



**Contracting Authority:
Croatian Employment Service, Department for Financing and
Contracting of EU Projects (CES DFC)**

YOUTH IN THE LABOUR MARKET

Guidelines
for grant applicants

**OPERATIONAL PROGRAMME FOR HUMAN
RESOURCES DEVELOPMENT (OP HRD) 2007 - 2009,
INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA)**

Reference: EuropeAid/129227/M/ACT/HR

Deadline for submission of proposals: 8 March 2010

NOTICE

This is an open Call for Proposals, where all documents are submitted at one stage (Concept Note and full proposal). However, in the first instance, only the Concept Notes will be evaluated. Thereafter, for the applicants whose Concept Notes have been pre-selected, evaluation of the full proposal will be carried out. Further to the evaluation of the full proposals, an eligibility check will be performed for those which are provisionally selected. This check will be undertaken on the basis of the supporting documents requested by the Contracting Authority and the signed "Declaration by the Applicant" sent together with the application.

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1. OPERATIONAL PROGRAMME FOR HUMAN RESOURCES DEVELOPMENT 2007 - 2009, INSTRUMENT FOR PRE-ACCESSION ASSISTANCE; *YOUTH IN THE LABOUR MARKET*

1.1 BACKGROUND

The Instrument for Pre-accession Assistance (IPA)¹ is a new instrument for pre-accession assistance for the period 2007 – 2013, which replaces the previous programmes CARDS², Phare³, ISPA, and SAPARD. The IPA programme was established by the EU Council Regulation 1085/2006, and its financial value for the period of seven years amounts to EUR 11.468 billion. The main objectives of the IPA programme include assistance to candidate countries and to countries potential candidates in their harmonisation and implementation of the *acquis communautaire* as well as in preparing for the use of the Structural Funds. The Republic of Croatia is the beneficiary of the IPA programme from 2007 until the moment of its accession to the EU.

The *Youth in the Labour Market project* is developed under the priority axis 1, *Enhancing access to employment and sustainable inclusion in the labour market* within IPA Component IV - Human Resources Development, which is designed to assist the candidate countries in policy development and to prepare them for the implementation of the Community and Cohesion policy.

Youth unemployment is one of the most significant challenges for the Croatian labour market. The share of unemployed in total population of youth (the youth unemployment ratio) in Croatia was 12,3 % in 2005 which was higher than the EU member states average (8,4%). The youth unemployment ratio has been steadily declining in Croatia from 14.4% in 2002 to 12.3% in 2005 whereas the ratio has been at the same level in EU-25 for the period (source: JAP)⁴. Youth unemployment rate in Croatia also shows positive trends, decreasing from 32,3% in 2005 to 21,9% in 2008. Despite these recent positive developments in the Croatian labour market, youth unemployment rate still remains much higher than the EU average which was 15, 4% in 2008 (source: Eurostat)⁵. Having also in mind possible impacts of the economic downsize in 2009, more efforts should be put on developing employment pathways for young population.

One of the main causes of high youth unemployment rates is the mismatch between formal education programmes and the labour market needs. There are serious discrepancies between labour market supply and demand for certain educational and skills profiles in many sectors. Skills of the youth labour force obtained during the formal education are often not adequate to the labour market needs. That decreases their chances to find a proper job and increases their risk of being long-term unemployed and socially excluded. Youth population is facing another serious barrier on their way to the employment. Most of the flows into employment from 2004-2006 were movements from job-to-job. Over the 2 year period only 9% of the newly employed came from school/university. At the same time, the number of secondary school and university students who enter the labour market annually is about 10 000 students which means that on average only ½ of them manage to find a job. Therefore, flows between jobs are by far the most frequent source of labour market dynamics with barriers to entry for the young without previous work experience⁶. Youth with initial work experience, find a job much more easily. Initial work experience is particularly important for young people with primary or secondary education.

