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ENPI CBC Latvia-Lithuania-Belarus  
Programme 2007-2013

**Contracting Authority: Ministry of the Interior of the Republic of  
Lithuania**

**The Latvia, Lithuania and Belarus Cross Border  
Cooperation Programme within the European  
Neighbourhood and Partnership Instrument  
EC Decision K(2008) 8113**

**Guidelines  
for Grant Applicants**

**Reference: Second Call for Proposals  
Deadline for submission of applications: 22 February 2011**

Version 2.0. Approved by the JMC on 03 November 2010

## Notice

This is an Open Call for Proposals, where all documents are submitted at one stage. Each application (Application Form, the requested annexes and supporting documents) will be evaluated by the members of the Projects Selection Committee and the assessors nominated by the Joint Monitoring Committee of the Latvia, Lithuania and Belarus Cross Border Cooperation Programme within the European Neighbourhood and Partnership Instrument 2007-2013.

Please note, that the English version of the document is approved by the Joint Monitoring Committee of the Programme and takes precedence over other language versions.

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## 1. GENERAL PROGRAMME INFORMATION

### 1.1. Background

The cross-border territory of Latvia, Lithuania and Belarus enjoys a long history of cooperation. Until recently joint actions have been supported by a combination of various financial instruments, such as Phare, INTERREG, Tacis Cross-Border Cooperation (CBC) programmes. They had different rules and procedures for projects' application and implementation to be followed by project beneficiaries and partners.

The present Latvia, Lithuania and Belarus Cross Border Cooperation Programme within the European

Neighbourhood and Partnership Instrument (hereafter – the Programme) is one of the nine land border programmes financed by a new source - the European Neighbourhood and Partnership Instrument (hereafter – ENPI). From year 2007 the ENPI has replaced other financial instruments for cooperation with the Partner Countries (including Tacis CBC) and offered a single set of objectives as well as unified procedures for projects' application and implementation, applicable to institutions from both the European Union (EU) Member States and the Partner Countries. It is expected that single rules and procedures will help to ensure coherence, synergy and improved coordination within joint projects which will result in better efficiency of cross-border cooperation initiatives.

### 1.2. Legal Framework

The Programme operates within the following **legal framework**:

- The Latvia, Lithuania and Belarus Cross Border Cooperation Programme within the European Neighbourhood and Partnership Instrument approved by the Decision of the European Commission K(2008) 8113 on 18.12.2008 ('Programme document');
- Commission Regulation (EC) No 951/2007 of 9 August 2007 laying down implementing rules for cross-border cooperation programmes financed under Regulation (EC) No 1638/2006 of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument ('Implementing Rules');
- Regulation (EC) No 1638/2006 of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument;
- Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities;

- Commission Regulation (EC, Euratom) No 2342/2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities;
- The European Neighbourhood & Partnership Instrument Cross-Border Cooperation Strategy Paper 2007-2013;
- The Practical Guide to Contract Procedures for the EC External Actions version 2008 with changes of 15 June 2009 ('PRAG Rules');
- Applicant's Pack and other Programme documents;
- Applicable national legal acts and EU Regulations and Directives and horizontal themes, in particular on sustainable development, environment, competition and state aid, public procurement, gender equality.

### 1.3. Programme Management Structure

Programme management and coordination is assigned to the following joint structures:

- **Joint Monitoring Committee** (hereinafter – the JMC): a decision-making body supervising and monitoring the implementation of the Programme. The JMC performs the functions of the Project Selection Committee and takes the final decision on projects selection and on the grant amounts which are allocated to them. The JMC is composed of representatives of the national, regional and local institutions of countries participating in the Programme.
- **Project Selection Committee** (hereinafter – the PSC): a body which is composed of odd number of representatives of all the three participating countries and is responsible for the entire process of evaluation of applications. The PSC approves results of administrative and eligibility checks of the submitted applications. After the quality assessment of the applications performed by assessors, the PSC establishes a list of applications to be awarded a grant, which is then forwarded to the JMC for its final approval.
- **Joint Managing Authority** (hereinafter – the JMA): an executive body having overall responsibility for managing the Programme and implementing decisions taken by the JMC. As the Contracting Authority it signs the grant contracts with the beneficiaries, approves project implementation reports and initiates payments. The JMA is the Ministry of the Interior of the Republic of Lithuania.
- **Joint Technical Secretariat** (hereinafter – the JTS): a joint operational body, assisting the JMC and JMA in carrying out their respective duties. The JTS is in charge of the day-to-day operational follow-up and financial management of the projects. It is participating in evaluation of the projects. The JTS is composed of international staff. The JTS is located in Vilnius, Lithuania. It is planned that the JTS branch offices will be established in Latvia (Daugavpils) and in Belarus (Vitebsk) with the purpose to inform potential beneficiaries in the countries concerned of the activities envisaged under the Programme.

- **National Authorities** - bodies collaborating with the JMA for the Programme preparation and implementation period, responsible for the coordination of the programming process. These are the Ministry of Regional Development and Local Governments of the Republic of Latvia, the Ministry of the Interior of the Republic of Lithuania, the Ministry of Foreign Affairs of the Republic of Belarus jointly with the National Coordinating Unit for the EU Technical Assistance Programmes in Belarus. The participating countries may establish national advisory bodies – National Sub-Committees (NSC). The aim of the NSC is to ensure wider participation of national and regional stakeholders in Programme development and monitoring and awareness raising. They act as forums for discussing and defining national opinion for decision-making; as well they disseminate information about the funding opportunities of the Programme and the Programme results. The work of the NSC should be organized and financed by each participating country. The NSC will not be involved in evaluation of applications.

## 1.4. Objectives of the Programme and Priorities

The overall strategic goal of the Programme is to enhance the territorial cohesion of the Latvian, Lithuanian and Belarus border region, secure a high level of environmental protection and provide for economic and social welfare as well as promote intercultural dialogue and cultural diversity.

It is expected that the overall strategic goal of the Programme will be achieved by actions, submitted under the following **two Priorities**:

**Priority 1: Promoting sustainable economic and social development**

**Priority 2: Addressing common challenges**

The Priorities are divided into Measures which are explained in detail further in *section 2.1.1.2.4 Types of Activities*.

The Programme will finance activities which have (is aimed to keep) a purely cross-border character and address only the issues that require intervention on at least two sides of the border. The Programme is an important complement to the existing and foreseen national, regional and sectoral initiatives covering parts of the Programme area. The Programme will add a cross-border dimension to those initiatives, looking at the Programme area development from a comprehensive socio-economic, environmental and cultural perspective.

## 1.5. Financial Allocations

The overall indicative amount made available for actions (projects) under this Call for Proposals is EUR 8 000 000 with a possibility to increase by decision of the Joint Monitoring Committee. At the same time the Joint Monitoring Committee reserves the right not to award all available funds.

### Size of grants

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

- Minimum grant amount: EUR 50 000.
- Maximum grant amount: EUR 1 500 000.
- Maximum grant amount under Priority 1 Measure 1.5 "Strengthening of social-cultural networking and community development" is EUR 225 000.

A grant shall not exceed 90 % of the total eligible costs of the action.

Not less than 10% of the total eligible costs of the action must be the applicant's and/or partner(s) contribution to the action and must be financed from their resources or from sources other than the European Community budget or the European Development Fund. The amounts of such contribution are to be decided between the applicant and its partners and their indicative distribution is to be indicated in the Application Form and Partnership Statement.



## 2. RULES FOR THE SECOND CALL FOR PROPOSALS

These Guidelines set out the rules for the submission, selection and implementation of actions financed under this Call for Proposals, in conformity with the provisions of the PRAG Rules which are applicable to the present Call for Proposals and available on the EuropeAid web site:

[http://ec.europa.eu/europeaid/work/procedures/implementation/practical\\_guide/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm)

### 2.1. Eligibility

#### 2.1.1. Eligibility Criteria

There are three sets of eligibility criteria, relating to:

- applicant(s) which may request a grant (*section 2.1.1.1 of the Guidelines*), and their partners (*section 2.1.1.1 of the Guidelines*);
- actions for which a grant may be awarded (*section 2.1.1.2 of the Guidelines*);
- types of cost which may be taken into account in setting the amount of eligible costs, which will be the base for the calculation of the grant (*section 2.1.2 of the Guidelines*).

##### 2.1.1.1. Eligibility of Applicants and Partners

###### (1) Eligibility of applicants.

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

- a) be legal persons, **and**
- b) have non-profit character, **and**
- c) belong to the following types of organisations:
  - national and regional institutions;
  - decentralised bodies in the partner countries, such as regions, departments and municipalities;
  - joint bodies set up by the partner countries and regions and the European Union;

- international organisations<sup>1</sup>, including regional organisations, UN bodies, departments and missions, international financial institutions and development banks, in so far as they contribute to the objectives of this Programme;
- European Union agencies;
- public or parastatal bodies, local authorities or administrations and consortia thereof;
- the following non-state actors:
  - non-governmental organisations;
  - organisations representing national and/or ethnic minorities;
  - local citizens' groups and traders' associations;
  - cooperatives, trade unions, organisations representing economic and social interests;
  - local organisations (including networks) involved in decentralised regional cooperation and integration;
  - consumer organisations, women's and youth organisations, teaching, cultural research and scientific organisations;
  - universities;
  - cross-border associations, non-governmental associations and independent foundations;

**and**

- d) be located<sup>2</sup> (be registered or have a registered operating office) in the eligible area of the Programme (see map and list of regions below):

### **Map 1: Programme area**

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<sup>1</sup> International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies, European Investment Bank (EIB) and the European Investment Fund (EIF) are also recognized as international organisations.

<sup>2</sup> Organisation's statutes or equivalent documents according to the national legislation should demonstrate that the organisation has been established by an instrument governed by the national law of the country participating in the Programme. In this respect, any legal entity whose statutes or equivalent documents according to the national legislation have been established in another country cannot be considered an eligible local organisation, even if the statutes or equivalent documents according to the national legislation are registered locally or a "Memorandum of Understanding" has been concluded. This obligation does not apply to international organisations.



Latvia: Latgale region;

Lithuania: Utena, Vilnius and Alytus counties;

Belarus: Grodno and Vitebsk oblasts.

Adjacent eligible area of the Programme<sup>3</sup>:

Lithuania: Kaunas and Panevėžys counties;

Belarus: Minsk and Mogilev oblasts, Minsk city.

Eligibility of organisations or their registered operating offices must be proven by providing a registration certificate or an equivalent document according to the national legislation. Exception to the requirement of registration applies only for International Organisations.

In case a registered operating office which is located in the Programme eligible area is not a legal person, its headquarters located outside of the Programme eligible area in Lithuania, Latvia or Belarus shall be indicated as an applicant or as a partner in the Grant Application Form. The Applicant or Partners will provide documental proofs e.g. statutes or its establishing regulations where it is explicitly indicated that the headquarters has a registered operating office or a territorial branch in the

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<sup>3</sup> Funding to be allocated to adjacent areas shall not exceed 20% of the total expenditure of the Programme.

Programme eligible area. The registered operating office should be established in the Programme area one year or longer before the launch of this Call for Proposals;

**and**

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

### **Eligibility of partners.**

Partners must fulfil the same requirements as applicants in the points from a) to e) above. As an exception, in point b) partners may also be organisations having partly industrial or commercial character, but established for the specific purpose of meeting needs of the general interest, and:

- i. either financed, for the most part, by the state, or regional or local authorities, or other bodies governed by public law;
- ii. or subject to management supervision by those bodies,
- iii. or having an administrative, managerial or supervisory board, where more than half of the members are appointed by the state, regional or local authorities or by other bodies governed by public law;
- iv. and for implementation of the activities of a non-commercial character.

### Number of applications and grants per applicant

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

An applicant may at the same time be partner in other applications.

Partners may take part in more than one application.

Applicants must act in cooperation with partners as specified hereafter.

### Partnership Requirements

Partnership should consist of **at least one** organisation from the Programme area in Lithuania or Latvia and **at least one** organisation from the Programme area in Belarus. One of these organisations will act as an applicant (which will become the beneficiary after signature of the Grant Contract), and the other(s) as partner(s). In the action there may participate up to 15 organisations (including an applicant).

Each partner intending to participate in the action has to sign a Partnership Statement (see *section 2.2.2 of these Guidelines*) to be submitted with the Grant Application Form. If the project is selected, a Partnership Agreement signed by the applicant and all the

partners will have to be submitted before signature of the Grant Contract. This Partnership Agreement will not be part of or annex to the Grant Contract.

Partners must participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the applicant (beneficiary).

### Associates

In addition other organisations may be involved in the action to act as the associates. Associates are not partners and do not have to sign the Partnership statement and Partnership Agreement. Such associates play a real role in the action but may not receive funding from the grant with the exception of travel and subsistence costs. Associates do not have to meet the eligibility criteria referred to in *section 2.1.1.1 of these Guidelines*. The associates have to be mentioned in the relevant section of the Application Form. Also, the associates must submit a Letter of endorsement explaining their role in the action.

Please note that associates are not counted when assessing the compliance of partnership to the eligibility requirements.

