



Contracting Authority:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH



Eastern Partnership Territorial Cooperation Programmes Territorial Cooperation Programme Azerbaijan - Georgia

Guidelines
for grant applicants

Reference: 1st call for proposals

Deadline for submission of concept note and full application: 17 December
2015 at 17:00 local time

NOTICE

This is an open Call for Proposals, where all documents are submitted together (Concept Note and Full Application Form). In the first instance, only the Concept Notes will be evaluated. Thereafter, for the applicants who have been pre-selected, the full proposal will be evaluated. After the evaluation of the full proposals, 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 Applicant' sent together with the application.

Table of contents

LIST OF ABBREVIATIONS	4
1. TERRITORIAL COOPERATION PROGRAMME AZERBAIJAN - GEORGIA	1
1.1. Background.....	1
1.2. Legal Framework.....	2
1.3. Objectives of the programme and priority issues	2
1.4. Financial allocation provided by the contracting authority	3
2. RULES FOR THIS CALL FOR PROPOSALS	3
2.1. Eligibility criteria.....	3
2.1.1. Eligibility of applicants (i.e. applicant and co-applicant(s)).....	4
2.1.2. Affiliated entities	6
2.1.3. Associates and Contractors	8
2.1.4. Concept of Lead Applicant for each proposal	8
2.1.5. Eligible actions: actions for which an application may be made.....	9
2.1.6. Eligibility of costs: costs that can be included	13
2.2. How to apply and the procedures to follow	15
2.2.1. Application forms.....	15
2.2.2. Where and how to send Applications.....	16
2.2.3. Deadline for submission of Applications	17
2.2.4. Further information about Applications	17
2.3. Evaluation and selection of applications	17
2.4. Submission of supporting documents for provisionally selected applications	22
2.5. Notification of the Contracting Authority's decision	24
2.5.1. Content of the decision.....	24
2.5.2. Indicative timetable	24
2.6. Conditions for implementation after the Contracting Authority's decision to award a grant.....	24
2.7. Early warning system and central exclusion database.....	25
LIST OF ANNEXES	25

List of Abbreviations

AZ	Azerbaijan
CA	Contracting Authority
CBC	Cross-Border Cooperation
CED	Central Exclusion Database
CfP	Call for Proposals
EaP	Eastern Partnership
EC	European Commission
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
ENI	European Neighbourhood Instrument
EU	European Union
EWS	Early Warning System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GE	Georgia
JDMC	Joint Decision Making Committee
JOP	Joint Operational Programme
MA	Managing Authority (of a Territorial Cooperation Programme)
NGO(s)	Non-Governmental Organisation(s)
PRAG	Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external actions – EC procurement rules
TC	Territorial Cooperation (under the EaP)
TS	Technical Secretariat

1. TERRITORIAL COOPERATION PROGRAMME AZERBAIJAN - GEORGIA

1.1. BACKGROUND

The Joint Communication ‘A New Response to a Changing Neighbourhood’¹ highlights cross border cooperation between the EaP countries as one of the instruments to tackle economic disparities between regions and raise the quality of life across the area in a sustainable manner. Territorial cooperation between the EaP countries complements bilateral and regional development programmes (including pilot regional development programmes, PRDPs), which promote a strategy-based, inclusive approach to reduce economic and social regional disparities and realise the regional (hence national) economic potential. In the Joint Declaration of the Warsaw Eastern Partnership (EaP) summit of 29-30 September 2011², the participants acknowledged multilateral cooperation and recalled that the EaP could help develop closer ties between the partner countries themselves.

The ENPI Regional East Programme Strategy Paper 2010-2013 and Indicative Programme 2010-2013 identify territorial cooperation in partner countries as one of the sub-priorities of the Priority Area 2 “Economic Development”. In this context, a total of EUR 17.5 million has been allocated to the EaP Territorial Cooperation Programmes. Two components are envisaged: 1) The Eastern Partnership Territorial Cooperation Support Programme (EAPTC), a technical assistance programme (EUR 5 million) launched in November 2012 to strengthen the capacity of local and regional state and non-state actors along the Ukraine-Belarus, Ukraine-Moldova, Georgia-Armenia, and Georgia-Azerbaijan borders to develop and implement cross-border projects; and 2) The Eastern Partnership Territorial Cooperation Programmes.

The Eastern Partnership Territorial Cooperation Programmes will largely build on the experience of the ENPI cross border cooperation (CBC) programmes implemented along the EU external borders in what concerns focusing on local development needs as well as thematic coverage. A distinctive feature – and novelty for the EaP region – of these programmes lies in the fact that the interventions will support the creation of genuine, effective and operational cooperation between border regions of the EaP countries only, whereas ENPI CBC always include an EU Member State as one of the partners.

The cross-border cooperation programme between Azerbaijan and Georgia is carried out in the following eligible areas:

- Azerbaijan: Ganja-Qazakh and Sheki-Zagatala economic zones
- Georgia: Kakheti and Kvemo-Kartli (mkhare)

The implementation of the Programme is overseen by a Joint Decision Making Committee (JDMC) composed of representatives of both participating countries' institutions and civil society. The JDMC is also responsible for selecting projects to be financed under the Programme.

The JDMC is assisted by a Technical Secretariat (TS) based in Tbilisi (Georgia) and a TS antenna located in Ganja (Azerbaijan). The TS is the administrative body responsible for the day-to-day management of the Programme including support and advice to grant beneficiaries.

