



Contracting Authority: European Commission

SWITCH-Asia

Promoting Sustainable Consumption and Production

Guidelines for Grant Applicants Responding to the Call for Proposals for 2008

Restricted Call for Proposals

LAUNCHED UNDER A SUSPENSIVE CLAUSE

Budget Line 19.100101

Reference: **EuropeAid/126274/C/ACT/Multi**

Deadline for submission of Concept Notes: 28 February 2008

Deadline for submission of Full Application: 29 May 2008

NOTICE

The “Contracting Authority” in all instances in this document refers to the European Commission (EC).

Please note that this Call for Proposals follows the revised procedures introduced by the new Practical Guide to contract procedures for EC external actions as from 1st February 2006 and up-dated and revised in May 2007, available for consultation at the following address:

http://europa.eu.int/comm/europeaid/tender/gestion/index_en.htm

These guidelines set out the rules for the submission, selection and implementation of actions financed under the SWITCH ASIA Programme, in conformity with the provisions of the “Practical Guide to contract procedures for EC external actions”.

The SWITCH ASIA Programme is organised under a **Restricted Call for Proposals**. The selection of project proposals is now a two-step procedure, where successful applicants only will be asked to submit their full application, if a concept note has been provisionally selected. Proposals are first screened on basis of a concept note for their relevance to the objectives of the SWITCH-Asia Programme. Only proposals which successfully complete this first step will be asked to submit an application for full evaluation. The eligibility conformity check will only be performed for the proposals that have been provisionally selected according to the score obtained after the evaluation, on the basis of the supporting documents requested by the Contracting Authority and the Declaration by the applicant signed and sent together with the application.

Proposals are selected through a competitive system and all candidates are subject to the same application rules. Please read carefully all recommendations and guidelines regarding the content, design and expected outcomes of your project proposal. The Guidelines contain samples of the evaluation grids, which will be used to technically assess your proposal. Applicants are also encouraged to familiarize themselves with this grid.

IMPORTANT NOTE:

1. Project proposals where **intermediaries such as business associations, industry associations, retailers, and chambers of commerce** will play an active role in the proposed activities are especially welcome.
2. The elements contained in the concept note **cannot be modified** in the full application form. The detailed budget (please provide budget with round figures) may not vary from the initial estimate by more than 20%, while the applicant is free to adapt the percentage of co-financing required as far as the minimum and maximum amount of co-financing, as laid down in this application form, is respected.
3. **Original signatures** must appear on the **Application Form** (Annex A, section VI Declaration by the Applicant) and on each “**Partnership Statement**” to be signed in the original application form by the **applicant** and the entire **project partners**.
4. If an applicant is submitting more than one proposal under this Call for Proposals, **each proposal should be sent separately in different envelopes and with electronic versions saved on different CD-ROMs**.
5. For **consultancy services** the amount of the subcontracted costs (including fees, travel and accommodation costs, etc.) **must not exceed 20% of project total eligible costs** (that is 20% of item 9. in the “Budget for the Action” table – Annex B). A fair amount of other costs for subcontracted services are acceptable in excess to the latter for the following: publication, standard computer services, travel arrangement and other costs related to logistics.
6. The costs for **subcontracted services** – including consultancy services – must be listed under item 5. in the “Budget for the Action” table – Annex B. In addition, financial details concerning the subcontracted activities (rates, number of days/months, outputs, etc.) must be developed as necessary in the budget

justification section to be attached to the budget tables and highlighted in the “Budget for the Action” table (Annex B).

7. If institutions from several Asian countries including both LDC(s) (NB: “LDC” stands for “Least developed countries”) and non-LDC(s) are included in the project partnership, the rate of 90% will be applied only if the majority of the proposed activities are to take place in the LDC(s) – if this applies to your proposal, you are requested to demonstrate in the budget justifications how most of the proposed activities will actually take place in LDC(s) (see list of LDCs eligible under the Programme in section 2.1.3. c. below).
8. Concerning the sources of funding (partnership), CROSS-FUNDING from other EC sources is not allowed.
9. There will be ONE deadline for the receipt of applications in 2008.