(2) Potential applicants and partners 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 the EC External Actions* (available from the following Internet address:

[http://ec.europa.eu/europeaid/work/procedures/implementation/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm));

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*; (i.e. against which no appeal is possible);
- c) they have been guilty of grave professional misconduct proven by any means which the Contracting Authority can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Contracting Authority or those of the country where the contract is to be performed;
- e) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests. The following are applicable to these cases:
  - i. cases of fraud as referred to in Article 1 of the Convention on the protection of the European Communities' financial interests drawn up by the Council Act of 26 July 1995;

- ii. cases of corruption as referred to in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997;
  - iii. cases of participation in a criminal organisation, as defined in Article 2(1) of Joint Action 98/733/JHA of the Council;
  - iv. cases of money laundering as defined in Article 1 of Council Directive 91/308/EEC.
- f) they are currently subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation (BUDGET)/ Article 99 of the Financial Regulation (10th EDF).

Contracts may not be awarded to applicants who during the application and contracting procedure:

1. are subject to a conflict of interest;
2. are guilty of misrepresentation in supplying the information required by the Contracting Authority as a condition of participation in the contract procedure or fail to supply this information;
3. find themselves in one of the situations of exclusion for this procurement procedure referred to from a) to f) above.

By signing the *Declaration by the Applicant* in the Grant Application Form, applicants must declare that they do not fall into any of these situations. By signing the Partnership Statement, partners must make the same declaration.

## **2.1.1.2. Eligibility of Actions**

### **2.1.1.2.1. Duration**

The planned duration of an action (implementation period) may not exceed 24 months.

In duly justified cases the implementation period of the action may be extended by decision of the Joint Managing Authority, if requested by the beneficiary at least one month before the original expiry of the implementation period of the Action.

### **2.1.1.2.2. Location**

Actions must take place in the Programme area (please see *section 2.1.1.1 of these Guidelines*). In exceptional cases and if necessary to achieve the actions' objectives the activities of the actions partially can take place in other regions outside the Programme area. These activities must be listed in the approved Application Form; if during the action's implementation partners discover that it is necessary to organise an activity or part of it outside of the Programme area, the beneficiary has to receive a prior written approval of the JMA.

### 2.1.1.2.3. Types of Actions

Actions (projects) can be of one of three types:

- a) an integrated project - where each partner carries out a part of the activities of the joint action on its own territory;
- b) a symmetrical project - where similar activities are carried out in parallel in the eligible territory of Latvia and/or Lithuania and in the eligible territory of Belarus;
- c) a simple project - implemented mainly or entirely in the eligible territory of Latvia and/or Lithuania or in the eligible territory of Belarus but for the benefit of all or some of the eligible areas of the other countries participating in the Joint Operational Programme.

Actions must be of a non-commercial character. Neither applicants nor partners can make profit out of a grant. Activities in Latvia and Lithuania shall not fall under the state aid.

### 2.1.1.2.4. Types of activities

Examples of activities which may be financed under this Call for Proposals are given below within each Priority and Measure:

#### Priority 1: Promoting sustainable economic and social development

The Priority 1 seeks to encourage cooperation by connecting people, organisations of regions and sectors, for creating opportunity to develop the region's strengths. It will contribute to the economic and social development and will help to promote people-to-people cooperation.

| Measures  | Potential Activities   |
|---|--|
| 1.1 Promotion of socio-economic development and encouragement of business and entrepreneurship. | <ul style="list-style-type: none"> <li>• Business development and business institutions' co-operation, SME and trade development;</li> <li>• Joint initiatives for intermediary support structures for SMEs;</li> <li>• Development of entrepreneurs' contacts and networks;</li> <li>• Joint development of specialised programmes to meet business needs, exchange of business knowledge and experience;</li> <li>• Enhancement of R&amp;D/innovation networks towards their better linkage to enterprises,</li> </ul> |

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|  | <p>promotion and exchange of know-how;</p> <ul style="list-style-type: none"> <li>• Joint activities in improving cross border labour market and related employment measures (improvement of employment conditions, support for integration of economically inactive people into labour markets, etc.)</li> <li>• Social economic projects/initiatives to meet the needs of local Community.</li> </ul>   |
| 1.2 Enhancement of local and regional strategic development and planning.  | <ul style="list-style-type: none"> <li>• Identification and preparation of joint development and planning concepts across the border with a view to improve competitiveness of the region;</li> <li>• Support of local and regional development planning undertaken jointly between partners across the border;</li> <li>• Strengthening of administrative capacities for strategic development and planning, support to the monitoring of implementation of joint strategic planning documents.</li> </ul>   |
| 1.3. Improvement of cross-border accessibility through the development of transport and communication networks and related services. | <ul style="list-style-type: none"> <li>• Small-scale investment into transport/communication infrastructure leading to the border and/or in close proximity to the border;</li> <li>• Preparation and implementation of transport/communication development studies and plans;</li> <li>• Joint actions targeted at the improvement of accessibility, integration of different modes of transport and provision of better quality of services;</li> <li>• Joint actions targeted at the improvement of traffic security and introduction of environmentally friendly solutions ;</li> <li>• Small-scale investments into transport/communication/logistics infrastructure/ supporting services leading to the border and/ or in close proximity to the border.</li> </ul> |
| 1.4. Preservation and promotion of cultural and historical heritage, promotion of cross-border tourism.                              | <ul style="list-style-type: none"> <li>• Small-scale renovation of cultural/historical/tourism infrastructure and heritage/tourism objects of cross border importance;</li> <li>• Joint cultural and historical studies and research activities, establishment of common</li> </ul>   |



|   |  |
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|   | <p>databases of cultural and historical monument and/or objects;</p> <ul style="list-style-type: none"> <li>• Development of cross border tourist routes, new tourism products, joint tourism strategies, promotion of exchange and experience and development of new contacts in the sphere of tourism.</li> </ul>  |
| 1.5. Strengthening of social-cultural networking and community development. | <ul style="list-style-type: none"> <li>• Joint actions for promotion of local and regional community initiatives: e.g. local democracy development, social inclusion, provision of social services, promotion of equal opportunities, integration of minority populations encouragement of involvement of wider scope stakeholders into decision making process;</li> <li>• Competence building and co-operation between various level local and regional authorities and NGOs, promotion of joint initiatives, development of e-services;</li> <li>• Joint actions for promotion of rural development;</li> <li>• Community networking;</li> <li>• Joint cross-border cultural and sports events of durable character;</li> <li>• Implementation of joint strategies, cross-border activities, visits and exchanges of experience in the areas of human resource development, sports, culture, health, education and social sphere;</li> <li>• Youth co-operation (schoolchildren/student exchanges, summer camps, etc);</li> <li>• People to people activities.</li> </ul> |

## Priority 2: Addressing common challenges

The Priority 2 is aiming to improve environmental conditions, solve various issues in social, educational and health spheres. It will respond to the common challenges and contribute to ensuring secure borders.

| Measures  | Potential Activities   |
|---|--|
| 2.1. Protection and sustainable development of environmental and natural resources. | <ul style="list-style-type: none"> <li>• Development/improvement of small-scale environmental infrastructure;</li> <li>• Joint monitoring and management of natural resources and protected territories, ecological corridors; establishment of cross-border systems of exchange of environmental data;</li> </ul> |

|   |   |
|---|---|
|   | <ul style="list-style-type: none"> <li>• Joint actions directed at decreasing pollution from economical activities (e.g. farms, tourism infrastructure);</li> <li>• Joint actions directed at solving the 'biting fly' problem;</li> <li>• Introduction of environmental standards;</li> <li>• Strategies/pilot projects for recultivation of contaminated sites;</li> <li>• Joint activities in the promotion and use of renewable energy;</li> <li>• Development of energy saving strategies and facilities;</li> <li>• Joint actions to improve environmental risk management; to promote cooperation of environmental organisations and to enhance local and regional preparedness in the case of natural and environmental disasters;</li> <li>• Public campaigns aiming at the improvement of environmental awareness of population;</li> <li>• Joint actions directed at protection and sustainable use of natural resources (e.g. cross-border tourism infrastructure, increase of general community habitat quality).</li> </ul> |
| 2.2. Enhancement of education, health and social sphere development.                    | <ul style="list-style-type: none"> <li>• Co-operation in prevention, monitoring and treatment of communicable diseases and alcohol/drug dependency, smoking;</li> <li>• Joint actions aimed at increasing public awareness and education and promotion of a healthy lifestyle;</li> <li>• Joint activities for solving the impact of the Chernobyl catastrophe;</li> <li>• Joint actions aiming at improvement of education, health and social services, co-operation between institutions providing these services and professionals;</li> <li>• Joint strategies/pilot projects on social assistance/adaptation for vulnerable, elderly, disabled persons, orphans, abandoned children.</li> </ul>  |
| 2.3. Improvement of infrastructure and equipment related to the border crossing points. | <ul style="list-style-type: none"> <li>• Small investments for border crossing (control, customs, veterinary/phytosanitary) infrastructure;</li> <li>• Small investments for terminal and logistics</li> </ul>  |

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|--|--|
|  | <p>premises and other infrastructure (parking areas, sanitary premises for drivers, etc.) related to border crossing;</p> <ul style="list-style-type: none"> <li>• Small investments for the modernization of equipment at the border crossing points.</li> </ul>  |
| 2.4. Improvement of border management operations and customs procedures. | <ul style="list-style-type: none"> <li>• Joint actions of local level border control and customs administrations directed at the improvement of border security and management;</li> <li>• Joint actions against organised crime and illegal migration;</li> <li>• Joint rescue actions;</li> <li>• Training, exchange of experience and networking of/between the border control and customs administrations (including at local level).</li> </ul> |

### 2.1.1.3. Ineligible Actions

The following types of actions (projects) are ineligible:

- actions which immediate objective is commercial or profit-making and activities in Latvia and Lithuania falling under the state aid;
- 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;
- activities of political, ideological or religious nature;
- pure academic and research-oriented activities;
- actions aimed solely at preparation of feasibility studies and technical documents;
- activities already financed by other European Community initiatives, other donors, other public sources.

#### Sub-granting

Sub-granting is not allowed by the Programme.

#### 2.1.1.4. Eligibility of Costs

Only **eligible costs** can be taken into account for the calculation of the grant amount. The budget of the action 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 paid as flat-rate *per diems* and indirect administrative costs).

Eligible costs are costs actually incurred by the beneficiary and/or its partners which meet all the following criteria:

- a) they are incurred during the period of implementation of the action as specified in *Article 2 of the Special Conditions to the Grant Contract* with the exception of costs relating to final reports, expenditure verification and evaluation of the action, whatever the time of actual disbursement by the beneficiary and/or its partners, but before the submission of the final report. Procedures to award sub-contracts for goods/services/works, as referred to in *Article 1.3 paragraph 3 of the General Conditions to the Grant Contract*, may have been initiated but contracts may not be concluded by the beneficiary or its partners before the start of the implementation period of the action, provided the provisions of *Annex IV to the Grant Contract* were respected,
- b) must be indicated in the estimated detailed budget of the action,
- c) must be necessary for the implementation of the action which is the subject of the grant,
- d) they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and partners and determined according to the applicable accounting standards of the country where the beneficiary/ partners are established and according to the usual cost accounting practices of the beneficiary/ partners,
- e) must be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

#### 2.1.1.5. Ineligible Costs

The following costs are not eligible:

- debts and provisions for losses or debts;
- interest owed;
- items already financed in another framework;
- purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred to the final beneficiaries and/or local partners, at the latest by the end of the action;
- currency exchange losses;

- taxes, including VAT, unless the Beneficiary (or the Beneficiary's partners) cannot reclaim them and the applicable regulations do not forbid coverage of taxes;
- fines, financial penalties and expenses of litigation;
- credits to third parties;
- 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/ partners.

The cost of staff assigned to the action is not a contribution in kind and may be considered as co-financing in the budget of the action when paid by the beneficiary or his partners.

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 and reported during the project implementation.

### **2.1.2. Budget Table and Description of the Budget Headings**

The detailed breakdown of the budget of the action shall be provided in the Detailed Budget (Annex I to the Grant Application Form) and must coincide with the budget provided in the Grant Application Form. This breakdown covers all eligible costs of the action, which consist of the Programme's grant and applicant and partners' contribution. All expenditures included into the budget breakdown shall follow the rules on eligibility of expenditure, which are given in *Article 14 of the General Conditions to the Grant Contract*. The budget of the action is divided between 8 budget headings and further detailed into sub-headings and budget lines.

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 JMA to impose modifications or reductions to address such mistakes or inaccuracies. The amount of the grant and the percentage of EC co-financing as a result of these corrections may not be increased. The EC co-financing percentage after the checks and modifications to the budget should remain the same as in submitted budget of the action. It is therefore in the applicant's interest to provide a realistic and cost-effective budget.

The following costs can be included into the budget of the action as eligible:

#### **Budget Heading 1 "Human Resources"**

This budget heading includes costs of the staff of the beneficiary and partners assigned to the action, corresponding to actual gross salaries including social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the beneficiary or its partners, as the case may be, unless it is justified by showing

that it is essential to carry out the action. The cost of staff assigned to the action is not a contribution in kind and may be considered as co-financing in the budget of the action when paid by the beneficiary or his partners.