¹ <http://www.strategija.hr/Default.aspx?sec=108>

Please pay a special attention to the similar activities foreseen under IPA Component II Cross-border cooperation programme in order to avoid the risk of duplication of activities - <http://www.strategija.hr/Default.aspx?sec=146>

² <http://www.hzz.hr/cards2004-lpe2/> Croatian Employment Service implemented CARDS Local Partnerships for Employment – Phase 2 grant scheme and 10 projects were awarded grants

³ <http://www.hzz.hr/phare2005/default.aspx?id=2> CES implemented Phare Active Measures for Employment of Persons Threatened by Social Exclusion grant scheme and 11 projects were contracted.

⁴ <http://ec.europa.eu/social/BlobServlet?docId=1910&langId=en>

⁵ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsdec460&plugin=1>

⁶ ILO, Analysis of the youth labour market in Croatia, forthcoming

Youth with inappropriate education and/or without work experience is particularly vulnerable to social exclusion. Joint Assessment of the Employment Policy Priorities of the Republic of Croatia (JAP)⁷ states that the permanent inclusion of young people in the labour market needs to be assured. Therefore, more effort should be made to build employment pathways for young people and to reduce youth unemployment. Joint memorandum on social inclusion of the Republic of Croatia (JIM)⁸ outlines the principal challenges in relation to tackling poverty and social exclusion stating assistance to the vulnerable groups as one of the key issues. National Employment Promotion Plan for 2009 and 2010⁹ adopted in May 2009 is a national strategic document for implementation of active labour market measures in Croatia and it fully accepts priorities of JAP. The main objectives and measures for tackling youth unemployment are to provide first time job seekers tailor made support and develop measures which will facilitate their access to the labour market, such as vocational guidance (information sessions and counselling), soft skills development, additional trainings and early and personalised support, as well as to provide work experience placements which will enable youth to gain work experience.

1.2 OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The **global objective** of this Call for Proposals is:

- To reduce youth unemployment at the regional level.

The **specific objective (s)** of this Call for Proposals is/are:

- To promote and foster employment of youth (following partnership approach) through measures and methods of work that could facilitate their easier labour market entry.

Priority issues

The priorities of the Grant programme will be as follows:

- Supporting development and implementation of the tailor-made active labour market policies (ALMP) and measures for unemployed youth;
- Supporting new methods of work which can increase employability of unemployed youth.

The measures pursuing the priorities have to be tailored to the specific needs of youth (age group 15-24 and in the cases of university graduates age group 20-29) who are members of the following target groups:

- long-term unemployed youth (more than 1 year);
- unemployed youth without working experience;
- unemployed youth with low levels of qualifications and skills;
- unemployed youth from counties with the highest unemployment rates¹⁰
- unemployed youth belonging to national minorities;
- dropouts;

⁷<http://ec.europa.eu/social/BlobServlet?docId=1910&langId=en>

⁸ [http://www.delhrv.ec.europa.eu/images/article/File/Microsoft%20Word%20-%20JIM-en_032007\(1\).pdf](http://www.delhrv.ec.europa.eu/images/article/File/Microsoft%20Word%20-%20JIM-en_032007(1).pdf)

⁹ <http://www.mingorp.hr/default.aspx?id=1599>

¹⁰ Vukovar-Srijem, Sisak-Moslavina, Virovitica-Podravina, Brod-Posavina, Karlovac, Bjelovar-Bilogora, Osijek-Baranja, Požega-Slavonija, Šibenik-Knin i Lika-Senj (CES Yearbook, 2008)

- unemployed youth social assistance beneficiaries.

1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this call for proposals is EUR 1.846.000. The Contracting Authority reserves the right not to award all available funds.

Size of grants

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

- minimum amount: EUR 70.000
- maximum amount: EUR 120.000

A grant may not be for less than 70 % of the total eligible costs of the action.

In addition, no grant may exceed 85 % 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 FOR 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 to contract procedures for EC external actions, which is applicable to the present call (available on the Internet at this address: http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm).

2.1 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

- applicant(s) 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).

