



## **Guideline for the applicants of the ABD grant scheme**

### **2<sup>nd</sup> Call for proposals**

**Opening date of call is 7<sup>th</sup> July 2014 at 16:00 and  
the closing date is 15<sup>th</sup> August 2014 at 16:00 Central European Time**

The translated documents for the call of proposal are available in Serbia/Croatian/Bosnian/Montenegrin languages. However, it should be noted that the only official version is presented in English language and in case of contradiction the English version will prevail.

The project is funded by:



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# 1. ABD grant scheme- guide for beneficiaries

## 1.1 Background

The “ABD grant scheme” (named as such for the purpose of this guide) is to be implemented by the the SWG Head Office/ Secretariat on behalf of the Regional Rural Development Standing Working Group as an activity **“Enhancing competitiveness with small grants for renewal of production facilities and purchase of equipment for introducing new production processes to improve or innovate products”** within the project financed by the European Commission **“Preparation for Implementation of the Area Based Development (ABD) Approach in the Western Balkans – 2nd phase”** (contract number 2013-336-472).

The grant scheme is designed to support investments in the “Drina - Tara” and “Drina - Sava” cross-border regions related to the improvement of production processes, implementation of improved technology and improvement of quality of products and services.

The current project is a follow up and the second phase of the project implemented by SWG titled *“Preparation for implementation of the Area Based Development Approach in the Western Balkans”*. The overall objective of this project is the continuation of the process of building capacities and structures within the SWG and within selected regions as a preparation for the implementation of the forthcoming Area-Based Development (ABD) programmes. Furthermore, the project aim is also to test in practice the implementation of the ABD grant scheme supporting integrated economic development approach in “Drina-Tara” and “Drina-Sava” cross-border regions.

### 1.1.1 What is Area Based Development (ABD)?

Area Based Development (ABD) is considered to be an innovative and effective approach to facilitate sustainable growth in rural areas in decline. It is suitable for geographical areas in cross-border regions in the Western Balkans, characterized by specific complex development problems. The approach uses a methodology, which is inclusive, participatory, as well as flexible and it ensures integration and coherence.

It is suitable in particular for areas where one or several of the following situations are present: poverty gap, post-natural or human disasters, post-conflict environment and exclusion issues.

### 1.1.2 What is SWG?

The SWG is an International Intergovernmental Organisation, consisting of governmental institutions in South Eastern Europe (SEE) responsible for agriculture and rural development (Ministries of Agriculture) in countries and territories of South-East Europe (SEE).

The SWG vision is to promote innovative and sustainable agriculture and rural development through regional cooperation, to improve rural livelihoods in the SEE countries.

The main SWG work is organized through activities implemented in the following areas:

- Networking and capacity enhancement of SWG Member Institutions;
- Facilitating regional cooperation between rural stakeholders in the SEE region;
- Implementing the area based development approach as a tool to foster sustainable growth in the SEE region.

### **1.1.3 Preparation for the ABD approach**

At the moment, the SWG work is at an advanced stage of preparation for the implementation of the Area Based Development approach in the four target regions of “Drina-Tara”, “Drina-Sava”, “Prespa”, “Sharra”, including the following main activities:

- Establishment and capacity building of regional structures Stakeholder Groups in the target cross-border regions
- Development strategies and programmes for economic development of the target regions
- Establishment of Project Management Units (PMU) of “Drina-Tara”, “Drina-Sava”, “Prespa”, “Sharra” cross-border regions
- Establishment of the Project Implementation Unit (PIU) within the SWG Head Quarters in Skopje
- Implementation of the ABD “test” grant scheme for the beneficiaries of “Drina-Tara” and “Drina-Sava” cross-border regions

## **1.2 Objectives of the grant scheme and priority issues**

The main objective of the grant scheme is to strengthen integrated economic development of the regions of “Drina - Tara” and “Drina - Sava” by supporting entrepreneurial initiatives focusing on strengthening touristic offer of the region and improving production chains of agricultural, food and craft products, improvement of tourism services through integrated projects fostering cooperation among operators in the value chain.

Furthermore, the implementation of the grant scheme will serve as a test activity preparing the ABD implementing structures for the implementation of the Area Based Development on a broader scope in the four regions of “Drina-Tara”, “Drina-Sava”, “Prespa”, “Sharra”.

