



**Contracting Authority: Croatian Employment Service,
Service for Financing and Contracting of EU Projects**

Strengthening the Social Dialogue

Guidelines
for grant applicants

Operational Programme for Human Resources Development
2007 - 2013

Instrument for Pre-Accession Assistance
2007HR05IPO001

Reference: EuropeAid/134644/M/ACT/HR

Deadline for submission of Concept note: 19 September 2013

NOTICE

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

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1. OP HRD 2007-2013, IPA: STRENGTHENING THE SOCIAL DIALOGUE

1.1. BACKGROUND

The Instrument for Pre-Accession Assistance (IPA)¹ was established by the Council Regulation EC No 1085/2006 of 17 July 2006 as the overall framework for pre-accession assistance to EU candidate and potential candidate countries and its programming takes into account previous EU assistance in the fields of human resources development and social inclusion.

Component IV - Human Resource Development² is designed to assist in policy development and in preparation for implementation and management of the Community's Cohesion policy, in particular the European Social Fund (ESF). Operational program Human Resources Development³ for the IPA Component IV supports measures directed at promoting employment, education and social inclusion and finances projects in the field of social cohesion aimed to achieve objective set out in the European Employment Strategy.

The main anticipated impact of the priority axis 5 *Strengthening the Role of Civil Society for Better Governance* and, more specifically, the Measure 5.1 *Promotion of Social Dialogue* is to overcome limitations faced by the civil society in Croatia today and to remove obstacles for social dialogue – such as lack of experience and low technical capacities of social partners in effectively representing their members' interests. Contribution in strengthening the government-social partner's dialogue and the partnership between employers and trade unions is also a crucial part, as well enhancing social dialogue at the local level and, what is more at the municipal and company level – and in developing sectoral social dialogue and sectoral collective bargaining.

Although there is an institutional framework for social dialogue, the quality thereof needs to be enhanced and strengthened. Currently, social dialogue is handled predominantly on the central level and lacking in the bottom-up dynamics. Efforts should thus be made to enhance social dialogue at a local level, both at municipal and company level, and in developing sectoral social dialogue and sectoral collective bargaining.

As today, the main obstacles for the social dialogue in Croatia are limited experiences and technical capacities of social partners to represent effectively the interests of their members; there remains more focus on tripartite social dialogue than on bilateral discussions.

In Croatia, social dialogue is promoted by various bodies, such as the Croatian Economic and Social Council (ESC), the Independent Service for Social Partnership at the Ministry of Labour and Pension System and Five confederations of trade unions: the Croatian Independent Trade Unions (NHS), The Union of Autonomous Trade Unions of Croatia (SSSH), The Association of Croatian Trade Unions (Matica) (merged with former UNI-CRO), Croatian Trade Union Association (HUS), and the Workers Trade Union Association of Croatia (URSH);

¹ <http://www.mrrfeu.hr/default.aspx?id=496>

² <http://www.ljudskipotencijali.hr/en/OP-HRD/operational-programme-human-resources-development.html>

³ <http://www.ljudskipotencijali.hr/korisni-dokumenti.html> Filename: Human Resources Development Operational Programme 2007 - 2013.pdf

Only one employers' association is represented at the national level – the Croatian Employers' Associations (CEA).

Other national bodies where social partners are included are National Council for protection at work, National council for competition of Croatia, Governing councils of Croatian health insurance institute, Croatian pension insurance institute, Croatian employment institute, health insurance of protection at work etc.

At the level of industrial sectors and individual companies, partnership between employers and trade unions remains weak, with the private sector still unwilling to accept trade unions as partners in collective bargaining. Subsequently, the number of collective agreements in private sector is lower than in the public sector, where interests of employees are represented by one of the strongest associations.

Financial and human capacities of the social dialogue partners remain very limited in the face of increasing challenges. Furthermore, while the two largest confederations have substantial exposure on the EU level, smaller trade unions are not very aware of the best European and international practices in the field of the social dialogue.

