



**Contracting Authority:** European Commission

Global Public Goods and Challenges: Human Development –  
including decent work and social justice

## **Increasing Knowledge, Awareness, Transparency and Traceability for Responsible Value Chains in the Cotton and Garment sectors**

### **Guidelines for grant applicants**

Reference:

EuropeAid/157515/DH/ACT/Multi

Deadline for submission<sup>1</sup> of concept notes:

**8<sup>th</sup> February 2018 at 16:00 (Brussels date and time)**

(in order to convert to local time click [here](#)<sup>2</sup>)

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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.

<sup>2</sup> An example of a time converter tool available online: <http://www.timeanddate.com/worldclock/converter.html>

## NOTICE

This is a restricted call for proposals. In the first instance, only concept notes (Annex A.1) 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 supporting documents requested by the Contracting Authority and the signed 'declaration by the lead applicant' sent together with the full application.

**To apply to this call for proposals organisations 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.

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>3</sup>.

A functional mailbox specifically dedicated to this call has been set up:

[EuropeAid-157515@ec.europa.eu](mailto:EuropeAid-157515@ec.europa.eu)

It shall be used exclusively for sending clarification requests within the deadlines set in paragraph 2.2 of these guidelines. No other functional mailbox will be used. The Contracting Authority reserves the right to close this mailbox without prior notice once this call for proposals is closed and not to reply to requests which do not fall under one of the afore-mentioned category.

**Concept notes or full applications submitted by e-mail via this mailbox or any other mailbox will not be considered.**

Even though the verification of eligibility is foreseen to be carried out only for the provisionally selected applicants at the end of the procedure, the Evaluation Committee may decide to verify this point at any previous step of the procedure. Consequently, any proposal found to be non-compliant with all the mandatory conditions set in these guidelines can be automatically rejected on that sole basis, at any stage of the procedure and without any prior notice or clarification request. Applicants are therefore strongly advised to fill in scrupulously the "Check List for Concept Note" (Annex A1) and the "Checklist for the Full Application form" (Annex A.2.). Any missing supporting document or any incoherence between the declarations and the supporting documents may lead to the rejection of the proposal on that sole basis.

**Please note that all information encoded in PROSPECT must be exhaustive and in line with the content of the concept note. The administrative check will be performed taking into consideration only the information available in sections 1 - contact, 2 - project and 3 – co-applicants. Please make sure that there are no inconsistencies between the information in PROSPECT and those in the concept note text.**

Complaints about administrative rejections related to this kind of inconsistencies will not be considered and will not lead to a modification of the decision.

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<sup>3</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 INCREASING KNOWLEDGE, AWARENESS, TRANSPARENCY AND TRACEABILITY FOR RESPONSIBLE VALUE CHAINS IN THE COTTON AND GARMENT SECTORS**

## **1.1 BACKGROUND**

"The European Union (EU) is one of the world's largest consumer markets. For this reason, the EU is striving to ensure that European consumers and businesses make informed purchases and support products that meet the highest possible environmental and social requirements. The EU is strongly committed to eradicating poverty and implementing the 2030 Agenda for Sustainable Development. This includes working towards a fairer global fashion industry. It should be possible to have more transparent, responsible and sustainable global supply chains. This is a joint responsibility of governments, businesses, and citizens." <sup>4</sup>

Global value chains<sup>5</sup> are characterised by the different production stages in different countries. The significance of global value chains raises the question of how to ensure their sustainable management. Achieving sustainable production and consumption and decent work are among key objectives under the Sustainable Development Goals (SDGs) in the context of the 2030 Agenda for Sustainable Development.<sup>6</sup> The aim is to ensure that economic growth and development go hand in hand with social justice and environmental protection, including for those sectors characterised by particularly complex and fragmented production networks.

The garment value chain is considered one of the most complex production models globally. It is an important industry in economic terms, both within the EU and in partner countries, providing employment opportunities to millions of workers, especially young women.<sup>7</sup> However, particularly in low-income production countries the industry is often characterised by prevalent and persistent structural problems linked to the fragmentation of labour-intensive, low-skill production across many factories and international locations. Due to the scale and the profile of workers, the sector has great potential to significantly contribute to economic and social development. Nevertheless, the sector presents vast sustainability challenges and high risks like poor working conditions, lack of social protection, limited freedom of association and collective bargaining, unsafe workplaces, child labour, forced labour and environmental damage such as water pollution.

Textiles and garments belong to the most globalised industries which are connected by strong upstream and downstream linkages. In simplistic terms, the complex sourcing model spans from fibres (raw materials), yarns (spinning), fabrics (weaving and knitting, etc.) and finished fabrics (dyeing and printing, etc.), garments/clothing (cutting, sewing, trimming, ironing, etc.), to final consumer (retailing and branding), and supporting activities such as insurance, logistics, packaging, labelling, marketing, etc.

On the one hand, the textile industry involves research, design, development, manufacturing and distribution of yarn, textiles, and fabrics. It comprises different products based on natural or synthetic

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<sup>4</sup> European Commission leaflet 2017 "Do you know where your clothes come from?"

<sup>5</sup> Value chains cover "the full range of activities that firms and workers do to bring a product/good or service from its conception to its end use and beyond. This includes activities such as design, production, marketing, distribution and support to the final consumer." [www.globalvaluechains.org/concept-tools](http://www.globalvaluechains.org/concept-tools). In global value chains intermediate goods and services are traded in fragmented and internationally dispersed production processes. Also see United Nations Conference on Trade and Development (2013). World Investment Report 2013, Global Value Chains: Investment and Trade for Development. New York and Geneva: United Nations. [http://unctad.org/en/PublicationsLibrary/wir2013\\_en.pdf](http://unctad.org/en/PublicationsLibrary/wir2013_en.pdf)

<sup>6</sup> United Nations (2015). Transforming our world: the 2030 Agenda for Sustainable Development. UN Resolution A/RES/70/1, 21 October 2015.

<sup>7</sup> About 72 to 80 million people (75% women) are employed in the textile, clothing and footwear value chain worldwide in 2015 compared to 20 million people in 2000.

fibres. On the other hand, the more downstream labour intensive garment sector, also referred to as apparel or fashion/clothing industry, more narrowly concerns the production and life cycle of garments. It is driven by large buyers, such as manufacturers, retailers and brands, setting up multi-layered, decentralised sourcing and production networks across a variety of countries, often located in the developing world. The multiple levels of sub-contracting often further hamper efforts to control the working conditions of production. These elements justify the need to improve transparency and traceability across the value chain.

