



**Contracting Authority: Central Finance and Contracting Agency
Republic of Croatia**

Support for Increasing the Competitiveness of Croatian SMEs

**Guidelines
for grant applicants**

**Budget line IPA 2007 HR 16 IPO 001 Regional Competitiveness
Operational Programme 2007-2011 for Community Assistance under the
IPA Regional Development Component in Croatia**

Reference: EuropeAid/132357/M/ACT/HR

Deadline for submission of proposals: 20 February 2012

Notice

This is a restricted Call for Proposals. In the first instance, only Concept Notes must be submitted for evaluation. Thereafter, applicants whose Concept Notes have been pre-selected will be invited to submit a Full Application Form. Further to the evaluation of the Full Applications, an eligibility check will be performed for those which are provisionally selected. This check will be undertaken on the basis of the supporting documents requested by the Contracting Authority and the signed "Declaration by the Applicant" sent together with the application.

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1. SUPPORT FOR INCREASING THE COMPETITIVENESS OF CROATIAN SMEs

1.1 BACKGROUND

In conditions of the global crisis and growing globalisation, the European economy is facing moments of transformation. Europe 2020: the EU Strategy for smart, sustainable and inclusive growth sets out a vision of Europe's social market economy for the 21st century.

Micro, small and medium-sized enterprises (SMEs) play a central role in the European economy. They are a major source of entrepreneurial skills, innovation and employment and account for a large proportion of Europe's economic and professional activity. In practice, 99,8 % of businesses in the European Union are SMEs. Between 2002 and 2008, the number of SMEs increased by 24 million (or 13%) whereas the number of large enterprise increased by only 2000 (or 5%). The growth was also reflected in employment figures. In absolute numbers 9,4 million jobs were created in the SME-sector between 2002 and 2008.¹ The European Union has recognized the importance and the potential of SMEs adopting the Charter for Small Enterprises pledging its commitment for creation of environment crucial for SME development.

For small countries such as Croatia, market competitive and viable entrepreneurs, with value added products are the prerequisite for new markets' penetration. Market selection is predetermined by the level of market competitiveness and products' demand. Therefore it is obvious that technological competency and product competitiveness are the key areas of concerns for overall SME competitiveness. In recent years, Croatia has put major effort on adopting the principles of the Charter in its strategic national documents such as the Strategic Development Framework for 2006-2013^{2,3} and Strategic Coherence Framework 2007-2013^{4,5} that set the goals for development and improved competitiveness of the Croatian economy in the context of EU accession process by fostering improvement of production capacity, increasing the quality of the products and strengthening of human resources in SMEs. This is to be achieved through productive investments into innovative technologies, new product development, higher quality production, production with high added value and production less demanding on the consumption of energy and raw materials. These investments will cut across all aspects of competitiveness, i.e. productivity, quality, consumer appeal and marketing support to assist penetration into new markets (both territorial, i.e. exports, as well as demand-based).

Difficulties regarding access to finance represent an important barrier both in establishing new firms and in the further development of existing ones. In Croatia it is difficult for entrepreneurs, especially for small and medium-sized enterprises - which are of crucial importance for the further development of the national economy - to obtain the financing needed to start, support or develop a business.

Small and medium entrepreneurship has been one of the core drivers of the Croatian economy playing an important role in industrial restructuring, competitiveness and innovation, and in generating new employment. According to Croatia 2011 Progress Report⁶, some progress was made with regard to enterprise and industrial policy principles, even further efforts were made on implementation of enterprise policy principles, particularly of the Small Business Act for Europe. Croatia has made some progress, mainly thanks to active participation in the EU's Competitiveness and Innovation Programme (CIP).

In order to support the SME sector, the government adopted a set of measures under the Economic Recovery Programme⁷. The Croatian Bank for Reconstruction and Development (HBOR) was further strengthened financially to increase lending to SMEs on more favourable terms.

Overall, the SME sector continued to benefit from significant government support, but its share in the overall economy has not increased.

1 European Commission (2010.), EUROPEAN SMEs UNDER PRESSURE, ANNUAL REPORT ON EU SMEs 2009.

2 http://www.strategija.hr/datastore/filestore/10/Strategic_Development_Framework_2006_2013.pdf

3 http://www.strategija.hr/datastore/filestore/10/National_Strategic_Reference_Framework_2012___2013_1.pdf

4 <http://www.strategija.hr/en/dev-strategy/strategic-documents-preparation/strategic-coherence-framework-20072013;>

5 public.mzos.hr/fgs.axd?id=15379

6 www.mvpei.hr/.../static/.../101110_Izvijsce_o_napretku_HR_za_2010.pdf

7 <http://www.vlada.hr/hr/content/download/130474/1885482/file/11.07.07.->

[Plan%20provedbenih%20aktivnosti%20programa%20gospodarskog%20oporavka.pdf](#)

Further, sustained efforts need to focus on improving the business environment and on innovation and skills, since the sector is negatively influenced by a range of factors that combine to hamper growth and competitiveness among SMEs. Key among these factors are:

- A low level of productivity among SMEs;
- The limited technological content of products and components produced by SMEs;
- A lack of export orientation;
- A concentration of entrepreneurial activity in large cities and their vicinity at the expense of the rest of the country.

