



Contracting Authority
European Union
Delegation of the European Union to India

Urban local bodies in development
India

Restricted Call for Proposals 2011

Guidelines for grant applicants

Budget line 21.03.02

Reference: EuropeAid/131956/L/ACT/IN

Deadline for submission of proposals: 18 November 2011

Notice

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

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1. THE PROGRAMME : URBAN LOCAL BODIES IN DEVELOPMENT

1.1 BACKGROUND

The European Union (EU) has a long history of cooperation with non-governmental and other civil society organisations and with local and decentralised authorities in the field of development. It is part of the EU's commitment to fight poverty, to promote the rule of law and to adhere to fundamental freedoms set out in Article 21 of the Treaty on the European Union. Since the 1990s local authorities (LAs) have increasingly been viewed as actors in development. The EU has recognised their role and promoted their participation in the elaboration and implementation of development policy.

Regulation (EC) n° 1905/2006¹ of the European Parliament and of the Council (OJ L 378, 27 December 2006), establishing a financing instrument for development cooperation, and more specifically its article 14 constitute the legal basis for the thematic programme "Non-State Actors and Local Authorities in Development".

The overarching objective of the programme is **poverty reduction** in the context of sustainable development, including the pursuit of the Millennium Development Goals and other internationally agreed targets. The specific objective of this "actor-oriented" programme is to support "own initiatives" of Local Authorities and strengthen their capacities to promote an inclusive and empowered society in partner countries, as a prerequisite for a more equitable, open and democratic society. The EU State Partnership Programme (SPP) with Rajasthan and Chhattisgarh is a sector policy support programme (SPSP) that focuses on poverty alleviation, environmental protection and management and improving governance through involvement of local authorities.

While the SPP with Rajasthan addresses the state's water sector reforms leading to sustainable and integrated water resources management, and in selected districts and blocks in Rajasthan it gives support to the Panchayati Raj Institutions (PRIs) in executing their responsibility on water related matters. The programme with Chhattisgarh focuses on equitable delivery of and access to quality health and education services as well as improved forest based tribal livelihoods through governance and institutional reform and capacity development at state and decentralized levels.

The **Eleventh Five-Year Plan** (2007-2012)² of the Government of India is a key guiding document, which aims at ensuring not just economic growth but "inclusive growth". It acknowledges in particular that "far too many people still lack access to basic services such as health, education, clean drinking water and sanitation facilities". Urban poverty alleviation, slum upgradation, and basic services to the urban poor continue to remain as responsibility of the urban local bodies. The Planning Commission's strategy for urban development gave emphasis on, besides others, strengthening urban local bodies through capacity building and better financial management as well as reducing incidence of poverty.

1.2 OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

According to the 2011 census, India has a population of 1.2 billion with approximately 400 million people living in urban areas, which is expected to increase to 600 million by 2020. It is estimated that by the year 2011, urban areas would contribute about 65 % of gross domestic product³. The Government of India had pre-empted the challenge and implemented the 74th Constitutional Amendment Act and the model Municipal Law.

The 74th constitutional amendment was enacted in 1992 with a realisation that in many States, Urban Local Bodies (ULBs) have become weak and ineffective on account of a variety of reasons, including the

¹ Available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:378:0041:0071:EN:PDF>
See also the "Non-State Actors and Local Authorities in Development" Strategy Paper 2007–2010 at: http://ec.europa.eu/europeaid/what/civil-society/documents/nsa_la_strategy_paper_2007_2010_en.pdf

² http://planningcommission.gov.in/plans/planrel/fiveyr/11th/11_v1/11th_vol1.pdf

³ source: MoUD and MoUEPA, Government of India

inadequate devolution of powers and responsibilities. As a result, ULBs were not able to perform effectively as vibrant democratic units of self-government. It was therefore, felt that there was a need to incorporate certain provisions in the Constitution particularly for improving relationship between the State Government and the ULBs on taxation and revenue sharing, ensuring regular conduct of elections; as well as providing adequate representation for the weaker sections like Scheduled Castes, Scheduled Tribes and women.

Despite the above reforms, the implementation of basic services for the growing population and the poor in particular has been debatable. There remains an enormous scope to improve the existing state in the country's municipal bodies. Through this call for proposal, the European Union aims at contributing towards efforts by the Local Authorities in improving the basic services for urban poor.