This action, with the objective of promoting sustainable territorial cooperation between the border regions of the EaP countries to support their social and economic development is implemented in indirect centralised management by a Member States agency, GIZ, in accordance with Article 54(2)(c) of Financial Regulation 1605/2002.

¹ COM(2011) 303 final, 25.5.2011.

² Council of the European Union, 14983/11, 30.09.2011.

Acting as Managing Authority for the Eastern Partnership Territorial Programmes, GIZ is responsible for launching calls for proposals as well as evaluating those proposals. It also acts as Contracting Authority concluding and managing contracts, carrying out payments, and recovering sums due.

1.2. LEGAL FRAMEWORK

The legal framework for EaPTC comprises:

- Council Regulation (EC, Euratom) No.1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities;
- Commission Regulation (EC, Euratom) No.2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No.1605/2002 on the Financial Regulation applicable to the general budget of the European communities;
- Regulation (EC) No 1638/2006 of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument
- ENPI REGIONAL EAST PROGRAMME STRATEGY PAPER 2010-2013 & INDICATIVE PROGRAMME 2010-2013
- COMMISSION IMPLEMENTING DECISION of 22.11.2013 on the ENPI East Regional Action Programme 2013 Part II to be financed from the general budget of the European Union with ANNEX 8 - Action Fiche for the Eastern Partnership Territorial Cooperation Programmes
- Practical Guide to contract procedures for EU external actions (PraG).

1.3. OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The **overall objective** of the territorial cooperation programme Azerbaijan – Georgia is to strengthen cross border contacts between local authorities, communities and civil society organisations to help develop joint solutions to common social and economic development challenges.

Thematic coverage: Operational Objectives

The territorial cooperation programme Azerbaijan - Georgia addresses local development needs that have been specified in the Joint Operational Programme (JOP). It supports small-scale cross border projects between local partners and focuses on the following three operational objectives and related priority issues:

- I. Improving the living conditions of local communities in the border regions through joint projects supporting economic and social development
 - a) Development of cross-border synergies in agriculture and related economic sectors
 - b) Build up cross-border tourism potential
- II. Addressing common challenges in the fields of environment, employment, public health and any other field of common interest having a cross border dimension
 - a) Solving cross-border environmental problems and enhancing emergency preparedness

- III. Culture, education and sports
- a) Enhancing social inclusion through measures in the areas of culture, education and sports
 - b) Develop links between youth of the bordering regions

1.4. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this Call for Proposals is € 1,350,000. The Contracting Authority reserves the right not to award all available funds.

Size of grants

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

- minimum amount: € 20,000
- maximum amount: € 250,000

Any grant requested under this Call for Proposals must further be limited to the following maximum percentage of the estimated total eligible costs of the action.

Maximum percentage: 90 % of the total eligible costs of the action (see also Section 2.1.6).

As a reminder, before sending your proposal please check that the requested contribution is equal or less than maximum percentage of the estimated total eligible costs allowed.

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

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 to contract procedures for EU external actions, which is applicable to the present call (available on the Internet at this address: <http://ec.europa.eu/europeaid/prag/document.do>).

2.1. ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

(1) the actors:

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

(2) the actions:

- Actions for which a grant may be awarded (2.1.5);

(3) the costs:

- types of cost that may be taken into account in setting the amount of the grant (2.1.6).

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

Applicant and co-applicant(s)

(1) In order to be eligible for a grant, the applicant and its co-applicant(s) must:

- be legal persons³, registered⁴ at least one (1) year before the call is launched **and**
- be non-profit-making **and**
- be a specific type of organisation such as: non-governmental organisation, public sector operator, local authority, namely:

Azerbaijan	Georgia
<p>Public bodies:</p> <ul style="list-style-type: none"> • Executive Powers - Article 124 of the Constitution • Municipalities - 'Belediyye' (Law on Status of Municipalities (Article 13-1); Law on Approval of the Regulations on the State Registry of Municipalities and Giving them Certificate of 29.12.2009; Article 43.4 of the Civil Code) <p>Public equivalent bodies:</p> <ul style="list-style-type: none"> • State foundation out-of-budget –Law on State Budget (2 July 2002), Article 1.1.5. State financial foundations founded by the state as legal person and having independent budget out of state • Budget foundations with the aim – Law on State Budget, Art. 1.1.18, Art. 5 • Associations of municipalities (Sample charter of regional association of municipalities, 2005) <p>Non-governmental and non-profit organisations:</p> <ul style="list-style-type: none"> • Non-Commercial Legal Entity (as defined by the Civil Code and Law on NGOs (public unions and foundations)) 	<p>Public bodies:</p> <ul style="list-style-type: none"> • Municipalities (as defined by the Local Self-Governance Code), associations of the municipalities <p>Public equivalent bodies</p> <ul style="list-style-type: none"> • Legal entities of public law (as defined by the Law on Legal Entities of Public Law) <p>Non-governmental and non-profit organisations:</p> <ul style="list-style-type: none"> • Non-Entrepreneurial (Non-Commercial) Legal Entity (as defined by the Civil Code)
<p>• Any other national legal form complying with the definition of public bodies, public equivalent bodies, non-governmental and non-profit organisations as per Directive 2004/18/EC⁵</p>	

³ Individuals are not eligible, nor are informal alliances or initiatives without legal status.