The Government Programme of Incentives to Small and Medium-Size Enterprises 2008 – 2012⁸ from April, 2008 as the main goal settled out strengthening of competitiveness of small and medium enterprises. This goal is implemented through 6 priority areas: strengthening the competitive ability, uniform regional development, raising the quality of entrepreneurial infrastructure, decrease of administrative obstacles, strengthening the entrepreneurial climate in the society and e-business. The Programme goals are maintained through Operational plans which are developed for each fiscal year in the purpose of defining the measures and instruments of state aid for the SME sector, including favourable micro credits programme based on interest rates subvention.

The Phare 2006 project *Development of Institutional Capacity for the Management of EU Structural Funds Post-Accession (Project pipeline for IPA/Structural Funds)*, implemented a Survey of potential demand for ERDF grant scheme funds among Croatian SME's in May 2010. According to the findings of the survey, sectoral needs for funds of the type of assistance offered by the future ERDF grant schemes are substantial. Most SME's are very much interested in applying for EU funds (97 % of all respondents). The need for funds is most notable in the manufacturing and processing sector and the grants would be most needed by SME's for the purchase of new equipment or machinery and for the construction or refurbishment of premises.

Under the Programme Phare 2006, a SME pilot grant scheme named "*Support for Increasing the Competitiveness and Exports of Croatian SMEs*" was successfully implemented as the first grant scheme being focused to SME sector in Croatia. The overall objective of this Project was to meet the objectives defined within the European Charter for Small Enterprises with respect to getting more out of the Single Market, as well as an preparation of Croatian SME sector for an effective usage of future IPA and Economic & Social funds targeted for SMEs.

Moreover, the projects aimed to increasing the competitiveness, productivity and volume of exports of Croatian SMEs. The Ministry of Economy, Labour and Entrepreneurship was responsible for the technical implementation of the grant scheme and ex-ante control of secondary procurement for export oriented SMEs. As the grant scheme was focused on projects requesting grants between 50.000 and 100.000 EUR, therefore out of 75 applications in total, 24 grants to export oriented companies were awarded, totalling over 2 million EUR.

As a country which will soon join the EU, Croatia's main concern is to ensure that its enterprises remain competitive within the Single and global market, thus contributing to competitive EU economy.

One of the very important ways to increase the competitiveness will be achieved through energy efficiency introduction and ecological product protection, as well as through establishment of systems for quality management, environment management, and product compatibility with International and EU standards. In order to do so, Croatian companies need to invest in new processes and new technologies including green and energy efficient technologies, in ICT development and in the development of new products including testing and certification to ensure their compliance with international quality standards.

⁸ <http://www.mingorp.hr/default.aspx?id=1618>

1.2 OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The priority issues in strengthening the competitiveness of Croatian SME's involve:

- Investments in technologies and production methods related to introduction of energy efficiency and eco standards (including renewable sources of energy) in production processes
- Establishment and incorporation of procedures for testing and certification of products in order to ensure compliance with International Quality standards including investment in know-how, licences, introduction of eco labels, preparation of technical specifications for eco products, etc.

The **global objective** of this Call for Proposals is to increase SME competitiveness

The **specific objectives** of this Call for Proposals are:

- to provide productive investments in technologies and production methods and/or improve business efficiency for Croatian SMEs
- to promote green economy, energy efficiency and eco standards in production processes and increase development potential for new and competitive products in compliance with eco and other international standard

1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this Call for Proposals is EUR 3.000.000. The Contracting Authority reserves the right not to award all available funds.

Size of grants

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

- minimum amount: EUR 50.000
- maximum amount: EUR 200.000

Any grant awarded under this Call for Proposals must fall between the following minimum and maximum percentages of total eligible costs of the action

- Minimum percentage: 50% of the total estimated eligible costs of the action.
- Maximum percentage: 85% of the total eligible costs of the action (see also section 2.1.4).

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 the applicant's or partners' own resources, or from sources other than the European Union budget or the European Development Fund⁹.

- The grants for SME's will be awarded according to de minimis regulation (the Official Journal of the European Union i.e. Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid, Official Journal L 379 of 28.12.2006) Government Decree on publishing "de minimis" rules (Official Gazette, 45/2007)

⁹ 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.

2. RULES FOR THIS CALL FOR PROPOSALS

These guidelines set out the rules for the submission, selection and implementation of actions financed under this Call, in conformity with the provisions of the Practical Guide to contract procedures for EU external actions, which is applicable to the present call (available on the Internet at this address: http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm).

2.1 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

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

2.1.1 *Eligibility of applicants: who may apply?*

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

- Be a registered SME¹⁰ according to the Croatian definition¹¹; and
- Be located in Croatia¹²; and
- Be registered for the activities envisaged by the proposed action; and
- Be able to demonstrate a profit after taxation¹³ in the fiscal year (2010) preceding the date of grant application; and
- Be able to demonstrate solvency¹⁴ of the company; and
- Be able to demonstrate that all contributions and taxes have been settled¹⁵; and

10 During Step 3: Verification of Eligibility of the Applicant and Partners (in accordance with section 2.4 of the GfA), applicants will be required to demonstrate their eligibility as an SME, according to the relevant legal act of the country where they are established, by presenting the excerpt from the relevant register, for previous fiscal year from date of request for submission of supporting documents by the CFCA. If the applicant is established in Croatia, they must prove their eligibility as an SME using Bon Plus, and DOH template for crafts. Relevant documents must be submitted for the applicant and each partner organization.