- Development cooperation can serve as a vehicle for comprehensive engagement with the private sector along the value chain, and contribute to wider EU efforts on promoting responsible business conduct, investment, and decent work.
- Increasing the transparency in the value chain – disclosing information to the public in a comprehensible, accessible, and timely manner – and the traceability – the process by which enterprises track materials and products and the conditions under which they were produced through the supply chain – is considered a major stepping stone to improve sustainable business practices and working conditions in producing countries.

In addition to the European Commission support to the enforcement and implementation of the international labour and environmental standards the Council also adopted Conclusions on *The EU and Responsible Global Value Chains*<sup>8</sup> recognising their complexity and "strongly encouraged the Commission and Member States to share best practices, including the promotion of new and innovative approaches, and to scale up such initiatives and expedite their delivery."

The 2016 Council Conclusions on *Child Labour*<sup>9</sup> stress the need to link EU actions with responsible business conduct. In the 2016 Conclusions on *Business and Human Rights*<sup>10</sup> the Council "underlines the critical role of business transparency in enabling markets to recognise, incentivise and reward respect for human rights by companies".

On 24 April 2017 the European Commission published the Staff Working Document *Sustainable garment value chains through EU development action*<sup>11</sup> presenting an overview of the complex garment sector and the challenges it faces, and outlining a strategy for an effective EU development cooperation response to capacity building, awareness raising and technical assistance needs with a view to capitalising on opportunities and addressing key challenges.

The Staff Working Document focuses on three priorities:

- economic empowerment of women, which are 75 % of garment workers;
- decent work and living wages;
- transparency and traceability in the value chain.

Transparency is particularly important due to the fragmented production of the sector and the widespread practice of subcontracting. Informal work is an additional challenge related to decent work deficits, identification difficulties and lack of transparency. Better transparency and traceability in the value chain are likely to improve the efficient and sustainable use of resources, contribute to sustainable production and consumption. Traceability is indeed considered one essential step for companies in performing due diligence throughout their global supply chains.

The EU will focus its development cooperation and financial support to improve sustainable business practices and working conditions in producing countries, promote best practices for social and

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<sup>8</sup> 8833/16, 12 May 2016 <http://data.consilium.europa.eu/doc/document/ST-8833-2016-INIT/en.pdf>

<sup>9</sup> 10244/16, 20 June 2016 <http://www.consilium.europa.eu/fr/press/press-releases/2016/06/20-fac-child-labour/>

<sup>10</sup> 10254/16, 20 June 2016 <http://www.consilium.europa.eu/fr/press/press-releases/2016/06/20-fac-business-human-rights-conclusions/>

<sup>11</sup> SWD(2017) 147 final [https://ec.europa.eu/europeaid/sites/devco/files/garment-swd-2017-147\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/garment-swd-2017-147_en.pdf)

environmental standards, and reach out to consumers to raise awareness about how clothes are made and promote responsible choices. However, all stakeholders need to be committed to sustainable value chains and take appropriate actions to maximise the sector's potential.

With the recent adoption of the Council Conclusions on *Sustainable Garment Value Chains*<sup>12</sup> the Council supports the promotion of responsible supply chains in the textile and clothing sector recognising the potential of this sector as a driver of development and emancipation, but also acknowledging the economic, social and environmental challenges posed by the garment value chains.

Deadly accidents such as the collapse of the factory in Rana Plaza in Bangladesh in 2013 underline the importance of preventing human rights violations and of promoting corporate social responsibility in the garment sector. In this context the consumer information tools and CSR/RBC are encouraged with the promotion of social and environmental best practices by fostering collaboration and knowledge sharing between stakeholders.

The Council encourages strengthening efforts to raise awareness of consumers and public procurers to promote sustainable and responsible consumption. The Council stresses the importance of tracking the chemicals used in the garment sector and present in the final products and promotes sustainable and resource efficient production, including the promotion of non-toxic material cycles to achieve a circular economy and ensure more reuse and recycling in the garment sector avoiding a health threatening exposure of workers to harmful and toxic substances.

The Council encourages actions to increase transparency and traceability in garment supply chains including sustainability information by companies in their reporting and consumer awareness of such information.

The European Parliament supports this initiative as defined in the adopted Resolution<sup>13</sup> "whereas transparency and traceability are prerequisites for a company's accountability and responsible consumption; whereas the consumer has the right to know where a piece of clothing was produced and under what social and environmental conditions; whereas guaranteeing consumers the right to reliable, transparent and relevant information on the sustainability of production will help to bring about lasting change in supply chain traceability and transparency in the garment sector" and "calls on the Commission to further address ... key criteria for sustainable production, transparency and traceability, ...".

The EU's intention is to support the decent work and transparency/traceability objective under the Commission's work on responsible garment value chains. The programme concerns the whole garment value chain; thus, relevant actors and target groups are to be found in non-EU producing countries and also in Europe such as producers, importers, retailers and consumers.

## 1.2 OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The programme covered by this call for proposals is part of the action entitled *Promoting responsible value chains in the garment sector with a focus on Decent Work and Transparency/Traceability* funded under the thematic programme Global Public Goods and Challenges of the Development Cooperation Instrument for the area of Human development, including decent work and social justice.

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<sup>12</sup> 9381/17, 19 May 2017

<http://www.consilium.europa.eu/en/press/press-releases/2017/05/19-conclusions-sustainable-garment-value-chains/>

<sup>13</sup> European Parliament Resolution of 27 April 2017 on the EU flagship initiative on the garment sector (2016/2140(INI))<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P8-TA-2017-0196+0+DOC+PDF+V0//EN>

<sup>13</sup> European Parliament Resolution of 27 April 2017 on the EU flagship initiative on the garment sector (2016/2140(INI))<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P8-TA-2017-0196+0+DOC+PDF+V0//EN>

The programme will address labour rights in the garment sector taking a value chain approach, including the lower segments of chain, for a comprehensive action to promote labour and environmental standards and to reduce labour rights abuses.

It will cover decent work and sustainability agenda, promote knowledge and awareness on social and environmental conditions and support global advocacy.

