



Contracting Authority:

**Government of the Republic of Serbia, Ministry of Finance, Department
for Contracting and Financing of EU Funded Programmes (CFCU)**

**Durable housing solutions and physical infrastructure improvements
in Roma settlements**

Restricted call for proposal

Guidelines for grant applicants

Budget line(s) 22.02.01 Financing Agreement

Reference: EuropeAid/138222/ID/ACT/RS

Deadline for submission of Concept note: September 9, 2016

Notice

This is a restricted call for proposals. In the first instance, only concept notes (Part A of the grant application form) must be submitted for evaluation. Thereafter, lead applicants who have been pre-selected will be invited to submit a full application. 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 lead applicant' sent together with the full application.



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1. DURABLE HOUSING SOLUTIONS AND PHYSICAL INFRASTRUCTURE IMPROVEMENTS IN ROMA SETTLEMENTS

1.1. BACKGROUND

The Roma population is one of the poorest and most vulnerable groups in Serbia, and it is severely affected by social problems. A majority of the Roma population lives in extreme poverty and substandard settlements, in a framework which is at the same time reinforcing discrimination, particularly as regards access to education, social protection, health care, employment and adequate housing. In 2009 the government adopted the *Strategy for Improvement of the Status of Roma in the Republic of Serbia* (Official Gazette of the Republic of Serbia, No. 27/09) and its corresponding Action Plan as part of the on-going efforts. Baseline study for drafting the *Strategy to Advance the Status of the Roma 2015-2025* was prepared to create access to housing and basic public services (water supply, electricity, gas) in line with the Europe 2020 Strategy in order to remove differences between the Roma and other population and to establish sustainable and inclusive model for resolving housing of Roma men, women and families and improvement of physical infrastructure in Roma settlements. However, the Roma still face difficult living conditions, especially those living in informal (substandard) settlements where adequate access to electricity and water is not ensured.

EC Progress Report 2015 emphasizes the adoption of a new Roma strategy and action plan remains outstanding. The third Roma seminar, held in June, concluded that good progress had been made with regard to civil registration but in all other areas progress was slow and uneven. The subsequent registration of undocumented citizens led to a fall in the number of 'legally invisible persons'. Systemic solutions have been found to prevent future reoccurrence of such cases. Further efforts are needed to ensure that children born to undocumented parents are registered immediately. The Roma continue to face difficult living conditions and discrimination in access to social protection, health, employment and adequate housing. Compliance with international standards on forced eviction and relocation still needs to be ensured. Legalisation of informal Roma settlements should be considered as a way of enabling them to be regulated and 59 covered by urban planning. Additional teaching assistants and health mediators are needed to address the high school drop-out rate among Roma children and poor access to healthcare. Such positions should be included in the national qualifications framework. Measures to address domestic violence in Roma families need to be stepped up.

As described in the *Second National Report on Social Inclusion and Poverty Reduction of the Republic of Serbia (2014)*, the housing situation of the Roma population is still particularly difficult, with a considerable difference between their housing conditions and those of the majority population, while the implementation of measures prescribed by strategic and other documents is very poor, fragmented and uncoordinated of adopted measures for improving this area is very poor. A high proportion of substandard Roma settlements, their inadequate access to infrastructure and the poor housing fund are but a few of the characteristic problems. Roma internally displaced persons (IDPs) and Roma returnees on the basis of the Readmission Agreement between the Republic of Serbia and the European Union face a particularly difficult housing situation. The resettlement of substandard Roma settlements, often followed by evictions or a lack of adequate alternative housing, also represents a specific challenge. This is also augmented by the reluctance of the authorities at all levels to implement the measures for which they are competent and to commit to the improvement of housing conditions of Roma persons.

The programmes to resolve the housing problems of Roma are few, the funds invested have been insufficient and there is still no organised or systematic approach to resolving the issue of housing. IPA 2012 sector project contributed to developing feasible resettlement options. Mapping and developing the geographic information system (GIS) of Roma settlements in the Republic of Serbia was done, which involved the development of adequate housing models and the preparation of

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urban planning and technical documentation for improvement of infrastructure and living conditions in Roma settlements, with a view to preparing projects for application for funding under IPA 2013. It is necessary to provide funds and stimulate local governments to invest efforts in improvement of housing conditions of Roma population living in substandard settlements.

