



Contracting Authority: European Commission

**Enhancing Social Entrepreneurship and Inclusive Growth
in the Southern Neighbourhood**

Guidelines
for grant applicants

Budget line BGUE-B2016-22.040102-C1-NEAR

Reference: EuropeAid/155554/DH/ACT/Multi

Deadline for submission¹ of concept note: 24 May at 12:00 (Brussels date and time)

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

NOTICE

This is a restricted call for proposals. In the first instance, only concept notes (Annex A.1) 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 PROSPECT².

² If PROSPECT is unavailable, the IT support can also be reached via email: EuropeAid-IT-support@ec.europa.eu

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1. ENHANCING SOCIAL ENTREPRENEURSHIP AND INCLUSIVE GROWTH IN THE SOUTHERN NEIGHBOURHOOD

1.1 BACKGROUND

Sustainable growth and employment are common concerns among the partner countries in the Southern Neighbourhood, where 5 million jobs need to be created on a yearly basis to ensure social inclusion. The largest reservoir of jobs remain the 6 million micro, small and medium enterprises (MSMEs) that account for 90% of total employment, but which are not yet contributing their full share to sustainable growth. While governments in the region have exerted efforts to encourage entrepreneurship and provide support to MSMEs with the aim of creating job opportunities, unemployment remains high across most of the targeted countries, in particular for young women and men. New approaches and alternative social and economic development models need to be explored in parallel.

As drivers of stability, inclusive growth and social well-being, social economy and entrepreneurship can offer significant opportunities for Mediterranean countries. Social enterprises in particular are increasingly becoming important drivers for inclusive growth and play a key role in tackling current economic and environmental challenges. They create jobs in a sustainable manner, mostly locally. Moreover, social enterprises have often a strong focus on social innovation and respond to needs that are otherwise not met, or not met in an optimal manner by public authorities and/or market players.

Social business is described as economic action which serves the community's interest – in particular with social or/and environmental objectives – rather than profit maximization. This type of business is managed by social entrepreneurs in an accountable, transparent and innovative way, in particular by involving workers, customers and stakeholders affected by its business activity. The profit made by the business is mainly reinvested into the business or the community, which makes social enterprises viable long-term investment opportunities. There are different organisational statutes, such as cooperatives, mutuals, associations or enterprises with a regular private/business statute but which put social impact as a primary aim.

Within the EU, social business has become a growing phenomenon accounting for about 10% of the economy and approximately 12 million jobs in 2016. EU action gives political recognition and significance to social entrepreneurship, thus acting as a catalyst for reforms at the Member State level. As underlined by the Communication on "Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation"³, social enterprises contribute to smart growth by responding with social innovation to needs that have not yet been met; they create sustainable growth by taking into account their environmental impact and by their long-term vision; they are at the heart of inclusive growth due to their emphasis on people and social cohesion, and can act as a vehicle for civic engagement.

In particular, since 2011 DG GROWTH is coordinating the "EU Social Business Initiative - SBI" which focuses on optimising the legal environment, giving more visibility to social enterprises and improving access to finance. While work has in the past focused on the steps needed to develop social economy as a relevant model for the sustainable development within the EU, relevant experience can be shared with actors and decision-makers from neighbouring countries.

Although little governmental support, public awareness and technical and financial resources have been invested in the sector, examples and models of social enterprises are becoming more common in Southern Mediterranean countries. According to a study by the FEMISE economic research network, social economy could generate up to 4% of total employment in the region. For the Mediterranean Partner Countries, the social business sector has an important potential for job creation and socio-economic inclusion, in particular for youth and women. It also offers important potential for territorial development, by reaching outside the urban sphere and addressing vulnerable groups in rural areas.

In the Southern Mediterranean countries, social entrepreneurs are faced with multiple challenges. In any country or region, the impact of social entrepreneurship is highly influenced by the stance of the local or national government, including how and to what extent governments engage with national social entrepreneurs. The challenges faced by social entrepreneurs in the Southern Neighbourhood region range from being policy-related (no policy framework existing nor awareness among decision-makers), to legal or

³ COM(2011) 682 final, 25.10.2011, Social Business Initiative.

regulatory (no legal social entrepreneurship business model), financial (lack of financial institutions willing to invest in social businesses) to the lack of proper infrastructure (bad or slow internet, difficulties of importing or exporting resources or products, etc.) and to political instability that threatens enterprise survival.