It will also aim at improving transparency and traceability to tackle issues linked to subcontracting, informal work, or complex and multi-layered value chains, thereby contributing to application of due diligence principles and sustainability schemes.

The programme will contribute to strengthen multi-stakeholder collaboration between governments, non-state actors including consumers' groups and industry and business associations.

The **global objective** of this call for proposals is:

To improve working conditions, promote labour and environmental standards and reduce labour rights abuses in the **cotton and garment sector value chains**.

The **specific objectives** of this call for proposals are:

- improving knowledge, awareness and advocacy on social and environmental conditions to promote responsible production and consumption
- enhancing and up-scaling voluntary transparency and traceability schemes through existing multi-stakeholder initiatives to support sustainable and responsible production.

## **Lot 1**

### **Strengthening knowledge, awareness, and advocacy on social and environmental conditions in the cotton and garment value chains**

It will contribute to strengthen a common understanding and to improve knowledge of sustainable global value chains in the garment sector, in line with internationally agreed standards, principles and guidelines:

- International Labour Standards (ILS)
- Corporate Social Responsibility (CSR)<sup>14</sup>
- Relevant multilateral environmental agreements

It will also contribute to raise awareness of consumers and to translating awareness into more responsible buying behaviour. It will also contribute to support all stakeholders already active in the area, in particular civil society organisations and trade unions to enhance their capacities for evidence-based global advocacy on social and environmental conditions, with a specific focus on labour standards.

## **Lot 2**

### **Enhancing transparency and traceability in the cotton and garment value chains**

It will contribute to support businesses operating in the garment industry, including European industry in improving transparency and traceability systems within all stages of the value chains such as:

- understanding of value chains actors and social and environmental impact in the different tiers,

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<sup>14</sup> such as the Organisation of Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the United Nations (UN) Guiding Principles on Business and Human Rights, UN Global Compact's principles, the International Standard on Guidance on social responsibility ISO 26000, and the ILO Tripartite declaration of principles concerning multinational enterprises and social policy.

- identification of location and conditions of production.

It will also contribute to enhance the effectiveness of sustainability schemes and the application of due diligence principles on labour and environmental standards including mitigation of risks.

This could include scaling up the use of innovative advanced tracking through the use of new technologies, and voluntary verification/documentation systems. It will enhance businesses' due diligence efforts, thus promoting responsible production, and better ensuring sustainability in the cotton/garment sector in terms of human rights, decent work and environment. It will enhance existing multi-stakeholder initiatives involving partners (brands, buyers, suppliers, etc) throughout the whole garment value chain.

**Geographical balance will be taken into account by the European Commission at any stage of the technical evaluation.**

### **1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY**

The overall indicative amount made available under this call for proposals is **EUR 5 500 000**. The Contracting Authority reserves the right not to award all available funds. Equally, this amount could be increased in future should more funds become available.

#### **Indicative allocation of funds by lot:**

Lot 1: EUR 3 500 000

Lot 2: EUR 2 000 000

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

Lot 1:

- minimum amount: EUR 500 000
- maximum amount: EUR 1 500 000

Lot 2:

- minimum amount: EUR 500 000
- maximum amount: EUR 1 000 000

Any requested EU contribution 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 (see also section 2.1.5)

#### **In case the Lead Applicant or one Co-Applicant is a private sector entity:**

- Minimum percentage: 20% of the total eligible costs of the action



- Maximum percentage: 50 % of the total eligible costs of the action (see also section 2.1.5)

As per section 6.3.10. of the Practical Guide, the grant **must not give rise to profits for neither the Beneficiaries (Coordinator/lead applicant and co-beneficiaries/co-applicants) nor any affiliated entity** (in the context of this call, profit is defined as a surplus of the receipts over the eligible costs approved by the Contracting Authority when the request for payment of the balance is made). Expected revenue of the action may be accepted as co-financing. However, action revenues in excess of the total costs will be considered as profit. As such, it will need to be deducted when calculating the final amount of the EU grant.

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>15</sup>.

The requested EU contribution may cover the entire eligible costs of the action if this is deemed essential to carry it out. If that is the case, the lead applicant must justify full financing in Annex A.2, section 2.1. The validity of the justification provided will be examined during the evaluation procedure. If the evaluation committee considers that the justification is not valid, only the maximum percentage allowed (80% or 50%) will be accepted.

The absence of any justification may lead to the rejection of the application.

Therefore the lead applicant can either ask for a maximum percentage of 80% (or 50%) or for 100% (under the conditions described above). A percentage between 80.01% (or 50.01%) and 99.99% is not allowed.

## 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>)<sup>16</sup>.

### 2.1 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

(1) the actors:

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

(2) the actions:

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

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<sup>15</sup> 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.

<sup>16</sup> 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 PA Grant Agreement based on the PAGoDA 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 PAGoDA template.

(3) the costs:

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

<b>2.1.1 Eligibility of applicants (i.e. lead applicant and co-applicant(s))</b>
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### **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: civil society organisation<sup>17</sup>, including non-governmental non-profit organisations, independent political foundations, community-based organisations, private sector entities, institutions, organisations, networks thereof at local, national, regional or international level, business associations, employers' associations, workers' association, consumers' associations, social partners, academia, research institutes, media, multi-stakeholder initiatives active in the area of this call, **and**
- be established in<sup>18</sup> (see Annex O).
  - a Member State of the European Union **or**
  - a non-EU country of the European Economic Area; **or**
  - an IPA II beneficiary country; **or**
  - a developing country or territory, included in the OECD-DAC list of ODA recipients (Annex N), which is not member of the G20 group:
    - Least Developed Countries (LDCs);
    - Other Low Income Countries;
    - Lower Middle Income Countries and Territories;
    - Upper Middle Income Countries and Territories;**or**
  - a G-20 member developing country **only** if they are also the (or one of the) beneficiaries of the action; **or**
  - an Overseas Country and Territory (OCTs) covered by Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union; **or**
  - a non EU Member State of the OECD only when contracts are implemented in a Least Developed Country (LDC) or in a Highly Indebted Poor Country (HIPC); **or**
  - Countries that are not listed in the DAC list and that are beneficiaries to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Members States, of the other part, signed

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<sup>17</sup> CSOs include all non-State, not-for-profit structures, non-partisan and non-violent, through which people organise to pursue shared objectives and ideals, whether political, cultural, social or economic.

