

**Contracting authority**: National Authorizing Officer – Ministry of Finance, Planning and Economic Development

Coffee & Cocoa value chains development in Uganda

Guidelines
for grant applicants

Budget line: 11th European Development Fund

Reference: Europe Aid / 165321 / Indirect Management/ACT/UG – Call for Proposal

Deadline for submission of concept note 16th August 2019

16/08/2019 at 13:00 (Ugandan time)

**Notice**

This is a restricted call for proposals. In the first instance, only concept notes (Part A of the grant application form) must be submitted for evaluation. Thereafter, lead applicants who have been pre-selected will be invited to submit a full application. After the evaluation of the full applications, an eligibility check will be performed for those, which have been provisionally selected. Eligibility will be checked based on 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. coffee and cocoa value chains Development project**

**1.1 Background**

Coffee plays a leading role in the livelihood of Ugandans and contributes substantially to the national economy. Nearly 42% of farming households grow coffee and the commodity has contributed an average of 30% to the country’s foreign exchange earnings over the past 20 years. Consequently, the Government of Uganda regards coffee as a strategic commodity, whose development should be accelerated to enhance agricultural production and productivity. Efforts are underway to boost production with the coffee roadmap anticipating that the country will exportup to 5.4 million bags by 2020 and 20 million bags by 2030. The coffee sub-sector strategic objectives for 2020 include among others; increase of coffee production and productivity at the farm level, ensure quality at all stages of the value chain, promote value addition processes, improve market access for farmers and farmer organizations and strengthen the coffee research system and regulatory framework.

Cocoa is another crop with huge export potential and identified by Government of Uganda as a non-traditional priority crop for further development. Prices for cocoa on world markets have been rising over the last few years. This is mainly the result of increasing consumption and low supply. Under the Plan for Modernization of Agriculture (PMA) cocoa has been underscored as a cash crop following a strategy to diversify imports and increase opportunities for farmers, especially in areas affected by coffee wilt disease. It is estimated that there are about 20,000 cocoa farmers in Uganda. In the last couple of years, the world price of cocoa has fluctuated between USD 2500 to USD 3000 per metric ton, FOT (free on Truck) Kampala. This has provided a big incentive to farmers to increase production. However, the cocoa sector is complex and beset with many challenges, which impact most heavily on farmers and other stakeholders in the cocoa value chain.

The GOU and the EU have partnered together through the MARKUP to comprehensively address the obstacles and challenges experienced in the coffee and cocoa value chains in relation to reduced production and productivity, harvest and post-harvest losses, market access and diversification into higher export markets for smallholders. The programme has a regional component and national component. At national level, the project will enhance market access to EU and the African Caribbean & Pacific (ACP) countries by supporting private operators in the coffee and cocoa value chains to improve quality and quantity of the produce and retain premium prices for the same through niche export markets.

The national component is supported by a Technical Assistance Team, who assists the Uganda Coffee Development Authority through the “Coffee and cocoa value chain development project” in the implementation of the programme, including this matching grant scheme.

**This call for proposal is part of the implementation of the coffee and cocoa value chain development project.**

**1.2 Objectives of the programme and priority issues**

The **overall objective** of the MARKUP programme is “To contribute to the economic development of the EAC region, including Uganda, by increasing the value of both extra and intra-regional agricultural exports, with focus on exports towards the European Union and other ACP countries.”

The **specific objective** is to enhance market access to EU and the ACP countries, focussing in particular on post-harvest processing for export, including in case of Uganda, support to private operators in the coffee and cocoa value chains,. This will cover quality assurance, enhancement of SMEs value addition and export competitiveness.

The Project purpose is to support private operators to increase the quality and quantity of coffee and cocoa exports through good agricultural value chain practices, that are climate resilient, environmentally friendly and smallholder oriented, in particular for women farmers.

This Call for Proposals has been structured to achieve **result** areas 2 and 3 of the MARKUP Financing Agreement for Uganda, which are as follows:

**Result Area 2**: Reduced production, harvest and post-harvest losses and increased marketing opportunities for smallholders.

**Result Area 3**: Increased smallholders price incentive through diversification into higher value export markets especially, to the EU and ACP countries.

The **global objective** of this call for proposals is thus: to assist Uganda in upgrading its coffee and cocoa value chains, with a quality export perspective and with focus on small holders.

The **specific objective**s are to reduce production, harvest and post-harvest losses, to expand marketing opportunities for smallholders and increase smallholders’ price incentive through diversification into higher value export markets.

In particular, the call for proposals may target the following activities under Result 2 and Result 3:

1. Support smallholders to acquire technologies including machines/equipment in order to boost quality demanded by niche export markets including the EU and other ACP countries
2. Support smallholders to adopt more climate resilient systems and practices, including good agricultural practices such as soil & water conservation, mulching, pruning, shading, etc.
3. Focus on gender and youth responsive groups, with a view to support smallholders with bulking the produce, processing, storage, transport and linking with markets and financial institutions through a matching grant scheme
4. Facilitate private operators’ investment in post-harvest handling equipment, agro-processing, drying, cleaning, sorting and storage equipment in order to boost the quality of smallholders’ produce for export to the EU and ACP countries
5. Promote activities aimed at increasing value addition such as new branding and packaging development/testing/awareness, processing up-grade (small-scale processing units, introduce new low-cost, green and resource efficient technologies, etc.)
6. Develop traceability systems to ensure originality, authenticity and sustainability of quality produce for export markets
7. Develop and implement certification schemes for niche market, such as sustainable and organic coffee/cocoa, including where relevant the promotion of Geographical Indication Systems
8. Support access to market information through modern technologies and development of systems for improved market information flows to both smallholders and aggregators
9. Improve SMEs export and business capacities, including training/strategic and counselling on business management, marketing, labelling and branding (including GI), export strategies and export transaction, price risk management, post-harvest handling, packaging etc.

The priorities of this call for proposals are divided into two lots, one for coffee and another for cocoa, reflecting the specific objectives described above. Whereas the available support is classified under two lots, i.e. for coffee and cocoa, the results areas (2 & 3) for both are maintained and are meant to reduce production, harvest and post-harvest losses while improving market access and exports to the EU by smallholders.

