



Contracting Authority: The European Communities, represented by the European Commission, for and on behalf of the Turkish Cypriot community

Reconciliation, Confidence Building Measures and Support to Civil Society:

CYPRIOT CIVIL SOCIETY IN ACTION

Guidelines
for grant applicants

Budget line: 22 02 07 03

Financial Instrument to support the economic development of
the Turkish Cypriot community

Reference: EuropeAid/126199/C/ACT/CY

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Table of contents

INTRODUCTION - THE "CYPRIOT CIVIL SOCIETY IN ACTION" PROGRAMME 5

1 Background..... 5

2 Objectives of the programme and priority issues..... 5

A/ IF YOU APPLY UNDER FIELD A:

1. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY 7

2. RULES OF THIS CALL FOR PROPOSALS..... **9**

2.1 Eligibility criteria **9**

 2.1.1 Eligibility of applicants: who may apply 9

 2.1.2 Partnerships and eligibility of partners 10

 2.1.3 Eligible actions: actions for which an application may be made 11

 2.1.4 Eligibility of costs: costs which may be taken into consideration for the grant..... 12

2.2 How to apply, and the procedures to follow..... **15**

 2.2.1 Concept Note content 12

 2.2.2 Where and how to send the Concept Notes 12

 2.2.3 Deadline for submission of Concept Notes..... 13

 2.2.4 Further information..... 13

 2.2.5 Full application form.....14

 2.2.6 Evaluation and selection..... 14

3. LIST OF ANNEXES..... **14**

B/ IF YOU APPLY UNDER FIELD B:

1. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY **15**

2. RULES OF THIS CALL FOR PROPOSALS **16**

2.1 Eligibility criteria **16**

 2.1.1 Eligibility of applicants: who may apply 16

 2.1.2 Partnerships and eligibility of partners 17

 2.1.3 Eligible actions: actions for which an application may be made 17

 2.1.4 Eligibility of costs: costs which may be taken into consideration for the grant..... 18

2.2 How to apply, and the procedures to follow..... **21**

 2.2.1 Concept Note content 21

 2.2.2 Where and how to send the Concept Notes 21

2.2.3	Deadline for submission of Concept Notes.....	22
2.2.4	Further information.....	22
2.2.5	Full application form.....	23
2.2.6	Evaluation and selection.....	23

3. LIST OF ANNEXES..... 23

C/ IF YOU APPLY UNDER FIELD C:

1. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY 24

2. RULES OF THIS CALL FOR PROPOSALS25

2.1 Eligibility criteria 25

2.1.1	Eligibility of applicants: who may apply	95
2.1.2	Partnerships and eligibility of partners	106
2.1.3	Eligible actions: actions for which an application may be made	117
2.1.4	Eligibility of costs: costs which may be taken into consideration for the grant.....	127

2.2 How to apply, and the procedures to follow..... 30

2.2.1	Concept Note content	30
2.2.2	Where and how to send the Concept Notes	30
2.2.3	Deadline for submission of Concept Notes.....	31
2.2.4	Further information.....	31
2.2.5	Full application form.....	32
2.2.6	Evaluation and selection.....	32

3. LIST OF ANNEXES.....32

INTRODUCTION - THE “CYPRIOT CIVIL SOCIETY IN ACTION” PROGRAMME

1. BACKGROUND

For over three decades, the situation in Cyprus has been unsettled. This has led to mutual distrust and misunderstandings between the Greek Cypriot and Turkish Cypriot communities. There was minimal communication and contact between them. This vacuum of a proper functioning relationship has bred uncertainty and a highly politicized environment. Furthermore, this had led to severe disparities in the conditions of the two communities, with the northern part of Cyprus lagging behind in economic development, with little or no exposure to information and developments which have taken place in the region and in Europe in the course of the period.

In September 2001, a first effort was funded by the European Commission (under the 4th Financial Protocol) in the area of civil society development. The project was aimed at supporting bi-communal co-operation, and at strengthening civil society on the island. The latter in particular was seen as an important tool towards the democratic development of both communities on the island. The project highlighted the relatively low level of civil society on the island, and its strong need for support, particularly in the northern part, where civil society development is still at embryonic level. The project also raised the issue of long-term sustainability and absorption capacity of activities in this field as well as the importance of the political context.

1. OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The overall objective of this project is to strengthen the role of civil society in the Turkish Cypriot community as well as to promote the development of a conducive environment for the further development of trust, dialogue, co-operation and closer relationship between the Turkish Cypriot and Greek Cypriot communities as an important step towards a solution to the Cyprus problem.

Three thematic fields of equal rank have been identified for this call for proposals. The programme will specifically support projects which target one of these priorities:

A. Reconciliation and confidence building measures (Hereafter referred to as Field A)

Under Field A, proposals must target people-to-people contacts and **projects involving the Turkish Cypriot and Greek Cypriot communities**. Preference will be given to actions having a **long term horizon** rather than one-off events. The grant scheme is open to

proposals in a variety of areas involving (but not limited to) culture, economic development, social inclusion, social dialogue, academic research, etc. Under this strand, the creation of linkages between these projects and wider European Union networks will also be supported.

Any activity with the potential to bridge the gap between the two communities and supporting contacts between them will be considered eligible.

This may also include if appropriate some infrastructure investments (e.g. joint cafés or community centres, joint project in the field of conservation, revitalisation, renovation activities of cultural heritage sites, etc.).

If you apply under this Field, please read pages 6 to 14 only.

B. Support to civil society in the Turkish Cypriot community (Hereafter referred to as Field B)

The aim is to support the development of a more vibrant civil society in the Turkish Cypriot community. The emphasis will be on supporting **civil society organisations representing the public interest.**

Grants will be provided for **projects** as well as **seed funding for the setting up of new civil society organisations and for promoting their development.**

The following sectors *inter alia* will be targeted by the proposed actions:

- protection of the environment;
- promotion and protection of women's rights with a view to promote gender equality in the society;
- consumer protection with a view to strengthen the effective enforcement of consumer protection;
- enhancement of social inclusion of people with disabilities;
- development of citizens advocacy groups.

