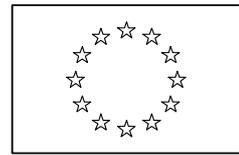




Managing Authority



The Republic of Croatia
- Ministry of Finance -
Central Finance and Contract
Unit (CFCU)



European Commission

Adriatic New Neighbourhood Programme

INTERREG-CARDS/PHARE

Guidelines
for grant applicants

Call for proposals 2007

Financed by Croatian PHARE funds
(Budget line Croatia 2006 PHARE Adriatic Cross Border Programme
Ref.< 2006-017-972 >

Deadline for receipt of applications:
< 06th September 2007 >



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1. THE ADRIATIC NEW NEIGHBOURHOOD PROGRAMME INTERREG-CARDS/PHARE

1.1. BACKGROUND

In Communication COM 393 of July 2003 entitled "*Paving the way for a new neighbourhood instrument*", the European Commission proposed a specific path to follow in order to improve Community policy toward its new external borders resulting from the EU enlargement in 2004. This will significantly increase cooperation in the Adriatic-Eastern Adriatic area. Thus, between 2004 and 2006, the INTERREG IIIA Adriatic Cross Border Programme is being better coordinated through the creation of a specific Neighbourhood Programme, the Adriatic New Neighbourhood Programme (ANNP) INTERREG-CARDS/PHARE.

In addition to the specific features of the INTERREG IIIA Adriatic Cross Border Programme, this Adriatic New Neighbourhood Programme will further facilitate the cooperation between the two Adriatic sides because it will:

- makes available the EU financial resources on both sides of the external borders;
- takes into consideration the objectives and activities needed on both sides of the external borders as well as the goals set out in Communication of Enlarged Europe;
- ensures active participation of both sides of the external borders through the rules governing the management and structure of the Committees. An appropriate representation of the Commission in such Committees as well as joint decision-making procedures and processes to select projects that have an impact on both sides of the border will be ensured.

For more detailed information on the Programme, please refer to the programming documents, i.e. the OP (Operating Programme) and PrC (Programme Complement), which are available on the following website: <http://www.interregadriatico.it>

1.2. OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES FOR 2004-2006

The strategy underlying the INTERREG III A Adriatic Cross-Border Programme (101,02 Million Euro), just like the one followed by the **Adriatic New Neighbourhood Programme**, aims to foster actual integration and to strengthen the cross border cooperation process by pursuing the following priority objectives:

1. Promotion of the sustainable development of urban, rural and coastal territories by assisting with environment protection, an increase in energy efficiency and development of renewable energy, improvements in transport, telecommunications, networks, information and communication services and water and energy systems;
2. Integration of cross-border regions, overcoming the barriers and peripheral-location conditions by fostering business enterprise and the creation of a favourable situation for the development of small and medium enterprises, including the tourism and fishing sectors, and improvement of the overall competitiveness of the productive system;
3. Institutional strengthening, system harmonisation, an increase in juridical and administrative cooperation, development of local employment initiatives, help with social integration and opportunities in the labour market, encouragement and valorisation of human and institutional resources, research and development equipment, education, culture, communications, health and civil protection.

The specific objectives and the interventions implemented to pursue them are thus intended to raise the quality level of the services the local and central administrations provide for their



Communities. To enable the administrations to provide said services, these interventions must be organised and conducted in such a way as to be compatible with the objectives and not to hinder the functionality of the local administrations concerned.

In line with the priority objectives, this Programme is divided into Axes (priorities), Measures and Actions.

For the purposes of this call for proposal, there are 2 Axis:

- ☑ **Axis 1 - Protection and enhancement of the environment, culture and infrastructures of the cross-border territory:** this will regard interventions of prevalently public interest, being also of a infrastructural character with regards to the integrated management of the environment, energy, transport, telecommunications and territorial and cultural aspects. In this context, the corresponding interventions will relate to:
 - Protection and enhancement of the environment, culture and infrastructures of the cross-border territory and improvement of energy efficiency;
 - Developing and empowering cross-border transportation, telecommunications and energy infrastructure and networks;
 - Developing and empowering tourism and cultural infrastructures.
- ☑ **Axis 2 - Economic integration of the cross-border production systems:** this will regard interventions of mostly private interest, relating to the competitiveness and strengthening of the industrial, craft, tourism and agricultural SMEs. In this context, the corresponding interventions will relate to:
 - Improvements in competitiveness and cooperation;
 - Cross-border cooperation in primary sector, fishing included, and secondary sector;
 - Cross-border cooperation in tourism and culture.

