatives and avoidance of duplication)? | 5x2\*\* |  |
| 1.3 How clearly defined and strategically chosen are those involved (final beneficiaries, target groups)? Have their needs been clearly defined and does the proposal address them appropriately? | 5 |  |
| 1.4 Does the proposal contain specific added-value elements, such as environmental issues, promotion of gender equality and equal opportunities, needs of disabled people, rights of minorities and rights of indigenous peoples, or innovation and best practices? | 5 |  |
| **2. Design of the action** | Sub-score | **20** |
| 2.1 How coherent is the overall design of the action?  In particular, does it reflect the analysis of the problems involved, take into account external factors and relevant stakeholders? | 5x2\*\* |  |
| 2.2 Is the action feasible and consistent in relation to the objectives and expected results? | 5x2\*\* |
| **TOTAL SCORE** |  | **50** |

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

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

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

Secondly, the number of Concept Notes will be reduced, taking account of the ranking, to the number of Concept Notes whose total aggregate amount of requested contributions is equal to 200% of the available budget for this Call for Proposals. The amount of requested contributions of each concept note will be based on the indicative financial envelopes for each lot.

After the evaluation of Concept Notes, the Contracting Authority will send letters to all applicants, indicating whether their application was submitted by the deadline, informing them of the reference number they have been allocated, whether the Concept Note was evaluated and the results of that evaluation. The pre-selected applicants will subsequently be invited to submit full applications.

**(2) STEP 2: EVALUATION OF THE FULL APPLICATION**

Firstly, the following will be assessed:

* Compliance with the submission deadline. If the deadline has not been met, the application will automatically be rejected.
* The full application form satisfies all the criteria specified in points 1-9 of the Checklist (Section 7 of Part B of the grant application form). If any of the requested information is missing or is incorrect, the application may be rejected on that **sole** basis and the application will not be evaluated further.

The quality of the applications, including the proposed budget and capacity of the applicants and affiliated entity(ies), will be evaluated using the evaluation criteria in the evaluation grid below. There are two types of evaluation criteria: selection and award criteria.

**The selection criteria** help to evaluate the applicant(s)'s and affiliated entity(ies)'s operational capacity and the applicant's financial capacity and to ensure that they:

* have stable and sufficient sources of finance to maintain their activity throughout the proposed action and, where appropriate, to participate in its funding;
* have the management capacity, professional competencies and qualifications required to successfully complete the proposed action. This also applies to any affiliated entity(ies) of the applicants.

**The award criteria** help to evaluate the quality of the applications in relation to the objectives and priorities, and to award grants to projects which maximise the overall effectiveness of the Call for Proposals. They help to select applications which the Contracting Authority can be confident will comply with its objectives and priorities. They cover the relevance of the action, its consistency with the objectives of the Call for Proposals, quality, expected impact, sustainability and cost-effectiveness.

*Scoring:*

The evaluation grid is divided into sections and subsections. Each subsection will be given a score between 1 and 5 as follows: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

**Evaluation Grid**

|  |  |
| --- | --- |
| **Section** | **Maximum Score** |
| **1. Financial and operational capacity** | **20** |
| 1.1 Do the 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 lead applicant have stable and sufficient sources of finance? | 5 |
| **2. Relevance of the action** | **30** |
| *Score transferred from the Concept Note evaluation* |  |
| **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? | 5 |
| 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** |

*Note on section 1. Financial and operational capacity*

If the total score 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.

*Provisional selection*

After the evaluation, a table will be drawn up listing the applications ranked according to their score and within the limits of the funds available. In addition, a reserve list will be drawn up following the same criteria to be used if more funds should become available during the validity period of the reserve list.

1. **STEP 3: VERIFICATION OF ELIGIBILITY OF THE APPLICANTS AND AFFILIATED ENTITY(IES)**

The eligibility verification, based on the supporting documents requested by the Contracting Authority (see Section2.4) will only be performed for the applications that have been provisionally selected according to their score and within the available financial envelope.

* The Declaration by the applicant (Section 8 of Part B the grant application form) will be cross-checked with the supporting documents provided by the applicant. Any missing supporting document or any incoherence between the Declaration by the applicant and the supporting documents may lead to the rejection of the application on that sole basis.
* The eligibility of applicants, the affiliated entity(ies), and the action will be verified according to the criteria set out in Sections 2.1.1,2.1.2 and 2.1.3.

