



Contracting Authority:

The Ministry of Finance of Montenegro – the Directorate for Finance and Contracting of the EU Assistance Funds (CFCU)

Youth, Women and Long-term Unemployed in the Labour Market

Guidelines
for grant applicants

Operational Programme Human Resources Development 2012-2013 Financed by the Instrument for Pre-Accession Assistance (IPA)

Reference: EuropeAid/137484/ID/ACT/ME

Deadline for submission of full applications: 01st February 2016.

Notice

This is an open call for proposals, where all documents are submitted together (concept note and full application). In the first instance, only the concept notes will be evaluated. Thereafter, for the lead applicants who have been pre-selected, the full applications will be evaluated. 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. “YOUTH, WOMEN AND LONG-TERM UNEMPLOYED IN THE LABOUR MARKET”

1.1. BACKGROUND

The Instrument for Pre-accession Assistance (IPA) is a financial instrument aiming to support candidate and potential candidate countries in harmonisation and implementation of the EU acquis, as well as in preparation for structural funds once they become EU member states. The IV component of IPA – human resources development – contributes to strengthening economic and social cohesion, as well as to the priorities of the European Employment Strategy in the field of employment, education and training and social inclusion. In Montenegro, the key framework for using funds from IPA Component IV is the Operational Programme “Human Resources Development 2012-2013” (OP HRD)¹.

The grant scheme “Youth, Women and Long-term Unemployed in the Labour Market” is developed within the Priority 1 - *Efficient and inclusive active employment policy measures* of the OP HRD 2012-2013, i.e. its Measure 1.1. *Supporting the implementation of the most productive labour market measures for the labour force quality and employment*.

The radical shift from an industrial to a service-oriented economy in Montenegro over the past years, as described in the OP HRD 2012-2013, led to major structural changes in the demand for qualified labour force. Neither the workers, nor the education and training systems were so far able to match that shift. Accordingly, a major discrepancy between supply and demand continuously exists. This leads to high levels of unemployment, a major part of which is of structural nature. Women and young people particularly suffer and in many cases, they become long-term unemployed. In addition, the inadequate structure of the VET system is also a matter for concern, as it also leads to a low return on any investment into education and training.

Structural supply and demand mismatch is manifested in three forms:² 1) labour market demand for certain profiles exists, but education system does not produce a sufficient number of such profiles; 2) labour market demand for certain profiles exists, as well as a sufficient supply, but the vacancies are not filled in; 3) labour market supply of certain profiles exists, but demand for such profiles is not sufficient. The lack of counselling and guidance offered to the citizens showing a poor interest in educational and training programmes has also a negative impact on supply/demand mismatch. Indeed, the labour force demand has changed in the context of transition, but it has not led to the opening of a sufficient number of new jobs to absorb the labour force supply.

In order to directly contribute to reduce supply/demand mismatch and enhance employability of the unemployed, grants will be offered within this grant scheme to support initiatives for developing knowledge and skills in demand in the labour market.

¹http://www.mrs.gov.me/organizacija/IV_IPA_Komponenta/148980/OPERATIONAL-PROGRAME-HUMAN-RESOURCES-DEVELOPMENT-2013-2013.html

² Montenegrin Vocational Education Development Strategy (2010-2014) available at <http://www.mpin.gov.me/files/1266232198.pdf>

1.2. OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The **global objective** of this call for proposals is to promote the access in the labour market of the unemployed persons, who need further qualification and education in line with the labour market needs.

The **specific objective** of this call for proposals is to mobilize the relevant actors on the labour market in order to facilitate the access of long-term unemployed persons, with special focus on women and youth, into the labour market, through improving their skills, education and qualification.

The priorities of this grant scheme are the following:

1. Supporting better match between labour market supply and demand by provision of relevant labour market information for target groups (youth, women and long-term unemployed), vocational guidance and career counselling and guidance services for employment and for training and education programmes
2. Supporting development of new knowledge and skills of the unemployed persons through training and/or education in line with the labour market demands
3. Supporting the development of future employees' skills through on-the-job trainings at the place of employment.