### **1.3 Financial allocation provided within the call**

The overall indicative amount available under this second call for proposals in the “Drina-Tara” and “Drina-Sava” cross-border regions is estimated on 100.000 EUR. The SWG reserves the right not to award all available funds in this Call for proposals.

#### Size of grants

The maximum value of grant for a partnership (group of beneficiaries) is up to 35,000 EUR under this Call for proposals.

However, value of any grant for each individual beneficiary awarded under this Call for proposals must fall between the following minimum and maximum amounts of the eligible costs:

- minimum amount: 1,000 EUR
- maximum amount: 8,000 EUR

The value of the grant for each beneficiary might be up to 75 % of the total eligible costs of the action (see also section 2.2.3). The remaining cost of the action must be financed from the beneficiary's own resources or from sources other than the European Union budget or the European Development Fund. It is important to note that VAT is not considered an eligible cost.

## **2 Rules applicable under this Call for proposal**

These guidelines set out the rules for the eligible beneficiaries, actions, costs, submission of applications, selection and implementation of actions financed under this Call.

### **2.1 Eligible area**

The grant will be available in the following countries and municipalities of “Drina-Tara” and “Drina-Sava” cross-border regions:

#### Cross-border region of “Drina-Tara”:

**Serbia:** Ljubovija, Bajina Bašta, Prijepolje, Priboj, Čajetina, Užice

**Montenegro:** Bijelo Polje, Pljevlja

**Bosnia and Herzegovina:** Višegrad, Rudo, Goražde, Srebrenica, Bratunac, Milići

#### Cross-border region of “Drina-Sava”:

**Bosnia and Herzegovina:** Bijeljina, Ugljevik, Lopare, Brčko, Donji Žabari

**Croatia:** Ilok, Lovas, Tovarnik, Nijemci, Vrbanja, Drenovci, Gunja

**Serbia:** Sremska Mitrovica, Šid, Bogatić, Loznica, Šabac



## **2.2 Eligibility criteria**

There are three sets of eligibility criteria, relating to:

- applicant(s) which may request a grant (2.2.1), and their partnership (2.2.1.1);
- actions for which a grant may be awarded (2.2.2);
- types of cost which may be taken into account in setting the amount of the grant (2.2.3).

### **2.2.1 Eligibility of applicants - who may apply?**

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

- be legal entities or natural person operating as agricultural and food producer, rural household, processing facility, local store, organization of farmers, Non Governmental Organization (NGO), Civil Society Organization (CSO), Tourism Organization, Chamber of Commerce, tourist facility and service provider, regional development agency, local development agency, handy craft producer. Public institutions are also eligible if their activities fall under one of the economic sectors specified in 2.2.1.3.
- be in a partnership with at least one partner (natural person /legal entity) and apply jointly for the support,
- be registered in one of the municipalities of the “Drina Tara” /“Drina Sava” region (where the grant will be available) and be operational in the sector (see list of eligible economic sectors in 2.2.1.3) that he represents for at least 6 months before the submission of the joint application for grant,
- be registered at the business register/register of agricultural holdings in accordance with the legislation of the country where the applicant’s operation is registered
- must prove that he/she is the owner of the land/facility in case of investments, regarding adaptation/renovation works on enterprise buildings, purchase of equipment when specific requirements shall apply,
- must prove that he has no outstanding liabilities towards the State in which his operation is registered at the moment of submitting the application,
- Each applicant must be economically viable ,
- Beneficiary is directly responsible for the preparation and implementation of the action with his/herpartners.

### **Number of applications and grants per applicant**

An applicant may not submit more than one joint application for a grant under this Call for proposals. Consequently, all the applications where the repeating applicant appears will be automatically treated as not eligible. Furthermore, one applicant cannot present himself/herself more than once within one joint application form. Consequently applications

where applicants represented or owned by the same person and/ or a close relative will not be considered eligible.

## **2.2.1.1 Partners and partnership**

### **Partners**

- Partners create partnership and jointly design and implement the action to be supported within the grant,
- Partners must come from at least two different countries of the “Drina Tara” /“Drina Sava” region (see a list of the eligible countries/municipalities in 2.1) and must represent at least two different economic sectors (see list of eligible economic sectors in 2.2.1.3). Partnerships between applicants from different regions will not be eligible under this Call,
- Partners must submit one joint application together with required documents, business strategy for the action to be supported within the grant,
- Each partner must satisfy the eligibility criteria separately,
- SWG will sign the contracts individually with each partner of the joint action to be supported,
- The costs to be incurred by each of the partners must be presented separately for each of them in the joint application form. The partners will be reimbursed eligible costs of the investment they have undertaken only after the finalization of the investment by all the partners included in the partnership and indicated in the application for the grant.