Both trade unions and employers stress the need for a continuous dialogue to replace some of today's ad hoc discussions so as to tackle important issues timely and in detail⁴. Joint work groups on issues relevant to the social dialogue process are considered an essential component of continuity and sustainability of cooperation among social partners.

Moreover, it is evident that cooperation between employers' organisations and trade union confederations is in need of strengthening and establishment of a management model to define sectoral social dialogue and result in the formation of Sectoral Councils, which can significantly improve the quality of bipartite cooperation and facilitate the development of social dialogue at the level of individual sectors. Cooperation and coordination between confederations and local branches also needs improvement in order to enhance capacities of local branches in social dialogue on local level.

As Croatian social partners thus far have none or limited experience with social dialogue on the European level, it is essential for them to be prepared in advance for participation in social dialogue among many stakeholders and advocates of different interests, especially given the tendency of the European Social Dialogue becoming a crucial mechanism for formulation, legislation and implementation of EU policies.

In order to be fully prepared for ESF project management, members of trade unions, employers' associations and other social partners need to strengthen their capacities and improve their skills and knowledge.

⁴ "Social partners' participation in the European social dialogue... what are the social partner's needs?" published by the EC-funded Project of the European Social Partners, Report of the Croatian National Seminar, 6 November 2008

1.2. OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The **global objective** of this Call for Proposals is the enhancement of the quality of social dialogue in Croatia.

The **specific objective (s)** of this Call for Proposals is to increase the effectiveness and sustainability of dialogue amongst Croatian social partners, as well as to improve their organisational abilities with the view of contributing positively to the quality and continuity of the bi- and tri-partite social dialogue process.

PRIORITY ISSUES:

The priorities of the Grant Scheme will be as follows:

- Enhancing and strengthening social dialogue between the government and social partners and the partnership between employers and trade unions

Target groups:

- Members of employer's and trade union's organizations

Projects have to contribute to the fulfillment of the objectives of this call, measured by the following indicators⁵:

- number of representatives of the organizations involved in social dialogue trained
- number of partnerships developed

1.3. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this Call for Proposals is € **580,000**. The Contracting Authority reserves the right not to award all available funds. In case additional funds become available, Contracting Authority can award them according to the rules for this Call for Proposals.

Size of grants

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

- minimum amount: € 50,000
- maximum amount: € 100,000

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

- Minimum percentage: 70 % of the total eligible costs of the action.
- Maximum percentage: 90 % of the total eligible costs of the action (see also Section 2.1.4).

⁵ All listed indicators will be incorporated in Quarterly report template and also at least one indicator has to be incorporated in Logical Framework (Annex C).

The balance (i.e. the difference between the total cost of the action and the amount requested from the Contracting Authority) must be financed from sources other than the European Union Budget or the European Development Fund⁶.

2. RULES FOR THIS CALL FOR PROPOSALS

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

2.1. ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

(1) the actors:

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

(2) the actions:

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

(3) the costs:

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

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

Applicant

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

- be legal persons **and**
- be non-profit-making **and**
- be specific types of organizations such as:
 - employers' associations, and their sectoral and local branches
 - trade unions, and their sectoral and local branches
- be established in⁷ a Member State of the European Union or Albania, Bosnia and Herzegovina, Croatia, Former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey and Kosovo under

⁶ 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.

UNSC Resolution 1244/99; countries that are beneficiaries of the European Neighbourhood and Partnership Instrument; Member States of the European Economic Area: Iceland, Lichtenstein, Norway (This obligation does not apply to international organizations) **and**

- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary

(2) The potential applicant may not participate in calls for proposals or be awarded grants if it is in any of the situations listed in Section 2.3.3 of the Practical Guide 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'), the applicant must declare that the applicant himself, the co-applicant(s) and affiliated entity(ies) are not in any of these situations.

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

- Commission Decision of 16.12.2008 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) or
- Commission Regulation of 17.12.2008 on the Central Exclusion Database (CED) (OJ L344, 20.12.2008, p.12),

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

The applicant may act individually or with co-applicant(s).