The assumption is that if equipped with the adequate policy, legal and regulatory framework, as well as the appropriate networks and specialised service providers, the sector has great potential in bringing change to the region and enhancing the communities' wellbeing.

There are wide differences at country level as regards policy dialogue on social economy. Recently, a national dialogue about social entrepreneurship has started in Tunisia and Morocco within the framework of social and solidarity economy policy. Governments, private sector, social entrepreneurs and support structures in each of the two countries have been engaged to create a more enabling environment, at the legal, regulatory, infrastructure, taxation and financial levels. In Israel the policy dialogue has already started, however only preliminary activities and pilot interventions have been carried out so far, with one policy measure to facilitate social enterprises creation. In Palestine, although policy dialogue has not started yet, there are initiatives within civil society and international development partners. In Algeria, Egypt and Lebanon, policy dialogue on social economy has not been started so far.

In all the countries except for Jordan, there is no specific legislation regulating social businesses. Social entrepreneurs have the options of registering as non-for-profit organisation, private commercial business, cooperative, a civil company, or a combination of different forms for the same entity. As a result, in most cases social entrepreneurs are either bound by their revenue streams and business model and cannot make any profit risking their sustainability, or develop commercial activities for social impact purposes with no legal or tax incentives, not easy access to technical support, and are not eligible for donations or grants.

It is worth noting that social entrepreneurship is an innovative model that can address persistent problems of poverty and inequality in Southern Mediterranean partner countries' societies by harnessing the potential of the "youth bulge" to fuel economic and social growth. While social entrepreneurship is still a relatively emergent sector in the Arab world, several elements indicate social entrepreneurship's potential to grow and foster social and political stability in the region: 1) the growing interest in volunteerism; 2) the growing interest in starting one's own business, combined with lower reliance on public sector employment; 3) the growing awareness of entrepreneurship in both business and social sectors; 4) a direct societal effects of the Arab Spring, the steady interest in being involved in projects beneficial to the community or the society.

Against this background, the European Commission is launching an integrated regional programme consisting of one call for proposals to support the concept of "Social entrepreneurship" in the Southern Mediterranean partner countries. This forms part of its cooperation strategy to promote private sector development, competitiveness and job creation, thus complementing a large portfolio of ongoing technical assistance programmes in the field of economic and private sector development, investment, innovation and trade, allowing for deeper regional cooperation both between EU and Mediterranean Partner Countries and South-South cooperation.

A regional initiative will be of high relevance in the current context of high unemployment as a useful contribution to structure social business ecosystems policies and practices, share experiences both among partners in the region and with the EU, and support pilot actions with a strong demonstration effect, potentially to inspire new bilateral initiatives in the region.

1.2 OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The **global objective** of this programme is to promote job creation and economic inclusiveness, by supporting and strengthening social economy and social entrepreneurship ecosystems and relevant stakeholders in the Mediterranean countries.

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

- 1) *at macro level* – to contribute to an enhanced ***enabling policy environment*** for social economy organisations and enterprises.

Actions aim at engaging public and private stakeholders in dialogue around social entrepreneurship to create an enabling policy framework, increasing awareness of decision-makers, supporting the formulation and implementation of policies and initiatives, and reforming the regulatory framework, thus stimulating the development of social economy and social entrepreneurship in Southern Mediterranean partner countries.

- 2) *at meso level* – to improve ***capacities of social entrepreneurship support structures*** with ***increased linkages*** in the region and with the EU.

Actions aim at improving the quality of services provided to social enterprises, creating a platform of service providers and specialised support structures (e.g. social entrepreneurship support organisations, incubators, co-hosting spaces, local financial institutions, business associations, NGOs, training and mentoring entities, universities and education institutions), exchanging good practices and networking among stakeholders, in particular with EU social entrepreneurship organisations and counterparts.

- 3) *at micro level* – the ***relevance of social entrepreneurship as a sustainable business model is demonstrated*** through successful social entrepreneurship initiatives/social enterprises.