<sup>18</sup> To be determined on the basis of the organisation's statutes that 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.

in Cotonou on 23 June 2000. These countries are eligible only if they are also the (or one of the) beneficiaries of the action) (see Annex O) **and**

- **demonstrate the following experience that will be assessed under section 1.2 of the full application evaluation grid (only for the Lead Applicant):**

**for Lot 1**

- ✓ at least 2 *years'* experience in strengthening knowledge, awareness, and advocacy on social and environmental conditions in the cotton/garment value chains in partner countries (DCI countries) and/or in the European Union, **and**
  - ✓ at least 2 *years'* experience in lobbying and/or policy dialogue work towards partner countries (DCI countries) and/or European Institutions and/or elected representatives, related to the cotton/garment value chains; **and**
  - ✓ track record of awareness raising actions targeting consumers in at least *two countries* of the European Union related in particular to the cotton/garment value chain (mass market)

**for Lot 2**

- ✓ at least 2 *years* of specialised expertise related to responsible value chain management in the cotton/garment sector, **and**
- ✓ at least 2 *years'* experience with private sector engagement to improve social and environmental standards in the cotton/garment value chains; **and**
- ✓ track record of at least 2 *years'* work on certification/standardisation and tracking systems on sustainability criteria

**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.

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

In Annex A.2, section 5 ('declaration 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 must act with at least one co-applicant 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-applicant(s)**

**The lead applicant must act with at least one co-applicant as specified hereafter.** Co-applicants participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the lead applicant.

Co-applicants must satisfy the eligibility criteria as applicable to the lead applicant; **except the specific experience described above.**

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

- Public sector operator, local authority<sup>19</sup>
- International (inter-governmental) organisation as defined by Article 43 of the Rules of application of the EU Financial Regulation<sup>20</sup>

**Please note that all information encoded in PROSPECT must be exhaustive and in line with the content of the concept note. The administrative check will be performed taking into consideration only the information available in sections 1 - contact, 2 - project and 3 – co-applicants. Please make sure that there are no inconsistencies between the information in PROSPECT and those in the concept note text.**

Co-applicants must sign the mandate in Annex A.2., section 4.

If awarded the grant contract, the co-applicant(s) (if any) will become beneficiary(ies) in the action (together with the Coordinator).

### **2.1.2 Affiliated entities**

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 applicant may hence be:

- Entities directly or indirectly controlled by an applicant (daughter companies or first-tier subsidiaries). They may also be entities controlled by an entity controlled by an 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).

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<sup>19</sup> The term «Local Authorities» refers to public institutions with legal personality, component of the State structure, below the level of central government and accountable to citizens. Local Authorities are usually composed of a deliberative or policy-making body (council or assembly) and an executive body (the Mayor or other executive officer), directly or indirectly elected or selected at local level. The term encompasses different tiers of government, e.g. villages, municipalities, districts, counties, provinces, regions, etc.

<sup>20</sup> International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies are also recognised as international organisations.

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

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

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

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

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

Affiliated entity(ies) must satisfy the same eligibility criteria as the lead applicant and the co-applicant(s).

**They must sign the affiliated entity(ies) statement in Annex A.2., section 5.**

#### **2.1.3 Associates and Contractors**

The following entities are neither 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 Annex A.2., section 6 — ‘Associates participating in the action’.

- 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 12 months nor exceed 48 months.

##### Sectors or themes

Specific sectors or themes **for both lots** to which the actions must relate, this list is not exhaustive.

- Cotton and Garment value chains including all tiers (fields, home settings, farms, factories, retailers, etc) such as:
  - seeds and cotton production, such as picking, ginning, weaving, spinning; other raw materials for garment and accessories production ;
  - textile production: dying, printing, trimming
  - clothing and accessories production, including footwear: cutting, sewing, ironing, branding, packing, selling
- Decent work agenda including:
  - working conditions, living wages, labour rights, labour standards, occupational health and safety including harmful impact of hazardous chemicals and health protection,
  - child labour, forced labour, modern slavery, human trafficking
  - gender equality, women economic empowerment
- Environmental standards including
  - sustainable use of resources and water,
  - energy and waste management , ,
  - reusing and/or recycling of clothing and accessories
- Due diligence, corporate social responsibility, responsible production and consumption, raising consumers' awareness and behaviour.

### Location

Actions must take place in one or more countries eligible under the Development Cooperation Instrument (DCI) and/or in one or more Member States of the EU (see Annex O).

The actions in the Member States of the EU must clearly show the link and the impact in DCI countries **and** target actors in DCI countries.

**Geographical balance will be taken into account by the European Commission at any stage of the technical evaluation.**

### Types of action for both lots

Types of action which may be financed under this call, this list is not exhaustive:

- mapping and gap analysis of existing multi-stakeholder and industry initiatives;
- tools for industry initiatives to map, improve transparency and disclose information on all value chains actors, location and conditions of production, including social and environmental impact, to improve, traceability with their value chains (in particular for SMEs) and mitigate risks related to the levels of labour and environmental standards applied,
- support for multi-stakeholder forums to share knowledge and strengthen alliances;
- reinforcing existing multi-stakeholder initiatives (including initiatives by non-state actors and garment industry stakeholders) to improve labour and environmental standards; and to enhance collaboration among them to prepare the ground for alignment or harmonisation of actions and practices in the in the garment and cotton value chain;
- research on effectiveness of communications campaigns in awareness raising, practice and behaviour;
- monitoring, documentation and dissemination of good practices in due diligence, corporate social responsibility and social partners' and other stakeholders' interventions;
- advocacy, awareness raising, training, technical assistance and tools;
- improving due diligence, corporate social responsibility, transparency and traceability to mitigate risks of labour and environmental abuses;
- scaling up industry-led best practice traceability mechanisms and advanced tracking efforts;
- actions contributing to facilitate further efforts from private sector actors, particularly by supporting collaboration between them and between the European Commission and private sector.