If you apply under this Field, please read pages 15 to 23 only.

C. Support to NGOs and international organisations promoting reconciliation projects including research leading to a better understanding of issues affecting trust between the two communities (Hereafter referred to as Field C)

Under this strand, some funding will be provided to support NGOs and international organisations **promoting reconciliation projects including research leading to a better understanding of issues affecting trust between the two communities.** Under this strand, some funding might be provided to:

- conferences,
- surveys,

- publication.

In general terms, however, one off events will not be supported.

If you apply under this Field, please read pages 24 to 32 only.

A/ IF YOU APPLY UNDER FIELD A: RECONCILIATION AND CONFIDENCE BUILDING MEASURES

1. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall **indicative** amount made available under this call for proposals is EUR 2 000 000. The European Commission reserves the right not to award all available funds.

Indicative* allocation of funds by Field:

Field Title No:	Indicative amount available in Euro
Field A Reconciliation and confidence building measures	800 000
Field B Support to civil society in the Turkish Cypriot community	800 000
Field C Support to NGOs and international organisations promoting reconciliation projects including research leading to a better understanding of issues affecting trust between the two communities	400 000

*The European Commission reserves the right to modify the allocated amounts per field.

Size of grants

Any grant awarded under this Field (i.e. Field A) must fall between the following minimum and maximum amounts:

- minimum amount: EUR 10 000
- maximum amount: EUR 200 000

Important: grants will be awarded in assessing the management capacity of candidates (e.g. number of employees on the pay-roll of the organisation, past projects funded by other donors, organisation premises, etc.) *vis-à-vis* the proposed project (i.e. proposed activities, proposed total amount and budget for the action).

For newly created organisations and/or Civil Society Organisations that never received funds from any international donor, it is strongly advised to propose a reasonable project amount.

A grant may not be for less than 50 % of the total eligible costs of the action.

In addition, no EU grant may exceed 90% of the total eligible costs of the action (see also section 2.1.4). The balance must be financed from the applicant's or partners' own resources, or from sources other than EU funds.

Note:

It is not possible to include in kind contributions in the project budget.

2. RULES FOR THIS CALL FOR PROPOSALS

For more precise information on the rules for the submission, selection and implementation of actions financed under this call, please refer to the Practical Guide to contract procedures for EC external actions, which is applicable to the present call (available on the Internet at this address: http://ec.europa.eu/europeaid/work/procedures/index_en.htm).

2.1 ELIGIBILITY CRITERIA

2.1.1 Eligibility of applicants: *who may apply ?*

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

- be non-profit-making entities (individuals are not eligible) **and**
- be civil society organizations¹, including social partners, local communities, municipalities, chambers of commerce, professional associations or higher education bodies or research institutes (private or not) **and**
- have their headquarters in the northern part of Cyprus **and**
- have technical, managerial and adequate financial capacity to implement the project and to ensure its sustainability **and**
- be directly responsible for the preparation and management of the action, not acting as an intermediary.

(2) Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the following situations :

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

¹ A Civil Society organization is an organization:

1. which is independent of the leadership as regards to its establishment and/or appointment of its personnel and administrators.
2. which has an autonomous and democratic structure in its financial and administrative affairs.

Under these circumstances, associations, foundations, non-profit cooperatives and non-profit companies meeting these criteria may apply to this Call for Proposals.

Non profit companies and/or cooperatives should demonstrate that their operations are strictly non profit making. They must provide together with their application the Company Statute in which a provision prohibits distribution of the profit to the shareholders. As an alternative the organisation should demonstrate, through an audit report covering the last three years, that its profit has never been distributed to the shareholders. In addition, the Board of Directors should declare that profit will not be distributed to shareholders in the future.

- 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 interests²;
 - f) they are currently subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation applicable to the EU budget.

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

2.1.2 Partnerships and eligibility of partners: ***Who can be your partner?***

Under this field, partnership is obligatory. The applicant must be a Turkish Cypriot organisation/entity, one (1) partner at least must be a Greek Cypriot organisation/entity. Applicants must act with partner organisations as specified hereafter.

- Partners

Applicants’ partners participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the grant Beneficiary. They must therefore satisfy the same eligibility criteria as applicants.

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

² The cases referred to in point (e) applicable are the following:

1) 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;⁷

2) 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;⁸

3) cases of participation in a criminal organisation, as defined in Article 2(1) of Joint Action 98/733/JHA of the Council;⁹

4) cases of money laundering as defined in Article 1 of Council Directive 91/308/EEC.¹⁰

- Associates

Other organisations may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.1.

- Subcontractors

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

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

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

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

Duration: The planned duration of an action may **not be lower than 6 months nor exceed 24 months**.

Sectors or themes: The action proposed **must** fall under Field A “**Reconciliation and confidence building measures**” as **described in section 1.2.** of these very Guidelines.

Location: Actions must take place in **Cyprus**. Some of the activities can take in a Member State of the European Union or a Candidate Country (Croatia, fYRoM or Turkey) or an European Economic Area Member State (Iceland, Lichtenstein and Norway), if proven relevant by the description of the action.

Types of action: **All actions, which aim at achieving the Programme objectives and fall within the eligible thematic areas, could qualify for financing.**

Examples of possible actions (this list is indicative only):

- Creation of a joint meeting place;
- Conservation, revitalisation, renovation activities of cultural heritage sites ;
- Joint booklet on Cypriot cuisine;
- Etc.

The action may also include **if appropriate** some infrastructure investments.

The following types of actions are ineligible:

- Individual sponsorships for participation in workshops, seminars, conferences, congresses;
- Individual scholarships for studies or training courses;
- One-off events such as conferences, round tables, seminars and similar events. Conferences round tables, seminars and similar events can only be funded **if they form part of a wider action**;
- Grant making activities (i.e. the use of the grant to make grants (in-cash or in-kind) or loans to other organisations or individuals);
- Projects essentially focused on the purchase of equipment;
- Profit-making activities, establishment or support to the activities of public or private enterprises.