2.1.1 *Eligibility of applicants: who may apply?*

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

- be legal persons **and**
- be specific types of organisations such as:
 1. enterprises/institutions providing specialised rehabilitative, psycho-social, human resource development and job-market oriented services, education, (re)training and vocational guidance, start-up business counselling;
 2. employers' associations and chambers, unions, regional and local authorities, regional and local development agencies;
 3. non-governmental organisations;
 4. international (inter-governmental) organisations as defined by Article 43 of the Implementing Rules to the EC Financial Regulation¹¹ **and**
- be nationals¹² of a Member State of the European Union or Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Serbia, Montenegro, Turkey and Kosovo under UNSC Resolution 1224/99, countries of the European Neighbourhood and Partnership Instrument, countries of the European Economic Area¹³. This obligation does not apply to international organisations **and**
- be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary **and**

¹¹ International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies, European Investment Bank (EIB) and European Investment Fund (EIF) are also recognized as international organisations.

¹² Such nationality being 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. 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.

¹³ According to Council Regulation (EC) No 1085/2006 – OJ L 210/82 of 31.07.2006.

- be compliant with de minimis rule¹⁴ as regulated by the Commission Regulation (EC) No 1998/2006 and in Government of the Republic of Croatia Decree on de-minimis aid (Official Gazette, 45/2007)¹⁵, where applicable.

(2) Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the situations which are listed in Section 2.3.3 of the Practical Guide to contract procedures for EC external actions (available from the following Internet address:

http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm);

In part B section VI of the grant application form (“Declaration by the applicant”), applicants must declare that they do not fall into any of these situations.

Grant applicants and, if they are legal entities, persons who have powers of representation, decision-making or control over them, are informed that, should they be in one of the situations mentioned in:

- Commission decision (2008/969/EC, Euratom) of 16 December 2008 on the Early Warning System (EWS) for the use of authorising officers of the Commission and the executive agencies (OJ, L 344, 20.12.2008, p.125).
- Commission Regulation (2008/1302/EC, Euratom) of 17 December 2008 on the central Exclusion database - CED (OJ L 344, 20.12.2008, p.12).

Their personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision making or control, if legal person) may be registered in the EWS and CED, and communicated to the persons and entities listed in the above-mentioned decision and regulation, in relation to the award or the execution of a procurement contract or a grant agreement or decision.

Applicants must not derive profit from the Grant.

2.1.2 Partnerships and eligibility of partners

Applicants may act individually or with partner organisations.

Applicants’ partners participate in designing and 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 eligibility criteria as applicable on the grant beneficiary himself.

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 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. The associates have to be mentioned in Part B section IV - “Associates of the Applicant participating in the Action” of the Grant Application Form.

¹⁴ This rule applies only to private enterprises/institutions.

¹⁵ De minimis "state aid" rule allows up to 200,000 euros aid to be provided from public funds to any enterprise over a period of three fiscal years. For further information please turn to the Commission Regulation (EC) No 1998/2006 (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:379:0005:0010:EN:PDF>) or to the Government of the Republic of Croatia Decree on de-minimis aid published in Official Gazette, 45/2007 (http://narodne-novine.nn.hr/clanci/sluzbeni/2007_05_45_1487.html).

- 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").

2.1.3 *Eligible actions: actions for which an application may be made*

Definition: An action (or project) is composed of a set of activities.

Duration

The planned duration of an action may not exceed 12 months.

Sectors or themes

- Projects supporting development of sustainable partnerships between public, private and civil society organisations aiming to develop solutions for work with unemployed youth;
- Projects aiming to develop and implement tailor-made education and training programmes and increase working experience of the first time job seekers and unemployed youth with limited work experience;
- Projects aiming to increase employability of unemployed youth through strengthening motivation and employment counselling.

Location

Actions must take place in Croatia.