Target groups of this Call are the following categories:

- Unemployed youth (age group 15-29)
- Unemployed women
- Long-term unemployed (persons registered as unemployed over 6 months)

1.3. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this call for proposals is EUR **1,298,884.00**. 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 60 000
- maximum amount: EUR 200 000

Any grant requested under this call for proposals must fall between the following maximum percentages of 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.³

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>).⁴

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 "applicants"**) (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))

³ 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.

⁴ Note that a lead applicant (i.e. a Coordinator) whose pillars have been positively assessed by the European Commission and who is awarded a grant will not sign the standard grant contract published with these guidelines but a PA Grant Agreement based on the PAGoDA template. All references in these guidelines and other documents related to this call to the standard grant contract shall in this case be understood as referring to the relevant provisions of the PAGoDA template.

Lead applicant

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

- be a legal person, **and**
- be non-profit-making or profit making organisation **and**
- be a specific type of organisation such as:
 - non-governmental organisation/association,
 - Employment Agency of Montenegro
 - municipalities;
 - employers,
 - licenced education and training provider,
 - social partners (associations of employers, trade unions, chambers) **and**
- be established in⁵ a Member State of the European Union or countries that are beneficiaries of the IPA instrument (as stipulated in the basic act (Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA)) or the European Neighbourhood and Partnership Instrument or countries of the European Economic Area **and**
- 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 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;

In part B, section 8 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

5 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.

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 lead applicant must have at least one (1) co-applicant. For eligible lead applicants having the nationality other than that of the Beneficiary Country, it is necessary to act together with at least one co-applicant from the Beneficiary Country.

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.

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.

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
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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 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 6 months nor exceed 12 months.

Sectors or themes

- Projects aiming to support youth, women and long-term unemployed by raising the level of their employability through training and/or education.
- Projects that ensure target groups' employment as a follow-up of training and/or education activities

Location

Actions must take place in the following country: Montenegro.

Types of action

The following actions could qualify for financing under this call:

- Actions aiming to improve knowledge and skills of youth, women and long-term unemployed through trainings and/or education resulting in employment;
- Actions which will, through development and promotion of entrepreneurial spirit and skills, contribute to self-employment among youth, women and long-term unemployed;
- Actions supporting job search and other relevant services related to job mediation to the youth, women and long-term unemployed;

- Actions aiming to provide work experience and/or on-the-job assistance to youth, women and long-term unemployed.

Some or all of the following indicators should be used to quantify the expected results as appropriate⁶:

- Number of persons who obtained certificate (general skills and basic working qualifications) within the project, presented by: gender, ethnicity, by status in the labour market⁷, age, by educational attainment, by social risk⁸ at which they are exposed;
- Number of persons involved in job search activities within the project, presented by: gender, ethnicity, by status in the labour market, age, by educational attainment, by social risk at which they are exposed;
- Number of persons employed at the end of the project, presented by: gender, ethnicity, by status in the labour market, age, by educational attainment, by social risk at which they are exposed;

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;
- actions where a considerable part of the budget is planned for the provision of external service and do not involve the active participation of the applicants (lead applicant and co-applicant(s));
- actions including market promotion activities;
- one-off actions such as conferences, round tables, seminars or similar events. These actions can only be funded if they form part of a wider project;
- actions concerned only or mainly with academic research and/or feasibility studies;
- actions including grant-making activities (i.e. the use of funds to make grants or loans to other organisations);
- actions concerned only or mainly with infrastructure investments and/or the procurement of equipment;
- actions linked to political or religious activities;
- actions dealing with emergency relief or charitable donations;
- profit-making activities;

⁶ The indicators are incorporated in the Quarterly narrative report model under the Annex G

⁷ Unemployed less than one year, unemployed one year and more, inactive persons

⁸ E.g. disability, single parenthood, dependency, poverty, etc.

Types of activity:

The following activities could qualify for financing under this Call:

- Activities aiming to increase employability of youth, women and long-term unemployed;
- Activities aiming at provision of assistance and information on labour market opportunities and available incentive measures for employment of youth, women and long-term unemployed;
- Activities aiming to develop and implement education and/or training programmes tailored according to the needs of the local labour market and adjusted to the specific needs of youth, women and long-term unemployed;
- Promotion and development of work placement, internships and apprenticeships schemes for the long term unemployed youth, young first time job-seekers and youth with limited working experience;
- Implementation of vocational guidance, career counselling and guidance programmes aiming to advise/guide unemployed to trainings and/or education.