**Lot 1 - Coffee value chains of development - Result 2 and 3**

**Result 2 Activities:** These include activities that may be implemented by a private operator or consortium (made up of private operators/aggregators and smallholders) for purposes of ensuring enhanced production and productivity, reduction in harvest and post-harvest losses, and increased market access in the coffee value chains.

The proposed activities should support smallholders to attain a high premium return on their produce by addressing quality and quantity related issues, storage, transport, value addition and market access. This will be achieved by strengthening aggregators, with special focus on gender and youth responsive groups, with a view to support farmers with bulking the produce, processing, storage, transport and linking with markets and financial institutions and supporting farmers to adopt more climate resilient systems and practices.

**Result 3 Activities:** Private operators and or a consortium including aggregators supporting smallholders in the coffee value chains will implement these activities.

They are related to quality, certification & standards compliance, traceability systems, packaging, branding, access to market information through modern technologies and specialty trade events, so to allow more volumes to access the export market. The matching grant scheme will support private operators to increase quality by addressing certification and standards regimes (including ISO, HACCP, UTZ, Rainforest Alliance, geographical indication, etc.), while at the same time ensuring compliance to the export standards. These include food safety regulations in regional and EU markets, environmental standards and traceability.

**Lot 2 - Cocoa Value chains of development- Result 2 and 3**

The cocoa sector has the same thematic result areas as of the coffee sector including:

**Result 2 Activities**

These include activities that may be implemented by a consortium (made up of private operators/aggregators and smallholders) for purposes of ensuring enhanced production and productivity, reduction in harvest and post-harvest losses, and increased market access in the cocoa value chains.

The proposed activities should support smallholders to attain a high premium return on their produce by addressing quality and quantity related issues, storage, transport, value addition and market access. This will be achieved by strengthening aggregators, with special focus on gender and youth responsive groups, with a view to support farmers with bulking the produce, processing, storage, transport and linking with markets and financial institutions; and supporting farmers to adopt more climate resilient systems and practices.

**Result 3 Activities**

Under result 3, the planned activities include quality certification & standards, developing traceability systems and supporting smallholders access to market information through modern technologies.

Issues to do with packaging, branding and specialty trade events for cocoa shall be supported to allow for more volumes on the export market. The matching grant scheme will support private operators to increase quality by supporting certification and standards regimes (e.g. ISO, HACCP, UTZ, Rainforest Alliance, geographical indication, organic, etc.), while at the same ensuring compliance to the export standards. These include food safety regulations in regional and EU markets, environmental standards and traceability.

**Key strategic considerations and guiding principles**

**Private sector development**: Particular attention will be given to strengthening the role of the private sector. This will include improving market opportunities for new and existing business, leveraging private sector investment and participation in the coffee and cocoa value chains.

**Gender:** The empowerment of women should be actively promoted in all activities and at all levels, that is governmental, regional and local/community level. In planning any activity within the project, the views and interest if women should be taken into account. Breakdown of data should be by age and gender. Applicants should ensure that their own staffing structures and procedures take gender balance into account.

**Youth**: Young people are consistently locked out of opportunities. Applicants should focus on engaging in activities that empower young people by providing skills, training and employment to them.

**Sustainability**: All proposed action should address long-lasting changes beyond the lifetime of the proposed period. Applicants should explain how this will be achieved. In addition, partners are encouraged to adopt a community-level approach to ensure sustainability, ownership and continuity of services, management of activities and assets after the end of the project.

**Multi-level coordination:** Coordination and cooperation between different stakeholders involved is fundamental for effective and efficient delivery of results for the beneficiaries. The applicants will make sure their methodology explicitly states how these close links will be ensured with private sector local authorities, and the final beneficiaries. Applicants shall describe how synergies and complementarity are ensured across the lots as well as with other EU and donor initiatives.

**SMART indicators**: A common set of indicators will be used to monitor the activities proposed with each lot. However, the applicants shall propose other objectively verifiable indicators, to be included in the logical framework.

Since the objective of the call for proposals is to support smallholders to overcome production related challenges and access to niche markets in the EU and other ACP countries, prospective applicants have to demonstrate how their proposed interventions will contribute to the same. The following indicators shall be assessed to determine this contribution:

1. The number of smallholders from the coffee and cocoa sub sectors benefiting from the planned activity
2. The number of added new jobs created and aggregated by gender as a result of the planned intervention
3. The activity’s contribution to a substantial and verifiable reduction in production, harvest and post-harvest losses of smallholders by end of project
4. Result into incremental export volumes of coffee and or cocoa to the European Union and other ACP countries

**1.3 Financial allocation provided by the contracting authority**

The overall indicative amount made available under this call for proposals is EUR 3.480.000. The contracting authority reserves the right not to award all available funds.

Indicative allocation of funds by lots:

**LOT 1: EUR 2,480,000**

**LOT 2: EUR 1,000,000**

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 the other lot.

**Size of grants**

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

Lot 1: Coffee value chains development

* minimum amount: EUR 500,000
* maximum amount: EUR 600,000

Lot 2: Cocoa value chains development

* minimum amount: EUR 300,000
* maximum amount: EUR 400,000

For each lot, a limited number of applications will be selected after an appraisal process and awarded grants. Applicants are encouraged to form consortia that demonstrate ability to support smallholders in line with this call for proposals and aim at exploiting the maximum available amounts indicated above.

Any grant requested under this call for proposals must be equal to the following minimum and maximum percentage of total eligible costs of the action:

* Minimum percentage: 50 % of the total eligible costs of the action (see also Section 2.1.5).
* Maximum percentage: 55 % of the total eligible costs of the action

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 general budget of the Union or the European Development Fund[[1]](#footnote-2).

