



**Contracting Authority: European Commission**

**Rural Development Sector Programme**

# **Support for investment in agriculture**

**Guidelines for grant applicants**

Budget line: 13 07 01

Reference: EuropeAid/161357/DH/ACT/CY

**Deadline for submission<sup>1</sup> of Concept Notes: Monday 24 December  
2018**

**at 12:00 Brussels time**

**(13:00 Cyprus time)**

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<sup>1</sup> Online submission via PROSPECT is mandatory for this call for proposals (see Section 2.2.2). In PROSPECT all dates and times are expressed in Brussels time. Applicants should note that the IT support is open Monday to Friday from 08:30 to 18:30 Brussels time (except for public holidays). Applicants should take note of the weekly maintenance hours mentioned in the PROSPECT user manual.

## NOTICE

This is a restricted call for proposals. In the first instance, only Concept Notes (Annex A.1) and supporting documents proving the scale of production 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 on the basis of the remaining supporting documents requested by the Contracting Authority and the signed 'declaration by the applicant' sent together with the full application.

**To apply to this call for proposals applicants must register in PADOR and submit their application in PROSPECT (see section 2.2.2 of the guidelines).** The aim of PROSPECT is to increase the efficiency of the management of the call for proposals and to offer a better service to civil society organisations through a new panel of functionalities such as the on-line submission and the possibility to follow up online the status of their application.

To help applicants familiarise themselves with the system before the online submission, information sessions on this Call for Proposals will be organised on 8 ,9, 12 and 13 November at venues to be announced. These dates are subject to change and any changes will be published in the local media. No costs incurred by the applicants for attending this information session are reimbursable.

All organisations can find the e-learning (Annex L) and the PROSPECT users' manual (Annex M) and the FAQ published together with the documents of this call. You may also contact our technical support team via the online support form in PROSPECT<sup>2</sup>.

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<sup>2</sup> If PROSPECT is unavailable, the IT support can also be reached via email: [EuropeAid-IT-support@ec.europa.eu](mailto:EuropeAid-IT-support@ec.europa.eu)

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# 1 SUPPORT FOR INVESTMENT IN AGRICULTURE

## 1.1 BACKGROUND

As part of the European Union's Aid Programme to encourage the economic development of the Turkish Cypriot community (TCc) (Regulation (EC) 389/2006), assistance is being provided to support rural development through what is known as the Rural Development Sector Programme (RDSP). It is part of the second objective of the Aid Programme, which covers promotion of social and economic development, and its main objectives are to help improve living conditions in rural areas while protecting the environment and developing a sustainable use of natural resources.

The European Union (EU) has already contracted over EUR 57 million through the RDSP up to 2018. The assistance has been delivered in the form of investment support through a series of grant schemes, as well as providing equipment and guidance to the TCc to help prepare for the future adoption of EU rules and regulations. This has included training to farmers to help improve husbandry techniques.

Overall, more than EUR 28 million has been contracted through grants schemes. The priorities for these schemes have been established in a Rural Development Programme (RDP) for the northern part of Cyprus, which was first drafted in 2008 and updated periodically, most recently in 2017, in close cooperation with Turkish Cypriot experts and a wide range of stakeholders in the rural community. A brief overview of key elements of the RDP and their implications for rural development in the TCc are presented as follows:

- There are approximately 12,000 agricultural holdings in the northern part of Cyprus, of which approximately 62% are specialised in crop production, 11% animal production and 27% mixed animal and crop production. They are mostly family farms, employing around 14,000 people overall, approximately 3.7% of the total labour force. Agriculture is the main source of income for the rural population, creating employment opportunities and helping reduce migration to urban areas.
- Measures are required to encourage and support young people, under 40, to engage in agriculture. Significant potential exists for greater engagement of women in agriculture, in the full variety of roles and so measures can be taken to promote better gender balance. Similarly, efforts are needed to ensure that people educated in agriculture and related subjects are retained in the sector, instead of being lost to other sectors of the economy.
- The agriculture sector is characterised by a large proportion of small scale farm holdings, which struggle to compete, due to economies of scale. The competitiveness of such enterprises can be strengthened through group cooperation and so efforts are needed to encourage and support cooperatives, including clusters of producers, and irrigation unions.
- Considering the livestock sector, even though small ruminant production is well suited to soil and climatic conditions and is traditionally associated with the production of high quality, local cheese such as *halloumi/hellim*, it is bovine production that dominates output, largely due to the support policies. Animal feed represents a significant proportion of input costs and insufficient local fodder production means that farmers often rely on feed bought from outside the island. In many cases, holdings are inadequately equipped to ensure the required levels of hygiene, animal health and animal welfare. Manure and waste water are poorly controlled; often stored inappropriately and/or allowed to pollute local areas. Only a few large farms have modern, suitably designed and well managed facilities.
- The northern part of Cyprus faces major challenges regarding the environment, biodiversity, resource efficiency and climate change. Low rainfall, high temperatures and increased periods of drought are putting extreme pressure on natural resources, such as water, agricultural land, forests and soils, and ecosystem biodiversity. Careful management and efficient use of natural resources are vital to preserve and restore the natural environment and biodiversity, mitigate climate change and maintain sustainable socio-economic development.
- The efficient use of water is essential to ensure sustainable agricultural production. The majority of underground aquifers in the *Morphou/Guzelyurt* area are in poor condition with a high rate of salinization. It is essential to increase efficiency of water use in irrigation and to promote agricultural

practices that reduce soil and water pollution from agrochemicals, in order to improve the status of water reserves and biodiversity.