Any rejected application will be replaced by the next best placed application on the reserve list that falls within the available financial envelope.

* 1. 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. The statutes or articles of association of the applicant, (if any) of each co-applicant(s) and (if any) of each affiliated entity(ies)[[17]](#footnote-18). Where 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 meantime[[18]](#footnote-19). This obligation does not apply to international organisations which have signed a framework agreement with the European Commission.

2. 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)[[19]](#footnote-20). A copy of the latest account is neither required from (if any) the co-applicant(s) nor from (if any) affiliated entity(ies)).

3. 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.

4. 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.

5. Documentation proving that infrastructure projects proposed under the applications are ‘’ready-to-go’’. The applicants should provide, if such documentation is required for their interventions under Serbian law: project documentation, building permits, environmental assessment and any other relevant document.

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 English 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 English, 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 English.

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

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 structural 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.

* 1. Notification of the Contracting Authority’s decision
     1. Content of the decision

The applicants will be informed in writing of the Contracting Authority’s decision concerning their application and, if rejected, the reasons for the negative decision.

An applicant believing that it has been harmed by an error or irregularity during the award process may lodge a complaint. See further Section 2.4.15 of the Practical Guide.

* + 1. Indicative timetable

|  |  |  |
| --- | --- | --- |
|  | **DATE** | **TIME\*** |
| **Information meeting (if any)** | Will be published separately | Will be published separately |
| **Deadline for requesting any clarifications from the Contracting Authority** | 07/04/2015 | 15:00 |
| **Last date on which clarifications are issued by the Contracting Authority** | 17/04/2015 | - |
| **Deadline for submission of Concept Notes** | 28/04/2015 | 15:00 |
| **Information to applicants on opening, administrative checks and concept note evaluation (Step 1)** | August 2015\* | - |
| **Invitations to submit Full Application Form** | August 2015\* | - |
| **Deadline for submission of Full Application Form** | October 2015\* | - |
| **Information to applicants on the evaluation of the Full Application Form (Step 2)** | February 2016\* | - |
| **Notification of award (after the eligibility check) (Step 3)** | April 2016\* | - |
| **Contract signature** | June 2016\* | - |

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

This indicative timetable may be updated by the Contracting Authority during the procedure. In such cases, the updated timetable will be published on the EuropeAid web site <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome> and on the website of the Contracting Authority in the Republic of Serbia: www.cfcu.gov.rs.

* 1. Conditions for implementation after the Contracting Authority’s decision to award a grant

Following the decision to award a grant, the Beneficiary(ies) will be offered a contract based on the Contracting Authority’s grant contract (see Annex G of these Guidelines[[20]](#footnote-21)). By signing the application form (Annex A of these Guidelines), the applicants agree, if awarded a grant, to accept the contractual conditions of the standard grant contract.

Implementation contracts

Where implementation of the action requires the Beneficiary(ies) and its affiliated entity(ies) (if any) to award procurement contracts, those contracts must be awarded in accordance with Annex IV to the standard grant contract.

1. LIST OF annexes

**DOCUMENTS TO BE COMPLETED**

Annex A: Grant Application Form (Word format)

Annex B: Budget (Excel format)

Annex C: Logical Framework (Excel format)[[21]](#footnote-22)

Annex D: Legal Entity Sheet[[22]](#footnote-23)

Annex E: Financial identification form

**DOCUMENTS FOR INFORMATION**

Annex G: Standard Grant Contract

- Annex II: General conditions

- 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

- Annex IX: standard template for transfer of ownership of assets

Annex H: Daily allowance rates (Per diem), available at the following address: <http://ec.europa.eu/europeaid/funding/about-calls-tender/procedures-and-practical-guide-prag/diems_en>

Annex J: Information on the tax regime applicable to grant contracts signed under the call.

Annex K: Guidelines and Checklist for assessing Budget and Simplified cost options.