SUSPENSIVE CLAUSE

The conclusion of the grant contracts for actions selected under this call for proposals is subject to the prior approval and availability of the required funding. To this end, the adoption of the relevant financing decision has to be met prior to the signature of any contracts resulting from this Call for proposals:

The occurrence of this condition does not depend only on the European Commission. If the above element is substantially modified, does not provide adequate coverage for the proposed action or is not adopted, the present call for proposals or some of its regional allocations may be cancelled and/or replaced by a new call for proposals adapted to the finally approved financing decision.

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1. SWITCH-ASIA, PROMOTING SUSTAINABLE CONSUMPTION AND PRODUCTION

1.1 BACKGROUND

The Asian region accounts for already over 40% of the global economy, and is becoming the world's main manufacturing hub. Unprecedented changes in economic growth and trade in the last couple of decades have resulted in severe degradation of the regional, as well as the global environment that could offset the advantages that economic growth has brought to the countries and their populations.

Despite significant achievements, the Asian industrial sector is characterized by outdated and low efficiency technology, lack of preventive maintenance, improper production management, inefficient use of raw materials, etc. especially in Small and Medium Sized enterprises (SMEs). SMEs represent the backbone of the present industrial infrastructure, constituting more than 80% of the companies (over 30 million enterprises). Efficiency gains achieved in large numbers of enterprises are outnumbered by the still mushrooming amount of polluting SMEs and are offset by consumer trends on the demand side: a rapidly growing middle-income class as part of the rapid urbanization. The 'grow first, clean up later' paradigm is being increasingly discredited and particularly the poor have felt its consequences most acutely.

Consequently a **switch** is needed from unsustainable to sustainable patterns of development. The challenge today is to decouple economic growth from environmental degradation and to contribute to poverty reduction and better quality of life; thereby contributing to *Millennium Development Goals 3 and 7*. In Chapter 3 of the Plan of Implementation from the World Summit on Sustainable Development (WSSD) it is explicitly mentioned "*all countries should promote SCP patterns, with the developed countries taking the lead and with all countries benefiting from the process*".

Sustainable Consumption and Production (SCP) can be seen as two faces of the same coin related to the use of goods and services that respond to basic needs and bring a better quality of life, while minimizing the use of natural resources (including energy and water), toxic materials and emissions of waste and pollutants over the life cycle, so not to jeopardize the needs of future generations. **Materials, Water, and Energy** are the **three key elements** for the SWITCH programme. Sustainable Production (SP) concerns the supply side, focusing on the economic, social and environmental impacts of production processes; while Sustainable Consumption (SC) addresses the demand side, focusing on consumers' behaviour and choices in use of goods and services, i.e. demand for products that environmentally friendly produced and goods that environmentally friendly in their use, as well as by promoting a sensible consumption behaviour, avoiding spillage and waste.

Attention in the last decade on sustainable consumption and production in the Asian region, especially on the production side, resulted in quite a number of good examples how to apply the SCP-approach effectively in the Asian industry (sustainable production), tools have been customised and an initial network of intermediary service providers has been established. With regard to sustainable consumption the awareness and implementation of effective policies and strategies is really in an infant stage.

The SCP-approach has not been replicated adequately and spread widely by SMEs, due mainly to the lack access to information and know-how on how to interpret information necessary for customised implementation and for the following reasons:

- Ineffective involvement of business networks;
- Inappropriate exchange mechanisms;
- Weak dialogue structures between industry, government and civil society;
- Inadequate political frameworks;
- Insufficient push-pull incentives (e.g. legislative, economic and voluntary) to stimulate the uptake of SCP.

In general, the SWITCH programme seeks to enhance the uptake of SCP by working simultaneously on production and consumption side, employing a multi-stakeholder approach with a strong and intensive working relationships with SMEs, building upon existing structures and networks, and by up-scaling results achieved in earlier conducted pilot-type projects. Projects will have to actively disseminate their results and facilitate exchange of good practices, and will be supported in this task by the SWITCH programme Network Facility (see below).

1.2 OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The overall *programme objective* is: To promote economic prosperity and poverty reduction in Asian countries through sustainable growth with reduced environmental impact by industries and consumers, in line with international environmental agreements and processes.

The *purpose* is: To promote **sustainable production** (i.e. development of less polluting and more resource efficient (energy, water, raw materials) products, processes and services) and **sustainable consumption** patterns and behaviour in the Asia region, through an improved understanding and strengthened cooperation between Europe and Asia, notably by mobilizing the private sector, i.e. SMEs, retailers, producer and consumer organisations, along with relevant public sector authorities.

