



Contracting Authority: Government of the Republic of Serbia, Ministry of Finance, Central Finance and Contracting Unit (CFCU) - Department for Contracting and Financing of EU Funded Projects

Development of innovative, integrated youth tailored services and active inclusion models

Guidelines
for grant applicants

2014/032-799.07 Financial Agreement

Reference: EuropeAid/159572/ID/ACT/RS

Deadline for submission of concept note: May 3, 2018

NOTICE

This is a restricted call for proposals. In the first instance, only concept notes (Part A of the grant application form) must be submitted for evaluation. Thereafter, lead applicants who have been pre-selected will be invited to submit a full application. After the evaluation of the full applications, an eligibility check will be performed for those which have been provisionally selected. Eligibility will be checked on the basis of the supporting documents requested by the contracting authority and the signed 'declaration by the lead applicant' sent together with the full application.

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1. DEVELOPMENT OF INNOVATIVE, INTEGRATED YOUTH TAILORED SERVICES AND ACTIVE INCLUSION MODELS

1.1. BACKGROUND

This Call for Proposals focuses on the implementation of **Employment and Social Reform Programme priorities (ESRP¹)** to foster a high-employment economy. This goal is going to be achieved by implementing and promoting mixed activation measures to reverse negative unemployment trends among youth and social welfare beneficiaries, persons with multiple disadvantages registered by NES, or those with multiple disadvantages who are still not recognized in systems.

1.1.1. General context

A number of strategic documents of the Republic of Serbia adopted in recent years have recognized the issue of employment and employability and envisage measures and activities to overcome the issue.

Within the European integration process and having in mind priorities until 2020, the Government of the Republic of Serbia prepared and adopted **the Employment and Social Reform Programme (ESRP)** in May 2016. The ESRP primarily covers labour market and employment, human capital and skills, social inclusion and social protection as well as the challenges in the pension system and health care.

Policy documents targeting employment and employability which are relevant for this Call for Proposals are:

- **the National Employment Strategy for the period 2011-2020**
- **the Annual Employment Action Plan**
- **the National Youth Strategy 2015-2025**
- **the National Education Development Strategy in Serbia until 2020 and its Action Plan**
- **Bylaw on measures of social inclusion of social assistance beneficiaries, 2014**
- **Roma inclusion strategy of Republic of Serbia for 2015-2025**

1.1.2. Youth Employability

Unemployment, especially among young people, is one of the enduring negative consequences of the financial crisis in Europe. Despite positive tendencies in employment rates, youth unemployment (comprising the age group 15 to 30) in EU Member States is still over 18% on average (21% in the Eurozone) in 2016.²

The youth unemployment rate is only partially a reflection of the situation among young Europeans, as it is limited to people between 15 and 30 who are conventionally unemployed. To measure the share of young people who are not employed, and not taking part in education and training, the concept **NEET (“Not in Employment, Education or Training”)** has been developed. The EU has 4,6 million unemployed young people, but 6,6 million NEETs in this age group.

¹ <http://sociojalnoukljucivanje.gov.rs/wp-content/uploads/2016/06/ESRP-en.zip>

² <http://ec.europa.eu/eurostat/documents/2995521/7752348/3-01122016-AP-EN.pdf/5f785386-b824-4b65-a09d-99d8bed9958a>

Concerning the situation in Serbia, the youth inactivity rate (15-30) reached 69.7% in 2016³. One of the major concerns is the proportion of unemployed youth who are, at the same time *NEET*, which was 19.9% in 2015 but dropped to 17.7% in 2016⁴. Many inactive young people have neither work experience nor practical skills and being trapped in long-term unemployment further diminishes their prospects of activation and employment. The youth employment rate (15-30) increased from 16.6% (2015) to 19.7% in 2016 and for the age group 15–30 from 32.34 to 35.6% in 2016. Also, the youth unemployment rate (15-30) dropped from 43.2% (2015) to 34.9% in 2016 and for the age group 15–30 from 33.3% to 28.5% in 2016.

Of particular concern is the **long-term nature of youth unemployment**, given that 50.6 % of registered unemployed young people at the National Employment Service have been looking for work longer than one year⁵. As a result, the likelihood of becoming employed decreases proportionally to the length of unemployment, which could potentially lead to their permanent exclusion from the labour market.

Also, youth (18-24) are one of the categories at an above-average risk of poverty (30.2%)⁶ which is, amongst other things, a result of the high youth unemployment rate or the large number of *NEET*. Informal youth employment is significant indicator of unfavourable situation of young people on the labour market, too. Out of the total number of employed young people under 24 years, over 30% is in informal employment, compared to 21.1% of those under 30 years⁷.

1.1.3. Active inclusion

Active Inclusion is an essential instrument to reduce poverty and help meet poverty reduction targets of **Europe 2020**, namely reducing the number of people at risk of poverty and social exclusion by 20 million by 2020 through an integrated approach that supports access to quality jobs, services and income support. Active inclusion policies are intended for all those excluded from the labour market by supporting them with the resources they need to lead a dignified life and with opportunities for social participation, and promoting access to quality and lasting employment that corresponds to their aptitudes and abilities

Active inclusion is not a single-model approach. Each EU Member State defines the level of adequate income support and the policy mix best adapted to the needs identified at local, regional and national level. The financial allocation should strike a balance between increasing work incentives, alleviating poverty and avoiding unsustainable budgetary costs.