- The northern part of Cyprus possesses huge potential for the exploitation of renewable energy, solar energy in particular and considerable scope exists for the adoption of innovative technologies to improve energy use efficiency. Improvements in this domain would be in line with EU efforts to reduce greenhouse gas emissions and increase energy use efficiency and the use of renewable energy by 2020.

The strategic objectives of the current RDP are in line with EU Rural Development policy and they comprise three main elements:

- Supporting the modernisation of agricultural and agro-processing sectors for dairy, crop and horticultural productions by enhancing innovation and promoting young farmers/entrepreneurs and promoting training and awareness activities;
- Preserving and enhancing the resources and natural environments; and
- Improving the living conditions of the rural population by enhancing social inclusion and increasing economic development.

In addressing these challenges and targeting the objectives presented above, the TCc RDP will implement rural development measures under five priorities, which are in line with EU rural development typology:

- Fostering knowledge transfer and innovation in agriculture, forestry and rural areas;
- Enhancing farm viability and competitiveness of all types of agriculture and promoting innovative technologies;
- Promoting food chain organization and risk management in agriculture;
- Restoring, preserving and enhancing ecosystems related to agriculture and forestry; and
- Social inclusion, poverty reduction and economic development in rural areas.

The RDP sets out a series of seven measures that aim to address these priorities and they include measure No.4, Investment in Physical Assets, including support for investment in agricultural holdings, which is the focus of the present Call for Proposals.

In view of the importance of the dairy sector in the northern part of Cyprus, a Dairy Sector Action Plan was drafted by the Turkish Cypriot community in 2016. It covers the inter-related aspects of animal husbandry and health, milk collection and food safety, feed production, producer organisations, pricing and incentives/compensation/penalties to producers for the application of bio-security measures and good farming practices (for animal-health management; animal addition and movement; management and sanitation of holdings; and personnel, visitors, vehicles and equipment). The EU provided support for the preparation of the Action Plan through the present Aid Programme.

To complement existing EU-funded support measures to the dairy sector, such as animal disease prevention and control and safe management of animal by-products, and to contribute to the implementation of the Dairy Sector Action Plan, the present Call for Proposals will provide support to dairy producers to invest in items that can improve milk yields and milk quality, to assist the dairy operators in the application of bio-security measures and good farming practices and to comply with EU requirements in terms of animal health, animal welfare, and food safety; and it will also support on-farm dairy processing in compliance with local standards, to promote producers in their efforts to enhance the cheese production value chain, in conformity with food quality policy.

The Call is funded through the European Union's 2017 Annual Aid Programme for the Turkish Cypriot community, which has an allocation of EUR 5 million for RDP implementation, including support to the dairy sector.

Complementary support is provided by the Farm Advisory Services, which are also funded by the EU Aid Programme. Farm advisors will assist by providing information related to the Call priorities at local venues during Concept Note preparation, as well as offering information on the preparation of full applications during the second phase of the application procedure.

## 1.2 OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The overall objective of this Call for Proposals (CfP) is to strengthen the agriculture value chain, including the dairy component.

The specific objective is to increase the competitiveness of the TCc rural economy by improving crop and animal production, whilst promoting the sustainable use of natural resources.

The Call for Proposals is divided into two lots:

Lot 1: Improving crop production

Lot 2: Improving animal production

Each lot contains a set of specific priority issues to be targeted.

### **Lot 1: Improving crop production**

The specific priorities of this lot are:

- 1) to increase compliance with standards as a result of the implementation of local legal texts relating to plant health, food safety, environmental protection and/or occupational health and safety;
- 2) to promote the use of efficient irrigation systems and/or water saving techniques;
- 3) to promote the use of renewable energy and/or increase energy efficiency;
- 4) to increase the added value of marketed agricultural products and/or modernise the post-harvest (marketing and processing) capacity on farms;
- 5) to achieve marketing quality standards and/or Global Gap standard certification of primary agricultural products.

### **Lot 2: Improving animal production**

The specific priorities of this lot are:

- 1) to increase compliance with standards as a result of the implementation of local legal texts relating to food safety, animal health and welfare, environmental protection and/or occupational health and safety;
- 2) to improve facilities for milking and/or the cold storage of milk;
- 3) to improve facilities for the production of honey, poultry meat or eggs;
- 4) to improve biosecurity and/or the management of manure, waste water and/or waste materials;
- 5) to promote the use of renewable energy and/or increase energy efficiency;
- 6) to increase the added value of marketed agricultural products and/or modernise the marketing and/or processing capacity of farms.

## 1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this call for proposals is **EUR 5,000,000**. The Contracting Authority reserves the right not to award all available funds.

### **Indicative allocation of funds by measure**

<b>Lot number</b>	<b>Lot title</b>	<b>Allocation (EUR)</b>
Lot 1	Improving crop production	2,500,000
Lot 2	Improving animal production	2,500,000

If the allocation indicated for a specific measure 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:

For individual farmers (legal persons):

- minimum amount: EUR 35,000
- maximum amount: EUR 110,000.

For irrigation unions and cooperatives (legal entities):

- minimum amount: EUR 35,000
- maximum amount EUR 150,000.

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

- minimum percentage: 50% of the total eligible costs of the action.
- maximum percentage: 80% 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 European Union Budget or the European Development Fund<sup>3</sup>.

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

## 2 RULES FOR THIS CALL FOR PROPOSALS

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

### 2.1 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

- (1) the actors:
  - The entity submitting the application form (2.1.1);
- (2) the actions:
  - Actions for which a grant may be awarded (2.1.4);
- (3) the costs:
  - Types of cost that may be taken into account in setting the amount of the grant (2.1.5).