Number of proposals and grants per applicant

An applicant **may** submit more than one proposal (under Field A only and/or under the other Fields). However, an applicant **may not** be awarded more than one grant under this call for proposal.

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

Only "eligible costs" can be taken into account for a grant. These are detailed below. The budget must be prepared based on real costs according to the market prices, not lump sums.

Please note that selected proposals for funding will go through a checking process which precedes the signing of the contract. During this process, changes to the budget might be required (for instance arithmetical errors, inaccuracies or unrealistic costs and other ineligible costs).

However, the amount of the grant and the percentage of co-financing as a result of these necessary corrections may not be increased in any case.

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

Eligible direct costs

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

- a) they are incurred during the implementation of the action with the exception of costs relating to the preparation of final reports and expenditure verification. Eventual contracts for goods/services/works used/provided/delivered during the implementation period may have been awarded but not executed by the Beneficiary or his partners before the implementation period of the Action started,

provided the provisions of the procurement by grant beneficiaries were respected. Such costs must be paid for before the final report is finalised.

- b) have to be indicated in the estimated overall budget of the action,
- c) have to be necessary for the implementation of the action which is the subject of the grant,
- d) must be identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the place where the beneficiary is established and according to the usual cost account practices of the beneficiary,
- e) have to be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency,

Subject to the above and where relevant to the provisions of the procurement by grant beneficiaries being respected, the following direct costs of the Beneficiary and his partners shall be eligible:

- the cost of staff assigned to the Action, corresponding to actual salaries plus social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the Beneficiary or his partners, as the case may be, unless it is justified by showing that it is essential to carry out the action;
- travel and subsistence costs for staff and other persons taking part in the Action, provided they do not exceed those normally borne by the Beneficiary or his partners, as the case may be. Any flat-rate reimbursement of the subsistence costs must not exceed the rates corresponding to the scales published by the European Commission at the time of signing this contract (for current subsistence allowance rates please refer to Annex H; however, these rates might change at the time of signing of the contract);
- purchase or rental costs for equipment and supplies (new or used) specifically for the purposes of the Action, and costs of services, provided they correspond to market rates;
- costs of consumables;
- subcontracting expenditure;
- costs deriving directly from the requirements of the Contract (dissemination of information, evaluation specific to the Action, audits, translation, reproduction, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees);

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 European Commission.

Eligible indirect costs (aoverheads)

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, save where the beneficiary is in receipt of an operating grant financed from the Community budget.

Contributions in kind

Any contributions in kind, if any, which must be listed separately at Annex III, do not represent actual expenditure and are not eligible costs. The contributions in kind may not be treated as co-financing by the Beneficiary.

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

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;
- credits to third parties.

2.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

The application procedure is in two steps:

- 1st step: the Concept Note submission and evaluation
- 2nd step: the Full Application Form submission and evaluation.

For more information, please consult Annex C to these guidelines.

2.2.1 *Concept Note content*

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

Applicants must apply in English.

In the Concept Note, the applicants must provide an estimate only of the probable total cost of the action and of the requested amount of the EC contribution. Only the applicants invited to submit a full proposal in the second phase will be required to present a detailed budget. Please provide budget in Euro with round figures. This detailed budget may not vary from the initial estimate by more than 20%, while the applicant is free to adapt the percentage of co-financing required as far as the minimum and maximum amount of co-financing, as laid down in the present Guidelines, is respected.

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

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

Hand-written Concept Notes will not be accepted.

Please note that only the Concept Note form will be transmitted to the assessors. It is therefore of utmost importance that this document contain ALL relevant information concerning the action.

2.2.2 *Where and how to send Concept Notes*

Concept Notes may be sent by e-mail or by courier service/hand delivery:

- If sent by e-mail, the Concept Notes must be sent before the deadline to elarg-A3-grants@ec.europa.eu
- If sent in hard copies, the Concept Notes must be submitted in a sealed envelope by registered mail, private courier service or by hand-delivery (a signed and dated certificate of receipt will be given to the deliverer) at the address below:

Postal address

European Commission
DG Enlargement
Task Force - Turkish Cypriot Community
Mr. Andrew Rasbash
Office CHAR 04/247
B-1049 Brussels

Address for hand delivery or by private courier service

European Commission
DG Enlargement
Task Force - Turkish Cypriot Community
Mr. Andrew Rasbash
Central Mail Office
1, Avenue du Bourget
B-1140 Evere

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

If sent in hard copy, the Concept Note together with the Checklist for the Concept Note (section II of Annex A, the grant application form) and the Declaration by the applicant for the Concept Note (section III of Annex A, the grant application form) must be submitted in one (1) original and three (3) copies in A4 size, each bound.

Where an applicant sends several different Concept Notes (as allowed to do so by the Guidelines of the Call, please refer to part 2.1.3. above “Number of proposals and grants per applicant”), each one must be sent separately (i.e. different envelopes if submitted in hardcopies; in attachment to different e-mails if submitted in electronic copies).

The outer envelope must bear the **reference number and the title of the call for proposals**, together with the field number and title the full name and address of the applicant, and the words "Not to be opened before the opening session" and “Αçılış Toplantısından Önce Açılmaması Rica Olunur” and/or “Να μην ανοιχτεί πριν από τη συνεδρίαση αποσφράγισης”.

Applicants must verify that their Concept Note is complete using the Checklist for Concept Note (section II of Annex A, the grant application form). Incomplete Concept Notes may be rejected.

2.2.3 *Deadline for submission of the Concept Notes*

The deadline for the receipt of the Concept Notes is **21 January 2008 at 16:00 Central European Time**. Any Concept Note received after the deadline will be **automatically**

rejected even if the postmark indicates a date preceding the deadline or if the delay is due to the private courier service.