Based on the Law on Ministries (Official Gazette of the Republic of Serbia, No. 44/14, 14/15, 54/15 and 96/15), adopted in 2014, the Ministry of construction, transport and infrastructure is the Government body which is, among the others, responsible for preparation and enforcement of the legal and strategic framework for housing as well as for sustainable development of the social housing. Within this jurisdiction the Ministry of construction, transport and infrastructure prepared the National Social Housing Strategy (Official Gazette of the Republic of Serbia, No. 13/12) which was adopted by the Government of the Republic of Serbia in 2012 year. The strategy provides flexible approach in social housing development through define the different housing program models appropriate for poor households, as: obtaining apartments for housing under social protection programs; obtaining apartments in public ownership for rental housing; improvement of conditions of occupancy in one's own property through different programs of financial support; housing allowance for rent payment. Specific goal 7 of the NSHS is: Improved conditions of living of inhabitants of substandard settlements, which directly relates to the substandard Roma settlements, and which contains two programs: Development of planning regulations for substandard settlements and Legal regulation of dislocation.

1.2. OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The **global objective** of this Call for Proposals is to contribute to smart, sustainable and inclusive growth for the Republic of Serbia by improving social protection policies and promoting the social inclusion of vulnerable populations, enabling greater opportunities for a better standard of living in alignment with the targets set forth by the Europe 2020 Strategy.

The **specific objective** of this Call for Proposals is to support the implementation of the Strategy for Improvement of the Status of Roma in the Republic of Serbia through sustainable and inclusive approach for resolving housing of Roma men, women and families and improvement of physical infrastructure in selected Roma settlements.

1.3. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this Call for Proposals is **EUR 9.500.000**.

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

Size of grants

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

- minimum amount: EUR 100.000
- maximum amount: EUR 1.000.000.

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: 85 % 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 Fund¹.

2. 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?locale=en>).

2.1 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

(1) the actors:

- The **'lead 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 lead applicant and its co-applicant(s) are hereinafter jointly referred as "applicant(s)") (2.1.1),
- and, if any, **affiliated entity(ies)** to the lead applicant and/or to a co-applicant(s). (2.1.2);

(2) the actions:

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

(3) the costs:

- types of cost that may be taken into account in setting the amount of the grant (2.1.5).

2.1.1 Eligibility of applicants (i.e. lead applicant and co-applicant(s))
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Lead applicant

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

- a) be a legal person **and**
- b) be non-profit-making **and**
- c) be specific type of organisation such as: municipality, city municipality or city, hereinafter referred to as **municipality of the Republic of Serbia; international (inter-governmental) organisation** as defined by Article 43 of the Rules of application of the EU Financial Regulation²; **non-governmental organisation (NGO)**

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

² International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies are also recognised as international organisations.

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established in the Republic of Serbia, minimum one year before the launch of this Call for Proposal **and**

- d) be established in³ a Member State of the European Union, or in any other country specified within Article 19 of the IPA Regulation⁴. This obligation does not apply to international organisations **and**
- e) 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) Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the situations listed in section 2.3.3 of the Practical Guide;

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

The lead applicant **must act with co-applicant(s)** as specified hereafter.

If awarded the grant contract, the lead 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)

If the lead applicant is a municipality of Republic of Serbia, it must act with an NGO or international organisation as co-applicant. Other co-applicants may participate.

In case where the lead applicant is an NGO, it must act with a municipality of Republic of Serbia as co-applicant. Other co-applicants may participate.

In case where the lead applicant is an international organisation it needs to act with a municipality of Republic of Serbia as co-applicant. Other co-applicants may participate.

The applicants are specifically noted that provisionally selected candidates will be requested to submit a sworn statement (in free format) by the municipality of the Republic of Serbia, acting as lead applicant or co-applicant, confirming that the ownership over the infrastructure (re)build in the project will be taken-over and maintained by the municipality after the conclusion of the contract. This statement is a part of supporting documentation, fully listed under section 2.4.

As a future owner of the infrastructure built, the eligible municipality is also required to provide necessary financial sustainability for the concerned assets.

