



Contracting Authority: Austrian Development Agency

Organic Agriculture Support Initiative

Guidelines
for grant applicants

Reference: 6534-01/2015/Corr/3-L&R/2015

Deadline for submission of full application: 21 March 2016, 16:00

NOTICE

This is an open call for proposals, where all documents are submitted together (concept note and full application). In the first instance, only the concept notes will be evaluated. Thereafter, for the lead applicants who have been pre-selected, the full applications will be evaluated. After the evaluation of the full applications, an eligibility check will be performed for those which have been provisionally selected. Eligibility will be checked on the basis of the supporting documents requested by the Contracting Authority and the signed 'declaration by the lead applicant' sent together with the full application.

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1. ORGANIC AGRICULTURE SUPPORT INITIATIVE

1.1. BACKGROUND

Agriculture is the priority sector of the **Austrian Development Cooperation** (ADC) with Armenia. This is due to the fact that about half of the Armenian population are engaged in agriculture and it is also one of the most important sectors of the Armenian economy. Nevertheless, the agricultural potential in Armenia is highly underutilized and the production remains predominately at subsistence level. Insufficient capacities, lack of access to agricultural inputs, credits, markets and information hamper agricultural productivity and competitiveness. Since **Armenia has good preconditions for the development of organic agriculture** – due to its unique geographic and natural conditions – the Ministry of Agriculture of the Republic of Armenia has prioritized its promotion in the Strategy for Sustainable Development 2010 – 2020.

The **Organic Agriculture Support Initiative** (OASI), a project supported by the **European Union** with contribution from ADC, aims at **further developing organic agriculture in Armenia**. The initial success of the organic products on domestic and international markets is to be enhanced by improving the policy and regulatory framework, provision of comprehensive product development as well as marketing support. Support functions, i.e. extension and certification services will be further developed through demand-driven trainings and strengthening of existing local organisations. Financial support for farmers' groups, cooperatives, processing units as well as other actors along the value chain will be addressed through a targeted **grant scheme**.

1.2. OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The **global objective** of this call for proposals is to improve Armenian rural livelihoods in a sustainable manner.

The **specific objective** of this call for proposals is to increase local value added of the Armenian organic producers and processors.

To be eligible, project should fall into at least one of the following **two priorities**:

1. Encourage smallholder farmers to switch from traditional/conventional to organic agriculture
2. Enhance productivity and market access of already established organic farmers and processors

Highly relevant projects are those demonstrating convincingly in the Application Form that they will contribute to several of the following objectives:

- increase income for producers (including collectors) and processors
- create income opportunities in rural areas
- enlarge or strengthen local value added by supporting the transition of producers towards organic agriculture
- strengthen the capacities of producers and processors as well as other actors along the value chain
- strengthen networking and cooperation/coordination amongst the different actors – e.g. input suppliers, agricultural producers, processors, traders etc. – along the value chain
- establish or strengthen input and supply chains for organic products
- increase organic certified land
- diversify organic production and produce
- increase organic yields and processed organic products
- increase exports of certified organic products / increase the number of retailers selling organic products

In addition, project proposals containing the following added-value elements in the Application Form will be given higher scores:

- promotion of gender equality, youth and social inclusion and inclusion of people with disabilities
- promotion of energy efficiency and use of renewable energies
- promotion of environmental safety/sustainability in production, processing, transport etc.

1.3. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this call for proposals is EUR 1 million. The Contracting Authority reserves the right not to award all available funds.

1.3.1. *Indicative allocation of funds by lot:*

The call for proposals consists of two lots with the following indicative allocations:

Lot 1 Large – Projects involving producers, processors or other actors along the value chain seeking to diversify or expand organic production. Lot 1 allocation amounts to EUR 800,000.

Lot 2 Small – Projects involving smallholder farmers seeking to start, diversify or expand organic production. Lot 2 allocation amounts to EUR 200,000.

If the allocation indicated for a specific lot cannot be used due to insufficient quality or number of proposals received, the Contracting Authority reserves the right to reallocate the remaining funds to another lot.