FOCUS OF THIS CALL FOR PROPOSALS

The **overall objective** is to promote integrated action at municipality level to reduce poverty and support inclusive and sustainable economic development.

The **specific objectives** are to i) promote integrated action at municipal level addressing basic services, such as water, sanitation and solid waste management; ii) empower urban local bodies to effectively execute government programmes and achieve tangible results for urban poor communities; iii) contribute to local economic development.

In view of the relative limited resources made available under this call, the aim is to support at least 4-5 innovative pilot projects. In that context special attention should be paid to solutions which can be implemented by the urban local bodies themselves.

POTENTIAL STRATEGIES WHICH COULD BE PROMOTED

- Improving the governance capacity of urban local bodies to implement integrated water strategies by creation of low cost alternative wastewater management systems in the cities/towns.
- Improving basic services on water and sanitation that benefit the urban poor through some innovative interventions to help improve health indicators.
- Using low cost techniques for treatment of municipal solid waste.
- Convergence of interventions with existing government programmes such as the Jawaharlal Nehru National Urban Renewal Mission and the City Sanitation Plans.
- Increase accountability to Local Authorities wards beneficiary communities through ward committees;
- Promoting e-governance systems.
- Develop direct and effective interaction between LAs and/or LA associations in order to strengthen transfer of knowledge and best practice between the EU and India.
- Encourage public private partnerships in the implementation of city plans.

DESIRABLE CHARACTERISTICS IN PROPOSALS

- Capacity Building of local authorities and user groups
- Awareness raising through Information, Education and Communication (IEC) campaigns
- Piloting services at ward level
- Participatory approaches to elicit people's participation

PRIORITY POPULATION GROUPS AND GEOGRAPHICAL LOCATIONS

Poor, vulnerable, marginalised and/or socially excluded urban population groups are relevant to this call. Within these populations those suffering the highest levels of poverty and socio-economic exclusion are priority targets.

In terms of geographical focus, this call for proposals proposes focus on smaller cities in Rajasthan and Chhattisgarh to complement the EU's intervention on governance through the State Partnership Programmes.

In addition, smaller cities in Madhya Pradesh, Maharashtra and Himachal Pradesh which have developed City Sanitation Plans under the Ministry of Urban Development guidance are targeted by this call.

PRIORITY CROSS-CUTTING THEME

The key priority cross-cutting theme of this call is **gender**. Fighting gender-based discrimination related to safe drinking water and sanitation, as well as health and livelihood should be addressed by the project strategies and tracked through gender-disaggregated data to demonstrate progress or recurrent challenges.

Additional cross-cutting issues contributing to the achievement of the global objective of poverty reduction are: promotion of human rights, good governance, the rights of children and indigenous peoples' rights, environmental sustainability and social inclusion. Wherever relevant, actions have to clearly demonstrate how these issues have and will be taken into account in their design, implementation and monitoring. At the same time, principles such as empowerment, participation, non-discrimination of vulnerable groups and accountability must also be adequately taken into account.

All actions should be based on an **initiative emanating from Indian urban local bodies** and should ensure their direct involvement during all stages of the implementation of the action. Partnerships are encouraged and in order to maximise the contribution of both the main applicant and partner/s, a clear description per organisation of its role, contribution to the project implementation and value addition is requested. For actions presented by a European entity, partnership with Indian urban local bodies is obligatory.

All actions shall be non for profit making.

All Indian registered organisations, main applicant and partner/s, must comply with the Indian legislation for receiving foreign funding.

1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this call for proposals from the 2011 budget is EUR 4,000,000. of which EUR 12,850. will be used for information sessions, thus **EUR 3,987,150. are available for projects**. The European Union reserves the right not to award all available funds. Equally, these amounts could be increased should more funds become available.

Where the financial envelopes indicated above cannot be used due to insufficient quality or number of proposals received, the European Union reserves the right to reallocate the remaining funds to another geographic area or to fund other components of the thematic programme "Non-State Actors and Local Authorities in Development".

Size of grants

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

- minimum amount: EUR 750,000
- maximum amount: EUR 1,000,000

Any grant requested under this Call for Proposals must fall between the following **minimum and maximum percentages of total accepted costs⁴ of the action** [where total accepted costs = total eligible costs + indirect taxes including VAT]:

- Minimum percentage of EU Contribution: **50 %** of the total accepted costs of the action.
- Maximum percentage of EU Contribution: **100%** of the total eligible costs **OR 90%** of total accepted costs in the case of Indian applicants and **75%** of total accepted costs in the case of European applicants, **whichever is lowest**. (see Section 2.1.4 for eligible costs).