2.2.4 *Further information for Concept Note*

Questions may in addition be sent by fax or preferably by e-mail no later than 21 days before the deadline for the submission of Concept Notes to the address below, indicating clearly the reference of the call for proposals:

E-mail address: elarg-A3-grants@ec.europa.eu

Fax number: +32 2 29 68 751

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

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

Questions that may be relevant to other applicants, together with the answers, will be published on the internet at the EuropeAid web site <http://ec.europa.eu/europeaid/cgi/frame12.pl> (Please chose a selection “by country” then “Cyprus”, tick on “open” and “grants”).

2.2.5 *Full Application form*

Pre-selected applicants will be invited to submit a full application form following the short listing. Further instructions will be provided at this later stage.

2.2.6 *Evaluation and selection*

Please refer to Points 1 and 2 of Annex B.

3. LIST OF ANNEXES

DOCUMENTS TO FILL IN

ANNEX A: CONCEPT NOTE FORM (WORD FORMAT)

DOCUMENTS FOR INFORMATION (THE BELOW LIST OF DOCUMENT IS ONLY PROVIDED FOR YOUR INFORMATION. IF SHORT LISTED/ SELECTED, YOU WILL BE LATER REQUESTED TO FILL OUT PART OR ALL OF THESE DOCUMENTS)

ANNEX B: EVALUTATION PROCESS AND INDICATIVE CALENDAR

ANNEX C: GRANT FULL APPLICATION FORM (WORD FORMAT) INCLUDING THE INDICATIVE EVALUATION GRID OF THE FULL APPLICATION FORM

ANNEX D: BUDGET (EXCEL FORMAT)

ANNEX E: LEGAL ENTITY SHEET (EXCEL FORMAT)http://ec.europa.eu/europeaid/work/procedures/index_en.htm

ANNEX F: FINANCIAL IDENTIFICATION FORM

ANNEX G: STANDARD CONTRACT (WORD FORMAT), available at the following address:
http://ec.europa.eu/europeaid/work/procedures/index_en.htm

ANNEX H: DAILY ALLOWANCE RATES (PER DIEM), available at the following address:
http://ec.europa.eu/europeaid/work/procedures/index_en.htm

ANNEX I: STANDARD CONTRIBUTION AGREEMENT, applicable in case where the beneficiary is an International organisation, is available at the following address:
http://ec.europa.eu/europeaid/work/procedures/index_en.htm

B/ IF YOU APPLY UNDER FIELD B: SUPPORT TO CIVIL SOCIETY IN THE TURKISH CYPRIOT COMMUNITY

1. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall **indicative** amount made available under this call for proposals is EUR 2 000 000. The European Commission reserves the right not to award all available funds.

Indicative* allocation of funds by Field:

Field Title
No:

Indicative
amount
available in
Euro

Field Reconciliation and confidence building measures
A

800 000

Field B Support to civil society in the Turkish Cypriot community 800 000

Field C Support to NGOs and international organisations promoting reconciliation projects including research leading to a better understanding of issues affecting trust between the two communities 400 000

*The European Commission reserves the right to modify the allocated amounts per field.

Size of grants

Any grant awarded under this Field (i.e. Field B) must fall between the following minimum and maximum amounts:

- minimum amount: EUR 10 000
- maximum amount: EUR 100 000

Important: grants will be awarded in assessing the management capacity of candidates (e.g. number of employees on the pay-roll of the organisation, past projects funded by other donors, organisation premises, etc.) vis-à-vis the proposed project (i.e. proposed activities, proposed total amount and budget for the action).

For newly created organisations and/or Civil Society Organisations that never received funds from any international donor, it is strongly advised to propose a reasonable project amount.

A grant may not be for less than 50 % of the total eligible costs of the action.

In addition, no grant may exceed 90% of the total eligible costs of the action (see also section 2.1.4). Exceptionally, **in the case of seed funding**, for the setting-up of an organisation, the grant may not exceed 95% of the total eligible costs of the action. The balance must be financed from the applicant's or partners' own resources, or from sources other than EU Funds.

Note:

It is not possible to include in kind contributions in the project budget.

2. RULES FOR THIS CALL FOR PROPOSALS

For more precise information on the rules for the submission, selection and implementation of actions financed under this call, please refer to the Practical Guide to contract procedures for EC external actions, which is applicable to the present call (available on the Internet at this address: http://ec.europa.eu/europeaid/work/procedures/index_en.htm).

2.1 ELIGIBILITY CRITERIA

2.1.1 Eligibility of applicants: *who may apply ?*

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

- be non-profit-making entities (individuals are not eligible) **and**
- be civil society organizations³ **and**
- have their headquarters in the northern part of Cyprus **and**
- have technical, managerial and adequate financial capacity to implement the project and to ensure its sustainability **and**
- be directly responsible for the preparation and management of the action, not acting as an intermediary.

(2) Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the following situations :

- 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;

³ A Civil Society organization is an organization:

* which is independent of the state/leadership as regards to its establishment and/or appointment of its personnel and administrators.

* which has an autonomous and democratic structure in its financial and administrative affairs.

Under these circumstances, associations, foundations, non-profit cooperatives and non-profit companies meeting these criteria may apply to this Call for Proposals.

Non profit companies and/or cooperatives should demonstrate that their operations are strictly non profit making. They must provide together with their application the Company Statute in which a provision prohibits distribution of the profit to the shareholders. As an alternative the organisation should demonstrate, through an audit report covering the last three years, that its profit has never been distributed to the shareholders. In addition, the Board of Directors should declare that profit will not be distributed to shareholders in the future.

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 interests⁴;

f) they are currently subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation applicable to the EU budget.

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

2.1.2 Partnerships and eligibility of partners: ***Who can be your partner?***

Applicants may act individually or with partner organisations, as specified hereafter.

- Partners

Applicants’ partners participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the grant Beneficiary. They must therefore satisfy the same eligibility criteria as applicants.

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

- Associates

Other organisations may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.1.

