



**Contracting Authority:  
Central Finance and Contracts Unit (CFCU)  
at the Ministry of Finance**

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**Civil Society Development  
2004**

Phare Project BG2004/016-711.01.01

Guidelines  
for grant applicants  
responding to the call for proposals  
for 2006  
**Open Call for Proposal**

Budget line BG2004/016-711.01.01

Reference: **call for proposals number**

Deadline for receipt of applications: 3 July 2006

# NOTICE

**Please note that the procedure has changed.**

The evaluation of your application will only be performed if your concept note is provisionally selected. Your application will then undergo the evaluation.

The eligibility conformity check will only be performed for the proposals that have been provisionally selected according to the score obtained after the final evaluation, on the basis of the supporting documents which will be requested by the Contracting Authority and the Declaration by the applicant signed and sent together with the application

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# 1. THE CIVIL SOCIETY DEVELOPMENT PROGRAMME

## 1.1 BACKGROUND

The PHARE funded Civil Society Programme reflects a systematic approach to increase the role of Bulgarian civil society in the context of fulfilment of the political criteria for EU membership and generally assisting the identification and recognition of the role of NGOs in the Accession process.

The EU support to Bulgarian civil society sector dates back to 1995 – 1998 when the first Civil Society Development Projects were implemented in Bulgaria - CSDP BG9406 (1.2 MEURO), CSDP BG9604 (total 1.5 MEURO) and CSDP BG 9804 (total 2.0 MEURO). Addressing various social priorities, these programmes were all focused on fostering the democratisation and encouraging citizens' participation in the economic, social and political process in the country.

The ACCESS 1999 Programme ZZ9914 (total 1.8 MEURO), which subsumed the LIEN and Partnership Programmes, financially supported an overall amount of 63 projects (including 47 Micro projects and 16 Macro projects).

The ACCESS 2000 Programme BG0010 (total 2.0 MEURO) provided for a Macro-Micro Projects Scheme and a Networking Facility Scheme for participation of Bulgarian NGOs to EU events - i.e. conferences, seminars, annual meetings, etc.

The Civil Society Development Project (total 2.5 MEUR) under the Phare National Programme 2001 was aimed to strengthen the civil society sector to assist the social integration of vulnerable groups and communities in Bulgaria, promote tolerance and prevent corruption, as part of the EU accession process.

The Civil Society Development Project (total 4.1 MEUR) under the Phare National Programme 2002 is currently implemented aimed at sustaining the civil society role in Bulgaria through improving its strategic approaches and capacities towards the vulnerable groups and minorities integration, fighting against corruption and transposition and implementation of the environment, consumer protection and social acquis.

The Civil Society Development Project (total 1.2 MEURO) under the Phare National Programme 2003 is currently implemented, aimed at increasing the role of civil society in the process of policy formulation at all levels – national, regional and local - through enhancing the capacity of the non-governmental organisations, developing adequate mechanisms for structured dialogue between the state and the “third sector”, building public private partnerships and recognizing the role of NGOs in the Accession process. These efforts of the NGOs will aim at fostering of social inclusion of people in vulnerable position or people being economically or politically marginalized

NGOs now have to take account of the change in the “civil society environment” accompanying Bulgaria's expected accession to the EU in 2007. Not only will they have to be better prepared for the change in donor activity they should prepare now for dealing with EU procedures and regulations to afford them the opportunity of playing a role in accessing EU social cohesion and structural funds.

Grant schemes correspond, to a large extent, to the measures used in Structural Funds. Grant giving practices introduce more complicated mechanisms of selection, assessment and reporting of projects, introduction of European accounting, reporting and notional standards, Bulgarian non-governmental organizations must now adopt models for project application, schemes, questionnaires, standards and other components of improved (and often bureaucratic) procedure. A side effect of this development is the change of needs (personnel, qualification, knowledge, skills, experience) of non-governmental organizations.

Very important for the success of an organization is not only the good original idea or new approach to a certain problem but, increasingly so, the skill to present this idea properly (with well filled-out form, in compliance with multiple requirements, provision of documents, keeping of accounting and factological

database and archive, legal knowledge, preparation for audit, etc.). Project management is a specific know-how requiring qualified experts, and the same is valid for the fund-raising, the standards for project reporting, and even language and stylistic skills.

## 1.2 OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES FOR 2006

The Civil Society Development Project under Phare National Programme 2004 marks the first phase of PHARE support to civil society in Bulgaria, which is planned on multi annual basis in the period until Accession to the EU.

The overall objectives of the programme are:

- To support the civil society and strengthen its role for the affirmation of the rule of law and the stability of democracy, raising the capacity of the civil society by enhancing its participation in the accession process, promotion the citizens' voice, partnership with the public bodies and ensuring access of the minority groups to the public services and the labour market.
- To develop and support the civil society in the less favourable regions of the country, where the NGOs' activity is scarce.

The specific objectives include:

1. To support the NGOs' participation in the accession process and the participation of the civil society in the process of harmonization and implementation of the acquis communautaire through building NGO capacity for programming, monitoring and evaluation of EU projects and programmes in relevant priority areas of intervention, focusing primarily, but not exclusively on:
  - Social acquis - equal opportunities, human rights, protection of minorities
  - Acquis related to the regional development
  - Environmental protection
  - Consumer protection
  - Youth issues
  - Science, education, culture
2. To improve the social integration of the minorities and the vulnerable groups and to promote the tolerance in the society;
3. To enhance transparency and prevention of the corruption;
4. To develop mechanisms of public-private partnership for elaboration of national and local policies and for improvement of self-sustainable and independent civil society, via innovative approaches, such as social entrepreneurship as a form of NGO sustainability, local sustainability and decentralization and improvement of social services.
5. To provide solutions of the problem with vulnerability in the rural communities, supporting creation and development of civil society (at local level), engaged with the local development;

**The eligible thematic areas and types actions are further specified in Section 2.1.3.**

## 1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this call for proposals is **EUR 2 650 000**. The Contracting Authority reserves the right not to award all available funds.

### **Indicative allocation of funds by lot/geographical distribution:**

Lot 1. National Scope Projects	1.28 MEUR
Lot 2. Regional Scope Projects	1.02 MEUR
Lot 3. Local Scope Projects(for target rural municipalities)*	0.35 MEUR

In the case where the minimum percentage foreseen for a specific lot cannot be used due to insufficient quality or number of proposals received, the Contracting Authority reserves the right to reallocate the remaining funds to another lot.