⁴ Date and the place of registration to be determined based on the company registration certificate or its equivalent document as requested under section 2.4 of this guideline.

⁵ The bodies shall meet the following criteria: (a) be established for the specific purpose of meeting needs in general interest, not having an industrial or commercial character; (b) having legal personality; and (c) be financed, for the most part, by the state, regional or local authorities, or other bodies governed by public law; or subject to management supervision by those bodies; or having an administrative, managerial or supervising board, more than half of whose are appointed by the state, regional or local authorities, or by other bodies governed by public law. Directive 2004/18/EC of 31.03.2004, OJ L 134/114 of 30.04.2004.

and

- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary **and**
- be established⁶ and located in the Republic of Azerbaijan or Georgia, **and**
- the lead applicant and at least one co-applicant of the other participating country be registered⁷ in the eligible regions (for Azerbaijan: Ganja-Qazakh and Sheki-Zagatala economic zones and for Georgia: Kakheti and Kvemo-Kartli regions).

Please note that political parties, churches and parishes are not eligible, neither as applicants nor as co-applicants or affiliated entities.

- (2) The potential applicant may not participate in calls for proposals or be awarded grants if it is in any of the situations listed in Section 2.3.3 of the Practical Guide.

In Part B section 8 of the grant application form ('Declaration by the applicant'), the applicant must declare that the applicant himself, the co-applicant(s) and affiliated entity(ies) are not in any of these situations:

(a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;

(b) they, or persons having powers of representation, decision making or control over them, have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member State which has the force of *res judicata*; (i.e. against which no appeal is possible);

(c) they have been guilty of grave professional misconduct proven by any means which the Contracting Authority can justify, including by decisions of the European Investment Bank and international organisations;

(d) they are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Contracting Authority or those of the country where the contract is to be performed;

(e) they, or persons having powers of representation, decision making or control over them, have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such an illegal activity is detrimental to the EU's financial interests;

(f) they are currently subject to an administrative penalty referred to in Article 109(1) of the EU Financial Regulation (for programmes funded by the EU budget and the 11th EDF) and in Article 99 of the 10th EDF Financial Regulation (for programmes funded by the 10th EDF).

⁶ To be determined on the basis of the organisation's statutes, (in case of public bodies the underlying law or any other official document) 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.

⁷ To be determined on the basis of the legal address as indicated in the registration certificate or its equivalent document.

(3) In order to be eligible for a grant, applicants must not be affected by potential conflict of interest with the Structures of the Programme (Joint Decision Making Committee, Technical Secretariat).

Should such a situation arise during performance of the contract, the beneficiary must immediately inform the Contracting Authority.

The applicant must act with co-applicant(s) as specified under the section 2.1.4.

If awarded the Grant contract, the applicant will become the Beneficiary identified as the Coordinator in Annex III (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 coordinates the design and implementation of the Action.

All claims of the co-applicant(s) shall be met by the lead applicant. The Contracting Authority will not enter into any formal agreement with the co-applicant(s).

Co-applicant(s)

The lead applicant of the eligible regions of the Republic of Azerbaijan or of Georgia **must act together with at least one (1) co-applicant** of the eligible regions of the other participating country (Republic of Azerbaijan in case the applicant is from an eligible region of Georgia or Georgia in case the applicant is from an eligible region of the Republic of Azerbaijan).

In the proposal, the budgetary allocation per co-applicant should be clearly identifiable in order to ensure that all partners have financial allocations in adequacy with their respective roles in the activities of the project.

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

Co-applicant(s) must satisfy the eligibility criteria as applicable to the lead applicant himself.

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

- The second and further co-applicants may be registered outside the eligible regions, but established in the Republic of Azerbaijan or Georgia and should have demonstrable experience of operating in the eligible regions of either country.

Co-applicant(s) 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 beneficiaries in the Action (together with the Coordinator).

2.1.2. Affiliated entities

Affiliated entity(ies)

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

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

Only entities having a structural link with the applicants, 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 a beneficiary may hence be:

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

- Entities that have entered into a (procurement) contract or subcontract with a beneficiary, act as concessionaires or delegates for public services for a beneficiary,
- Entities that receive financial support from the beneficiary,
- Entities that cooperate on a regular basis with the beneficiary on the basis of a memorandum of understanding or share some assets,
- Entities that have signed a consortium agreement under the grant contract.

How to verify the existence of the required link with the beneficiary?

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

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

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

- Affiliated entity(ies) may not be a legal body itself, however a structural link with the lead applicant (or respective co-applicant) should be clearly identifiable from the supporting documents (see section 2.4).
- Affiliated entities may be registered outside the eligible regions, but be established in the Republic of Azerbaijan or Georgia and should have demonstrable experience of operating in the eligible regions of either country.

2.1.3. Associates and Contractors

The following entities are neither applicant nor affiliated entity (ies) and do not have to sign the "mandate" or "affiliated entities' statement":

- Associates

Other organisations may be involved in the action. Such associates are an interested party taking part in the implementation and play a real role in the action but may not receive funding from the grant, nor can their costs be covered by 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 of the Applicant participating in the Action’ — of the Grant Application Form.

- Contractors

The grant 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. Concept of Lead Applicant for each proposal

Each proposal must have at least two cross-border applicants, one from the eligible regions of the Republic of Azerbaijan and one from the eligible regions of Georgia, acting in partnership. One of the two applicants will act as lead applicant; the other will be its co-applicant.