11 As defined in Article 2 and 3 in the SME Encouragement Act (Official Gazette, 29/02), and Article 1 and 2 of the Law on Amendments to the SME Encouragement Act (Official Gazette, 63/07) – An unofficial translation of these acts is provided as part of the Tender Dossier as Annex K.

12 During Step 3: Verification of Eligibility of the Applicant and Partners (in accordance with section 2.4 of the GfA), the applicant will be required to provide their excerpt from Court Registry or Central Crafts Registry for the applicant and each partner organisation.

13 During Step 3: Verification of Eligibility of the Applicant and Partners (in accordance with section 2.4 of the GfA), applicants will be required to demonstrate profit after taxation for the fiscal year preceding the date of grant application (full application) by presenting the relevant financial reports and certificates, in accordance with the legislation of the country where they are established. If the Applicant, as well as each partner organisation (if applicable) is established in Croatia, they must demonstrate profit after taxation required to provide their yearly financial report for small, medium and large enterprises (GFIPod).

14 During Step 3: Verification of Eligibility of the Applicant and Partners (in accordance with section 2.4 of the GfA), applicants will be required to demonstrate solvency by presenting the excerpt from the relevant register not older than three months from request for submission of supporting documents by the CFCA, according to the relevant legal act of the country where they are established. If the Applicant, as well as each partner organisation (if applicable) is established in Croatia, they must provide their certificate from FINA Register in order to demonstrate solvency.

15 During Step 3: Verification of Eligibility of the Applicant and Partners (in accordance with section 2.4 of the GfA), applicants partner(s) (if applicable) will be required to demonstrate that all contributions and taxes have been settled or an agreement reached where incremental payments are made by the applicant and each partner organisation (if applicable), by presenting the

- Be nationals^{16,17} of a Member State of the European Union, a Member State of the European Economic Area, Croatia, Turkey, the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina, Albania, Montenegro, Serbia and Kosovo under UNSC Resolution 1244/99 as well as of other countries eligible under the Council Regulation (EC) No 1085/2006 of 31 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA); and
- Be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary, and
- Must be fully compliant with the “de minimis aid”¹⁸ provisions as specified in the Government Decree on publishing “de minimis” rules (Official Gazette, 45/2007)

(2) Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the situations which are listed in Section 2.3.3 of the Practical Guide to contract procedures for EU external actions (available from the following Internet address: http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm);

In part A, section 3 of the grant application form (“Declaration by the applicant”), applicants must declare that they do not fall into any of these situations.

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

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

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

2.1.2 Partnerships and eligibility of partners

Applicants may act individually or with partner organisations.

certificate from the relevant register according to the relevant legal act of the country where they are established. If the Applicant, as well as each partner organisation (if applicable) is established in Croatia, they must provide their certificate issued by the Tax Administration. The certificate in not to be older than three months from request for submission of supporting documents by the CFCA.

16 Such nationality being determined on the basis of the organisation's statutes which should demonstrate that it has been established by an instrument governed by the internal law of the country concerned. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if they are registered locally or accompanied by a “Memorandum of Understanding”.

17 If the applicant's legal personality has been recognised in a country eligible under this section pursuant to the Council of Europe Convention n. 124 on the Recognition of the Legal Personality of International Non-Governmental Organisations (<http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?NT=124&CM=8&DF=07/03/2011&CL=ENG>), the official evidence issued by the country concerned under the said Convention shall determine the nationality of the organisation.

18 Statement by the applicant declaring the type and the amount of “de-minimis” aid received during three fiscal years (2010, 2011, 2012 - until receipt of request for submission of supporting documents by the CFCA), certified by a notary

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

The following are not partners and do not have to sign the “partnership statement”:

- Associates

Other organisations may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.1. The associates have to be mentioned in Part B section 5 - “Associates of the Applicant participating in the Action” of the Grant Application Form.

- Contractors

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

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

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

Definition:

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

Duration

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

Sectors or themes

The support only relates to SMEs in the following sectors:

<u>Sections/ subsectio ns</u>	<u>Economic activities according to National Activities Classification (NKD- nacionalna klasifikacija djelatnosti)¹⁹</u>
<u>C 10</u>	<u>Manufacture of food products</u>
<u>C 11</u>	<u>Manufacture of beverages: except 11.0.1 –Distilling, rectifying and blending of spirits</u>
<u>C 13</u>	<u>Manufacture of textiles</u>
<u>C 14</u>	<u>Manufacture of wearing apparel</u>
<u>C 15</u>	<u>Manufacture of leather and related products: Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur, Manufacture of footwear</u>
<u>C 16</u>	<u>Manufacture of wood and of products of wood and cork</u>
<u>C 17</u>	<u>Manufacture of paper and paper products</u>
<u>C 18</u>	<u>Printing and reproduction of recorded media</u>
<u>C 20</u>	<u>Manufacture of chemicals and chemical products</u>
<u>C 21</u>	<u>Manufacture of basic pharmaceutical products and pharmaceutical preparations</u>