⁴ Total accepted costs = total eligible costs + indirect taxes, including VAT, where the beneficiary can show it cannot reclaim them (unless one of the exceptions to the proof obligation apply).

The balance (i.e. the difference between the total accepted cost of the action and the amount eligible for financing by the Contracting Authority) must be financed from the applicant's or partners' own resources, or from sources other than the European Union budget or the European Development Fund⁵.

Payment of taxes by the beneficiary as part of co-financing:

Since the legal basis (Basic Act DCI) excludes the acceptance of taxes as eligible costs for EU funding, taxes paid by the beneficiary as part of project cost cannot be-financed from EU Funding.

The total cost of the action (eligible costs + indirect taxes including VAT) is defined as "accepted costs" which includes both EU Contribution + Beneficiary co-financing. The percentage of beneficiary co-financing (minimum 10% for Indian applicants and minimum 25% for European applicants) can therefore include the indirect tax amounts, provided they are necessary, directly related to the action and incurred during the implementation period. This means that Indirect Taxes and VAT can be covered from the Beneficiary or other Donors' contribution.

These taxes can, however, only be considered to fall within the share of co-financing of the beneficiary if they have been **clearly identified in the budget** (Beneficiary contribution) of the action following the submission of the proposal and if the beneficiary cannot recover them.

Example of how to calculate amount to be requested as EU Contribution:

For Indian applicants:

(1) As per Guidelines 1.3:

Maximum amount of the grant = Euro 1,000,000

Maximum % of the eligible costs = 100%

Maximum % of the accepted costs = 90%

(2) Proposal X:

Total estimated eligible costs = Euro 1,000,000 (EU contribution + co-financing)

Indirect Taxes = Euro 50,000 (VAT and other indirect taxes)

Total estimated accepted costs = Euro 1,050,000 (EU contribution + co-financing + VAT...)

Amount requested as EU Contribution calculated as follows:

100% of eligible costs = Euro 1,000,000

Maxi. amount of the grant = 1,000,000

90% of accepted costs = Euro 945,000

The lowest amount should be requested as EU contribution i.e. **Euro 945,000**

In the budget under *Expected sources of funding*, 'EU Contribution' should then be shown as Euro 945,000 and 'Other Contributions' as Euro 105,000 (1,050,000-945,000)

For other applicants: the same example to be replaced by 75% as maximum percentage of the accepted costs.

⁵ Where a grant is financed by the European Development Fund, any mention of European Union financing must be understood as referring to European Development Fund financing.

2. RULES FOR THIS CALL FOR PROPOSALS

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

2.1 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

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

2.1.1 *Eligibility of applicants: who may apply?*

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

- be legal persons **and**
- be Local Authority (LA) or associations of Local Authorities, **and**
- be nationals^{6 7} of India or of a Member State of the European Union, **and**
- be constituted in accordance with the legislation in force in the country concerned; be registered for at least three years at the time of submission of the application, **and**
- be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary, **and**
- be able to demonstrate that they have regularly carried out activities in the field covered by this call at least during the last year at the time of submission of an application.

(2) Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the situations which are listed in Section 2.3.3 of the Practical Guide to contract procedures for EU external actions (available from the following Internet address:

http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm);

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

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

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

Applicants may act individually or with partner organisations.

Partners

Applicants' partners participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the grant beneficiary. They must therefore satisfy the eligibility criteria as applicable to the grant beneficiary itself for Local Authorities and association of Local Authorities.

For other partners the following eligibility criteria applies,

- be legal persons **and**
- be non profit making **and**
- belong to one of the following categories:

Local Authority (LA) or associations of Local Authorities, **and**

Civil society organisations including non-governmental non-profit organisations, independent political foundations, community based organisations and academic institutions; public sector bodies, **and**

- be nationals^{8 9} of India or of a Member State of the European Union, **and**
- be constituted in accordance with the legislation in force in the country concerned; be registered for at least three years at the time of submission of the application, **and**
- be able to demonstrate that they have regularly carried out activities in the field covered by this call at least during the last year at the time of submission of an application.