This partnership **will not be accepted** when established between operators responding to the same name **and** belonging to the same mother organisation, irrespective of the fact that they are established in each of the two eligible participating countries.

If awarded the grant contract, the lead applicant will become the beneficiary identified as the coordinator and co-applicants will become the co-beneficiaries following the award of the grant.

Therefore the lead applicant shall assume the following responsibilities:

- a) It shall lay down an agreement with the project co-applicant(s), in order to guarantee the sound financial management of the EaPTC funds allocated to the action, including the arrangements for recovering amounts unduly paid;
- b) it shall be the intermediary for all communications between the co-applicant(s) (later defined as co-beneficiary(ies)), affiliated entity(ies) and the Contracting Authority;
- c) it shall be responsible for ensuring the implementation of the entire action and have full financial responsibility for ensuring that the action is implemented in accordance with the grant contract;
- d) it shall monitor that the action is implemented in accordance with grant contract and ensure coordination with all beneficiary(ies) in the implementation of the action;

e) it shall be responsible for supplying all documents and information to the Contracting Authority which may be required under this contract, in particular in relation to the requests for payment. Where information from the beneficiary(ies) is required, the lead applicant (coordinator) shall be responsible for obtaining, verifying and consolidating this information before passing it on to the Contracting Authority. Any information given, as well as any request made by the lead applicant to the Contracting Authority, shall be deemed to have been given in agreement with all beneficiary(ies);

f) it shall inform the Contracting Authority of any event likely to affect or delay the implementation of the action;

g) it shall be responsible for transferring the Community contribution (EaPTC funds) to co-applicant(s) and affiliated entities (if any);

h) it shall ensure that the expenditure presented by the co-applicant(s) (co-beneficiary(ies)) and affiliated entities (if any) has been paid for the purpose of implementing the action and corresponds to the activities agreed between the applicants/co-applicant(s)/affiliated entities (if any).

i) it shall inform the Contracting Authority of any change in the legal, financial, technical, organisational or ownership situation of any of the co-applicants as well as, of any change in the name, address or legal representative of any of the co-applicant(s);

j) it shall make appropriate arrangements for providing the financial guarantee,(if requested) for grants exceeding EUR 60,000, under the provisions of Article 7.2.11 of the Special Conditions;

k) it shall establish the payment requests in accordance with the contract;

l) it shall be the sole recipient, on behalf of all of the beneficiary(ies), of the payments of the Contracting Authority. The lead applicant (coordinator) shall ensure that the appropriate payments are then made to the co-beneficiary(ies) without unjustified delay;

g) it shall not delegate any, or part of, these tasks to the co-applicant(s) (co-beneficiary(ies)) or other (e.g. affiliated) entities;

h) it shall be responsible in the event of audits, checks, monitoring or evaluations, as described in Article 16 of the general conditions for providing all the necessary documents, including the accounts of co-beneficiary(ies), copies of the most relevant supporting documents and signed copies of any contract concluded according to Article 10 of the general conditions.

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

Definition:

An action is composed of a set of activities.

To be eligible, an **action** which may be financed under this call **must** fulfil the following criteria:

All joint actions must have a clear cross border impact on the targeted regions demonstrated by the proposed activities, outputs and results intended to produce sustainable positive effects in the areas concerned.

The cross-border character of the action shall be demonstrated by applying at least one of the following conditions, as described below: joint development, joint staffing, joint implementation and/or joint financing.

Joint development – means that the joint action must be designed in common by partners, meaning that applications must clearly integrate the ideas, priorities and actions of all stakeholders. The Lead Applicant

(Coordinator) is the coordinator of this process, but should include other partners from the beginning of the development process;

Joint implementation – means that the activities to be carried out for the implementation of the joint action are distributed in a balanced way among the partners. There is a clear content-based link between the activities implemented in each country/region and regular contacts are ensured between all the sides. The Lead Applicant (Coordinator) is responsible for ensuring that the activities are properly coordinated, that schedules are kept and that the right quality levels are achieved;

Joint staffing – means that the joint action should not duplicate functions. Within the staff, a balanced distribution of activities and responsibilities shall be made, for example, one project manager and one financial manager should be sufficient for the entire project in case of small scale projects.

Joint financing – means that there will be only one grant contract per joint action and there must be one common budget and common reporting. The common budget shall be divided between the partners according to a balanced distribution of activities to be carried out by them. The Lead Applicant (Coordinator) is responsible for the administration and distribution of the funds to the partners and for reporting on their use.

Duration

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

Location

Actions must have as final beneficiaries the population of the programme area and their activities must take place exclusively in the eligible areas. The eligible areas of the territorial cooperation programme Azerbaijan-Georgia include the following regions/administrative units situated along the Azerbaijan-Georgia state border:

- Azerbaijan: Ganja-Qazakh and Sheki-Zagatala economic zones
- Georgia: Kakheti and Kvemo-Kartli (mkhare)

Types of action

Joint actions to be financed under the territorial cooperation programme Azerbaijan - Georgia must relate to at least one of the following three operational objectives and a related priority:

Operational objective 1- Improving the living conditions of local communities

Within this operational objective, activities pursuing the following two priorities will be supported:

- **Priority A – Development of cross-border synergies in agriculture and related economic sectors**

The following actions may become subject matter of joint projects (the list is not exhaustive):