#### **2.1.1 Eligibility of applicants**

Agriculture in Cyprus is characterised by a large proportion of small scale farm holding, which struggles to compete, due to economies of scale. The competitiveness of such enterprises could be strengthened through formal development cooperatives. This Call for Proposals therefore allows applications from individual farmers or already existing development cooperatives and irrigation unions.

Informal associations of farmers will not be considered as these cooperation forms may be ineffective and due to possible lack of coordination capacity of some Turkish Cypriot farmers. Allowing such arrangements could put EU financing at risk, and the guidelines have thus been limited to applicants acting solely without co-applicant and affiliated companies.

#### **For Lot 1: Improving crop production**

- (1) In order to be eligible for a grant, the applicant must:
  - be a registered farmer (legal person) or an irrigation union or a cooperative (legal entity) whose activities are agricultural<sup>4</sup> **and**
  - be established in the northern part of Cyprus; **and**
  - be registered at the tax office (for individual applicants) **and**
  - be directly responsible for the preparation and management of the action, not acting as an intermediary; **and**
  - be operating on one of the following minimum surfaces cultivated:

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<sup>4</sup> In the context of this Call for Proposals, an applicant (legal person or legal entity) should prove their status through a registration document



- 250 donums<sup>5</sup> of cereals / dry-land fodder; or
  - 25 donums of irrigated fodder; or
  - 15 donums of citrus; or
  - 5 donums of vineyards and/or fruit orchards (other than citrus); or
  - 10 donums of olives; or
  - 10 donums of open field vegetables including potatoes; or
  - 1 donum of greenhouses (vegetables, nursery for vegetable seedlings, nursery for orchard, forest and garden seedling, cut flower production).
- have minimum of one year experience in the relevant field of crop production on the day of the Concept Note submission deadline; **and**
  - Sign a declaration for agreement to host training and demonstration exercises for EU projects during next five years upon award of the grant contract.

### **For Lot 2: Improving animal production**

- (1) In order to be eligible for a grant, the applicant must:
- be a registered farmer (legal person) or an irrigation union or a cooperative (legal entity) whose activities are agricultural<sup>6</sup>; **and**
  - be established in the northern part of Cyprus; **and**
  - be a registered at the tax office (for individual farmers); **and**
  - be directly responsible for the preparation and management of the action, not acting as an intermediary; **and**
  - have a minimum of 25 milking cows or a minimum of 100 goats or sheep registered in the veterinary department animal registry system at the time of the application for the project; or have at least 30 bee hives, or have capacity of at least 500 birds for egg production or capacity of at least 1,000 birds for poultry meat production as per registration with the corresponding department; **and**
  - have minimum of one year experience in the relevant field of animal production on the day of the Concept Note submission deadline; **and**
  - maintains animal identification records, including ear-tags in animals and record books (where applicable according to the species); **and**
  - signs a declaration for agreement to host training and demonstration exercises for EU projects during next five years upon award of the grant contract.

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<sup>5</sup> 1 donum is equivalent to 0.13378 hectares

<sup>6</sup> In the context of this Call for Proposals, an applicant (legal person or legal entity) should prove their status through a registration document

### **For both Lots 1 and 2:**

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

- a) they are working in bodies carrying out functions in the general interest in the areas;
- b) they are spouses, parents or siblings to persons working in the body carrying out functions related to agriculture and rural development.
- c) 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;

Applicants 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 ('declaration(s) by the applicant'), the applicant must declare that they are not in any of these situations.

- d) 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<sup>1</sup>.

2.1.2	Affiliated Entities (not applicable)
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2.1.3	Associates and Contractors (not applicable)
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<b>2.1.4</b> <i>Eligible actions: actions for which an application may be made</i>
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#### **A) Definition**

An action is composed of a set of activities.

#### **B) Duration**

The initial planned duration of an action may not be lower than 12 months nor exceed 24 months.

#### **C) Sectors or themes**

Agricultural production or on-farm processing in the following sub-sectors

##### **Under Lot 1: Improving crop production**

- annual crops (cereals, potatoes, vegetables etc...);
- perennial crops (olives, citrus or other fruit orchards and vineyards, etc.);
- production in greenhouses or polytunnels (vegetables, nursery for vegetable seedlings, nursery for orchard, forest and garden seedling, cut flower production);
- post-harvest (marketing and processing) activities for the above sectors performed on the farm;

##### **Under Lot 2: Improving animal production**

- cows;

- sheep;
- goats;
- honey;
- eggs;
- poultry meat;
- processing of own raw milk in accordance with local requirements.

Moreover, specific sectors or themes to which the action must relate are those directly contributing to the achievement of the objectives and priorities, as per section 1.2 above.

#### **D) Location**

Actions must take place in the northern part of Cyprus.

#### **E) Types of action**

The types of action which may be financed under this call are the following:

#### **Under Lot 1: Improving crop production**

##### **1. Purchase of equipment**

**NB. Tractors are not eligible.**

##### **Field and/or greenhouse/polytunnel machinery and equipment for:**

- cultivating, planting;
- fertilising, weeding and pest control;
- pruning;
- harvesting;
- hay making;
- loading;
- greenhouses / polytunnel equipment (including computer software) including: greenhouses/tunnels made of polythene or similar materials;
- ventilators and other cooling devices (pad and fan) including computer micro-climate controlling stations in greenhouses.

##### **Irrigation and/or water storage equipment (including computer software) including:**

- reverse osmosis water treatment equipment, filters and fertiliser injectors, electric submersible pumps or electric surface pumps, electricity panel and connection, solenoid valves and automatic control panels for activating the pump and solenoid valves, exclusively for the improvement of existing water wells (equipment to be used for drilling of new boreholes is not eligible, nor is installation of new wells).
- in-field water saving irrigation systems (such as drip, micro-sprinkler, bubbler irrigation, etc) for both existing irrigated areas and/or new areas to be irrigated.
- bore-well data loggers;
- irrigation equipment for using recycled water;

- greenhouse irrigation systems (pumps, reverse osmosis water treatment equipment and water filters, ferti-irrigation units, water booms, pipes and laterals, etc);
- water storage tanks.