Actions aim at supporting selected promising social entrepreneurship initiatives/social enterprises with a high potential for competitiveness, job creation and social innovation. This will serve as a demonstration/pilot experience for wide communication and dissemination, to be mainstreamed into future policy measures. Priority will be given to projects developed and/or implemented by young and women social entrepreneurs, both in urban centres but also in rural areas and less developed territories.

The programme will be implemented in one lot. The main stakeholders at policy level (macro) will be national authorities and administrations in charge of social entrepreneurship and social economy policy – in particular the various Ministries of Industry / SME development / Labour, employment & social affairs as well as relevant agencies involved in the promotion of social economy and social entrepreneurship. Key stakeholders to involve at institutional level (meso) will be intermediary organisations supporting social economy and social entrepreneurship initiatives, as well as business support organisations, such as business incubators or accelerators and local financial institutions. At enterprise level (micro), the main beneficiaries targeted will be existing social enterprises in their various organisational forms (NGOs, private companies, cooperatives, etc.) which are economically viable and can be scaled-up.

The design of the proposed actions should aim at generating jobs and developing competitive and social enterprises in the economies of the Southern Neighbourhood region.

The following **expected results** should be addressed under this call for proposals:

- 1) *at macro level*:

- national strategies and/or legal and regulatory frameworks for the development of social enterprises in Mediterranean partner countries are strengthened and conducive to their specific needs;
- key national and local stakeholders are engaged in a dialogue around social economy and social enterprise policy that will, in the longer term, result in the adoption and implementation of relevant policies and regulations;
- awareness of policy makers in the field of social economy and social entrepreneurship is increased through the dissemination of information and specific initiatives (social entrepreneurship awards, etc.).

2) *at meso level:*

- a regional platform of existing social business support structures is set up and strengthened through networking with European equivalent organisations; South-South and South-North peer learning and partnerships with relevant networks are established;
- capacities of social economy and social entrepreneurship support organisations, service providers, financing institutions and relevant networks are strengthened;
- access to and quality of support services proposed to final beneficiaries and financing mechanisms are improved, and outreach to localities and marginalized groups has increased.

3) *at micro level:*

- a sub-granting scheme is designed and implemented to support initiatives of social enterprises with a high potential for competitiveness, job creation and social innovation in a number of promising sectors (see chapter 2.1.4); it will target in particular young and women social entrepreneurs (e.g. enhanced opportunities for young social entrepreneurs to work in incubators) and provide opportunities both in urban and rural areas;
- about 100 to 150 existing social enterprises have scaled up their activities and reached economic sustainability through technical and financial support from the programme (preferably by grouped action but individual support is also possible);
- success stories resulting from these initiatives supported across the region demonstrate the potential of social entrepreneurship for inclusive growth and job creation;
- a strategy for the replication of promising pilot initiatives throughout the ENP South region is defined.

Relevant social entrepreneurship / social economy support organisations from the Mediterranean partner countries should be involved in the implementation of activities at micro level through mentoring / coaching / advisory services delivered.

4) *Communication and coordination:*

Throughout the duration of the whole programme, strong visibility of all actions needs to be ensured in particular on mainstream and social media, with a view to creating success stories and disseminating information (e.g. valorisation of selected initiatives in the region; social economy / social entrepreneurship awards; promotion of best practices by setting-up a regional platform to facilitate dissemination, dialogues and exchanges of good practices).

Strong coherence will need to be demonstrated between all three components (macro, meso and micro levels) of the social entrepreneurship programme. Moreover, close coordination will need to be ensured with relevant ongoing bilateral and regional cooperation programmes of donors, in particular those financed by the EU. Proposals will have to set up coordination mechanisms at operational level, as part of the entrepreneurship programme.

1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

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

Size of grants:

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

- Minimum amount: EUR 4,800,000
- Maximum amount: EUR 5,000,000

Any grant requested under this call for proposals must comply with the following maximum percentage of total eligible costs of the action:

- Maximum percentage: 90% of the total eligible costs of the action (see also section 2.1.5).

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.

2. RULES FOR THIS CALL FOR PROPOSALS

These guidelines set out the rules for the submission, selection and implementation of the actions financed under this call, in conformity with the Practical Guide, which is applicable to the present call (available on the Internet at this address <http://ec.europa.eu/europeaid/prag/document.do?locale=en>)⁴.