- Development and setting up business information services for agrarian producers in order to enhance access to market information;
- Joint actions to enhance understanding of custom procedures by agrarian producers for cross-border trade development;
- Training and studies for modernisation and development of joint exporting competences;
- Organisation of regular (seasonal) fairs and bazaars for local products to facilitate cross-border trading between eligible regions;
- Encouraging networking and trade relations that contribute to joint development of higher-value-added products;
- Development of joint irrigation systems ensuring sustainable use of cross-border water resources;

- Exchange of good practices, training on innovative technologies in agriculture and related industries;
- Studies, research and development activities as well as advocacy actions to support further structural reforms in the agricultural sector
- Improving border customs checkpoints on the Azerbaijan-Georgia border

- **Priority B – Building up cross-border tourism potential**

The following actions may become subject matter of joint projects (the list is not exhaustive):

- Setting up networks and associations of tourist bureaus, operators, information centres and hotels in the bordering regions;
- Creating joint cross-border international touristic routes (cultural, historical etc.);
- Recreating sites of touristic interest to revive domestic and cross-border tourist flows;
- Joint trainings to local providers of tourism services to enhance quality of services offered.

Operational objective 2 - Addressing common challenges

Within this operational objective, activities pursuing the following priority will be supported:

- **Priority A - Solving cross-border environmental problems and enhancing emergency preparedness**

The following actions may become subject matter of joint projects (the list is not exhaustive):

- Joint management and monitoring of trans-border water resources;
- Joint monitoring of industrial zones that may cause serious environmental damage with trans-bordering impact on air, water, soil or groundwater pollution;
- Joint monitoring and management of forests, areas of significant importance in environmental terms including protected areas in the bordering regions to avoid further deforestation and preserve bio-diversity;
- Joint activities to enhance preparedness for emergency situations – floods, earthquakes, etc.;
- Joint approach to household waste collection, management and recycling;
- Raising public awareness of cross-border environmental issues.

Operational objective 3 – Culture, education and sports

Within the operational objective, activities pursuing the following two priorities will be supported:

- **Priority A – Enhancing social inclusion through measures in the areas of culture, education and sports**

The following actions may become subject matter of joint projects (the list is not exhaustive):

- Cooperation actions between regional and local authorities as well as non-governmental organisations in addressing social issues;
- Joint initiatives to address gender issues;
- Development of community services;
- Facilitation of experience exchange between state and non-state actors across the border;
- Studies, research and training as well as advocacy actions addressing social issues;
- Regional media partnerships and experience sharing.

- **Priority B – Develop links between youth of the bordering regions**

The following actions may become subject matter of joint projects (the list is not exhaustive):

- Cooperation actions between youth organisations in education, culture and sports;
- Organisation of joint cultural and sport events and festivals;
- Exchange between schools and other education and culture institutions;
- Joint initiatives to enhance employability of youth, including vocational education and training;
- Fostering multi-cultural diversity and heritage and tolerance.

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

- actions without cross-border impact;
- actions implemented outside the eligible geographic area;
- actions related to profit making activities, unless they generate an income to ensure their continuity beyond the end of the grant contract;
- actions started before the signature of the grant contract;
- actions implemented after the project implementation period (unless otherwise pre-approved by the Contracting Authority);
- actions already covered by other European Union programmes or by other third party funding (double funding);
- actions concerned only or mainly with individual sponsorships for studies or training courses, participation in workshops, seminars, conferences and congresses;
- actions which fall within the general activities of competent state institutions or state administration services, including local government; actions with provisions for financing the usual (routine) activities of the local organisations, especially covering their running costs (i.e. operating grants);
- actions aimed mainly at the upgrading of infrastructure and equipment
- actions confined to charitable donations;
- actions aimed at the purchase of land, real estate or essentially focused on the purchase of equipment;
- actions involving sub-granting (i.e. financial support to third parties);
- actions including proselytism.

Financial support to third parties⁸

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

The lead applicant **shall not submit more than 1 application** under each of the three Operational Objectives of this Call for Proposals. **If a lead applicant submits more than one application under an Operational Objective all its proposals submitted as lead applicant will be rejected.**

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 submit more than 1 application** under this Call for Proposals.

A co-applicant/affiliated entity **may be awarded more than 1 grant** under this Call for Proposals.

⁸ These third parties are neither affiliated entity(ies) nor associates nor contractors.

A co-applicant/affiliated entity **may be the applicant or an affiliated entity** in other applications at the same time.

2.1.6. 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 **actual costs incurred by the Beneficiary(ies) and affiliated entity(ies)**.