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

Co-applicants must satisfy the eligibility criteria as applicable to the lead applicant himself.

³ 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.

⁴ Council Regulation (EC) No. 1085/2008 of July 17, 2006 establishing an Instrument for Pre-Accession Assistance (IPA)

In addition to the categories referred to in section 2.1.1, the following are however also eligible:

- Locally owned public institutions or associations in housing or engineering sector (Directorate for construction of the city, Housing agency, Land development public agency etc.);
- Public utility companies (PUCs) owned by local self-government units;
- Civil society organizations (CSOs), registered in the Republic of Serbia, established at minimum one year before the launch of this Call.

Co-applicants 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 beneficiary(ies) in the action (together with the Coordinator).

2.1.2 Affiliated entities

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

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

Only entities having a structural link with the applicants (i.e. the lead applicant or a co-applicant), 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 an applicant may hence be:

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

- (ii) Membership, i.e. the applicant is legally defined as a e.g. network, federation, association in which the proposed affiliated entities also participate or the applicant 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 an applicant 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 a legal 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.

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What is not an affiliated entity?

The following are not considered entities affiliated to an applicant:

- Entities that have entered into a (procurement) contract or subcontract with an applicant, act as concessionaires or delegates for public services for an applicant,
- Entities that receive financial support from the applicant,
- Entities that cooperate on a regular basis with an applicant on the basis of a memorandum of understanding or share some assets,
- Entities that have signed a consortium agreement under the grant contract (unless this consortium agreement leads to the creation of a "sole applicant" as described above).

How to verify the existence of the required link with an applicant?

The affiliation resulting from control may in particular be proved on the basis of the consolidated accounts of the group of entities the applicant 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 applicant constitutes or in which the applicant participates.

If the applicants are awarded a grant contract, their affiliated entity(ies) will not become beneficiary(ies) of the action and signatory(ies) of the grant 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 lead applicant and the co-applicant(s). They must sign the affiliated entity(ies) statement in Part B section 5 of the grant application form.

2.1.3 Associates and Contractors

The following entities are not applicants nor affiliated entities and do not have to sign the "mandate for co-applicant(s)" or "affiliated entities' statement":

- Associates

Other organisations or individuals 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 participating in the action' — of the grant application form.

- Contractors

The 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.

2.1.4 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 20 months**.

Sectors or themes

The priorities have been identified based on the main strategic documents for the **Social development sector** related to Roma integration, which are presented in National priorities for international assistance (NAD) 2014-2017 with projections until 2020.

The National Social Housing Strategy envisages specific measures relating to Roma substandard settlements and homelessness.

Strategy for Improvement of the Status of Roma in the Republic of Serbia creates a basis for affirmative action measures, and new Strategy for Roma inclusion 2015-2025, which is under preparation, creates access to housing and basic public services (water supply, electricity, gas) in line with the Strategy Europe 2020 in order to eliminate all forms of discrimination against them, ensuring their equal access to all fundamental rights and to establish sustainable and inclusive model for resolving housing of Roma men, women and families and improvement of physical infrastructure in Roma settlements.

The actions must relate to the Social development sector which includes following themes related to Roma vulnerable group:

- Social housing;
- Social housing in protected environment;
- Social inclusion and integration and accompanying activities.

Location

Actions must take place in the Republic of Serbia.

Types of action

Types of action which may be financed under this Call for proposals are of infrastructure nature on municipal level and are related to development of durable housing solution and physical infrastructure as well as services for accompanying measures which will benefit Roma communities in the municipalities.

Types of the action will include among others:

- Development of durable housing solution;
- Improvement of access in Roma settlements;
- Development of physical infrastructure (water supply/sewage system/atmospheric system).

The following types of action are ineligible:

- Actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences and congresses;
- Actions concerned only or mainly with individual scholarships for studies or training courses;
- Development of strategic documents;
- Spatial planning documentation development;
- Technical documentation development;
- General information campaigns;
- Infrastructure construction which is not in compliance with spatial planning and technical documentation;
- Actions focusing on non-durable housing solutions for Roma families residing in informal settlements, such as purchase of metal containers.