Active inclusion entails a combination of adequate income support, inclusive labour markets and access to quality services: Three elements of Active Inclusion are:

- Adequate income support (i.e. welfare benefits to ensure people can live adequately while they are not working together with help to get a job). This could be by linking out-of-work and in-work benefits, and by helping people to access the benefits they are entitled to;
- Inclusive labour markets – making it easier for people to join the work force, tackling in-work poverty, avoiding poverty traps and disincentives to work;(i.e. direct support and advice to help people re-enter the labour market and incentives for employers to recruit people who have had difficulty finding work)
- Access to quality services helping people participate actively in society, including getting back to work. (i.e. social services and other services that allow people to overcome or manage whatever condition or disability prevents them from working)

³ Labor Force Survey, 2015/2016.

⁴ *Ibid*

⁵ National Employment Service Annual Report, 2016

⁶ Survey on Income and Living Conditions, 2016

⁷ Situational analysis in the field of informal economy and informal employment (Marek Radvanski, Miroslav Tefanik), 2016

Concerning the situation in Serbia, there is a lack of institutionalized tailor-made services which could support access of disadvantaged groups into the labour market. Disadvantaged groups are numerous and different subgroups as: people with disabilities, those being on the unemployment register longer than 1 year, those with low education level (primary school completed), Roma persons and other minorities, refugees and displaced persons, older unemployed people, those who left the residential and foster care, the homeless, drug addicts, victims of domestic violence and former inmates etc. They, threatened by social exclusion are facing different obstacles in the job seeking, as well as in entering the labour market. Numerous conditions have been identified as potential barriers for employment of these disadvantaged groups such as: low self-esteem, low motivation, lack of soft skills and key employment competences, as well as low level of education and lack of work experience. On the other side prejudices toward these groups still exist in general public, including employers.

Social welfare beneficiaries and other disadvantaged groups are considered to be at a high risk of long-term unemployment and social exclusion. Often, long term-unemployed social assistance beneficiaries are people who have lower education, lack of specific vocational and soft skills, but also low motivation to find a job and to sustain it; they are exposed to multidimensional and accumulated problems and consequences of social exclusion and their access to the labour market is especially difficult.

1.2. OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The **global objective** of this Call for Proposals is to foster a high-employment economy cohesion through the implementation of the Employment and Social Reform Programme priorities.

The **specific objective** of this Call for Proposals is to increase employment through enhancing youth activity, early acquisition of work experience and entrepreneurship practices and activation of social welfare beneficiaries.

The Call for Proposals is divided into two lots:

Lot 1: Youth employability

Lot 2: Active inclusion

It is expected that activities of this Call for Proposals will result in the establishment and implementation of innovative, integrated youth tailored services and in the realisation of active inclusion models and packages.

Lot 1: Youth employability of this Call for Proposals is expected to focus on social innovation in youth employability, emphasizing the cross sectorial cooperation in order to deliver the sustainable solutions addressing the needs of youth.

Lot 2: Active inclusion of this Call for Proposals is expected to address implementation of the active inclusion measures in Serbia targeting different disadvantaged groups, mainly social welfare beneficiaries by implementing activation mix packages and promoting inter-sectoral cooperation at all levels.

Priority areas of intervention

The priorities of this Call for Proposals will be as follows:

- Enhancement of employability of disadvantaged groups: 1) unemployed youth (15-30), and 2) different disadvantaged groups, especially social welfare beneficiaries in order to stimulate their active inclusion in society and to integrate them into labour market;
- Development of new or innovative services or packages tailored to the needs of the disadvantaged groups, especially youth and social welfare beneficiaries and which have a high potential to be replicated in other regions and/or country-wide;
- Development and implementation of new inter-institutional models and inter-sectoral business solutions for work with disadvantaged groups;

Cross cutting principle for entire the Call for Proposal:

- Raising the awareness of general public regarding employment of disadvantaged groups and employers 'awareness on advantages in employing disadvantaged groups in order to achieve their equal participation in the labour market
- Promotion of principles of gender equality and equal opportunities
- Social innovation principles such as: fostering inter-sectorial cooperation, effective use and conservation of resources, involvement of target group in design of action, upgrading human capital, it has transformative potential and elimination of inequality in society...
- All the actions have to be implemented in line with employment rules and regulations as defined by the existing legal framework. (This is particularly important for youth from 15 years old).

Final beneficiaries

The measures pursuing the priorities have to be tailored to the specific needs of following disadvantaged groups. This is not the exhaustive list:

LOT 1: Unemployed youth (15-30), especially:

- Youth with no/or low qualifications,
- NEET(the not-in-employment, education and training)
- Young people from vulnerable social groups (disabled, ethnic minorities, youth leaving the social protection system etc.)

LOT 2: Vulnerable groups and working age persons with multiple disadvantage (15 - 65)s, especially unemployed adult social welfare beneficiaries, persons with multiple disadvantages registered by NES, or those with multiple disadvantages who are still not recognized in systems. Especially:

- Social allowance beneficiaries
- Long-term unemployed (those being on the unemployment register longer than 1 year),
- Low skilled and persons with low level of education (primary school or without basic education)
- Other vulnerable and disadvantaged groups (returnees, human trafficking victims, refugees, offenders etc).