### **Partnership**

The partnership for the purpose of this grant must concern cooperation between partners in a value chain with aim to improve production chains of agricultural/food/craft products or to strengthen touristic offer of the region.

- The partners must clearly state purpose of a partnership (cooperation) in a value chain, including specific role of each partner,
- The partnership must be concluded at least for the period of the duration of the joint action,
- The partnerships between partners with previous experience will be an asset. If at least two partners of the project have previous experience in a partnership the project might be awarded additional points under the ranking criteria.. If applicable additional proof of already previously existed/existing partnership must be attached.
- Partnerships among family members will not be eligible.

- The Partnership Statement, confirming interest of the applicants to cooperate in the value chain must be signed by each partner and attached to the Grant Application Form.
- The partnership among the partners must be formalized by public notary services at latest before signature of the contracts between the individual beneficiaries of the winning projects and SWG.

### 2.2.1.2 Involvement of the public sector

Public sector can also be involved as a partner in the project realization with its own financial contribution. Applications for actions with proven interest of the public sector to finance part of the project will be higher ranked.

### 2.2.1.3 Economic sectors eligible for support

Value chains to be supported must involve at least two of the following economic sectors eligible for support such as: agriculture, food processing and marketing, artisan food production and traditional food processing, wine, drinks, handicraft production, gastronomy, tourism, trade, local transport (of agriculture products, food and tourists). Example: A value chain can be defined as range of activities across economic sectors which are required to bring a product or service from conception, through the different phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final customers, and final disposal after use. The chain brings actors into a business partnership who transact a particular product as it moves through the value chain. It includes following actors: producers, traders, processors, transporters and service providers in tourism.

Value chains combining actors dealing with the agricultural/food/craft production and touristic services and or direct marketing will be an asset.

### 2.2.2 Eligible actions: for which an application may be made

- Action of the project must meet at least one of the **general objective** and at least one **specific objective** of this grant.

**General objective:** to strengthen integrated economic development of the region “Drina - Tara”/“Drina - Sava” by supporting cooperation among operators in the value chain:

- to improve production value chains initiatives of agricultural and food products or crafts,
- to strengthen touristic offer of the region.
- or both objectives





The activities/investments with the following **specific objectives** will be supported:

- *upgrading production/processing process and increase of quality of traditional/typical products, as well as innovations and marketing and standardization for increasing competitiveness;*
- *improvement of conditions of facilities and quality of services for tourists;*
- *strengthening links in a value chain of the agricultural/food/handicraft/touristic products/offer of the region;*
- *diversify offer of tourism and services of the region;*
- *development of new economic activities and/or innovative products and services in the region related to the value chain agriculture-food processing-tourism/direct sales.*

When designing activities/investments for support, the beneficiaries should consult closely the list of eligible costs under this call (2.2.3).

- Actions of the project must involve at least two economic sectors included in a value chain,
- Actions of the project must take place at least in two countries of the “Drina Tara” /”Drina Sava” cross-border region where the grant will be available,
- Actions must comply with the requirements of local and national law of the country where the investment takes place (if applicable). It is responsibility of the beneficiary to ensure that the action was realized in line with the legal requirements of the country where the investment took place,
- Equipment co-financed has to originate from an EU Member State, a beneficiary country of the IPA Regulation, a beneficiary country of the European Neighborhood and Partnership Instrument or a country of the EU European Economic Area,
- Realization of actions can start only after signing a contract by the beneficiary with SWG. No payments done by the beneficiary prior to the signature of the contract will be reimbursed,
- The planned duration of an action must not be longer than 5 months from the moment of the signature of the contract and must be completely finalized latest by 20/03/2015,
- Actions must be realized respecting relevant PRAG and SWG public procurement rules (see chapter 2.5.1),
- Public sector can finance (with its own resources) part of the implementation of the action under this call.
- Action financed under this grant cannot be subject of financial support from any other EU/national assistance. It is responsibility of each applicant to ensure that double financing will not occur.