¹⁹ Official Gazzette 58/2007 and 72/2007

<u>C 22</u>	<u>Manufacture of rubber and plastic products</u>
<u>C 23</u>	<u>Manufacture of other non-metallic mineral products</u>
<u>C 24</u>	<u>Manufacture of basic metals: except 24.1. Manufacture of basic iron and steel and of ferro-alloys and 24.4. Manufacture of basic precious and other non-ferrous metals</u>
<u>C 25</u>	<u>Manufacture of fabricated metal products, except 25.4 Manufacture of weapons and ammunition</u>
<u>C 26</u>	<u>Manufacture of computer, electronic and optical products</u>
<u>C 27</u>	<u>Manufacture of electrical equipment</u>
<u>C 28</u>	<u>Manufacture of machinery and equipment n.e.c.</u>
<u>C 29</u>	<u>Manufacture of motor vehicles, trailers and semi-trailers</u>
<u>C 30</u>	<u>Manufacture of other transport equipment: except 30.11 Building of ships and boats, 30.20 Manufacture of railway locomotives and rolling stock, 30.30 Manufacture of air and spacecraft and related machinery, and 30.40 Manufacture of military fighting vehicles</u>
<u>C 31</u>	<u>Manufacture of furniture</u>
<u>C 32</u>	<u>Other manufacturing: Manufacture of jewellery, bijouterie and related articles, Manufacture of musical instruments, Manufacture of sports goods, Manufacture of games and toys, Manufacture of medical and dental instruments and supplies, Manufacturing n.e.c.</u>
<u>C33</u>	<u>Repair and installation of machinery and equipment</u>
<u>E 37, 38, 39</u>	<u>Sewerage, Waste collection, treatment and disposal activities; materials recovery, Remediation activities and other waste management services</u>
<u>J 62</u>	<u>Computer programming, consultancy and related activities</u>
<u>M 71.2</u>	<u>Technical testing and analysis</u>
<u>S 96.01.</u>	<u>S 96.01. Washing and (dry)-cleaning of textile and fur products</u>

Note: NKD is fully harmonized with Statistical Classification of Economic Activities in the European Community, Rev.2 (2008)

Location

Actions must take place in Croatia.

Types of action

1. Introducing new production methods and/or new technologies related to energy efficiency and eco standards in the production process; including specialised training related to the use of new technologies and/or operating new equipment
2. Strengthening environmental protection at production sites.
3. Upgrading the product/service quality by purchasing and installing analysis and/or testing equipment and/or ICT solutions
4. Enhancement and increasing the level of product/service by certifying specific company's processes (such as quality management) and products and certification of both

Types of activity

1. Investments into tangible assets related to energy efficiency measures; namely activities which enable undertakings to notably reduce the amount of energy used in their production cycle.
2. Investments into tangible assets aimed to achieve a higher degree of environmental protection; namely activities designed to remedy or prevent damage to physical surroundings or natural

resources by the beneficiary's own activities, to reduce risk of such damage or lead to a more efficient use of natural resources, such as investment at company's premises for improved waste water management, solid waste disposal, air protection and protection from noise measures, and other necessary environmental protection measures, in line with European Union standards.

3. Investment into tangible assets for production related analyses, testing and automation.
4. Specialised training related to the above investment, such as e.g. training on using new technology or operating new equipment.
5. Company certification (such as HRN EN ISO 9001, 14001, 22000, 17025, HACCP, FSC COC, GAP)
6. Product eco-standard(s) certification (such as HRN EN ISO 45011, CE marking...)
7. Accreditation of laboratories for processes and product analyses and testing in the sectors mentioned above in this section by Croatian Accreditation Agency (CAA) or equivalent organisations in EU Member States.
8. Communication /marketing activities to promote the investment and the overall project to potential and actual customers.

The above activities are listed in a non-exhaustive breakdown; appropriate innovative activities that are not mentioned but fall into the above mentioned actions may also be considered for support.

Note that the applicant 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 laid down and published by the European Commission at (see http://ec.europa.eu/europeaid/work/visibility/index_en.htm).

The following types of action are ineligible:

- Actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences, congresses.
- Actions concerned only or mainly with individual scholarships for studies or training courses;
- General information campaigns;
- Language courses;
- Actions confined only or mainly to restoration of buildings and construction
- Consultancy services that are continuous or periodic activity or relate to enterprise's operating expenditures, particularly if related to tax counselling, legal services.
- Projects with provisions for financing the usual (routine) activities, especially covering their operational costs (not related to the implementation of the project).
- Establishing, assisting or developing any project or activity that contributes to the violation of internationally recognised workers' rights rules and regulations in force in Croatia.
- Projects already receiving funds from any other sources for the same activity (double funding is strictly prohibited).

Number of applications and grants per applicant

An applicant may submit more than one application under this Call for Proposals.

An applicant may not be awarded more than one grant under this Call for Proposals.

An applicant may not at the same time be partner in another application.

Partners may take part in more than one application.

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

Only "eligible costs" can be taken into account for a grant. The categories of costs considered as eligible and non-eligible are indicated below. The budget is both a cost estimate and a ceiling for "eligible costs". Note

that the eligible costs must be based on real costs based on supporting documents (except for subsistence costs and indirect costs where flat-rate funding applies).