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

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

Eligible direct costs

As stipulated in article 14 of Annex II - General Conditions to the Standard Grant Contract, eligible costs are actual costs incurred by the Beneficiary(ies) which meet all the following criteria:

- a) They are incurred during the implementation of the action as specified in Article 2 of the Special Conditions. In particular:
 - (i) Costs relating to services and works shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Signature of a contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services, works or supplies after expiry of the implementation period do not meet this requirement;
 - (ii) Costs incurred should be paid before the submission of the final reports. They may be paid afterwards, provided they are listed in the final report together with the estimated date of payment;
 - (iii) An exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the Action, which may be incurred after the implementation period of the Action;
- b) they are indicated in the estimated overall budget for the action;
- c) they are necessary for the implementation of the action;
- d) they are identifiable and verifiable, in particular being recorded in the accounting records of the Beneficiary(ies) and determined according to the accounting standards and the usual cost accounting practices applicable to the Beneficiary(ies);
- e) they comply with the requirements of applicable tax and social legislation;
- f) they are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

Subject to Article 14.1 and, where relevant, to the provisions of Annex IV being respected, the following direct costs of the Beneficiary(ies) shall be eligible:

- a) the cost of staff assigned to the action, corresponding to actual gross salaries including social security charges and other remuneration-related costs; salaries and costs shall not exceed those normally borne by the Beneficiary(ies), unless it is justified by showing that it is essential to carry out the action;
- b) travel and subsistence costs for staff and other persons taking part in the action, provided they do not exceed those normally borne by the Beneficiary(ies) nor the up to date rates provided by GIZ;
- c) purchase costs for equipment and supplies (new or used) specifically for the purposes of the action, provided that ownership is transferred at the end of the action when required in Article 7.5 of the General Conditions;
- d) costs of consumables;
- e) costs entailed by contracts awarded by the Beneficiary(ies) for the purposes of the action referred to implementation contracts in Article 10 of the General Conditions;
- f) costs deriving directly from the requirements of the contract (dissemination of information, evaluation specific to the action, audits, translation, reproduction, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees where required according to the contract).

The applicants (and where applicable its affiliated entities) agree that the expenditure verification(s) referred to in Article 15.7 of the General Conditions to the Standard Grant Contract (see Annex G of the Guidelines) will be carried out by the external body authorised by the Contracting Authority

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 applicant may be asked to justify the percentage requested before the contract is signed. However, once the flat rate has been fixed in the special conditions of the standard 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 a Beneficiary(ies) or affiliated entity(ies) free of charge by a third party. As contributions in kind do not involve any expenditure for a Beneficiary(ies) or affiliated entity(ies), they are not eligible costs.

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

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

Ineligible costs

The following costs are not eligible:

- debts and debt service charges (interest);
- provisions for losses or potential future liabilities;
- costs declared by the beneficiary(ies) and financed by another action or work programme receiving a European Union (including through EDF) grant;
- purchase of land or buildings;
- currency exchange losses;
- credit to third parties;
- taxes, duties and charges, including VAT;
- contributions in kind;
- costs for actions implemented before the start or after the expiry of implementation period as stipulated in the grant contract except for costs relating to final reports, including expenditure verification, and final evaluation of the action, which may incur after the implementation period of the action.
- Salary costs of the personnel of national administration.⁹

2.2. HOW TO APPLY AND THE PROCEDURES TO FOLLOW

2.2.1. *Application forms*

Applications must be submitted in accordance with the instructions on the Concept Note and the Full Application form in the Grant Application Form annexes to these Guidelines (Annex A).

Applicants must apply in English.

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

Any error or major discrepancy related to the points listed in the instructions on the Concept Note or any major inconsistency in the full application form (e.g. if the amounts in the budget worksheets are inconsistent) may lead to the rejection of the application.

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

Hand-written applications will not be accepted.

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

Budgetary information concerning the action should be provided using round figures in Euros and be presented only in the Budget (Annex B).

⁹ The salaries of civil servants from local administration are considered as eligible costs in case they relate to the costs of activities which the relevant public authority would not have carried out if the action were not undertaken. However, the salaries cannot be financed from the EU contribution. They can be considered only as co-financing contribution.

Applicants should note that there are **three worksheets in Annex B** that have to be completed:

Worksheet 1 – ‘Budget for the action’ (worksheet 1 must include **all eligible costs** that are foreseen under the action); each cost item should be broken down as per each applicant, co-applicant and affiliated entity and names of applicants (as well as co-applicant and affiliated entities) should be indicated along with the description of each particular cost. For each salary line, the percentage of time devoted to the action should be indicated along with the position title.

Applicants are requested to pay attention to and follow the directions given in the footnotes of the worksheet.

Worksheet 2 – ‘Justification of the budget for the Action’ must provide a narrative explanation of each budget item demonstrating the necessity of the costs and how they relate to the action and also an explanation of the calculation of the estimated costs.

Worksheet 3 – ‘Expected sources of funding’ - must indicate the amount and percentage of financing per source, e.g. requested EU contribution, applicant's contribution, any other donors' contribution.

2.2.2. Where and how to send Applications

Applications must be submitted in one original and 2 copies in A4 size, each bound. The complete application form (Part A: Concept Note and Part B: Full Application Form), budget and logical framework must also be supplied in electronic format (CD-ROM) in a separate and single file (i.e. the application form must not be split into several different files). The electronic file must contain **exactly the same** application as the paper version enclosed.

The Checklist (Section 7 of Part B the grant application form) and the Declaration by the applicant (Section 8 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 ‘არ გაიხსნას შეფასების სესიის დაწყებამდე’.

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:

**Eastern Partnership Territorial Cooperation - Managing Authority
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
5 Elene Akhvlediani Agmarti
0103 Tbilisi, Georgia**

Address for hand delivery or by private courier service:

**Eastern Partnership Territorial Cooperation - Managing Authority
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
5 Elene Akhvlediani Agmarti
0103 Tbilisi, Georgia**

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 7 of Part B of the grant application form). Incomplete applications may be rejected.

Each Applicant must sign the Declaration by the Applicant (Section 8 of Part B of the Grant Application Form). The Declaration must be handwritten signed by the legally authorized representative.