**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]](#footnote-3)

**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);
1. the actions:

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

1. 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**

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

* Be a legal person **and**
* Be a specific type of organisation such as: private operator or non-governmental organisation as defined by Article 43 of the rules of application of the EU Financial Regulation **and**
* be established in[[3]](#footnote-4) Uganda, EU and other ACP partner states as defined by Article 43 of the rules of application of the EU Financial Regulation **(However, where the lead applicant is not established in Uganda, it must act with minimum one co-applicant established in Uganda, and**

‘For British applicants: Please be aware that eligibility criteria must be complied with for the entire duration of the grant. Unless sector-specific eligibility rules provide otherwise[[4]](#footnote-5), if the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible to participate) or will be required to leave the project on the basis of Article 12.2e of the General conditions allowing termination of the grant agreement (change of the legal situation of the beneficiary) of the grant agreement’.

 This obligation does not apply to international organisations and

* 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**
* demonstrate and or has verified export orders of at least 2.5 (tons) for coffee or cocoa per annum over a three year period

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

* Operators who have an operational presence in Uganda
* Operators that have a joint-venture/partnership with a local eligible entity in Uganda

The issue of gender is mainstreamed in the grant support and deliberate efforts will be made to ensure the promotion of gender equality and equal opportunities under the coffee and cocoa value chains development.

(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 2.6.10.1 of the practical guide:

Lead applicants, co-applicants, affiliated entities and, in case of legal entities, persons who have powers of representation, decision-making or control over the lead applicant, the co-applicants and the affiliated entities are informed that, should they be in one of the situations of early detection or exclusion according to Section 2.6.10.1 of the practical guide, personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the early detection and exclusion system, and communicated to the persons and entities concerned in relation to the award or the execution of a grant contract.

In: Part A, Section 3 and Part B Section 8 of the grant application form (‘declarations by the lead applicant’), the lead applicant must declare that the lead applicant himself, the co-applicant(s) and affiliated entity(ies) are not in any of these situations.

The lead applicant may act with co-applicant(s) as specified hereafter.

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-applicants**

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.

**For actions presented by a European or other non-Ugandan actor, a partnership with a local actor is obligatory**

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:

* Start-up registered businesses in the coffee and or cocoa value chains

Co-applicants must sign the mandate in Part B Section 4 of the grant application form.

(3) Applicants included in the lists of EU restrictive measures (see Section 2.4. of the PRAG) at the
 moment of the award decision cannot be awarded the contract[[5]](#footnote-6).

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 entity(ies)***

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 too.

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 or individuals 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.

Duration

The initial planned duration of an action may not be lower than 24 months nor exceed 42 months.

Sectors or themes

The intervention focusses on coffee and cocoa value chains only.

Location

Actions must take place in Uganda.

Types of action

The types of action which may be financed under this call for proposals should aim at: 1) reducing production, harvest and post-harvest losses in the coffee and cocoa value chains, 2) support smallholders in their bid to galvanise and retain a share in the export market to the EU and other ACP countries, 3) support certification and access to market information. Special focus will be on gender and youth responsive groups, with a view to support small holders with bulking the produce, processing, storage, transport and linking with markets and financial institutions; and supporting farmers to adopt more climate resilient systems and practices.

The types of action for which support is sought under the call for proposals have to be seen to contribute to the development and growth of smallholders in relation to reduced production and productivity, harvest and post-harvest losses and increase market access to the EU.

The following types of action are eligible:

* Reduce production, harvest and post-harvest losses through rational and sustainable agronomic techniques, agro processing, value addition and better storage in order to improve the quality and accessibility to niche export markets by smallholders through interventions by private operators/aggregators.
* Develop and implement quality standards and certificate regimes, including traceability systems and geographical indication, targeting small holders to access markets in the EU and other ACP countries.
* Undertake marketing campaigns based on quality, variety, packaging, labelling, branding and participation in trade fairs, specialty events, conventions, etc. to allow for export diversification and access to niche markets.
* Provide technical assistance and provision of business development services aimed at improving smallholders export and business capacities, such as training, business management, marketing, labelling and branding, export strategies and export transaction, risk management, post-harvest handling, packaging etc.

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;
* Operating expenses including; salaries, utility bills, audit and taxation costs
* Financial liabilities including loans, mortgages, overdrafts, debts

Types of activity

The types of activity to be supported in both the coffee and cocoa value chains development are similar and intrinsically connected in an effort to address result areas (2) and (3) of the project. Priority will be afforded to private operators/aggregators that are most likely to generate positive multipliers to the smallholders, for instance by reducing the distance moved for value addition, improving their productivity, buying their produce, creating jobs, improve marketability, and general profitability of the enterprise.

As mentioned in section 1.2 regarding the priorities under the 2 lots, the following illustrates the kind of activities that could be proposed ***which are indicative and non-exhaustive***.

**Under coffee value chain development**

***Result area 2 Activities:***

* Reduced production, harvest and post-harvest losses and increased marketing opportunities for small-holders
* Construction, renovation and or modernization of storage or processing facilities to support smallholders to realize increased production and productivity for export markets
* Support smallholders to acquire technologies including value addition machines/equipment e.g. haulers, pulping machines, dryers, sorting & cleaning equipment, roasters, quality control, etc. to allow for quality processing and value addition in order to get to the niche markets
* Investment in post-harvest handling equipment, agro-processing and storage equipment in order to boost the quality of smallholders export products
* Activities aimed at increasing value addition including support for new packaging development/testing/awareness, support processing up-grade (small-scale processing units, water waste management, introduce new low-cost, green and resource efficient technologies, etc.)
* Supporting smallholders to adopt more climate resilient systems and practices
* Facilitate research and development of micro washing stations for coffee to support smallholders add value

***Result area 3 Activities:***

* Increased small-holders price incentive through diversification into higher value export markets
* Support acquisition of infrastructure for quality monitoring and control including installation of quality, sales, marketing, information management systems
* Acquisition of production efficiency and cost reduction technologies to allow for diagnosis, improve quality control procedure and efficient production operations of smallholders
* Advertising and promotion campaigns including branding, packaging, market research/intelligence, export market investigations and trade fairs
* Standards and certification related activities including Sanitary and Phyto-sanitary, traceability, UTZ, ISO, organic certification
* Activities aimed at improving smallholders export and business capacities including training/strategic counselling on business management, marketing labelling and branding (including GI), export strategies and export transaction, price risk management, post-harvest handling, packaging etc.