1.3. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this call for proposals is **EUR 4,000,000**. The Contracting Authority reserves the right not to award all available funds.

Indicative allocation of funds by lot:

Lot 1: Youth employability – EUR 2,000,000

Lot 2: Active inclusion – EUR 2,000,000

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

Size of grants

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

- minimum amount: **EUR 60,000**
- maximum amount: **EUR 200,000**

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

- Minimum percentage: **60 %** of the total eligible costs of the action.
- Maximum percentage: **90 %** of the total eligible costs of the action (see also section 2.1.5).

The balance (i.e. the difference between the total cost of the action and the amount requested from the Contracting Authority) must be financed from sources other than the European Union Budget or the European Development Fund⁸.

2. RULES FOR THIS CALL FOR PROPOSALS

These guidelines set out the rules for the submission, selection and implementation of the actions financed under this call, in conformity with the Practical Guide, which is applicable to the present call (available on the Internet at this address <http://ec.europa.eu/europeaid/prag/document.do?locale=en>).⁹

2.1. ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

(1) the actors:

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

(2) the actions:

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

(3) the costs:

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

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

Lead applicant

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

- be a legal person **and**
- be non-profit making **and**
- be a specific type of organization such as:
 - Non-governmental organization (Civil society organizations, Association of citizens, Foundations and Endowment funds, etc.)
 - Public sector operator **or**
 - Local authority **or**
 - Business support organisations (incubators, start-up centres, etc.) **or**

⁸ Where a grant is financed by the European Development Fund, any mention of European Union financing must be understood as referring to European Development Fund financing.

⁹ Note that a lead applicant (i.e. a Coordinator) whose pillars have been positively assessed by the European Commission and who is awarded a grant will not sign the standard grant contract published with these guidelines but a PA Grant Agreement based on the PAGO DA template. All references in these guidelines and other documents related to this call to the standard grant contract shall in this case be understood as referring to the relevant provisions of the PAGO DA template.

- Social partners (trade unions, cooperatives, professional associations, employer associations, chambers of commerce and industry) **and**
- be established in¹⁰ a Member State of the European Union or in any other countries specified within Article 19 of the IPA Regulation¹¹ **and**

For British applicants: Please be aware that eligibility criteria must be complied with for the entire duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible to participate) or be required to leave the project on the basis of Article 12.2 of the General Conditions¹ to the grant agreement

¹ PRAG annexe e3h2.]

- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary.
- (2) Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the situations listed in section 2.3.3 of the Practical Guide;

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

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

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

Co-applicant(s)

The lead applicant must act with at least one co-applicant.

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

The maximum number of co-applicants that could be involved in the action is 3. However, all applicants must carefully bear in mind the most appropriate conditions to ensure an intra-project efficient coordination when deciding on this. The number of partners and the composition of the partnership should be coherent with the envisaged objectives and activities of the action.

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

¹⁰ To be determined on the basis of the organisation's statutes, which should demonstrate that it has been established by an instrument governed by the national law of the country concerned and that its head office is located in an eligible country. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a 'Memorandum of Understanding' has been concluded.

¹¹ Council Regulation (EC) No 1085/2006 at 17 July 2006 establishing an Instrument of Pre-Accession Assistance (IPA)

Co-applicants must sign the mandate in Part B section 4 of the grant application form.

If awarded the grant contract, the co-applicant(s) will become beneficiary (ies) in the action (together with the Coordinator).

2.1.2. *Affiliated entities*

Affiliated entity (ies)

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

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

Only entities having a structural link with the applicants (i.e. the lead applicant or a co-applicant), in particular a legal or capital link.

This structural link encompasses mainly two notions:

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

Entities affiliated to an applicant may hence be:

- Entities directly or indirectly controlled by the applicant (daughter companies or first-tier subsidiaries). They may also be entities controlled by an entity controlled by the applicant (granddaughter companies or second-tier subsidiaries) and the same applies to further tiers of control;
 - Entities directly or indirectly controlling the applicant (parent companies). Likewise, they may be entities controlling an entity controlling the applicant;
 - Entities under the same direct or indirect control as the applicant (sister companies).
- (ii) Membership, i.e. the applicant is legally defined as a e.g. network, federation, association in which the proposed affiliated entities also participate or the applicant participates in the same entity (e.g. network, federation, association) as the proposed affiliated entities.

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

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

- What is not an affiliated entity?

The following are not considered entities affiliated to an applicant:

- Entities that have entered into a (procurement) contract or subcontract with an applicant, act as concessionaires or delegates for public services for an applicant,
- Entities that receive financial support from the applicant,

- Entities that cooperate on a regular basis with an applicant on the basis of a memorandum of understanding or share some assets,
- Entities that have signed a consortium agreement under the grant contract (unless this consortium agreement leads to the creation of a "sole applicant" as described above).

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

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

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

If the applicants are awarded a grant contract, their affiliated entity(ies) will not become beneficiary(ies) of the action and signatory(ies) of the grant contract. However, they will participate in the design and in the implementation of the action and the costs they incur (including those incurred for implementation contracts and financial support to third parties) may be accepted as eligible costs, provided they comply with all the relevant rules already applicable to the beneficiary(ies) under the grant contract.