**Equipment for renewable energy or improvement of energy use efficiency including:**

- installation of energy efficiency and renewable energy production devices (including computer software) such as wind and solar generators.

**Post-harvest (marketing and/or processing) equipment and/or machinery (including computer software) including:**

- Equipment for reception and movement (such as fork-lifts, conveyor belts, etc);
- Equipment for cleaning / washing / drying / pre-cooling;
- Equipment for sorting, grading, packaging (including vacuum packing and waxing);
- Equipment for cold storage;
- Self-contained movable refrigerated/insulated containers;
- Mono-block or split-system refrigeration units;
- Label applicators (including vacuum guns for individual produce stickers);
- Autoclaves for bottles and jars;
- Bottle fillers;
- Monitoring and control systems, including software;
- Laboratory apparatus (including computer software) for quality control;
- Traceability systems (bar-codes);
- Solid and liquid waste handling;
- On-farm, metal, conditioned, grain storage silos;
- Equipment for the collection and disposal of waste;
- Equipment for occupational health and safety.

**2. Purchase of services**

- Services provided by accredited third parties through the duration of the project for preparation and for certification of primary and processed agricultural products under the local, organic and Global Gap standards;
- Services for branding and marketing;

Under the **Lot 2: Improving dairy production**

**1. Purchase of equipment**

**NB. Tractors are not eligible**

**Dairy hygiene equipment including:**

- Milking and cold storage equipment (milking machinery, cold tanks, etc);
- On-farm milk analysis equipment;
- Metal animal stalls for the milking parlour;

**Animal health and welfare equipment including:**

- Equipment to maintain bio-security of the holdings;
- Basic sanitary equipment for animal health;
- Water pumps (including submersible pumps), tanks, chlorination and filtration systems for farm water quality improvement;
- Equipment for automatic feeding, watering, ventilation, maintaining optimal microclimate including software;
- Moveable electric animal fences;
- Machinery and equipment for hay or silage production (mower, tedder, turner, baler, forage wagon, trailer, airtight bag packer, front-end loader, feed/ mixer wagon).

**Equipment for compliance with environmental standards including:**

- Equipment for manure/ slurry handling and removal and in-field distribution (manure spreader, slurry tanker)
- Slurry storage tanks

**Equipment for renewable energy or improvement of energy use efficiency including:**

- Equipment for energy efficiency and renewable energy production (including computer software) such as generators, wind-force pumps, solar panels for farm level photovoltaic energy production, solar panels for water heating and storage.

**Equipment for the production of honey including:**

- Bee hives complete with frames and wax
- Protective clothing
- Hive tools (smoker, knife, queen excluder, feeders)
- Honey extraction equipment.

**Equipment for the production of poultry meat and/or eggs including:**

- Automated feeding and drinking systems
- Automated ventilation systems
- Heaters
- Skid steer loaders
- Battery cages (in line with EU standards)
- Laying boxes (free range)
- Manure belts and disposal systems
- Egg graders and packing equipment
- Cold storage equipment

**Equipment for processing of own raw milk:**

- Equipment (including computer software) for reception, storage, weighing, cleaning, grading, sorting, conditioning, packaging, labelling, processing and cold storage of dairy products processed on the farm in accordance with local requirements.

**2. Purchase of services**

- Services provided by accredited third parties through the duration of the project for preparation and for certification of primary and processed products under the local, organic and Global Gap standards.

- Services for branding and marketing;

#### **F. The following types of action are ineligible for both Lots:**

- actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences and congresses;
- one-off events such as conferences, round tables, seminars and similar events. Such events may be financed if they are part of a wider action;
- actions concerned only or mainly with individual scholarships for studies or training courses;
- actions already totally or partially financed by another donor;
- infrastructure projects and works, unless if linked to the installation of movable equipment purchased under the call.

#### **G) Types of activity**

Training activities may be financed under this call if they relate to the efficient and effective use of new agricultural technology or the improvement of farm husbandry standards; however this cannot be the main purpose of the grant.

#### **H) Financial support to third parties**

Applicants may not propose financial support to third parties.

#### **I) 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 [https://ec.europa.eu/europeaid/communication-and-visibility-manual-eu-external-actions\\_en](https://ec.europa.eu/europeaid/communication-and-visibility-manual-eu-external-actions_en)).

In particular, all proposed visibility material, activities and events should be organised in close coordination with the Contracting Authority in order to ensure adequate compliance with EU visibility rules. Visibility material and activities organized without the endorsement of the Contracting Authority may not be eligible for funding.

#### **J) Number of applications and grants per applicants**

Under this call for proposals an Applicant may submit only **ONE application**. If more than one application is submitted by an Applicant, all their applications will be automatically rejected.

Applicants are not permitted to receive investment support for the same type of equipment, for which they have already received support through the award of an EU funded grant during other Calls for Proposals. For example, if they received support for the procurement of a seed drill in a previous EU funded grant, such an item would not be eligible for support in the present call.

#### **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 is uniquely based on actual costs incurred by the beneficiary.

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.

Therefore, the applicant is required to conduct thorough market research in advance of preparing the concept note to ensure that they provide a **realistic and cost-effective budget**.

#### Eligible direct costs

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

The applicants agree that the expenditure verification(s) referred to in Article 15.7 of the general conditions to the standard grant contract (see Annex G of the guidelines) will be carried out by a certified Charter Accountant operating under EU member state law.