**\*NB! The target municipalities under Lot 3 are listed in the following table. Only actions targeted at and implemented in these municipalities are eligible under Lot 3.**

<b>Target Municipalities</b>	
<b>North-West Planning Region</b>	<b>North-East Planning Region</b>
<u>Cluster 1</u> 1. Bregovo 2. Gramada 3. Makresh 4. Belogradchik	<u>Cluster 6</u> 1. Glavanitsa 2. Sitovo 3. Alfatar 4. Kaynardzha
<u>Cluster 2</u> 1. Dimovo 2. Rujnitsi 3. Chuprene 4. Chiprovtsi	<u>Cluster 7</u> 1. Isperih 2. Samuil 3. Loznitsa 4. Hitrino 5. Kaspichan 6. Tsar Kaloyan
<u>Cluster 3</u> 1. Brussartzi 2. Metkovets 3. Yakimovo 4. Vulchedrum	<u>Cluster 8</u> 1. Venets 2. Kaolinovo 3. Nikola Kozlevo 4. Valchi Dol 5. Suvorovo
<u>Cluster 4</u> 1. Mizia 2. Hayredin 3. Krividol 4. Varshets	<u>Cluster 9</u> 1. Antonovo 2. Omurtag 3. Varbitsa 4. Dulgopol 5. Opaka
<u>Cluster 5</u> 1. Oryahovo 2. Byala Slatina 3. Borovan 4. Roman	<u>Cluster 10.</u> 1. Krushari 2. General Toshevo 3. Dobrich (Rural)

The identification of the target municipalities is based on the results of research commissioned under Project BG 2003/004-937.01.02 "Civil Society Development", which was undertaken by a team of international and local experts in the second half of 2005. In identification of the target municipalities the research team has applied an index combining the Municipal Human Development Index (MHDI) and the latest unemployment figures taking into account the geographic concentration of municipalities, which can be considered least developed according to the combined index. The clustering of municipalities is based on geographical proximity and allows candidates to propose actions, which target a group of municipalities. Projects involving all municipalities from a given cluster are eligible for higher grant size as described below.

#### Size of grants

Any grant awarded under this programme must fall between the following minimum and maximum amounts:

<b>Grant Scheme Component</b>	<b>Minimum amount (EUR)</b>	<b>Maximum amount (EUR)</b>	<b>Total amount (EUR)</b>
Lot 1. National Scope Projects	30 000.00	50 000.00	1 280 000.00
Lot 2. Regional Scope Projects	10 000.00	30 000.00	1 020 000.00
Lot 3.1. Local Scope Projects aimed at a single target municipality	5 000.00	15 000.00	350 000.00
Lot 3.2. Projects aimed at a cluster of target	10 000.00	30 000.00	

municipalities			
<b>Total amount</b>			<b>2 650 000.00</b>

**A grant may not be for less than 50 % of the total eligible costs of the action.**

**In addition, no grant may exceed 90% of the total eligible costs of the action (see also section 2.1.4).  
The balance must be financed from the applicant's or partners' own resources, or from sources other than the European Community budget or the European Development Fund.**

## 2. RULES OF THIS CALL FOR PROPOSALS

These guidelines set out the rules for the submission, selection and implementation of actions financed under this call, in conformity with the provisions of the Practical Guide (available on the Internet at this address: [http://europa.eu.int/comm/europeaid/tender/gestion/index\\_en.htm](http://europa.eu.int/comm/europeaid/tender/gestion/index_en.htm)).

### 2.1 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

organisations which may request a grant (2.1.1), and their partners (2.1.2),  
actions for which a grant may be awarded (2.1.3),  
types of cost which may be taken into account in setting the amount of the grant (2.1.4).

<i>2.1.1 Eligibility of applicants: who may apply</i>
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(1) In order to be eligible for a grant, applicants **must**:

#### **For Lot 1**

- be non-governmental, non-profit-making legal persons, registered under the Bulgarian Law on legal persons with non-profit purposes and;
- have their headquarters in Bulgaria and;
- have more than 3 years of relevant experience in the area of the proposed action and;
- have implemented at least one donor-funded project with a budget above 15 000 euro and;
- be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary.

#### **For Lot 2**

- be non-governmental, non-profit-making legal persons, registered under the Bulgarian Law on legal persons with non-profit purposes and;
- have their headquarters in Bulgaria and are registered in the planning region where the proposed activities will take place and;
- have more than 2 years of relevant experience in the area of the proposed action and;
- have implemented at least one donor-funded project with a budget above 10 000 euro and;
- be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary.

#### **For Lot 3**

- be non-governmental, non-profit-making legal persons, registered under the Bulgarian Law on legal persons with non-profit purposes and;
- have their headquarters in Bulgaria and are registered in the planning region where the proposed activities will take place and;
- be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary.

#### **In addition and for all Lots,**

(2) Potential applicants may not participate in calls for proposals or be awarded grants if:

- (a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) they have been convicted of an offence concerning professional conduct by a judgement which has the force of *res judicata* (i.e., against which no appeal is possible);
- (c) they are guilty of grave professional misconduct proven by any means which the Contracting Authority can justify;
- (d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Contracting Authority or those of the country where the action is to take place;
- (e) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- (f) they have been declared to be in serious breach of contract for failure to comply with their contractual obligations in connection with a procurement procedure or other grant award procedure financed by the Community budget.

Applicants are also excluded from participation in calls for proposals or the award of grants if, at the time of the call for proposals, they:

- (g) are subject to a conflict of interests;
- (h) are guilty of misrepresentation in supplying the information required by the Contracting Authority as a condition of participation in the call for proposals or fail to supply this information;
- (i) have attempted to obtain confidential information or influence the evaluation committee or the Contracting Authority during the evaluation process of current or previous calls for proposals.

In the cases referred to in points (a), (c), (d), (f), (h) and (i) above, the exclusion applies for a period of two years from the time when the infringement is established. In the cases referred to in points (b) and (e), the exclusion applies for a period of four years from the date of notification of the judgment.

In part VI of the grant application form ("Declaration by the applicant"), applicants must declare that they do not fall into any of the above categories (a) to (f).

### 2.1.2 Partnerships and eligibility of partners

#### **For Lots 1 and Lot 2**

Applicants **may** act individually or in a consortium with partner organisations. However, partnership projects are strongly encouraged.