Types of activities

Types of activities which may be financed under this Call for proposal with the aim to improve living conditions for Roma community in the municipalities include (**list not exhaustive**):

- Construction of new buildings/houses for housing for Roma population;
- Substantial reconstruction of existing buildings/houses in Roma settlements;
- Small-scale works on reconstruction/adaptation (roof reparation, addition of toilet/bathroom etc.) of Roma family houses (only for houses with clear proof of ownership) in the municipalities;
- Purchase of equipment with direct link to actions proposed for infrastructure improvement;
- Construction/reconstruction of public buildings /culture centres or playgrounds with benefit for Roma settlements in the municipalities;
- Road construction/improvements and/or streets paving in Roma settlements;
- Construction/reconstruction/extension of water supply system in Roma settlements;
- Construction/reconstruction/extension of sewerage network in Roma settlements;
- Construction/reconstruction/extension of atmospheric drainage system in Roma settlements;
- Protection of Roma settlements from flooding (development of embankments and/or regulation of river beds and similar works);
- Provision of equipment for waste collection/recycling in Roma settlements.

The following activities are only eligible in combination with one or more of the above mentioned activities:

- Construction supervision;

- Accompanying measures targeting local host communities and related to the proposed infrastructure project (tenancy agreements for Roma families, including housing rules developed).

The construction, renewal, or expansion must comply with applicable national and local government laws and be consistent with planning practices and guidelines of the Republic of Serbia.

Note: Additionally, please check **Section 2.4, Submission of supporting documents for provisionally selected applications.**

Indicators are as follows:

- Number of houses constructed/reconstructed for Roma population ;
- Number of improved Roma houses by small-scale works on reconstruction/adaptation;
- Number of constructed/reconstructed public buildings/culture centres or playgrounds with benefit for Roma settlements;
- Kilometers of roads constructed/improved and/or streets paved in Roma settlements;
- Kilometers of constructed/reconstructed water supply system;
- Number of new users of water supply in Roma settlements;
- Kilometers of constructed/reconstructed sewage system;
- Number of new users of sewage system in Roma settlements;
- Kilometers of constructed/reconstructed atmospheric drainage system in Roma settlements;
- Kilometers of embankments constructed/reconstructed;
- Number of Roma population protected from flooding;
- Number of contracts for supervision of construction performed;
- Number of tenancy agreements for Roma families developed.

Financial support to third parties⁵

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.

⁵ These third parties are neither affiliated entity(ies) nor associates nor contractors.

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 http://ec.europa.eu/europeaid/funding/communication-and-visibility-manual-eu-external-actions_en).

Number of applications and grants per applicants / affiliated entities

The lead applicant may not submit more than **one (1) applications** under this Call for Proposals.

The lead applicant may not be awarded more than **one (1) grants** under this Call for Proposals.

The lead applicant may not be a co-applicant or affiliated entity in another application at the same time.

A co-applicant/affiliated entity may not be the co-applicant or an affiliated entity in more than **two (2) applications** under this call for proposals.

A co-applicant/affiliated entity may not be awarded more than **two (2) grants** under this Call for Proposals.

2.1.5 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 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 K for directions and a checklist of controls to assess the minimum necessary conditions that provide reasonable assurance for the acceptance of the proposed amounts.

Applicants 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 applicants 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 amount⁶
- 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 applicants, by analysing factual data of grants carried out by the applicants 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 grant 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 applicants' interest to provide a **realistic and cost-effective budget**.

The simplified cost option may also take the form of an apportionment of Field Office's costs.

Field Office means a local infrastructure set up in one of the countries where the action is implemented or a nearby country. (Where the action is implemented in several third countries there can be more than one Field Office). That may consist of costs for local office as well as human resources.

A Field Office may be exclusively dedicated to the action financed (or co-financed) by the EU or may be used for other projects implemented in the partner country. When the Field Office is used for other projects, only the portion of capitalised and operating costs which corresponds to the duration of the action and the rate of actual use of the field office for the purpose of the action may be declared as eligible direct costs.

The portion of costs attributable to the action can be declared as actual costs or determined by the beneficiary(ies) on the basis of a simplified allocation method (apportionment).

⁶ 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.