**Useful links:**

**Project Cycle Management Guidelines**

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

**The implementation of grant contracts - A Users' Guide**

<http://ec.europa.eu/europeaid/companion/document.do?chapterId=497>

**Financial Toolkit**

<https://ec.europa.eu/europeaid/funding/procedures-beneficiary-countries-and-partners/financial-management-toolkit_en>

1. For detailed information on five good governance principles please check page 13, under paragraph *Sectors or themes*. [↑](#footnote-ref-2)
2. Municipalities bordering AoR (Area of Responsibility) are within the first and second developmental group and for this reason they are not included in the programme. [↑](#footnote-ref-3)
3. Doing business (2014) *Doing Business 2014 Understanding Regulations for Small and Medium Sized Enterprises* [Online] Available at: <http://www.doingbusiness.org/~/media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB14-Full-Report.pdf> (Accessed on 30 January 2014) [↑](#footnote-ref-4)
4. World Economic Forum (2013) *The Global Competitiveness Ranking* [Online] Available at: <http://www3.weforum.org/docs/GCR2013-14/GCR_Rankings_2013-14.pdf> (Accessed on 20 September 2013) [↑](#footnote-ref-5)
5. Out of 14,925 enterprises in the South Serbia, 99% are micro (up to ten employees) and small enterprises (up to 50 employees). In addition there are 12,017 sole traders, the Ministry of Finance according to the data from Republic Statistics Office (RSO), 2011 [↑](#footnote-ref-6)
6. The Ministry of Finance according to the data from the RSO, 2011 [↑](#footnote-ref-7)
7. Women and Men in the Republic of Serbia, NSO, 2011 [↑](#footnote-ref-8)
8. Annual Report Municipalities in Serbia, Statistical Office of Republic of Serbia, May 2011 [↑](#footnote-ref-9)
9. European Policy Centre (2013) *Pending Visa Reintroduction Possibility and Serbia’s EU integration* [Online] Available at: <http://www.europeanpolicy.org/en/documentation-centre/articles-and-commentaries/320-pending-visa-reintroduction-possibility-and-serbia-s-eu-integration.html> (Accessed on 20 September 2013) [↑](#footnote-ref-10)
10. B92 (2013) *Ekonomska situacija motiv za azil* [Online] Available at: <http://www.b92.net/info/vesti/index.php?yyyy=2013&mm=04&dd=30&nav_category=12&nav_id=709880> (Accessed on 24 January 2014) [↑](#footnote-ref-11)
11. Blic (2014) *Danas stupa na snagu mehanizam za privremeno uvođenje viza* [Online] Available at: <http://www.blic.rs/Vesti/Drustvo/433192/Danas-stupa-na-snagu-mehanizam-za-privremeno-uvodjenje-viza> (Accessed on 24 January 2014) [↑](#footnote-ref-12)
12. Where a grant is financed by the European Development Fund, any mention of European Union financing must be understood as referring to European Development Fund financing. [↑](#footnote-ref-13)
13. To be determined on the basis of the organisation’s statutes, which should demonstrate that it has been established by an instrument governed by the national law of the country concerned and that its head office is located in an eligible country. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a ‘Memorandum of Understanding’ has been concluded. [↑](#footnote-ref-14)
14. Please refer to PRAG Annex A2b2. [↑](#footnote-ref-15)
15. These third parties are neither affiliated entity(ies) nor associates nor contractors. [↑](#footnote-ref-16)
16. Examples:- for staff costs: number of hours or days of work \* hourly or daily rate pre-set according to the category of personnel concerned;- for travel expenses: distance in km \* pre-set cost of transport per km; number of days \* daily allowance pre-set according to the country; for specific costs arising from the organization of an event: number of participants at the event \* pre-set total cost per participant etc. [↑](#footnote-ref-17)
17. 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. [↑](#footnote-ref-18)
18. To be inserted only where the eligibility conditions have not changed from one call for proposals to the other. [↑](#footnote-ref-19)
19. 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. [↑](#footnote-ref-20)
20. Complemented by the provisions in Annex e3h11 where at least one of the beneficiaries is an international organisation. [↑](#footnote-ref-21)
21. Optional where the total amount of the grants to be awarded under the Call for Proposals is EUR 100 000 or less. [↑](#footnote-ref-22)
22. Only applicable where the European Commission is the Contracting Authority or will make the payments under the contracts to be signed. [↑](#footnote-ref-23)