#### 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 a beneficiaries free of charge by a third party. As contributions in kind do not involve any expenditure for beneficiaries, they are not eligible costs.

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

However, if the description of the action as proposed includes contributions in kind, the contributions have to be made.

#### Ineligible costs

The following costs shall not be considered eligible:

- debts and debt service charges (interest);
- provisions for losses, debts or potential future liabilities;
- costs declared by the Beneficiary(ies) and financed by another action or work programme receiving a Union grant (including through the European Development Fund);
- purchases or rent of land or buildings;
- used equipment;
- currency exchange losses;
- credits to third parties;
- in kind contributions;
- salary costs of personnel;

- works, infrastructure and renovation/refurbishment of buildings where property rights of natural and legal persons have not been respected (in conformity with Article 7 of the Council Regulation (EC) No 389/2006 of 27 February establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community).
- taxes, including VAT; nevertheless, these may be considered as part of the estimated total accepted costs of the action for the purpose of co-financing where the Beneficiary (or the Beneficiary's partners) can prove it cannot reclaim them.

Furthermore, it should be noted that beneficiaries will not be permitted to purchase new equipment items to replace ones already acquired under previous EU funded rural development grants.

## **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 substantial errors, irregularities or fraud. If substantial errors, 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

To apply for this call for proposals the applicants need to:

1. Provide information about the organisations involved in the action. Please note that the registration of this data in **PADOR is obligatory** for this call for proposals:  
**Concept note step:** Registration is obligatory for applicants applying for EU contributions of more than EUR 60,000.
2. Provide information about the action in the documents listed under sections 2.2.2 (concept note) and 2.2.5 (full application). Please note that online submission via **PROSPECT is obligatory** for this call,

PADOR is an on-line database in which organisations register and update information concerning their entity. Organisations registered in PADOR get a unique ID (EuropeAid ID) which they **must mention** in their application. PADOR is accessible via the website: [http://ec.europa.eu/europeaid/pador\\_en](http://ec.europa.eu/europeaid/pador_en)

**It is strongly recommended to register in PADOR well in advance and not to wait until the last minute before the deadline to submit your application in PROSPECT.**

If it is impossible to register online in PADOR for technical reasons, the applicants must complete the 'PADOR off-line form'<sup>7</sup> attached to these guidelines. This form must be sent **together with the application**, by the submission deadline (see sections 2.2.2 and 2.2.5).

Before starting using PADOR and PROSPECT, please read the user guides available on the website. All technical questions related the use of these systems should be addressed to the IT helpdesk at [EuropeAid-IT-support@ec.europa.eu](mailto:EuropeAid-IT-support@ec.europa.eu) via the online support form in PROSPECT.

### 2.2.1 Concept note content

Applications must be submitted in accordance with the concept note instructions in the grant application form<sup>8</sup> annexed to these guidelines (Annex A.1). **Applicants must apply in English.**

Please note that:

1. In the concept note applicants must provide only an estimate of the **requested EU contribution**, as well as an indicative percentage of this contribution in relation to the total eligible costs of the action. A detailed budget is to be submitted only by 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 form.** The EU contribution may not vary from the initial estimate by more than 20 %. Applicants are free to adapt the requested EU contribution as a percentage of the total eligible costs within the minimum and maximum amounts and percentages provided in section 1.3. The 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

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<sup>7</sup> Which corresponds to sections 3 and 4 of the full application form – Annex A.2.

<sup>8</sup> The grant application form consists of Annex A.1 – concept note and Annex A.2 – full application form.

the guidelines for applicants. An explanation/justification of the relevant replacement/adjustment shall be included in an accompanying letter or email.

3. Only the concept note form will be evaluated. It is therefore of utmost importance that this document contains **all relevant information** concerning the action. **Supporting documentation confirming the scale of production of the applicant should be annexed to the concept note.**

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 the declaration by the applicant (Annex A.1 section 2) **must be submitted in English, online via PROSPECT** <https://webgate.ec.europa.eu/europeaid/prospect> following the instructions given in the PROSPECT user manual.

For individual farmer applicants, Concept Notes must be accompanied by supporting documents to prove the scale of production.

Upon submission of a concept note online, the applicant will receive an automatic confirmation of receipt in its PROSPECT profile.

**Please note that incomplete concept notes may be rejected** Applicants are advised to verify that their concept note is complete by using the checklist for concept note (Annex A.1, Instructions).

Concept notes sent by any other means (e.g. submitted by post, hand delivery, fax or by e-mail) will be rejected.

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

The deadline for the submission of concept notes is **Monday 24 December at 12:00 Brussels time (13:00 Cyprus time)**. **The applicant is strongly advised not to wait until the last day to submit** its concept note, since heavy Internet traffic or a fault with the Internet connection (including electricity failure, etc.) could lead to difficulties in submission. The Contacting Authority cannot be held responsible for any delay due to such afore-mentioned difficulties.

Any concept note submitted after the deadline will be rejected.

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

Information sessions on this Call for Proposals will be organised on 12, 13, 16 and 19 November 2018.

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

E-mail address: [SRSS-CYPRUS-SETTLEMENT-SUPPORT-RD@EC.EUROPA.EU](mailto:SRSS-CYPRUS-SETTLEMENT-SUPPORT-RD@EC.EUROPA.EU)

Fax: +90.392.228.79.85

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 applicants, 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 EuropeAid website <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>, as appropriate. It is therefore advisable to consult the abovementioned website regularly in order to be informed of the questions and answers published.