1.3.2. *Size of grants*

Any grant requested under this call for proposals must fall between the following minimum and maximum amounts (see also section 2.1.5):

Lot 1		Lot 2	
Minimum amount	Maximum amount	Minimum amount	Maximum amount
EUR 30,000	EUR 200,000	EUR 6,500	EUR 30,000

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

Lot 1		Lot 2	
Minimum percentage	Maximum percentage	Minimum percentage	Maximum percentage
50%	80%	50%	100%

Any grant requested under lot 2 of this call for proposals must further be limited to 90% of the estimated total accepted costs¹. In case that the total accepted costs are equal to the total eligible costs, the percentage applicable to the total accepted costs applies to the total eligible costs to ensure the required co-financing.

Wherever in the call for proposals a reference to the percentage of eligible costs is made, the further limitation to the percentage applicable to the total accepted costs will apply. As a reminder, before sending your proposal please check that the requested contribution is equal to or less than the maximum percentage of the estimated total accepted costs allowed.

¹ Estimated total accepted costs = estimated total eligible costs + in kind contributions

The balance (i.e. the difference between the total cost of the action and the amount requested from the Contracting Authority) must be financed from sources other than the European Union Budget or the European Development Fund².

2. RULES FOR THIS CALL FOR PROPOSALS

These guidelines set out the rules for the submission, selection and implementation of the actions financed under this call, in conformity with the Practical Guide, which is applicable to the present call (available on the Internet at this address <http://ec.europa.eu/europeaid/prag/document.do?locale=en>).

2.1. ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

(1) the actors:

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

(2) the actions:

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

(3) the costs:

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

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

Lead applicant

Lot 1 (large)

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

- be a legal person established at least for 1 year **and**
- be such an organisation as a food processing company or an agriculture cooperative or agricultural association or a collection centre for fruits, berries or herbs or a trader in agricultural commodities.
- be established in Armenia or a Member State of the European Union³
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary **and**
- be certified for organic production or engaged in the certification process⁴.

² Where a grant is financed by the European Development Fund, any mention of European Union financing must be understood as referring to European Development Fund financing.

³ To be determined on the basis of the organisation's statutes, which should demonstrate that it has been established by an instrument governed by the national law of the country concerned and that its head office is located in an eligible country. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a 'Memorandum of Understanding' has been concluded.

⁴ i.e. an application has been submitted to an organic certifying body

(2) Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the situations listed in section 2.3.3 of the Practical Guide;

Lot 2 (small)

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

- be a farmer or a farmers' group⁵
- be established in Armenia or a Member State of the European Union⁶
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary
- be committed to apply for organic certification in the course of the project

For both lots:

- The lead applicant may act individually or with co-applicant(s). If acting with co-applicant, at least one of the co-applicants (lead applicant or co-applicant) should be established in Armenia. If acting without co-applicant, other value chain actors should be included as associates and/or final beneficiaries.
- If awarded the grant contract, the lead applicant will become the beneficiary identified as the Coordinator in Annex E3h1 (Special Conditions). The Coordinator is the main interlocutor of the Contracting Authority. It represents and acts on behalf of any other co-beneficiary (if any) and coordinate the design and implementation of the action.

Co-applicant(s)

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

Co-applicants must satisfy the eligibility criteria as applicable to the lead applicant himself.

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

Lot 1 (large)

- Non-governmental organisations
- Input suppliers (e.g. seeds/seedlings)
- Farmers and farmers' groups

Lot 2 (small)

- Non-governmental organisations
- Input suppliers (e.g. seeds/seedlings suppliers)
- Food processing companies

⁵ including small cooperatives. The applicant should provide a Mayor's statement certifying that it is engaged in agricultural activities in the location of the project (see below Annex F)

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

- Collection centres for fruits, berries or herbs

For both lots

- Co-applicants must sign the mandate in Part B section 4 of the grant application form.
- If awarded the grant contract, the co-applicant(s) (if any) will become beneficiary(ies) in the action (together with the Coordinator).

2.1.2. *Affiliated entities*

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

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

Only entities having a structural link with the applicants (i.e. the lead applicant or a co-applicant), in particular a legal or capital link.