**Under cocoa value chain development**

***Result Area 2 activities***

* Strengthening cocoa smallholders with bulking their produce, processing, storage, transport and linking with markets and financial institutions
* Investment in post-harvest handling technologies that allow for fermenting, drying, cleaning, grading, sorting, packaging and storage of smallholders produce and giving value addition
* Support smallholders including cocoa farmers to adopt more climate resilient systems and practices
* Promotion of smallholders marketing initiatives and development of farmer groups to market and maintain quality standards for exports

***Result Area 3 activities***

* Support certification schemes, including FairTrade, organic, UTZ, Rainforest Alliance, ISO, organic, etc. for sustainable and organic cocoa regimes
* Promotion of Geographical Indication Systems for cocoa smallholders
* Develop and implement traceability systems for cocoa smallholders including farming groups
* Facilitate access to market information through modern technologies
* Investment and capacity building for networking and information exchange between cocoa aggregators and smallholders
* Business development services including market intelligence, branding and promotion activities

Financial support to third parties[[6]](#footnote-7)

Applicants may propose financial support to third parties in order to help achieving the objectives of the action.

The maximum amount of financial support per third party is EUR 50,000 achieving the objectives of the actions would otherwise be impossible or overly difficult.

Under this call, financial support to third parties is not considered essential to achieve the objective of the action.

In compliance with the present guidelines and notably of any conditions or restrictions in this Section, the lead applicant should define mandatorily in Section 2.1.1 of the grant application form:

1. the overall objectives, the specific objective(s) and the outputs[[7]](#footnote-8) (i.e. the results) to be achieved with the financial support
2. the different types of activities eligible for financial support, on the basis of a fixed list
3. the types of persons or categories of persons which may receive financial support

(iv) the criteria for selecting these entities and giving the financial support

1. the criteria for determining the exact amount of financial support for each third entity, and
2. the maximum amount which may be given.

In all events, the mandatory conditions set above for giving financial support (points (i) to (vi)) have to be strictly defined in the grant contract as to avoid any exercise of discretion.

Visibility

The applicants must take all necessary steps to publicise the fact that the European Union has financed or co-financed the action. As far as possible, actions that are wholly or partially funded by the European Union 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 support for the action in the country or region concerned, as well as the results and the impact of this support.

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 one application per lot under this call for proposals.

The lead applicant may not be awarded more than one grant per lot under this call for proposals.

The lead applicant may 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 one application under this call for proposals.

A co-applicant/affiliated entity may not be awarded more than one grant 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.

Simplified costs options (SCOs) are divided in two categories:

1/ "output or result based SCOs": this category includes costs linked to outputs, results, activities, deliverables in the framework of a specific project (for example the determination of a lump sum for the organization of a conference, or for the realisation of a determined output/activity). Where possible and appropriate, lump sums, unit costs or flat rates shall be determined in such a way to allow their payment upon achievement of concrete outputs and/or results. This type of SCO can be proposed by the Beneficiary (no threshold is applicable) at proposal's stage. In case the evaluation committee and the contracting authority are not satisfied with the quality of the justification provided reimbursement on the basis of actually incurred costs is always possible.

2/ "other/recurrent SCOs". This second category entails simplified cost options embedded in the accounting practices of the beneficiary, for which an ex-ante assessment is deemed necessary, considering the need of a consistent application of the conditions required. Examples are: an additional percentage on actual salaries to cover remuneration-related costs or the use of an allocation method to apportion costs of a project office foreseen in the Description of the Action. In order the use of systemic/recurrent SCOs, the beneficiary's accounting practices need to have been positively assessed by an audit firm based on standard ToRs provided by the Commission. To obtain reimbursement of this category of SCOs, the beneficiary shall make reference to the previously obtained ex-ante assessment in the budget justification sheet (annex e3c).

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). Determining SCO is possible also through ‘expert judgement’ provided by internally available experts or procured in accordance with the applicable rules. Experts must be either commissioned auditors or chartered accountants, or staff of the Commission but cannot be staff of the beneficiary. 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 the details of the procedure to be followed depending on the type and amount of the costs to be declared as SCO.

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’, ‘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. for output or result based SCO.
* clearly explain the formulas for calculation of the final eligible amount for output or result based SCO[[8]](#footnote-9)
* make reference to the previously obtained ex-ante assessment for other/recurrent SCOs.

In case of output or result based SCOs the evaluation committee and the contracting authority decide 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. In case the evaluation committee and the contracting authority are not satisfied with the quality of the justification provided reimbursement on the basis of actually incurred costs is always possible.

No threshold is set ex-ante for the total amount of financing that can be authorised by the contracting authority on the basis of simplified cost options. Other/recurrent SCOs can be declared only if previously successfully ex-ante assessed.

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.

|  |
| --- |
| The grant may take the form of a single lump-sum covering the entire eligible costs of an action or a work programme.Single lump sums may be determined on the basis of the estimated budget, which should comply with the principles of economy, efficiency and effectiveness. Compliance with these principles shall be verified ex ante at the time of evaluation of the grant application.When authorising single lump sums the authorising officer responsible shall comply with the conditions applicable to output or result based SCOs. When using this form of financing, the description of the action shall include detailed information on the essential conditions triggering the payment, including, where applicable, the achievement of outputs and/or results.  |

The responsible authorising officer may consider that the usual cost accounting practices of the beneficiary are compliant with the conditions applicable to simplified cost options, if they are accepted by national authorities under comparable funding schemes. In this case the grant beneficiary shall demonstrate that the national authority accepted the cost accounting practices and will have to specify in which context this acceptance is given.

The evaluation committee and the contracting authority will assess if the funding scheme is comparable and in case of positive outcome will consider these practices as if they were ex-ante assessed by an external auditor.

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 G of the guidelines).

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 normally not eligible costs.

As an exception, contributions in kind may include personnel costs for the work carried out by volunteers under an action or work programme (which are eligible costs).