2.1 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

(1) the actors:

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

(2) the actions:

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

(3) the costs:

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

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

Lead applicant

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

- be a legal person **and**
- be non-profit-making **and**
- be a specific type of organisation such as: non-governmental organisation, public sector operator, local authorities, international (inter-governmental) organisation as defined by Article 43 of the Rules of application of the EU Financial Regulation,⁵ **and**
- be established in⁶ a Member State of the European Union **or** one of the ENI South partner countries (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine⁷, Syria⁸ and

⁴ 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.

⁵ 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.

⁶ 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.

Tunisia), a country that is a beneficiary of an Instrument for Pre-Accession Assistance set up by Council Regulation (EC) No 1085/2006 (IPA) or a Member State of the EEA, **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 co-applicant(s) as specified hereafter.

If awarded the grant contract, the lead applicant will become the beneficiary identified as the Coordinator in Annex E3h1 (Special Conditions). The Coordinator is the main interlocutor of the Contracting Authority. It represents and acts on behalf of any other co-beneficiary (if any) and coordinate the design and implementation of the action.

Co-applicant(s)

Actions must involve a partnership with **at least 4 co-applicants (in addition to the lead applicant)** from which 2 co-applicants should be established in different ENI South partner countries. The partnership should involve organisations with demonstrated and complementary experience in the relevant areas of the programme.

The partnership will have to demonstrate **strong management capacities**, in particular to implement the sub-granting schemes and monitor and coach the beneficiaries. The lead applicant and co-applicants will have to demonstrate their **expertise in the field of social economy and social entrepreneurship**, as well as their **experience implementing operational actions and capacity building activities** in the region.

It is recommended not to involve more co-applicants than is needed. All co-applicants must be carefully chosen and play an active role in the activities proposed. All proposals must demonstrate the value-added that all co-applicants bring to the programme and its activities.

Co-applicants participate in designing and implementing the programme, 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.

All applicants should present a partnership agreement, where information about the division of labour and resources/budget of the action between partners (lead applicant and co-applicants) should be included. The partnership agreement must be signed by all partners. More detail on the division of labour and resources/budget will be requested to applicants invited to submit a full application in the second phase.

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

If awarded the grant contract, the co-applicants will become beneficiaries in the action (together with the Coordinator).

⁷ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

⁸ At the time this document was prepared, EU cooperation with Syria (government entities) was suspended due to the political situation in the country. In the light of future decisions, the Commission shall assess the opportunity to involve Syrian authorities in the action's implementation.

2.1.2. Affiliated entities

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

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

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

This structural link encompasses mainly two notions:

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

Entities affiliated to an applicant may hence be:

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

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

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

What is not an affiliated entity?

The following are not considered entities affiliated to an applicant:

- Entities that have entered into a (procurement) contract or subcontract with an applicant, act as concessionaires or delegates for public services for an applicant,
- Entities that receive financial support from 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-applicants. They must sign the affiliated entity(ies) statement in Annex A.2., section 5.

2.1.3. Associates and Contractors

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

- Associates

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

- Contractors

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

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

Definition:

An action is composed of a set of activities.

Duration

The initial planned duration of an action may not be lower than nor exceed **48 months**.

Sectors or themes

Specific sectors or themes to which the actions must relate, including, but not limited to:

- access to quality education
- access to quality health,
- sustainable water and waste management,
- sustainable energy,
- sustainable transportation,
- sustainable food production and agriculture,
- ICT,
- sustainable environmental solutions,
- sustainable local development,
- inclusion of disabled and elderly people,
- culture and communication.

All proposed actions and initiatives supported should aim at generating jobs and developing competitive social enterprises in the economies of the Southern Neighbourhood region. They should in particular contribute to women and youth empowerment.

Location

Main actions must take place in the Southern Neighbourhood region⁹, preferably in all the ENI South partner countries and **at least in 6 ENI South partner countries**. Some activities such as workshops and those related to North-South cooperation can take place in the European Union.

Activities supported through sub-grants may focus on one or more ENI South partner countries.

Types of action

All applicants should propose an intervention strategy and methodology that is adequate and efficient in relation to the implementation of the objectives and priorities referred in section 1.2.