This structural link encompasses mainly two notions:

- (i) Control, as defined in Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings:

Entities affiliated to an applicant may hence be:

- Entities directly or indirectly controlled by the applicant (daughter companies or first-tier subsidiaries). They may also be entities controlled by an entity controlled by the applicant (granddaughter companies or second-tier subsidiaries) and the same applies to further tiers of control;
 - Entities directly or indirectly controlling the applicant (parent companies). Likewise, they may be entities controlling an entity controlling the applicant;
 - Entities under the same direct or indirect control as the applicant (sister companies).
- (ii) Membership, i.e. the applicant is legally defined as a e.g. network, federation, association in which the proposed affiliated entities also participate or the applicant participates in the same entity (e.g. network, federation, association) as the proposed affiliated entities.

The structural link shall as a general rule be neither limited to the action nor established for the sole purpose of its implementation. This means that the link would exist independently of the award of the grant; it should exist before the call for proposals and remain valid after the end of the action.

By way of exception, an entity may be considered as affiliated to an applicant even if it has a structural link specifically established for the sole purpose of the implementation of the action in the case of so-called “sole applicants” or “sole beneficiaries”. A sole applicant or a sole beneficiary is a legal entity formed by several entities (a group of entities) which together comply with the criteria for being awarded the grant. For example, an association is formed by its members.

What is not an affiliated entity?

The following are not considered entities affiliated to an applicant:

- Entities that have entered into a (procurement) contract or subcontract with an applicant, act as concessionaires or delegates for public services for an applicant,
- Entities that receive financial support from the applicant,

- Entities that cooperate on a regular basis with an applicant on the basis of a memorandum of understanding or share some assets,
- Entities that have signed a consortium agreement under the grant contract (unless this consortium agreement leads to the creation of a "sole applicant" as described above).

How to verify the existence of the required link with an applicant?

The affiliation resulting from control may in particular be proved on the basis of the consolidated accounts of the group of entities the applicant and its proposed affiliates belong to.

The affiliation resulting from membership may in particular be proved on the basis of the statutes or equivalent act establishing the entity (network, federation, association) which the applicant constitutes or in which the applicant participates.

If the applicants are awarded a grant contract, their affiliated entity(ies) will not become beneficiary(ies) of the action and signatory(ies) of the grant contract. However, they will participate in the design and in the implementation of the action and the costs they incur (including those incurred for implementation contracts and financial support to third parties) may be accepted as eligible costs, provided they comply with all the relevant rules already applicable to the beneficiary(ies) under the grant contract.

Affiliated entity(ies) must satisfy the same eligibility criteria as the lead applicant and the co-applicant(s). They must sign the affiliated entity(ies) statement in Part B section 5 of the grant application form.]

2.1.3. Associates and Contractors

The following entities are not applicants nor affiliated entities and do not have to sign the "mandate for co-applicant(s)" or "affiliated entities' statement":

- Associates

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

- Contractors

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

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

Definition:

An action is composed of a set of activities.

Lot

An action should fall into one of the two lots defined for this call for proposals:

Lot 1 (large): Projects involving producers, processors or other actors along the value chain seeking to diversify or expand organic production.

Lot 2 (small): Projects involving smallholder farmers seeking to start, diversify or expand organic production.

Remark: An action assigned to the wrong lot is likely to be rejected.

Duration

The initial planned duration of an action must respect the minimum and maximum duration set for each lot as follows:

Lot 1 (large)

The action may not be lower than 12 months nor exceed 24 months.

Lot 2 (small)

The action may not be lower than 6 months nor exceed 24 months.

Sectors or themes (value chains)

Actions under both lots should belong to at least one of the following value chains:

1. **Fresh and processed fruits** including juices, preserved, dry or frozen fruits and other by-products (kernel oils, extracts, aroma, etc.)
2. **Fresh and processed berries** including juices, preserved, dry or frozen berries and other by-products (kernel oils, extracts, aroma, etc.)
3. **Fresh and processed herbs** including dried herbs, teas, pharmaceutical herbs, and other by-products (kernel oils, extracts, aroma, etc.)
4. **Honey and apiculture products**
5. **Experimental crops** (e.g. tritium/wheat, spelt, pulses (chickpeas, beans, lentils), etc.) and other by-products

Location

Actions must take place in Armenia. Any justified exemption (e.g. participation on trade fairs abroad) must be clearly justified by the applicants and must be ex-ante approved by the Contracting Authority.