The staff, including the employees recruited specifically for the action, works on the basis of labour contracts. Other staff already working in the organization on the basis of labour contracts could be assigned to action by orders of authorized person in the organization.

Work of civil servants in the action assessed in monetary terms may also be attributed to the action in accordance with the national legislation.

Each person working in the action must fill in timesheets, indicating the hours worked and tasks implemented, signed by the person and his/ her supervising officer. The Beneficiary and partners must be able to prove that there is no double-financing of its staff; therefore, in case of employees working part time in the project a verifiable time recording system for 100% of their time should be established indicating the time spent in other projects or for carrying out statutory tasks.

No names of staff members shall be included in the budget, just the positions.

Note: No external subcontractors can be listed under this budget heading. All consultants (both legal entities and individuals) working on service contracts should be listed under budget heading 5 "Other costs and external services".

## **Budget Heading 2 "Travel"**

Expenses for **travel** to action-related activities and events are budgeted here. They cover the costs of the transportation including such as plane, train and bus tickets, car rent and other costs related to travelling (insurance, visas, fuel, etc). Only travel costs for the action's staff and participants of the events are eligible. The most economical mode of travel should be chosen (economy class). Use of car should be justified and economically efficient.

Under this budget heading **also subsistence costs** must be included. Subsistence costs are paid for the missions abroad and within the home country of beneficiary/ partner. Subsistence costs are allowed only for the staff members of the action indicated in the budget heading 1 "Human Resources", for the staff of associate partners and for event participants. Subsistence costs cover costs of accommodation, meals, local travel within the place of mission and sundry expenses.

The calculation of subsistence costs, including any eventual flat-rate per diems, must be based on those normally borne by the organisation based on the national legislation, and must not exceed the scales published by the EC at the time of contract signature ([http://ec.europa.eu/europeaid/work/procedures/implementation/per\\_diems/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm)).

Travel and subsistence costs of external experts must be included in their respective service contracts which are included in the budget heading 5.

Travel and subsistence costs of participants in events must be supported, on top of invoices/receipts and proofs of payment, by event-related documents, i.e. participants list with signatures for each day, invitations, registration list, agenda of the event, etc.

Note: costs for participants at the events that are not staff of the partners or associates can be covered only in case it can be proved that their participation is necessary for objectives of the action and they actively contribute to the activities of the action, i.e. act as presenters, workgroup members, particular target group identified in the Grant Application Form, selection of which must be clearly identified and documented.

Do not double-budget the costs, e.g. do not include a part of subsistence costs in *Subsistence costs (for conference participants)* if catering for conference participants has been budgeted.

### **Budget Heading 3 "Equipment and Supplies"**

**Costs of equipment** (purchase or rent) must not exceed the normal market prices. Purchase/rent of equipment and vehicles is subject to procurement procedures described in *Annex IV to the Grant Contract*. In addition, as indicated in *Annex IV to the Grant Contract*, the rule of origin should be applied for purchased equipment, and, if the purchase of equipment is subject to a procurement procedure, the rule of nationality should be applied to the supplier.

### **Budget Heading 4 "Direct Administrative Costs (Local Office)"**

This budget heading includes costs for an office specially rented for the action or running costs (e.g. utilities) of an office specially allocated for the action. These costs are directly invoiced to the action's beneficiary or partners.

Please note, that the rent or allocation of a separate office is rather exceptional and its need has to be clearly justified. If no separate office is rented or allocated to the action, a proportion of the office costs may be budgeted in the budget heading 10 "Indirect Administrative costs".

### **Budget Heading 5 "Other costs and external services"**

Only the costs which are fully or partly subcontracted (i.e. contracted by the beneficiary/partners to third organisation/external service providers, respecting the applicable procurement procedures) can be included into this budget heading. Examples of such costs can be consultants, research, publications, expenditure verification, translation, organisational costs of events (e.g. rent of premises, catering, interpretation, printing of materials), etc. Also costs of external support for management of the action are included in this budget heading.

Subsistence/travel costs of external service providers in the budget line 5.1 "External Experts" should be included into their contracts. No names of consultants can be indicated in the budget, only the tasks, as selection of consultants/experts/external services providers is subject to competitive procedures and nationality rules described in *Annex IV to the Grant Contract*. Please note that in case lecturers are planned to be subcontracted, contracts with them should be listed separately under budget lines 5.1 "External Experts".

Such costs as the bank charges for the account for the action, charges for bank transfers, bank guarantees can be included into the budget line 5.6 "Financial Services", if necessary.

For each action **costs for the expenditure verification** must be allocated in the budget based on the market rate.

### **Budget Heading 6 "Works (Infrastructure)"**

In this budget heading the costs of works related to construction, renovation, installation of infrastructure and costs of services related to works (e.g. supervision of construction works) must be listed. The beneficiary has to provide the detailed description of works and costs in the budget. Before the signature of the Grant Contract, the detailed breakdown of works and costs has to be provided.

All such contracts have to strictly follow procurement procedures with origin and nationality rules described in *Annex IV to the Grant Contract*.

### **Budget Heading 8 "Provision for Contingency Reserve"**

A contingency reserve not exceeding 5% of the direct eligible costs may be included in the budget of the action. It can only be used with the **prior written authorisation** of the JMA.

### **Budget Heading 10 "Indirect Administrative Costs"**

Indirect administrative costs are related to office running for the purposes of the action. Indirect costs are the costs which are not directly related to activities of the action, but needed for the smooth administration of the action. They are calculated on percentage or pro rata basis according to justified and clear method.

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding fixed at not more than 7% of the total eligible direct costs.

Indirect costs are eligible if they do not include costs assigned to another heading of the budget. If the beneficiary/partner is in receipt of an operating grant financed from the Community budget no indirect costs may be claimed within the proposed budget for the action.

## **2.2. Application Procedure**

### **2.2.1. Applicant's Pack**

The Applicant's Pack for this Call for Proposals, which includes the Grant Application Form, the Guidelines for Grant Applicants, the Grant Contract and other relevant annexes, is available for download at the Programme's web site: [www.enpi-cbc.eu](http://www.enpi-cbc.eu)

The information provided in the Grant Application Form should be clear and make it possible for the Project Selection Committee to conduct an objective assessment.



Any error or major discrepancy related to the points listed in the instructions for filling in the Grant Application Form or any major inconsistency in the Grant Application Form (e.g. the amounts mentioned in the budget are inconsistent with those mentioned in the application form) may lead to the rejection of the application.

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

Please note that only the Grant Application Form and the requested annexes which have to be filled in will be evaluated. It is therefore of utmost importance that these documents contain **all** relevant information concerning the action. No additional annexes, except for those requested, should be sent.

### 2.2.2. Submission of the Application

The full application must be submitted in paper version. The Grant Application Form, the Detailed Budget (Annex 1) and the Pre-feasibility study must also be submitted in the electronic version (on a CD-ROM).

Application documents must be submitted in English. The documents listed in the points 7, 8, 9, 10 may be submitted in Latvian, Lithuanian, Russian or Belarusian. Hand-written applications will not be accepted.

The paper version is considered as the official application. It includes one original and one copy of the original certified as true by the authorised representative of the applicant organisation, each sewed separately. The copy means a photocopy of the original application.

The application and its copy must be prepared for submission in the following way:

- the original application should have an inscription "original" on its first page. The copy should be marked as "copy" on its first page;
- the original application and the copy of the application must be sewed separately;
- each page must be numbered;
- on the reverse side of the last page of the application and of the copy the following must be indicated: the total number of pages, name and position of the signatory, signature, date and the organisation's stamp, and the following text "I the undersigned hereby certify that all the information provided in the application is true and correct to the best of my knowledge";
- In addition, on the last page of the copy of the application, there should be an inscription "the copy is true".

The Head of the applicant organisation or his/her authorised representative signs, dates and stamps by the organisation's stamp the Declaration by the Applicant in the Grant Application Form.

The Head of the applicant organisation or his/her authorised representative also signs, dates and stamps by organisation's stamp the reverse side of the last page of the application and of its copy.

The Head or authorised representative of the partner or associate organisation signs, dates and stamps with the organisation's stamp the relevant annexes, e.g. the Partnership Statement and the Letter of Endorsement by the Associates.

In case it is not the Head of the Organisation, but his/her authorised representative who signs the Declaration by the Applicant, the Partnership Statement(s), the reverse side of the application and its copy, the proof of authorisation for such actions in the national language according to national law should be attached separately.

Both the originals and photocopies of the said originals must show legible stamps, signatures and dates.

If the Pre-feasibility study is big in size, it can be sewed separately.

The application consists of the following documents:

**In paper version:**

1. Grant Application Form duly filled-in, signed and stamped by applicant;
2. Detailed Budget (Annex I to the Grant Application Form), duly completed by the applicant;
3. Legal entity sheet, duly completed and signed by the applicant, accompanied by the justifying documents which are requested therein;
4. Partnership Statements dully filled-in, signed and stamped by each of the partner(s);
5. Letters of Endorsement by the Associates, dully filled-in, signed and stamped by each of the associate partner(s), if applicable;
6. Pre-Feasibility Study for the actions where:
  - i) the total amount in the Budget Heading 3 "Equipment and Supplies" equals or exceeds EUR 50 000, or
  - ii) the total amount in the Budget Heading 6 "Works (Infrastructure)" equals or exceeds EUR 50 000, or
  - iii) the sum of the total amounts in the Budget Headings 3 "Equipment and Supplies" and Budget Heading 6 "Works (Infrastructure)" equals or exceeds EUR 50 000.
7. Copies of statutes or articles of association of the applicant and of each partner organisation. This obligation does not apply to international organisations which have signed a framework agreement with the European Commission. A list of the relevant framework agreements is available at the following address:

[http://ec.europa.eu/europeaid/work/procedures/implementation/international\\_or\\_ganisations/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/international_or_ganisations/index_en.htm) . 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.

8. Copies of the registration certificate or equivalent, according to national law (if applicable) of the applicant and of each partner organisation;
9. Where the requested grant exceeds EUR 500 000, a copy of the applicant's 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 and to public bodies;
10. 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). This obligation does not apply to international organisations and to public bodies.

In the original application, the documents listed in points 1-6 above should be submitted as originals and application documents listed in points 7-10 as copies, a copy meaning a photocopy of the original.

**Electronic version** of the application includes the following documents:

1. Grant Application Form;
2. Detailed Budget (Annex I to the Grant Application Form).
3. Pre-feasibility study.

The documents in electronic version must be exactly the same as in paper version. The above documents in the electronic version must be submitted on a CD-ROM in a separate and unique file (e.g. the Grant Application Form must not be split into several different files).

The application in paper version and the electronic version should be submitted in one envelope. The envelope must bear the words "***Application for the Latvia, Lithuania and Belarus Cross Border Cooperation Programme within the European Neighbourhood and Partnership Instrument. The second Call for Proposals. Not to be opened before the opening session***" together with the full name and address of the applicant.

Applications must be submitted in a closed and sealed envelope by registered mail, private courier service<sup>4</sup> or by hand-delivery (a signed and dated certificate of receipt will be given to the deliverer) at the address below:

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<sup>4</sup> "Courier", "courier service" refers to a company providing special delivery of items from a sender to recipient within a short period of time. Delivery to the recipient is carried out directly by an employee of such company. Such companies operate beyond the regular national post system; they do not provide "registered mail" services.

**Address for registered mail, private courier and hand delivery:**

Joint Technical Secretariat  
Konstitucijos pr. 7, 24<sup>th</sup> floor,  
LT-09308, Vilnius, Lithuania

Where an applicant sends several different applications, each one has to be sent separately.

**In addition, the applicant must send a notification about submission of the application from the Programme's web-site [www.enpi-cbc.eu](http://www.enpi-cbc.eu), section "Notification about submission of the application" by the set deadline for submission of applications.** In the notification the applicant should indicate ONLY the full name and address of the applicant and the date of sending the application. No documents concerning submitted application will be attached in order to ensure confidentiality.

Applications sent by any other means (e.g. by fax), after deadline or delivered to other addresses will be rejected.

The application will be used for verification of the eligibility of the applicant and partners as well as for evaluation of the quality of the action.

In case of approval of the applications, the applicant will be requested to submit the following documents before signing the Grant Contract:

- at the latest within 3 months after the approval of the action a set of technical documentation for works/ investments requested under national legislation in order to implement the planned works/ investments in the action (i.e. technical project, environment impact assessment, building permission, etc) and detailed costs breakdown for works/ investments.
- the original of the financial identification form with the details of its banking account.

For more information about the procedures, conditions and documents related to signing the Grant Contract please refer to the *section 2.5.1 "Signing the Grant Contract" and 2.5.11 "National Procedures in Belarus" of the Guidelines for Grant Applicants*.

### **2.2.3. Deadline for Submission of Applications**

The deadline for the submission of the application is **22 February 2011** as evidenced by the date of dispatch in case of registered mail, private courier service<sup>5</sup> delivery or by the date of receipt in case of hand-delivery. In the case of hand-delivery, the deadline for receipt is until **16:00 (4:00 p.m.) GMT+2** Vilnius time as evidenced by the signed and dated receipt at the JTS. Any application submitted after the deadline will automatically be rejected.