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

2.1.3. Associates and Contractors

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

- Associates

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

- Contractors

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

2.1.4. Eligible actions: actions for which an application may be made

Definition:

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

Duration

The initial planned duration of an action **may not be lower than 12 months nor exceed 24 months**.

Sectors or themes

The Call for Proposals aims to advance new and innovative solutions that focus on the specific needs of the target groups listed above. Activities and outputs within projects may happen on several levels, both systemic (e.g. developing formal educational modules; develop systematic cooperation with non-traditional stakeholders) and personal (e.g. attending to the individual needs of the members of the target group) as defined in strategic documents under 1.1.1.

Lot 1 – Youth employability

To promote and enhance youth employment resulting in the establishment of innovative youth tailored services realising “one-stop-shop” methodology and focusing on skill-building and entrepreneurship; and

Lot 2 – Active inclusion

To support implementation of modern policies for inclusion – resulting in the design of localised active inclusion mix mechanisms and implementation of mix packages at local levels.

Location

Actions must take place in the following country: The Republic of Serbia.

Types of action

Types of actions, which may be financed under this call:

Lot 1 – Youth employability

- Actions that focus on new, innovative solutions to combat unemployment among the target group and increase the number of sustainable jobs for young people. This may include pioneering of solutions and the application of unconventional practices.
- Actions focusing on transferring know-how and good practice on youth employment initiatives with the goal of creating more quality jobs and lower unemployment rates among youth.
- Innovative and integrated youth-tailored services based on strengthening and linking existing resources and services, increasing access to cross-sector information for youth, focus on the acquisition of practical skills fitting more effectively labour market needs and foster entrepreneurship practices.
- Innovative apprenticeship modules and work-based learning;
- Innovative mobility measures and job placements;
- Innovative youth tailored one-stop-shop services - complementing services to unemployed youth provided by National Employment Services and other relevant institutions and service providers, focusing on practice-based programs involving private sector actors and on the development of entrepreneurial attitude and practices.
- Actions including early acquisition of work experience and entrepreneurship practices and activation of youth.
- Actions contributing to promotion of entrepreneurial culture and competences through support to self-employment and start-ups (business support services); development of entrepreneurship skills, entrepreneurship mentorship and practice-based programmes.
- Innovative solutions on how to prepare and train young people for structural labour market changes like digitalisation and smart automation;
- Widening involvement of stakeholders, including the social services, child/youth services, medical and psychiatric professionals, parents, etc.;

Lot 2 – Active inclusion

- Development and implementation of active inclusion models and packages established and implemented through local cross-sector partnerships including public, private and civil society sector entities.
- Actions that contribute to coordinated and integrated mechanisms and concrete models of inclusive labour markets and which can increase of employability and access to quality services, cash benefits and financial stability
- Actions that include personalised plans for labour inclusion, focused on skills, opportunities and vocational training, based on holistic assessment of needs and specific personal, social, family or environmental particularity of persons involved

- Effective and personalised assistance in entering labour market and support in upgrading employability and in job retention
- Innovative actions for implementation of the activation measures defined in By law¹²
- Actions aiming at the development of competences and other activities necessary for the successful inclusion of the target group in the labour market:
 - Provision of psycho-social empowerment and training in soft skills;
 - Provision of individual support in job search processes (career guidance, information, vocational and psychological counselling, etc.) to increase employability of target group;
 - Development and implementation of rehabilitation activities and other additional support which alter the capacities for work of the target group such as courses on reading and writing Braille, Sign language etc.;
 - Development and implementation of vocational trainings and skills development programmes;
- Actions aiming to enhance labour market inclusiveness and readiness of employers to recruit hard-to-employ workers, creation of new jobs and adjusting of existing jobs to target groups needs
- Architectural adjustment of workplace (small scale reconstruction works) for persons with disabilities (removal of architectural barriers, etc.); technical adjustment of work conditions (insurance of technical equipment which facilitates implementation of tasks in line to type and degree of disability).
- Family strengthening services (learning activities that involve all family members, where learning outcomes are intended for all, contributing to a culture of learning in the family);

Accompanying social services supplementing above listed actions under Lot 1 and Lot 2 such as:

- Organisation of care and assistance for dependent family members and other activities aimed at helping the target group with family care obligations;
- Support of ad-hoc/short term and/or individual/alternative childcare services for children to ensure a secure and quality place to leave a child when parents are participating in the job-search activities and/or being employed;
- Other activities necessary for better integration of disadvantaged persons into the community (such as information and support in obtaining necessary documentation, information and support in obtaining existing entitles)
- Design and provision of voluntary based work programmes

The following types of actions for this Call for Proposals are ineligible:

- actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences and congresses;
- actions concerned only or mainly with individual scholarships for studies or training courses;
- actions including market promotion activities;
- general information campaign

¹² Government decree on social inclusion measures of social allowance beneficiaries, 2014;