If awarded the Grant contract, the applicant will become the Beneficiary identified as the Coordinator in annex E3h1 (Special conditions). The Coordinator is the main interlocutor of the Contracting Authority. It represents and acts on behalf of any other co-beneficiary (if any) and coordinate the design and implementation of the Action.

Co-applicant(s)

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

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

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

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

- regional and local authorities **and**
- non-governmental organizations

Co-applicant(s) must sign the Mandate in Part B section 4 of the grant application form.

If awarded the Grant contract, the co-applicant(s)(if any) will become beneficiaries in the Action (together with the Coordinator)

2.1.2. *Affiliated entities*

Affiliated entity(ies)

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

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

- (i) legal entities together forming one entity, including where it is specifically established for the purpose of implementing the action. In this case, the resulting entity may apply as a applicant or co-applicant whereas the other entities as its affiliated entity(ies).
- (ii) legal entities having a link with the applicants, notably a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation on the condition that they satisfy the eligibility and non-exclusion criteria of an applicant.

If the applicants are awarded a contract, their affiliated entity(ies) will not be become Beneficiary(ies) of the Action and signatory(ies) of the Contract. However, they will participate in the design and in the implementation of the Action and the costs they incur (including those incurred for Implementation Contracts and Financial Support to third parties) may be accepted as eligible costs, provided they comply with all the relevant rules already applicable to the Beneficiary(ies) under the Grant Contract.

Affiliated entity(ies) must satisfy respectively the eligibility criteria as applicable to the applicant and to the co-applicant(s).

Affiliated entity(ies) must sign the affiliated entity(ies) statement in Part B section 5 of the grant application form.

2.1.3. *Associates and Contractors*

The following entities are not applicant(s) nor affiliated entity(ies) and do not have to sign the "mandate" or "affiliated entities' statement":

- Associates

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

- Contractors

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

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

Definition:

An action is composed of a set of activities.

Duration

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

Sectors or themes

This grant scheme aims to promote social dialogue and continuous work on the harmonization of relations between social partners.

Location

Actions must take place in Republic of Croatia.

Types of action

All projects should contribute to enhancement of analytical capacity for quality social dialogue, awareness raising and education actions and capacity building actions.

The following types of action are ineligible:

- actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences and congresses;
- actions concerned only or mainly with individual scholarships for studies or training courses;
- actions consisting solely of the development of strategies, plans or other similar documents;
- actions consisting exclusively or primarily of capital investments, such as land, buildings, vehicles;
- actions consisting solely of research actions;
- actions linked to political and religious activities;
- charitable donations;
- loans to other organizations or individuals;
- profit-making activities.
- actions related to establishing of a private company

Types of activities

This operation will provide actions aimed at building capacity of social partners, namely trade unions and employers' associations and their regional, local and sectorial branches in social dialogue at national and European level as well as building capacity for implementation and management of ESF projects.

Activities aimed at building capacities of social partners in regard to social dialogue:

- Training needs analysis
- Preparing of strategic guidelines
- Training on social dialogue environment (reasoning behind social dialogue, legal basis, social partners, other stakeholders, etc.)
- Training courses on social dialogue mechanisms
- Train-the-trainers activities
- Enhancing organizational skills of social partners, including workers' representatives and workers councils
- Capacity building for social dialogue at European level

Activities aimed at building capacities of social partners in EU projects implementation and management:

- activities aiming at capacity building and particularly for preparation of projects in the field of social dialogue for ESF

Activities aimed at promotion of social dialogue:

- Round tables including social partners on topics important for improvement of social dialogue
- Activities aimed at improvement of existing sectorial social dialogue and reinforcement or establishment of bi-partite social dialogue
- Networking activities
- Study visits, Conferences and Exchanging of experiences
- Development of web portal for promotion of social dialogue and informing the public about issues relevant to social dialogue

The list of types of activity is not exhaustive and illustrative and appropriate actions that are not mentioned above will also be considered for support if they contribute to the aims of specific components.