#### **For Lot 3**

Applicants **must** act in consortium with the respective municipality or municipalities (for cluster oriented projects) where the project is implemented.

#### **Partners**

Applicants' partners participate in implementing the action, and the costs they incur are eligible in the same way as those incurred by the grant Beneficiary. They must therefore satisfy the same eligibility criteria as applicants.

In addition to the categories referred to in section 2.1.1(1), the following legal entities are however also eligible partners:

1. NGOs established and run in any of the EU Member states<sup>1</sup> or the Phare eligible countries<sup>2</sup> (**for Lot 1 only**).
2. The following partners are also eligible for all Lots:
  - municipalities;
  - educational and research institutions (schools, colleges, universities, institutes);
  - community centres - "chitalishta";

**N.B.** Commercial entities, self-defined as the above mentioned institutions are not eligible partners.

**N.B.** Bodies that are part of the state administration are not eligible partners.

**The following are not partners and do not have to sign the "partnership statement"**

#### **Associates**

Other organisations may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant. Associates do not have to meet the eligibility criteria referred to in section 2.1.1. The associates have to be mentioned in part IV - "Associates of the Applicant participating in the Action" of the Grant Application Form.

#### **Subcontractors**

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

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

<b>2.1.3</b> <i>Eligible actions: actions for which an application may be made</i>
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Definition: An action (or project) is composed of a set of activities.

#### Duration

The planned duration of an action may not be lower than **6 months** nor exceed **18 months**.

#### Sectors or themes

#### **For Lot 1: National Scope Projects**

Project proposals under this lot should focus on one of the following areas:

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<sup>1</sup> Austria, Belgium, Denmark, Finland, France, Germany, Greece, Great Britain, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Malta, Slovakia, Slovenia

<sup>2</sup> Bulgaria, Romania, Turkey, Albania, Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and the Former Yugoslav Republic of Macedonia

1.1. Participation by Bulgarian NGOs in Pan-European NGO Networks, tracking all developments in the EU and feed all relevant information back not only to the Bulgarian Civil Society but also to the society as a whole.

Projects should be oriented to participation of Bulgarian NGOs in Pan-European information exchange networks with an objective to promote participation of Bulgarian NGOs in shaping EU policies and facilitating the implementation of EU policies in Bulgaria.

Project proposals in this area will have to indicate in detail how dissemination of information will be achieved in Bulgaria and suggest training activities with concrete follow-up, resulting in marketable proposals for the accession funds.

1.2. Coalition- and consensus building within the Bulgarian Civil Society and its constituent sectors, with a view on advocating policies towards the government and on the Civil Society's role in the implementation of the Acquis Communautaire, the National Strategic Reference Framework (NSRF) and the Operational Plans (OPs).

The proposals should demonstrate solid familiarity with accession procedures and with European policies in the respective sector and they have to present concrete and realistic ideas about how these could be given shape in the Bulgarian context. The outcomes of such proposals should present concrete action plan, approved by the biggest number of peer NGO organisations, detailing in what way and on what issues the coalition intends to involve itself in implementing the Acquis, the NSRF and the OPs. It should also be indicated what added value NGOs could give to governmental efforts in that area

1.3. Joint (i.e. civil and governmental) initiatives in the implementation of the Acquis Communautaire, and the draft of the NSRF and the OPs.

Proposals should demonstrate that consultation with the relevant governmental bodies has taken place and that there is agreement between the two parties on who will be doing what. Documentary evidence of this from the relevant governmental department(s) has to be provided in part IV of the Application Form. The proposals should also aim establishing a routine of governmental/civil consultation and cooperation beyond project completion.

**N.B.** Bodies that are part of the state administration, which may be involved in the implementation of the action, are not eligible partners and respectively cannot receive funding from the budget of the action.

### **For Lot 2: Regional Scope Projects**

Project proposals under this lot should focus on one of the following areas:

2.1. Joint (i.e. civil/governmental) initiatives at the regional and local level in the context of the National Regional Development Strategy (NRDS)

Proposals should aim to identify and address the needs on the regional and local level on the basis of the widest possible consultation with and participation by the citizens and to create a bottom-up thrust in the Regional Development Strategy. In this respect proposal should clearly contribute to local capacity building and fit in the NRDS and/or its application on District or Regional Level.

Proposals should demonstrate that consultation with the relevant governmental bodies has taken place and that there is agreement between the two parties on who will be doing what. Documentary evidence of this from the relevant governmental department(s) has to be provided in part IV of the Application Form. The proposals should also aim establishing a routine of governmental/civil consultation and cooperation beyond project completion.

2.2. Capacity Building projects aimed at familiarising and training the local stakeholders (NGOs, local/municipal authorities, regional/district authorities et al.) in the history, objectives, institutionalisation

(organisation and legislation), policies and ways of working of the EU and, more in particular, the accession process (approximation, acquis, accession), the various instruments (pre-accession- and Structural Funds, the various horizontal programmes, in as far as relevant for Bulgaria ) and an introduction to the most important project tools like the Practical Guide and the Project Cycle Management Manual.

Proposals should not entail academic-style EU education approach, but they should be aimed to raise more awareness in general, especially by the people living in neglected and underdeveloped municipalities for whom accession may form an opportunity they may be hardly aware of.

**N.B.** Bodies that are part of the state administration, which may be involved in the implementation of the action, are not eligible partners and respectively cannot receive funding from the budget of the action.

**For Lot 3: Local Scope Projects (for target rural municipalities)**

Joint (i.e. civil/municipal) initiatives at the regional and local level in the context of the respective Municipal Development Plan(s) and the National Regional Development Strategy (NRDS).

Proposal for this lot should aim to support the target municipalities in application of a systematic and democratic approach of need identification and, on that basis, to develop and implement projects while using EU tools and doing this with continuous reference to the Bulgarian National Regional Development Strategy (NRDS). The basic instruments to be used are training in joint needs analysis and project development and implementation (“joint” meaning in municipal and civil partnerships).

Priority will be given to projects focusing on local development and plan formulation, which clearly and convincingly demonstrate actions for joint implementation of the plans by the local authorities and civil society organisations in wide consultation with the local population.