- actions mainly focusing on one-off actions such as conferences, round tables, seminars or similar events. These activities can only be funded if they form part of a wider project;
- actions mainly focusing on development of strategic documents, academic research and/or feasibility studies;
- actions concerned only or mainly focusing on infrastructure investments and/or the procurement of equipment. These activities can only be funded if they form part of a wider project;
- actions linked to political parties or of political/partisan nature;
- actions dealing with emergency relief or charitable donations;
- actions including commercial and profit-making activities.
- actions related to:
 - the tobacco industry (CAEN code 16);
 - production of alcohol distilled beverages (CAEN code 1591);
 - arms and munitions (CAEN code 296).
- actions not having a tangible benefit to the target group of the Call and actions not including direct work with the representatives of these groups;
- actions not taking into account the human rights and dignity of users, their quality of life and health and not promoting autonomy and active inclusion of users;
- actions diminishing citizen's security, disabling freedom of expression, and acting against the will of beneficiaries and of their legal representatives and guardians.
- actions covered and financed by other EU funded programmes

Types of activity

Types of activity which may be financed under this Call for Proposals with the aim to foster a high-employment economy include (**list not exhaustive**):

- Training (e.g. training that offer skills development to young people in order to improve their employability and facilitate their transition to the labour market);
- Entrepreneurship (e.g. initiatives providing entrepreneurial skills, mentorship, coaching);
- Employment services (e.g. employment initiatives that provide counselling, job search assistance and work placements);
- Community-based approaches and initiatives
- Efficient practices that develop of sustainable jobs;
- Innovative start-up support
- Mentoring and coaching activities;
- Activities supporting the establishment of various partnerships/networks in the field of social inclusion, fight against poverty and discrimination;
- Activities promoting partnership between the public, private and civil society sector;
- Facilitation of dialogue and partnership, with possible employers and their associations;
- Public awareness raising activities on antidiscrimination issues in the work place of disadvantaged and marginalized persons targeting employers and the broader public;
- Organisation of campaigns, community groups, round tables, seminars, trainings, thematic workshops, production and dissemination of publications and other initiatives;
- Trainings for business sector, to enhance labour market inclusion

- ad-hoc/short term and/or individual/alternative social services tailored to specific needs of target group
- case management support for vulnerable groups and working age multiple disadvantaged groups so to be prepared for labour market (action relevant for Lot 2)

Indicators are as follows:

- number of persons involved in trainings and satisfied with courses (ex- ante and ex-post training evaluation)
- number of entrepreneurship initiatives
- number of people from vulnerable groups using case management support
- number of established effective partnership

Financial support to third parties¹³

Applicants **may not propose** financial support to third parties.

Visibility

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

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

Number of applications and grants per applicants / affiliated entities

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

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

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

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

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

2.1.5. Eligibility of costs: costs that can be included

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

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

- actual costs incurred by the beneficiary(ies) and affiliated entity(ies)

¹³ These third parties are neither affiliated entity (ies) nor associates nor contractors.

- one or more simplified cost options.

Simplified cost options may take the form of:

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

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

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

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

- describe the information and methods used to establish the amounts of unit costs, lump sums and/or flat-rates, to which costs they refer, etc.
- clearly explain the formulas for calculation of the final eligible amount¹⁴
- identify the beneficiary who will use the simplified cost option (in case of affiliated entity, specify first the beneficiary), in order to verify the maximum amount per each beneficiary (which includes if applicable simplified cost options of its affiliated entity(ies))

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

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

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

14 Examples:- for staff costs: number of hours or days of work * hourly or daily rate pre-set according to the category of personnel concerned;- for travel expenses: distance in km * pre-set cost of transport per km; number of days * daily allowance pre-set according to the country;- for specific costs arising from the organization of an event: number of participants at the event * pre-set total cost per participant etc.

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

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

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

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

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

The method of allocation has to be:

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

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

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

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

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

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

Eligible direct costs

To be eligible under this call for proposals, costs must comply with the provisions of Article 14 of the General Conditions to the standard grant contract (see Annex G of the guidelines).

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

Contingency reserve

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

Eligible indirect costs

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

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

Contributions in kind

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

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

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

Ineligible costs

The following costs are not eligible:

- debts and debt service charges (interest);
- provisions for losses or potential future liabilities;
- costs declared by the Beneficiary(ies) and financed by another action or work programme receiving a European Union grant (including through European Development Fund);
- purchases of land or buildings, except where necessary for the direct implementation of the Action, in which case ownership must be transferred in accordance with Article 7.5 of the General Conditions of the standard grant contract, at the latest at the end of the Action;
- currency exchange losses;
- credit to third parties
- in kind contributions
- taxes, including VAT, duties and charges;

2.2. HOW TO APPLY AND THE PROCEDURES TO FOLLOW

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

2.2.1. Concept note content

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

Applicants must apply in English.

Please note that:

1. In the concept note, lead applicants must only provide an estimate of the requested EU contribution as well as an indicative percentage of that contribution in relation to the eligible costs of the action. A detailed budget is to be submitted only by the lead applicants invited to submit a full application in the second phase.

2. The elements outlined in the concept note may not be modified in the full application. The EU contribution may not vary from the initial estimate by more than 20%. Lead applicants are free to adapt the percentage of co-financing required within the minimum and maximum amount and percentages of co-financing, as laid down in these guidelines in section 1.3. The lead applicant may replace a co-applicant or an affiliated entity only in duly justified cases (e.g. bankruptcy of initial co-applicant or affiliated entity). In this case the new co-applicant/affiliated entity must be of a similar nature as the initial one. The lead applicant may adjust the duration of the action if unforeseen circumstances outside the scope of the applicants have taken place following the submission of the concept note and require such adaptation (risk of action not being carried out). In such cases the duration must remain within the limits imposed by the guidelines for applicants. An explanation/justification of the relevant replacement/adjustment shall be included in an accompanying letter or email.