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<sup>5</sup> For definition of a term "courier" please see the footnote 4.

However, for reasons of administrative efficiency, the PSC may reject any application received after the effective date of approval of the first evaluation step (i.e. the Administrative Check).

#### 2.2.4. Information Activities

A number of information events and trainings shall be carried in the Programme area during Call for Proposals. For the date and time of the events, please consult the Programme's web site: [www.enpi-cbc.eu](http://www.enpi-cbc.eu) and/or subscribe to the news.

Questions may be sent by e-mail or by fax to the below address at the JTS:

E-mail: [information@enpi-cbc.eu](mailto:information@enpi-cbc.eu)

Fax: +370 5 261 0498

**Please note that questions can be submitted to the JTS or JMA until no later than 21 days before the deadline for submission of applications. In case of this Call of Proposals it means no later than on 01 February 2011.**

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

The JTS and the JMA cannot provide further clarifications after this date.

**In the interest of equal treatment of applicants, the JMA and the JTS cannot give a prior opinion on the eligibility of an applicant, a partner, an action or specific activities.**

Please note that questions that may be relevant to other applicants and partners. All relevant questions, together with the answers, will be published on the internet at the Programme's web site, *section "Questions and Answers"* at [www.enpi-cbc.eu](http://www.enpi-cbc.eu). 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

### 2.3.1. Evaluation of Applications

Applications will be examined and evaluated by the JMC acting as the Project Selection Committee with assistance of assessors nominated by the JMC from the staff of JTS or independent assessors. The JMC acting as a Project Selection Committee takes a final decision on selection of applications and grant amounts allocated to them. This decision is made according to the results of examination and evaluation of the applications.

The JMC (acting as Project Selection Committee) takes the decision on the results of the opening session, of administrative compliance and eligibility check. All applications submitted by applicants will be assessed according to the following steps and criteria:

### 2.3.1.1. STEP 1: Opening Session and Administrative Check

The following will be checked:

| Criterion  | Yes | No |
|--|-----|----|
| 1. The Grant Application Form, the Detailed Budget (Annex I) and the supporting documents <sup>6</sup> have been sent <sup>7</sup> by the deadline.  |     |    |
| 2. The paper version of the Grant Application Form, the Detailed Budget (Annex I) and the supporting documents and the electronic version (on the CD-ROM) of the Grant Application Form, the Detailed Budget (Annex I), the Pre-feasibility study have been submitted in one closed and sealed envelope. |     |    |
| 3. The paper version of the completed Grant Application Form, the Detailed Budget (Annex I) and all the supporting documents have been provided in the original (for supporting documents – where applicable) and one copy of the original certified as true.  |     |    |
| 4. The correct model of Grant Application Form, the Detailed Budget (Annex I), published for this Call for Proposals, have been used.  |     |    |
| 5. The Grant Application Form is typed, duly filled-in, and is in English.   |     |    |
| 6. The Declaration by the Applicant has been filled in and has been legibly signed and stamped.  |     |    |
| 7. Each partner has printed preferably in letterhead, completed, legibly signed and stamped the Partnership Statement and all the Partnership Statements are included.   |     |    |

During the administrative check the JTS may request clarifications in written from the applicant. Clarifications are requested in the situations where the answer of the assessors to any of the criteria listed above is not clear or where there is a doubt. Documents or information requested from the applicant during clarifications cannot change the status of the application from non-eligible to eligible.

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<sup>6</sup> Referred to in *section 2.2.2 of the Guidelines for Grant Applicants*.

<sup>7</sup> The Grant Application Form and the supporting documents shall be sent no later than the deadline indicated in *section 2.2.3 of the Guidelines for Grant Applicants* as evidenced by the date of dispatch in case of registered mail, private courier service delivery or by the date of receipt in case of hand-delivery.

No clarifications shall be made in case if the Declaration of the Grant Applicant, Partnership Statement(s) (at least as copies), Annex 1 "Detailed Budget" to the Grant Application Form, and Pre-feasibility study, when applicable, are not provided within the application. Such applications shall be considered as non-admissible and shall not undergo further assessment.

Any clear answer "No" to any of the criteria listed above may result in rejection of the application on that sole basis; in this case the application will not be evaluated further. Incomplete applications may be rejected.

Following the opening session and the administrative check, the JTS will send a letter to all applicants, indicating whether their application was submitted by the deadline, informing them of the reference number they have been allocated and whether they have been recommended for further evaluation. In case of further clarifications, the letter will be sent to an applicant with a request to provide necessary documents or information. The applicant has to provide the requested information within the 15 working days from sending a letter by fax/email. Failure to provide the information within the deadline may result in rejection of the application.

### 2.3.1.2. STEP 2: Verification of Eligibility of the Applicant and Partners and of the Action

The eligibility verification will **only** be performed for the applications that have **passed the administrative check**.

During eligibility verification the eligibility of the applicant, the partners and the action will be verified according to the criteria set out in *sections 2.1.1.1, 2.1.1.2 and 2.1.1.3 of these Guidelines*.

The eligibility verification will be performed by assessors nominated by the JMC from the staff of the JTS on personal basis.

If the examination of the application reveals that the proposed action does not meet the eligibility criteria stated in the *sections 2.1.1.1, 2.1.1.2 and 2.1.1.3 of these Guidelines*, the application shall be rejected on this sole basis.

The eligibility verification will be carried out on the basis of the documents indicated in *the section 2.2.2 of these Guidelines*, which will be provided by the applicant.

The following will be checked:

| Criterion  | Yes | No |
|--|-----|----|
| 1. The applicant complies with the eligibility requirements as indicated in <i>section 2.1.1.1 of these Guidelines for Grant Applicants</i> (it is a legal person, has a non-profit character, belongs to eligible types of organizations and is located in the Programme area). |     |    |
| 2. All the partners comply with the eligibility requirements as indicated in <i>section 2.1.1.1 of these Guidelines for Grant Applicants</i>   |     |    |

|  |  |  |
|--|--|--|
| (they are legal persons; have a non-profit character or have partly industrial or commercial character, but established for the specific purpose of meeting needs of the general interest; belong to eligible types of organizations and are located in the Programme area).           |  |  |
| 3. In the Grant Application Form there is at least one entity (applicant or partner) from the Programme area in Latvia or Lithuania and at least one entity (applicant or partner) from the Programme area in Belarus.   |  |  |
| 4. The duration of the action is not longer than 24 months.  |  |  |
| 5. The requested Programme contribution is not less than EUR 50 000.   |  |  |
| 6. The requested Programme contribution is not more than EUR 1 500 000.<br><br>The requested Programme contribution in case of application for the <i>Priority 1 Measure 1.5 "Strengthening of social-cultural networking and community development"</i> is not more than EUR 225 000. |  |  |
| 7. The requested Programme contribution does not exceed 90 % of the total eligible cost of the action. The applicant's and/or partners' contribution is not less than 10% of the total eligible costs of the action.   |  |  |
| 8. The proposed action does not fall under the category of ineligible actions which are indicated in <i>section 2.1.1.3 of the Guidelines for Grant Applicants</i> .   |  |  |
| 9. The proposed activities are located in the Programme area <sup>8</sup> .  |  |  |

During the eligibility check the JTS may request clarifications in written from the applicant. Clarifications are requested in the situations where the answer of the assessors to the eligibility criteria 1 and 2 is not clear or where there is a doubt.

Any clear answer "No" to any of the criteria listed above will result in rejection of the application on that sole basis; in this case the application will not be evaluated further.

Following the eligibility verification, the JTS will send a letter to the applicants which applications were examined, indicating whether their application passed the eligibility check and has been recommended for further evaluation. In case of further clarifications, the letter will be sent to an applicant with a request to provide necessary documents or information. The applicant has to provide the requested information within the 15 working days from sending a letter by fax/email. Failure to provide the information within the deadline may result in rejection of the application.

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<sup>8</sup> Please, refer to provisions of the *section 2.1.1.2.2 of the Guidelines for Grant Applicants*.



### 2.3.1.3. STEP 3: Evaluation of the Application.

Quality of the application will be evaluated by assessors nominated by the JMC on a personal basis. The evaluation of the quality of the applications, including the proposed budget and the capacity of the applicant and its partners, will be carried out in accordance with the evaluation criteria set out in the Evaluation Grid included below.

The selection criteria are intended to help evaluate the applicant's and partner(s) financial and operational capacity to ensure that they:

- have stable and sufficient sources of finance and sources to implement the action;
- have the management capacity, professional competencies and qualifications required to successfully implement the proposed action.

The award criteria allow to evaluate the quality of applications in relation to its objectives and the contribution to the programme priorities and measures and to award the grants to actions which maximise the overall effectiveness of the Call for Proposals. They enable the selection of applications which the JMA can be confident will comply with its objectives and achieve the expected results and guarantee the visibility of the Community financing. They cover such aspects as the relevance of the action, its consistency with the objectives of the Call for Proposals, quality, expected impact, sustainability and cost-effectiveness.

#### *Scoring:*

The evaluation criteria are divided into sections and subsections. Each section has the maximum score which consists of the sum of scores received in 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.

### 2.3.1.4. Evaluation Grid

| Section/Subsection   | Maximum Score |
|--|---------------|
| <b>I. Financial and operational capacity</b>   | <b>15</b>     |
| 1. The applicant has sufficient experience in project management. The applicant and partners have sufficient management capacity (including qualified staff and ability to handle the budget for the action).  | 5             |
| 2. The applicant and partners have sufficient technical expertise (notably knowledge of the issues to be addressed).   | 5             |
| 3. The partnership (the applicant and partners) has stable and sufficient sources to finance their contribution to the action and will be able to finance the activities of the action until reception of the final payment.<br>The applicant and all partners are free from being in the situations | 5             |

|   |           |
|---|-----------|
| excluding them from participation in calls for proposals or from being awarded grants, which are listed in <i>section 2.1.1.1 of the Guidelines for Grant Applicants</i> .  |           |
| <b>II. Relevance</b>  | <b>20</b> |
| 4. The targeted problem and objectives of the action are relevant to the selected Priority and Measure.   | 5         |
| 5. The action has the cross-border nature and impact on both sides of the border. The cross-border cooperation contributes to the solution of the joint problem, there will be results and, if applicable, outputs on the both sides of the border.   | 5         |
| 6. The action is relevant to particular needs and constraints of the target regions (including synergy with other EC initiatives and avoidance of duplication). The target groups and final beneficiaries are clearly defined and strategically chosen, their needs have been clearly defined and addressed properly. The action clearly shows the added value and demonstrates novelty.  | 5         |
| 7. The action shows clear impact on development of the border regions on both sides of the border and is in line with the regional development objectives. The action is in line with the EU horizontal policies such as sustainable development, equal opportunities and territorial cohesion, and cross-cutting issues such as gender equality, the rights of the child, the rights of minorities and indigenous peoples, and the rights of persons with disabilities. The proposed action activities are not financed from other international, national, regional, or European Union's financial instruments or programmes. | 5         |
| <b>III. Methodology and partnership</b>   | <b>20</b> |
| 8. The problem is clearly defined; external factors have been taken into account. The activities proposed are appropriate and consistent with the problem, objectives and expected results, as well as proposed implementation methods are adequate. The time-schedule and activity plan are realistic, logical and feasible.   | 5         |
| 9. The action contains objectively verifiable and measurable indicators for the outputs, results and specific objectives.   | 5         |
| 10. Proposed partnership is relevant, has sufficient expertise in the addressed sector to implement activities and to solve the problem addressed. The Applicant's and partners' involvement and participation in the action is satisfactory and balanced. The bulk of the action is undertaken by the applicant and his partners (except for duly justified cases, where the subcontracting limit does not apply to actions focused on investment activities). Clear division of tasks between the applicant and partners is proposed.   | 5*2       |
| <b>IV. Sustainability of the results of the action</b>  | <b>15</b> |
| 11. The action is likely to have a tangible impact on its target groups. The action is likely to have multiplier effects (including scope for   | 5         |

|  |            |
|--|------------|
| replication and extension of the outcome of the action and dissemination of information.).   |            |
| 12. The expected results of the action are sustainable: <ul style="list-style-type: none"> <li>- financially (how will the follow-up activities be financed after the funding ends?)</li> <li>- institutionally (will there be structures, procedures, practices which will continue to maintain results of the action after its end?)</li> <li>- at policy level, where applicable (will it lead to improved legislation, codes of conduct, methods, etc?)</li> <li>- environmentally (if applicable) (will the action have a negative/positive environmental impact?)</li> <li>- with regard to further use (how will the physical outputs be used, maintained and sustained after the end of the action?).</li> </ul> | 5*2        |
| <b>V. Budget and cost-effectiveness</b>  | <b>20</b>  |
| 13. The ratio between the estimated costs and the expected outputs and results is appropriate.   | 5*2        |
| 14. The proposed expenses are necessary for the implementation of the action, costs are realistic and efficient. Proposed investments are justified and coherent with the rationale of the action.   | 5*2        |
| <b>VI. Management, coordination and communication.</b>   | <b>10</b>  |
| 15. The proposed management, coordination, monitoring/evaluation structures and procedures are clearly defined and described. Clear and fair division of management and coordination tasks between applicant and partners has been set.  | 5          |
| 16. The strategy for dissemination and communication corresponds to the objective of the action and is sufficient. It is designed to effectively reach the target groups and capitalise the results of the action.   | 5          |
| <b>Maximum total score</b>   | <b>100</b> |

Note on *section "I. Financial and Operational Capacity"*: if the total score is less than 9 for this section, the application will be rejected.