Recommendations to award a grant are always subject to the condition that the checking process which precedes the signing of the contract does not reveal problems requiring changes to the budget (for instance arithmetical errors, inaccuracies or unrealistic costs and other ineligible costs). The checks may give rise to requests for clarification and may lead the Contracting Authority to impose modifications or reductions to address such mistakes or inaccuracies. The amount of the grant and the percentage of the EU co-financing as a result of these corrections may not be increased.

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

Furthermore, the applicant may not derive any profit from the grant, and in this respect the applicant and partner will be required to provide a solemn statement to this effect.²⁰

Eligible direct costs

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

Contingency reserve

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

Eligible indirect costs (overheads)

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding fixed at not more than 7% of the estimated total eligible direct costs. Indirect costs are eligible provided that they do not include costs assigned to another heading of the budget of the standard grant contract. The applicant may be asked to justify the requested percentage before contracting. 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 the applicant is in receipt of an operating grant financed from the EU, no indirect costs may be claimed within the proposed budget for the action.

Contributions in kind

Contributions in kind are not considered actual expenditure and are not eligible costs. The contributions in kind may not be treated as co-financing by the Beneficiary.

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

Ineligible costs

The following costs are not eligible:

- Taxes, including value added taxes;
- Customs and import duties, or any other charges;
- Purchase, rent or leasing of land and existing buildings;
- Fines, financial penalties and expenses of litigation;
- operating costs²¹;
- Second-hand equipment;
- Bank charges, costs of guarantees and similar charges;

²⁰ During Step 3: Verification of Eligibility of the Applicant and Partners (in accordance with section 2.4 of the GfA), the applicant will be required to provide a solemn statement that no profit will be derived from the grant.

²¹ Amendment to IPA Implementing Regulation (COMMISSION REGULATION (EU) No 80/2010) - By way of derogation from Article 34(3), operating costs, including rental costs, exclusively related to the period of co-financing of the operation, may be eligible.

- Conversion costs, charges and exchange losses associated with any of the component specific euro accounts, as well as other purely financial expenses;
- Contributions in kind;
- Depreciation costs for infrastructure;
- Debts and debt service charges;
- Provisions for losses or potential future liabilities;
- Interest owed;
- Costs declared by the beneficiary and covered by another action or work programme;
- Purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred to the final beneficiaries and/or local partners, at the latest by the end of the action;
- Currency exchange losses;
- Credit to third parties;

2.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

Prior registration in PADOR for this Call for Proposals is not obligatory. 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 instructions on the Concept Note included in the Grant Application Form annexed to these Guidelines (Annex A).

Applicants must apply in English.

In the Concept note, the applicants must only provide an estimate of the amount of contribution requested from the Contracting Authority. Only the applicants invited to submit a full application in the second phase will be required to present a detailed budget. The elements assessed on the basis of the concept note may not be modified by the applicant in the full application form. The EU contribution may not vary from the initial estimate by more than 20%. The applicant is free to adapt the percentage of co-financing required within the minimum and maximum amount and percentages of co-financing, as laid down in the present Guidelines under section 1.3.

Any error or major discrepancy related to the points listed in the instructions on the Concept Note may lead to the rejection of the Concept Note.

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

Hand-written Concept Notes will not be accepted.

Please note that only the Concept Note form will be evaluated. It is therefore of utmost importance that this document contain ALL relevant information concerning the action. No additional annexes should be sent.

2.2.2 *Where and how to send concept notes*

The Concept note together with the Checklist for the Concept Note (Part A section 2 of the grant application form) and the Declaration by the applicant for the Concept Note (Part A section 3 of the grant application form) must be submitted in one original and three (3) copies in A4 size, each bound.

Concept Notes must be submitted as well in electronic format (CD-ROM). The electronic format must contain **exactly the same** application as the paper version enclosed.

Where an applicant sends several different concept notes (if allowed to do so by the Guidelines of the Call), each one must be sent separately.

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, the words "Not to be opened before the opening session" and "*Ne otvarati prije sastanka za otvaranje projektnih prijedloga*".

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) at the address below:

Postal address

Central Finance and Contracting Agency (CFCA)
(Središnja agencija za financiranje i ugovaranje programa i projekata EU – SAFU)
Ulica grada Vukovara 284, objekt C, 5th Floor
10 000 Zagreb
Croatia

Address for hand delivery or by private courier service

Central Finance and Contracting Agency (CFCA)
(Središnja agencija za financiranje i ugovaranje programa i projekata EU – SAFU)
Ulica grada Vukovara 284, objekt C, 5th Floor
10 000 Zagreb
Croatia

Concept Notes 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 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 the Concept Notes*

The deadline for the submission of Concept Note is 20 February 2012 as evidenced by the date of dispatch, the postmark or the date of the deposit slip. In the case of hand-deliveries, the deadline for receipt is at 16:00 hours local time as evidenced by the signed and dated receipt. Any Concept Note submitted after the deadline will automatically be rejected.

However, for reasons of administrative efficiency, the Contracting Authority may reject any Concept Note 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 for Concept Note*

A date and place of the information session on this Call for Proposals will be published on CFCA web-page www.safu.hr (in section: Tenders/IPA component IIIC; natječaji/IPA komponenta IIIC), within 7 days of the launch of this Call for Proposals.