1.3. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this call for proposals for Croatian Applicants and their partners is EUR 3.000.000,00. The Contracting Authority - Central Finance and Contracting Unit of the Ministry of Finance of the Republic of Croatia reserves the right not to award all available funds.

Size of grants:

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

- minimum amount: EUR 100.000,00;
- maximum amount: EUR 500.000,00.

Partners must contribute a minimum co-financing amount equal to 25% of the total project cost. This minimum 25% amount may not consist of contributions in kind, excepting for the project staff costs (see §2.1.4.). Therefore, the grant PHARE can not exceed 75% of the total cost of the actions. The balance must be financed from the applicant's or partners' own resources, or from sources other than the European Community budget or the European Development Fund.



2. RULES OF THIS CALL FOR PROPOSALS

These guidelines set out the rules for the submission, selection and implementation of actions financed under this call, in conformity with the provisions of the Programme Complement of ANPP INTERREG-CARDS-PHARE (available on the web site: www.interregadriatico.it) and the *Practical Guide to Contract Procedures for EC External Actions – PRAG*. (available on the Internet at this address: http://ec.europa.eu/europeaid/tender/practical_guide_august2006/index_en.htm).

2.1. ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

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

2.1.1. Eligibility of applicants: who may apply

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

- be legal person,
- be nationals¹ of Croatia, with a registered office established at least two years prior launch of this call for proposal (with exception of Regional development agencies or similar business support institutions),
- be non profit making (with exception of Regional development agencies or similar business support institutions which can apply for grant if they will not derive any profit from it),
- belong to one of the following types of organisations (the list is only indicative):
 - Associations (Udruge): non-governmental organisations, trade unions, employer's associations, professional associations etc.;
 - Institutions (Ustanove): public sector operators, educational and research institutions, etc.;
 - Foundations (Zaklade),
 - Chambers of Commerce, Chambers of Crafts and Trade, public employment service including their branches;
 - Regional and local self-government units (Counties and municipalities/towns);
 - Regional development agencies, Business incubators, Entrepreneurship centres, Research and development Institutes and other business support institutions;
 - Agricultural associations and cooperatives with minimum 15 members in the last two years (Poljoprivredne udruge i zadruge);

¹ Such nationality being determined on the basis of the organization'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 organization, even if they are registered locally or accompanied by a "Memorandum of Understanding".



- be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary;

The International Organizations shall apply for grant under this call for proposals, even if they are not fulfilling the nationality criterion, but they must have a registered office established in Croatia at least two years prior launch of this call for proposals.

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

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

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

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

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

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



2.1.2. Partnerships and eligibility of partners

The **cross-border partnership** of the project proposal must be composed of the Applicant (see §2.1.1.) and at least one partner (which cannot receive PHARE funds) having the legal office in one Italian Adriatic Region, as foreseen in the § 1.4 of the Programme Complement of ANNP (i.e. *Provinces of Rovigo, Ferrara, Forli-Cesena, Rimini, Ravenna, Pesaro, Ancona, Macerata, Ascoli Piceno, Teramo, Pescara, Chieti, Campobasso, Foggia, Trieste, Gorizia, Udine, Venezia, Bari, Brindisi and Lecce, Padova, L'Aquila and Isernia*).

Other Partners from the Eastern Adriatic Countries of the ANNP (Albania, Bosnia-Herzegovina, Serbia and Montenegro) and from Member States of EU can participate in the project, but they cannot receive PHARE funds.

All Partners must respect the eligibility criteria foreseen for the Applicant, except the territorial criterion, and sign the Partnership statement.

Applicants' partners participate in implementing the action, and the costs they incur are eligible in the same way as those incurred by the grant Beneficiary.