Types of action

Types of action which may be financed under this call⁷:

Example 1: Fruit and Berry Value Chain – Lot 1 (large)

- *The lead applicant is a certified organic juice producer, who adds a new juice production line to his plant. The juice producer will organise farmers or orchard owners in establishing an organic fruit supply market and will launch a new type of organic juice production with the grant support. Funds will be used to purchase a cooling storage room and provide training to farmers, to purchase processing equipment, to prepare suppliers' certification process, provide them with seeds and organic fertilizers, and to develop a new label and packaging.*

Example 2: Herbal Production Value Chain – Lot 2 (small)

- *The lead applicant is a medium size sole entrepreneur who engages in production of organic fruit tea as a new product development initiative. The lead applicant applies with two co-applicants: an existing organic herb producer and an existing dried fruit producer, which will act as organic produce suppliers for the new organic production and thereby enlarge the organic share of their*

⁷ The following actions are only given to illustrate the type and range of projects, which can be funded under this call for proposal. Applicants should not limit themselves to the examples given in this list which is not exhaustive. Any action falling in the priorities and criteria of this call for proposals are in principle eligible for funding.

produce as well. The grant will be used to purchase a processing equipment (to cut dried fruits and mix them with herbs), for a new packaging line, to cover marketing and promotion expenses and for participation in trade fairs; as well as for certifying the newly established product.

Example 3: Honey Value Chain – Lot 2 (small)

- *The lead applicant is small honey producer (not yet certified, but located in an area suitable for organic production) who wants to expand his production and get organic certification. There is no co-applicant. The grant funds can be used for purchasing new bee hives, buying bees and queen bees, organic treatment of bees, certification of the apiary and the produce, as well as labelling and packing and promotional activities.*

The following types of action are ineligible:

- actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences and congresses;
- actions concerned only or mainly with individual scholarships for studies or training courses;

Types of activity

Applications may propose any activity, which contribute to the objectives of this call for proposal. The list below is not exhaustive. However, it includes most types of activities, which would be eligible under this call for proposals:

- Preparation for organic certification, including certification costs
- Certification costs for additional products
- Labelling and packaging
- Promotion and awareness raising of organic agriculture
- Capacity development (e.g. technical assistance, training, seminars and workshops)
- Use of extension services for organic agriculture
- Networking and exchange of information
- Small-scale infrastructure for organic production and processing (e.g. storage facilities, greenhouses etc.)
- Sample testing (e.g. against risk of contamination)
- Purchase of equipment, tools, machinery, furniture and other relevant supplies to be used only for organic production and processing
- Input acquisition for organic production (e.g. organic fertilisers and pesticides, seedlings, seeds, etc.)
- One time marketing costs (e.g. for specific booth in supermarkets) with the exception of running costs

Financial support to third parties⁸

Applicants may not propose financial support to third parties i.e. sub-grants are not allowed.

Visibility

The applicants must take all necessary steps to publicise the fact that the European Union and the Austrian Development Agency (ADA) have financed or co-financed the action. As far as possible, actions that are wholly or partially funded by the European Union and ADA must incorporate information and communication activities designed to raise the awareness of specific or general audiences of the reasons for the action and the EU and ADA support for the action in the country or region concerned, as well as the results and the impact of this support.

⁸ These third parties are neither affiliated entity(ies) nor associates nor contractors.

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

Number of applications and grants per applicants / affiliated entities

The lead applicant may not submit more than 1 application under this call for proposals.

The lead applicant may not be a co-applicant or an affiliated entity in another application at the same time.

A co-applicant/affiliated entity may not be the co-applicant or affiliated entity in more than 1 application under this call for proposals.

2.1.5. Eligibility of costs: costs that can be included

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

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

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

Simplified cost options may take the form of:

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

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

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

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

- describe the information and methods used to establish the amounts of unit costs, lump sums and/or flat-rates, to which costs they refer, etc.

- clearly explain the formulas for calculation of the final eligible amount⁹
- identify the beneficiary who will use the simplified cost option (in case of affiliated entity, specify first the beneficiary), in order to verify the maximum amount per each beneficiary (which includes if applicable simplified cost options of its affiliated entity(ies))

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

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

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

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

Eligible direct costs

To be eligible under this call for proposals, costs must comply with the provisions of Article 14 of the General Conditions to the standard grant contract (see Annex H of the guidelines).