Types of action

- Actions aiming to improve knowledge and skills of unemployed youth through tailor-made courses and trainings;
- Actions aiming to develop innovative methods of work with unemployed youth combining labour market information, counselling and job mediation;
- Actions aiming to provide and offer work experience and/or on-the-job assistance to unemployed youth;
- Actions aiming to develop and promote entrepreneurial spirit and self-employment among youth.

Types of activity

All activities which aim at achieving the Programme objectives and fall within the eligible thematic areas could qualify for financing, such as:

- Activities aiming to develop and implement educational and training schemes tailored according to the needs of the local labour market and adjusted to the specific needs of the target group;
- Activities aiming to provide work experience out of conventional employment (voluntary work) and work-related experience through social entrepreneurship and social enterprise workplaces;
- 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 in private, public and civil society organisations;

- Activities supporting promotion of self-employment and youth entrepreneurship through information, organisation of seminars and trainings and particularly by combining employment measures and support given by business incubators;
- Organisation of campaigns, round tables, seminars, trainings, thematic workshops and dissemination of publications and other initiatives aiming to promote youth employment;
- Promoting partnership between labour market actors dealing with youth employment issues.

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

Purchase of equipment which is necessary for achieving the objectives of the project may not exceed 10% of the total eligible costs of the action.

Actions should be designed to meet specific needs of the target groups identified by the project.

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 which include political or religious activities;
- academic researches;
- actions directly funding micro-credit schemes (This means that EC funding can not be used directly to provide loans. However, actions supporting improvement of access to such schemes for local individuals or groups are eligible. This could e.g. include training and capacity building to request loans, set up savings groups or link self-help groups with micro-credit institutions);
- actions taking part outside the mentioned location (Croatia);
- actions related to establishing of a private company;
- 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. For this purpose, preparatory activities for a conference and the publication of proceedings do not by themselves constitute such a wider project.

Number of applications and grants per applicant

An applicant may not submit more than one application under this call for proposals.

An applicant may not be awarded more than one grant under this call for proposals.

An applicant may at the same time be partner in another application.

Partners may take part in more than one application.

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. The categories of costs considered as eligible and non-eligible are indicated below. The budget is both a cost estimate and a ceiling for "eligible costs". Note that the eligible costs must be based on real costs based on supporting documents (except for subsistence costs and indirect costs where flat-rate funding applies).

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 (for instance arithmetical errors, inaccuracies or unrealistic costs and other 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. The amount of the grant and the percentage of co-financing as a result of these corrections may not be increased.

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

Eligible direct costs

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

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)

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding fixed at not more than 7% of the total eligible direct costs.

If the applicant is in receipt of an operating grant financed from the Community budget no indirect costs may be claimed within the proposed budget for the action.

Contributions in kind

Contributions in kind are not considered actual expenditure and are not eligible costs. The contributions in kind 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 of the Action when paid by the Beneficiary or his partners.

Notwithstanding the above, if the description of the action as proposed by the beneficiary foresees the contributions in kind, such contributions have to be provided.

Ineligible costs

In line with the provisions of Article 34 (3) and Article 152 of the IPA Implementing Regulation, the following expenditure shall not be eligible for funding under the programme:

- a.) 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;
- b.) customs and import duties, or any other charges;
- c.) purchase, rent or leasing of land and existing buildings, unless the rent or leasing 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;
- d.) fines, financial penalties and expenses of litigation;
- e.) operating costs, unless the operating costs relate exclusively to the period of co-financing of the operation;
- f.) second hand equipment;
- g.) bank charges, costs of guarantees and similar charges;
- h.) conversion costs, charges and exchange losses associated with any of the component specific euro accounts, as well as other purely financial expenses;
- i.) contributions in kind;

- j.) maintenance and rental costs, unless the rental costs relate exclusively to the period of co-financing of the operation;
- k.) depreciation costs for the infrastructure, unless the conditions in Article 35, Paragraph 3 of Financing Agreement¹⁶ are met.

2.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

Please note that the prior registration in PADOR¹⁷ for applicants and their partners for this Call for proposal is **not obligatory**.