- Subcontractors

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

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

⁴ The cases referred to in point (e) applicable are the following:

1) 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;⁷

2) 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;⁸

3) cases of participation in a criminal organisation, as defined in Article 2(1) of Joint Action 98/733/JHA of the Council;⁹

4) cases of money laundering as defined in Article 1 of Council Directive 91/308/EEC.¹⁰

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

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

Duration: The planned duration of an action may **not be lower than 6 months nor exceed 24 months**.

Sectors or themes: The action proposed **must** fall under Field B “**Support to civil society in the Turkish Cypriot community**” as **described in section 1.2.** of these very Guidelines.

Location: Actions must take place in **Cyprus**. Some of the activities can take place in a Member State of the European Union or a Candidate Country (Croatia, FYRoM or Turkey) or an European Economic Area Member State (Iceland, Lichtenstein and Norway), if proven relevant by the description of the action.

Types of action: All actions, which aim at achieving the Programme objectives and fall within the eligible thematic areas, could qualify for financing.

Examples of possible actions (this list is indicative only):

- Advocacy and Campaigns on environment protection
- Awareness raising activities on gender equality
- Training and curricula development in Human Rights
- Setting-up of a new Association
- Building sustainable networks and co-operation
- Counselling and social reintegration activities
- Etc.

The following types of actions are ineligible:

- Individual sponsorships for participation in workshops, seminars, conferences, congresses;
- Individual scholarships for studies or training courses;
- One-off events such as conferences, round tables, seminars and similar events. Conferences round tables, seminars and similar events can only be funded **if they form part of a wider action**;
- Grant making activities (i.e. the use of the grant to make grants (in-cash or in-kind) or loans to other organisations or individuals);
- Infrastructure projects, projects essentially focused on the purchase of equipment;
- Profit-making activities, establishment or support to the activities of public or private enterprises.

Number of proposals and grants per applicant

An applicant **may** submit more than one proposal (under Field C only and/or under the other Fields). However, an applicant **may not** be awarded more than one grant under this call for proposal.

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

Only "eligible costs" can be taken into account for a grant. These are detailed below. The budget must be prepared based on real costs according to the market prices, not lump sums.

Please note that selected proposals for funding will go through a checking process which precedes the signing of the contract. During this process, changes to the budget might be required (for instance arithmetical errors, inaccuracies or unrealistic costs and other ineligible costs).

However, the amount of the grant and the percentage of co-financing as a result of these necessary corrections may not be increased in any case.

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

Eligible direct costs

- a) they are incurred during the implementation of the action with the exception of costs relating to the preparation of final reports and expenditure verification. Eventual contracts for goods/services/works used/provided/delivered during the implementation period may have been awarded but not executed by the Beneficiary or his partners before the implementation period of the Action started, provided the provisions of the procurement by grant beneficiaries were respected. Such costs must be paid for before the final report is finalised.
- b) have to be indicated in the estimated overall budget of the action,
- c) have to be necessary for the implementation of the action which is the subject of the grant,
- d) must be identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the place where the beneficiary is established and according to the usual cost account practices of the beneficiary,
- e) have to be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency,

Subject to the above and where relevant to the provisions of the procurement by grant beneficiaries being respected, the following direct costs of the Beneficiary and his partners shall be eligible:

- the cost of staff assigned to the Action, corresponding to actual salaries plus social security charges and other remuneration-related costs; salaries and costs

must not exceed those normally borne by the Beneficiary or his partners, as the case may be, unless it is justified by showing that it is essential to carry out the action;

- travel and subsistence costs for staff and other persons taking part in the Action, provided they do not exceed those normally borne by the Beneficiary or his partners, as the case may be. Any flat-rate reimbursement of the subsistence costs must not exceed the rates corresponding to the scales published by the European Commission at the time of signing this contract (for current subsistence allowance rates please refer to Annex H; however, these rates might change at the time of signing of the contract);
- purchase or rental costs for equipment and supplies (new or used) specifically for the purposes of the Action, and costs of services, provided they correspond to market rates;
- costs of consumables;
- subcontracting expenditure;
- costs deriving directly from the requirements of the Contract (dissemination of information, evaluation specific to the Action, audits, translation, reproduction, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees);

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 European Commission.

Eligible indirect costs (overheads)

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding fixed at not more than 7% of the total eligible direct costs, save where the beneficiary is in receipt of an operating grant financed from the Community budget.

Contributions in kind

Any contributions in kind, if any, which must be listed separately at Annex III, do not represent actual expenditure and are not eligible costs. The contributions in kind may not be treated as co-financing by the Beneficiary.

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

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;
- credits to third parties.

2.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

The application procedure is in two steps:

- 1st step: the Concept Note submission and evaluation
- 2nd step: the Full Application Form submission and evaluation.

For more information, please consult Annex C to these guidelines.

2.2.1 *Concept Note content*

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

Applicants should apply in English or in Turkish.

In the Concept Note, the applicants must provide an estimate only of the probable total cost of the action and of the requested amount of the EC contribution. Only the applicants invited to submit a full proposal in the second phase will be required to present a detailed budget. Please provide budget in Euro with round figures. This detailed budget may not vary from the initial estimate by more than 20%, while the applicant is free to adapt the percentage of co-financing required as far as the minimum and maximum amount of co-financing, as laid down in the present Guidelines, is respected.

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

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

Hand-written Concept Notes will not be accepted.

Please note that only the Concept Note form will be transmitted to the assessors. It is therefore of utmost importance that this document contain ALL relevant information concerning the action.

2.2.2 *Where and how to send Concept Notes*

Concept Notes may be sent by e-mail or by courier service/hand delivery:

- If sent by e-mail, the Concept Notes must be sent before the deadline to elarg-A3-grants@ec.europa.eu
- If sent in hard copies, the Concept Notes must be submitted in a sealed envelope by registered mail, private courier service or by hand-delivery (a signed and dated certificate of receipt will be given to the deliverer) at the address below:

Postal address

European Commission
DG Enlargement
Task Force - Turkish Cypriot Community
Mr. Andrew Rasbash
Office CHAR 04/247
B-1049 Brussels

Address for hand delivery or by private courier service

European Commission
DG Enlargement
Task Force - Turkish Cypriot Community
Mr. Andrew Rasbash
Central Mail Office
1, Avenue du Bourget
B-1140 Evere

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

If sent in hard copy, the Concept Note together with the Checklist for the Concept Note (section II of Annex A, the grant application form) and the Declaration by the applicant for the Concept Note (section III of Annex A, the grant application form) must be submitted in one (1) original and three (3) copies in A4 size, each bound.