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

3. Only the concept note form will be evaluated. It is therefore of utmost importance that this document contains ALL relevant information concerning the action. No additional annexes should be sent.

Any error or major discrepancy related to the concept note instructions may lead to the rejection of the concept note.

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

Hand-written concept notes will not be accepted.

2.2.2. Where and how to send concept notes

The concept note together with its relating checklist¹⁵ and declaration by the lead applicant (to be found in **Part A sections 2 and 3** of the grant application form) **must be submitted in one original and three (3) copies** in A4 size, each bound.

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

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

The envelope must bear the **reference number and the title of the call for proposals**, together with the LOT number and title, the full name and address of the lead applicant, and the words 'Not to be opened before the opening session' and 'Ne otvarati pre zvanične sednice za otvaranje predloga projekata'.

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

Postal address

Ministry of Finance
Department for Contracting and Financing of EU Funded Programmes (CFCU)
Division for Tender Evaluation and Contracting
3-5, Sremska Str, V floor/office 502
11000 Belgrade, Republic of Serbia

¹⁵ Please note that the concept note / full application should not be rejected only because the lead applicant did not submit the checklist or the information in the checklist is not correct.

Address for hand delivery or by private courier service

Ministry of Finance
Department for Contracting and Financing of EU Funded Programmes (CFCU)
Division for Tender Evaluation and Contracting
3-5, Sremska Str, V floor/office 502
11000 Belgrade, Republic of Serbia

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

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

2.2.3. Deadline for submission of concept notes

The deadline for the submission of concept notes is **3rd May 2018** 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 hours local time** as evidenced by the signed and dated receipt. Any concept note submitted after the deadline will be rejected.

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

2.2.4. Further information about concept notes

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

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

E-mail address: cfcu.questions@mfin.gov.rs

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

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

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

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

2.2.5. Full applications

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

The elements outlined in the concept note cannot be modified by the lead applicant in the full application. The EU contribution may not vary from the initial estimate by more than 20%, although lead applicants are free to adapt the percentage of co-financing required within the minimum and maximum amount and percentages of co-financing, as laid down in these guidelines under section 1.3. The lead applicant may replace a co-applicant or an affiliated entity only in duly justified cases (e.g. bankruptcy of initial co-applicant or affiliated entity). In this case the new co-applicant/affiliated entity must be of a similar nature as the initial one. The lead applicant may adjust the duration of the action if unforeseen circumstances outside the scope of the applicants have taken place following the submission of the concept note and require such adaptation (risk of action not being carried out). In such cases the duration must remain within the limits imposed by the guidelines for applicants. An explanation/justification of the relevant replacement/adjustment shall be included in an accompanying letter or email.

Lead applicants must submit their full applications in the same language as their concept notes.

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

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

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

Hand-written applications will not be accepted.

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

2.2.6. Where and how to send full applications

Full applications (i.e. the full application form, the budget, the logical framework and the declaration by the lead applicant) must be submitted in a sealed envelope by registered mail, private courier service or by hand-delivery (a signed and dated certificate of receipt will be given to the deliverer) to the address below:

Postal address

Ministry of Finance
Department for Contracting and Financing of EU Funded Programmes (CFCU)
Division for Tender Evaluation and Contracting
3-5, Sremska Str, V floor/office 502
11000 Belgrade, Republic of Serbia

Address for hand delivery and by private courier service

Ministry of Finance
Department for Contracting and Financing of EU Funded Programmes (CFCU)
Division for Tender Evaluation and Contracting
3-5, Sremska Str, V floor/office 502
11000 Belgrade, Republic of Serbia

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

Applications must be submitted in **one original and three (3) copies** in A4 size, each bound. The full application form, budget and logical framework must also be supplied in electronic format (CD-Rom or USB

stick in a separate and single file (i.e. the full application must not be split into several different files). The electronic file must contain **exactly the same** application as the paper version.

The checklist (section 7 of Part B of the grant application form) and the declaration by the lead applicant (section 8 of Part B of the grant application form) must be stapled separately and enclosed in the envelope

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

The envelope must bear the **reference number and the title of the call for proposals**, together with the number and title of the lot, the full name and address of the lead applicant, and the words 'Not to be opened before the opening session' and 'Ne otvarati pre zvanične sednice za otvaranje predloga projekata'.

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

2.2.7. Deadline for submission of full applications

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

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

2.2.8. Further information about full applications

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

E-mail address: cfcu.questions@mfin.gov.rs

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

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

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

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

2.3. EVALUATION AND SELECTION OF APPLICATIONS

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

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

(1) STEP 1: OPENING & ADMINISTRATIVE CHECKS AND CONCEPT NOTE EVALUATION

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

- If the deadline has been met. Otherwise, the application will be automatically rejected.
- If the concept note satisfies all the criteria specified in the checklist in section 2 of Part A of the grant application form. This includes also an assessment of the eligibility of the action. If any of the requested information is missing or is incorrect, the application may be rejected on that **sole** basis and the application will not be evaluated further.