Note on *section "II. Relevance"*: if the total score is less than 16 for this section, the application will be rejected.

The minimum score the application has to receive to be examined for financing is 65.

### 2.3.2. Selection of Applications

Following the evaluation, a table listing the applications ranked according to their score will be established.

The JMC selects for funding those applications, which have the highest score and fall within the available financial envelope. During the selection, it additionally takes into account the following:

- a. the applicant may not be awarded more than one grant per one Priority under this Call for Proposals;
- b. the total scores of the application in *sections "I. Financial and Operational Capacity" and/or "II. Relevance"* shall not be lower than the indicated above thresholds;
- c. the action will contribute to the achievement of the Programme indicators given in *section 6 of the Joint Operational Programme*.

The JMC may request clarifications or minor corrections for the applications selected for funding. The requested clarifications or minor corrections will relate to aspects clearly identified by the JMC and would not call into question the grant award decision or be contrary to the equal treatment of the applicants.

The Grant Contracts will be signed with the selected applications.

Also, the Project Selection Committee can create a reserve list of the applications. In case if any of the selected for funding actions do not sign the contracts, or do not return the contracts in due time the applicant cannot be awarded the grant. If the action fails to receive approval by the Belarusian Government within the set period of time, the JMA reserves its right not to sign the Grant Contract with the Beneficiary of the action. In such cases the application with the highest score from the reserve list, falling within the available financial allocation for the respective Call for Proposals can be offered a Grant Contract.

## **2.4. Notification on the JMC Decision**

### **2.4.1. Content of the Decision**

Applicants will be informed in writing on the JMC's decision concerning their applications. The letters to the successful applicants must be sent within 15 days from the date of the award decision, and letters to the unsuccessful applicants within a further 15 days of that.

### **2.4.2. Appeals**

Applicants believing that they have been harmed by an error or irregularity during the award process may file an appeal to the JMA directly, within 15 working days from sending a letter by fax/email after each step of the assessment procedure.

### 2.4.3. Indicative Time Table of the Second Call for Proposals

|   | DATE  | TIME*             |
|---|---|-------------------|
| Information meeting s   | Please, refer to <a href="http://www.enpi-cbc.eu">www.enpi-cbc.eu</a> |                   |
| Deadline for request for any clarifications from the JMA                          | 01 February 2011  |                   |
| Last date on which clarifications are issued by the JMA                           | 11 February 2011  | -                 |
| Deadline for submission of Application Form                                       | 22 February 2011  | 16:00 (4:00 p.m). |
| Information to applicants on the opening & administrative check (step 1)          | April 2011*   | -                 |
| Information to applicants on the eligibility check (step 2)                       | May 2011*   | -                 |
| Information to applicants on the evaluation of the Full Application Form (step 3) | September 2011*   | -                 |
| Notification of award (after the JMC approval) (step 4)                           | September 2011*   | -                 |
| Contract signature  | latest by March 2012*   | -                 |
| Publication of the list of approved applications                                  | One week after signature of the last contract                         |                   |

\*Provisional date. All times are in the time zone of the country of the JMA

### 2.4.4. Cancellation of the Call for Proposals

The JMC may decide to cancel the Call for Proposals procedure at any stage according to provisions in *section 2.4.13 of the Practical Guide to Contract Procedures for the EC External Actions*.

## 2.5. Implementation of Actions

It is advised that at the stage of application development the applicant and the partners pay attention to the information in this section which relates to the set-up, implementation

matters of the action and contracting. The application developers should note however, that detailed rules for implementation of actions are set in the Grant Contract and its Annexes, including the *Special Conditions*, *Annex II "General Conditions"*, *Annex IV "Contract Award Procedures"*, *Annex VII "Model report of factual findings and terms of reference for an expenditure verification of an EC financed grant contract for external action"*.

It is strongly recommended to study these documents during preparation of the application.

## **2.5.1. Signing the Grant Contract**

### **2.5.1.1. Responsibilities and Parties to the Grant Contract<sup>9</sup>**

The JMA acts as the Contracting Authority and the applicant becomes the Beneficiary after signature of the Grant Contract. With the signature of the Grant Contract the contractual relations and responsibilities between the Contracting Authority and the Beneficiary emerge. The Beneficiary becomes solely responsible and accountable to the Contracting Authority for efficient implementation of the action in compliance with the provisions of the Grant Contract and Application Form.

During implementation of the action the Beneficiary is financially liable towards the Contracting Authority. It represents the whole partnership in its dealings with the Contracting Authority. It is only the Beneficiary who may request and receive payments in line with the provisions of the Grant Contract; at the same time, if any ineligible costs are discovered, the Contracting Authority deducts them from payments to the Beneficiary. The Beneficiary is responsible for transferring the agreed shares of the Programme's financing to its partners. It is responsible for preparation and submission of reports under the Grant Contract to the Contracting Authority. The practical monitoring of the implementation of the action is carried out by the Contracting Authority via the JTS.

The Beneficiary's partners in implementation of the action are not parties to the Grant Contract and are not accountable to the Contracting Authority. However, the partners should actively assist the Beneficiary in efficient implementation of the action; relations between partners and the Beneficiary and their liabilities are regulated by the Partnership Agreement. The Beneficiary shall ensure that partners comply with the relevant provisions of the Grant Contract. The costs of partners incurred for implementation of the action are eligible in the same way as the costs incurred by the Beneficiary.

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<sup>9</sup> Contractual responsibilities of the Beneficiary and partners/subcontractors are provided in the *Article 1 of the General Conditions to the Grant Contract*.

### 2.5.1.2. Conditions for signing the Grant Contract

The following procedures have to be carried out before the signature of the Grant Contract:

- The applicant submits clarifications/minor corrections communicated to it by the JMC in the approval letter, if applicable. Only after these clarifications/minor corrections are fulfilled the Grant Contract can be prepared.
- The applicant submits to the JMA the signed Partnership Agreement with its partners.
- The applicant has to notify the JMA of the auditor(s) to verify the expenditure of the Beneficiary/partners and the JMA has to approve the auditor(s) either before conclusion of the Grant Contract or before the Beneficiary's request for the initial pre-financing instalment to the Contracting Authority.
- In case the action includes infrastructure and works, the applicant should supply a full set of technical documents required by the national legislation in order to be able to start implementation of these works (i.e. technical project, building permit, environment impact assessment) within three months after approval of the application.
- The Beneficiary provides the original of the financial identification form with the details of its banking account.
- During preparation of the Grant Contract the JTS/ JMA will carry checks to ensure the correctness of the budget of the action (e.g. correction of arithmetical errors, inaccuracies, reduction of unrealistic costs and ineligible costs). The checks may give rise to requests for clarification and may lead the JMA to impose modifications or reductions to address such mistakes or inaccuracies. The amount of the grant and the percentage of co-financing as a result of these corrections may not be increased.
- The Beneficiary provides a documental proof that the project is approved by the Belarusian Government in compliance with the legislation of Belarus. The project has to be approved by the Government of the Republic of Belarus within 6 months after the date of the project's approval by the JMC.

After finalization of the above indicated procedures the applicant will be offered a Grant Contract based on the Programme's standard Grant Contract available on the Programme website. By signing the Application Form the applicant declares accepting, in case where it is awarded a grant, the contractual conditions as laid down in the standard Grant Contract. The JMA sends the signed Grant Contract to the Beneficiary indicating the deadline when the countersigned contract shall be returned to the JMA.

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 *Article 53d (1) of the Financial Regulation*, as described in *section 7 of the Practical Guide to Contract Procedures for the EC External Actions*.

### 2.5.1.3. Start and End Date of the Action

The start date is important for calculating the end date of each action, as it may not last longer than specified duration (implementation period of the action) in the approved Application Form. Moreover, in order to be eligible the costs have to be made during the implementation period of the action which means since the start date till the end date of the action with an exception of costs relating to final reports, expenditure verification and evaluation of the action.

The start date of the action will be fixed in *Article 2.2 of the Special Conditions to the Grant Contract*.

The end date of the action will be set according to the implementation period which is indicated in *Article 2.3 of the Special Conditions to the Grant Contract*.

## 2.5.2. Management and Coordination of the Action

### 2.5.2.1. Management and Coordination

Management and coordination must be organised as a separate group of activities within the action and shall include provisions for coordination on strategic and day-to-day management level, as well as financial management, coordination with partners and other involved parties, ensuring visibility and internal and external communication, as well as monitoring and evaluation and regular reporting to the JMA. Thus the Beneficiary and the partners will have to establish an efficient management and coordination system corresponding to specifics of an action. The system has to clearly define responsibilities and duties of partner(s), as well as procedures to be followed in order to implement the activities of the action.

The Beneficiary has to appoint or sub-contract a **project manager** and a **financial manager** for the action. They must have a sufficient knowledge of English as well as previous experience in project management or financial management. The project manager has to be qualified to handle the thematic coordination of the activities of the action, and to be able to act as a driving force in the partnership. Financial manager is responsible for the accounts, financial reporting, internal handling of the grant and co-financing. Financial manager has to work in close cooperation with the project manager and the partner(s) in order to enable efficient overall financial management of the action and respect of procurement rules.

In case the project manager is sub-contracted, a responsible **contact person** in charge of supervision of the manager during implementation of the action from the Beneficiary organisation should be appointed. The Beneficiary must ensure close cooperation between the sub-contracted project manager and the Beneficiary staff as well as supervision of the management of the action.

Additionally, the Beneficiary must appoint a **contact person for at least six months** after the end date of the action to enable a smooth closure of the action.



In addition, each partner must nominate **a local coordinator**, who is the contact person with the project manager, **and a local financial manager**, who is responsible for book-keeping and financial management for the action in the partner organisation.

The effective monitoring and evaluation system is to be established by the Beneficiary with the partners in regards to the following aspects of implementation of the action:

- monitoring of progress towards achievement of the objectives of the action;
- effectiveness and efficiency of implementation of the action in regards to activities and finances (cost-benefit);
- quality of management and co-ordination;
- evaluation of implementation of the action (e.g. criteria for evaluation and measuring of achievement, responsibilities, methods such as evaluation sheets, interviews, reports, external expert evaluation);
- quality of the outputs and results of the action.

#### 2.5.2.2. Decision-making

The Beneficiary with the partner(s) has to determine the necessary procedures for decision-making and coordination appropriate for specifics of the action. In case of complex actions it is advised to establish a steering group, which is composed of stakeholders in the particular field and/or partner representatives, who are not involved in daily implementation of the action. In the steering group it is also recommended to involve members of the staff assigned to the action. Suggested tasks of the steering group could include monitoring and guiding the implementation of the action, as well as reviewing and approving work plans and reports.

Working groups, task forces and advisory groups may be established to coordinate daily running of activities, to fulfil specific tasks, to carry out certain activities, etc.

Small scale actions are also advised to foresee decision-making mechanisms and to explain them in the Application Form. Adequate representation of involved partner(s) should be observed in establishing decision-making and coordination mechanisms, though over-complication of the structures should be avoided.

#### 2.5.3. General Rules of Financial Matters

##### 2.5.3.1. Double Financing

No single action may be financed by more than one European Community grant. The action cannot receive financing for the already financed activities.

### 2.5.3.2. Subcontracting in the Action

The Beneficiary and partners may subcontract a limited portion of the action (works, supplies and services). The bulk of the action must, however, be undertaken by the Beneficiary and his partners.

In duly justified cases, the subcontracting limit does not apply to actions focused on investment activities, notably to Large Scale Projects.

Where implementation of the action requires the Beneficiary or partners to award procurement contracts, i.e. to subcontract, 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 Grant Contract*. The Beneficiary and Partners must apply the rules of nationality and origin as defined in *Annex IV to the Grant Contract*.

Beneficiary and/or partners may not subcontract each other or each other's staff.

### 2.5.4. Conflict of Interests and Corruption

The Beneficiary and partner(s) must undertake all necessary precautions to avoid conflicts of interest and must inform the JMA/JTS immediately about any situation constituting or likely to lead to any conflict of this kind.

There is a conflict of interest where the impartial and objective exercise of the functions of any person involved in the action is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person. For this reason, all the partners have to follow the respective public procurement laws and rules for the sub-contracting activities in order to avoid situations where conflict of interests or corruption might occur.

### 2.5.5. Ownership of the Results of the Action

Ownership of, and title and intellectual and industrial property rights to, the action's results, reports and other documents and immaterial outputs relating to it shall be vested in the Beneficiary and his partners, as indicated in the Partnership Agreement.

At the same time the Beneficiary grants the JMA and the European Commission the right to use freely and as it sees fit all documents deriving from the action, whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.