Where an applicant sends several different Concept Notes (as allowed to do so by the Guidelines of the Call, please refer to part 2.1.3. above “Number of proposals and grants per applicant”), each one must be sent separately (i.e. different envelopes if submitted in hardcopies; in attachment to different e-mails if submitted in electronic copies).

The outer envelope must bear the **reference number and the title of the call for proposals**, together with the field number and title the full name and address of the applicant, and the words "Not to be opened before the opening session" and “Açılış Toplantısından Önce Açılmaması Rica Olunur” and/or “Να μην ανοιχτεί πριν από τη συνεδρίαση αποσφράγισης”.

Applicants must verify that their Concept Note is complete using the Checklist for Concept Note (section II of Annex A, the grant application form). Incomplete Concept Notes may be rejected.

2.2.3 *Deadline for submission of the Concept Notes*

The deadline for the receipt of the Concept Notes is **21 January 2008 at 16:00 Central European Time**. Any Concept Note received after the deadline will be **automatically rejected** even if the postmark indicates a date preceding the deadline or if the delay is due to the private courier service.

2.2.4 Further information for Concept Note

Questions may in addition be sent by fax or preferably by e-mail no later than 21 days before the deadline for the submission of Concept Notes to the address below, indicating clearly the reference of the call for proposals:

E-mail address: elarg-A3-grants@ec.europa.eu

Fax number: +32 2 29 68 751

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

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

Questions that may be relevant to other applicants, together with the answers, will be published on the internet at the EuropeAid web site <http://ec.europa.eu/europeaid/cgi/frame12.pl> (Please chose a selection “by country” then “Cyprus”, tick on “open” and “grants”).

2.2.5 Full Application form

Pre-selected applicants will be invited to submit a full application form following shortlisting. Further instructions will be provided at this later stage.

2.2.6 Evaluation and selection

Please refer to Points 1 and 2 of Annex B.

3. LIST OF ANNEXES

DOCUMENTS TO FILL IN

ANNEX A: CONCEPT NOTE FORM (WORD FORMAT)

DOCUMENTS FOR INFORMATION (THE BELOW LIST OF DOCUMENT IS ONLY PROVIDED FOR YOUR INFORMATION. IF SHORT LISTED/ SELECTED, YOU WILL BE LATER REQUESTED TO FILL OUT PART OR ALL OF THESE DOCUMENTS)

ANNEX B: EVALUTATION PROCESS AND INDICATIVE CALENDAR

ANNEX C: GRANT FULL APPLICATION FORM (WORD FORMAT) INCLUDING THE INDICATIVE EVALUATION GRID OF THE FULL APPLICATION FORM

ANNEX D: BUDGET (EXCEL FORMAT)

ANNEX E: LEGAL ENTITY SHEET (EXCEL
FORMAT)⁵http://ec.europa.eu/europeaid/work/procedures/index_en.htm

ANNEX F: FINANCIAL IDENTIFICATION FORM

ANNEX G: STANDARD CONTRACT (WORD FORMAT), available at the following address:
http://ec.europa.eu/europeaid/work/procedures/index_en.htm

ANNEX H: DAILY ALLOWANCE RATES (PER DIEM), available at the following address:
http://ec.europa.eu/europeaid/work/procedures/index_en.htm

ANNEX I: STANDARD CONTRIBUTION AGREEMENT, applicable in case where the beneficiary is an
International organisation, is available at the following address:
http://ec.europa.eu/europeaid/work/procedures/index_en.htm

⁵ Only applicable where the European Commission is the Contracting Authority or will make the payments under the contracts to be signed.

C/ IF YOU APPLY UNDER FIELD C:
SUPPORT TO NGOs AND INTERNATIONAL
ORGANISATIONS PROMOTING
RECONCILIATION PROJECTS INCLUDING
RESEARCH LEADING TO A BETTER
UNDERSTANDING OF ISSUES AFFECTING
TRUST BETWEEN THE TWO COMMUNITIES

1. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall **indicative** amount made available under this call for proposals is EUR 2 000 000. The European Commission reserves the right not to award all available funds.

Indicative* allocation of funds by Field:

Field Title No:	Indicative amount available in Euro
Field A Reconciliation and confidence building measures	800 000
Field B Support to civil society in the Turkish Cypriot community	800 000
Field C Support to NGOs and international organisations promoting reconciliation projects including research leading to a better understanding of issues affecting trust between the two communities	400 000

*The European Commission reserves the right to modify the allocated amounts per field.

Size of grants

Any grant awarded under this Field (i.e. Field C) must fall between the following minimum and maximum amounts:

- minimum amount: EUR 50 000
- maximum amount: EUR 250 000

Important: grants will be awarded in assessing the management capacity of candidates (e.g. number of employees on the pay-roll of the organisation, past projects funded by other donors, organisation premises, etc.) *vis-à-vis* the proposed project (i.e. proposed activities, proposed total amount and budget for the action).

For newly created organisations and/or Civil Society Organisations that never received funds from any international donor, it is strongly advised to propose a reasonable project amount.

A grant may not be for less than 50 % of the total eligible costs of the action.

In addition, no grant may exceed 80% of the total eligible costs of the action (see also section 2.1.4). The balance must be financed from the applicant's or partners' own resources, or from sources other than EU Funds.

Note:

It is not possible to include in kind contributions in the project budget.