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The method of allocation has to be:

1. Compliant with the beneficiary's usual accounting and management practices and applied in a consistent manner regardless of the source of funding and
2. Based on an objective, fair and reliable allocation keys. (Please refer to Annex K to have examples of acceptable allocation keys).

A description prepared by the entity of the allocation method used to determine Field Office's costs in accordance with the entity's usual cost accounting and management practices and explaining how the method satisfy condition 1 and 2 indicated above, has to be presented in a separate sheet and annexed to the Budget.

The method will be assessed and accepted by the evaluation committee and the Contracting Authority at contracting phase. The applicant is invited to submit (where relevant) the list of contracts to which the methodology proposed had been already applied and for which proper application was confirmed by an expenditure verification.

At the time of carrying out the expenditure verifications, the auditors will check if the costs reported are compliant with the method described by the beneficiary(ies) and accepted by the Contracting Authority.

Adequate record and documentation must be kept by the beneficiary(ies) to prove the compliance of the simplified allocation method used with the conditions set out above. Upon request of the beneficiary(ies), this compliance can be assessed and approved ex-ante by an independent external auditor. In such a case, the simplified allocation method will be automatically accepted by the evaluation committee and it will not be challenged ex post.

When costs are declared on the basis of such allocation method the amount charged to the action is to be indicated in the column "TOTAL COSTS" and the mention "APPORTIONMENT" is to be indicated in the column "units" (under budget heading 1 (Human resources) and 4 (Local Office) of the Budget).

Eligible direct costs

To be eligible under this 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).

Salary costs of the personnel of national administrations may be eligible to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the action were not undertaken.

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 lead applicant may be asked to justify the percentage requested before the grant contract is signed. However, once the flat rate has been fixed in the Special Conditions of the 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 beneficiaries or affiliated entities free of charge by a third party. As contributions in kind do not involve any expenditure for beneficiaries or affiliated entities, they are not eligible costs.

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

Ineligible costs

The following costs are not eligible:

- a) taxes, including value added taxes⁷;
- b) customs and import duties, or any other charges;
- c) purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred in accordance with Article 7.5 of the General Conditions of the standard grant contract, at the latest at the end of the action;
- d) fines, financial penalties and expenses of litigation;
- e) contribution in kind;
- f) operating costs, except where exclusively related to the period of co-financing of the operation, and except where otherwise provided for under framework agreements with international organisations;
- g) second hand equipment;
- h) bank charges, costs of guarantees and similar charges;
- i) conversion costs, charges and exchange losses associated with any of the component specific euro accounts, as well as other purely financial expenses;
- j) debts and debt service charges (interest);
- k) provisions for losses or potential future liabilities;
- l) costs declared by the beneficiary(ies) and financed by another action or work programme receiving a European Union (including through EDF) grant;
- m) currency exchange losses;
- n) any leasing costs;
- o) depreciation costs;
- p) credit to third parties.

⁷ On the **case by case basis** it can be decided that the following expenditure is eligible:

- a) the value added taxes are not recoverable by any means;
- b) it is established that they are borne by the final beneficiary, and
- c) they are clearly identified in the project proposal.

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2.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

Information in PADOR will not be drawn upon in the present call.

2.2.1 *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.

Please note that:

1. In the concept note, lead applicants must only provide an estimate of the requested EU contribution as well as an indicative percentage of that contribution in relation to the eligible costs of the action. A detailed budget is to be submitted only by the lead applicants invited to submit a full application in the second phase.
2. The elements outlined in the concept note may not be modified in the full application. The EU contribution may not vary from the initial estimate by more than 20%. Lead 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. The lead applicant may replace a co-applicant or an affiliated entity only in duly justified cases (e.g. bankruptcy of initial co-applicant or affiliated entity). In this case the new co-applicant/affiliated entity must be of a similar nature as the initial one. The lead applicant may adjust the duration of the action if unforeseen circumstances outside the scope of the applicants have taken place following the submission of the concept note and require such adaptation (risk of action not being carried out). In such cases the duration must remain within the limits imposed by the guidelines for applicants. An explanation/justification of the relevant replacement/adjustment shall be included in an accompanying letter or email.

Own contributions by the applicants can be replaced by other donors' contributions at any time.

3. 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.