### **2.2.3 Eligibility of costs within the grant**

Only eligible costs incurred after the signature of the contract can be taken into account for the grant and they must be based on real costs and original supporting documents. The categories of costs considered as eligible and non-eligible are indicated below.

#### Eligible costs

Generally costs of purchasing equipment, renovation/adaptation of the facilities are eligible.

#### **Touristic offer**

- Renovation/adaptation/refurbishment of accommodation facilities for tourists in households, small hotels, holiday camps
- Equipment for the touristic accommodation facilities in households, small hotels, holiday camps
- Accessories for tourists in households, small hotels, holiday camps, touristic organizations: e.g. bikes, tents, kayaks, sport equipment
- Equipment for marking touristic paths (wine roads, bike paths, thematic roads, etc) and conducting activities in rural areas
- Equipment and accessories for presentation of the touristic offer of the region

#### **Food and craft products**

- Renovation/adaptation of space for preparing, serving and selling food and drinks for tourists in touristic premises, restaurants, local markets
- Equipment for preparing serving and selling of food and drinks for tourists in touristic premises, restaurants, local markets
- Equipment for packaging, labeling and marketing of products
- Reconstruction of facilities to produce agricultural, food and craft products
- Equipment to produce agricultural, food and craft products

#### **Cultural heritage**

- Reconstruction and equipping of tourist sites

**Other costs which should be presented in the application form and which are not considered as investment - those costs can be considered eligible in the justified cases. However, they cannot be the only costs to be occurred within the project:**

- Costs of certification of production facilities and products/services within the quality schemes
- Costs relating to maintenance of the partnership concerning travelling expenses and organization of the meetings
- Costs of preparation and printing promotional materials to promote products/touristic services identified within the value chains

Equipment co-financed has to originate from an EU Member State, a beneficiary country of the IPA Regulation, a beneficiary country of the European Neighborhood and Partnership Instrument or a country of the EU European Economic Area- list of the countries:

- EU member states;

- IPA countries: Turkey, Albania, Bosnia and Herzegovina, Montenegro, Serbia, Macedonia, Kosovo \*(under UNSCR 1244);
- ENPI countries: Russia, Ukraine, Belarus, Moldova, Georgia, Armenia, Azerbaijan, Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Occupied Palestinian Territories, Syria, Tunisia;
- EEA member states: Norway, Iceland and Liechtenstein;
- International organizations.

### Ineligible costs

The following costs are not eligible:

- taxes, including VAT,
- customs or import duties, or any other charges,
- purchases, rent or leasing of land and existing buildings,
- operating costs,
- purchase of second hand equipment,
- bank charges, costs of guarantees and similar charges,
- conversion costs, charges and exchange losses associated with any of the component specific euro accounts, as well as other purely financial expenses,
- contribution in kind,
- any leasing costs,
- depreciation costs,
- debts and debts service charges,
- provision for losses or potential future liabilities,
- interest owed,
- items already financed in another framework,
- credit to third parties.

## ***2.3 How to apply and the procedures to follow***

### **2.3.1 Application form**

Interested applicants must apply by presenting the completed application form in Serbian/Montenegrin/Bosnian/Croatian language which is attached to this guide for the beneficiaries. Hand-written applications will not be accepted.

Please note that only the application form, business strategy (which have to be filled in), as well as partnership statement and the supporting document will be evaluated. It is therefore of utmost importance that these documents contain ALL relevant information concerning the action. No additional annexes should be sent after submission of the application unless specifically requested by SWG.

The following are the documents, which must be submitted when applying for a grant:

Annex A: Grant Application Form

Annex B.1: Business strategy

Annex B.2: Business strategy cash flow (separate for each applicant)

## Annex C: Partnership statement

Along with the annexes A, B.1, B.2 and C each applicant must provide supporting documents such as:

- Copy of ID card of each applicant,
- Proof of registration of applicant in the Farmer Registry/business registry - original,
- Confirmation from Tax Administration that the applicant has no outstanding obligations to the state (where he is registered), not older than 30 days at the date of submission the application- original,
- An excerpt from the Property/Land Registry as proof of ownership of the applicant's property not older than 3 months at the date of submission the application- original. The proof of the ownership of the land/facility is to be requested in case of investments, regarding adaptation/renovation works on enterprise buildings, purchase of equipment when specific requirements shall apply,
- Copy of technical documentation (for the investments in renovation/adaptation of the facilities) if obligatory in the country where the investment will be realized,
- Copy of building permission (for the investments in renovation/adaptation of the facilities) if obligatory in the country where the investment will be realized,
- Proof that the applicant is not subject of civil or criminal proceedings- original,
- Three quotations from the providers for each individual investment (new valid offers might need to be resubmitted before signing contracts)- original,
- Additional documentation (if applicable) for example proof of already previously existed/existing partnership between at least two partners of the project.