All questions related to registration in PADOR or the online submission via PROSPECT should be addressed to the IT helpdesk at [EuropeAid-IT-support@ec.europa.eu](mailto:EuropeAid-IT-support@ec.europa.eu) **via the online support form in PROSPECT**. Please note that the working languages of the IT support are: English, French and Spanish. Therefore users are invited to send their questions in English, French or Spanish should they wish to benefit from an optimum response time.

### **2.2.5 Full applications**

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). 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 applicant in the full application. The EU contribution may not vary from the initial estimate by more than 20 %, although 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 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.

Applicants must submit their full applications in the same language as their concept notes. A copy of the applicant's accounts of the latest financial year (the profit and loss account and the balance sheet for the last financial year for which the accounts have been closed) must be uploaded in PADOR by the full application deadline.

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

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

Full application forms together with the budget, the Farm Business Plan and if applicable a Water Management Plan and the declaration by the applicant must be submitted online via PROSPECT <https://webgate.ec.europa.eu/europeaid/prospect> following the instructions given in the users' manual.

Upon submission of the full application online, the applicants will receive an automatic confirmation of receipt in their PROSPECT profile.

**Please note that incomplete applications may be rejected.** Applicants are advised to verify that their application is complete using the checklist (Annex A.2, Instructions).

Applications sent by any other means (e.g. by mail, hand delivery, fax or by e-mail) will be rejected.

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

The deadline for the submission of full applications will be indicated in the letter sent to the applicants whose application has been pre-selected. This letter will appear online automatically in the PROSPECT profile of the lead applicant.

**Applicants are strongly advised not to wait until the last day to submit their full applications**, since heavy Internet traffic or a fault with the Internet connection (including electricity failure, etc.) could lead to difficulties in submission. The Contacting Authority cannot be held responsible for any delay due to such afore-mentioned difficulties.

Any application submitted after the deadline will be rejected.

### **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:

[SRSS-CYPRUS-SETTLEMENT-SUPPORT-RD@EC.EUROPA.EU](mailto:SRSS-CYPRUS-SETTLEMENT-SUPPORT-RD@EC.EUROPA.EU)

Fax: +90.392.228.79.85

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

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

To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of applicants, 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 EuropeAid website <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>, as appropriate. It is therefore advisable to consult the abovementioned website regularly in order to be informed of the questions and answers published.

All questions related to registration in PADOR or the online submission via PROSPECT should be addressed to the IT helpdesk at [EuropeAid-IT-support@ec.europa.eu](mailto:EuropeAid-IT-support@ec.europa.eu) **via the online support form in PROSPECT**. Please note that the working languages of the IT support are: English, French and Spanish. Therefore users are invited to send their questions in English, French or Spanish should they wish to benefit from an optimum response time.

## 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<sup>9</sup> and administrative check (including the eligibility check of the action) 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 the instructions included in Annex A.1. 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 in line with the evaluation grid below. The evaluation will also check the compliance with the instructions on how to complete the concept note (Annex A.1).

Section	Maximum Score
<b>1. Relevance of the action</b>	<b>30</b>
<p><b>1.1. How relevant is the proposal to the specific priorities of the respective Lot in this Call for Proposals?</b></p> <p>The relevance of the proposed action will be measured against the priorities of the respective Lot, set out in Section 1.2 of the call for proposals.</p> <p><b><u>For Lot 1: (Improving crop production)</u></b></p> <p>Which of the following priorities do you aim to address in your proposal?</p> <ol style="list-style-type: none"> <li>1. to increase compliance with new standards as a result of the implementation of local legal texts relating to plant health, food safety, environmental protection and/or occupational health and safety;</li> <li>2. to promote the use of efficient irrigation systems and/or water saving techniques;</li> <li>3. to promote the use of renewable energy and/or increase energy efficiency;</li> <li>4. to increase the added value of marketed agricultural products and/or modernise the post-harvest (marketing and processing) capacity on farms</li> <li>5. to achieve marketing quality standards and/or Global Gap standard certification of primary agricultural products</li> </ol> <p>Scoring: 6 points for the first priority selected, 4 points for the second, 2 points for the third; no</p>	12

<sup>9</sup> Only where some applications have been submitted offline.

additional points offered for extra priorities selected. All options are equally weighted.

**For Lot 2: (Improving animal production)**

Which of the following priorities do you aim to address in your proposal?

1. to increase compliance with standards as a result of the implementation of local legal texts relating to food safety, animal health and welfare, environmental protection and/or occupational health and safety
2. to improve facilities for milking and/or the cold storage of milk
3. to improve facilities for the production of honey, poultry or eggs
4. to improve biosecurity and/or the management of manure, waste water and/or waste materials
5. to promote the use of renewable energy and/or increase energy efficiency
6. to increase the added value of marketed agricultural products and/or modernise the marketing and/or processing capacity of farms

Scoring: 6 points for the first priority selected, 4 points for the second, 2 points for the third; no additional points offered for extra priorities selected. All options are equally weighted.

**1.2. How relevant is the profile of the applicant to the target beneficiaries of this Call for Proposals**

**1.2.1. Are you applying as an individual or as a cooperative/ irrigation union**

Individual applicant: 0 points, Cooperative/irrigation union applicant: 18 points

**1.2.2. For individual applicants, how old is the applicant on the date of the submission deadline for the concept notes?**

40 years old or younger on the date of the concept note submission deadline: 2 points  
Else 0 points

**1.2.3. Gender of the individual applicant**

Female applicant 2 points, male applicant 0 points.

**1.2.4. Qualifications of the individual applicant**

Vocational or academic qualification in the field related to the project, such as agriculture, food science, agronomy, animal husbandry: 2 points, else 0 points.

**1.2.5. Previous EU-funded rural development grant scheme contract awards of the individual application**

No such previous award: 4 points. If already awarded such a contract before: 0 points.