The concept notes that pass this check will be evaluated on the relevance and design of the proposed action.

The concept notes will receive an overall score out of 50 using the breakdown in the evaluation grid below. The evaluation will also check on compliance with the instructions on how to complete the concept note, which can be found in Part A of the grant application form.

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

Scores

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

TOTAL SCORE **50**

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

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

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

Secondly, the number of concept notes will be reduced, taking account of the ranking, to the number of concept notes whose total aggregate amount of requested contributions is equal to 200% of the available budget for this call for proposals. The amount of requested contributions of each concept note will be based on the indicative financial envelopes for each Lot, where relevant.

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

(2) STEP 2: EVALUATION OF THE FULL APPLICATION

Firstly, the following will be assessed:

- If the submission deadline has been met. Otherwise, the application will automatically be rejected.
- If the full application satisfies all the criteria specified in the checklist (section 7 of Part B of the grant application form). This includes also an assessment of the eligibility of the action. If any of the requested information is missing or is incorrect, the application may be rejected on that **sole** basis and the application will not be evaluated further.

The full applications that pass this check will be further evaluated on their quality, including the proposed budget and capacity of the applicants and affiliated entity(ies). They will be evaluated using the evaluation criteria in the evaluation grid below. There are two types of evaluation criteria: selection and award criteria.

The selection criteria help to evaluate the applicant(s)'s and affiliated entity(ies)'s operational capacity and the lead applicant's financial capacity and are used to verify that they:

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

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

Scoring:

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

Evaluation Grid

Section	Maximum Score
1. Financial and operational capacity	20
1.1 Do the applicants and, if applicable, their affiliated entity (ies) have sufficient experience of project management?	5
1.2 Do the applicants and, if applicable, their affiliated entity (ies) have sufficient technical expertise? (especially knowledge of the issues to be addressed)	5
1.3 Do the applicants and, if applicable, their affiliated entity (ies) have sufficient management capacity? (Including staff, equipment and ability to handle the budget for the action)?	5
1.4 Does the lead applicant have stable and sufficient sources of finance?	5
2. Relevance of the action	30
<i>Score transferred from the Concept Note evaluation</i>	
3. Effectiveness and feasibility of the action	20
3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	5
3.2 Is the action plan clear and feasible?	5
3.3 Does the proposal contain objectively verifiable indicators for the outcome of the action? Is any evaluation planned?	5
3.4 Is the co-applicant(s)'s and affiliated entity (ies)'s level of involvement and participation in the action satisfactory?	5
4. Sustainability of the action	15
4.1 Is the action likely to have a tangible impact on its target groups?	5
4.2 Is the proposal likely to have multiplier effects? (Including scope for replication, extension and information sharing.)	5
4.3 Are the expected results of the proposed action sustainable?: - 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

- environmentally (if applicable) (<i>will the action have a negative/positive environmental impact?</i>)	
5. Budget and cost-effectiveness of the action	15
5.1 Are the activities appropriately reflected in the budget?	/ 5
5.2 Is the ratio between the estimated costs and the expected results satisfactory?	/ 10
Maximum total score	100

If the total score for section 1 (financial and operational capacity) is less than 12 points, the application will be rejected. If the score for at least one of the subsections under section 1 is 1, the application will also be rejected.

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

Provisional selection

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

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

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

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

Any rejected application will be replaced by the next best placed application on the reserve list that falls within the available budget for this call for proposals.

2.4. SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS

A lead applicant whose application has been provisionally selected or placed on the reserve list will be informed in writing by the Contracting Authority. It will be requested to supply the following documents in order to allow the Contracting Authority to verify the eligibility of the lead applicant, (if any) of the co-applicant(s) and (if any) of their affiliated entity(ies)¹⁶:

1. The statutes or articles of association of the lead applicant, (if any) of each co-applicant and (if any) of each affiliated entity¹⁷. Where the Contracting Authority has recognised the lead applicant's, or the co-applicant(s)'s, or their affiliated entity(ies)'s eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, it should be submitted, instead of the statutes or articles of association, a copy of the document proving their eligibility in a former call (e.g. a copy of the Special Conditions of a grant contract received during the reference period), unless a change in legal status has occurred in the meantime¹⁸. This obligation does not apply to international organisations which have signed a framework agreement with the European Commission.
2. An external audit report produced by an approved auditor, certifying the lead applicant's accounts for the last financial year available where the total amount of the requested EU contribution exceeds EUR 750 000 (EUR 100 000 for an operating grant). The external audit report is not required from (if any) the co-applicant(s) or affiliated entities.

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

3. A copy of the lead applicant's latest accounts (the profit and loss account and the balance sheet for the last financial year for which the accounts have been closed)¹⁹. A copy of the latest account is neither required from (if any) the co-applicant(s) nor from (if any) affiliated entity(ies).
4. Legal entity sheet (see Annex D of these guidelines) duly completed and signed by each of the applicants (i.e. by the lead applicant and (if any) by each co-applicant), accompanied by the justifying documents requested there. If the applicants have already signed a contract with the Contracting Authority, instead of the legal entity sheet and supporting documents, the legal entity number may be provided, unless a change in legal status occurred in the meantime.]
5. A financial identification form of the lead applicant (not from co-applicant(s)) conforming to the model attached as Annex E of these guidelines, certified by the bank to which the payments will be made. This bank should be located in the country where the lead applicant is established. If the lead applicant has already submitted a financial identification form in the past for a contract where the European Commission was in charge of the payments and intends to use the same bank account, a copy of the previous financial identification form may be provided instead.]
6. Documentation proving that projects including infrastructure activities proposed under the applications are "ready to go". The Applicants should provide, if such documentation is required for their interventions under the Serbian Law **the following supporting documents (which applicable) in a draft (not certified) version:**

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

17 Where the lead applicant and/or a co-applicant(s) and or an affiliated entity(ies) is a public body created by a law, a copy of the said law must be provided.