The application form is available at:

- the website of the The Regional Rural Development Standing Working Group (SWG) in SEE [www.seerural.org](http://www.seerural.org) .

### 2.3.2 Where and how to send the Application form

Joint applications must be submitted in one original and one copy in A4 size, each bound. The complete application form with supporting documents, business strategy and partnership statement must also be supplied in electronic format (CD-Rom). Each submitted document must be presented in separate and unique file. (e.g. a document must not be split into several different files). The electronic format must contain exactly the same proposal as the enclosed paper version.

The outer envelope must bear the **title of the call for proposals**, together with the title, the full name and address of the office in charge, and the words "**Not to be opened before the opening session**".

Applications must be submitted in a sealed envelope by **registered** mail, private courier service at the address below.. It is important that applicants request from the mail service a certificate confirming that the mail was registered.

Postal address for delivery by mail service or private courier service:

**Project Management Unit/Office of the SWG Secretariat for the cross-border region of "Drina-Tara" :**

Vuka Karadzica 2  
73 240 Visegrad  
Republic of Srpska  
Bosnia & Herzegovina

**Project Management Unit/Office of the SWG Secretariat for the cross-border region of " Drina-Sava"**

P.O. Box: 10  
76120 Brcko  
Bosnia and Herzegovina

Once the application is submitted by post, applicants should submit the proof for sent post indicating the name of the project to the respective Project Management Unit by email: :

[drina-sava@swg-seerural.org](mailto:drina-sava@swg-seerural.org) for the projects from "Drina-Sava" region

[drina-tara@swg-seerural.org](mailto:drina-tara@swg-seerural.org) for the projects from "Drina-Tara" region

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

Applicants must verify that their joint application is complete and it includes all the obligatory information, annexes and supporting documents for all the applicants. Incomplete applications will be rejected.

### **2.3.3 Opening of call and deadline for submission of Applications**

The call is to be opened on 7<sup>th</sup> July 2014 at 16:00 hours Central European Time and the deadline for the submission of applications is 15<sup>th</sup> August 2014 at 16:00 hours Central European Time as evidenced by the date of the postmark or the date of the deposit slip Any application submitted after the deadline will automatically be rejected.

### **2.3.4 Further information regarding Applications**

Questions regarding application process may be sent by e-mail no later than 10 days before the deadline for the submission of proposals to the address listed below, indicating clearly

the reference of the call for proposals. The SWG has no obligation to accept questions after this date.

E-mail address:

[drina-sava@swg-seerural.org](mailto:drina-sava@swg-seerural.org) for the projects from “Drina-Sava” region

[drina-tara@swg-seerural.org](mailto:drina-tara@swg-seerural.org) for the projects from “Drina-Tara” region

Replies will be given no later than within the 3 working days after receiving the question.

Consultations related to the preparation of the Grant Application Form will be provided on-line on the following e-mail address:

[project\\_proposal@swg-seerural.org](mailto:project_proposal@swg-seerural.org)

Consultations related to the preparation of the Business Strategy will be provided on-line on the following e-mail address:

[business\\_plan@swg-seerural.org](mailto:business_plan@swg-seerural.org)

Applicants are highly recommended to use the opportunity to consult experts during the preparation of the Grant Application Form and Business Strategy. In the interest of equal treatment of applicants, the SWG cannot give a prior opinion on the eligibility of an applicant, a partner, an action or specific activities.

## ***2.4 Grant approval procedure (evaluation and selection of winning applicants)***

Applications will be evaluated and ranked during the evaluation process in which the Evaluation Committee will be involved. Members will be nominated by SWG based on the objective criteria for the selection of the members of this committee.

Member of the SGH (Stakeholder Group) can be designated as a part of the Evaluation Committee only as observers. However, they must not be in the same moment applicants under this Call for proposals.

If the examination of the application reveals that the action/applicant does not meet the eligibility criteria, the application shall be rejected on this sole basis and its application will not be processed further.