Where the Beneficiary does not have its headquarters in the country where the action is implemented and unless otherwise specified in the Special Conditions to the Grant Contract, the equipment, vehicles and supplies paid for by the Budget for the action must be transferred to any local partners of the Beneficiary and/or the final recipients of the action, at the latest by the end of the implementation of the action. Copies of the proofs

of transfers of equipments and vehicles, the purchase cost of which was more than EUR 5 000 per item, must be attached to the final report. Such proofs must be kept for control in all other cases.

#### **2.5.6. Public Benefit and No Profit**

The action should have a non-commercial nature. They shall not bring immediate profit to the Beneficiary or partners or improve financial capacity of the Beneficiary, partner or commercial enterprises affiliated to them.

The objectives and the results of the action have to be of the public benefit, thus freely accessible to the wider public. In case if any publications (e.g. guidelines, teaching materials, studies) within the action are made, they have to be available to the public freely. All the investments and other results of the action co-financed by the Programme should be aimed at public use. Other provisions on availability of outputs and results of the action are allowed only with the prior consent of the Contracting Authority.

#### **2.5.7. Requirements to the Accounting system and Bank Information**

The Beneficiary shall organize accounting and book-keeping system for the action in compliance with *Article 16.1 of the General Conditions to the Grant Contract*.

According to *Article 7 of the Special Conditions to the Grant Contract* the Beneficiary shall open separate account in the bank for payments related to the action in order to identify the funds paid by the JMA and allow the calculation of the interests produced by such funds. These accounts must provide details of interest accruing on funds paid by the JMA.

#### **2.5.8. Payment of the Grant**

Payment procedures are set out in *Article 4 of the Special Conditions to the Grant Contract* and correspond to one of the three options below:

**Option 1:** *actions with an implementation period not exceeding 12 months or where the financing provided by the JMA does not exceed EUR100 000.*

The JMA will pay the grant to the Beneficiary in the following manner:

- pre-financing of 80% of the amount referred to in *Article 3.2 of the Special Conditions* following the provisions in *Article 4.3 of the Special Conditions*. The pre-financing will be paid after the JMA has approved the Auditor(s) of the Beneficiary/partners.
- the balance within 45 days of the JMA approving the final report in accordance with *Article 15.2 of the General Conditions*, accompanied by a request for payment of the balance conforming to the model in *Annex V* and an expenditure verification report under *Article 15.6 of the General Conditions*.

**Option 2:** *actions with an implementation period of more than 12 months and where the financing provided by the JMA is more than EUR 100 000.*

The JMA shall pay the grant to the Beneficiary in the following manner:

- an initial pre-financing instalment of 80% of that part of the estimated budget for the first 12 months financed by the JMA, but not exceeding 40 % of the amount referred to in *Article 3.2 of the Special Conditions*, following the provisions in *Article 4.3 of the Special Conditions*. The pre-financing will be paid after the JMA has approved the Auditor(s) of the Beneficiary/partners
- further pre-financing instalments of the amount specified in *Article 4 of the Special Conditions* and designed to normally cover the Beneficiary's financing needs for each 12 month period of implementation of the action, within 45 days of the JMA approving an interim report in accordance with *Article 15.2 of the General Conditions*, accompanied by:
  - a request for payment conforming to the model in *Annex V*,
  - an expenditure verification report under *Article 15.6*,
  - a financial guarantee if required under *Article 15.7*;
- the balance within 45 days of the JMA approving the final report in accordance with *Article 15.2 of the General Conditions*, accompanied by:
  - a request for payment of the balance conforming to the model in *Annex V*,
  - an expenditure verification report required under *Article 15.6*.

Further pre-financing may only be given if the part of the expenditure actually incurred which is financed by the JMA (by applying the percentage set out in *Article 3.2 of the Special Conditions*) stands at 70% at least of the previous payment as supported by the corresponding interim report and by an expenditure verification report as specified in *Article 15.6 of the General Conditions*.

Where the consumption of the previous pre-financing is less than 70%, the amount of the new pre-financing payment shall be reduced by the unused amounts of the previous pre-financing payment.

The total sum of pre-financing under the Contract may not exceed 80% of the amount referred to in *Article 3.2 of the Special Conditions*.

The total sum of pre-financing under the Contract may be increased up to 90 % upon the decision of the Contracting Authority.

**Option 3:** *All actions*

The grant shall be paid to the Beneficiary by the JMA in one payment within 45 days of the JMA approving the final report in accordance with *Article 15.2*, accompanied by:

- a request for payment of the balance conforming to the model in *Annex V*,

- an expenditure verification report.

### 2.5.9. Use of Euro

The JMA shall make payments in the currency of the country to which it belongs or in euro, in accordance with the Special Conditions. In the latter case, any conversion into euro of the real costs borne in other currencies shall be done at the rate published at InforEuro for the month on which the costs were paid. See the website:

<http://ec.europa.eu/budget/inforeuro/index.cfm?language=en>

Please note that any currency exchange losses are not eligible costs. The expenditure in national currency (other than Euro) must be converted into Euro with an accuracy of six digits after the comma (e.g. 1.0234).

### 2.5.10. Procurement by Beneficiaries and Partners within Actions

If the implementation of an Action requires procurement by the beneficiary and/or partners, the procurement procedures must comply with provisions of the *Annex IV "Procurement by grant Beneficiaries in the context of European Community external actions" to the Grant Contract*.

The tender documents must be drafted in accordance with best international practice. If the beneficiary and/or partners do not have their own documents, they may use the models published on the European Commission's web site relating to external actions.

Where the beneficiary or a partner is a contracting authority and/or a contracting entity within the meaning of the Community Directives applicable to procurement procedures, it must apply the relevant provisions of those texts, in preference to the rules set out in articles 3 to 7 of the *Annex IV to the Grant Contract*.

In all cases, the general principles and rules on nationality and origin set out in article 2 of the *Annex IV to the Grant Contract* still apply.

### 2.5.11. National Procedures in Belarus

In order to receive Programme's financing and implement activities of the action, Belarusian applicants and partners have to pass the national procedure of approval of projects in Belarus. The relevant legislation can be downloaded here: [http://www.cu4eu.net/ru/relations/legisl\\_by/](http://www.cu4eu.net/ru/relations/legisl_by/)

Please note, that the action has to be approved by the Government of the Republic of Belarus within **six months after the date of the action's approval by the JMC**. In case the documental proof on the approval of the action by the Government of the Republic of Belarus is not provided within the set deadline the Contracting Authority reserves its right not to sign the Grant Contract with the Beneficiary of the action.

It should be noted that Belarusian national legislation includes provision for exempting the action from certain taxes. In view of that Belarusian applicants and partners are advised to take all necessary arrangements in accordance with Belarusian legislation to exempt the Programme funding from taxation prior to accepting the Programme funding to their accounts in Belarus. Similarly, it is advised to take all necessary procedures for exempting purchased supplies, services and works from taxation prior to procuring them. Taxes are only eligible if the beneficiary/partner can prove that it cannot be exempt from them nor reclaim them.

In their work for passing the National procedure for approval of the action, as well as with respect to all issues of application of national legislation to their actions, the Belarusian organizations are advised to actively cooperate with the Belarusian national body which is in charge of coordination of the EU programmes and projects and controls their implementation:

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<http://www.cu4eu.net>

### **2.5.12. Expenditure verification**

Each Beneficiary shall designate an auditor that shall examine whether costs declared by the Beneficiary and partners are real, exact, accurate and eligible in accordance with the Grant Contract and issue the expenditure verification report. 100 % of the expenditure of the action must be verified and the results of the verification should be reflected in the expenditure verification report. The expenditure verification report shall be submitted to the JTS together with the interim/final report and a request for interim/final payment.

Each partner is responsible separately for having its expenditure validated by an auditor. Each partner is required to submit to the Beneficiary the expenditure verification report for its part, produced by the auditor. The Beneficiary is responsible for collecting all partners' expenditure verification reports, drafting a financial section/ report for the whole action (*Annex VI*) and presenting it to its auditor for examination.

Costs for the verification of the expenditure shall be included in the budget of the action; the detailed procedures, , are laid down in *Annex VII Terms of Reference for an Expenditure Verification of a Grant Contract – External Actions of the European Community*.

The auditor (-s) shall be selected using public procurement procedure, in compliance with *Annex IV to the Grant Contract*.

Requirements for expenditure verifications are as follows:

- Expenditure should be identifiable, verifiable and recorded in the accounting records of the Beneficiary/ partner(s);
- Expenditure must be easily identifiable and verifiable and traced to and within the Beneficiary's/ partner(s) accounting and bookkeeping systems;
- The Beneficiary/ partner(s) should allow auditor to carry out verifications on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the action as well as on spot-checks. The Beneficiary/ partner(s) gives access to all documents and databases concerning the technical and financial management of the action;
- All supporting documents must be available in a documentary form, whether paper, electronic or other medium, must be available in the form of original documents rather than photocopies or facsimiles and should preferably be obtained from independent sources outside the entity.

The Beneficiary and partners must keep supporting documents for all expenditure (contracts, receipts, invoices, payment documents etc.). The originals of the documents referred to in *Article 16.3 of the General Conditions* must be kept in the Beneficiary's and partner(s) accountancy files for at least **seven years after the receipt of the final balance payment by the Beneficiary**. Copies of accountancy do not need to accompany the financial report unless specifically requested by the JMA/JTS.

In contrast to other kinds of expenditure, supporting documents may be requested to be submitted together with financial reports for any equipment that was purchased, i.e. items that were funded out of budget heading 3, services under the budget heading 5 and works under budget heading 6. These supporting documents include the following:

- Tender documentation. When purchasing equipment (supplies), services, works from external suppliers the procurement guidelines in *Annex IV to the Grant Contract* need to be observed. Documentation demonstrating that the procurement process was in compliance with these guidelines need to be submitted;
- Copy of procurement documents, including contracts;
- Copy of invoices;
- Copy of payment documents (bank transfer or payment order for public bodies);
- Certificate of Origin. Suppliers must present a certificate of origin to the Beneficiary or partner no later than when the first invoice is presented, for equipments and vehicles of a unit cost on purchase of more than EUR 5 000. Rule of Origin (see below) is valid for all supplies regardless their cost. Suppliers should certify that equipment and vehicles supplied under the Grant Contract originate in one or more of the following countries and territories:
  - EU Member States;

- beneficiary countries of the ENPI CBC programmes (Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestinian Authority of the West Bank and Gaza Strip, Russian Federation, Syria, Tunisia and Ukraine);
- beneficiaries countries of an Instrument for Pre-Accession Assistance (Croatia, The former Yugoslav Republic of Macedonia, Turkey, Albania, Bosnia, Montenegro, Serbia, including Kosovo);
- Member States of the EEA (Iceland, Liechtenstein, Norway).
- Proof of Nationality. Tenderers must state the country of which they are nationals by presenting the usual proof of nationality under their national legislations. According to the *Regulation (EC) No 1638/2006* participation in tender procedures administered by the Beneficiary is open on equal terms to all natural persons who are nationals of, and legal persons established in the following countries and territories:
  - EU Member States;
  - beneficiary countries of the ENPI CBC programmes (Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestinian Authority of the West Bank and Gaza Strip, Russian Federation, Syria, Tunisia and Ukraine);
  - beneficiaries countries of an Instrument for Pre-Accession Assistance (Croatia, The former Yugoslav Republic of Macedonia, Turkey, Albania, Bosnia, Montenegro, Serbia, including Kosovo);
  - Member States of the EEA (Iceland, Liechtenstein, Norway).

Also, participation in tenders is open to international organisations.

### 2.5.13. Recovery

Beneficiary and partners undertake to repay any amounts paid in excess of the final amount due or identified following a control or an audit to the JMA. Recovery procedures will follow the provisions set in *Article 27 of EC Regulation 951/2007*. After the amount exceeding the EU contribution will be detected by any auditing body, the Beneficiary will receive a recovery/debit note for the amount paid in excess from JMA and will due to repay the amount within 45 days of the issuing of the debit note.

If the Beneficiary or partner fails to make repayment within deadline set by the JMA, the JMA may increase the amounts due by adding interest at the rate indicated in the Grant contract. The default interest shall be incurred over the time which elapses between the date of the payment deadline set by the JMA, and the date on which payment is actually made. JMA may offset amounts to be repaid against amounts of any kind due to the Beneficiary, but it shall not affect the Beneficiary's or JMA's rights to agree on payment in instalments. All bank charges incurred by the repayment of amounts due to the JMA will be borne entirely by the Beneficiary. If the JMA shall be unable to recover the



debt within one year of issuing the recovery order, the amount will be paid by EU member state in which the Beneficiary or partner is located and the State will claim it back from the Beneficiary or partner. If the Beneficiary or partner is established in a partner country, the JMA shall refer the case to the European Commission, which, on the basis of a complete file, shall take over the task of recovering the amounts owing from the Beneficiary or partner established in the partner country or directly from the national authorities of that country.

#### **2.5.14. Revenue from the Action**

Grants may not have the purpose or effect of producing any profit for the Beneficiary or partners. In the case of a grant, profit is defined as a surplus of receipts over the costs incurred by the Beneficiary / partners when the request is made for final payment.