**1.2.6. Scale of production**

Firstly check that the correct table is chosen, corresponding to the priorities: either for Lot 1 or Lot 2, but not both

For each of the first two medium size types of production: 4 points

For each large size type of production: minus 1 point

For each small size type of production: 0 points.

18

<b>2. Design of the action</b>	<b>20</b>
<b>2.1. Is the action feasible and consistent in relation to the selected priorities?</b>  <b>Type of equipment or services to be procured</b>  Firstly check that the correct table is chosen, corresponding to the priorities identified under relevance: either for Lot 1 or Lot 2, but <u>not</u> both.  Up to 10 points will be awarded according to how the "types of equipment or services procured" selected by the applicant correspond to the priorities selected by the applicant.	10x2*
<b>Maximum total score</b>	<b>50</b>

\*Note: this score is multiplied by 2 because of their importance

Note:

For individual applicants, supporting documents must accompany the Concept Note submission to confirm the scale of production of each of the respective types of production applicable under the selected Lot (as per Section 1.2.6 of the Concept Note). This should be in the form of a current declaration (2018) provided by the body responsible for management of the agriculture sector.

Concept Notes with a score lower than 30 points will be rejected.

Concept Notes that reach the above threshold will be ranked by score. The highest scoring applications will be pre-selected until the limit of 200% of the available budget for this call for proposals is reached.

Lead applicants will receive a letter indicating the reference number of their application and the respective results. This letter will automatically appear online in the PROSPECT profile of the lead applicant.

The pre-selected lead applicants will subsequently be invited to submit full applications.

## STEP 2: OPENING & ADMINISTRATIVE CHECK AND EVALUATION OF THE FULL APPLICATION

During the opening<sup>10</sup> and administrative check (including the eligibility check of the action) for full applications 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 in Annex A.2. 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 the capacity of the applicants. The evaluation criteria used are presented 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 operational capacity and the 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.

For the purpose of the evaluation of the financial capacity, applicants must upload into PADOR, a copy of the applicant's latest accounts (the profit and loss account and the balance sheet for the previous financial year for which the accounts have been closed). Alternatively, the applicant may be requested to present his/her bank statement or any other relevant document to demonstrate its financial capacity (tax declaration, etc.).

**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.

The evaluation grid is divided into sections and subsections. Each subsection will be given a score between 1 and 5<sup>11</sup> as follows: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

### Evaluation Grid<sup>12</sup> for full application for Lot 1 and Lot 2

Section	Maximum Score
<b>1. Financial and operational capacity*</b>	<b>20</b>
1.1 Does the applicant have sufficient experience of project management?	5
1.2 Does the applicant have sufficient technical expertise? (especially knowledge of the issues to be addressed)	5

<sup>10</sup> Only where some applications have been submitted offline.

<sup>11</sup> Question 3.1 below will be scored out of 10 (5x2 will apply).

<sup>12</sup> Note that the relevance may be re-evaluated in the cases described in sections 6.5.7 and 6.5.8. of the Practical Guide.



1.3 Does the applicant have sufficient management capacity? (Including staff, equipment and ability to handle the budget for the action)?	5
1.4 Does the applicant have stable and sufficient sources of finance?	5
<b>2. Relevance of the action</b>	<b>30</b>
<i>Score transferred from the Concept Note evaluation</i>	
<b>3. Effectiveness and feasibility of the action*</b>	<b>20</b>
3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	10
3.2 Is the action plan clear and feasible?	5
3.3 Does the proposal contain objectively verifiable indicators for the outcome of the action? Is any evaluation planned?	5
<b>4. Sustainability of the action*</b>	<b>15</b>
4.1 Is the action likely to have a tangible impact on its target groups?	5
4.2 Is the proposal likely to have multiplier effects? (Including scope for replication, extension and information sharing.)	5
4.3 Are the expected results of the proposed action sustainable?: - financially ( <i>how will the activities be financed after the funding ends?</i> ) - environmentally ( <i>will the action have a negative/positive environmental impact?</i> )	5
<b>5. Budget and cost-effectiveness of the action</b>	<b>15</b>
5.1 Are the activities appropriately reflected in the budget?	5
5.2 Is the ratio between the estimated costs and the expected results satisfactory?	10
<b>Maximum total score</b>	<b>100</b>

\*the Farm Business Plan and where applicable the Water management Plan, are considered in the evaluation where applicable

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.

Note that members of the evaluation committee or internal assessors evaluating the full applications may re-evaluate the scores given for the relevance at concept note stage and transferred to the full application.

#### *Provisional selection*

After the evaluation, applications will be 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**

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

- The declaration by the applicant (section 5 of Annex A.2) will be cross-checked with the supporting documents provided by the applicant. Any missing supporting document or any incoherence between the declaration by the applicant and the supporting documents may lead to the rejection of the application on that sole basis.
- The eligibility of applicants will be verified according to the criteria set out in sections 2.1.1, 2.1.2 and 2.1.3.