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

E-mail address: procurement@safu.hr

Fax: +385 1 459 1075

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

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

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

Questions that may be relevant to other applicants, together with the answers as well as other important notices to applicants during the course of the evaluation procedure, may be published on the internet at the EuropeAid web site <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>

and the CFCA website www.safu.hr , as the need arises. It is therefore highly recommended to regularly consult the abovementioned website in order to be informed of the questions and answers published.

2.2.5 *Full Application form*

Applicants invited to submit a full application form following the pre-selection of the Concept Note must do so by using the Part B of the application form annexed to these Guidelines (Annex A). Applicants should keep strictly to the format of the application form and fill in the paragraphs and the pages in order.

The elements assessed on the basis of the concept note cannot be modified by the applicant in the full application form. The EU contribution may not vary from the initial estimate by more than 20%, while the applicant is 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.

Applicants must submit their applications in the same language as their concept note.

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 6 of the Grant Application form) or any major inconsistency in the full application form (e.g. the amounts mentioned in the budget worksheets are inconsistent) may lead to the rejection of the application.

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

Hand-written applications will not be accepted.

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

2.2.6 *Where and how to send the Full Application form*

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

Central Finance and Contracting Agency (CFCA)
(Središnja agencija za financiranje i ugovaranje programa i projekata EU – SAFU)
Ulica grada Vukovara 284, objekt C, 5th Floor
10 000 Zagreb
Croatia

Address for hand delivery and by private courier service

Central Finance and Contracting Agency (CFCA)
(Središnja agencija za financiranje i ugovaranje programa i projekata EU – SAFU)
Ulica grada Vukovara 284, objekt C, 5th Floor
10 000 Zagreb
Croatia

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

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

The Checklist (Section 6 of Part B of the grant application form) and the Declaration by the applicant (Section 7 of Part B of the grant application form) must be stapled separately and enclosed in the envelope

Where an applicant sends several different applications (if allowed to do so by the Guidelines of the Call), each one must be sent separately.

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

Applicants must verify that their application is complete using the checklist (Section 6 of Part B of the grant application form). Incomplete applications may be rejected.

2.2.7 *Deadline for submission of the Full Application form*

The deadline for the submission of applications will be indicated in the letter sent to the applicants whose application has been preselected.

However, for reasons of administrative efficiency, the Contracting Authority may reject any application received after the effective date of approval of evaluation report for full applications (see indicative calendar under Section 2.5.2)

2.2.8 *Further information for the Full Application form*

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

E-mail address: procurement@safu.hr

Fax: +385 1 459 1075

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

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

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

Questions that may be relevant to other applicants, together with the answers, will be published on the internet at website <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome> and the CFCA website www.safu.hr. It is therefore highly recommended to regularly consult the abovementioned website 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 2.1.3, the application shall be rejected on this sole basis.

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

The following will be assessed:

- The submission deadline has been respected. If the deadline has not been respected the application will automatically be rejected
- The Concept Note satisfies all the criteria specified in points 1-5 of the Checklist (Section 2 of Part A 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 evaluation of the Concept Notes that have passed the first administrative check will cover the relevance and design of the action.

The Concept Note will be given an overall score out of 50 points in accordance with the breakdown provided in the Evaluation Grid below. The evaluation shall also verify the compliance with instructions provided in the guidance for Concept Note.

The evaluation criteria are divided into headings and subheadings. Each subheading will be given a score between 1 and 5 in accordance with the following assessment categories: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

Scores

1. Relevance of the action	Sub-score	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? Will the action contribute to improved eco standards in production processes, or ensure higher quality products (e.g. compliance with international quality standards)?	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

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

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

First, only the Concept Notes which have been given a score of a minimum of 30 points will be considered for pre-selection.

Secondly, the list of Concept Notes will be reduced in accordance to the ranking to those whose sum of requested contributions amounts to at least twice the available budget (EUR 6,000,000) for this Call for Proposals, taking into account the indicative financial envelopes foreseen by lot.

Following the Concept Note evaluation, the Contracting Authority will send a letter to all applicants, indicating whether their application was submitted prior to the deadline, informing them of the reference number they have been allocated and whether the Concept Note were evaluated and the results of that evaluation. The preselected applicants will subsequently be invited to submit full applications.

(2) STEP 2: EVALUATION OF THE FULL APPLICATION

First, the following will be assessed:

- The submission deadline has been respected. If the deadline has not been respected the application will automatically be rejected.
- The full application form satisfies all the criteria specified in points 1-8 of the Checklist (Section 6 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.

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

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

- have stable and sufficient sources of finance to maintain their activity throughout the period during which the action is being carried out and, where appropriate, to participate in its funding;
- have the management capacity, professional competencies and qualifications required to successfully complete the proposed action. This also applies to any partners of the applicant.

The award criteria allow the quality of the applications submitted to be evaluated in relation to the set objectives and priorities, and grants to be awarded to actions which maximise the overall effectiveness of the Call for Proposals. They enable the selection of applications which the Contracting Authority can be confident will comply with its objectives and priorities. They cover such aspects as the relevance of the action, its consistency with the objectives of the Call for Proposals, quality, expected impact, sustainability and cost-effectiveness.