Any error or major discrepancy related to 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.

2.2.2 *Where and how to send Concept Notes*

The Concept Note together with its relating Checklist and Declaration by the lead applicant (to be found in **Part A sections 2 and 3** of the grant application form) must be submitted in one original and 3 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 lead applicants send several different concept notes (if allowed to do so by the guidelines of the call), each one must be sent separately.

The envelope must bear the **reference number and the title of the call for proposals**, together with the full name and address of the lead 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 street, 3-5, VII floor, Office 701
11000 Belgrade**

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

Lead applicants must verify that their concept note is complete using the checklist for concept note (Part A section 2 of the grant application form). Incomplete concept notes may be rejected.

2.2.3 Deadline for submission of concept notes

The deadline for the submission of concept notes is **September 9, 2016**, 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 hrs 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)

2.2.4 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 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

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.

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 EuropeAid website <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome> and the CFCU web site www.cfcu.gov.rs, as well as the Ministry of Construction, Transport and Infrastructure website www.mgsi.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.

2.2.5 Full application

Lead applicants invited to submit a full application following pre-selection of their concept note must do so using Part B of the grant application form annexed to these guidelines (Annex A). Lead applicants should then keep strictly to the format of the grant application form and fill in the paragraphs and pages in order.

The elements outlined in the concept note cannot be modified by the lead applicant in the full application. The EU contribution may not vary from the initial estimate by more than 20%, although lead 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. The lead applicant may replace a co-applicant or an affiliated entity only in duly justified cases (e.g. bankruptcy of initial co-applicant or affiliated entity). In this case the new co-applicant/affiliated entity must be of a similar nature as the initial one. The lead applicant may adjust the duration of the action if unforeseen circumstances outside the scope of the applicants have taken place following the submission of the concept note and require such adaptation (risk of action not being carried out). In such cases the duration must remain within the limits imposed by the guidelines for applicants. An explanation/justification of the relevant replacement/adjustment shall be included in an accompanying letter or email.

Lead 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 (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 additional annexes should be sent.**

2.2.6 Where and how to send full applications

Full applications (i.e. the full application form, the budget, the logical framework and the declaration by the lead applicant) 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 to the address below:

**Ministry of Finance
Department for Contracting and Financing of EU Funded Programmes (CFCU)
Division for Evaluation and Contracting
Sremska street, 3-5, VII floor, Office 701**

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 three (3) 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 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 lead applicant (section 8 of Part B of the grant application form) must be stapled separately and enclosed in the envelope

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

The 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 lead 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.

2.2.7 Deadline for submission of full applications

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

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

2.2.8 Further information about full applications

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

E-mail address: 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 full applications.

To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of lead applicants, co-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 EuropeAid website <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome> and the CFCU web site www.cfcu.gov.rs, as well as the Ministry of construction, transport and infrastructure website www.mgsi.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.

2.3 EVALUATION AND SELECTION OF APPLICATIONS

Applications will be examined and evaluated by the Contracting Authority with the possible assistance of external assessors. All applications 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 section 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:

- If the deadline has been met. Otherwise, the application will be automatically rejected.
- If the Concept Note satisfies all the criteria specified in the checklist in Section 2 of Part A of the grant application form. This includes also an assessment of the eligibility of the action. 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 this check will be evaluated on the relevance and design of the proposed action.

The concept notes 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 how to complete the concept note, which can be found in Part A of the grant 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 and the other additional elements indicated under 1.2 of the guidelines for applicants?	5		
2. Design of the action		Sub-score	20
2.1 How coherent is the overall design of the action?	5x2**		

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In particular, does it reflect the analysis of the problems involved, take into account external factors and relevant stakeholders?		
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, where relevant.

After the evaluation of concept notes, the Contracting Authority will send letters to all lead 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 lead applicants will subsequently be invited to submit full applications.

(2) STEP 2: EVALUATION OF THE FULL APPLICATION

Firstly, the following will be assessed:

- If the submission deadline has been met. Otherwise, the application will automatically be rejected.
- If the full application satisfies all the criteria specified in the checklist (section 7 of Part B of the grant application form). This includes also an assessment of the eligibility of the action. 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 full applications that pass this check will be further evaluated on their quality, including the proposed budget and capacity of the applicants and affiliated entity(ies). They 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 lead applicant's financial capacity and are used to verify 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 (this only applies to lead applicants);
- have the management capacity, professional competencies and qualifications required to successfully complete the proposed action. This applies to applicants and also applies to any affiliated entity(ies).