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

Associates

Associates participate in the project as observers, do not have to meet the eligibility criteria referred to in section 2.1.1, and have to be mentioned in part IV - "Associates of the Applicant participating in the Action" of the Grant Application Form.

Subcontractors

The grant beneficiaries have the possibility to award contracts to subcontractors, according to public procurement rules set out in the PRAG (Annex IV to the standard grant contract).

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

Duration

The initial planned duration of an action may not be shorter than 12 months nor exceed 18 months. All actions must in any case be finished no later than **30th November 2009**.

Sectors or themes

Below you can find a brief description of the ANNP Axes and their respective Measures. For a more detailed description of such Axes and Measures please refer to the Chapter 3 of the Programme Complement.

Axes	Measures	Actions
1. Protection and enhancement of the environment, culture and infrastructures of the cross-border territory	1.1. Protection and enhancement of the natural and environmental heritage of the territory and improvements in energy efficiency; 1.2. Development and strengthening of the cross-border transportation and telecommunications infrastructure and networks;	1.1.1. Integrated management and development of coastal areas; 1.1.2. Developing integrated environmental monitoring systems; 1.1.3. Enhancement of cross-border territory and landscape, with emphasis on protected areas 1.1.4. Joint waste management and efficient energy management 1.2.1. Empowering intermodal or combined trans-Adriatic and inter-Adriatic transport networks 1.2.2. Optimized management of centralized transport infrastructures 1.2.3. Development of cross-border telecommunications networks for institutions and centralized infrastructures



	1.3. Development and strengthening of tourism and cultural infrastructures;	1.3.1. Joint development of basic tourism and cultural infrastructures 1.3.2. Strengthening basic infrastructures important for tourism and cultural activities 1.3.3. Protection and enhancement of the historic, cultural, architectural, linguistic and literary heritage of the cross-border area 1.3.4. Marketing and joint activities to enhance typical produce in the cross-border area 1.3.5. Implementing and strengthening management and development systems for tourism products and guidance systems for tourists
2. Economic integration of the cross-border productive systems	2.1. Improvements in competitiveness and cooperation; 2.2. Cross-border cooperation and free trade in primary sectors (fishing included) and secondary sectors; 2.3. Cross-border cooperation in the tourism and culture sector.	2.1.1. Assistance for cross-border SMEs and related associations for innovative services, industrial and commercial cooperation 2.1.2. Recruitment of partners through trade shows and commercial meetings 2.1.3. Development of cross-border productive system territorial marketing and commercial networks 2.1.4. Enlargement and creation of technological, industrial, commercial and craft parks 2.2.1. Promoting the exchange of know how, sustainable development techniques and cooperation between cross-border enterprises; 2.2.2. Strengthening services to fishing and farming enterprises; 2.2.3. Development of the social economy and small credit services 2.3.1. Development and strengthening of tourism activities; 2.3.2. Prequalification of tourism structures and assistance to related enterprises;

Location

Actions must take place in the Republic of Croatia, having a clear Adriatic cross-border value.

Type of actions

Type of eligible actions are described in the above table. A more detailed description of the action, along with a brief description of EU codes, types of actions and illustrative themes, can be found in Chapter 3 of the Programme Complement.

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

- individual sponsorships for participation in workshops, seminars, conferences, congresses;
- individual scholarships for studies or training courses;
- any other action whose non-eligibility is clearly specified in the Programme Complement.

Number of proposals and grants per applicant

An applicant may submit or participate as partner in more than one proposal, even under the same Measure. An applicant may not be awarded more than one grant per Measure under this call for proposals.

Project proposal must cover only one Measure. If a proposal covers more than one Measure, the Applicant must divide the project in as many functionally independent proposals as there are the Measures it covers.

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

Only "eligible costs" can be taken into account for a grant. These are detailed below. The budget is therefore both a cost estimate and a ceiling for "eligible costs". Note that the eligible costs must be based on real costs, (i.e. pertinent to project activities, coherent with market prices and actually having been incurred by the beneficiaries), not lump sums



(except for travel and accommodation costs, and indirect costs, which, anyhow, have to be documented).