Contributions in kind from third parties in the form of volunteers' work, valued on the basis of unit costs defined and authorised by the contracting authority, shall be presented in the estimated budget, separately from the other eligible costs (i.e. as an accepted costs together with other contributions in kind).

Volunteers' work may comprise up to 50 % of the co-financing. For the purposes of calculating this percentage, contributions in kind and other co-financing shall be based on estimates provided by the applicant.

When the estimated costs include volunteers' work, the grant shall not exceed the estimated eligible costs other than the costs for volunteers' work.

**Contributions in kind may not be treated as co-financing.**

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

**Ethics clauses and Code of Conduct**

a) Absence of conflict of interest

The applicant must not be affected by any conflict of interest and must have no equivalent relation in that respect with other applicants or parties involved in the actions. Any attempt by an applicant to obtain confidential information, enter into unlawful agreements with competitors or influence the evaluation committee or the contracting authority during the process of examining, clarifying, evaluating and comparing applications will lead to the rejection of its application and may result in administrative penalties according to the Financial Regulation in force.

b) Respect for human rights as well as environmental legislation and core labour standards

The applicant and its staff must comply with human rights. In particular and in accordance with the applicable act, applicants who have been awarded contracts must comply with the environmental legislation including multilateral environmental agreements, and with the core labour standards as applicable and as defined in the relevant International Labour Organisation conventions (such as the conventions on freedom of association and collective bargaining; elimination of forced and compulsory labour; abolition of child labour).

**Zero tolerance for sexual exploitation and sexual abuse:**

The European Commission applies a policy of 'zero tolerance' in relation to all wrongful conduct which has an impact on the professional credibility of the applicant.

Physical abuse or punishment, or threats of physical abuse, sexual abuse or exploitation, harassment and verbal abuse, as well as other forms of intimidation shall be prohibited.

c) Anti-corruption and anti-bribery

The applicant shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption. The European Commission reserves the right to suspend or cancel project financing if corrupt practices of any kind are discovered at any stage of the award process or during the execution of a contract and if the contracting authority fails to take all appropriate measures to remedy the situation. For the purposes of this provision, ‘corrupt practices’ are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or execution of a contract already concluded with the contracting authority.

 d) Unusual commercial expenses

Applications will be rejected or contracts terminated if it emerges that the award or execution of a contract has given rise to unusual commercial expenses. Such unusual commercial expenses are commissions not mentioned in the main contract or not stemming from a properly concluded contract referring to the main contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a payee who is not clearly identified or commissions paid to a company which has every appearance of being a front company.

Grant beneficiaries found to have paid unusual commercial expenses on projects funded by the European Union are liable, depending on the seriousness of the facts observed, to have their contracts terminated or to be permanently excluded from receiving EU/EDF funds.

e) Breach of obligations, irregularities or fraud

The contracting authority reserves the right to suspend or cancel the procedure, where the award procedure proves to have been subject to breach of obligations, irregularities or fraud. If breach of obligations, irregularities or fraud are discovered after the award of the contract, the contracting authority may refrain from concluding the contract.

**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 Concept note content***

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

Applicants must apply in **English**. Please note that:

1. In the concept note, lead applicants must only provide an estimate of the requested EU contribution as well as an indicative percentage of that contribution in relation to the eligible costs of the action. A detailed budget is to be submitted only by the lead applicants invited to submit a full application in the second phase.
2. The elements outlined in the concept note may not be modified in the full application. The EU contribution may not vary from the initial estimate by more than 20 %. Lead applicants are free to adapt the percentage of co-financing required within the minimum and maximum amount and percentages of co-financing, as laid down in these guidelines in Section 1.3. The lead applicant may replace a co-applicant or an affiliated entity only in duly justified cases (e.g. bankruptcy of initial co-applicant or affiliated entity). In this case the new co-applicant/affiliated entity must be of a similar nature as the initial one. The lead applicant may adjust the duration of the action if unforeseen circumstances outside the scope of the applicants have taken place following the submission of the concept note and require such adaptation (risk of action not being carried out). In such cases the duration must remain within the limits imposed by the guidelines for applicants. An explanation/justification of the relevant replacement/adjustment shall be included in an accompanying letter or email.

Own contributions by the applicants can be replaced by other donors' contributions at any time.

1. Only the concept note form will be evaluated. It is therefore of utmost importance that this document contains ALL relevant information concerning the action. No additional annexes should be sent.

Any error or major discrepancy related to the concept note instructions may lead to the rejection of the concept note.

Clarifications will only be requested when information provided is not sufficient to conduct an objective assessment.

Hand-written concept notes will not be accepted.

***2.2.2 Where and how to send concept notes***

The concept note together with its relating checklist[[9]](#footnote-10) and declaration by the lead applicant (to be found in **Part A Sections 2 and 3** of the grant application form) must be submitted in one original and 2 copies in A4 size, each bound.

An electronic version of the concept note must also be submitted. A CD-Rom with the concept note in electronic format will be included, along with the paper version, in a sealed envelope as described below. The electronic file must contain **exactly the same** application as the paper version enclosed.

The envelope must bear the **reference number and the title of the call for proposals**, **together with the lot number and title** the full name and address of the lead applicant, and the words ‘**Not to be opened before the opening session’**

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

**Postal address:**

The Permanent Secretary /Secretary to the Treasury/National Authorizing Officer

Ministry of Finance, Planning & Economic Development (MFPED)

Plot 2 – 12 Apollo Kagwa Road

P. O. Box 8147, Kampala, Uganda

Room 1.28 Treasury Building

**Address for hand delivery:**

The Permanent Secretary /Secretary to the Treasury/National Authorizing Officer

Ministry of Finance, Planning & Economic Development (MFPED)

Plot 2 – 12 Apollo Kagwa Road

P. O. Box 8147, Kampala, Uganda

Room 1.28 Treasury Building

Working hours from Monday to Friday 8.00hrs – 16.00 hours except on Public holidays.