The types of action are expected to contribute to:

At macro level:

- designing / implementing national strategies and / or legal and regulatory frameworks for developing social enterprises in ENI South partner countries;
- promoting public private dialogue by a multi-stakeholders task force at the national level to develop social entrepreneurship policies and legal framework;
- involving social economy and social entrepreneurship stakeholders in the dialogue process at national level through preparatory advocacy meetings with key national and local policy makers capable of leading the process;
- raising awareness of decision and policy makers in the field of social economy and social entrepreneurship, through dialogue and dissemination of information;
- increasing understanding and use of social economy as a mechanism for social stability, highlighting the need to create an enabling policy and legal environment;
- stimulating the development and networking of social economy stakeholders (public, private and academic sectors), in particular to reflect on the regulatory framework and support policies / financing schemes at country / regional levels.

At meso level:

- strengthening capacities and outreach of selected social economy and social entrepreneurship support organisations, service providers, financing institutions and relevant networks;
- increasing service providers and financing institutions outreach to rural areas and particularly to vulnerable groups and increasing their visibility as benchmarks for local practices;
- improving the package and quality of services of social economy service providers, as well as financing mechanisms proposed to final beneficiaries;
- creating a regional platform of social enterprises and service providers to define social economy and social entrepreneurship criteria for MPCs, exchange experiences (including with EU counterparts) and advocate for a more enabling environment for the development of social economy;
- facilitating networking and collaboration activities between social enterprise support structures – South-South and South-North – through peer learning and partnerships with relevant European organisations and networks.

At micro level:

- designing and implementing a sub-granting scheme to support financially a number of promising initiatives in the Mediterranean countries with a strong potential for employment creation and social innovation (including selection criteria and categories of entities to be supported);

⁹ Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria and Tunisia.

- selecting beneficiaries through a competitive process and promoting the group of selected entities at national and regional levels;
- ensuring economic sustainability and scaling up of a number of social enterprises/entities, through mentoring / coaching services delivered by social entrepreneurship support organisations and other relevant business support organisations;
- promoting young and women social entrepreneurs (e.g. enhanced opportunities for young social entrepreneurs to work in business incubators) as well as vulnerable groups/actions in less developed territories;
- identifying and disseminating success stories to demonstrate the potential of social entrepreneurship for inclusive growth and job creation;
- ensuring strong visibility on the programme with a view to creating success stories, disseminating information and demonstrating the potential of social economy enterprises in terms of job creation;
- preparing the replication and upscaling of promising pilot initiatives throughout the ENP South region.

The following types of action are ineligible:

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

Types of activity

Eligible activities under this call for proposals include (but not exclusively):

- policy advice;
- support to public-private policy dialogues;
- networking activities;
- advisory services;
- capacity building activities, bootcamps, mentoring, training, workshops;
- diagnostics studies, sector studies and policy recommendations;
- organisation of conferences;
- visibility tools including website, newsletters, social media and information dissemination.

Applicants should include in the concept notes and full proposals a clear indication and explanation of:

- strategic framework of the action, including key objectives, activities and outputs;
- department/persons within each partner institution (in house expertise) that will be responsible for the management and monitoring of the project;
- implementation schedule (start and end time);
- estimated costs per activity;
- performance indicators used to evaluate the benefits of the project, its overall performance and sustainability, and how they will be monitored during project implementation;
- concrete measures and communication actions taken to make the project visible;
- the demonstration effect – in which manner the action is innovative for the region and not "business as usual" – and potential replicability / upscalability of the actions;
- criteria for selecting sub-grantees and key steps of the selection process.

The partnership agreement signed by all partners (applicant and co-applicants), containing information about the division of labour and resources/budget of the action between all partners, should be presented as part of the concept note.

Financial support to third parties¹⁰

Under this Call for proposals, financial support to third parties is one of the purposes of the action. An estimated **20% of the grant** allocated under this call must be redistributed as sub-grants for actions as described here above as micro level activities.

In compliance with the present guidelines and notably of any conditions or restrictions in this section, the lead applicant should define 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;
- (iii) the types of entities or categories of entities which may receive financial support;
- (iv) the indicative criteria for selecting these entities and providing financial support;
- (v) the indicative criteria for determining the amount of financial support for each third entity.

Conditions set above for providing financial support (points (i) to (v)) have to be defined as part of the proposal. Conditions will have to be finalised during the inception phase, jointly with the European Commission.