The abovementioned list is not exhaustive and appropriate activities that are not mentioned above will also be considered for support.

The purchase of equipment for purpose of achieving the project objectives must not exceed 10% of total eligible direct costs of the project.

Financial support to third parties⁹

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

⁹ These third parties are neither affiliated entity(ies) nor associates nor contractors.

Number of applications and grants per applicants

The lead applicant **may not submit more than two (2) applications** under this call for proposals.

The lead applicant **may not be awarded more than one (1) grant** under this call for proposals.

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

A co-applicant/affiliated entity may not submit more than one (1) application under this call for proposals.

A co-applicant/affiliated entity may not be awarded more than one (1) grant under this call for proposals.

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

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), "LUMP SUM" 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 amount¹⁰
- 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).

The total amount of financing on flat rate basis must not exceed 20% of the direct costs of the action.

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**.

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).

¹⁰ 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.

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.

NOTE: The salaries of the civil servants or other public employees of the central and local administrations may be presented as co-financing contribution by the applicant.

Contributions in kind

Contributions in kind mean the provision of goods or services to a beneficiary(ies) 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.

However, if the description of the action as proposed includes contributions in kind, the contributions have to be made.

Ineligible costs

The following costs are not eligible:

- debts and debt service charges (interest),
- provisions for losses or potential future liabilities;
- costs declared by the beneficiary(ies) and financed by another action or work programme receiving a European Union (including through EDF) grant;
- currency exchange losses.
- credit to third parties.

Furthermore, in line with the provisions of Article 33 (3) of the Financing agreement¹¹ and Article 152 and Article 148 of the IPA Implementing Regulation¹², the following expenditure shall not be considered eligible for funding under the programme:

1. taxes, including value added taxes, unless they are not recoverable by any means and it is established that they are borne by the final beneficiary;
 2. customs and import duties, or any other charges;
 3. purchase, rent or leasing of land and existing buildings;
 4. rent or leasing, unless it is exclusively related to the period of co-financing of the operation, and that it is preferable to other solutions in terms of the best value for money;
 5. fines, financial penalties and expenses of litigation;
 6. operating costs, unless the operating costs relate exclusively to the period of co-financing of the operation;
 7. second hand equipment;
 8. bank charges, with the exception of costs relating to bank guarantee or comparable surety to be lodged by the beneficiary of a grant;
 9. conversion costs, charges and exchange losses associated with any of the component specific euro accounts, as well as other purely financial expenses;
 10. contributions in kind;
 11. maintenance and rental costs, unless the rental costs relate exclusively to the period of co-financing of the operation;
 12. depreciation costs for the infrastructure, unless the following cumulative conditions are met:
 - no national or Union grants have contributed to the purchase of the related investment;
 - the depreciation costs are calculated with the relevant applicable national accountancy rules;
- the costs relate exclusively to the period of co-financing of the operation concerned.

2.2. HOW TO APPLY AND THE PROCEDURES TO FOLLOW

¹¹ Financing Agreement between the Government of Montenegro and the European Union, represented by the European Commission concerning the "Human Resources Development" Operational Programme under the Instrument for Pre-accession Assistance

¹² COMMISSION REGULATION (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA)

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

2.2.1. Application forms

Applications must be submitted in accordance with the instructions on the concept note and the full applications in the grant application form annexed to these guidelines (Annex A).

Applicants must apply in English.

Any error or major discrepancy related to the points listed in the instructions on the concept note or any major inconsistency in the 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 the 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 grant application form and the published annexes which have to be filled in (budget, logical framework) will be evaluated. It is therefore of utmost importance that these documents contain ALL the relevant information concerning the action. No additional annexes should be sent.

2.2.2. Where and how to send Applications

Applications must be submitted in one original and four (4) copies in A4 size, each bound. The complete application form (Part A: concept note and Part B: 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 application must not be split into several different files). The electronic file must contain **exactly the same** application as the paper version enclosed.