Recommendations to award a grant are always subject to the condition that the checking process which precedes the signing of the contract does not reveal problems requiring changes to the budget. The checks may give rise to requests for clarification and may lead the Contracting Authority to impose reductions.²

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

Eligible direct costs

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

- be necessary for carrying out the action, be provided for in the contract annexed to these Guidelines and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
- have actually been incurred by the beneficiaries or their partners during the implementing period for the action as defined in grant contract.
- be recorded in the Beneficiary's or the Beneficiary's partners' accounts or tax documents, be identifiable and verifiable, and be backed up by originals of supporting documents.

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

- the cost of staff assigned to the action, corresponding to actual salaries plus social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the Beneficiary or his partners, as the case may be, unless it is justified by showing that it is essential to carry out the action;
- travel and subsistence costs for staff and other persons taking part in the action, provided they do not exceed those normally borne by the Beneficiary or his partners, as the case may be; any flat-rate reimbursement of the subsistence costs must not exceed the rates published by the European Commission at the time of signing the contract (available at following Internet address (http://europa.eu.int/comm/europeaid/perdiem/index_en.htm));
- purchase or rental costs for equipment and supplies (new or used) specifically for the purposes of the Action, and costs of services, provided they correspond to market rates;
- the cost of consumables;
- subcontracting expenditure;
- costs arising directly from the requirements of the contract (dissemination of information, evaluation specific to the action, audit, translation, printing, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees).

² Please note that possible modifications of the budget may not lead to an increase of the amount of the grant requested from the European Commission nor of the percentage of the co-financing.



Contingency reserve

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

Eligible indirect costs (overheads)

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

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

Contributions in kind

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

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

Ineligible costs

The following costs are not eligible:

- debts and provisions for losses or debts;
- interest owed;
- items already financed in another framework;
- purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred to the final beneficiaries at the end of the action;
- currency exchange losses;
- taxes, including VAT, unless the Beneficiary (or the Beneficiary's partners) cannot reclaim them and the applicable regulations do not forbid coverage of taxes
- credits to third parties.

2.2. HOW TO APPLY AND PROCEDURES TO FOLLOW

2.2.1. Application form

Two different types of project proposals can be presented

- **Simple Project:** is a new project financed only by PHARE amount, with the obligatory participation of the Applicant and at least one partner without PHARE funds from the Italian Adriatic Regions.



- **Mirror Project:** is a new project on Croatian side of the border to be co financed under this call for proposal, which is connected to another project from the Adriatic Italian side of the border already financed and completed or still under implementation (funded either from Neighbourhood program, other Community funds, national or regional funds) . In any case, the mirror project needs to show a clear cross border dimension, through the non financial participation of at least one from the Italian Adriatic Regions.

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

Applicants must apply in English language.

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

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

Hand-written applications will not be accepted.

2.2.2. Where and how to send the applications

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

**Joint Technical Secretariat
INTERREG IIIA Adriatic Cross Border
Adriatic New Neighbourhood Programme
P.zzo Centi, Piazza S.Giusta
67100 L'Aquila
Italy**

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

Applications (Annexes A, B, C) must be submitted in **1 original and 3 copies**. The complete application form, budget and logical framework must also be supplied in electronic format (floppy disc or CD-Rom).

The Declaration by the applicant (Section V, Annex A) must be signed in original; otherwise, the project proposal will be automatically rejected. The applicant can submit the fax version of the Partnership Statements (in case of awarding, the applicant must submit the originals). Partnership statement has to be signed by legal representative of the applicant's and partner's organisations (each of them signing one copy of the Partnership statement).

The project proposal must include the following documents:

- the statute or articles of association (relevant for the assessment of eligibility requirements) of the applicant organisation and of each partner organisation, in original or in copy, in English or Italian. The public bodies and the public equivalent bodies are not obliged to submit the statute (or articles);



- a certificate, issued by the relevant Authority, proving the registration of an applicant's office in Croatia.

Where an applicant sends two different proposals, each one has to be sent separately.

The outer envelope **must bear**:

- the reference number of the call for proposals (**Call for proposals 2007-PHARE, Ref.< 2006-017-972 >**);
- the full name and address of the applicant;
- the words "*Not to be opened before the opening session*"

2.2.3. Deadline for receipt of applications

The deadline for the receipt of applications is **06th September 2007** at the aforementioned address. Any application received after the deadline will automatically be rejected even if the postmark indicates a date preceding the deadline or if the delay is due to the private courier service.