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

- Associates

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

- Contractors

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

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

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

- Sub-grantees

The grant beneficiaries may award financial support (sub-grants) to third entities (the sub-grantees). Sub-grantees are neither partners nor associates nor contractors. Sub-grantees are subject to the nationality and origin rules set out in Annex IV to the standard grant contract.

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

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

Definition:

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

Duration

The planned duration of an action **may not be less than 36 months nor exceed 60 months**.

Sectors or themes

Action must fall under the themes and priorities described in section 1.2

Location

Actions **must** take place in India.

Types of action

Financial support under this call for proposals must be aimed at supporting **projects**, i.e. coherent and self-contained sets of activities designed to achieve a specific objective listed under section 1.2 above **with clear target groups, tangible outcomes with relevant indicators, within a limited timeframe**. Proposals outside the identified priority themes and states will not be considered for funding.

The following types of action are eligible:

Please refer to section 1.2

Sub-granting

In order to **support the achievement of the objectives of the action**, and in particular where the **implementation of the action proposed by the applicant requires financial support to be given to third parties**, the applicant **may** propose awarding sub-grants. However, sub-granting may not be the main purpose of the action and it must be duly justified.

In case where the applicant foresees to award sub-grants, it has to specify in its application the total amount of the grant which may be used for awarding sub-grants as well as the minimum and maximum amount per sub-grant a list with the types of activity which may be eligible for sub-grants must be included in the application, together with the criteria for the selection of the beneficiaries of these sub-grants. The maximum amount of a sub-grant is limited to EUR 10.000 per third party while the total amount which can be awarded as sub-grants to third parties is limited to EUR 100.000.

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

The following types of action are ineligible:

- actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences, congresses;
- actions concerned only or mainly with individual scholarships for studies or training courses;
- one-off conferences: conferences may only be funded if they form part of a wider range of activities to be implemented over the life-time of the action. For this purpose, preparatory activities for a conference and the publication of the proceedings of the conference do not, in themselves, constitute such "wider activities"
- actions supporting individual political parties;

Number of applications and grants per applicant

An applicant may not submit more than **one proposal** under this call for proposals. If the applicant submits two different applications, both will be rejected.

An applicant may at the same time be partner in another application.

Partners may take part in more than one application.

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

Only "eligible costs" can be taken into account for a grant. The categories of costs considered as eligible and non-eligible are indicated below. The budget is both a cost estimate and a ceiling for "eligible costs". Note that the eligible costs must be based on real costs based on supporting documents (except for subsistence costs and indirect costs where flat-rate funding applies).

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

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

Eligible direct costs

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

Contingency reserve

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

Eligible indirect costs (overheads)

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

If the applicant is in receipt of an operating grant financed from the EU, no indirect costs may be claimed within the proposed budget for the action.

Contributions in kind

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

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

Ineligible costs

The following costs are not eligible:

- debts and debt service charges
- provisions for losses or potential future liabilities;
- interest owed;
- costs declared by the beneficiary and covered by another action or work programme;
- purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred to the final beneficiaries and/or local partners, at the latest by the end of the action;
- currency exchange losses;
- taxes; Nevertheless, indirect taxes may be considered as part of the estimated total accepted costs of the action for the purpose of co-financing where the Beneficiary (or the Beneficiary's partners) can prove it cannot reclaim them. **In such cases, the cost should be included in the Budget under the heading "taxes"**. Please note however that for the purpose of co-financing, indirect taxes are the only ineligible costs that will be considered within the total accepted costs of the action. Information on taxes can be found in Annex J to these Guidelines. Please also refer to 'Payment of taxes by the beneficiary as part of co-financing' under the section 'Size of Grants' under 1.3 Financial allocation provided by the contracting authority.
- credits to third parties

2.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

Prior registration in PADOR for this Call for Proposals is obligatory.

Phase 1, The concept note: Registration in PADOR is obligatory for the applicants of grants above EUR 25,000.

Phase 2, The full proposal: Registration in PADOR is obligatory for all pre-selected applicants and all their partners.

PADOR is an on-line database in which organisations register themselves and update regularly their data, through the Europeaid website: http://ec.europa.eu/europeaid/work/onlineservices/pador/index_en.htm

Before starting the registration of your organisation in PADOR, please read the "Quick guide" available on the website. It explains the registration process.

You have to indicate on the paper version of the proposal the EuropeAid ID (EID). To get this identification, your organisation must register, save and "sign" (committing your responsibility) in PADOR obligatory data (on each screen the fields written in orange) and the related documents (see section 2.4).