Any interest or equivalent benefits accruing from pre-financing paid by the JMA to the Beneficiary shall be mentioned in the final report. Any such interest or equivalent benefit accruing from the pre-financing shall be assigned to the action and deducted from the final payment.

#### **2.5.15. Contract modification**

The rules of introduction of amendments to the Grant Contract and its annexes (including the budget) are set out in *Article 9 of the General Conditions*.

Any amendment to the Contract, including its annexes, must be set out in writing in an addendum. This Contract can be modified only during its execution period.

If an amendment is requested by the Beneficiary, it must submit that request to the JMA one month before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated by the Beneficiary and accepted by the JMA. Addenda cannot be retroactive.

In cases where the amendment to the Budget or Description of the action does not affect the basic purpose of the action and the financial impact is limited to a transfer between items within the same main budget heading including cancellation or introduction of an item, or a transfer between main budget headings involving a variation of 15% or less of the amount originally entered (or as modified by addendum) in relation to each concerned main heading for eligible costs, the Beneficiary may amend the budget and inform in writing without delay the JMA accordingly. In this case no addendum has to be signed. This method may not be used to amend the headings for administrative costs or the contingency reserve.

Changes of address, changes of bank account and changes of auditor may simply be notified, although this does not stop the JMA from opposing the Beneficiary's choice of bank account or auditor.

The JMA reserves the right to require that the Beneficiary's and/or, if applicable, partners' auditors be replaced if considerations which were unknown when the Contract was signed cast doubt on the auditors' independence or professional standards.

An addendum may not have the purpose or the effect of making changes to the Contract that would call into question the grant award decision or be contrary to the equal treatment of applicants. The maximum grant referred to in *Article 3.2 of the Special Conditions* may not be increased.

### **2.5.16. Reporting**

The aim of the reports is to inform the JMA/JTS on the progress of the action, delivered outputs, achieved results, faced difficulties, and spent resources.

Every action will have to report; reports are contractual obligations under *Article 2 of the General Conditions to the Grant Contract* and *Articles 4.1, 4.2 of the Special Conditions to the Grant Contract*. The number of reports to be submitted will depend on the payment option, indicated in *Article 4.3 of the Special Conditions to the Grant Contract*.

#### **Action Update**

All actions submit such action updates every six months during implementation. Action updates serve to keep the JMA/JTS informed about the progress of the action. Action updates are brief, include information about implemented activities and delivered outputs, as well as a summary of incurred costs. Action updates cost statements do not have to be audited. They are provided independently of requests for payments. Action updates should be submitted within 15 working days after every six month period.

#### **Interim Report**

Interim reports are submitted by actions in which the grant exceeds EUR 100 000 **and** the implementation period is longer than 12 months. It accompanies the Beneficiary's request for the interim payment. The interim report is submitted after 70% of the advance payment is spent.

Interim report consists of the narrative and financial sections/ reports. Verifications of the expenditure will be carried out, expenditure verification reports presented to the Beneficiary and the expenditure verification report for the action shall be issued by the Beneficiary's auditor and attached to each interim report, together with the requested supporting documents.

#### **Final Report**

Final reports are submitted by all actions. It is a pre-requisite for request of the final payment. The final Report has to be sent no later than three months after the end of the implementation period of the action as defined in *Article 2 of the Special Conditions to the Grant Contract*, except for the cases listed in the *Article 2.3 of the General Conditions*. The report consists of the narrative and financial sections/ reports, and the expenditure verification report for the action shall be attached to the final report.

For further information about reporting requirements, please refer to the *Article 2 of the General Conditions to the Grant Contract and Articles 4.1, 4.2 of the Special Conditions to the Grant Contract*.

### **2.5.17. JTS Monitoring of the Action**

The monitoring of implementation of the action shall be carried by the JMA and the JTS. The practical monitoring of implementation of the action is implemented by the JTS.

The main tools to be used during monitoring are action updates, interim and final reports and on-the-spot checks, monitoring visits and site visits. Moreover, constant communication with the JTS monitoring officers and the Beneficiary shall be ensured during the implementation period of the action. The Beneficiaries are requested to send the prior information to the JTS in regards to the major upcoming events and drafts of information and publicity materials.

The interim and final reports referred to above and action updates must be submitted to the JTS. The reports must be prepared in English. The supporting documents can be submitted in national languages. The reports shall be submitted in hard copy and electronic format (recorded on CD).

The action updates, interim report and final reports are the central source for monitoring of the progress of the implementation of the action. The interim report and final report together with the requests for payments are the basis for transferring the payments to the Beneficiary.

The JTS shall also carry out on-the-spot checks, monitoring visits and site visits with the aim to monitor progress of implementation of the action, provide advice or tackle the problems in partnership, monitor the delivery of outputs and results. If needed, the authorised third parties might carry the task on behalf of JTS.

The JTS monitors all components of the reports, such as the description of activities, the report on achievement of the planned outputs and results, the lists of expenditure, as well as verification of expenditure by the auditors. The achievement of the planned outputs is monitored in relation to the work plan presented in the Application Form. During the financial monitoring the JTS cross-checks whether what has been validated by the auditor complies with the provisions of the Grant Contract and the Programme rules as well as with the Application Form.

If the information delivered in the reports is insufficient, the JTS will ask for further information or clarification from the Beneficiary that must be provided within 30 days from sending a letter by fax/email, unless otherwise specified. If necessary, the JTS, JMA or its authorised third parties may also ask the Beneficiary to provide more in depth documentation, such as the checklist on the controls performed at the level of the action, the documents listed in the expenditure verification report, copies of invoices, timesheets, etc. The Beneficiary should provide the answers to the JTS within the set timeframe. If there are no further questions concerning the respective report or other outstanding issues regarding the action, the respective report and request for the payment are approved in JTS and transferred to the JMA for the payment procedure.

Any interim and final report shall be considered approved if no written reply from the JMA is received within 45 days of its receipt accompanied by the required documents.

The JMA may suspend the time-limit for approval of a report by notifying the Beneficiary that the report cannot be approved and that it finds it necessary to carry out additional checks. Suspension shall take effect when the notification is sent by the JMA. In such cases, the JMA may request clarification, alteration or additional information, which must be produced within 30 days of the request. The time-limit starts running again on the date the required information is received (*Article 15.2 of the General Conditions to the Grant Contract*).

### **2.5.18. Visibility, information and communication**

Every action, funded by the EU under the Programme must conduct communication and visibility activities in order to:

- ensure smooth operation of the action (due to efficient communication among partners),
- make the results of the action visible to the target groups concerned and to the public,
- emphasise the contribution of the European Union to the development of the region.

In order to carry out effective, concise and consistent communication, the Beneficiary and partners must plan the communication and promotion activities from the stage of drafting the application. They should comprehensively plan these activities and specify them in the application. If the action is approved for funding, the part of the application, where communication and visibility activities are described will be used as the Communication plan of the action. The European Commission advises the Beneficiaries to allocate at least 1000 Euros for communication, as at least minimum requirements will have to be followed, e.g. printing the stickers for the equipment purchased, producing commemorative plaques for the premises renovated or publishing at least one article in the press.

The commitments of the Beneficiaries and the advice how to make communication successful can be found in *the Communication and Visibility Manual for European Union External Actions (July 2009)*. It can be downloaded from the web site of the Programme ([www.enpi-cbc.eu](http://www.enpi-cbc.eu)) or from the web-site of the EuropeAid ([http://ec.europa.eu/europeaid/work/visibility/index\\_en.htm](http://ec.europa.eu/europeaid/work/visibility/index_en.htm)). The Beneficiaries and partners will also be obliged to use the logo of the Programme together with the European flag on all communication materials, as indicated in the manual.

The Beneficiaries and partners should work in close cooperation with the Information Officer of the Programme starting from the stage of drafting the application. They must send drafts of visibility materials (articles, advertisements, banners, commemorative plaques, stickers, etc.) for the approval of the Information Officer.

It is recommended that the Beneficiary sends to the JMA information on the upcoming major or public action events prior to carrying these events.

The Beneficiary shall publish the information on the action and the produced outputs and results, where available, on its and/or action's website. The partners shall publish the action information on their websites, whenever possible.

### **2.5.19. Closure of the Action**

All actions should close their activities within the time frame (implementation period) stated in the Grant Contract.

It is important to include to the final report also the costs related to closure of the action (such as the costs related to final reports, expenditure verification and evaluation of the action), as it will not be possible to report these costs afterwards.

The Beneficiary and partners shall provide access to the information regarding the action, as well as access to the sites where the action was implemented to the JMA/JTS EU authorised bodies, external auditor authorised by the JMA to carry out respective verifications. These inspections may take place up to seven years after the payment of the balance to the Beneficiary. With regards to the action closure, it is important to be aware of the following:

- the Programme rules on information and publicity must be respected for all products produced with the assistance from the Programme including the time after the closure of the action;
- the Beneficiary must allocate the contact person for at least 6 months after the end of the action for issues related to closure of the Action and for a period of seven years for communication with the Programme management bodies and EC related to controls;
- the Beneficiary and the partners (for their parts) are at all times obliged to retain all files, original documents and data about the action on standard data storage media in a safe and orderly manner for control and audit purposes at least for 7 years after balance payment to the Beneficiary.

### 3. GLOSSARY

| No | TERM                          | DEFINITION  |
|----|-------------------------------|---|
| 1  | <b>Action</b>                 | A series of activities aimed at bringing about clearly specified objectives within defined time-period and with a defined budget. The term is used as a synonym to the term "project".  |
| 2  | <b>Addendum</b>               | A document modifying the terms and conditions of a Grant Contract.  |
| 3  | <b>Adjacent territories</b>   | The regions, the organisations of which are eligible as applicants and partners of a Programme with certain reservations. Under the Programme, no more than 20% of total Programme funding can be allocated to the adjacent territories.  |
| 4  | <b>Application</b>            | A package of documents necessary when submitting a proposal. The package consists of the filled in Grant Application Form, the Detailed Budget (the Annex I to the Grant Application Form) and supporting documents. The package is updated for every Call for Proposals.   |
| 5  | <b>Grant Application Form</b> | A document, which must be filled in when submitting a proposal for the action. It will later serve as the fundament of the action, if the application is approved for funding.  |
| 6  | <b>Applicant's Pack</b>       | A package of documents necessary when announcing a Call for Proposals. The package consists of the Programme document, Guidelines for Grant Applicants, Grant Application Form with the Annex I, reporting forms, Grant Contract, Partnership Agreement. The package is updated for every Call for Proposals.   |
| 7  | <b>Associate</b>              | Organisation participating in an action, but not receiving a grant. Only payments for travel and subsistence expenditures may be covered by the beneficiary and/or partner within the scope of the action.  |
| 8  | <b>Auditor</b>                | Audit firm contracted by beneficiary and /or by the partners who meets the specific conditions of the Terms of Reference and is/are responsible for performing the checks of the expenditure verification and submitting a report of factual expenses.  |
| 9  | <b>Beneficiary</b>            | A body which signs a Grant Contract with the Joint Managing Authority and which assumes full legal and financial responsibility for implementation of the action vis-à-vis that authority; it receives the financial contribution from the Joint Managing Authority and ensures it is managed and, where appropriate, distributed in accordance with the agreements drawn up with its partners; it alone is responsible to the Joint Managing Authority and it is directly accountable to the authority for the operational and financial progress of activities. |
| 10 | <b>Branch Office</b>          | A regionally based body under the Joint Technical Secretariat established in Latvia (Daugavpils) and Belarus (Vitebsk) with the purpose to inform the target groups concerned in these countries of the activities envisaged under the Programme.   |
| 11 | <b>Budget of the action</b>   | A presentation of the detailed costs of an action.  |
| 12 | <b>Call for Proposals</b>     | A public invitation by a Joint Managing Authority, addressed to clearly identified categories of applicants, to propose operations/ actions within the framework of the EU support programme.   |