Location

Actions must take place in Bulgaria. The following geographic limitations will be applied according to the Grant Scheme components:

Grant Scheme	Location
Lot 1. National Scope Projects	<p>The projects could be implemented at national or regional level. The addressed issue should be of national significance and the results should be applicable at national level.</p> <p>Participation in international events related to networking activities should be well justified as absolutely necessary for the implementation of the project and should not account for the predominant part of the action budget.</p>
Lot 2 Regional Scope Projects	<p>Regional Scope – the projects should be implemented in one or more locations within a planning region. The addressed issue should be of importance to the specific region or district and the project results should benefit the selected location or planning region.</p> <p>Projects addressing issues within the specified target municipalities (<b>see section 1.3.</b>) are not eligible under this Lot 2.</p>
Lot 3. Local Scope Projects(for target rural municipalities)	<p>Local Scope – the projects should be implemented in one or more specific locations (listed in <b>section 1.3</b>) and the project results should benefit the selected municipality or cluster of municipalities.</p> <p>Only actions targeted at and implemented in these municipalities are eligible under this Lot 3</p>

**N.B.** For the purposes of this grant scheme a region will be the territory as defined in accordance with the Regional Development Act (State Gazette 14/20.02.2004, Regional Development Act, Art.6.), namely:

**North-west region**, comprising the following districts (“oblasti”): Vidin, Vratsa and Montana;

**North-central region**, comprising the following districts (“oblasti”): Rousse, Veliko Turnovo, Gabrovo, Pleven and Lovech;

**North-east region**, comprising the following districts (“oblasti”): Varna, Targovishte, Shoumen, Razgrad, Silistra and Dobrich;

**South-east region**, comprising the following districts (“oblasti”): Bourgas, Sliven and Yambol;

**South-central region**, comprising the following districts (“oblasti”): Plovdiv, Karjali, Haskovo, Pazarjik, Smolian and Stara Zagora;

**South-west region**, comprising the following districts (“oblasti”): Sofia-city, Sofia, Kyustendil, Blagoevgrad and Pernik.

### Types of action

Funds can be provided for the following types of actions within the framework of eligible areas of activities as per p.2.1.3 (the list of activities below is indicative only):

- Training and consulting, incl. training of trainers;
- Organisation of training events and implementation of training programmes;
- Gathering, processing and provision of information,
- Lobbying, advocacy and empowerment of marginalized groups,
- Strategy drafting activities,
- Translation and publication,
- Organisation of seminars, conferences, workshops, round tables, etc. where needed for the implementation of a project,
- Monitoring and evaluation activities including monitoring and evaluation of current services run by the public sector, etc.
- Launching of innovative pilot schemes in the field of social policy and socio-economic development,
- Introducing new schemes of upgrading professional skills,
- Launching, dissemination and replication of effective EU models of social policy and acquis implementation,
- Increasing volunteer’s participation and promoting public participation in different social activities;
- Promotion of sustainable partnership relations with other sectors,
- Other actions in the context of the general purpose of the Programme.

The following types of **action** are ineligible:

- actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences, congresses;
- actions concerned only or mainly with individual scholarships for studies or training courses;
- actions concerned only or mainly with academic research, feasibility studies and other one-off events with no direct impact on the target group;
- commercial activities;
- emergency relief projects;
- projects ideologically biased or partisan in nature as well as projects of political character;
- investment projects, essentially focused on the purchase of equipment, buildings or offices;
- actions, which are or could be supported by other EU programmes - **in particular actions that can be financed under the other grant schemes (including the Cross Border Cooperation ones) under the 2004 Financing Memoranda.**

### Number of proposals and grants per candidate

A candidate may NOT submit more than one proposal under this call for proposals.

Eligible organisations (including partners) may participate in ONLY ONE application. In case an organisation appears in more than one application, all related applications will be automatically excluded from further consideration.

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

Only “eligible costs” can be taken into account for a grant. These are detailed below. The budget is therefore both a cost estimate and a ceiling for "eligible costs". Note that the eligible costs must be based on real costs, not lump sums (except for subsistence costs and indirect costs).

Recommendations to award a grant are always subject to the condition that the checking process which precedes the signing of the contract does not reveal problems requiring changes to the budget. The checks may give rise to requests for clarification and may lead the Contracting Authority to impose reductions<sup>3</sup>.

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

#### Eligible direct costs

To be eligible under the call for proposals, costs must:

- be necessary for carrying out the action, be provided for in the contract annexed to these Guidelines and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
- have actually been incurred by the beneficiaries or their partners during the implementing period for the action as defined in Article 2 of the Specific Conditions, whatever the time of actual disbursement by the Beneficiary or a partner; this does not affect the eligibility of costs for preparing the final report and as the case may be, of the final expenditure verification and final evaluation. The costs incurred by the beneficiaries' associates are not eligible.

Costs are considered to have been incurred during the implementation period of the Action, if the costs of goods/services/works are used/provided/delivered during the implementation period of the Action. The relevant contracts may have been awarded by the Beneficiary or his partners before the implementation period of the Action started, provided the provisions of Annex IV were respected. Such costs must be paid for before the final report is finalised.

- be recorded in the Beneficiary's or the Beneficiary's partners' accounts or tax documents, be identifiable and verifiable, and be backed up by originals of supporting documents.

Subject to those conditions and where relevant to the contract-award procedures being respected, eligible direct costs borne by the Beneficiary and his partners include:

- the cost of staff assigned to the action, corresponding to actual salaries plus social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the Beneficiary or his partners, as the case may be, unless it is justified by showing that it is essential to carry out the action;

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<sup>3</sup> Please note that possible modifications of the budget may not lead to an increase of the amount of the grant requested from the European Commission nor of the percentage of the co-financing.

**NB.** Civil servants and other staff from the public and municipal administration can not be paid from the grant. In case a municipality is a partner, the staff from the concerned municipality may be paid from the grant, provided that routine activities are not covered.

- travel and subsistence costs for staff and other persons taking part in the action, provided they do not exceed those normally borne by the Beneficiary or his partners, as the case may be; any flat-rate reimbursement of the subsistence costs must not exceed the rates published by the European Commission at the time of signing the contract (Provided in Annex D to these Guidelines available at following Internet address: [http://europa.eu.int/comm/europeaid/perdiem/index\\_en.htm](http://europa.eu.int/comm/europeaid/perdiem/index_en.htm)) Please note that the EC per diems referred to apply to international experts, for local experts the respective national rules shall apply;
- purchase or rental costs for equipment (new or used) specifically for the purposes of the Action, and costs of services, provided they correspond to market rates. However, a maximum of 20% of the eligible budget of the action can be used for purchase or rent of equipment;
- the cost of consumables and supplies;
- subcontracting expenditure;
- costs arising directly from the requirements of the contract (dissemination of information, evaluation specific to the action, audit, translation, printing, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees). However, a maximum of 1% of the eligible budget of the action can be used to cover the cost of the audit.