However the applicant and partners can register their organisation data, and upload supporting documents in PADOR.

2.2.1 *Application form*

Applications must be submitted in accordance with the instructions on the Concept Note and the Full application form included in the Grant Application Form annexes 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 form (e.g. the amounts mentioned in the budget are inconsistent with those mentioned in the application form) may lead to the rejection of the application.

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

Hand-written applications will not be accepted.

Please note that only the 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 relevant information concerning the action. No additional annexes should be sent.

2.2.2 *Where and how to send the Applications*

Applications must be submitted in one original and 3 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 unique file (e.g. the application form must not be split into several different files). The electronic format must contain **exactly the same** application as the paper version enclosed.

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

The outer envelope must bear the **reference number and the title of the call for proposals**, together with the full name and address of the applicant, and the words "Not to be opened before the opening session" and "**Ne otvarati prije sastanka za otvaranje ponuda**".

¹⁶ Financing Agreement between the Government of the Republic of Croatia and the Commission of the European Communities concerning the Multi-annual Operational Programme "Human Resources Development" for Community assistance from the Instrument for Pre-Accession assistance under the "Human Resources Development" Component in Croatia (Official Gazette, International Agreements 02/09)

¹⁷ For further information on PADOR, please consult the following website:

http://ec.europa.eu/europeaid/work/onlineservices/pador/index_en.htm

Helpdesk for questions related to the functioning of PADOR: Europeaid-ON-LINE-REGISTRATION-HD@ec.europa.eu

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

Hrvatski zavod za zapošljavanje
(Croatian Employment Service)
Department for Financing and Contracting of EU Projects
(Odjel za financiranje i ugovaranje projekata EU)
Radnička cesta 39/1
10 000 Zagreb
Croatia

Address for hand delivery or by private courier service

Croatian Employment Service
(Hrvatski zavod za zapošljavanje)
Department for Financing and Contracting of EU Projects
(Odjel za financiranje i ugovaranje projekata EU)
Radnička cesta 39/1
10 000 Zagreb
Croatia

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

Applicants must verify that their application is complete using the checklist (section V 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 8 March 2010 as evidenced by the date of dispatch, the postmark or the date of the deposit slip. In the case of hand-deliveries, the deadline for receipt is at 15:30 hours Zagreb local time on 8 March 2010 as evidenced by the signed and dated receipt. Any application submitted after the deadline will automatically be rejected.

However, for reasons of administrative efficiency, the Contracting Authority may reject any application 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 for the Application*

An information session on this call for proposals will be organised in advance before the deadline for submission of proposals. For further information, please refer to: <http://www.hzz.hr/dfc/>.

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

E-mail address: cesdfc@hzz.hr

Fax: +385 1 640 1901

Contracting Authority has no obligation to provide further clarifications after this date.

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

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

Questions that may be relevant to other applicants, together with the answers, will be published on the internet at the EuropeAid website: <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome> it is therefore highly recommended to regularly consult the abovementioned website in order to be informed of the questions and answers published.

All questions related to PADOR registration should be addressed to the PADOR helpdesk: europeaid-on-line-registration-hd@ec.europa.eu

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:

If the examination of the application reveals that the proposed action does not meet the eligibility criteria stated in paragraph 2.1.3., the application shall be rejected on this sole basis.

(1) STEP 1: OPENING SESSION AND ADMINISTRATIVE CHECK

The following will be assessed:

- The submission deadline has been respected. If the deadline has not been respected the application will automatically be rejected.
- The Application Form satisfies all the criteria specified in points 1-5 of the Checklist (section V of part B of the grant application form). If any of the requested information is missing or is incorrect, the application may be rejected on that sole basis and the application will not be evaluated further.

Following the opening session and the administrative check, the Contracting Authority will send a letter to all applicants, indicating whether their application was submitted prior to the deadline, informing them of the reference number they have been allocated and whether they have been recommended for further evaluation.