The award criteria help to evaluate the quality of the applications in relation to the objectives and priorities set forth in the guidelines, 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?	5

(Including staff, equipment and ability to handle the budget for the action)?	
1.4 Does the lead applicant have stable and sufficient sources of finance?	5
2. Relevance of the action	30
<i>Score transferred from the Concept Note evaluation</i>	
3. Effectiveness and feasibility of the action	20
3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	5
3.2 Is the action plan clear and feasible?	5
3.3 Does the proposal contain objectively verifiable indicators for the outcome of the action? Is 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?: <ul style="list-style-type: none"> - financially (<i>how will the activities be financed after the funding ends?</i>) - institutionally (<i>will structures allowing the activities to continue be in place at the end of the action? Will there be local 'ownership' of the results of the action?</i>) - at policy level (where applicable) (<i>what will be the structural impact of the action — e.g. will it lead to improved legislation, codes of conduct, methods, etc?</i>) - environmentally (if applicable) (<i>will the action have a negative/positive environmental impact?</i>) 	5
5. Budget and cost-effectiveness 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

If the total score for section 1 (financial and operational capacity) 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.

If the lead applicant applies without co-applicants or affiliated entities the score for point 3.4 shall be 5 unless the involvement of co-applicants or affiliated entities is mandatory according to these guidelines for applicants.

Provisional selection

After the evaluation, a table will be drawn up listing the applications ranked according to their score. The highest scoring applications will be provisionally selected until the available budget for this call for proposals is reached. In addition, a reserve list will be drawn up following the same criteria. This list will be used if more funds become available during the validity period of the reserve list.

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

The eligibility verification will be performed on the basis of the supporting documents requested by the Contracting Authority (see section 2.4). It will only be performed for the applications that have been provisionally selected according to their score and within the available budget for this call for proposals.

- The declaration by the lead applicant (section 8 of Part B of the grant application form) will be cross-checked with the supporting documents provided by the lead applicant. Any missing supporting document or any incoherence between the declaration by the lead applicant and the supporting documents may lead to the rejection of the application on that sole basis.
- The eligibility of applicants and the affiliated entity(ies) 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 budget for this call for proposals.

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2.4 SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS

A lead applicant whose application 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 lead applicant, (if any) of the co-applicant(s) and (if any) of their affiliated entity(ies)⁸:

1. The statutes or articles of association of the lead applicant, (if any) of each co-applicant and (if any) of each affiliated entity⁹. Where the Contracting Authority has recognised the lead 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 meantime¹⁰. 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 lead applicant's accounts for the last financial year available where the total amount of the requested EU contribution exceeds EUR 750 000 (EUR 100 000 for an operating grant). The external audit report is not required from (if any) the co-applicant(s) or affiliated entities.

Note: This obligation does not apply to public bodies and international organisations provided that the international organisation in question offers the guarantees provided for in the applicable Financial Regulation, as described in chapter 6 of the Practical Guide.

3. A copy of the lead 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)¹¹. A copy of the latest account is neither 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 lead applicant and (if any) by each co-applicant), 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 lead applicant (not from co-applicant(s)) conforming to the model attached as 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 lead applicant is established. If the lead 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.

8 No supporting document will be requested for applications for a grant not exceeding EUR 60 000.

9 Where the lead 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.

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

11 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.