More specifically for each lot:

#### **Lot 1**

- Raising awareness of consumers and public procurers to promote improved sustainable and responsible consumption and value chains
- Improving information to consumers on where, how and by whom clothes are made; disclosing information to the public in a comprehensible, accessible and timely manner
- Promoting consumer information tools and CSR/RBC including due diligence carried out by companies in their supply chains
- Promoting and disseminate social and environmental best practices on responsible management of garment value chains by engaging with companies, business associations, CSOs, social partners and by fostering collaboration and knowledge sharing between stakeholders
- Supporting civil society organisations and trade unions to enhance their capacities for evidence-based global advocacy on social and environmental conditions, with a specific focus on labour standards.
- Policy and advocacy work by setting up a collaborative platform at EU level

- Outreach to producing countries at various tiers of the chains

## **Lot 2**

- Reinforcing existing effective and scalable multi-stakeholder initiatives to improve labour and environmental standards;
- Enhancing transparency and traceability systems within value chains (value chains actors, location and conditions of production, social and environmental impact at all stages, etc.)
- Contributing to improve information and to support businesses operating in the garment industry including European industry, to apply more effectively due diligence principles on social responsibility, labour and environmental standards;
- Scaling up the use of innovative voluntary tracking verification/documentation systems is in a collaborative effort involving garment companies/brands and existing multi-stakeholder initiatives with expertise and ongoing work in this area;
- Building capacity of garment suppliers, producers, intermediaries of different tier levels to better respond to transparency and traceability needs and requirements, including transfer of know-how, use of new technologies;
- Scaling up industry-led best practice traceability mechanisms and advanced tracking efforts in the sector, e.g. exploring possibilities for putting in place simple, compatible, and voluntary traceability tools for assessing environmental and social sustainability throughout the value chain (mass market);
- Building on existing, effective and widely-accepted and adopted schemes, and involving various stakeholders (public, private, CSOs, trade unions, etc.) from major garment producing countries exporting to the EU.
- Promoting the integration of sustainability information into companies reporting and building relations with their customers

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;
- once-off conferences: conferences may only be funded if they form part of a wider range of activities to be implemented over the life-time of the action. For this purpose, preparatory activities for a conference and the publication of the proceedings of the conference do not, in themselves, constitute such "wider Activities";
- actions which consist exclusively or primarily in capital expenditure, e.g. land, buildings, equipment and vehicles;
- actions involving proselytism.

### Types of activity for both lots

The indicative and non-exhaustive list of activities which may be financed under this call:

- Awareness raising and consumer campaigning activities
- Multimedia activities and campaigns
- Outreach to producing countries on selected topics
- Networking, exchange of best practices and experience and related policy advocacy
- Setting up collaborative platforms
- Research activities, data collection, surveys



- Development of innovative technical tracking and traceability tools, including using digital and new technologies such as tracking chemicals used in the garment sector and present in the final garment products, natural fibres, all wastes and resources in the garment sectors
- Promotion of non-toxic material cycles needed to achieve a circular economy and ensure more reuse and recycling in the garment sector
- Promotion of safe work environments to avoid threatening exposure of workers to harmful and toxic substances and other hazardous works
- Training, manuals, workshops and seminars with multi-stakeholder initiatives to harmonize actions and build synergies
- Accompanying capacity building activities
- Fostering transfer of know-how and adoption of new technologies
- Technical assistance
- Policy dialogue and collaboration with local public sector and decision makers
- Tracking of policy implementation and results; facilitation of policy dialogue among diverse stakeholders

#### Financial support to third parties<sup>21</sup>

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 60 000

Under this call, financial support to third parties may not be the main purpose 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:

- (i) the objectives and results to be obtained with the financial support
- (ii) the different types of activities eligible for financial support, on the basis of a fixed list
- (iii) 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
- (v) the criteria for determining the exact amount of financial support for each third entity, and
- (vi) the maximum amount which may be given.
- (vii) the system of control set up to verify the eligibility of costs

In all events, the mandatory conditions set above for giving financial support (points (i) to (vii)) 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.

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<sup>21</sup> These third parties are neither affiliated entity(ies) nor associates nor contractors.

**In addition, the awareness and visibility activities will focus on the EU work in promoting responsible value chains in the cotton/garment sector.**

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 , and updated versions, 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)).

#### 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 be awarded more than one grant under this call for proposals: **one grant for each lot.**

The lead applicant may not be a co-applicant or an affiliated entity in another application of the same lot at the same time(\*).

A co-applicant/affiliated entity may not submit more than one application per lot under this call for proposals(\*).

A co-applicant/affiliated entity may be awarded more than one grant under this call for proposals: **one grant for each lot..**

(\*) Should this be the case, the EC will only consider the first proposal arrived (based on the date and hour of submission) and any other additional proposal will be rejected. It is the responsibility of each lead applicant to verify that its co-applicants are not involved as lead applicant or co-applicant in other proposals.

#### **2.1.5 Eligibility of costs: costs that can be included**

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

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

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

Simplified cost options may take the form of:

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

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

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

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

- describe the information and methods used to establish the amounts of unit costs, lump sums and/or flat-rates, to which costs they refer, etc.
- clearly explain the formulas for calculation of the final eligible amount<sup>22</sup>
- identify the beneficiary who will use the simplified cost option (in case of affiliated entity, specify first the beneficiary), in order to verify the maximum amount per each beneficiary (which includes if applicable simplified cost options of its affiliated entity(ies))

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

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

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

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

The simplified cost option may also take the form of an apportionment of Field Office's costs.

Field Office means a local infrastructure set up in one of the countries where the action is implemented or a nearby country. (Where the action is implemented in several third countries there can be more than one Field Office). That may consist of costs for local office as well as human resources.

A Field Office may be exclusively dedicated to the action financed (or co-financed) by the EU or may be used for other projects implemented in the partner country. When the Field Office is used for other projects, only the portion of capitalised and operating costs which corresponds to the duration of the action and the rate of actual use of the field office for the purpose of the action may be declared as eligible direct costs.

The portion of costs attributable to the action can be declared as actual costs or determined by the beneficiary(ies) on the basis of a simplified allocation method (apportionment).

The method of allocation has to be:

1. Compliant with the beneficiary's usual accounting and management practices and applied in a consistent manner regardless of the source of funding and

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22 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.

2. Based on an objective, fair and reliable allocation keys. (Please refer to Annex K to have examples of acceptable allocation keys).

A description prepared by the entity of the allocation method used to determine Field Office's costs in accordance with the entity's usual cost accounting and management practices and explaining how the method satisfy condition 1 and 2 indicated above, has to be presented in a separate sheet and annexed to the Budget.