Persons or categories of persons eligible for financial support must:

- be a legal person;
- be a non-profit-making organisation or a social enterprise¹¹ (e.g. social economy stakeholders such as incubators, accelerators, service providers...);
- be established in one of the ENI South partner countries.

Activities eligible for financial support are those described in section 2.1.4.

Activities eligible for financial support must last for a minimum of 1 year.

The maximum amount of financial support per third party is EUR 60,000. On an indicative basis (to be determined during the inception phase), sub-grants could be in the range of EUR 5,000 to EUR 50,000. Around 100 to 150 social enterprises should be supported through the sub-granting scheme of the programme (preferably through grouped support; individual support is also possible), with a view to ensuring strong visibility and communication, as well as a demonstration effect to decision makers.

Methodology should outline the indicative criteria for the selection of applicants of sub-grants and how continued technical support to the sub-grantees will be ensured.

Visibility

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

Applicants must comply with the objectives and priorities and guarantee the visibility of the EU financing (see the Communication and Visibility Manual for EU external actions specified and published by the

¹⁰ These third parties are neither affiliated entity(ies) nor associates nor contractors.

¹¹ Actions and activities under this grant shall not generate profit for the Beneficiary(ies). 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.

European Commission at http://ec.europa.eu/europeaid/funding/communication-and-visibility-manual-eu-external-actions_en).

Applicants must ensure that the sub-grantees comply with the same rules and take all necessary steps to publicise the fact that the European Union has financed or co-financed the activity(ies).

Number of applications and grants per applicants / affiliated entities

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

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

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

A co-applicant/affiliated entity may not submit more than one application under this call for proposals.

A co-applicant/affiliated entity may not be awarded more than one grant under this call for proposals.

2.1.5. Eligibility of costs: costs that can be included

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

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

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

Simplified cost options may take the form of:

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

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", "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 amount¹²

¹² 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

- 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
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.

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.

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 cost 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 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;
- credit to third parties;
- salary costs of the personnel of national administrations.

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**¹³ for this call for proposals:

Concept note step: Registration is obligatory for lead applicants applying for EU contributions of more than EUR 60 000.

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

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'¹⁴ 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 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 form¹⁵ annexed to these guidelines (Annex A.1). Applicants must apply in English or in French.

Please note that:

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/adjustment shall be included in section 2.1.1 of the grant application form.

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

¹³ 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.

¹⁴ Which corresponds to sections 3 and 4 of the full application form – Annex A.2.

¹⁵ The grant application form consists of Annex A.1 – concept note and Annex A.2 – full application form.

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.

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 **24/05/2017 at 12:00**. In order to convert this deadline to local time you can use any online time converter tool that takes into account timezones and winter/summer time changes (example available here)¹⁶. **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 Contacting Authority cannot be held responsible for any delay due to such afore-mentioned difficulties.

Any concept note submitted after the deadline will be rejected.

2.2.4. Further information about concept notes

An information session on this call for proposals will be held on 11 April at 14:00 (Brussels date and time).

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: **NEAR-ENI-SOUTH-TENDERS@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 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 **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.

¹⁶ For example: <http://www.timeanddate.com/worldclock/converter.html>.

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.
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.

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 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.

Any application submitted after the deadline will be rejected.

2.2.8. Further information about full applications

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

E-mail address: **NEAR-ENI-SOUTH-TENDERS@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 **via the online support form in PROSPECT**. Please note that the working languages of the IT support are: English French and Spanish. Therefore users are invited to send their questions in English, French or Spanish should they wish to benefit from an optimum response time.

2.3 EVALUATION AND SELECTION OF APPLICATIONS

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

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

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

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

- If the deadline has been met. Otherwise, the application will be automatically rejected.
- If the 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 using the breakdown in 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.

Scores

1. Relevance of the action	Sub-score	30
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?	5	
2. Design of the action	Sub-score	20
2.1 How coherent is the overall design of the action? In particular, does it reflect the analysis of the problems involved, take into account external factors and relevant stakeholders?	5x2**	
2.2 Is the action feasible and consistent in relation to the objectives and expected results?	5x2**	

TOTAL SCORE 50

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

** 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 400% 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.

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

During the opening¹⁷ 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.

¹⁷ Only where some applications have been submitted offline.