(2) STEP 2: EVALUATION OF THE CONCEPT NOTE

The evaluation of the Concept Notes that have passed the first administrative check will cover the relevance of the action, its merits and effectiveness, its viability and sustainability. The Contracting Authority reserves the right not to undertake the evaluation of the Concept Notes whenever considered justified (for example when a less than expected number of applications are received) and to go straight to the evaluation of the corresponding full applications.

Please note that the scores awarded to the Concept Note are completely separate from those given to the Full Application.

The Concept Note will be given an overall score out of 50 points in accordance with the breakdown provided in the Evaluation Grid below. The evaluation shall also verify the compliance with instructions provided in the guidance for Concept Note, 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 in accordance with the following assessment categories: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

	Scores	
1. Relevance of the action	Sub-score	15
1.1 Relevance of the action needs and constraints of the country/region to be addressed in general, and to those of the target groups and final beneficiaries in particular.	5	
1.2 Relevance to the priorities and objectives mentioned in the Guidelines.	5(x2)*	
2. Effectiveness and Feasibility of the action	Sub-score	25
2.1 Assessment of the problem identification and analysis.	5	
2.2 Assessment of the proposed activities (practicality and consistency in relation to the objectives, purpose and expected results).	5(x2)*	
2.3 Assessment of the role and involvement of all stakeholders and, if applicable, proposed partners.	5(x2)*	
3. Sustainability of the action	Sub-score	10
3.1 Assessment of the identification of the main assumptions and risks, before the start up and throughout the implementation period.	5	
3.2 Assessment of the identification of long-term sustainable impact on the target groups and final beneficiaries.	5	
TOTAL SCORE		50

*the scores are multiplied by 2 because of their importance

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

Firstly, only the Concept Notes which have been given a score of a minimum of 12 points in the category "Relevance" as well as a minimum total score of 30 points will be considered for pre-selection.

Secondly, the list of Concept Notes will be reduced in accordance to the ranking to those whose sum of requested contributions amounts to two times the available budget (3.700.000 €) for this Call for proposals, taking into account the indicative financial envelopes foreseen by lot. The Evaluation Committee will subsequently proceed with the applicants whose proposals have been pre-selected.

(3) STEP 3: EVALUATION OF THE FULL APPLICATION

An evaluation of the quality of the applications, including the proposed budget, and of the capacity of the applicant and its 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 applications submitted to be evaluated in relation to the set objectives and priorities, and grants to be awarded to actions which maximise the overall effectiveness of the call for proposals. They enable the selection of applications which the Contracting Authority can be confident will comply with its objectives and priorities and guarantee the visibility of the Community

financing (see http://ec.europa.eu/europeaid/work/visibility/index_en.htm). They 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.

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.

Evaluation Grid

Section	Maximum Score
1. Financial and operational capacity	20
1.1 Do the applicant and, if applicable, partners have sufficient experience of project management ?	5
1.2 Do the applicant and, if applicable partners have sufficient technical expertise ? (notably knowledge of the issues to be addressed.)	5
1.3 Do the applicant and, if applicable, partners have sufficient management capacity ? (including staff, equipment and ability to handle the budget for the action)?	5
1.4 Does the applicant have stable and sufficient sources of finance ?	5
2. Relevance	25
2.1 How relevant is the proposal to the objectives and one or more of the priorities of the call for proposals? Note: A score of 5 (very good) will only be allocated if the proposal specifically addresses at least one priority . 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
2.2 How relevant to the particular needs and constraints of the target country/countries or region(s) is the proposal? (including synergy with other EC initiatives and avoidance of duplication.) Note: score of 5 (very good) can only be allocated to the projects that will be implemented in counties with the highest unemployment rates ¹⁸	5
2.3 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 x 2
3. Methodology	25
3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	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 evaluation ?)	5
3.3 Is the partners' and/or other stakeholders' level of involvement and participation in the action satisfactory? Note: If there are no partners the score will be one.	5
3.4 Is the action plan clear and feasible?	5
3.5 Does the proposal contain objectively verifiable indicators for the outcome of the action?	5

18 Vukovar-Srijem, Sisak-Moslavina, Virovitica-Podravina, Brod-Posavina, Karlovac, Bjelovar-Bilogora, Osijek-Baranja, Požega-Slavonija, Šibenik-Knin, Lika-Senj (CES Yearbook, 2008).