6. Other supporting documents required (in accordance with Law on Planning and Construction¹²) to be submitted **before signature of the contract**:

- a. Relevant spatial planning and urbanistic documentation for the proposed projects prepared and adopted;
 - b. Proof of ownership over the properties by the applicant, co-applicant or affiliated entities, and in case of investment in private buildings, proof of ownership and written agreement by the owners allowing investment;
 - c. Technical documentation (Preliminary design or Design for Construction permit or Construction design) for the construction, reconstruction or adaptation of selected houses or physical infrastructure prepared and approved by the relevant authority;
 - d. Final designs approved by the Technical review report done by independent company, if needed, according to the Law on Planning and Construction of the Republic of Serbia;
 - e. Building permit, if required for investments by national legislation. In case that the building permit is not required, a statement by relevant authority confirming that;
 - f. Developed Work plan encompassing priority works to be executed (including plan for temporary accommodation of the families during the reconstruction of houses, if needed).
7. A sworn statement (in free format) provided by municipality of Republic of Serbia acting as lead applicant or co-applicant, confirming that the ownership over the infrastructure (re)build in the project will be taken-over and maintained by the municipality after the conclusion of the contract.

Documents must be supplied in the form of originals, photocopies or scanned versions (i.e. showing legible stamps, signatures and dates) of the said originals.

Where such documents are not in one of the official languages of the European Union or in the language of the country where the action is implemented, a translation into English of the relevant parts of these documents proving the lead applicant's and, where applicable, co-applicants' and affiliated entity(ies)' 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 lead applicant's and, where applicable, co-applicants' and affiliated entity(ies)' eligibility, into English.

If the abovementioned supporting documents are not provided before the deadline indicated in the request for supporting documents sent to the lead 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-

¹² The following list is not exhaustive and depends on type of the action.

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 lead applicant has to submit the application form revised accordingly.

2.5 NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

2.5.1 Content of the decision

The lead 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.

2.5.2 Indicative timetable

	DATE	TIME
1. Information meeting (if any)	Will be published separately	Will be published separately
2. Deadline for requesting any clarifications from the Contracting Authority	August 19, 2016	15:00
3. Last date on which clarifications are issued by the Contracting Authority	August 29, 2016	
4. Deadline for submission of concept notes	September 9, 2016	15:00
5. Information to lead applicants on opening, administrative checks and concept note evaluation (Step 1)	December 2016	-
6. Invitations to submit full applications	December 2016	-
Deadline for submission of full applications	January 2017	-
7. Information to lead applicants on the evaluation of the full applications (Step 2)	May 2017	-
8. Notification of award (after the eligibility check) (Step 3)	June 2017	-
9. Contract signature	June 2017	-

This **indicative timetable** refers to **provisional dates** (except for dates 2, 3, and 4) 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 the CFCU web site www.cfcu.gov.rs, as well as the Ministry of Construction, Transport and Infrastructure website www.mgsi.gov.rs.

2.6 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 standard grant contract (see Annex G of these guidelines). 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. Where the Coordinator is an organisation whose pillars have been positively assessed, it will sign a PA Grant Agreement based on the PAGoDA template. In this case references to provisions of the standard grant contract and its annexes shall not apply. References in these guidelines to the grant contract shall be understood as references to the relevant provisions of the PA Grant Agreement.

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.

3 LIST OF ANNEXES

DOCUMENTS TO BE COMPLETED

- Annex A: Grant Application Form (Word format)
- Annex B: Budget (Excel format)
- Annex C: Logical Framework (Excel format)
- Annex D: Legal Entity Sheet¹³
- Annex E: Financial identification form

DOCUMENTS FOR INFORMATION¹⁴

- Annex G: Standard Grant Contract
 - Annex II: general conditions
 - Annex IV: contract award rules
 - 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 VIII: model financial guarantee
 - Annex IX: standard template for transfer of ownership of assets

Annex H: Daily allowance rates (Per Diem), available at the following address:

http://ec.europa.eu/europeaid/funding/about-procurement-contracts/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.

APPENDIX I – to include in the Special Conditions when one of the Beneficiaries is an international organisation

Useful links:

Project Cycle Management Guidelines

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

The implementation of grant contracts

A Users' Guide

<http://ec.europa.eu/europeaid/companion/document.do?nodeNumber=19&locale=en>

Financial Toolkit

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

Please note: The toolkit is not part of the grant contract and has no legal value. It merely provides general guidance and may in some details differ from the signed grant contract. In order to ensure compliance with their contractual obligations beneficiaries should not exclusively rely on the toolkit but always consult their individual contract documents.

¹³ Only applicable where the European Commission will make the payments under the contracts to be signed.

¹⁴ These documents should also be published by the Contracting Authority.