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The co-applicants mandate must be handwritten signed by all legally authorized representatives. (under Section 4 of Part B of the Grant Application Form)

2.2.3. Deadline for submission of Applications

The deadline for the submission of applications is 17 December 2015 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 17:00 local time 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 sent in due time but received after the effective date of approval of the first evaluation step (see indicative calendar under Section 2.5.2)

2.2.4. Further information about Applications

Details about the information session on this Call for Proposals will be published on the following website <http://eaptc-ma.eu/en/page/cat/2/Azerbaijan-Georgia/>.

Questions may in addition be sent by e-mail no later than 21 days before the deadline for the submission of applications to the below address(es), indicating clearly the reference of the Call for Proposals:

E-mail address: eaptc-tbilisi@giz.de

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 applications.

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

Questions that may be relevant to other applicants, together with the answers, will be published on the website <http://eaptc-ma.eu/en/page/cat/2/Azerbaijan-Georgia/>. 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 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, the application will be rejected on this sole basis.

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

The following will be assessed:

- Compliance with the submission deadline. If the deadline has not been met, the application will automatically be rejected.

- The Application Form satisfies all the criteria specified in points 1-5 of the Checklist (Section 7 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.

The Concept Notes that pass the first administrative check will be evaluated by the external assessors on the relevance and design of the proposed action. The final score is the arithmetical average of the scores given by the two independent external assessors. In case of substantial discrepancies (10 points or more) revealed between the scores awarded by two assessors, the Evaluation Committee will prepare the new collective evaluation grid for the proposal concerned.

The Concept Note 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 the Concept Note, which can be found in Part A of the 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.

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)?	5	
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 demonstrate a cross-border character? (i.e. fulfils at least one of the following criteria: (1) joint development, (2) joint implementation, (3) joint staffing, (4) joint financing)*	5 x2*	
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

* A score of 5 (very good) will only be allocated if the proposal addresses all four criteria. If none of the four criteria is addressed, the proposal will automatically be rejected.

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

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

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

Secondly, the number of Concept Notes will be reduced, taking account of the ranking, to the number of Concept Notes whose total aggregate amount of requested contributions is equal to at least twice more of the available budget for this Call for Proposals.

After the evaluation of Concept Notes the Contracting Authority will send letters to all applicants, indicating whether their application was submitted by the deadline, informing them of the reference number they have been allocated, whether the Concept Note was evaluated and the results of that evaluation. The Evaluation Committee will then proceed with the applicants whose proposals have been pre-selected.

(2) STEP 2: EVALUATION OF THE FULL APPLICATION

Firstly, the following will be assessed:

- The full application form satisfies all the criteria specified in points 1-9 of the Checklist (Section 7 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.

The quality of the applications, including the proposed budget and capacity of the applicants and affiliated entity(ies), will be evaluated by the external assessors using the evaluation criteria in the evaluation grid below. The final score is the arithmetical average of the scores given by the two independent external assessors. In case of substantial discrepancies (10 points or more) revealed between the scores awarded by two assessors, the Evaluation Committee will prepare the new collective evaluation grid for the proposal concerned.

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 applicant's financial capacity and to ensure that they:

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

The award criteria help to evaluate the quality of the applications in relation to the objectives and priorities, 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, affiliated entity(ies) have sufficient experience of	5

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

Maximum total score	100
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Note on Section 1. Financial and operational capacity

If the total score for section 1 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 total score is less than 50 points, the application will be rejected.

Provisional selection

After the evaluation, a table will be drawn up listing the applications ranked according to their score and within the limits of the funds available. In addition, a reserve list will be drawn up following the same criteria to be used if more funds should become available during the validity period of the reserve list.

The applicants that has been provisionally selected or placed on the reserve list will be informed in writing by the Contracting Authority inviting those whose proposals have been provisionally selected to supply the required supporting documents.

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

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 8 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 applicants, the affiliated entities(ies), and the action 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 financial envelope.

During the eligibility check, the Contracting Authority can cooperate with national authorities and delegations of the European Union in Azerbaijan and Georgia to verify legal status of applicants as well as to ensure that there is no overlapping with other EU financing. These verifications and clarifications shall comply with principles of impartiality and confidentiality.

The final report shall be sent to JDMC for approval, only deemed valid after endorsement is obtained from the European Commission.

2.4. SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS

An applicant that 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 applicant, (if any) of the co-applicant(s) and (if any) of their affiliated entity(ies)¹⁰:

Required supporting documents for all applicants (applicant, co-applicant(s) and affiliated entities

1. The statutes or articles of association of the applicant, (if any) of each co-applicant(s) and (if any) of each affiliated entity(ies).¹¹
2. A copy of the 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)¹². A copy of the latest account is neither required from the co-applicant(s) nor (if any) affiliated entity(ies).

¹⁰ No supporting document will be requested for applications for a grant not exceeding EUR 60,000.

¹¹ Where the applicant and/or a co-applicant(s) and/or an affiliated entity(ies) is a public body created by a law or any other document, a copy of the said law or any other official document proving the establishment of the public body, must be provided. In case of affiliated entity(ies) if statutes or articles of association are not available, any other document proving the structural link between the affiliated entity and the applicant (or co-applicant) shall be provided.