4. Sustainability	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 and extension of the outcome of the action and dissemination of information.)	5
4.3 Are the expected results of the proposed action sustainable : - 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	15
5.1 is the ratio between the estimated costs and the expected results satisfactory?	5
5.2 Is the proposed expenditure necessary for the implementation of the action?	5 x 2
Maximum total score	100

Note on Section 1. Financial and operational capacity

If the total average score is less than 12 points for section 1, the application will be rejected.

Note on Section 2. Relevance

If the total average score is less than 20 points for section 2, the application will be rejected.

Note on Section 3. Methodology

The number of partners will not have any impact on the score in the evaluation grid.

Provisional selection

Following the evaluation, a table listing the applications 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.

(4) STEP 4: VERIFICATION OF ELIGIBILITY OF THE APPLICANT AND PARTNERS

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

- The Declaration by the applicant (Section VI of part B the grant application form) will be cross-checked with the supporting documents provided by the applicant. Any missing supporting document or any incoherence between the Declaration by the applicant and the supporting documents may lead to the rejection of the application on that sole basis.
- The eligibility of 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 application will be replaced by the next best placed application 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 APPLICATIONS

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:

1. The statutes or articles of association of the applicant organisation¹⁹ and of each partner organisation. Where the Contracting Authority has recognized the applicant's eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, the applicant may submit, instead of its statutes, copy of the document proving the eligibility of the applicant in a former Call (e.g.: copy of the special conditions of a grant contract received during the reference period), unless a change in its legal status has occurred in the meantime²⁰. This obligation does not apply to international organisations which have signed a framework agreement with the European Commission. A list of the relevant framework agreements is available at the following address:
http://ec.europa.eu/europeaid/work/procedures/implementation/international_organisations/index_en.htm
2. Copy of the applicant's latest accounts (the profit and loss account and the balance sheet for the previous financial year for which the accounts have been closed)²¹.
3. Legal entity sheet (see annex D of these Guidelines) duly completed and signed by the applicant, accompanied by the justifying documents which are requested therein. If the applicant has already signed a contract with the Contracting Authority, instead of the legal entity sheet and its supporting documents the legal entity number may be provided, unless a change in its legal status occurred in the meantime.
4. A financial identification form conforming to the model attached at Annex E of these Guidelines, certified by the bank to which the payments will be made. This bank must be located in the country where the applicant is registered. If the applicant has already signed a contract with the European Commission or where the European Commission has been in charge of the payments of a contract, a copy of the previous financial identification form may be provided instead, unless a change in its bank account occurred in the meantime.

¹⁹ Where the applicant and/or (a) partner(s) is a public body created by a law, a copy of the said law must be provided.

²⁰ To be inserted only where the eligibility conditions have not changed from one call for proposals to the other.

²¹ This obligation does not apply to natural persons who have received a scholarship, nor to public bodies nor 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.

In case the applicant and/or his partner(s) is a private entity, following documents should be provided:

5. Solemn statement signed by applicant and each partner eligible under 2.1.2 that they will not derive any profit from the grant.
6. Statement signed only by applicant declaring under civil and criminal liability the amount of “de-minimis” aid received during the current fiscal year and preceding two fiscal years, certified by the notary (as enclosed)²².

Where the requested supporting documents are not uploaded in PADOR they must be supplied in the form of originals, photocopies or scanned versions (i.e. showing legible stamps, signatures and dates) of the said originals. However, the Legal entity sheet and the financial identification form must always be submitted in original.

Where such documents are not in one of the official languages of the European Union or in Croatian, a translation into English language of the relevant parts of these documents, proving the applicant’s eligibility, must be attached and will prevail for the purpose of analysing the application.