Purchase of furniture, equipment, adaptation and modernization of existing infrastructures which is necessary for achieving the objectives of the project may not exceed 15% of the total eligible costs of the action.

Financial support to third parties

Applicants may not propose financial support to third parties.

Visibility

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

Number of applications and grants per applicants

The applicant may not submit more than one application under this Call for Proposals.

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

A co-applicant may not submit more than one application under this Call for Proposals.

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

The affiliated entity(ies) may take part in more than one application.

2.1.5. Eligibility of costs: costs that can be included

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

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

- actual costs incurred by the Beneficiary(ies) and affiliated entity(ies)
- one or more simplified cost options.

Simplified cost options may take the form of:

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

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

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

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

- describe the information and methods used to establish the amounts of unit costs, lump sums and/or flat-rates, to which costs they refer, etc.
- clearly explain the formulas for calculation of the final eligible amount⁸
- identify the beneficiary who will use the simplified cost option (in case of affiliated entity, specify first the beneficiary), in order to verify the maximum amount per each beneficiary (which includes if applicable simplified cost options of its affiliated entity(ies))

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

⁸ Examples:- for staff costs: number of hours or days of work * hourly or daily rate pre-set according to the category of personnel concerned;- for travel expenses: distance in km * pre-set cost of transport per km; number of days * daily allowance pre-set according to the country;- for specific costs arising from the organization of an event: number of participants at the event * pre-set total cost per participant etc.

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

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

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

Eligible direct costs

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) with the exception of point 14.9 derogated by the Article 7.2.1 of Standard grant contract.

Contingency reserve

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

Eligible indirect costs

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

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

Contributions in kind

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

Contributions in kind may not be treated as co-financing. However, if the description of the action as proposed includes contributions in kind, the contributions have to be made.

Ineligible costs

In line with the provisions of Article 34 (3), Article 152 of the IPA Implementation Regulation and the Commission Regulation (EU) no 80/2010 amending Regulation implementing Council Regulation (EC) no 1085/2006 establishing an instrument for pre-accession assistance (IPA), the following expenditure shall not be eligible for funding under the programme:

- taxes, including value added taxes, unless they are not recoverable by any means and it is established that they are borne by the final beneficiary;
- customs and import duties, or any other charges;

- purchase, rent or leasing of land and existing buildings, unless the rent or leasing is exclusively related to the period of co-financing of the operation, and that it is preferable to other solutions in terms of the best value for money;
- fines, financial penalties and expenses of litigation;
- operating costs, unless the operating costs relate exclusively to the period of co-financing of the operation;
- second hand equipment;
- bank charges with the exception of costs relating to bank guarantee or comparable surely to be lodged by the beneficiary of the grant;
- 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;
- maintenance and rental costs, unless the rental costs relate exclusively to the period of co financing of the operation;
- depreciation costs for the infrastructure, unless the following cumulative conditions are met:
 - i. no national or Community grants have contributed to the purchase of the related investment,
 - ii. the depreciation costs are calculated with the relevant applicable national accountancy rules,
 - iii. the costs relate exclusively to the period of co-financing of the operation concerned.

Fees for civil servants or other public employees of central or local administration of the beneficiary country will be considered ineligible unless the prior approval of the Contracting Authority has been obtained.

Civil servants or other public employees of central or local administrations which participate under this call for proposals as an applicant or co-applicant(s) or affiliated entity(ies) applicant may not receive fees for their contribution to the action other than their salaries in the respective institution. The salaries of the civil servants or other public employees of the central and local administrations may be presented as co-financing contribution by the applicant or co-applicants.

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 Concept Note instructions in the Grant Application Form annexed to these Guidelines (Annex A).

Applicants must apply in English.