#### Contingency reserve

A contingency reserve not exceeding 5% of the direct eligible costs may be included in the Budget of the Action. It can only be used with the **prior written authorisation** of the Contracting Authority.

#### Eligible indirect costs (overheads)

A lump sum not exceeding 7% of the total amount of eligible costs of the Action may be claimed as indirect costs to cover the administrative overheads incurred by the Beneficiary for the Action.

Indirect costs are ineligible if the Beneficiary receives in other respects an operating grant from the European Commission.

#### Contributions in kind

Any contributions in kind made by the Beneficiary or the Beneficiary's partners or any other source, which must be listed in Section I.4 of the application form, do not represent actual expenditure and are not eligible costs. They may NOT be treated as co-financing by the Beneficiary. The cost of staff assigned to the Action is NOT a contribution in kind and may be considered as co-financing in the Budget for the Action when paid by the Beneficiary or his partners.

However, the Beneficiary must undertake to make such contributions as stated on the application form if the grant is awarded.

#### Ineligible costs

The following costs are not eligible:

- debts and provisions for losses or debts;
- interest owed;

- items already financed in another framework;
- purchases of land, vehicles or buildings;
- refurbishment and/or renovation of premises or buildings;
- currency exchange losses;
- taxes, including VAT, unless the Beneficiary (or the Beneficiary's partners) cannot reclaim them and the applicable regulations do not forbid coverage of taxes;
- credits to third parties;
- costs, that cover routine activities of public or municipal authorities;
- costs, which have occurred before signing of the grant contract with the Beneficiaries

## 2.2 HOW TO APPLY, AND THE PROCEDURES TO FOLLOW

### 2.2.1 *Application form*

Applications must be submitted using the application form annexed to these Guidelines (Annex A). This form includes a concept note, which must also be completed. Applicants should keep strictly to the format of the application and fill in the paragraphs and the pages in order.

Applicants must apply in English.

Please complete the application form carefully and as clearly as possible so that it can be assessed properly. The applicant should be precise and provide enough detail to ensure the application is clear, particularly as to how the aims of the action will be achieved, the benefits that will flow from it and the way in which it is relevant to the programme's objectives.

Any error related to the points listed in the Checklist (section V of the grant application) or any major inconsistency in the application form (e.g. the amounts mentioned in the budget are inconsistent with those mentioned in the application form) may lead to the immediate rejection of the proposal.

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

Hand-written and/or illegible applications will not be accepted.

#### **Application pack**

The full application pack contains the following main documents:

1. Application form (Annex A)
2. CVs of the key members of the project team (i.e. project leader and project coordinator and any other long term experts) (Annex A.1.)  
**NB!** The experts' CVs will be considered during the evaluation of the proposal. Please do not attach CVs of technical support staff such as secretaries or accountants.
3. Declarations for availability and exclusivity attached for all key project team members (as defined under Point 2 above) (Annex A.2.)
4. Budget (Annex B)
5. Logical framework (Annex C)

The application pack (Annexes A, B, C) has to be presented in print and electronic copy.

**Please note:** Annex D (financial identification form), Annex E (Standard Contract), Annex F (Per Diems) are provided only for information. You should not fill in and attach the documents included in Annex D, Annex E and Annex F.

**N.B.** The Application Form and related documentation must be signed by the authorised representative of the applicant and partners where applicable (as per the certificate for current legal standing). If this is not the case a power of attorney must be provided.

#### **Additional documents**

Any materials such as brochures, leaflets, etc. attached to the application form will not be considered.

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

Applications must be received 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**

CFCU, Ministry of Finance, room 512  
Civil Society Development Programme 2004  
102, Rakovski Str.  
Sofia 1040

**Address for hand delivery or by private courier service**

CFCU, Ministry of Finance, room 512  
Civil Society Development Programme 2004  
102, Rakovski Str.  
Sofia 1040

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

Applications (concept note, full application form, budget, logical framework) must be submitted in one original and 2 copies. The complete application form, budget and logical framework must also be supplied in electronic format (floppy disc or CD-Rom). The electronic format must contain **exactly the same** proposal as the paper version enclosed. Each component of the application (concept note, application form, budget and logical framework) must be submitted in a separate and unique electronic file (for ex. the application form must not be split into several different files).

The Checklist (Section V of the grant application form) and the Declaration by the applicant (Section VI of the grant application form) must be stapled separately and enclosed in the envelope

So as to facilitate the processing of applications, please present the original dossier and the 2 copies in A4 size, each bound.

The outer envelope must bear:

- The reference number and the title of the call for proposals: **BG2004/016-711.01.01 Civil Society Development;**
- The number and title of the lot:

**Lot 1 National Projects; or**

**Lot 2 Regional Projects; or**

**Lot 3.1 Local Projects - single target municipality; or**

**Lot 3.2 Local Projects - cluster of target municipalities**

- the full name and address of the applicant, and
- the words "Not to be opened before the opening session" and "Да не се разпечатва преди сесията по отваряне на предложенията".

**Applicants must verify that their application is complete using the checklist (section V of the grant application form). Incomplete applications will be rejected.**

### 2.2.3 *Deadline for receipt of applications*

The deadline for the receipt of applications is **03 July 2006 at 15:00 Bulgarian local time**.

Any application received after the deadline will automatically be rejected even if the postmark indicates a date preceding the deadline or if the delay is due to the private courier service.

### 2.2.4 *Further information*

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

E-mail address: [cfcu@minfin.bg](mailto:cfcu@minfin.bg)

Fax: 02/ 9859 2773

Replies will be given no later than 11 days before the deadline for the receipt of proposals.

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

Questions that may be relevant to other applicants, together with the answers, will be published on the internet at <http://www.minfin.bg>.

## 2.3 EVALUATION AND SELECTION OF APPLICATIONS

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

### STEP 1: OPENING SESSION AND ADMINISTRATIVE CHECK

The following will be assessed:

- The deadline has been respected. If the deadline has not been respected the proposal will automatically be rejected (see paragraph 2.2.3).
- The application form satisfies all the criteria mentioned in the Checklist (Section V. of the grant application form). If any of the requested information is missing or is incorrect, the proposal may be rejected on that **sole** basis and the proposal will not be evaluated further.