The method will be assessed and accepted by the evaluation committee and the Contracting Authority at contracting phase. The applicant is invited to submit (where relevant) the list of contracts to which the methodology proposed had been already applied and for which proper application was confirmed by an expenditure verification.

At the time of carrying out the expenditure verifications, the auditors will check if the costs reported are compliant with the method described by the beneficiary(ies) and accepted by the Contracting Authority.

Adequate record and documentation must be kept by the beneficiary(ies) to prove the compliance of the simplified allocation method used with the conditions set out above. Upon request of the beneficiary(ies), this compliance can be assessed and approved ex-ante by an independent external auditor. In such a case, the simplified allocation method will be automatically accepted by the evaluation committee and it will not be challenged ex post.

When costs are declared on the basis of such allocation method the amount charged to the action is to be indicated in the column "TOTAL COSTS" and the mention "APPORTIONMENT" is to be indicated in the column "units" (under budget heading 1 (Human resources) and 4 (Local Office) of the Budget).

It has to be noted that the EUR 60.000 limit, otherwise applicable to costs declared on the basis of simplified cost options, is not relevant for costs declared following apportionment of Field Offices.

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

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 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;

## 2.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

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

- I. Provide information about the organisations involved in the action. Please note that the registration of this data in **PADOR is obligatory**<sup>23</sup> for this call for proposals:

**Concept note step:** Registration is obligatory for lead applicants applying for EU contributions of more than EUR 60000.

**Full application step:** Registration is obligatory for co-applicant(s) and affiliated entity(ies). Lead applicants must make sure that their PADOR profile is up to date.

- II. 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 and/or affiliated entity(ies) must complete the 'PADOR off-line form'<sup>24</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>25</sup> annexed to these guidelines (Annex A.1). Applicants must apply in **English**.

Please note that:

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<sup>23</sup> Natural persons who apply for a grant (if so allowed in the guidelines for applicants) do not have to register in PADOR. In this case, the information included in PROSPECT and the grant application form is sufficient.

<sup>24</sup> Which corresponds to sections 3 and 4 of the full application form – Annex A.2.

<sup>25</sup> The grant application form consists of Annex A.1 – concept note and Annex A.2 – full application form.

1. In the concept note lead 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 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 form. The EU contribution may not vary from the initial estimate by more than 20 %. Lead 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 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 shall be included in section 2.1.1 of the grant application form. Should the explanation/justification not be accepted by the Evaluation Committee, the proposal shall be rejected.**

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

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. **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.

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

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

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

**If it is impossible for lead applicants to submit their concept note online via PROSPECT for technical reasons**, they must send their proposal in a sealed envelope and attach the concept note together with the declaration by the lead applicant (**Annex A.1 section 2**). In particular, the lead applicant must send, in a sealed envelope as described below the following items:

a. One original of the concept note. The signed declaration by the lead applicant (Annex A.1 section 2) must be printed and stapled separately and enclosed in the envelope

b. one additional copy in A4 size, bound.

c. An electronic version (CD-Rom or USB stick) of the items under point (a). 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'.

To reduce expense and waste, we strongly recommend that you do not use plastic folders or dividers. Please also use double-sided printing if possible.

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

European Commission  
Directorate General for International Cooperation and Development  
Unit B6 Finance, Contracts & Audit  
Attn. Head of Unit L-41 03/110  
Avenue du Bourget, 1  
1049 Brussels  
Belgium  
Tel : +32 2 2997916

Concept notes sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses will be rejected. Hand-written concept notes will not be accepted.

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

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

The deadline for the submission of concept notes is **8<sup>th</sup> February 2018 at 16:00** (Brussels date and time). In order to convert this deadline to local time you can use any online time converter tool that takes into account time zones and winter/summer time changes (example available [here](#))<sup>26</sup> **The lead 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 Contracting Authority cannot be held responsible for any delay due to such aforementioned difficulties.

In the exceptional case of submission by post or by hand delivery (see section 2.2.2), the date of submission is evidenced by the date of dispatch, the postmark or the date of the deposit slip. In the case of hand-deliveries, the deadline for receipt is at 16:00 hours Brussels time<sup>27</sup> as evidenced by the signed and dated receipt.

Any concept note submitted after the deadline will be rejected.

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

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

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: [Europeaid-157515@ec.europa.eu](mailto:Europeaid-157515@ec.europa.eu)

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

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<sup>26</sup> For example: <http://www.timeanddate.com/worldclock/converter.html>.

<sup>27</sup> Please use an online time converter tool, such as the one presented in the footnote above.

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 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**

Lead applicants invited to submit a full application following pre-selection of their concept note must do so using the full application form annexed to these guidelines (Annex A.2).

Applications must be submitted in accordance with the full application instructions at the end of Annex A.2. Lead applicants must submit their full applications in the same language as their concept notes.

Please note that:

1. The elements outlined in the concept note cannot be modified by the lead applicant in the full application form. 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). **An explanation/justification of the relevant replacement/adjustment shall be included in section 2.1.1 of the grant application form. Should the explanation/justification not be accepted by the Evaluation Committee, the proposal shall be rejected.**
2. A copy of the lead 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. A copy of the latest account is neither required from (if any) the co-applicant(s) nor from (if any) affiliated entity(ies)).
3. 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. **No additional annexes should be sent.**

Any error or any major inconsistency related to the full application instructions (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.

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



Full application forms together with the budget, the logical framework and the declaration by the lead 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 lead applicants will receive an automatic confirmation of receipt in their PROSPECT profile.

(a) If the lead applicant submitted the concept note by post / hand delivery (see section 2.2.3) it must send the full application by the same means (by post or hand delivery).

(b) If the lead applicant submitted the concept note online via PROSPECT but it is technically impossible for the organisation to submit the full application online:

In the above two cases the lead applicant must send by post the application, i.e the full application form, the budget, the logical framework and the declaration by the lead applicant. The lead applicant must send, in a sealed envelope as described below, the following items:

a. One original signed copy of the full application form, the budget and the logical framework. The declaration by the lead applicant (Annex A.2, section 5) must be printed and stapled separately and enclosed in the envelope

b. One additional copy in A4 size, bound.

c. An electronic version (CD-Rom or USB stick) of the items under point (a). The electronic file must contain exactly the same application as the paper version enclosed.