- 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 Grid¹⁸

Section	Maximum Score
1. Financial and operational capacity	20
1.1. Do the applicants and, if applicable, their affiliated entity(ies) have sufficient experience of project management?	5
1.2. Do the applicants and, if applicable, their affiliated entity(ies) have sufficient technical expertise (especially knowledge of the issues to be addressed)?	5
1.3. Do the applicants and, if applicable, their affiliated entity(ies) have sufficient management capacity (including staff, equipment and ability to handle the budget for the action)?	5
1.4. Does the lead applicant have stable and sufficient sources of finance?	5
2. Relevance of the action	30
2.1. How relevant is the proposal to the objectives and priorities of the call for Proposals?	5x2**

¹⁸ 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.

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?	5
3. Effectiveness and feasibility of the action	20
3.1. Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	5
3.2. Is the action plan clear and feasible?	5
3.3. Does the proposal contain objectively verifiable indicators for the outcome of the action? Is any evaluation planned?	5
3.4. Is the co-applicants and affiliated entity(ies)'s level of involvement and participation in the action satisfactory?	5
4. Sustainability of the action	15
4.1. Is the action likely to have a tangible impact on its target groups?	5
4.2. Is the proposal likely to have multiplier effects (including scope for replication, extension and information sharing)?	5
4.3. Are the expected results of the proposed action sustainable?:(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
5. Budget and cost-effectiveness of the action	15
5.1. Are the activities appropriately reflected in the budget?	5
5.2. Is the ratio between the estimated costs and the expected results satisfactory?	10
Maximum total score	100

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

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.

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

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

- The declaration by the lead applicant (section 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, of the co-applicants and (if any) of their affiliated entity(ies)¹⁹:

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 entity²⁰. Where the Contracting Authority has recognised the lead applicant's, or the co-applicants, 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 meantime²¹. 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.

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

¹⁹ No supporting document will be requested for applications for a grant not exceeding EUR 60000.

²⁰ 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.

²¹ To be inserted only where the eligibility conditions have not changed from one call for proposals to the other.

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

Where these documents are in an official language of the European Union other than English or French, 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 English or French.

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.

2.5.2. Indicative timetable

	DATE	TIME
1. Information meeting (if any)	11 April 2017	14:00 Brussels time
2. Deadline for requesting any clarifications from the Contracting Authority	3 May 2017	12:00 Brussels time
3. Last date on which clarifications are issued by the Contracting Authority	12 May 2017	-
4. Deadline for submission of concept notes	24 May 2017	12:00 Brussels time
5. Information to lead applicants on opening, administrative checks and concept note evaluation (Step 1)	June 2017	-
6. Invitations to submit full applications	12 June 2017	-
7. Deadline for submission of full applications	3 August 2017	-
7. Information to lead applicants on the evaluation of the full applications (Step 2)	September 2017	-
8. Notification of award (after the eligibility check) (Step 3)	October 2017	-
9. Contract signature	October 2017	-

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

This indicative timetable refers to provisional dates (except for dates 2, 3 and 4) and may be updated by the Contracting Authority during the procedure. In such cases, the updated timetable will be published on the EuropeAid web site <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>.

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

Following the decision to award a grant, the beneficiary(ies) will be offered a contract based on the standard grant contract (see Annex G of these guidelines). By signing the application form (Annex A of these guidelines), the applicants agree, if awarded a grant, to accept the contractual conditions of the standard grant contract. Where the Coordinator is an organisation whose pillars have been positively assessed, it will sign a PA Grant Agreement based on the PAGoDA template. In this case references to provisions of the standard grant contract and its annexes shall not apply. References in these guidelines to the grant contract shall be understood as references to the relevant provisions of the PA Grant Agreement.

Implementation contracts

Where implementation of the action requires the beneficiary(ies) 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.

3. LIST OF ANNEXES

NOTE THAT ALL ANNEXES MUST BE ADAPTED AS FORESEEN TO THE CALL AND PUBLISHED TOGETHER WITH THE GUIDELINES

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 INFORMATION²²

Annex G: Standard Grant Contract

- Annex II: general conditions

- Annex IV: contract award rules

- Annex V: standard request for payment

- Annex VI: model narrative and financial report

-Annex VII: model report of factual findings and terms of reference for an expenditure verification of an EU financed grant contract for external action

-Annex VIII: model financial guarantee

-Annex IX: standard template for transfer of ownership of assets

Annex H: Daily allowance rates (per diem), available at the following address:

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

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

Annex K: Guidelines 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/>

Useful links:

PROJECT CYCLE MANAGEMENT GUIDELINES

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

²² These documents should also be published by the Contracting Authority.