Where these documents are in an official language of the European Union other than English language, it is **strongly** recommended, in order to facilitate the evaluation, to provide a translation of the relevant parts of the documents, proving the applicant’s eligibility, into the English language.

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

Based on the verification of the supporting documents by the Evaluation Committee it will make a final recommendation to the Contracting Authority which will decide on the award of grants.

²² Entities not established in Croatia can use the attached template or provide a documentary proof or statements required under the law of the country in which the company (or each of the companies in case of a consortium) is established, to show that it meets the de-minimis criteria. This evidence or these documents or statements must carry a date, which cannot be more than 1 year before the date of submission of the application. In addition, a statement shall be furnished stating that the situations described in these documents have not change since then. The documentary proof or statements may be in original or copy. If copies are submitted the originals must be dispatched to the Contracting Authority upon request.

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 and, in case of rejections, the reasons for the negative decision.

Applicants believing that they have been harmed by an error or irregularity during the award process may file a complaint. See further section 2.4.15 of the Practical Guide.

2.5.2 Indicative time table

	DATE	TIME*
Information meeting (if any)	< Date / Not applicable >	< Time / Not applicable >
Deadline for request for any clarifications from the Contracting Authority	15 February 2010	15:30
Last date on which clarifications are issued by the Contracting Authority	25 February 2010	-
Deadline for submission of Application Form	8 March 2010	15:30
Information to applicants on the opening & administrative check (step 1)	26 April 2010*	-
Information to applicants on the evaluation of the Concept Notes (step 2)	4 June 2010*	-
Information to applicants on the evaluation of the Full Application Form (step 3)	2 August 2010*	-
Notification of award (after the eligibility check) (step 4)	27 September 2010*	-
Contract signature	6 December 2010*	-

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

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 F of these Guidelines). By signing the Application form (Annex A of these Guidelines), the applicant declares accepting, in case where it is awarded a grant, the Contractual conditions as laid down in the Standard Contract.

If the successful applicant is an international organisation, the model Contribution Agreement with an international organisation or any other contract template agreed between the international organisation concerned and the Contracting Authority will be used instead of the standard grant contract provided that the international organisation in question offers the guarantees provided for in article 53d (1) of the Financial Regulation, as described in Chapter 7 of the Practical Guide to contract procedures for EC external actions.

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 BE COMPLETED

ANNEX A: GRANT APPLICATION FORM (WORD FORMAT)

ANNEX B: BUDGET (EXCEL FORMAT)

ANNEX C: LOGICAL FRAMEWORK (EXCEL FORMAT)

ANNEX D: LEGAL ENTITY SHEET (EXCEL FORMAT)

ANNEX E: FINANCIAL IDENTIFICATION FORM

DOCUMENTS FOR INFORMATION

ANNEX F: STANDARD CONTRACT

- ANNEX II: GENERAL CONDITIONS APPLICABLE TO EUROPEAN COMMUNITY-FINANCED GRANT CONTRACTS FOR EXTERNAL ACTIONS
- ANNEX IV: CONTRACT AWARD PROCEDURES
- ANNEX V: STANDARD REQUEST FOR PAYMENT
- ANNEX VI: MODEL NARRATIVE AND FINANCIAL REPORT
- ANNEX VII: MODEL REPORT OF FACTUAL FINDINGS AND TERMS OF REFERENCE FOR AN EXPENDITURE VERIFICATION OF AN EC FINANCED GRANT CONTRACT FOR EXTERNAL ACTIONS
- ANNEX VIII: MODEL FINANCIAL GUARANTEE

ANNEX G: DAILY ALLOWANCE RATES (PER DIEM), available at the following address:

http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm

ANNEX H: STANDARD CONTRIBUTION AGREEMENT, applicable in case where the beneficiary is an International organisation

PROJECT CYCLE MANAGEMENT GUIDELINES

http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t101_en.htm