To reduce expense and waste, we strongly recommend that you use only paper for your file (no plastic folders or dividers). Please also use double-sided printing if possible

Applications must be submitted in a sealed envelope by registered mail, private courier service or by hand-delivery (a signed and dated certificate of receipt will be given to the deliverer) to the address below. Where lead applicants send several applications (if allowed to do so by the guidelines of the call), each one must be sent separately:

European Commission  
Directorate General for International Cooperation and Development  
Unit B6 Finance, Contracts & Audit  
Attn. Head of Unit L-41 03/110  
Avenue du Bourget, 1  
1049 Brussels  
Belgium  
Tel : +32 2 2997916

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'.

Applications sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses will be rejected. Hand-written applications will not be accepted.]

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

### ***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 lead applicants whose application has been pre-selected. This letter will appear online automatically in the PROSPECT profile of the lead applicant. Lead applicants who, in exceptional cases (see section 2.2.6)

had to submit their application by post or hand-delivery, will receive the letter by email or by post if no e-mail address was provided.

**Lead 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 Contracting Authority cannot be held responsible for any delay due to such afore-mentioned difficulties.

In the case of submission by post, (see section 2.2.6), the date of submission is evidenced by the date of dispatch, the postmark or the date of the deposit slip. In the case of hand-deliveries, the deadline for receipt is at 16:00 hours Brussels time<sup>28</sup> as evidenced by the signed and dated receipt.]

Any application submitted after the deadline will be rejected.

However, for reasons of administrative efficiency, the Contracting Authority may also reject any full application sent in due time but received after the effective date of approval of the full application evaluation (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: [Europeaid-157515@ec.europa.eu](mailto:Europeaid-157515@ec.europa.eu)

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

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

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

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<sup>28</sup> Please use an online time converter tool, such as <http://www.timeanddate.com/worldclock/converter.html>.

## 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>29</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).

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.

#### Evaluation Grid

Section	Maximum Score
<b>1. Relevance of the action</b>	<b>30</b>
1.1. How relevant is the proposal to the objectives and priorities of the Call for Proposals?	5x2**
1.2. How relevant to the particular needs and constraints of the target country(ies) or region(s) is the proposal (including synergy with other EU initiatives and avoidance of duplication)?*	5x2**
1.3. How clearly defined and strategically chosen are those involved (final beneficiaries, target groups)? Have their needs been clearly defined and does the proposal address them appropriately?*	5
1.4. Does the proposal contain specific added-value elements, such as environmental issues, promotion of gender equality and equal opportunities, needs of disabled people, rights of minorities and rights of indigenous peoples, or innovation and best practices [and the other additional elements indicated under 1.2. of these guidelines]?*	5
<b>2. Design of the action</b>	<b>20</b>

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<sup>29</sup> Only where some applications have been submitted offline.

2.1. How coherent is the overall design of the action? In particular, does it reflect the analysis of the problems involved, take into account external factors and relevant stakeholders?	5x2**
2.2. Is the action feasible and consistent in relation to the objectives and expected results?	5x2**
<b>Maximum total score</b>	<b>50</b>

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

Concept notes with a score lower than 30 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 at least 200% of the available budget for this call for proposals is reached.

The amount of requested contributions of each concept note will be based on the indicative financial envelopes for each lot, where relevant.

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. Lead applicants who, in exceptional cases (see section 2.2), had to submit their application by post or hand-delivery will receive the letter by email or by post if no e-mail address was provided.

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>30</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 and affiliated entity(ies). 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)'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 to any affiliated entity(ies).

For the purpose of the evaluation of the financial capacity, lead applicants must ensure that the relevant information and documents (i.e. accounts of the latest financial year and external audit report, where applicable) in their PADOR profile are up to date. If the information and documents in PADOR are outdated and do not allow for a proper evaluation of the financial capacity, the application may be rejected.

**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 as follows: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

### Evaluation Grid<sup>31</sup>

Section	Maximum Score
<b>1. Financial and operational capacity</b>	<b>20</b>
1.1. Do the applicants and, if applicable, their affiliated entity(ies) have sufficient experience of project management?	5

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<sup>30</sup> Only where some applications have been submitted offline.

<sup>31</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.

1.2. Do the applicants and, if applicable, their affiliated entity(ies) have sufficient technical expertise (especially knowledge of the issues to be addressed)?  <b><u>For the Lead applicant only :</u></b>  <b>Lot 1:</b> <ul style="list-style-type: none"> <li>• at least 2 <i>years'</i> experience in strengthening knowledge, awareness and advocacy on social and environmental conditions in the cotton/garment value chains in partner countries (DCI countries) and/or in the European Union , and</li> <li>• at least 2 <i>years'</i> experience in lobbying and/or policy dialogue work towards partner countries (DCI countries) and/or European Institutions and/or elected representatives, related to the cotton/garment value chains</li> <li>• track record of awareness raising actions targeting consumers in at least <i>two countries of the European Union</i> related in particular to the cotton/garment value chain (mass market)</li> </ul> <b>Lot 2:</b> <ul style="list-style-type: none"> <li>• at least 2 <i>years</i> of specialised expertise related to responsible value chain management in the cotton/garment sector, and</li> <li>• at least 2 <i>years'</i> experience with private sector engagement to improve social and environmental standards in the cotton/garment value chains</li> <li>• track record of at least 2 <i>years'</i> work on certification/standardisation and tracking systems on sustainability criteria</li> </ul>	5
1.3. Do the applicants and, if applicable, their affiliated entity(ies) have sufficient management capacity (including staff, equipment and ability to handle the budget for the action)?	5
1.4. Does the lead applicant have stable and sufficient sources of finance?	5
<b>2. Relevance of the action</b>	<b>30</b>
2.1. How relevant is the proposal to the objectives and priorities of the Call for Proposals?	5x2**
2.2. How relevant to the particular needs and constraints of the target country(ies) or region(s) is the proposal (including synergy with other EU initiatives and avoidance of duplication)?	5x2**
2.3. How clearly defined and strategically chosen are those involved (final beneficiaries, target groups)? Have their needs been clearly defined and does the proposal address them appropriately?	5
2.4. Does the proposal contain specific added-value elements, such as environmental issues, promotion of gender equality and equal opportunities, needs of disabled people, rights of minorities and rights of indigenous peoples, or innovation and best practices [and the other additional elements indicated under 1.2. of these guidelines]?	5
<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?	5
3.2. Is the action plan clear and feasible?	5
3.3. Does the proposal contain objectively verifiable indicators for the outcome of the action?	5