**Following the opening session and the administrative check, the Contracting Authority will send a letter to all applicants, indicating whether their application was received prior to the deadline, informing them of the reference number they have been allocated , whether their application has satisfied all the criteria mentioned in the checklist and whether their concept note has been recommended for evaluation. <sup>4</sup>**

**A list of the proposals received will be published on the same webpage where all the documents of the call have been published.**

### STEP 2: EVALUATION OF THE CONCEPT NOTE

The concept notes having respected the deadline and satisfied the criteria mentioned in the checklist will undergo an evaluation of the relevance of the action, its methodology and sustainability, as well as of the operational capacity and expertise of the applicant

The concept note will be given an overall score out of 50 as shown in the Evaluation grid below. This first evaluation will lead to a provisional selection. Only those which will have passed this first selection will see their full application assessed.

Please note that the scores awarded to this concept note are completely separate from those given in the second phase

1. Summary of the action		<b><u>NO</u></b>	
		<b><u>SCORE</u></b>	
<b>2. Relevance</b>			<b>25</b>
2.1	<i>How relevant to the needs and constraints of the target country(ies) or region is the proposal? (5)</i>		
2.2	<i>How appropriately are the problems and the needs identified? (5)</i>		
2.3	<i>How clearly defined and strategically chosen are those involved (final beneficiaries, target groups) ?(5)</i>		
2.4	<i>How relevant is the proposal to the objectives and guiding principles of the call for</i>		

<sup>4</sup> Please note that the length of period between the opening session and the sending of this letter will depend on the number of proposals received

<i>proposals? (5)</i>		
2.5 <i>Does the proposed action have an added value by reference to other interventions? (5)</i>		
<b>3. Methodology and Sustainability</b>		<b>15</b>
3.1 <i>Are the activities proposed appropriate, practical, and consistent with the objectives and expected results? (5)</i>		
3.2 <i>Is the partners' level of involvement and participation in the action satisfactory? (5)</i>		
3.3 <i>Are the expected results of the action likely to have a sustainable impact on the target groups? Will it have multiplier effects? (5)</i>		
<b>4. Operational capacity and expertise.</b>		<b>10</b>
4.1 <i>Does the applicant have sufficient <b>experience in project management</b>? (5)</i>		
4.2 <i>Do the applicant and partners have sufficient <b>technical expertise (notably a knowledge of the questions to be addressed)</b>? (5)</i>		
<b>TOTAL SCORE</b>		<b>50</b>

Please note:

*Scoring:*

The evaluation criteria are divided into sections and subsections. Each subsection will be given a score between 1 and 5 in accordance with the following guidelines: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

Only the applicants who have been given a total average score of minimum 30 points and have submitted the best concept notes amounting to twice the available amount for this call for proposals will have their full application forms evaluated.

Following the evaluation of the concept note, the Contracting Authority will send a letter to the applicants, whose concept note has been evaluated, indicating the scores obtained for this first part of the evaluation whether their full application form will be evaluated. <sup>5</sup>

### **STEP 3: EVALUATION OF THE APPLICATION FORM**

An evaluation of the quality of the proposals, including the proposed budget, and of the capacity of the applicant and his partners, will be carried out in accordance with the evaluation criteria set out in the Evaluation Grid included below. There are two types of evaluation criteria: selection and award criteria.

**The selection criteria** are intended to help evaluate the applicants' financial and operational capacity to ensure that they:

have stable and sufficient sources of finance to maintain their activity throughout the period during which the action is being carried out and, where appropriate, to participate in its funding;

have the management capacity, professional competencies and qualifications required to successfully complete the proposed action. This also applies to any partners of the applicant.

**The award criteria** allow the quality of the proposals submitted to be evaluated in relation to the objectives and priorities set, and grant to be awarded to actions which maximise the overall effectiveness of the call for proposals. They enable the selection of proposals which the Contracting Authority can be confident will comply with its objectives and priorities and guarantee the visibility of the Community financing. They

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<sup>5</sup> Please note that the length of period between the opening session and the sending of this letter will depend on the number of proposals received

cover such aspects as the relevance of the action, its consistency with the objectives of the call for proposals, quality, expected impact, sustainability and cost-effectiveness.

Please note:

*Scoring:*

The evaluation criteria are divided into sections and subsections. Each subsection will be given a score between 1 and 5 in accordance with the following guidelines: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

*Note on Section 1. Financial and operational capacity*

If the total average score is less than 12 points for section 1, the Evaluation Committee will reject the proposal.

*Note on Section 2. Relevance*

If the total average score is less than 16 points for section 2, the Evaluation Committee will reject the proposal.

*Provisional selection*

Following the evaluation, a table listing the proposals ranked according to their score and within the available financial envelope will be established as well as a reserve list following the same criteria.

Note: The scores awarded in this phase are completely separate from those given to the concept note of the same application.

## Evaluation Grid

Section	Maximum Score	Application form
<b>1. Financial and operational capacity</b>	<b>20</b>	
1.1 Do the applicant and partners have sufficient <b>experience of project management</b> ?	5	II.4.1 and III.1
1.2 Do the applicant and partners have sufficient <b>technical expertise</b> ? (notably knowledge of the issues to be addressed.)	5	II.4.1 and III.1
1.3 Do the applicant and partners have sufficient <b>management capacity</b> ? (including staff, equipment and ability to handle the budget for the action)?	5	II.4.2 and III.1
1.4 Does the applicant have stable and sufficient sources of <b>finance</b> ?	5	II.4.2
<b>2. Relevance</b>	<b>25</b>	
2.1 How relevant is the proposal to the <b>objectives</b> and one or more of the <b>priorities</b> of the call for proposals? Note: A score of 5 (very good) will only be allocated if the proposal specifically addresses at least <b>one priority</b> . Note: A score of 5 (very good) will only be allocated if the proposal contains specific added-value elements, such as promotion of gender equality and equal opportunities...	5 x 2	I.1.6.1
2.2 How relevant to the particular <b>needs and constraints</b> of the target country/countries or region(s) is the proposal? (including avoidance of duplication and synergy with other EC initiatives.)	5	I.1.6.2
2.3 How clearly defined and strategically chosen are those involved (final beneficiaries, <b>target groups</b> )? Have their <b>needs</b> been clearly defined and does the proposal address them appropriately?	5 x 2	I.1.6.3 and I.1.6.4
<b>3. Methodology</b>	<b>25</b>	