¹² This obligation does not apply to public bodies. An external audit report may be provided instead of a copy of the applicant's latest accounts if the accounts are in practice the same documents as the external audit report.

3. Legal entity sheet (see annex D of these Guidelines) duly completed and signed by each of the applicants (i.e. by the applicant and (if any) by each co-applicant(s), accompanied by the justifying documents requested there. **This document must be submitted as original.**
4. A recent copy of company registration certificate or any equivalent document obtained from the respective authorities (as defined according to the local legislation) also indicating the legal address of the applicant(s) (co-applicants, affiliated entities).

In addition to the above listed supporting documents the following will be required in case the action involves renovation, landscape design, etc.

1. Proof that land or premise is owned by the applicant, co-applicant(s) or affiliated entities or the official consent of the owner of the land or premise that the mentioned estate will be used for the aim the action at least for 5 years.
2. Building permit or the proof that such permit is not required by the law.

N.B. For all applicants, it is foreseen that additional supporting documents may be required by the Contracting Authority (especially those eliminating the risk that applicants (co-applicants, affiliated entities) are in any of the conditions in section 2.3.3 of the Practical Guide) to verify the eligibility of applicant, co-applicant and affiliated entities.

Additional Requirements for affiliated entity(ies):

If not already proved by the supporting documents requested above, a document demonstrating the clear Capital or the Legal link of the affiliated entity with the respective applicant or co-applicant.

In the eventuality that the Contracting Authority is still 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 applicant has to submit the application form revised accordingly.

Additional Requirements for co-applicants or affiliated entities from geographical areas other than those considered as eligible under this call for proposals:

A document demonstrating their previous experience in conducting activities in the eligible regions (e.g. references from donors, previous grant agreements, etc.).

Requirements for all supporting documents:

Under this call for proposals supporting documents must be supplied in the form of either originals or photocopies (i.e. showing legible stamps, signatures and dates) of the said originals. However, the Legal entity sheet, the financial identification form must always be submitted in original. The Contracting Authority reserves the right to ask for originals or notarized copies of the supporting documents submitted as photocopies. If any deviation between the copies submitted on application stage and notarized copies (or originals) requested by the Contracting Authority is observed, the application may be rejected.

If supporting documents are not available in the language of this call for proposals applicants can submit them in national language, however a translation into English of the relevant parts of these documents proving the applicant(s)'s eligibility, must be attached for the purpose of analysing the application.

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.

2.5. NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

2.5.1. Content of the decision

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

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

2.5.2. Indicative timetable

	DATE	TIME*
Information meeting (if any)**	Not yet defined	Not yet defined
Deadline for requesting any clarifications from the Contracting Authority	27 November 2015	-
Last date on which clarifications are issued by the Contracting Authority	6 December 2015	-
Deadline for submission of Application Form	17 December 2015	17:00
Information to applicants on opening, administrative checks and concept note evaluation (Step 1)	31 January 2016*	-
Information to applicants on the evaluation of the Full Application Form (Step 2)	February 2016*	-
Notification of award (after the eligibility check) (Step 3)	April 2016*	-
Contract signature	May 2016*	-

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

details on exact timetable and venues for information sessions will be published on <http://eaptc-ma.eu/en/page/cat/2/Azerbaijan-Georgia/>.

In addition please also check the website www.eaptc.eu/ and register for the event.

This indicative timetable may be updated by the Contracting Authority during the procedure. In such cases, the updated timetable will be published on the <http://eaptc-ma.eu/en/page/cat/2/Azerbaijan-Georgia/>.

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 Contracting Authority's 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.

The Contracting Authority will prepare and sign the grant contracts with the lead partners of the projects selected for funding after the European Commission has endorsed the JDMC decision.

On the contracting stage a financial identification form of the applicant (not from co-applicant(s)) will be requested, conforming to the model attached at 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 applicant is established. **This document must be submitted as original.**

Implementation contracts

Where implementation of the action requires the Beneficiary(ies) and its affiliated entity(ies) (if any) 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 standard grant contract.

2.7. EARLY WARNING SYSTEM AND CENTRAL EXCLUSION DATABASE

The applicants and, if they are legal entities, the 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 Regulation of 17.12.2008 on the Central Exclusion Database (CED) (OJ L344, 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 only or both 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 grant agreement or decision.

LIST OF ANNEXES

NOTE THAT ALL ANNEXES MUST BE ADAPTED AS FORESEEN TO THE CALL AND PUBLISHED TOGETHER WITH THE GUIDELINES

DOCUMENTS TO BE COMPLETED

- Annex A: Grant Application Form (Word format)
- Annex B: Budget (Excel format)
- Annex C: Logical Framework (Word format)
- Annex D: Legal Entity Sheet
- Annex E: Financial identification form (To be submitted during the contracting phase)

DOCUMENTS FOR INFORMATION

- Annex G: Standard Grant Contract
 - Annex II: General conditions
 - Annex III: Special Conditions

- Annex IV: contract award procedures
- Annex V: standard request for payment
- Annex VI: model narrative and financial report
- Annex VII: model report of factual findings and terms of reference for an expenditure verification of an EU financed grant contract for external action
- Annex VIII: model financial guarantee
- Annex IX: standard template for transfer of ownership of assets

Annex H: GIZ daily allowance rates (Per diem),

Annex K: Guidelines and Checklist for assessing Budget

Useful links:

Project Cycle Management Guidelines

https://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?chapterId=497>

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.