In the Concept Note, applicants must only provide an estimate of the amount of contribution requested from the Contracting Authority and an indicative percentage of that contribution in relation to the total amount of the Action. Only the applicant invited to submit a full application in the second phase will be required to

present a detailed budget. The elements outlined in 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%. Applicants are free to adapt the percentage of co-financing required within the minimum and maximum amount and percentages of co-financing, as laid down in these Guidelines in section 1.3. Own contributions by the applicants can be replaced by other donors' contributions at any time.

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

Clarifications will only be requested when information provided is unclear and thus prevents 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 3 copies in A4 size, each bound.

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

Where applicants send 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, and the words 'Not to be opened before the opening session' and "Ne otvarati prije sastanka za otvaranje ponuda".

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

Postal address

Croatian Employment Service
(Hrvatski zavod za zapošljavanje)
Service for Financing and Contracting of EU Projects
(Služba za financiranje i ugovaranje projekata EU)
Ulica grada Vukovara 70/3
10 000 Zagreb
Croatia

Address for hand delivery or by private courier service

Croatian Employment Service
(Hrvatski zavod za zapošljavanje)
Service for Financing and Contracting of EU Projects
(Služba za financiranje i ugovaranje projekata EU)
Ulica grada Vukovara 70/3
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 Concept Notes

The deadline for the submission of Concept Notes is 19 September 2013 as evidenced by the date of dispatch, the postmark or the date of the deposit slip. In the case of hand-deliveries, the deadline for receipt is at 15:30 hours local time as evidenced by the signed and dated receipt. Any Concept Note submitted after the deadline will be rejected.

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

2.2.4. Further information about Concept Notes

An information session on this Call for Proposals will be held prior to the deadline for the submission of concept notes. For further information, please refer to: <http://www.hzz.hr/dfc/>

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 address(es) below, indicating clearly the reference of the Call for Proposals:

E-mail address: cesdfc@hzz.hr

Fax: +385 1 640 1901

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

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

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

Questions that may be relevant to other applicants, together with answers and other important notices in the course of the evaluation procedure, will be published on the EuropeAid website <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome> [<other websites>], as the need arises. It is therefore advisable to consult the abovementioned website regularly in order to be informed of the questions and answers published.

All questions related to PADOR registration should be addressed to the PADOR help desk:

Europeaid-pador@ec.europa.eu

2.2.5. Full Application forms

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

The elements outlined in 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%, although applicants are free to adapt the percentage of co-financing required within the minimum and maximum amount and percentages of co-financing, as laid down in these Guidelines under section 1.3.

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

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

Hand-written applications will not be accepted.

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

2.2.6. Where and how to send Full Application forms

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) to the address below:

Postal address

Croatian Employment Service
(Hrvatski zavod za zapošljavanje)
Service for Financing and Contracting of EU Projects
(Služba za financiranje i ugovaranje projekata EU)
Ulica grada Vukovara 70/3
10 000 Zagreb
Croatia

Address for hand delivery or by private courier service

Croatian Employment Service
(Hrvatski zavod za zapošljavanje)
Service for Financing and Contracting of EU Projects
(Služba za financiranje i ugovaranje projekata EU)
Ulica grada Vukovara 70/3
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 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 single file (i.e. the full application form must not be split into several different files). The electronic file must contain **exactly the same** application as the paper version.

The Checklist (Section 7 of Part B of the grant application form) and the Declaration by the applicant (Section 8 of Part B of the grant application form) must be stapled separately and enclosed in the envelope

Where applicants send 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 number and title of the lot, the full name and address of the applicant, and the words ‘Not to be opened before the opening session’ and ‘Ne otvarati prije sastanka za otvaranje ponuda’.

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

2.2.7. Deadline for submission of Full Application forms

The deadline for the submission of applications will be indicated in the letter sent to the applicants whose application has been pre-selected. Please note that deadline for submission of Full Application Form will be minimum 45 days after invitation for its submission.

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

2.2.8. Further information about Full Application forms

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: cesdfc@hzz.hr

Fax: **+385 1 640 1901**

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

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

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

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

2.3. EVALUATION AND SELECTION OF APPLICATIONS

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

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

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

The following will be assessed:

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

- The 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 Concept Notes that pass the first administrative check will be evaluated on the relevance and design of the proposed action.