The applicants (and where applicable their affiliated entities) agree that the expenditure verification(s) referred to in Article 15.7 of the General Conditions to the standard grant contract (see Annex H of the guidelines) will be carried out by the Contracting Authority or any external body authorised by the Contracting Authority.

Contingency reserve

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

Eligible indirect costs

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

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

Contributions in kind

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

⁹ Examples:- for staff costs: number of hours or days of work * hourly or daily rate pre-set according to the category of personnel concerned;- for travel expenses: distance in km * pre-set cost of transport per km; number of days * daily allowance pre-set according to the country;- for specific costs arising from the organization of an event: number of participants at the event * pre-set total cost per participant etc.

The Contracting Authority may accept co-financing in kind only for Lot 2 (small) and if considered necessary or appropriate. In such cases, the value of such contributions must not exceed:

- a) either the costs actually borne and duly supported by accounting documents;
- b) or the costs generally accepted on the concerned market of reference.

Contributions involving real estate must be excluded from the calculation of the amount of co-financing. In kind contributions must comply with national tax and social security rules.

If co-financing in kind is proposed, it must be included in Annex B (Worksheet 3) to the guidelines for applicants on the expected sources of funding for the action. The same amount must be indicated in the budget (worksheet 1).]

Ineligible costs

The following costs are not eligible:

- debts and debt service charges (interest);
- provisions for losses or potential future liabilities;
- costs declared by the beneficiary(ies) and financed by another action or work programme receiving a European Union (including through EDF) grant;
- purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred in accordance with Article 7.5 of the General Conditions of the standard grant contract, at the latest at the end of the action;
- currency exchange losses;
- credit to third parties.
- salary costs of the personnel of national administrations

2.2. HOW TO APPLY AND THE PROCEDURES TO FOLLOW

Information in PADOR will not be drawn upon in the present call.

2.2.1. Application forms

Applications must be submitted in accordance with the instructions on the concept note and the full applications in the grant application form annexed to these guidelines (Annex A).

Applicants must apply in English.

Any error or major discrepancy related to the points listed in the instructions on the concept note or any major inconsistency in the application e.g. if the amounts in the budget worksheets are inconsistent) may lead to the rejection of the application.

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

Hand-written applications will not be accepted.

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

2.2.2. Where and how to send applications

Applications must be submitted in one original and 2 copies in A4 size, each bound. The complete application form (Part A: concept note and Part B: full application form), budget and logical framework must also be supplied in electronic format (CD-ROM) in a separate and single file (i.e. the application must not be split into several different files). The electronic file must contain **exactly the same** application as the paper version enclosed.

The checklist (section 7 of Part B of the grant application form) and the declaration by the lead applicant (section 8 of Part B of the grant application form) must be stapled separately and enclosed in the envelope.

Where a lead applicant sends several different applications (if allowed to do so by the guidelines of the call), each one has to be sent separately.

The outer envelope must bear the **reference number and the title of the call for proposals**, together with [the title and number of the lot,] the full name and address of the lead applicant, and the words ‘Not to be opened before the opening session’ and “Զբացել մինչև գնահատման հանձնաժողովի նիստը”.

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

Postal address and address for hand delivery or by private courier service:

Organic Agriculture Support Initiative (OASI)
c/o Office for Technical Cooperation of the Austrian Embassy, Yerevan
Room 712 – 716, Erebuni-plaza business centre
26/1 V. Sargsyan street, Yerevan, RA

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

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

2.2.3. Deadline for submission of applications

The deadline for the submission of applications is **21.03.2016** as evidenced by the date of dispatch, the postmark or the date of the deposit slip. In the case of hand-deliveries, the deadline for receipt is at **16:00 hours local time** as evidenced by the signed and dated receipt. Any application submitted after the deadline will automatically be rejected.

However, for reasons of administrative efficiency, the Contracting Authority may reject any application sent in due time but received after the effective date of approval of the first evaluation step (i.e. concept note) (see indicative calendar under section 2.5.2).