Notwithstanding the above, if the organisation is in a situation where it is impossible to register in PADOR, it shall submit a justification proving that such impossibility is of a general nature and goes beyond the control of the applicant and or its partner(s). In this case, the applicant and/or the partners concerned shall complete the "PADOR off-line form"¹⁰ in annex of these Guidelines and send it by the submission deadline along with the application to the address indicated in sections 2.2.2 and 2.2.6. Subsequently, the registration in PADOR will be initiated by the European Commission. If, at a later stage, the organisation wishes to update itself its data, an access request will have to be sent to the PADOR helpdesk.

All questions related to the registration in PADOR should be addressed to the PADOR helpdesk at: Europeaid-pador@ec.europa.eu.

2.2.1 *Concept Note content*

Applications must be submitted in accordance with the instructions on the Concept Note included in the Grant Application Form annexed to these Guidelines (Annex A).

Applicants must apply in English.

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

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

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

Hand-written Concept Notes will not be accepted.

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

¹⁰ Which corresponds to Sections 3 and 4 of Part B of the application form.

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 in A4 size, each bound.

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

The outer envelope must bear the **reference number and the title of the call for proposals**, together with [the lot number and title] the full name and address of the applicant, and the words "Not to be opened before the opening session".

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

Delegation of the European Union to India
Finance, Contracts and Audit Section
65 Golf Links
New Delhi 110 003 – INDIA
Tel: 91-11-24629237

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

Applicants must verify that their Concept Note is complete using the Checklist for Concept Note (Part A section 2 of the grant application form). Incomplete concept notes may be rejected.

2.2.3 *Deadline for submission of the Concept Notes*

The deadline for the submission of Concept Note is **18 November 2011** as evidenced by the date of dispatch, the postmark or the date of the deposit slip. In the case of **hand-deliveries**, the deadline for receipt is at **16:00 hours India time** as evidenced by the signed and dated receipt. Any Concept Note submitted after the deadline will automatically be rejected.

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

2.2.4 *Further information for Concept Note*

An information session on this call for proposals will be announced on the website of the Delegation, http://eeas.europa.eu/delegations/india/index_en.htm

Questions may be sent by e-mail no later than 21 days before the deadline for the submission of concept notes to the below address, indicating clearly the reference of the call for proposals:

E-mail address: DELEGATION-INDIA-LA@eeas.europa.eu

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

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

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

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

the need arises. It is therefore highly recommended to regularly consult the abovementioned website in order to be informed of the questions and answers published.

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

Europeaid-pador@ec.europa.eu.

2.2.5 *Full Application form*

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

The elements assessed on the basis of the concept note cannot be modified by the applicant in the full application form. The EU contribution may not vary from the initial estimate by more than 20%, while the applicant is free to adapt the percentage of co-financing required within the minimum and maximum amount and percentages of co-financing, as laid down in these Guidelines under section 1.3.

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

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

Any error related to the points listed in the Checklist (Part B, Section 6 of the Grant Application form) or any major inconsistency in the full application form (e.g. the amounts mentioned in the budget worksheets are inconsistent) may lead to the rejection of the application.

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

Hand-written applications will not be accepted.

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

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

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

Delegation of the European Union to India
Finance, Contracts and Audit Section
65 Golf Links
New Delhi 110 003 – INDIA
Tel: 91-11-24629237

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 in A4 size, each bound. The full application form, budget and logical framework must also be supplied in electronic format (CD-Rom) in a separate and unique file (e.g. the full application form must not be split into several different files). The electronic format must contain **exactly the same** application as the paper version.

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

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".

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

2.2.7 *Deadline for submission of the Full Application form*

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

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

2.2.8 *Further information for the Full Application form*

Questions may be sent by e-mail 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: DELEGATION-INDIA-LA@eeas.europa.eu

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

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

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

Questions that may be relevant to other applicants, together with the answers, will be published on the internet at website <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>. It is therefore highly recommended to regularly consult the abovementioned website in order to be informed of the questions and answers published.

2.3 EVALUATION AND SELECTION OF APPLICATIONS

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

If the examination of the application reveals that the proposed action does not meet the eligibility criteria stated in paragraph 2.1.3, the application shall be rejected on this sole basis.