The Concept Note will receive an overall score out of 50 using the breakdown in the evaluation grid below. The evaluation will also check on compliance with the instructions on the Concept Note, which can be found in Part A of the Application Form.

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

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?	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

* Note: A score of 5 (very good) will only be allocated if the proposal specifically addresses more than the required minimum number of priorities as indicated in Section 1.2 (Objectives of the programme) of these guidelines.

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

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

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

Secondly, the number of Concept Notes will be reduced, taking account of the ranking, to the number of Concept Notes whose total aggregate amount of requested contributions is equal to at least 200% of the available budget for this Call for Proposals. The amount of requested contributions of each concept note will be based on the indicative financial envelopes for each lot.

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

(2) STEP 2: EVALUATION OF THE FULL APPLICATION

First, the following will be assessed:

- Compliance with the submission deadline. If the deadline has not been met, the application will automatically be rejected.
- The full application form satisfies all the criteria specified in points 1-9 of the Checklist (Section 7 of Part B of the grant application form). If any of the requested information is missing or is incorrect, the application may be rejected on that **sole** basis and the application will not be evaluated further.

The quality of the applications, including the proposed budget and capacity of the applicants and affiliated entity(ies), will be evaluated using the evaluation criteria in the evaluation grid below. There are two types of evaluation criteria: selection and award criteria.

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

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

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

Scoring:

The evaluation grid is divided into sections and subsections. Each subsection of sections 1 of the evaluation grid will be assessed on whether the criteria has been fulfilled or not. Each subsection of sections 2, 3,4 and 5 will be given a score between 1 and 5 as follows: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

Evaluation Grid

Section	
1. Financial and operational capacity	Yes/No
1.1 Do the applicants and, if applicable, affiliated entity(ies) have sufficient experience of project management?	
1.2 Do the applicants and, if applicable, affiliated entity(ies) have sufficient technical expertise? (especially knowledge of the issues to be addressed.)	
1.3 Do the applicants and, if applicable, affiliated entity(ies) have sufficient management capacity? (including staff, equipment and ability to handle the budget for the action)?	
1.4 Does the applicant have stable and sufficient sources of finance?	
	Maximum Score
2. Relevance of the action	30
<i>Score transferred from the Concept Note evaluation</i>	
3. Effectiveness and feasibility of the action	20
3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	5
3.2 Is the action plan clear and feasible?	5
3.3 Does the proposal contain objectively verifiable indicators for the outcome of the action? Is any evaluation planned?	5
3.4 Is the co-applicant(s)'s and affiliated entity(ies)'s level of involvement and participation in the action satisfactory?	5
4. Sustainability of the action	15
4.1 Is the action likely to have a tangible impact on its target groups?	5
4.2 Is the proposal likely to have multiplier effects? (Including scope for replication, extension and information sharing.)	5
4.3 Are the expected results of the proposed action sustainable?: - financially (<i>how will the activities be financed after the funding ends?</i>) - institutionally (<i>will structures allowing the activities to continue be in place at the end</i>)	5

<p><i>of the action? Will there be local 'ownership' of the results of the action?)</i></p> <p>- 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></p> <p>- environmentally (if applicable) (<i>will the action have a negative/positive environmental impact?)</i></p>	
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	80

*these scores are multiplied by 2 because of their importance

Note on Section 1. Financial and operational capacity

If the answer is negative to one or more of the criteria, the application will be rejected.

Provisional selection

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

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

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

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

Any rejected application will be replaced by the next best placed application in the reserve list that falls within the available financial envelope.