2.2.4. Further information about applications

Information sessions on this call for proposals will be held in January (see part 2.5.2. of these Guidelines).

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

E-mail address: *kristine.grigoryan@ada.gv.at*

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

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

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

Questions that may be relevant to other applicants, together with the answers, will be published on the EuropeAid website: <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome> and on <http://www.entwicklung.at/en/news/current-calls> as the need arises. It is therefore advisable to consult the abovementioned website regularly in order to be informed of the questions and answers published.

2.3. EVALUATION AND SELECTION OF APPLICATIONS

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

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

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

During the opening and administrative check the following will be assessed:

- If the deadline has been met. Otherwise, the application will be automatically rejected.
- If the application satisfies all the criteria specified in the checklist in section 7 of Part B of the grant application form. This includes also an assessment of the eligibility of the action. If any of the requested information is missing or is incorrect, the application may be rejected on that **sole** basis and the application will not be evaluated further.

The concept notes that pass this check will be evaluated on the relevance and design of the proposed action.

The concept notes will receive an overall score out of 50 using the breakdown in the evaluation grid below. The evaluation will also check on compliance with the instructions on how to complete the concept note, which can be found in Part A of the grant application form.

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

Scores

		Sub-score	30
1. Relevance of the action			
1.1 How relevant is the proposal to the objectives and priorities of the call for proposals?*		5x2**	
1.2 How relevant to the particular needs and constraints of the target country(ies) or region(s) is the proposal (including synergy with other EU initiatives and avoidance of duplication)?		5x2*	
1.3 How clearly defined and strategically chosen are those involved (final beneficiaries, target groups)? Have their needs been clearly defined and does the proposal address them appropriately?		5	
1.4 Does the proposal contain specific added-value elements, such as environmental issues, promotion of gender equality and equal opportunities, needs of disabled people, rights of minorities and rights of indigenous peoples, or innovation and best practices <i>and the other additional elements indicated under 1.2. of the guidelines for applicants?</i>		5	
2. Design of the action		Sub-score	20
2.1 How coherent is the overall design of the action? In particular, does it reflect the analysis of the problems involved, take into account external factors and risks, capacities of relevant stakeholders?		5x2**	
2.2 Is the action feasible and consistent in relation to the objectives and expected results?		5x2**	

TOTAL SCORE

50

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

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

Firstly, only the concept notes with a score of at least 30 will be considered for pre-selection.

Secondly, the number of concept notes will be reduced, taking account of the ranking, to the number of concept notes whose total aggregate amount of requested contributions is equal to 400% of the available budget for this call for proposals. The amount of requested contributions of each concept note will be based on the indicative financial envelopes for each lot, where relevant.

After the evaluation of concept notes, the Contracting Authority will send letters to all lead applicants, indicating whether their application was submitted by the deadline, informing them of the reference number they have been allocated, whether the concept note was evaluated and the results of that evaluation. The evaluation committee will then proceed with the lead applicants whose proposals have been pre-selected.

(2) STEP 2: EVALUATION OF THE FULL APPLICATION

Firstly, the following will be assessed:

- If the full application satisfies all the criteria specified in the checklist (section 7 of Part B of the grant application form). This includes also an assessment of the eligibility of the action. If any of the requested information is missing or is incorrect, the application may be rejected on that **sole** basis and the application will not be evaluated further.

The full applications that pass this check will be further evaluated on their quality, including the proposed budget and capacity of the applicants and affiliated entity(ies). They will be evaluated using the evaluation criteria in the evaluation grid below. There are two types of evaluation criteria: selection and award criteria.

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

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

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

Scoring:

The evaluation grid is divided into sections and subsections. Each subsection will be given a score between 1 and 5 as follows: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

Evaluation Grid

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

<i>impact?)</i>	
5. Budget and cost-effectiveness of the action	15
5.1 Are the activities appropriately reflected in the budget?	/ 5
5.2 Is the ratio between the estimated costs and the expected results satisfactory?	/ 10
Maximum total score	100

If the total score for section 1 (financial and operational capacity) is less than 12 points, the application will be rejected. If the score for at least one of the subsections under section 1 is 1, the application will also be rejected.