2.2.4. Further information

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

E-mail : info@interregadriatico.it

Fax : +39 0862 22520

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

Questions that may be relevant to other applicants, together with the answers, will be published on the internet at website www.interregadriatico.it.

2.3. EVALUATION AND SELECTION OF APPLICATIONS

The evaluation and selection of the project proposals will be done by the Joint Selection Committee of the Adriatic New Neighbourhood Programme that assumes the function of the Evaluation Committee. The Joint Technical Secretariat will play the role of the "assistant" during the evaluation of the compatibility and the administrative eligibility of the project proposals, as well as their financial and technical qualities according to the formal and administrative admissibility criteria following described.

All delivered projects will be assessed according to the following criteria:

(1) Administrative compliance

The evaluation of proposals begins with the check of compliance with **formal admissibility requirements**. This means that the proposal satisfies all requirements foreseen in the Checklist in Annex A and in the following table:

Formal Admissibility Requirements	YES/NO
1. Compliance with the eligibility requirements of the applicants and partners.	
2. Respect of the minimum and maximum financial limits of the project.	
3. Compliance with the requirement of the co financing share.	
4. The original Declaration by the applicant (Section V, Annex A) is duly signed and enclosed in the grant application form.	



5. Existence of the minimum number of cross-border partners (on the base of duly signed and stamped Partnership Statements by both applicant and partner(s) organisations).
6. Project proposal within the eligible area of the Programme and this call for proposals.
7. Respect of the deadline set in the call for proposals.

The project proposal must satisfy all aforementioned requirements, missing of even one of these **lead to the automatic rejection of the proposal** .

Following the opening session and the administrative check, the JTS will send a FAX and/or E-mail to all applicants, indicating whether their application was received prior to the deadline, informing them of the reference number they have been allocated, whether their application has satisfied all the criteria mentioned in the checklist and whether their concept note has been recommended for evaluation.

(2) Evaluation of the CONCEPT NOTE

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

The concept note, evaluated by JTS, in collaboration with IAR and EAC representatives, on the base of the Evaluation grid shown below.

1. Summary of the action	NO SCORE
2. Relevance	25
<i>2.1 How relevant to the needs and constraints of the target country(ies) or region is the proposal? (5)</i>	
<i>2.2 How appropriately are the problems and the needs identified? (5)</i>	
<i>2.3 How clearly defined and strategically chosen are those involved (final beneficiaries, target groups) ?(5)</i>	
<i>2.4 How relevant is the proposal to the objectives and guiding principles of the call for proposals? (5)</i>	
<i>2.5 Does the proposed action have an added value by reference to other interventions? (5)</i>	
3. Methodology and Sustainability	15
<i>3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results? (5)</i>	
<i>3.2 Is the partners' level of involvement and participation in the action satisfactory? (5)</i>	
<i>3.3 Are the expected results of the action likely to have a sustainable impact on the target groups? Will it have multiplier effects? (5)</i>	
4. Operational capacity and expertise.	10
<i>4.1 Does the applicant have sufficient experience in project management? (5)</i>	
<i>4.2 Do the applicant and partners have sufficient technical expertise ? (5)</i>	
TOTAL SCORE	50

Maximum scoring is of 50 points. Only the applicants who have been given a total average score of minimum 30 points will have their full application forms evaluated. This first evaluation will lead to a provisional selection. Only those which will have passed this first selection will see their full application assessed.

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



The JTS will send a FAX and/or E-mail to applicants which project proposals have not pass the examination of the concept note.

Please note:

Scoring:

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

(3) Evaluation of the APPLICATION FORM

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

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

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

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

Please note:

Scoring:

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

Note on Section 1. Financial and operational capacity

If the total average score is less than 12 points for section 1, the proposal will not be evaluated further.

Note on Section 2. Relevance

If the total average score is less than 16 points for section 2, the proposal will not be evaluated further.

The selection of the projects is based on the score awarded for each selection criterion.