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.

4. INDICATIVE INDICATORS

	Expected results	Selection of indicators
Macro level: to contribute to an enhanced enabling policy environment for social economy organisations and enterprises	<ul style="list-style-type: none"> - national strategies and/or legal and regulatory frameworks for the development of social enterprises in Mediterranean partner countries are strengthened and conducive to their specific needs - key national and local stakeholders are engaged in a dialogue around social economy and social enterprise policy that will, in the longer term, result in the adoption and implementation of relevant policies and regulations - awareness of policy makers in the field of social economy and social entrepreneurship is increased through the dissemination of information and specific initiatives (social entrepreneurship awards, etc.) 	<p>National policy documents / strategies defined and discussed</p> <p>Legislative and regulatory measures conducive to social business</p> <p>Public private platforms for policy dialogue</p> <p>Financing schemes designed / implemented</p> <p>Information on social economy / social entrepreneurship disseminated</p> <p>...</p>
Meso level: to improve capacities of social economy and social entrepreneurship support structures with increased linkages in the region and with the EU	<ul style="list-style-type: none"> - a regional platform of existing social business support structures is set up and strengthened through networking with European equivalent organisations; South-South and South-North peer learning and partnerships with relevant networks are established - capacities of social economy and social entrepreneurship support organisations, service providers, financing institutions and relevant networks are strengthened - access to and quality of support services proposed to final beneficiaries and financing mechanisms are improved, and outreach to localities and marginalized groups has increased 	<p>Level of functionality of the digital regional platform of support organisations and number of users and contributors</p> <p>Regional inventory of service providers and business support organisations in the field of SE</p> <p>Number of partnerships and peer learning activities between support organisations (both South-South and South-North)</p> <p>Improvement of technical and organisational capacities of social economy / entrepreneurship advisory service providers (quality and number of services provided, etc.)</p> <p>Number of final beneficiaries targeted by SE support organisations</p>

		...
Micro level: the relevance of social economy / social entrepreneurship as a sustainable business model is demonstrated through successful social entrepreneurship initiatives / social enterprises	<ul style="list-style-type: none"> - a sub-granting scheme is designed and implemented to support initiatives of social enterprises with a high potential for competitiveness, job creation and social innovation in a number of promising sectors (see chapter 2.1.4); it will target in particular young and women social entrepreneurs (e.g. enhanced opportunities for young social entrepreneurs to work in incubators) and provide opportunities both in urban and rural areas - about 100 to 150 existing social enterprises have scaled up their activities and reached economic sustainability through technical and financial support from the programme (preferably by grouped action but individual support is also possible) - success stories resulting from these initiatives supported across the region demonstrate the potential of social entrepreneurship for inclusive growth and job creation - a strategy for the replication of promising pilot initiatives throughout the ENP South region is defined 	<p>Economic viability of initiatives selected and supported</p> <p>Number of initiatives scaled up at the end of the programme; level of upgrading and scaling up of existing entities / enterprises</p> <p>Number of jobs created as a result of the implementation of the sub granting scheme</p> <p>Number of women and young entrepreneurs supported</p> <p>Number of initiatives supported in rural areas</p> <p>Number of success stories identified</p> <p>Number of successful initiatives replicated</p> <p>Degree of involvement of social economy support organisations from MPCs in the implementation of activities at micro level</p> <p>...</p>
Communication and coordination	<p>Strong visibility of all actions is ensured throughout the duration of the whole programme</p> <p>Success stories are identified and disseminated as well as relevant information</p> <p>Close coordination is ensured with relevant cooperation programmes</p>	<p>Best practices, lessons learnt, intervention methodologies analysed, documented and ready for dissemination</p> <p>Success stories disseminated to demonstrate the potential of social entrepreneurship for inclusive growth and job creation</p> <p>Number of SE initiatives started as a result of awareness activities</p> <p>Number of joint actions / quality of synergies developed with relevant EU bilateral programmes or relevant programme funded by other donors</p>