Provisional selection

After the evaluation, a table will be drawn up listing the applications ranked according to their score. The highest scoring applications will be provisionally selected until the available budget for this call for proposals is reached. In addition, a reserve list will be drawn up following the same criteria. This list will be used if more funds become available during the validity period of the reserve list.

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

The eligibility verification will be performed on the basis of the supporting documents requested by the Contracting Authority (see section 2.4). It will only be performed for the applications that have been provisionally selected according to their score and within the available budget for this call for proposals.

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

Any rejected application will be replaced by the next best placed application on the reserve list that falls within the available budget for this call for proposals.

2.4. SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS

A lead applicant whose application has been provisionally selected or placed on the reserve list will be informed in writing by the Contracting Authority. It will be requested to supply the following documents in order to allow the Contracting Authority to verify the eligibility of the lead applicant, (if any) of the co-applicant(s) and (if any) of their affiliated entity(ies)¹⁰:

1. The statutes or articles of association of the lead applicant, (if any) of each co-applicant and (if any) of each affiliated entity¹¹. Where the Contracting Authority has recognised the lead applicant's, or the co-applicant(s)'s, or their affiliated entity(ies)'s eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, it should be submitted, instead of the statutes or articles of association, a copy of the document proving their eligibility in a former call (e.g. a copy of the Special Conditions of a grant contract received during the reference period), unless a change in legal status has occurred in the meantime¹². This obligation does not apply to international organisations which have signed a framework agreement with the European Commission.
2. An external audit report produced by an approved auditor, certifying the lead applicant's accounts for the last financial year available where the total amount of the grant exceeds EUR 750 000 (EUR 100 000 for an operating grant). The external audit report is not required from (if any) the co-applicant(s).

A copy of the lead applicant's latest accounts (the profit and loss account and the balance sheet for the last financial year for which the accounts have been closed)¹³. A copy of the latest account is neither required from (if any) the co-applicant(s) nor from (if any) affiliated entity(ies)).

3. Legal entity sheet (see Annex D of these guidelines) duly completed and signed by each of the applicants (i.e. by the lead applicant and (if any) by each co-applicant), accompanied by the justifying documents requested there. If the applicants have already signed a contract with the Contracting Authority, instead of the legal entity sheet and supporting documents, the legal entity number may be provided, unless a change in legal status occurred in the meantime.
4. A financial identification form of the lead applicant (not from co-applicant(s)) conforming to the model attached as Annex E of these guidelines, certified by the bank to which the payments will be made. This bank should be located in the country where the lead applicant is established. If the lead applicant has already submitted a financial identification form in the past for a contract where the European Commission was in charge of the payments and intends to use the same bank account, a copy of the previous financial identification form may be provided instead.
5. Applicants for lot 2 should provide a Mayor's statement certifying that it is engaged in agricultural activities in the location of the project (see below Annex F).
6. A business plan according to the template specified for each lot.
7. Entities without legal personality must, to the extent possible, submit the documentation listed above.

Documents must be supplied in the form of originals, photocopies or scanned versions (i.e. showing legible stamps, signatures and dates) of the said originals.

¹⁰ Supporting document will be requested for all applications including those for a grant not exceeding EUR 60 000.

¹¹ Where the lead applicant and/or a co-applicant(s) and or an affiliated entity(ies) is a public body created by a law, a copy of the said law must be provided.

¹² To be inserted only where the eligibility conditions have not changed from one call for proposals to the other.

¹³ This obligation does not apply to natural persons who have received a scholarship or that are in most need in receipt of direct support, nor to public bodies and to international organisations. It does not apply either when the accounts are in practice the same documents as the external audit report already provided pursuant to section 2.4.2.

Where such documents are not in one of the official languages of the European Union or in the language of the country where the action is implemented, a translation into English of the relevant parts of these documents proving the lead applicant's and, where applicable, co-applicants' and affiliated entity(ies)' eligibility, must be attached for the purpose of analysing the application.

Where these documents are in an official language of the European Union other than English, it is **strongly** recommended, in order to facilitate the evaluation, to provide a translation of the relevant parts of the documents, proving the lead applicant's and, where applicable, co-applicants' and affiliated entity(ies)' eligibility, into English.