JTS shall carry out the preliminary appraisal of the project proposals in hold collaboration with IAR and EAC offices.



JSC shall subsequently examine the project proposals and the preliminary appraisal forms prepared by JTS and then awards a score to each proposal according to the criteria listed in the evaluation grid, then setting the final score list of the approved projects.

JSC can make use of external assistance (i.e. experts' opinions, assessments by regional, national and communitarian authorities).

Evaluation Grid

Section	Maximum Score	Application form
1. Financial and operational capacity	20	
1.1 Do the applicant and partners have sufficient experience of project management ?	5	II.4.1 and III.1
1.2 Do the applicant and partners have sufficient technical expertise ? (notably knowledge of the issues to be addressed.)	5	II.4.1 and III.1
1.3 Do the applicant and partners have sufficient management capacity ? (including staff, equipment and ability to handle the budget for the action)?	5	II.4.2 and III.1
1.4 Does the applicant have stable and sufficient sources of finance ?	5	II.4.2
2. Relevance	25	
2.1 How relevant is the proposal to the objectives and one or more of the priorities of the call for proposals?	5 x 2	I.1.6.a
2.2 How relevant to the particular needs and constraints of the target country/countries or region(s) is the proposal? (including avoidance of duplication and synergy with other EC initiatives.)	5	I.1.6.b
2.3 How clearly defined and strategically chosen are those involved (final beneficiaries, target groups)? Have their needs been clearly defined and does the proposal address them appropriately?	5 x 2	I.1.6.c and I.1.6.d
3. Methodology	25	
3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	5	I.1.7 and I.1.8.e
3.2 How coherent is the overall design of the action? (in particular, does it reflect the analysis of the problems involved, take into account external factors and anticipate an evaluation?)	5	I.1.8
3.3 Is the partners' level of involvement and participation in the action satisfactory?	5	I.1.7 and I.1.8.e
3.4 Is the action plan clear and feasible?	5	I.1.9
3.5 Does the proposal contain objectively verifiable indicators for the outcome of the action?	5	Logframe
4. Sustainability	15	
4.1 Is the action likely to have a tangible impact on its target groups?	5	I.2.1
4.2 Is the proposal likely to have multiplier effects?	5	I.2.2 and I.2.3
4.3 Are the expected results of the proposed action sustainable: - financially (how will the activities be financed after the funding ends?) - institutionally (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?) - at policy level (where applicable) (what will be the structural impact of the action — e.g. will it lead to improved legislation, codes of conduct, methods, etc?)?	5	I.2.4
5. Budget and cost-effectiveness	15	
5.1 Is the ratio between the estimated costs and the expected results satisfactory?	5	I.3
5.2 Is the proposed expenditure necessary for the implementation of the action?	5 x 2	I.3
Maximum total score	100	



2.4. SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED PROPOSALS

Applicants who have been provisionally selected will be informed in writing by the JTS. They will be requested by Central Finance and Contracting Unit, Ministry of Finance of the Republic of Croatia to supply the following documents in order to allow the Central Finance and Contracting Unit to verify the financial and operational capacity (also as concerns the co-financing share) of the applicants and their partners:

- 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).
- Legal entity sheet (see annex D) duly completed and signed by the applicant, accompanied by the justifying documents which are requested therein.
- A financial identification form conforming to the model attached at Annex E, certified by the bank to which the payments will be made. This bank must be located in the country where the applicant is registered. If the applicant has already signed a contract with the European Commission or the Central Finance and Contracting Unit, a copy of the previous financial identification form may be provided instead, unless a change in its bank account occurred in the meantime. (Please note that an account in local currency will be needed for Croatian applicants).
- Annual narrative report for previous year where applicable.
- List of members of associations in the last two years (applicable only to agricultural associations and cooperatives).

The supporting documents requested must be supplied in the form of originals or photocopies of the said originals.

The supporting documents can be in English or Croatian. Where the supporting documents are in any other language other than English or Croatian, it is strongly recommended, in order to facilitate the evaluation, to provide a translation of the relevant parts of the documents, into the aforementioned languages.