Scoring:

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

Evaluation Grid

Section	Maximum Score
1. Financial and operational capacity	20
1.1 Do the applicant and, if applicable, partners have sufficient experience of project management?	5
1.2 Do the applicant and, if applicable partners have sufficient technical expertise? (notably knowledge of the issues to be addressed.)	5
1.3 Do the applicant and, if applicable, partners have sufficient management capacity? (including staff, equipment and ability to handle the budget for the action)?	5
1.4 Does the applicant have stable and sufficient sources of finance?	5
2. Relevance 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 evaluation foreseen?	5
3.4 Is the partners' 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 and extension of the outcome of the action and dissemination of information.)	5
4.3 Are the expected results of the proposed action sustainable: - financially (<i>how will the activities be financed after the funding ends?</i>) - institutionally (<i>will structures allowing the activities to continue be in place at the end of the action? Will there be local "ownership" of the results of the action?</i>) - at policy level (where applicable) (<i>what will be the structural impact of the action — e.g. will it lead to improved legislation, codes of conduct, methods, etc?</i>) - environmentally (if applicable) (<i>will the action have a negative/positive environmental impact?</i>)	5
5. Budget and cost-effectiveness of the action	15
5.1 Are the activities appropriately reflected in the budget?	5x2*
5.2 Is the ratio between the estimated costs and the expected results satisfactory?	5
Maximum total score	100

*the scores are multiplied by 2 because of their importance

Note on Section 1. Financial and operational capacity

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

Provisional selection

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

(3) STEP 3: VERIFICATION OF ELIGIBILITY OF THE APPLICANT AND PARTNERS

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

- The Declaration by the applicant (Section 7 of Part B the grant application form) will be cross-checked with the supporting documents provided by the applicant. Any missing supporting document or any incoherence between the Declaration by the applicant and the supporting documents may lead to the rejection of the application on that sole basis.
- The eligibility of the applicant, the partners, and the action will be verified according to the criteria set out in Sections 2.1.1, 2.1.2 and 2.1.3.

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

2.4 SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS

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

1. The statutes or articles of association of the applicant organisation and of each partner organisation²². Where the Contracting Authority has recognized the applicant's eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, the applicant may submit, instead of its statutes, copy of the document proving the eligibility of the applicant in a former Call (e.g.: copy of the special conditions of a grant contract received during the reference period), unless a change in its legal status has occurred in the meantime.
2. Copy of the applicant's latest accounts (the profit and loss account and the balance sheet for the previous financial year for which the accounts have been closed).
3. Eligibility of the Applicant and Partners as SMEs must be demonstrated. For applicants and each partner organization(s) established in Croatia Bon Plus, and DOH template for crafts, for previous fiscal year from date of request for submission of supporting documents by the CFCA must be submitted. For applicants and partner organizations established in a country other than Croatia an excerpt from the relevant register according to the relevant legal act of the country where they are established must be provided for previous fiscal year from date of request for submission of supporting documents by the CFCA.
4. Legal entity sheet (see annex D) duly completed and signed by the applicant, accompanied by the justifying documents which are requested therein. If the applicant has already signed a contract with the Contracting Authority, instead of the legal entity sheet and its supporting documents the legal entity number may be provided, unless a change in its legal status occurred in the meantime.
5. A financial identification form conforming to the model attached at Annex E of these guidelines, certified by the bank to which the payments will be made. This bank must be located in the country where the applicant is registered. If the applicant has already signed a contract with the Contracting Authority or where the Contracting Authority has been in charge of the payments of a contract, a copy of the previous financial identification form may be provided instead, unless a change in its bank account occurred in the meantime. In the case of local applicant, bank account must be in local currency (kuna).
6. For applicants and each partner organization established in Croatia Certificate from FINA Register, not older than three months from request for submission of supporting documents by the CFCA, must be provided in order to demonstrate solvency of the organisation. For applicants and partner organizations established in a country other than Croatia an excerpt from the relevant register according to the relevant legal act of the country where they are established, not older than three months from request for submission of supporting documents by the CFCA, must be provided in order to demonstrate solvency of the organisation.
7. For applicants and each partner organisation established in Croatia annual financial report for small, medium and large enterprises (GFIPod) for the fiscal year prior to date of grant application (full application) must be provided for each, in order to demonstrate profit after taxation. For applicants and partner organizations established in a country other than Croatia the relevant financial reports and certificates according to the relevant legal act of the country where they are established, must be provided in order to demonstrate profit after taxation for the fiscal year prior to date of grant application (full application).
8. Certificate stating that the applicant and its person in charge is not having its affairs administered by the courts in procedure issued by the Commercial Court, or any other certificate/statement relevant according to the national law of the country of their establishment, not older than three months from request for submission of supporting documents by the CFCA. The certificate/statement is requested for the applicant and each partner organisation.

²² Where Council of Europe Convention n. 124 on the Recognition of the Legal Personality of International Non-Governmental Organisations is applied please refer to footnote n. 19.

9. Certificate stating that the applicant and its person in charge is not having its affairs administered by the courts in procedure issued by the Municipal Court, or any other certificate/statement relevant according to the national law of the country of their establishment, not older than three months from request for submission of supporting documents by the CFCA. The certificate/statement is requested for the applicant and each partner organisation.