Is any evaluation planned?	
3.4. Is the co-applicant(s)'s and affiliated entity(ies)'s level of involvement and participation in the action satisfactory?	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?:(1) financially (how will the activities be financed after the funding ends?)(2) institutionally (will structures allowing the activities to continue be in place at the end of the action? Will there be local 'ownership' of the results of the action?)(3) at policy level (where applicable) (what will be the structural impact of the action — e.g. will it lead to improved legislation, codes of conduct, methods, etc?)(4) environmentally (if applicable) (will the action have a negative/positive environmental impact?)"	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?	5x2**
<b>Maximum total score</b>	<b>100</b>

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 under subsections 1.2, if the lead applicant does not have the minimum experience in the area of the corresponding lot, the score will be 1 and the application will be rejected.**

If the lead applicant applies without co-applicants or affiliated entities the score for point 3.4 shall be 5 unless the involvement of co-applicants or affiliated entities is mandatory according to these guidelines for applicants.

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.

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 AND AFFILIATED ENTITY(IES)**

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

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

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

### **2.4 SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS**

A lead applicant whose application has been provisionally selected or placed on the reserve list will be informed in writing by the Contracting Authority. It will be requested to supply the following documents in order to allow the Contracting Authority to verify the eligibility of the lead applicant, (if any) of the co-applicant(s) and (if any) of their affiliated entity(ies)<sup>32</sup>:

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

1. The statutes or articles of association of the lead applicant, (if any) of each co-applicant and (if any) of each affiliated entity<sup>33</sup>. 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<sup>34</sup>. This obligation does not apply to international organisations which have signed a framework agreement with the European Commission.
2. An external audit report produced by an approved auditor, certifying the lead applicant's accounts for the last financial year available where the total amount of the requested EU contribution exceeds EUR 750 000 (EUR 100 000 for an operating grant). The external audit report is not required from (if any) the co-applicant(s) or affiliated entity(ies).

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.

This obligation does not apply to secondary and higher education establishments.

3. Legal entity sheet (see Annex D of these guidelines) duly completed and signed by each of the applicants (i.e. by the lead applicant and (if any) by each co-applicant), accompanied by the justifying documents requested there. If the applicants have already signed a contract with the

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32 No supporting document will be requested for applications for a grant not exceeding EUR 60000.

33 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.

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



Contracting Authority, instead of the legal entity sheet and supporting documents, the legal entity number may be provided, unless a change in legal status occurred in the meantime.

4. A financial identification form of the lead applicant (not from co-applicant(s), nor from affiliated entity(ies)) conforming to the model attached at 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.

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 the language of the call for proposals of the relevant parts of these documents proving the lead applicant's and, where applicable, co-applicants' and affiliated entity(ies)' eligibility must be attached for the purpose of analysing the application.

Where these documents are in an official language of the European Union other than the language of the call for proposals, it is **strongly** recommended, in order to facilitate the evaluation, to provide a translation of the relevant parts of the documents, proving the lead applicants' and, where applicable, co-applicants' and affiliated entity(ies)' eligibility, into 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 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. This letter will be sent by e-mail and will appear online automatically in the PROSPECT profile of the user who submitted the application. Lead applicants who, in exceptional cases (see section 2.2), had to submit their application by post or hand-delivery, will be informed by email or by post if they did not provide any e-mail address. 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.

Applicants who were unsuccessful at the Opening and Administrative Check stages of the procedure wishing to obtain further information should send their request by letter, indicating the reference of the Call for Proposals and the reference allocated to the proposal, to:

European Commission

Directorate-General for International Development and Cooperation — EuropeAid

Unit B.6 “Finance and Contracts”  
 Attn. Head of Unit  
 Rue de la Loi, 41  
 B-1049 Brussels  
 Belgium

Applicants who were unsuccessful at the Technical evaluation stages of the procedure or at the Eligibility check stage wishing to obtain further information should send their request, by letter indicating the reference of the Call for Proposals and the reference allocated to the proposal, to:

European Commission  
 Directorate-General for International Development and Cooperation — EuropeAid  
 Unit B3. “Migration, Employment”  
 Attn. Head of Unit  
 Rue de la Loi, 41  
 B-1049 Brussels  
 Belgium

## 2.5.2 Indicative timetable

	DATE	TIME
<b>1. Information meeting, if any (local time)</b>	Not applicable	Not applicable
<b>2. Deadline for requesting any clarifications from the Contracting Authority</b>	18/01/2018	16:00
<b>3. Last date on which clarifications are issued by the Contracting Authority</b>	26/01/2018	-
<b>4. Deadline for submission of concept notes</b>	08/02/2018	16:00
<b>5. Information to lead applicants on opening, administrative checks and concept note evaluation (Step 1)</b>	15/03/2018 *	-
<b>6. Invitations to submit full applications</b>	15/03/2018 *	-
<b>7. Deadline for submission of full applications</b>	15/05/2018 *	-
<b>8. Information to lead applicants on the evaluation of the full applications (Step 2)<sup>35</sup></b>	08/2018 *	-
<b>9. Notification of award (after the eligibility check) (Step 3)</b>	09/2018 *	-
<b>10. Contract signature<sup>36</sup></b>	09/2018 *	-

<sup>35</sup> 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.

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

**\* Provisional dates**

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) 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.

## **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.

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36 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

### 3 LIST OF ANNEXES

#### DOCUMENTS TO BE COMPLETED

Annex A: Grant Application Form (Word format)

A.1. Concept Note

A.2. Full Application Form

Annex B: Budget (Excel format)

Annex C: Logical Framework (Word format)

Annex D: Legal Entity Sheet

Annex E: Financial identification form

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

#### DOCUMENTS FOR INFORMATION<sup>37</sup>

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

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

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

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/>

Annex N: DAC List of ODA Recipients

Annex O: List of eligible countries and territories referred in section 2.1.1 and 2.1.4 Location

Annex e3h11 containing derogations to include in the Special Conditions, if the lead applicant is an international organisation whose pillars have not been positively assessed or if one of the co-applicants is an international organisation (regardless of whether its pillars have been positively assessed or not)

#### USEFUL LINKS

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<sup>37</sup> These documents should also be published by the Contracting Authority.

## 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)

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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