The deadline for submission of proposals is **16th August 2019 -13.00 hours Ugandan Time**

Concept notes 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 concept note is complete using the checklist for concept note (Part A Section 2 of the grant application form). Incomplete concept notes may be rejected.**

***2.2.3 Deadline for submission of concept notes***

The applicants' attention is drawn to the fact that there are two different systems for sending concept notes: one is by post or private courier service, the other is by hand delivery.

In the first case, the concept note must be sent before the date for submission, as evidenced by the postmark or deposit slip[[10]](#footnote-11), but in the second case it is the acknowledgment of receipt given at the time of the delivery of the concept note which will serve as proof.

The deadline for the submission of concept notes is 16th August 2019 13.00 hours Ugandan Time 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 16th August 2019, as evidenced by the signed and dated receipt. Any concept note submitted after the deadline will be rejected.

The contracting authority may, for reasons of administrative efficiency, reject any concept note submitted on time to the postal service but received, for any reason beyond the contracting authority's control, after the effective date of approval of the concept note evaluation, if accepting concept notes that were submitted on time but arrived late would considerably delay the evaluation procedure) or jeopardise decisions already taken and notified (see indicative calendar under Section 2.5.2)

***2.2.4 Further information about concept notes***

An information session on this call for proposals will be held on **10/07/2019 at the venue** …………………………….. to be published on the Europe Aid website [**https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome**](https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome) and [**www.finance.go.ug**](http://www.finance.go.ug)

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

E-mail address: **nao@finance.go.ug**with a copy to **Ruth.Kato@finance.go.ug**

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 submission of concept notes.

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.

No individual replies will be given to questions. All questions and answers as well as other important notices to applicants during the course of the evaluation procedure will be published on the website of DG International Cooperation and Development: [**https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome**](https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome) and [**www.finance.go.ug**](http://www.finance.go.ug) in order to be informed of the questions and answers published.

***2.2.5 Full applications***

Lead applicants invited to submit a full application following pre-selection of their concept note must do so using Part B of the grant application form annexed to these guidelines (Annex A). Lead applicants should then keep strictly to the format of the grant application form and fill in the paragraphs and pages in order.

The elements outlined in the concept note cannot be modified by the lead applicant in the full application. The EU contribution may not vary from the initial estimate by more than 20 %, although lead applicants are free to adapt the percentage of co-financing required within the minimum and maximum amount and percentages of co-financing, as laid down in these guidelines under Section 1.3. The lead applicant may replace a co-applicant or an affiliated entity only in duly justified cases (e.g. bankruptcy of initial co-applicant or affiliated entity). In this case the new co-applicant/affiliated entity must be of a similar nature as the initial one. The lead applicant may adjust the duration of the action if unforeseen circumstances outside the scope of the applicants have taken place following the submission of the concept note and require such adaptation (risk of action not being carried out). In such cases the duration must remain within the limits imposed by the guidelines for applicants. An explanation/justification of the relevant replacement/adjustment shall be included in an accompanying letter or email.

Lead applicants must submit their full applications in the same language as their concept notes.

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

Any error related to the points listed in the checklist (Part B, Section 7 of the grant application form) or any major inconsistency in the full 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 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 full application form and the published annexes which have to be filled in (budget, logical framework) will be transmitted to the evaluators (and assessors, if used). It is therefore of utmost importance that these documents contain ALL the relevant information concerning the action.

**With the full application the lead applicant also has to submit completed organisation data forms (Annex F) for the lead applicant, each (if any) co-applicants and each (if any) affiliated entities**[[11]](#footnote-12).

**No additional annexes should be sent**.

***2.2.6 Where and how to send full applications***

Full applications (i.e. the full application form, the budget, the logical framework and the declaration by the lead applicant) 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) to the address below:

**Postal address:**

The Permanent Secretary /Secretary to the Treasury/National Authorizing Officer

Ministry of Finance, Planning & Economic Development (MFPED)

Plot 2 – 12 Apollo Kagwa Road

P. O. Box 8147, Kampala, Uganda

Room 1.28 Treasury Building

**Address for hand delivery:**

The Permanent Secretary /Secretary to the Treasury/National Authorizing Officer

Ministry of Finance, Planning & Economic Development (MFPED)

Plot 2 – 12 Apollo Kagwa Road

P. O. Box 8147, Kampala, Uganda

Room 1.28 Treasury Building

Working hours from Monday to Friday 8.00hrs – 16.00 hours except on Public holidays.

The deadline for submission of proposals is **21st October 2019 13. 00 hours Ugandan Time**

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

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

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 lead applicants send several different applications (if allowed to do so by the guidelines of the call), each one must be sent separately.

The envelope must bear the **reference number and the title of the call for proposals**, **together with the number and title of the lot,** the full name and address of the lead applicant, and the words ‘**Not to be opened before the opening session’**

**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.**

***2.2.7. Deadline for submission of full applications***

The applicants' attention is drawn to the fact that there are two different systems for sending full applications: one is by post or private courier service, the other is by hand delivery.

In the first case, the full application must be sent before the date for submission, as evidenced by the postmark or deposit slip, but in the second case it is the acknowledgment of receipt given at the time of the delivery of the full application which will serve as proof.

The deadline for the submission of full applications will be indicated in the letter sent to the lead applicants whose application has been pre-selected.

The contracting authority may, for reasons of administrative efficiency, reject any application submitted on time to the postal service but received, for any reason beyond the contracting authority's control, after the effective date of approval of the full application evaluation, if accepting applications that were submitted on time but arrived late would considerably delay the award procedure or jeopardise decisions already taken and notified (see indicative calendar under Section 2.5.2).

 ***2.2.8. Further information about full applications***

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

E-mail address: **nao@finance.go.ug** with copy to **Ruth.Kato@finance.go.ug**

Fax: +256 414 230 163

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 full 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), or an action.

No individual replies will be given to questions. All questions and answers as well as other important notices to applicants during the course of the evaluation procedure, will be published on the website of DG International Cooperation and Development: [**https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome**](https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome) and [www.finance.go.ug](http://www.finance.go.ug) (Contracting authority website), 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.