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

The following will be assessed:

- The submission deadline has been respected. If the deadline has not been respected the application will automatically be rejected.
- The Concept Note satisfies all the criteria specified in points 1-5 of the Checklist (Section 2 of Part A of the grant application form). If any of the requested information is missing or is incorrect, the application may be rejected on that **sole** basis and the application will not be evaluated further.

The evaluation of the Concept Notes that have passed the first administrative check will cover the relevance and design of the action.

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

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

Scores

	Sub-score	30
1. Relevance of the action		
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 and the other additional elements indicated under 1.2 of these guidelines under 'Desirable Characteristics in Proposals'.	5	
2. Design of the action	Sub-score	20
2.1 How coherent is the overall design of the action? In particular, does it reflect the analysis of the problems involved, take into account external factors and relevant stakeholders?	5x2**	
2.2 Is the action feasible and consistent in relation to the objectives and expected results?	5x2**	

TOTAL SCORE

50

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

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

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

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

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

(2) STEP 2: EVALUATION OF THE FULL APPLICATION

First, the following will be assessed:

- The submission deadline has been respected. If the deadline has not been respected the application will automatically be rejected.
- The full application form satisfies all the criteria specified in points 1-8 of the Checklist (Section 6 of Part B of the grant application form). If any of the requested information is missing or is incorrect, the application may be rejected on that **sole** basis and the application will not be evaluated further.

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

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

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

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

Scoring:

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

Evaluation Grid

Section	Maximum Score
1. Financial and operational capacity	20
1.1 Do the applicant and, if applicable, partners have sufficient experience of project management?	5
1.2 Do the applicant and, if applicable partners have sufficient technical expertise? (notably knowledge of the issues to be addressed.)	5
1.3 Do the applicant and, if applicable, partners have sufficient management capacity? (including staff, equipment and ability to handle the budget for the action)?	5
1.4 Does the applicant have stable and sufficient sources of finance?	5
2. Relevance of the action	30
<i>Score transferred from the Concept Note evaluation</i>	
3. Effectiveness and feasibility of the action	20
3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	5
3.2 Is the action plan clear and feasible?	5
3.3 Does the proposal contain objectively verifiable indicators for the outcome of the action? Is evaluation foreseen?	5
3.4 Is the partners' level of involvement and participation in the action satisfactory?	5
4. Sustainability of the action	15
4.1 Is the action likely to have a tangible impact on its target groups?	5
4.2 Is the proposal likely to have multiplier effects? (Including scope for replication and extension of the outcome of the action and dissemination of information.)	5
4.3 Are the expected results of the proposed action sustainable: <ul style="list-style-type: none"> - financially (<i>how will the activities be financed after the funding ends?</i>) - institutionally (<i>will structures allowing the activities to continue be in place at the end of the action? Will there be local "ownership" of the results of the action?</i>) - at policy level (where applicable) (<i>what will be the structural impact of the action — e.g. will it lead to improved legislation, codes of conduct, methods, etc?</i>) - environmentally (if applicable) (<i>will the action have a negative/positive environmental impact?</i>) 	5
5. Budget and cost-effectiveness of the action	15
5.1 Are the activities appropriately reflected in the budget?	5x2*
5.2 Is the ratio between the estimated costs and the expected results satisfactory?	5
Maximum total score	100

*the scores are multiplied by 2 because of their importance

Note on Section 1. Financial and operational capacity

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

Provisional selection

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

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

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

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

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

2.4 SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS

Applicants who have been provisionally selected or listed under the reserve list will be informed in writing by the Contracting Authority. They will be requested to supply the following documents in order to allow the Contracting Authority to verify the eligibility of the applicants and their partners:¹¹

Supporting documents may/must be provided through PADOR, see Section 2.2

1. The statutes or articles of association of the applicant organisation¹² and of each partner organisation¹³. For Local Authorities copy of the law establishing the entity. Where the Contracting Authority has recognized the applicant's eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, the applicant may submit, instead of its statutes, copy of the document proving the eligibility of the applicant in a former Call (e.g.: copy of the special conditions of a grant contract received during the reference period), unless a change in its legal status has occurred in the meantime.
2. An external audit report produced by an approved auditor, certifying the applicant's accounts for the last financial year available.
This obligation does not apply to international organisations, public bodies and academic establishments.
3. Copy of the applicant's latest accounts (the profit and loss account and the balance sheet for the previous financial year for which the accounts have been closed)¹⁴.
4. Legal entity sheet (see annex D of these Guidelines) duly completed and signed by the applicant, accompanied by the justifying documents which are requested therein. If the applicant has already signed a contract with the Contracting Authority, instead of the legal entity sheet and its supporting documents the legal entity number may be provided, unless a change in its legal status occurred in the meantime.
5. A financial identification form conforming to the model attached at Annex E of these Guidelines, certified by the bank to which the payments will be made. This bank must be located in the country where

¹¹ No supporting document will be requested for applications for a grant not exceeding EUR 25 000.