All proposals submitted by applicants will be assessed according to the following steps and criteria and applicants will be informed about progress in the grant approval procedure accordingly.

### **2.4.1 Opening of submitted applications and administrative checks**

The following will be assessed:

- if the submission deadline of the application has been respected. If the deadline has not been respected the application will automatically be rejected.
- If the Grant Application Form with annexes satisfies all the criteria 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.
- If the supporting documents meet the following criteria:
  - Whether the documents are issued by the relevant authorities;
  - Whether the documents have all elements proving their reliability (stamp, signature of the responsible person, date, etc);
  - Whether the documents are valid according to the date of validity specified in the guide for beneficiaries;

## 2.4.2 Evaluation of the applications: eligibility checks and ranking

The **eligibility checks** of submitted applications, including relevance of the proposed action/eligibility of applicant/eligible cost will be carried out in accordance with the eligibility criteria set out in the chapter 2.2.

The eligibility criteria enable the selection of applications which the SWG can be confident they will comply with objectives and priorities, as well as guarantee the best quality of the proposed actions for 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.

The following criteria will be applied for the evaluation of the business strategy:

	<b>General criteria's for assessment of business strategy</b>	<b>Scale of points</b>	<b>Criteria's applied for assessment</b>	<b>Points awarded</b>
1.	Completeness of the information – structure of business plan	0-4	<ul style="list-style-type: none"> <li>- <i>Partially completed, without detailed calculation of parameters required</i></li> <li>- <i>Partially completed following the business plan structure</i></li> <li>- <i>Completed with short and insufficient information</i></li> <li>- <i>Fully completed, with clear descriptions</i></li> <li>- <i>Fully completed with clear descriptions and supporting documents presented</i></li> </ul>	0 1 2 3 4
2.	Market analyses	0-3	<ul style="list-style-type: none"> <li>- <i>Supply /demand in target market – non existing</i></li> <li>- <i>Supply /demand in target market – general market information</i></li> <li>- <i>Supply /demand in target market – contracted suppliers / consumers</i></li> </ul>	0 1

			<ul style="list-style-type: none"> <li>- <i>Distribution Channels and promotion – not defined</i></li> <li>- <i>Distribution Channels and promotion - specified</i></li> </ul>	2  0  1
3.	Financial plan assessment	0-2	<ul style="list-style-type: none"> <li>- <i>Break-Even Analysis – operating at loss</i></li> <li>- <i>Break-Even Analysis – operating at profit</i></li> <li>- <i>Investment recovery time – within 4 years</i></li> </ul>	0  1  1
4.	Management and organization	0-1	<ul style="list-style-type: none"> <li>- <i>More than 1 years working experience in the proposed business</i></li> <li>- <i>Professional and advisory support - not specified</i></li> <li>- <i>Professional and advisory support - specified</i></li> </ul>	0,5  0  0,5
	<b>Total (1+2+3+4)</b>	<b>Max:10</b>	<b>Total points awarded:</b>	<b>10</b>

After checking compliance of applications with the eligible criteria, the successful applications (only those that meet eligibility criteria) will be further ranked according to the ranking criteria to establish the list of the projects with the highest number of obtained points.

Projects with the highest number of ranking points will be proposed for financing (based on availability of financial allocation provided within this all). However, the ranking of projects might not be applied if specifically decided under this call for proposals.





The following **ranking criteria** are considered to be applied during this call of proposals:

<b>Ranking criteria</b>		<b>Max points</b>
Applicants come from all three countries	If “yes” than 5 if “no” than 0	5
Number of involved economic sectors (economic sectors are presented in chapter 2.1.1.3)	If “2 sectors” than 0 If “3 sectors” than “5” If “4 and more sectors” than “10”	10
At least two partners of the project have previous experience in a partnership. If applicable proof must be attached	If “yes” than 5 if “no” than 0	5
Public sector is involved as a partner in the project realization with its own financial contribution. However, the public sector is not receiving any financial support under this grant implementation	If “yes” than 10 if “no” than 0	10
Project contributes to preservation, valorisation and promotion of cultural heritage, tradition	If “yes” than 10 if “no” than 0	10
Project contributes to development of innovative product or service	If “yes” than 10 if “no” than 0	10
Woman among the partners	if “none” than 0 If “up to 50%” than 5 points If between 50% and 75% than 7 points If between 75% and 100% than 8 points If “100%” than 10 points	10
Young people (below 40 years old at the day of submission the joint application) among partners	if “none” than 0 If “up to 50%” than 5 points If between 50% and 75% than 7 points If between 75% and 100% than 8 points If “100%” than 10 points	10
<b>Total max points</b>		<b>70</b>

### **2.4.3 The final list of the supported applications**

After completing eligibility checks and ranking of the applications and taking into account available allocation provided within this call a final list of the applications recommended for the support will be established.