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

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

NB : In the eventuality that the Contracting Authority is not satisfied with the strength, solidity, and guarantee offered by the structural link between one of the applicants and its affiliated entity, it can require the submission of the missing documents allowing for its conversion into co-applicant. If all the missing documents for co-applicants are submitted, and provided all necessary eligibility criteria are fulfilled, the above mentioned entity becomes a co-applicant for all purposes. The lead applicant has to submit the application form revised accordingly.

2.5. NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

2.5.1. *Content of the decision*

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

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

2.5.2. *Indicative timetable*

	DATE AND PLACE	TIME*
Information session and training on Guidelines for Applicants/Application Form	15.01.16, Yerevan - Erebuni Plaza	10:00
	19.01.16, Yeghegnadzor – Marzpetaran	11:00
	21.01.16, Ijevan - Marzpetaran	11:00
	26.01.16, Vanadzor - Marzpetaran	11:00
	27.01.16, Goris - Municipality	11:00
Training on Finalising Application Form	18.02.16, Yerevan - Erebuni Plaza	14:00
	19.02.16, Yeghegnadzor - Marzpetaran	14:00
	23.02.16, Ijevan – Marzpetaran	14:00
	25.02.16, Vanadzor - Marzpetaran	14:00
	26.02.16, Goris - Municipality	14:00
Deadline for requesting any	29.02.2016 - Date 21 days before the	18:00

clarifications from the Contracting Authority	submission deadline	
Last date on which clarifications are issued by the Contracting Authority	10.03.2016 - Date 11 days before the submission deadline	-
Deadline for submission of applications	21.03.2016	16:00
Information to lead applicants on opening, administrative checks and concept note evaluation (Step 1)	08.04.2016*	-
Information to lead applicants on the evaluation of the full applications (Step 2)	06.05.2016*	-
Notification of award (after the eligibility check) (Step 3)	17.06.2016*	-
Contract signature	24.06.2016*	-

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

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

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

Following the decision to award a grant, the beneficiary(ies) will be offered a contract based on the standard grant contract (see Annex H of these guidelines). By signing the application form (Annex A of these guidelines), the applicants agree, if awarded a grant, to accept the contractual conditions of the standard grant contract.

Implementation contracts

Where implementation of the action requires the beneficiary(ies) and its affiliated entity(ies) (if any) to award procurement contracts, those contracts must be awarded in accordance with Annex IV to the standard grant contract.

3. LIST OF ANNEXES

DOCUMENTS TO BE COMPLETED

Annex A: Grant Application Form (Word format)

Annex B: Budget (Excel format)

Annex C: Logical Framework (Excel format)¹⁴

Annex D: Legal Entity Sheet

Annex E: Financial identification form

Annex F: Mayor's Statement (for lot 2 only)

Annex G: Business plan templates

DOCUMENTS FOR INFORMATION¹⁵

Annex H: Standard Grant Contract

- Annex II: General conditions
- Annex IV: contract award procedures
- Annex V: standard request for payment
- Annex VI: model narrative and financial report
- Annex VII: model report of factual findings and terms of reference for an expenditure verification of an EU financed grant contract for external action
- Annex VIII: model financial guarantee
- Annex IX: standard template for transfer of ownership of assets

Annex I: Daily allowance rates (Per diem), available at the following address:

http://ec.europa.eu/europeaid/funding/about-procurement-contracts/procedures-and-practical-guide-prag/diems_en

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

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

Useful links: Project Cycle Management Guidelines

http://ec.europa.eu/europeaid/aid-delivery-methods-project-cycle-management-guidelines-vol-1_en

The implementation of grant contracts - A Users' Guide

<http://ec.europa.eu/europeaid/companion/document.do?nodeNumber=19&locale=en>

Financial Toolkit

http://ec.europa.eu/europeaid/funding/procedures-beneficiary-countries-and-partners/financial-management-toolkit_en

Please note: The toolkit is not part of the grant contract and has no legal value. It merely provides general guidance and may in some details differ from the signed grant contract. In order to ensure compliance with their contractual obligations beneficiaries should not exclusively rely on the toolkit but always consult their individual contract documents.

* * *

¹⁴ Optional where the total amount of the grants to be awarded under the call for proposals is EUR 30.000 or less.

¹⁵ These documents should also be published by the Contracting Authority.