**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 concept note satisfies all the criteria specified in the checklist in Section 2 of Part A 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\*** |
| **1. Relevance of the action** | Sub-score | **20** |
| 1.1 How relevant is the proposal to the objectives and priorities of the call for proposals and to the specific themes/sectors/areas or any other specific requirement stated in the guidelines for applicants? Are the expected results of the action aligned with the priorities defined in the guidelines for applicants (section 1.2)? | 5 |  |
| 1.2 How relevant is the proposal to the particular needs and constraintsof the target country(ies), region(s) and/or relevant sectors (including synergy with other development initiatives and avoidance of duplication)? | 5 |  |
| 1.3 How clearly defined and strategically chosen are those involved (final beneficiaries, target groups)? Have their needs (as rights holders and/or duty bearers) and constraints been clearly defined and does the proposal address them appropriately? | 5 |  |
| 1.4 Does the proposal contain particular added-value elements (e.g. innovation, best practices)? and the other additional elements indicated under 1.2. of the guidelines for applicants | 5 |  |
| **2. Design of the action** | Sub-score | **30** |
| 2.1 How coherent is the overall design of the action? Does the proposal indicate the expected results to be achieved by the action? Does the intervention logic explain the rationale to achieve the expected results? | 5x2\*\* |  |
| 2.2 Does the design reflect a robust analysis of the problems involved, and the capacities of the relevant stakeholders? | 5 |
| 2.3 Does the design take into account external factors (risks and assumptions)? | 5 |  |
| 2.4 Are the activities feasible and consistent in relation to the expected results (including timeframe)? Are results (output, outcome and impact) realistic? | 5 |  |
| 2.5 To which extent does the proposal integrate relevant cross-cutting elements such as environmental/climate change issues, promotion of gender equality and equal opportunities, needs of disabled people, rights of minorities and rights of indigenous peoples, youth, combating HIV/AIDS (if there is a strong prevalence in the target country/region)?  | 5 |  |
| **TOTAL SCORE** | **50** |

\* Note: A score of 5 (very good) will only be allocated if the proposal specifically addresses more than the required minimum number of priorities as indicated in Section 1.2 (objectives of the programme) of these guidelines.

\*\*this score is multiplied by 2 because of its 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 200% 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 pre-selected lead applicants will subsequently be invited to submit full applications.

**STEP 2: OPENING & ADMINISTRATIVE CHECKS AND EVALUATION OF THE FULL APPLICATION**

Firstly, the following will be assessed:

* If the submission deadline has been met. Otherwise, the application will automatically be rejected.
* 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 (this only applies to lead applicants);
* have the management capacity, professional competencies and qualifications required to successfully complete the proposed action. This applies to applicants and 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 in-house experience of projectmanagement?  | 5 |
| 1.2 Do the applicants and, if applicable, their affiliated entity(ies) have sufficient in-house 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 in-house 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** | **20** |
| *Score transferred from the Concept Note evaluation* |  |
| **3. Design of the action** | **15** |
| 3.1 How coherent is the design of the action? Does the proposal indicate the expected results to be achieved by the action? Does the intervention logic explain the rationale to achieve the expected results? Are the activities proposed appropriate, practical, and consistent with the envisaged outputs and outcome(s)? | 5 |
| 3.2 Does the proposal/Logical Framework include credible baseline, targets and sources of verification? If not, is a baseline study foreseen (and is the study budgeted appropriately in the proposal)? | 5 |
| 3.3 Does the design reflect a robust analysis of the problems involved, and the capacities of the relevant stakeholders? | 5 |
| **4. Implementation approach** | **15** |
| 4.1 Is the action plan for implementing the action clear and feasible? Is the timeline realistic? | 5 |
| 4.2 Does the proposal include an effective and efficient monitoring system? Is there an evaluation planned (previous, during or/and at the end of the implementation)? | 5 |
| 4.3 Is the co-applicant(s)'s and affiliated entity(ies)'s level of involvement and participation in the action satisfactory? | 5 |
| **5. Sustainability of the action**  | **15** |
| 5.1 Is the action likely to have a tangible impact on its target groups? | 5 |
| 5.2 Is the action likely to have multiplier effects, including scope for replication, extension, capitalisation on experience and knowledge sharing? | 5 |
| 5.3 Are the expected results of the proposed action sustainable?:- Financially *(e.g. financing of follow-up activities, sources of revenue for covering all future operating and maintenance costs)*- Institutionally *(will structures allow the results of the action to be sustained at the end of the action? Will there be local ‘ownership’ of the results of the action?)*- At policy level (where applicable) *(what will be the structural impact of the action — e.g. improved legislation, codes of conduct, methods)*- Environmentally (if applicable) *(will the action have a negative/positive environmental impact?)* | 5 |
| **6. Budget and cost-effectiveness of the action** | **15** |
| 6.1 Are the activities appropriately reflected in the budget? | / 5 |
| 6.2 Is the ratio between the estimated costs and the 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.

If the lead applicant applies without co-applicants or affiliated entities the score for point 3.3 shall be 5 unless the involvement of co-applicants or affiliated entities is mandatory according to these guidelines for applicants.

*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.

**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 by default 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.

**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)[[12]](#footnote-13):

The statutes or articles of association of the lead applicant, (if any) of each co-applicant and (if any) of each affiliated entity[[13]](#footnote-14). 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 meantime[[14]](#footnote-15). This obligation does not apply to international organisations which have signed a framework agreement with the European Commission.

For action grants exceeding EUR 750 000 and for operating grants above EUR 100 000, the lead applicant must provide an audit report produced by an approved external auditor where it is available, and always in cases where a statutory audit is required by EU or national law. That report shall certify the accounts for up to the last 3 financial years available. In all other cases, the applicant shall provide a self-declaration signed by its authorised representative certifying the validity of its accounts for up to the last 3 financial years available.

This requirement shall apply only to the first application made by a beneficiary to an authorising officer responsible in any one financial year.

The external audit report is not required from (if any) the co-applicant(s)) or affiliated entities.

This obligation does not apply to public bodies and international organisations provided that the international organisation in question offers the guarantees provided for in the applicable Financial Regulation, as described in Chapter 6 of the practical guide.