| No | TERM  | DEFINITION   |
|----|---|--|
| 13 | <b>Programme co-financing</b>   | Where two or more parties are involved in funding an action. In the Programme, up to 90% of the total budget of the action is provided by the EU.  |
| 14 | <b>Beneficiary's and partners' co-financing</b>                                 | Amount of eligible costs which is financed by beneficiary's or partners' contribution or from other non-EU funding sources. It is at least 10% of total eligible costs   |
| 15 | <b>Communication</b>  | Communication during implementation of the action means telling a wider audience about the action and its results and about the EU funding the action has received. This may be by means of events, e-letters, press coverage, etc. It also means internal communication among partners, fostering implementation of the action. The Beneficiaries and partners must refer to Communication and Visibility Manual for European Union External Actions, Guidelines for Grant Applicants and consult the Information Officer of the JTS on communication issues. |
| 16 | <b>Communication and Visibility Manual for European Union External Actions</b>  | The manual designed by the EuropeAid to ensure that actions that are funded by the EU incorporate information and communication activities designed to raise the awareness of specific or general audiences of the reasons for the action and the EU support for the action, as well as the results and impact of this support. <a href="#">Link: Manual</a>   |
| 17 | <b>Consultant</b>   | The party which contracts to perform certain external services.  |
| 18 | <b>Contingency reserve</b>  | A reserve budget heading in the budget of the action only used in case of unforeseen expenses. It cannot exceed 5% of the direct eligible costs and must only be used with prior written authorisation of the Contracting Authority.   |
| 19 | <b>Contracting Authority</b>  | The Joint Managing Authority, signing the Grant Contract with a Beneficiary of an action. The Beneficiary is fully legally responsible to the Joint Managing Authority under the Grant Contract.   |
| 20 | <b>Contribution in kind</b>   | Assistance to any action of an organisation without asking for payment for it. The contribution in kind includes physical or intellectual assistance to an action, provision of premises, land or equipment. Contribution in kind is treated as ineligible costs, however it must be reflected in the documents for the action.  |
| 21 | <b>Courier, courier service</b>   | Refers to a company providing special delivery of items from a sender to recipient within a short period of time. Delivery to the recipient is carried out directly by an employee of such company. Such companies operate beyond the regular national post system; they do not provide "registered mail" services.  |
| 22 | <b>Cross-border impact</b>  | Positive effect that an action is going to have on both sides of the border (in all the countries represented by the beneficiary and the partners).  |
| 23 | <b>Economy</b> (principle, according to article 27 of the Financial Regulation) | Principle of economy requires that the resources used by the institution for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.   |

| No | TERM  | DEFINITION  |
|----|---|---|
| 24 | <b>Effectiveness</b> (principle, according to article 27 of the Financial Regulation) | The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.  |
| 25 | <b>Efficiency</b> (principle, according to article 27 of the Financial Regulation)    | The principle of efficiency is concerned with the best relationship between resources employed and results achieved   |
| 26 | <b>Eligible costs</b>   | The costs incurred while implementing the action, which fall under the list of eligible costs provided in the Programme documents and national and EU legal acts, in particular Article 14 of the General Conditions to the Grant Contract and may be funded by the Programme.  |
| 27 | <b>European Commission (EC)</b>   | The European Community's executive body. Led by 27 Commissioners, the EC initiates proposals on legislation and acts as guardian of the Treaties. The EC is also a manager and executor of common policies and of international trade relationships. It is responsible for the management of EU external assistance.  |
| 28 | <b>Expert</b>   | A person engaged to provide the expertise required for the proper performance of a contract.  |
| 29 | <b>Feasibility study</b>  | An investigation which tries to clearly establish whether a project will work and achieve its expected results. Such a study usually evaluates in detail a project's technical design, its costs and benefits, social and environmental aspects, institutional issues, financial aspects, feasibility of investments, etc. Feasibility studies are usually carried-out in the preparation stage of the project cycle. |
| 30 | <b>Final beneficiaries</b>  | Organisations/ persons who will benefit from the action in the long term at the level of the society or sector at large.  |
| 31 | <b>Financing Agreement (Financing Memorandum)</b>                                     | An agreement between the EC and a partner country, co-signed by the Joint Managing Authority, which determines the objectives and rules applicable to the implementation of the Programme.  |
| 32 | <b>Grant</b>  | A direct payment of a non-commercial nature by the Joint Managing Authority to a specific recipient to implement an operation (or in some cases to finance part of its budget) in order to promote an EC policy aim.  |
| 33 | <b>Grant Contract</b>   | An agreement, between the Beneficiary and the Joint Managing Authority, with specific terms and an undertaking to implement an action in return for an EU grant.  |
| 34 | <b>Guidelines for Grant Applicants</b>  | Document explaining the purpose and conditions of a Call for Proposals for grants. It sets out the rules regarding who may apply, the types of actions and costs which may be financed, and the evaluation (selection and award) criteria. It also provides practical information on how to complete the Grant Application Form, what documents must be annexed, and rules and procedures for applying.               |



| No | TERM   | DEFINITION   |
|----|--|--|
| 35 | <b>Ineligible costs</b>  | The costs incurred while implementing the action, which do not fall under the list of eligible costs provided in the Programme documents and national and EU legal acts, in particular Article 14 of the General Conditions to the Grant Contract and may not be funded by the Programme.  |
| 36 | <b>Integrated project</b>  | An action (project) where each partner carries out a part of the activities of the joint action on its own territory.  |
| 37 | <b>Large-scale project</b>   | A project comprising a set of works, activities or services intended to fulfil an indivisible function of a precise nature pursuing clearly identified objectives of common interest for the purposes of implementing cross-border investments. Large-scale projects are selected separately from the open Calls for Proposals.                    |
| 38 | <b>Monitoring</b>  | The regular collection and analysis of information about an action (usually at least financial, technical and institutional) in order to check performance compared with its stated objectives, outputs, budget and work plan.   |
| 39 | <b>Non Governmental Organisation (NGO)</b>                                   | Independent, non-profit organisation pursuing a particular agenda or objective, e.g. environmental conservation, industry associations.  |
| 40 | <b>Operation</b>   | Is defined as the: <ul style="list-style-type: none"> <li>- functioning, e.g. in a phrase "smooth operation";</li> <li>- management, e.g. in a phrase "operation of the equipment";</li> <li>- set of activities which are planned to achieve a certain goal, e.g. in a phrase "to propose an operation within the Call for Proposals".</li> </ul> |
| 41 | <b>Overall objective</b>   | The contribution of the action to overall improvement of state of play in the region, clearly referring to the priorities of the Programme.  |
| 42 | <b>Output</b>  | Tangible and visible deliverable produced within the action in order to reach the results (e.g. guides, web sites, study materials, etc.).   |
| 43 | <b>Participating countries</b>   | The Member States (Latvia and Lithuania) and Partner Country (Belarus) taking part in the joint operational programme.   |
| 44 | <b>Partner Country</b>   | Belarus, as listed in the Annex to Regulation (EC) No 1638/2006.   |
| 45 | <b>Practical Guide to Contract Procedures for EC External Actions (PRAG)</b> | The first sole working tool, which explains the contracting procedures applying to all EC external aid contracts financed from the European Communities general budget and the 10th European Development Fund (EDF). Link: <a href="#">PRAG</a>  |
| 46 | <b>Pre-feasibility study</b>   | Preliminary assessment of viability of the action that usually takes place in the identification stage of the project cycle. Pre-feasibility studies generally cover the same subjects as feasibility studies, but do so in much less detail.  |
| 47 | <b>Procurement</b>   | The purchase of supplies, services and works. The organisations receiving the EU funding for external actions must turn to the procedures of Annex IV of their Grant Contract.   |
| 48 | <b>Project</b>   | Is used as a synonym to the term "action".   |

| No | TERM  | DEFINITION  |
|----|---|---|
| 49 | <b>Project Cycle</b>  | <p>A useful tool for understanding various stages that any action will probably go through.</p> <p>The basic model includes the following stages:</p> <ul style="list-style-type: none"> <li>• Identification – ideas for potential actions are identified and explored.</li> <li>• Preparation – the idea of an action is carefully developed.</li> <li>• Appraisal – the proposed action is rigorously assessed and adjusted if necessary.</li> <li>• Funding – decision is taken about funding for the action and how it will be implemented.</li> <li>• Implementation and monitoring – the action is carried-out and periodic checks made to ensure it is running according to plan.</li> <li>• Evaluation – the results of the action are assessed and new ideas may be generated.</li> </ul> |
| 50 | <b>Partner</b>  | Participant in an action, responsible for implementation of part of the activities, in accordance to the application and to the partnership agreement signed with the beneficiary of the grant.   |
| 51 | <b>Regional Capacity Building Initiative (RCBI) project</b> | The EU-funded project, which has been supporting the EU's neighbours to actively participate in cross-border relations since April 2005. The project supports 15 partner countries currently participating in cross-border cooperation under the new ENPI CBC programmes for 2007-2013. <a href="#">Link: RCBI</a>  |
| 52 | <b>Result</b>   | A change of situation, attitude, knowledge, practice, experience, capacity and/or change of other quantitative or qualitative parameters occurred after targeted implementation of certain activities. The action may have one or more expected results to be reached by certain activities.  |
| 53 | <b>Simple project</b>                                       | An action implemented mainly or entirely in a Member State or a Partner Country but for the benefit of all or some of the partners involved in the Joint Operational Programme.   |
| 54 | <b>Soft Project</b>   | An action that is intended to bring about change and does not have a physical end product; an action which is not principally concerned with construction or equipment provision. 'Soft' actions include activities such as institutional strengthening, training, policy reform, exchange of experience.   |
| 55 | <b>Specific objective</b>                                   | The objective, which is to be achieved within the scope of the action through a number of results. The specific objective has to contribute to the overall objective of the action.   |
| 56 | <b>Stakeholders</b>   | Individuals and organisations that are actively involved in the action, or whose interests may be affected as a result of execution or completion of the action. They may also exert influence over the objectives and outcomes of the action.  |
| 57 | <b>Strategy</b>   | A comprehensive set of objectives, and plans for their achievement.   |
| 58 | <b>(ENPI CBC) Strategy Paper</b>                            | The document which is referred to in Article 7(3) of Regulation (EC) No 1638/2006 and which establishes the list of the joint operational programmes, their multiannual indicative envelope and territorial units eligible within each programme.   |

| No | TERM                                 | DEFINITION   |
|----|--------------------------------------|--|
| 59 | <b>Subcontractor</b>                 | A legal and natural person providing supplies, services or works to an action under the provisions of Annex IV of PRAG and national public procurement rules.  |
| 60 | <b>Subsistence costs</b>             | Subsistence costs are paid for the missions abroad and within the home country of beneficiary/ partner. Subsistence costs cover costs of accommodation, meals and sundry expenses and local transport. They should correspond to rates normally applying to the organisations and cannot exceed the EC rates published on <a href="http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm">http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm</a> at the time of signing the contract. |
| 61 | <b>Sustainable</b>                   | An action is sustainable when it can provide an acceptable amount of benefits to the target group during a sufficiently long period after the funder's assistance ceases.  |
| 62 | <b>SWOT Analysis</b>                 | A technique for identifying the strengths, weaknesses, opportunities and threats of the programme area as a basis for discussing programme objectives.   |
| 63 | <b>Symmetrical project</b>           | An action where similar activities are carried out in parallel in Member State(s) and in Partner Country.  |
| 64 | <b>Target groups</b>                 | The groups/entities that will be directly positively affected by the action at the purpose level.  |
| 65 | <b>Technical assistance</b>          | Preparatory work, management, monitoring, evaluation, information, audit and control, and any administrative capacity-building activities necessary for implementation of the joint operational programmes.  |
| 66 | <b>Technical assistance contract</b> | A contract between a service provider and the Joint Managing Authority, under which the service provider exercises an advisory role, directs or supervises an action, provides the experts stipulated in the contract or acts as a procurement agent.  |
| 67 | <b>Tender</b>                        | A written or formal offer to supply goods, perform services or execute works for an agreed price.  |
| 68 | <b>Tender procedure</b>              | The overall process of putting a contract out for tender, starting with the publication of a procurement notice and ending with the award of the tendered contract. The tender procedure should strictly follow national public procurement rules and PRAG.  |
| 69 | <b>Verification of expenditure</b>   | Examination of the costs and the revenue (if any) of the action declared by the beneficiary/partner. The auditor examines whether the costs declared by the beneficiary and partners are real, accurately recorded and eligible in accordance with the Grant Contract, as well as the revenue of the action and issues an expenditure verification report.   |

## 4. LIST OF ANNEXES AND SUPPORTING DOCUMENTS

### DOCUMENTS TO BE COMPLETED

GRANT APPLICATION FORM (DIGITAL VERSION)

DETAILED BUDGET - ANNEX I TO THE GRANT APPLICATION FORM (EXCEL FORMAT)

LEGAL ENTITY SHEET (EXCEL FORMAT)

FINANCIAL IDENTIFICATION FORM

PARTNERSHIP STATEMENT

PRE-FEASIBILITY STUDY

LETTER OF ENDORSEMENT BY THE ASSOCIATE

### DOCUMENTS FOR INFORMATION

JOINT OPERATIONAL PROGRAMME

STANDARD GRANT CONTRACT

- MODEL SPECIAL CONDITIONS TO THE GRANT CONTRACT
- ANNEX II: GENERAL CONDITIONS APPLICABLE TO EUROPEAN COMMUNITY-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 EC FINANCED GRANT CONTRACT FOR EXTERNAL ACTIONS
- ANNEX VIII: MODEL FINANCIAL GUARANTEE

INSTRUCTIONS FOR FILLING IN THE GRANT APPLICATION FORM

MODEL PARTNERSHIP AGREEMENT

DAILY ALLOWANCE RATES (PER DIEM), AVAILABLE AT THE FOLLOWING ADDRESS:

[http://ec.europa.eu/europeaid/work/procedures/implementation/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm)

STANDARD CONTRIBUTION AGREEMENT, APPLICABLE IN CASE WHERE THE BENEFICIARY IS AN INTERNATIONAL ORGANISATION

PROJECT CYCLE MANAGEMENT GUIDELINES

[http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t101\\_en.htm](http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t101_en.htm)