3.1 Are the <b>activities</b> proposed appropriate, practical, and consistent with the objectives and expected results?	5	I.1.7 and I.1.8.5
3.2 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 anticipate an <b>evaluation</b> ?)	5	I.1.8
3.3 Is the <b>partners' level of involvement and participation in the action</b> satisfactory? Note: If there are no partners the score will be 1.	5	I.1.7 and I.1.8.5
3.4 Is the <b>action plan</b> clear and feasible?	5	I.1.9
3.5 Does the proposal contain <b>objectively verifiable indicators</b> for the outcome of the action?	5	Logframe
<b>4. Sustainability</b>	<b>15</b>	
4.1 Is the action likely to have a tangible <b>impact</b> on its target groups?	5	I.2.1
4.2 Is the proposal likely to have <b>multiplier effects</b> ? (including scope for replication and extension of the outcome of the action and dissemination of information.)	5	I.2.2 and I.2.3
4.3 Are the expected results of the proposed action <b>sustainable</b> : - 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> )?	5	I.2.4
<b>5. Budget and cost-effectiveness</b>	<b>15</b>	
5.1 is the ratio between the estimated costs and the expected results satisfactory?	5	I.3
5.2 Is the proposed expenditure <b>necessary</b> for the implementation of the action?	5 x 2	I.3
<b>Maximum total score</b>	<b>100</b>	

#### (4) STEP 4: Eligibility of the applicant and partners.

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

- The Declaration by the applicant (Section VI of the grant application form) will be cross-checked with the supporting documents provided by the applicant. Any missing supporting document or any incoherence between the Declaration by the applicant and the supporting documents may lead to the automatic rejection of the proposal on that sole basis.
- The eligibility of the applicant, the partners, and the action will be verified according to the criteria set out in sections 2.1.1, 2.1.2 and 2.1.3.

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

## 2.4 SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED PROPOSALS

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

### Supporting documents

Attachments	Document	Документ
<input type="checkbox"/> Attachment 1	<b>The Applicant's statutes, certified by the Applicant that is a true copy;</b>	Копие на учредителен документ на кандидата - <i>заверено, че е вярно с оригинала;</i>
<input type="checkbox"/> Attachment 2	<b>The statutes or articles of association, etc. of all partners, certified by the Partner/s that is a true copy;</b>	Копие на учредителен документ на всички партньори- <i>заверено, че е вярно с оригинала;</i>
<input type="checkbox"/> Attachment 3	<b>Copy of Tax registration for the Applicant, certified by the Applicant that is a true copy;</b>	Копие на данъчна регистрация на кандидата - <i>заверено, че е вярно с оригинала;</i>
<input type="checkbox"/> Attachment 4	<b>Copy of Tax registration for the Partner/s, certified by the Partner that is a true copy;</b>	Копие на данъчна регистрация на партньора/ите - <i>заверено, че е вярно с оригинала;</i>
<input type="checkbox"/> Attachment 5	<b>Copy of BULSTAT registration of the Applicant, certified by the Applicant that is a true copy;</b>	Копие на БУЛСТАТ регистрация на кандидата - <i>заверено, че е вярно с оригинала;</i>
<input type="checkbox"/> Attachment 6	<b>Copy of BULSTAT registration of the Partner/s, certified by the Partner/s that is a true copy;</b>	Копие на БУЛСТАТ регистрация на партньора/ите - <i>заверено, че е вярно с оригинала;</i>
<input type="checkbox"/> Attachment 7	<b>Copy of Annual Balance Sheet and Profit and Loss accounts for the year 2004/2005 of the Applicant and Partner/s, certified by the Applicant/ Partner/s that is a true copy;</b>	Копие на отчет за приходите и разходите и годишен баланс за 2004г. за кандидата и партньора/ите - <i>заверено, че е вярно с оригинала;</i>
<input type="checkbox"/> Attachment 8	<b>Information for the certified auditor, including copy of his/her diploma</b>	Информация за дипломиран одитор, вкл. Копие на диплома
<input type="checkbox"/> Attachment 9	<b>Certificate for current legal standing for the applicant in original or as notary certified copy. In both cases the certificate itself must carry a date, which cannot be more than 180 days prior to the deadline for the submission of the applications.</b>	Удостоверение за актуално състояние на кандидата като <i>оригинал или нотариално заверено копие</i> . И в двата случая самото удостоверение не може да бъде издадено по рано от 180 дни от срока за подаване на предложения.
<input type="checkbox"/> Attachment 10	<b>Order for Delegation of powers, issued by the mayor, in case where the Declaration by the Applicant is signed by another person; typed and in Bulgarian language - original or notary certified copy</b>	В случай, че декларацията от кандидата е подписана от лице, различно от законния представител на организацията, то чрез пълномощно – оригинал или <i>нотариално заверено</i> , последният следва да делегира правата за подписване на декларацията на свой пълномощник.
<input type="checkbox"/> Attachment 11	<b>Decision of the Municipal Council for the Application of the Municipality under the current call for Proposals (in case a municipality is a partner) - original or notary certified copy;</b>	Решение на общински съвет за кандидатстване по настоящата обява за набиране на предложения (когато общината е партньор)– <i>в оригинал или нотариално заверено копие;</i>
<input type="checkbox"/> Attachment 12	<b>A financial identification form conforming to the model attached at Annex D, certified by the bank to which the payments will be made. This bank must be located in Bulgaria.</b>	Финансова идентификационна форма съответстваща на образеца в Annex D, заверена от банката където ще се правят плащанията. Банката трябва да бъде в България.

**The above documents (attachment 1-11) should be provided in Bulgarian only.**

**If these documents are not provided before the set deadline (maximum 10 working days from the receipt of the letter sent by the Contracting Authority), the application will be rejected.**

## 2.5 NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

### 2.5.1 *Content of the decision*

Applicants will be informed in writing of the Contracting Authority's decision concerning their application.

A decision to reject an application or not to award a grant will be based on the following grounds:

- the application was received after the closing date;
- the application was incomplete or otherwise non-compliant with the stated administrative conditions;
- the applicant or one or more of its partners was not eligible;
- the action was ineligible (e.g. the action proposed is not covered by the programme, the proposal exceeds the maximum duration allowed, the requested contribution is higher than the maximum allowed, etc);
- the proposal was not relevant enough and/or the applicant's financial and operational capacity was not sufficient;
- the proposal was considered technically and financially inferior to the proposals selected;
- although the proposal fulfils the quality criteria required for a favourable opinion, another proposal of a similar nature was awarded a higher score;
- several proposals were submitted by the same candidate;
- one or more of the requested supporting documents were not provided before the set deadline;
- any other criterion included in these guidelines has not been respected.