Next, SWG will inform the applicants whether their application was recommended for the support or not. Successful applicants will be invited to sign a contract with SWG for the realization of the investment.

## **2.5 Signing the contracts with the beneficiaries and implementation of the investment**

The SWG HQ will sign contracts for realization of action with successful applicants. From that moment the investment might officially start and the costs related to the implementation (presented in the section 2.2.3) of the investment become eligible.

The list of supported projects will be made public.

### **2.5.1 Rules on implementation of the action**

The implementation of the action must be realized in line with the provisions stipulated in the contract to be concluded between the beneficiary and SWG. It is important to note that any action financed under this contract must be implemented in conformity with the relevant provisions of the Practical Guide to contract procedures for EC 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](http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm) .

Specific information about the rules that must be taken into account during the implementation of the actions by the beneficiary will be published on the SWG website (if relevant). However, it is important to note that the three quotations rule, the nationality and the rule of origin rules must be respected by the beneficiaries- the below mentioned list of rules might not be exhaustive.

#### **2.5.1.1 Three quotations**

The applicant will have to collect three offers from the suppliers for purchase of equipment and works activity that he intends to realize within his project. The originals of the quotations for each applicant will have to be attached to the joint application form (new valid offers might need to be resubmitted before signing contracts).

Offers from one project partner (applicant) to another project partner (applicant) for different products and/ or services will not be considered as valid.

#### **2.5.1.2 The nationally rule and the rule of origin**

The beneficiaries shall respect the rules of nationality and origin when realizing the actions concerning purchase of equipment and realization of the works.

The beneficiaries when making purchase of equipment/works are allowed to approach providers from an EU Member State, a beneficiary country of the IPA Regulation, a beneficiary country of the European Neighborhood and Partnership Instrument (ENPI) or a country of the EU European Economic Area (EEA) as follows:

- EU member states;
- IPA countries: Turkey, Albania, Bosnia and Herzegovina, Montenegro, Serbia, Macedonia, Kosovo\* (under UNSCR 1244);
- ENPI countries: Russia, Ukraine, Belarus, Moldova, Georgia, Armenia, Azerbaijan, Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Occupied Palestinian Territories, Syria, Tunisia;
- EEA member states: Norway, Iceland and Liechtenstein;
- International organizations.

For equipment of a unit cost on purchase of more than € 5 000, the beneficiaries must request the providers to present proof of origin at the latest when the first invoice is presented.

### **2.5.2 Payments within the project**

- Beneficiaries will be reimbursed up to 75% of the total eligible costs after the completion of the action and submission to SWG of the original documents (invoices, bank statements, contracts) confirming purchase of the equipment/realization of the works.
- Payments are conditional to the completion of the actions by all the beneficiaries of the joint action.
- Completion of the action should be understood as the moment when the beneficiary finalized the investment and he applied to SWG for payment and presented supporting documents (invoices, bank statements, contracts).

### **2.5.3 Monitoring and checks within the implementation of the investment**

Realization of the investment by the beneficiary will be monitored on a regular basis by the SWG.

The final checks on the realization of the project will be done by the control team, including independent experts.

### **2.5.4 Modifications of the project proposals**

After the contract enters into force, beneficiaries can only modify the action after receiving permission from the SWG. The beneficiary is required to ask for the permission in writing with proper explanation, and can implement requested changes only after receiving the approval in written.

### **2.5.5 Breaching the rules of the contracts**

The grants can only be used for the approved activity presented in the Grant application form. Therefore, if the beneficiary acts contrary to the provisions of the concluded contract or the rules on the use of the grant are violated in any way, or in case of irregularities, the disbursed grant has to be returned. Detailed provisions concerning breaching rules will be presented in the contract to be concluded between the beneficiary and the SWG.

### **3 List of annexes**

Annex A: Grant Application Form

Annex B.1: Business strategy

Annex B.2: Business strategy cash flow (separate for each applicant)

Annex C: Partnership statement