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

19 This obligation does not apply to natural persons who have received a scholarship or that are in most need in receipt of direct support, nor to public bodies and to international organisations. It does not apply either when the accounts are in practice the same documents as the external audit report already provided pursuant to section 2.4.2.

- a. Proof of ownership or long term lease (at least for 10 years after the signature of the contract) of the land/assets where the works are to be executed;
- b. Draft detailed work design or otherwise a statement by the relevant national institution(s) confirming that the national legislation(s) do/does not require the design's approval for this type of works;
- c. An indicative priced bill of quantities issued not earlier than 2 years prior to the deadline for submission of full applications – calculated in euro.

The remaining documents (if) requested in accordance with the Serbian Law (e.g.: location and construction permits, etc.) have to be obtained during the inception phase of the project, if the grantee is awarded the grant.

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

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

Where these documents are in an official language of the European Union other than the language of the call for proposals, it is **strongly** recommended, in order to facilitate the evaluation, to provide a translation of the relevant parts of the documents, proving the lead applicant's and, where applicable, co-applicants' and affiliated entity(ies)' eligibility, into the language of the call for proposals.

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

After verifying the supporting documents, the evaluation committee will make a final recommendation to the Contracting Authority, which will decide on the award of grants.

NB : In the eventuality that the Contracting Authority is not satisfied with the strength, solidity, and guarantee offered by the structural link between one of the applicants and its affiliated entity, it can require the submission of the missing documents allowing for its conversion into co-applicant. If all the missing documents for co-applicants are submitted, and provided all necessary eligibility criteria are fulfilled, the above mentioned entity becomes a co-applicant for all purposes. The lead applicant has to submit the application form revised accordingly.

2.5. NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

2.5.1. Content of the decision

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

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

2.5.2. Indicative timetable

	DATE	TIME
1. Information meeting (if any)	Will be published separately	Will be published separately

2. Deadline for requesting any clarifications from the Contracting Authority	12 th April 2018	15:00
3. Last date on which clarifications are issued by the Contracting Authority	20 th April 2018	-
4. Deadline for submission of concept notes	3 rd May 2018	15:00
5. Information to lead applicants on opening, administrative checks and concept note evaluation (Step 1)	July 2018	-
6. Invitations to submit full applications	July 2018	-
6. Deadline for submission of full applications	August 2018	-
7. Information to lead applicants on the evaluation of the full applications (Step 2)	November 2018	-
8. Notification of award (after the eligibility check) (Step 3)	December 2018	-
9. Contract signature	December 2018	-

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

This indicative timetable refers to provisional dates (except for dates 2, 3, and 4) and may be updated by the Contracting Authority during the procedure. In such cases, the updated timetable will be published on the EuropeAid web site <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome> and www.cfcu.gov.rs.

2.6. CONDITIONS FOR IMPLEMENTATION AFTER THE CONTRACTING AUTHORITY'S DECISION TO AWARD A GRANT

Following the decision to award a grant, the beneficiary(ies) will be offered a contract based on the standard grant contract (see Annex G of these guidelines). By signing the application form (Annex A of these guidelines), the applicants agree, if awarded a grant, to accept the contractual conditions of the standard grant contract. Where the Coordinator is an organisation whose pillars have been positively assessed, it will sign a PA Grant Agreement based on the PAGOda template. In this case references to provisions of the standard grant contract and its annexes shall not apply. References in these guidelines to the grant contract shall be understood as references to the relevant provisions of the PA Grant Agreement.

Implementation contracts

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

• 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 Sheet²⁰
- Annex E: Financial identification form

DOCUMENTS FOR INFORMATION²¹

- Annex G: Standard Grant Contract
 - Annex II: general conditions
 - Annex IV: contract award rules
 - Annex V: standard request for payment
 - Annex VI: model narrative and financial report
 - Annex VII: model report of factual findings and terms of reference for an expenditure verification of an EU financed grant contract for external action
 - Annex VIII: model financial guarantee
 - Annex IX: standard template for transfer of ownership of assets
- Annex H: Daily allowance rates (Per diem), available at the following address:
http://ec.europa.eu/europeaid/funding/about-procurement-contracts/procedures-and-practical-guide-prag/diems_en
- Annex J: Information on the tax regime applicable to grant contracts signed under the call.
- Annex K: Guidelines and Checklist for assessing Budget and Simplified cost options.

Useful links:

Project Cycle Management Guidelines

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

The implementation of grant contracts

A Users' Guide

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

Financial Toolkit

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

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

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²⁰ Only applicable where the European Commission will make the payments under the contracts to be signed.

²¹ These documents should also be published by the Contracting Authority.