The Contracting Authority's decision to reject an application or not to award a grant is final.

### 2.5.2 *Indicative time table*

The date on which the contracting authority plans to inform the applicants about the outcome of the opening session and the administrative check is 01 September 2006 - this date is indicative only.

The date on which the contracting authority plans to inform the applicants about the outcome of the evaluation of the concept note is 15 September 2006 — this date is indicative only.

The date on which the contracting authority plans to inform the applicants about the outcome of the evaluation of the full application form is 15 October 2006 — this date is indicative only.

The date on which the contracting authority plans to announce the award decision after having verified the eligibility of applicant and partners is 01 November 2006 - this date is indicative only.

## **2.6 CONDITIONS APPLICABLE TO IMPLEMENTATION OF THE ACTION FOLLOWING THE CONTRACTING AUTHORITY'S DECISION TO AWARD A GRANT**

Following the decision to award a grant, the Beneficiary will be offered a contract based on the Contracting Authority's standard contract (see Annex E).

The date planned for the start of actions, following the signing of the contract by the parties, is 01 November 2006 — this date is indicative only. The actions should all be finished before 01 June 2008. The contract will, in particular, establish the following rights and obligations:

### Audit firm

The name and address of the audit firm which will carry out the expenditure verification(s) referred to in article 15.6 of annex II to the standard grant contract will have to be included in Article 5.2 of the contract.

### Final amount of the grant

The maximum amount of the grant will be stipulated in the contract. As explained in point 2.1.4, this amount is based on the budget, which is itself only an estimate. As a result, it will be final only once the action has ended and the final accounts have been presented (see Articles 17.1 and 17.2 of the General Conditions).

### Failure to meet the objectives

If the Beneficiary fails to implement the action as undertaken and agreed in the contract, the contracting authority reserves the right to suspend payments, and/or to terminate the contract (see Article 11 of the General Conditions). The Contracting Authority's contribution may be reduced, and/or the contracting authority may demand full or partial repayment of the sums already paid, if the Beneficiary does not fulfil the terms of the contract (see Articles 12.2 and 17.4 of the General Conditions).

### Amendments to the contract and variations within the budget

Any amendment to the contract must be set out in a written addendum to the original contract (Article 9.1 of the General Conditions). However, some amendments (addresses, bank account, etc.) may simply be notified to the Contracting Authority (see Article 9.2 of the General Conditions).

The description of the Action (Annex 1 to the contract) and budget items may vary from the original figures provided that the following conditions are met:

- (1) they do not affect the basic purpose of the action; and
- (2) the financial impact is limited to a transfer between items within a single main budget heading or to a transfer between the main budget headings involving a variation of less than 15% of the original amount (as the case may be modified by addendum) of each relevant main budget heading.

In such instances, the Beneficiary may make alterations to the budget, and inform the Contracting Authority.

This method may not be used to amend the heading for overhead costs and contingency reserve (see Article 9.2 of the General Conditions).

In all other cases, a written request must be made in advance to the Contracting Authority and an addendum is required.

## Reports

Reports must be drafted in the language provided for in the contract. Narrative and financial reports conforming to the models attached to the contract are to be supplied for the first half of the implementation period and together with the final payment request.

## Additional information

In accordance with Article 2.2 of the General Conditions, the Contracting Authority may request additional information.

## Payments

The Beneficiary will receive pre-financing, the pre-financing will be 80% of the grant (see Article 15.1 option 1 of the General Conditions).

In each case, the final balance will be paid upon submission by the Beneficiary and approval by the Contracting Authority of the final report (see Article 15.1 of the General Conditions).

Payments will be made to a bank account or sub-account which identifies the funds paid by the Contracting Authority and allows calculating the interests produced by these funds.

## Accounts of the action

The Beneficiary must keep accurate and regular records and dedicated, transparent accounts of the implementation of the action (see Article 16.1 of the General Conditions). It must keep these records for seven years after payment of the balance.

## Expenditure verification

A report on the verification of the Action's expenditures, produced by an approved auditor who is a member of a recognised supervisory body for statutory auditing, must be attached to:

- the request for final payment.

In an expenditure verification report conforming to the model attached at Annex VII to the contract, the auditor will certify that the costs declared by the Beneficiary are real, exact and eligible in accordance with the Contract (see Article 15.6 of the General Conditions).

The contract will permit the Commission, the European Anti-Fraud Office, the European Court of Auditors and the external auditor to carry out both record-based and on-the spot inspections of the action (see Article 16.2 of the General Conditions).

## Publicity

Appropriate visibility and credit must be given to the grant made by the European Union, for example, in reports and publications stemming from the action or during public events associated with the action, etc. (see Article 6 of the General Conditions).

## Implementation contracts

Where implementation of the action requires the Beneficiary to award procurement contracts, it must award the contract to the tenderer offering the best value for money, that is to say, the best price-quality ratio, in compliance with the principles of transparency and equal treatment for potential contractors, care being taken to avoid any conflict of interests. To this end, the Beneficiary must follow the procedures set out in Annex IV to the contract.

### **3. LIST OF ANNEXES**

#### **DOCUMENTS TO FILL IN**

ANNEX A: GRANT APPLICATION FORM (WORD FORMAT)

ANNEX B: BUDGET (EXCEL FORMAT)

ANNEX C: LOGICAL FRAMEWORK (EXCEL FORMAT)

#### **DOCUMENTS FOR INFORMATION**

ANNEX D: FINANCIAL IDENTIFICATION FORM

ANNEX E: STANDARD CONTRACT (WORD FORMAT), available at the following address:  
[http://europa.eu.int/comm/europeaid/tender/gestion/cont\\_typ/st/index\\_en.htm](http://europa.eu.int/comm/europeaid/tender/gestion/cont_typ/st/index_en.htm)

ANNEX F: DAILY ALLOWANCE RATES (PER DIEM), available at the following address:  
[http://europa.eu.int/comm/europeaid/perdiem/index\\_en.htm](http://europa.eu.int/comm/europeaid/perdiem/index_en.htm)