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 a lead applicant sends several different applications (if allowed to do so by the guidelines of the call), each one has to be sent separately.

The outer envelope must bear the **reference number and the title of the call for proposals**, together with [the title and number 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 prije zvaničnog otvaranja prijava'.

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

Postal address:

The Ministry of Finance

The Directorate for Finance and Contracting of the EU Assistance Funds (CFCU)

Stanka Dragojevića 2,

81000 Podgorica

Address for hand delivery or by private courier service:

The Ministry of Finance

The Directorate for Finance and Contracting of the EU Assistance Funds (CFCU)

Stanka Dragojevića 2, (Room 4)

81000 Podgorica

Please note that the opening hours of the Ministry of Finance – the Directorate for Finance and Contracting of the EU Assistance (CFCU) are 9 a.m. – 5 p.m.

Applications 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 application is complete using the checklist (Section 7 of Part B of the grant application form). Incomplete applications may be rejected.

2.2.3. Deadline for submission of applications

The deadline for the submission of applications is **01st February 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 16:00 local time as evidenced by the signed and dated receipt. Any application submitted after the deadline will be rejected.

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

2.2.4. Further information about applications

Notice on information session on this call for proposals will be published after publishing the call for proposals on:

- the EuropeAid website: <http://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome&userlanguage=en>
- website of the Contracting Authority: http://mf.gov.me/rubrike/CFCU_tenderi/Tenderi/Otvoreni.

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

E-mail address: cfcu@mif.gov.me

Fax number: +382 20 230 657

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 applications.

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

Questions that may be relevant to other applicants, together with answers, will be published on the:

- EuropeAid website:
<https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>,
- Website of the Contracting Authority:
http://www.mf.gov.me/rubrike/CFCU_tenderi/Tenderi/Otvoreni,

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

During the opening and administrative check the following will be assessed:

- If the deadline has been met. Otherwise, the application will be automatically rejected.
- If the application satisfies all the criteria specified in the checklist in 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 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?	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**	
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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 at least 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 evaluation committee will then proceed with lead applicants whose proposals have been pre-selected.

(2) STEP 2: EVALUATION OF THE FULL APPLICATION

Firstly, the following will be assessed:

- 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

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;
- have the management capacity, professional competencies and qualifications required to successfully complete the proposed action. This 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? (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
<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.

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.

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)¹³:

1. The statutes or articles of association of the lead applicant, (if any) of each co-applicant and (if any) of each affiliated entity¹⁴. 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 meantime¹⁵. 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 grant 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)).
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)¹⁶. 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

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

14 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.

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

16 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.

European Commission was in charge of the payments and intends to use the same bank account, a copy of the previous financial identification form may be provided instead.

6. License for publicly approved education programme in case an lead applicant/co-applicant is applying to implement an education programme, as per eligibility criteria defined in section 2.1.1

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-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*
Information meeting (if any)	To be defined	To be defined
Deadline for requesting any clarifications from the Contracting Authority	11 th January 2016.	17:00
Last date on which clarifications are issued by the Contracting Authority	21 st January 2016.	Not applicable
Deadline for submission of full applications	01 st February 2016.	16:00
Information to lead applicants on opening, administrative checks and concept note evaluation (Step 1)	March 2016.	-
Information to lead applicants on the evaluation of the full applications (Step 2)	April 2016.	-
Notification of award (after the eligibility check) (Step 3)	June 2016.	-
Contract signature	July 2016.	-

* 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

http://www.mf.gov.me/en/sections/CFCU_Tenders

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.

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)¹⁷

Annex D: Legal Entity Sheet

Annex E: Financial identification form

DOCUMENTS FOR INFORMATION¹⁸

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 VIII: model financial guarantee
- Annex IX: Transfer of Ownership of Assets

Annex H: Daily allowance rates (Per diem), available at the following address:
https://ec.europa.eu/europeaid/applicable-rates-diems-framework-ec-funded-external-aid-contracts-05072013_en

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

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

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

¹⁷ Optional where the total amount of the grants to be awarded under the call for proposals is EUR 100 000 or less.

¹⁸ These documents should also be published by the Contracting Authority.

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.

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