2. RULES FOR THIS CALL FOR PROPOSALS

For more precise information on the rules for the submission, selection and implementation of actions financed under this call, please refer to the Practical Guide to contract procedures for EC external actions, which is applicable to the present call (available on the Internet at this address: http://ec.europa.eu/europeaid/work/procedures/index_en.htm).

2.1 ELIGIBILITY CRITERIA

2.1.1 Eligibility of applicants: <i>who may apply ?</i>
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(1) In order to be eligible for a grant, applicants **must**:

- be non-profit-making entities (individuals are not eligible) **and**

- be civil society organizations⁶, including social partners, chambers of commerce, professional associations or higher education bodies or research institutes (private or not) **and**
- have their headquarters in a Member State of the European Union or a Candidate Country (Croatia, FYRoM or Turkey) or an European Economic Area Member State (Iceland, Lichtenstein and Norway) **OR** are international organisations **and**
- have technical, managerial and adequate financial capacity to implement the project and to ensure its sustainability **and**
- be directly responsible for the preparation and management of the action, not acting as an intermediary.

(2) Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the following situations :

- 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 interests⁷;

⁶ A Civil Society organization is an organization:

* which is independent of the state/leadership as regards to its establishment and/or appointment of its personnel and administrators.

* which has an autonomous and democratic structure in its financial and administrative affairs.

Under these circumstances, associations, foundations, non-profit cooperatives and non-profit companies meeting these criteria may apply to this Call for Proposals.

Non profit companies and/or cooperatives should demonstrate that their operations are strictly non profit making. They must provide together with their application the Company Statute in which a provision prohibits distribution of the profit to the shareholders. As an alternative the organisation should demonstrate, through an audit report covering the last three years, that its profit has never been distributed to the shareholders. In addition, the Board of Directors should declare that profit will not be distributed to shareholders in the future.

⁷ The cases referred to in point (e) applicable are the following:

1) 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;⁷

f) they are currently subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation applicable to the EU budget.

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

2.1.2 Partnerships and eligibility of partners: *Who can be your partner?*

Applicants may act individually or with partner organisations, as specified hereafter.

- Partners

Applicants’ partners participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the grant Beneficiary. They must therefore satisfy the same eligibility criteria as applicants.

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

- Associates

Other organisations may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.1.

- Subcontractors

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

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

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

2) 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;⁸

3) cases of participation in a criminal organisation, as defined in Article 2(1) of Joint Action 98/733/JHA of the Council;⁹

4) cases of money laundering as defined in Article 1 of Council Directive 91/308/EEC.¹⁰

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

Duration: The planned duration of an action may **not be lower than 6 months nor exceed 24 months**.

Sectors or themes: The action proposed **must** fall under Field C “**Support to NGOs and international organisations promoting reconciliation projects including research leading to a better understanding of issues affecting trust between the two communities**” as **described in section 1.2.** of these very Guidelines.

Location: Actions must take place in **Cyprus**. Some of the activities can take place in a Member State of the European Union or a Candidate Country (Croatia, fYRoM or Turkey) or an European Economic Area Member State (Iceland, Lichtenstein and Norway), if proven relevant by the description of the action.

Types of action: All actions, which aim at achieving the Programme objectives and fall within the eligible thematic areas, could qualify for financing.

The following types of actions are ineligible:

- Individual sponsorships for participation in workshops, seminars, conferences, congresses;
- Individual scholarships for studies or training courses;
- One-off events such as conferences, round tables, seminars and similar events. Conferences round tables, seminars and similar events can only be funded **if they form part of a wider action**;
- Grant making activities (i.e. the use of the grant to make grants (in-cash or in-kind) or loans to other organisations or individuals);
- Infrastructure projects, projects essentially focused on the purchase of equipment;
- Profit-making activities, establishment or support to the activities of public or private enterprises.

Number of proposals and grants per applicant

An applicant **may** submit more than one proposal (under Field C only and/or under the other Fields). However, an applicant **may not** be awarded more than one grant under this call for proposal.

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

Only "eligible costs" can be taken into account for a grant. These are detailed below.

The budget must be prepared based on real costs according to the market prices, not lump sums.

Please note that selected proposals for funding will go through a checking process which precedes the signing of the contract. During this process, changes to the budget might be required (for instance arithmetical errors, inaccuracies or unrealistic costs and other ineligible costs).

However, the amount of the grant and the percentage of co-financing as a result of these necessary corrections may not be increased in any case.

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

Eligible direct costs

- a) they are incurred during the implementation of the action with the exception of costs relating to the preparation of final reports and expenditure verification. Eventual contracts for goods/services/works used/provided/delivered during the implementation period may have been awarded but not executed by the Beneficiary or his partners before the implementation period of the Action started, provided the provisions of the procurement by grant beneficiaries were respected. Such costs must be paid for before the final report is finalised.
- b) have to be indicated in the estimated overall budget of the action,
- c) have to be necessary for the implementation of the action which is the subject of the grant,
- d) must be identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the place where the beneficiary is established and according to the usual cost account practices of the beneficiary,
- e) have to be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency,

Subject to the above and where relevant to the provisions of the procurement by grant beneficiaries being respected, the following direct costs of the Beneficiary and his partners shall be eligible:

- the cost of staff assigned to the Action, corresponding to actual salaries plus social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the Beneficiary or his partners, as the case may be, unless it is justified by showing that it is essential to carry out the action;
- travel and subsistence costs for staff and other persons taking part in the Action, provided they do not exceed those normally borne by the Beneficiary or his partners, as the case may be. Any flat-rate reimbursement of the subsistence costs must not exceed the rates corresponding to the scales published by the European Commission at the time of signing this contract (for current subsistence allowance rates please refer to Annex H; however, these rates might change at the time of signing of the contract);

- purchase or rental costs for equipment and supplies (new or used) specifically for the purposes of the Action, and costs of services, provided they correspond to market rates;
- costs of consumables;
- subcontracting expenditure;
- costs deriving directly from the requirements of the Contract (dissemination of information, evaluation specific to the Action, audits, translation, reproduction, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees);

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 European Commission.