If these documents are not provided before the set deadline, the application will be rejected. The Declaration by the applicant (Section V of the grant application form) will be cross-checked with the supporting documents provided by the applicant. Any missing supporting document or any incoherence between the Declaration by the applicant and the supporting documents may lead to the automatic rejection of the proposal on that sole basis.

The Contracting Authority may approve or reject the request of PHARE financing. Anyway, Contracting Authority within 40 days (from receiving of the provisional project proposals ranking) communicates its decision concerning project proposals, duly justified in case of eventually rejection.

2.5. NOTIFICATION OF THE JOINT SELECTION COMMITTEE'S DECISION

Further to Contracting Authority's evaluation, JSC proceeds with an eventual modification of the ranking. Contracting Authority's decision to reject a request of financing leads to automatic rejection of the project proposal. In that case JSC slides the ranking, in favour of immediately subsequent project proposals. Ended aforementioned procedure, JSC approves the final ranking, which is transmitted by MA to Croatian Coordination Unit (Ministry of the Sea, Transport and Development) and to Croatian Contracting Authority (Ministry of Finance).



Applicants will be informed in writing of the approval or rejection of the project proposal by JTS in the name and on behalf of the Programme Managing Authority.

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

- the applicant or one or more of its partners was not eligible;
- the action was ineligible (e.g. the action proposed is not covered by the programme, the proposal exceeds the maximum duration allowed, the requested contribution is higher than the maximum allowed, etc);
- the proposal was not relevant enough or the applicant's and partners' financial and operational capacity was not sufficient, or the proposals selected were considered superior in these respects;
- the proposal was considered technically and financially inferior to the proposals selected within the limits of the amount made available under the call for proposals.

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 Central Finance and Contracting Unit 's standard contract (see Annex F).

The date planned for the start of actions, following the signing of the contract by the parties, is November 2007 — this date is indicative only.

Audit firm

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

Final amount of the grant

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

Failure to meet the objectives

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

Amendments to the contract and variations within the budget

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

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

- (1) they do not affect the basic purpose of the action; and



(2) the financial impact is limited to a transfer between items within a single main budget heading or to a transfer between the main budget headings involving a variation of less than 15% of the original amount (as the case may be modified by addendum) of each relevant main budget heading.

In such instances, the Beneficiary may make alterations to the budget, and inform the Central Finance and Contracting Unit.

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

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

Reports

Reports must be drafted in the language provided for in the contract. Narrative and financial report conforming to the models attached to the contract are to be supplied together with payment requests (other than the first instalment of pre-financing).

Additional information

In accordance with Article 2.2 of the General Conditions, the Central Finance and Contracting Unit may request additional information.

Payments

The Beneficiary will receive pre-financing. If the overall duration of the action exceeds 12 months and if the grant exceeds EUR 100 000, the first pre-financing instalment will be 80% of the part of the estimated budget for the first 12 months of the action financed by the Contracting Authority (see Article 15.1 option 2 of the General Conditions). In that case, subsequent pre-financing payments may be made upon submission by the Beneficiary and approval by the Contracting Authority, of an interim report.

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

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

Accounts of the action

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

Expenditure verification

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

- any request for interim payments per financial year in case of grants of EUR 750.000 or more;
- any request for payment of the balance in the case of a grant of more than EUR 100.000.
- any request for payment of over EUR 100 000 for the financial year, in the case of an operating grant.



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

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

Publicity

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

Implementation contracts

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



3. LIST OF ANNEXES

Documents to fill in:

- ANNEX A: GRANT APPLICATION FORM
- ANNEX B: BUDGET (EXCEL FORMAT)
- ANNEX C: LOGICAL FRAMEWORK (EXCEL FORMAT)
- ANNEX D: LEGAL ENTITY SHEET

http://www.europa.eu.int/comm/budget/execution/legal_entities_en.htm

- ANNEX E: FINANCIAL IDENTIFICATION FORM

http://europa.eu.int/comm/europeaid/tender/practical_guide_2006/annexes_grants_en.htm

Documents for information

- ANNEX F: STANDARD CONTRACT (WORD FORMAT), available at the following address:

http://europa.eu.int/comm/europeaid/tender/gestion/cont_typ/st/index_en.htm

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

http://europa.eu.int/comm/europeaid/perdiem/index_en.htm