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)[[15]](#footnote-16). A copy of the latest account is neither required from (if any) the co-applicant(s) nor from (if any) affiliated entity(ies)).

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.

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.

Assessment studies including a business plan, feasibility study, diagnostic study, etc

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.

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 the of 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, 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.

Applicants and, if they are legal entities, persons who have powers of representation, decision-making or control over them, are informed that, should they be in one of the situations of early detection or exclusion, their personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the early detection and exclusion system, and communicated to the persons and entities concerned in relation to the award or the execution of a grant contract.

For more information, you may consult the privacy statement available on <http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm>

***Indicative timetable***

|  |  |  |
| --- | --- | --- |
|  | **DATE** | **TIME** |
| **1. Information meeting (if any)** | 10th July 2019 | 09.00am – 12.30 pm |
| **2. Deadline for requesting any clarifications from the contracting authority** | 21th July 2019 | 04.00pm |
| **3. Last date on which clarifications are issued by the contracting authority** | 5th August 2019 | 04.00pm |
| **4. Deadline for submission concept notes applications** | 16th August 2019 | 13.00pm |
| **5. Information to lead applicants on opening, administrative checks and concept note evaluation (Step 1)** | 20th August 2019 |  |
| **6. Invitations to submit full applications** | 4th September 2019 |  |
|  **6. Deadline for submission of full applications** | 21st October 2019 | 13.00 pm |
| **7. Information to lead applicants on the evaluation of the full applications (Step 2)** | 04th November 2019 |  |
| **8. Notification of award (after the eligibility check) (Step 3)** | 18th November 2019 |  |
| **9. Contract signature** | 01st December 2019 |  |

All times are in the time zone of the country of the contracting authority (Ugandan Time)

This indicative timetable refers to provisional dates (except for dates 2, 3, and 4) and may be updated by the contracting authority during the procedure. In such cases, the updated timetable will be published on the web site of DG International Cooperation and Development: <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome> and on the website of the Ministry of Finance, Planning and Economic Development, Kampala, Uganda: [www.finance.go.ug](http://www.finance.go.ug)

**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 G 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. Where the coordinator is an organisation whose pillars have been positively assessed, it will sign a contribution agreement based on the contribution agreement template. In this case references to provisions of the standard grant contract and its annexes shall not apply. References in these guidelines to the grant contract shall be understood as references to the relevant provisions of the contribution agreement.

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.

In this context, a distinction should be made between awarding implementation contracts and subcontracting parts of the action described in the proposal, i.e. the description of the action annexed to the grant contract, such subcontracting being subject to additional restrictions (see the general terms and conditions in the model grant contract).

Awarding implementation contracts: implementation contracts relate to the acquisition by beneficiaries of routine services and/or necessary goods and equipment as part of their project management; they do not cover any outsourcing of tasks forming part of the action that are described in the proposal, i.e. in the description of the action annexed to the grant contract.

Subcontracting: Subcontracting is the implementation, by a third party with which one or more beneficiaries have concluded a procurement contract, of specific tasks forming part of the action as described in annex to the grant contract (see also the general terms and conditions in the model grant contract).

**LIST OF annexes**

**Documents to be completed**

Annex A: Grant application form (Word format)

Annex B: Budget (Excel format)

Annex C: Logical framework (Excel format)

Annex D: Legal entity sheet[[16]](#footnote-17)

Annex E: Financial identification form

Annex F: Organisation data form

**DOCUMENTS FOR INFORMATION[[17]](#footnote-18)**

Annex G: Standard grant contract

- Annex II: general conditions

- Annex IV: contract award rules

- 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 H: 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 for assessing simplified cost options.

**Useful links:**

**Project Cycle Management Guidelines**

[http://ec.europa.eu/europeaid/aid-delivery-methods-project-cycle-management-guidelines-vol-1\_en](https://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.

\* \* \*

1. 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. [↑](#footnote-ref-2)
2. Note that a lead applicant (i.e. a coordinator) whose pillars have been positively assessed by the European Commission and who is awarded a grant will not sign the standard grant contract published with these guidelines but a contribution agreement based on the contribution agreement template. All references in these guidelines and other documents related to this call to the standard grant contract shall in this case be understood as referring to the relevant provisions of the contribution agreement template. [↑](#footnote-ref-3)
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. [↑](#footnote-ref-4)
4. For instance, Article 9(1)(f) of Regulation (EU) No 236/2014 provides for eligibility of member countries of the OECD, in the case of contracts implemented in a Least Developed Country or a Highly Indebted Poor Country, as included in the list of ODA recipients. [↑](#footnote-ref-5)
5. The updated lists of sanctions are available at [www.sanctionsmap.eu](http://www.sanctionsmap.eu).

Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails. [↑](#footnote-ref-6)
6. These third parties are neither affiliated entity(ies) nor associates nor contractors. [↑](#footnote-ref-7)
7. As per OECD DAC definition, the term ‘results’ includes: ‘impact’ (overall objective), ‘outcome(s)’ (specific objective(s) and ‘output(s)’. [↑](#footnote-ref-8)
8. 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. [↑](#footnote-ref-9)
9. Please note that the concept note / full application should not be rejected only because the lead applicant did not submit the checklist or the information in the checklist is not correct. [↑](#footnote-ref-10)
10. It is recommended to use registered mail in case the postmark would not be readable. [↑](#footnote-ref-11)
11. Natural persons who apply for a grant (if so allowed in the guidelines for applicants) do not have to provide an organisation data form. In this case, the information included in the grant application form is sufficient. [↑](#footnote-ref-12)
12. No supporting document will be requested for applications for a grant not exceeding EUR 60 000. [↑](#footnote-ref-13)
13. 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. [↑](#footnote-ref-14)
14. To be inserted only where the eligibility conditions have not changed from one call for proposals to the other. [↑](#footnote-ref-15)
15. 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. [↑](#footnote-ref-16)
16. Only applicable where the European Commission will make the payments under the contracts to be signed. [↑](#footnote-ref-17)
17. These documents should also be published by the contracting authority. [↑](#footnote-ref-18)