¹² Where the applicant and/or (a) partner(s) is a public body created by a law, a copy of the said law must be provided

¹³ Where Council of Europe Convention n. 124 on the Recognition of the Legal Personality of International Non-Governmental Organisations is applied please refer to footnote **n. 7**.

¹⁴ This obligation does not apply to natural persons who have received a scholarship, nor to public bodies nor 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.

the applicant is registered. If the applicant has already signed a contract with the European Commission or where the European Commission has been in charge of the payments of a contract, a copy of the previous financial identification form may be provided instead, unless a change in its bank account occurred in the meantime.

6. Foreign Contribution Regulation Act (FCRA) Registration for Indian organisations – when applicable.
7. Permission by State Government authority to Indian Urban Local Bodies to receive foreign funding for specific project.

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 English, a translation into English of the relevant parts of these documents, proving the applicant's eligibility, must be attached and will prevail for the purpose of analysing the application.

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

If the abovementioned supporting documents are not provided before the deadline indicated in the request for supporting documents sent to the applicant by the Contracting Authority, the application may be rejected.

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

2.5 NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

2.5.1 Content of the decision

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

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

2.5.2 Indicative time table

	DATE	TIME*
Information Session at New Delhi http://www.delind.ec.europa.eu	30.9.2011 (tentatively)	9.30 – 17:00
Deadline for request for any clarifications from the Contracting Authority	28.10.2011	
Last date on which clarifications are issued by the Contracting Authority	8.11.2011	
Deadline for submission of Concept Notes	18.11.2011	16.00
Information to applicants on the opening & administrative check (step 1)	16.12.2011*	-
Information to applicants on the evaluation of the Concept Notes (step 2)	16.12.2011*	-
Invitations for submission of Full Application Form	30.12.2011*	-
Deadline for submission of Full Application Form	15.2.2012*	16.00
Information to applicants on the evaluation of the Full Application Form (step 3)	10.3.2012*	-
Notification of award (after the eligibility check) (step 4)	20.3.2012*	-
Contract signature	1.04.2012*	-

***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 case, the updated timetable shall be published on internet at the EuropeAid web site <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>

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

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

If the successful applicant is an international organisation, the model Contribution Agreement with an international organisation or any other contract template agreed between the international organisation concerned and the Contracting Authority will be used instead of the standard grant contract provided that the international organisation in question offers the guarantees provided for in the applicable Financial Regulation, as described in Chapter 6 of the Practical Guide to contract procedures for EU external actions.

Implementation contracts

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

2.7 EARLY WARNING SYSTEM AND CENTRAL EXCLUSION DATABASE

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

- the 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
- the 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.]

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

ANNEX F: PADOR OFF-LINE FORM

http://ec.europa.eu/europeaid/work/onlineservices/pador/documents/pador_offline_form_en.pdf

DOCUMENTS FOR INFORMATION

ANNEX G: STANDARD GRANT CONTRACT

- ANNEX II: GENERAL CONDITIONS APPLICABLE TO EUROPEAN UNION-FINANCED GRANT CONTRACTS FOR EXTERNAL ACTIONS
- ANNEX IV: CONTRACT AWARD PROCEDURES
- ANNEX V: STANDARD REQUEST FOR PAYMENT
- ANNEX VI: MODEL NARRATIVE AND FINANCIAL REPORT
- ANNEX VII: MODEL REPORT OF FACTUAL FINDINGS AND TERMS OF REFERENCE FOR AN EXPENDITURE VERIFICATION OF AN EU FINANCED GRANT CONTRACT FOR EXTERNAL ACTIONS
- ANNEX 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 I: STANDARD CONTRIBUTION AGREEMENT, APPLICABLE IN CASE WHERE THE BENEFICIARY IS AN INTERNATIONAL ORGANISATION

http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/previous_versions/2008/index_en.htm

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

PROJECT CYCLE MANAGEMENT GUIDELINES

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