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

## 2.4 SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS

An 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 applicant:

Supporting documents must be provided through PADOR (see section 2.2)

1. For cooperative/irrigation union applicants, the applicable statutes or articles of association and any applicable tax or registration documents of the applicant organisation.
2. For individual applicants, the tax and farm registration documents.
3. For individual applicants, supporting documents to show at least one year of experience in the relevant field of agricultural production on the day of the Concept Note submission deadline, such as evidence of past farmer registration, tax registration or employer references etc.
4. For individual applicants, supporting documents to prove that the applicant possess a vocational or academic qualification in the field related to the project, such as agriculture, food science, agronomy, animal husbandry (if applicable).
5. A copy of the 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). Alternatively, the applicant may be requested to present his/her bank statement or any other relevant document to demonstrate its financial capacity (tax declaration, etc.). A Farm Business Plan should be submitted by applicants. Additionally, a Water Management Plan should be submitted by applicants for Lot 1 if the project involves irrigation or water management. Templates are in Annex to these guidelines.
6. Legal entity sheet (in Annex to these guidelines) duly completed and signed by each of the applicants, 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.
7. A financial identification form of the applicant conforming to the model attached in annex to these guidelines, certified by the bank to which the payments will be made. This bank should be located in the country where the applicant is established. If the 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.
8. Applicants investing in equipment that requires installation (such as processing lines) must attach supporting documents proving that they have exclusive use of the facility for at least the coming five years.

The requested supporting documents (uploaded in PADOR or sent together with the PADOR offline form) 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, a translation into English of the relevant parts of these documents proving the applicant's eligibility must be attached for the purpose of analysing the application.

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

Applicants have to take into consideration the time necessary to obtain official documents from national competent authorities and to translate such documents in the authorised languages while registering their data in PADOR.

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

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.

NOTE: The contracting authority reserves the right to require additional supporting documents, such as: copies of the organisation's internal policies on salaries and per diems, copies of salary statements/proof of payments or any other relevant document in relation to the proposed budget. These documents may be required prior to the contract signature. In case, discrepancies are noted or the budget headings are excessive, the Contracting Authority reserves the right to modify the proposed budget.

## 2.5 NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

### 2.5.1 *Content of the decision*

The applicants will be informed in writing of the Contracting Authority's decision concerning their application and, if rejected, the reasons for the negative decision. This letter will be sent by e-mail and will appear online automatically in the PROSPECT profile of the user who submitted the application. Therefore, please check regularly your PROSPECT profile, taking into account the indicative timetable below.

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

### 2.5.2 *Indicative timetable*

	DATE	TIME
<b>1. Information meeting, if any</b> (local time)	12, 13, 16 and 19 November 2018	
<b>2. Deadline for requesting any clarifications from the Contracting Authority</b>	<b>3 December 2018</b>	12:00 Brussels time (13:00 Cyprus time)
<b>3. Last date on which clarifications are issued by the Contracting Authority</b>	13 December 2018	-
<b>4. Deadline for submission of concept notes</b>	24 December 2018	12:00 Brussels time (13:00 Cyprus time)
<b>5. Information to applicants on opening, administrative checks and concept note evaluation (Step 1)</b>	March 2019	-
<b>6. Invitations to submit full applications</b>	March 2019	-

<b>7. Deadline for submission of full applications</b>	June 2019	-
<b>8. Information to applicants on the evaluation of the full applications (Step 2)<sup>13</sup></b>	September 2019	-
<b>9. Notification of award (after the eligibility check) (Step 3)</b>	October 2019	-
<b>10. Contract signature<sup>14</sup></b>	November 2019	-

All dates and times are expressed in Brussels time, where it is not specified otherwise.

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 EuropeAid web site <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>

## 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 PA Grant Agreement based on the PAGOda 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 PA Grant Agreement.

### Implementation contracts

Where implementation of the action requires the beneficiary(ies) 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

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13 Note that according to the financial regulation, in direct management, applicants must be notified the outcome of the evaluation of their applications within 6 months following the submission deadline of the full application. This time-limit may be exceeded in exceptional cases, in particular for complex actions (including multi-beneficiary calls), large number of proposals or in case of delays attributable to the applicants.

14 Note that according to the financial regulation, in direct management the grant contract must be signed within 3 months following the notification of the award decision. This time-limit may be exceeded in exceptional cases, in particular for complex actions (including multi-beneficiary calls), large number of proposals or in case of delays attributable to the applicants

described in annex to the grant contract (see also the general terms and conditions in the model grant contract).

## **2.7 EARLY DETECTION AND EXCLUSION SYSTEM (EDES)**

The applicants and, if they are legal entities, the persons who have powers of representation, decision-making or control over them, are informed that, should they be in one of the situations mentioned in section 2.3.3.1 or 2.3.3.2 of the Practical Guide 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 EDES. For further information see section 2.3.3 and 2.3.4 of the Practical Guide.

### 3 LIST OF ANNEXES

#### DOCUMENTS TO BE COMPLETED

Annex A: Grant Application Form (Word format)

A.1. Concept Note

A.2. Full Application Form together with farm business plan **and** where applicable a water management plan

Annex B: Budget (Excel format)

Annex C: Legal Entity Sheet

Annex D: Financial Identification Form

Annex E: PADOR off Line Form (***ONLY IF IMPOSSIBLE TO REGISTER IN PADOR***)

#### DOCUMENTS FOR INFORMATION<sup>15</sup>

Applicable annexes

Annex G: Standard Grant Contract

-Annex II: General Conditions

-Annex IV: Procurement rules for the Beneficiary

-Annex V: Standard request for payment

-Annex VI: Model narrative and financial report

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

Annex L : e-learning :

<https://webgate.ec.europa.eu/europeaid/prospect/external/>

Annex M : user manual for PROSPECT :

<https://webgate.ec.europa.eu/europeaid/prospect/external/>

#### USEFUL LINKS

##### PROJECT CYCLE MANAGEMENT GUIDELINES

[https://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>

##### FINANCIAL TOOLKIT

[http://ec.europa.eu/europeaid/sites/devco/files/financial-management-toolkit-for-recipients-15112010\\_en.pdf](http://ec.europa.eu/europeaid/sites/devco/files/financial-management-toolkit-for-recipients-15112010_en.pdf)

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<sup>15</sup> These documents should also be published by the Contracting Authority.

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.

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