Eligible indirect costs (overheads)

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding fixed at not more than 7% of the total eligible direct costs, save where the beneficiary is in receipt of an operating grant financed from the Community budget.

Contributions in kind

Any contributions in kind, if any, which must be listed separately at Annex III, do not represent actual expenditure and are not eligible costs. The contributions in kind may not be treated as co-financing by the Beneficiary.

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

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;

– credits to third parties.

2.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

The application procedure is in two steps:

- 1st step: the Concept Note submission and evaluation
- 2nd step: the Full Application Form submission and evaluation.

For more information, please consult Annex C to these guidelines.

2.2.1 *Concept Note content*

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

Applicants should apply in English.

In the Concept Note, the applicants must provide an estimate only of the probable total cost of the action and of the requested amount of the EC contribution. Only the applicants invited to submit a full proposal in the second phase will be required to present a detailed budget. Please provide budget in Euro with round figures. This detailed budget may not vary from the initial estimate by more than 20%, while the applicant is free to adapt the percentage of co-financing required as far as the minimum and maximum amount of co-financing, as laid down in the present Guidelines, is respected.

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

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

Hand-written Concept Notes will not be accepted.

Please note that only the Concept Note form will be transmitted to the assessors. It is therefore of utmost importance that this document contain ALL relevant information concerning the action.

2.2.2 *Where and how to send Concept Notes*

Concept Notes may be sent by e-mail or by courier service/hand delivery:

- If sent by e-mail, the Concept Notes must be sent before the deadline to elarg-A3-grants@ec.europa.eu
- If sent in hard copies, the Concept Notes must be submitted in a sealed envelope by registered mail, private courier service or by hand-delivery (a signed and dated certificate of receipt will be given to the deliverer) at the address below:

Postal address

European Commission
DG Enlargement
Task Force - Turkish Cypriot Community
Mr. Andrew Rasbash
Office CHAR 04/247
B-1049 Brussels

Address for hand delivery or by private courier service

European Commission
DG Enlargement
Task Force - Turkish Cypriot Community
Mr. Andrew Rasbash
Central Mail Office
1, Avenue du Bourget
B-1140 Evere

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

If sent in hard copy, the Concept Note together with the Checklist for the Concept Note (section II of Annex A, the grant application form) and the Declaration by the applicant for the Concept Note (section III of Annex A, the grant application form) must be submitted in one (1) original and three (3) copies in A4 size, each bound.

Where an applicant sends several different Concept Notes (as allowed to do so by the Guidelines of the Call, please refer to part 2.1.3 above “Number of proposals and grants per applicant”), each one must be sent separately (i.e. different envelopes if submitted in hardcopies; in attachment to different e-mails if submitted in electronic copies).

The outer envelope must bear the **reference number and the title of the call for proposals**, together with the field number and title the full name and address of the applicant, and the words "Not to be opened before the opening session" and “Αçılış Toplantısından Önce Açılmaması Rica Olunur” and/or “Να μην ανοιχτεί πριν από τη συνεδρίαση αποσφράγισης”.

Applicants must verify that their Concept Note is complete using the Checklist for Concept Note (section II of Annex A, the grant application form). Incomplete Concept Notes may be rejected.

2.2.3 *Deadline for submission of the Concept Notes*

The deadline for the receipt of the Concept Notes is **21 January 2008 at 16:00 Central European Time**. Any Concept Note received after the deadline will be **automatically**

rejected even if the postmark indicates a date preceding the deadline or if the delay is due to the private courier service.

2.2.4 *Further information for Concept Note*

Questions may in addition be sent by fax or preferably by e-mail no later than 21 days before the deadline for the submission of Concept Notes to the address below, indicating clearly the reference of the call for proposals:

E-mail address: elarg-A3-grants@ec.europa.eu

Fax number: +32 2 29 68 751

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

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

Questions that may be relevant to other applicants, together with the answers, will be published on the internet at the EuropeAid web site <http://ec.europa.eu/europeaid/cgi/frame12.pl> (Please chose a selection “by country” then “Cyprus”, tick on “open” and “grants”).

2.2.5 *Full Application form*

Pre-selected applicants will be invited to submit a full application form following shortlisting. Further instructions will be provided at this later stage.

2.2.6 *Evaluation and selection*

Please refer to Points 1 and 2 of Annex B.

3. LIST OF ANNEXES

DOCUMENTS TO FILL IN

ANNEX A: CONCEPT NOTE FORM (WORD FORMAT)

DOCUMENTS FOR INFORMATION (THE BELOW LIST OF DOCUMENT IS ONLY PROVIDED FOR YOUR INFORMATION. IF SHORT LISTED/ SELECTED, YOU WILL BE LATER REQUESTED TO FILL OUT PART OR ALL OF THESE DOCUMENTS)

ANNEX B: EVALUTATION PROCESS AND INDICATIVE CALENDAR

ANNEX C: GRANT FULL APPLICATION FORM (WORD FORMAT) INCLUDING THE INDICATIVE EVALUATION GRID OF THE FULL APPLICATION FORM

ANNEX D: BUDGET (EXCEL FORMAT)

ANNEX E: LEGAL ENTITY SHEET (EXCEL FORMAT)⁸http://ec.europa.eu/europeaid/work/procedures/index_en.htm

ANNEX F: FINANCIAL IDENTIFICATION FORM

ANNEX G : STANDARD CONTRACT (WORD FORMAT), available at the following address:
http://ec.europa.eu/europeaid/work/procedures/index_en.htm

ANNEX H: DAILY ALLOWANCE RATES (PER DIEM), available at the following address:
http://ec.europa.eu/europeaid/work/procedures/index_en.htm

ANNEX I: STANDARD CONTRIBUTION AGREEMENT, applicable in case where the beneficiary is an International organisation, is available at the following address:
http://ec.europa.eu/europeaid/work/procedures/index_en.htm

⁸ Only applicable where the European Commission is the Contracting Authority or will make the payments under the contracts to be signed.