2.4. SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS

An applicant that has been provisionally selected or placed on the reserve list will be informed in writing by the Contracting Authority. It will be requested to supply the following documents in order to allow the

Contracting Authority to verify the eligibility of the applicant, (if any) of the co-applicant(s) and (if any) of their affiliated entity(ies)⁹:

1. The statutes or articles of association of the applicant, (if any) of each co-applicant(s) and (if any) of each affiliated entity(ies)¹⁰ Where the Contracting Authority has recognised the applicant's, or the co-applicant(s)'s, or their affiliated entity(ies)'s eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, it should be submitted, instead of the statutes or articles of association, a copy of the document proving their eligibility in a former Call (e.g. a copy of the special conditions of a grant contract received during the reference period), unless a change in legal status has occurred in the meantime¹¹. This obligation does not apply to international organisations which have signed a framework agreement with the European Commission.
2. A copy of the applicant's latest accounts (the profit and loss account and the balance sheet for the last financial year for which the accounts have been closed)¹². A copy of the latest account is not required from (if any) the co-applicant(s).
3. Legal entity sheet (see annex D of these Guidelines) duly completed and signed by each of the applicants (i.e. by the applicant and (if any) by each co-applicant(s), accompanied by the justifying documents requested there. If the applicants have already signed a contract with the Contracting Authority, instead of the legal entity sheet and supporting documents, the legal entity number may be provided, unless a change in legal status occurred in the meantime.
4. A financial identification form of the applicant (not from co-applicant(s)) conforming to the model attached at Annex E of these Guidelines, certified by the bank to which the payments will be made. This bank should be located in the country where the applicant is established. If the applicant has already submitted a financial identification form in the past for a contract where the European Commission was in charge of the payments and intends to use the same bank account, a copy of the previous financial identification form may be provided instead.

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 English of the relevant parts of these documents proving the applicant(s)'s eligibility, must be attached and will prevail for the purpose of analyzing 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 applicants' eligibility, into English.

9 No supporting document will be requested for applications for a grant not exceeding EUR 60000.

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

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

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

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.

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

2.5. NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

2.5.1. Content of the decision

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

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

2.5.2. Indicative timetable

	DATE	TIME*
Information meeting (if any)	To be announced ¹³	To be announced
Deadline for requesting any clarifications from the Contracting Authority	29 August 2013	15:30
Last date on which clarifications are issued by the Contracting Authority	06 September 2013	-
Deadline for submission of Concept Notes	19 September 2013	15:30
Information to applicants on opening, administrative checks and concept note evaluation (Step 1)	18 December 2013*	-
Invitations to submit Full Application Form	18 December 2013*	-
Deadline for submission of Full Application Form	03 February 2014*	-
Information to applicants on the evaluation of the Full Application Form (Step 2)	29 May 2014*	-
Notification of award (after the eligibility check) (Step 3)	28 July 2014*	-
Contract signature	27 August 2014*	-

¹³ An information meeting on this Call for Proposals will be organised prior to the deadline for the submission of concept notes. For further information, please refer to: <http://www.hzz.hr/dfc/>

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

This indicative timetable may be updated by the Contracting Authority during the procedure. In such cases, the updated timetable will be published on the EuropeAid web site <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome> and on www.hzz.hr/dfc/.

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

Following the decision to award a grant, the Beneficiary(ies) will be offered a contract based on the Contracting Authority's grant contract (see Annex G of these Guidelines). By signing the application form (Annex A of these Guidelines), the applicants agree, if awarded a grant, to accept the contractual conditions of the standard grant contract.

Implementation contracts

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

3. LIST OF ANNEXES

DOCUMENTS TO BE COMPLETED

Annex A: Grant Application Form (Word format)

Annex B: Budget (Excel format)

Annex C: Logical Framework (Excel format)

Annex D: Legal Entity Sheet

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 action
- Annex VIII: model financial guarantee
- Annex IX: standard template for transfer of ownership of assets

Annex H: Daily allowance rates (Per diem), available at the following address:
http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm

ANNEX J: Information on the tax regime applicable to grant contracts signed under the call.

Annex K: Guidelines and Checklist for assessing Budget and Simplified cost options.

Project Cycle Management Guidelines

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