10. Certificate not older than three months from request for submission of supporting documents by the CFCA, proving that all obligations have been paid, or an agreement reached where incremental payments are made by the applicant and each partner organisation. For applicants and each partner organisation established in Croatia a certificate from the Tax Administration is required. For applicants and partner organizations established in a country other than Croatia a certificate from the relevant register according to the national law of the country of their establishment.

11. Excerpt from Court Registry or Central Crafts Registry of the applicant and each partner organisation.

12. Solemn statement signed by each partner that the partner will not derive any profit from the grant.

13. Statement by the applicant declaring the type and the amount of “de-minimis” aid received during three fiscal years (2010, 2011, 2012 - until receipt of request for submission of supporting documents by the CFCA), certified by a notary.²³

14. Location permit, building permit and/ or any other appropriate permit related to the works component of the action according to the Act on Spatial Planning and Construction²⁴.

15. Letter of Intent from bank stating that it will, as necessary, provide loan/line of credit to grant applicant to enable the grant applicant to implement all planned activities and continue normal operation until final report is approved and final payment made.

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

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

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

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

²³ NB: The applicants must fully respect the “de minimis aid” provisions as specified in the Government Decree on publishing de minimis rules (Official Gazette, 45/2007)

²⁴ Official Gazette 76 / 2007

2.5 NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

2.5.1 Content of the decision

Applicants will be informed in writing of the Contracting Authority's decision concerning their application and, in case of rejections, the reasons for the negative decision.

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

2.5.2 Indicative time table

	DATE	TIME*
Information meeting (if any)	TBA ²⁵	To be announced
Deadline for request for any clarifications from the Contracting Authority	30 January 2012	16:00
Last date on which clarifications are issued by the Contracting Authority	09 February 2012	-
Deadline for submission of Concept Notes	20 February 2012	16:00
Information to applicants on the opening & administrative checks and concept note evaluation (step 1)	14 May 2012*	-
Invitations for submission of Full Application Form	14 May 2012*	-
Deadline for submission of Full Application Form	29 June 2012**	-
Information to applicants on the evaluation of the Full Application Form (step 2)	October 2012*	-
Notification of award (after the eligibility check) (step 3)	November 2012*	-
Contract signature	December 2012*	-

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

****Provisional date.** Date minimum 45 days after invitations for submission of Full Application Form.

This indicative timetable may be updated by the Contracting Authority during the procedure. In such case, the updated timetable shall be published on internet at the EuropeAid web site

²⁵ A date and place of the information session for this Call for Proposals will be published on the CFCA web-page www.safu.hr (in section: Tenders/IPA component IIIC; natjecaji/IPA komponenta IIIC), within 7 days of the launch of this Call for Proposals.

<https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome> and the CFCA website www.safu.hr.

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

Following the decision to award a grant, the Beneficiary will be offered a contract based on the Contracting Authority's standard grant contract (see Annex G of these Guidelines). By signing the Application form (Annex A of these Guidelines), the applicant declares accepting, in case where it is awarded a grant, the Contractual conditions as laid down in the standard grant contract.

In addition to the Standard Contract the Beneficiary will also be obliged to submit regular monthly and quarterly reports according to the instructions of the Contracting Authority

Implementation contracts

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

3. LIST OF ANNEXES

DOCUMENTS TO BE COMPLETED

ANNEX A: GRANT APPLICATION FORM (WORD FORMAT)

ANNEX B: BUDGET (EXCEL FORMAT)

ANNEX C: LOGICAL FRAMEWORK (EXCEL FORMAT)²⁶

ANNEX D: LEGAL ENTITY SHEET²⁷

ANNEX E: FINANCIAL IDENTIFICATION FORM

DOCUMENTS FOR INFORMATION

ANNEX G: STANDARD GRANT CONTRACT

- ANNEX II: GENERAL CONDITIONS APPLICABLE TO EUROPEAN UNION-FINANCED GRANT CONTRACTS FOR EXTERNAL ACTIONS
- ANNEX IV: CONTRACT AWARD PROCEDURES
- ANNEX V: STANDARD REQUEST FOR PAYMENT
- ANNEX VI: MODEL NARRATIVE AND FINANCIAL REPORT
- ANNEX VII: MODEL REPORT OF FACTUAL FINDINGS AND TERMS OF REFERENCE FOR AN EXPENDITURE VERIFICATION OF AN EU FINANCED GRANT CONTRACT FOR EXTERNAL ACTIONS
- ANNEX IX: STANDARD TEMPLATE FOR TRANSFER OF OWNERSHIP OF ASSETS
- ANNEX X: BUSINESS PLAN

ANNEX H: DAILY ALLOWANCE RATES (PER DIEM), available at the following address:
http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm

ANNEX J: INFORMATION ON THE TAX REGIME APPLICABLE TO GRANT CONTRACTS SIGNED UNDER THE CALL.

ANNEX K: UNOFFICIAL TRANSLATION OF RELEVANT ARTICLES OF SME ENCOURAGEMENT ACT AND LAW ON AMENDMENTS TO THE SME ENCOURAGEMENT ACT

PROJECT CYCLE MANAGEMENT GUIDELINES

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

²⁶ Optional where the total amount of the grants to be awarded under the Call for Proposals is EUR 100 000 or less.

²⁷ Only applicable where the European Commission is the Contracting Authority or will make the payments under the contracts to be signed.