There are four main results expected from the programme:

1. Increased use of environmentally-friendly technologies and practices by SMEs;
2. A switch to consumption of products that are less environmentally damaging;
3. Reinforcement and implementation of legal environmental and safety instruments;
4. Development and application of effective economic instruments that enhance SCP.

Results 1) and 2) will be achieved by funding **grant projects** on the following themes:

Expected results	Themes
<i>SUSTAINABLE PRODUCTION</i>	
Result 1: Increased use of environmental friendly technologies and practices by SMEs: use of safer / sustainable alternatives in production processes that use less materials generates less pollution per unit of goods and services produced	Projects should address at least one of following themes: <ul style="list-style-type: none"> * Induce technical innovations, if possible with indigenous or locally produced technology; * Embedding in (environmental) management systems (e.g. ISO 14001, EMAS, and others) and application of environmental accounting systems; * Supply chain management; * Industrial estates, areas and/or clusters, applying Industrial Ecology, Industrial Symbiosis and others * Corporate Social Responsibility (CSR) / Occupational Health & Safety (OH&S).
<i>SUSTAINABLE CONSUMPTION</i>	
Result 2: Switch of consumption behaviour and patterns in favour of products that are less environmentally damaging	Projects should address at least one of the following themes: <ul style="list-style-type: none"> * Effective marketing strategies to promote eco-products from SMEs in Asian countries and for intra-Asian trade; * Country specific organisational networks and framework conditions supportive to Sustainable Consumption; * Procurement (public and private) of eco-friendly products; * Incorporation of eco-related product standards or labels via Supply chain (B2B) and/or retailers (B2C); * Information exchange and increased understanding of existing international requirements and codes of conduct (Eco labelling) that have direct or indirect impact on product and consumer patterns.

In order to build upon existing capacity and best practices developed over the past decade (especially with regard to sustainable production), projects can include but should at the same time go explicitly beyond preparatory activities such as needs assessments, market surveys, awareness raising, capacity building, tool and manual development and/or research. Already a wealth of sector specific information on best practices and applicable tools exists, but unfortunately not adequately used for extensive and effective outreach.

Of crucial importance therefore will be *the development and actual application of multiplier approaches* for effective outreach towards the large number of SMEs and/or consumer (groups). Evidence has shown that effective multiplier mechanisms are highly determined by country-specific characteristics and conditions (some countries are determined by only a few sectors, the industrial organisational setting can be sector specific or heterogeneous industrial areas, and the availability and effectiveness of business networks varies enormously). Therefore, no prior choice is made to orient on specific sectors for especially SP projects. **To achieve tangible impact, SMEs should be selected from sectors or industrial areas that:**

- Substantially contribute to overall pollution (especially water pollution and CO₂-emissions) and/or are resource (water and/or energy) intensive;
- Have sufficient potential for improvement;
- Form a substantially share of the economy; and
- Have sufficient potential for further multiplication in the country and/or region.

The outreach per project is expected to be from about 100 SMEs in the first year to 500 or more in the fourth year.

The grant projects **must also** contribute to the development of an *enabling policy environment* – i.e. to create a setting that reinforces and/or stimulates (push and pull) enterprises and consumers to change their behaviour. Projects should aim to include activities related to the policy framework level or can be mainly policy oriented, but always complementary to concrete interventions in businesses and consumer networks and/or organisations. This will contribute to the delivery of results 3) and 4).

In addition to the grant projects, a **Network Facility** will be established for the provision of services related to the implementation of the inter-project and regional aspects of the SWITCH programme, *particularly exchange and diffusion of project experiences and results and policy reinforcement*.

The Network Facility will be contracted to an existing organisation or consortium of organisations (**This will be contracted through a call for tender procedure to be published in 2008, and does not apply to this Call for Proposals**). No new institutions will be created for the implementation of the SWITCH Network Facility. The expected results, activities and output of the Network Facility are summarised below:

In order to perform the above tasks properly, the Network Facility should have free access to application forms and reporting documents of SWITCH-funded projects and the Network Facility should be given the opportunity to make technical project visits to SWITCH funded projects in support to the Delegations' supervision and monitoring task, on their request.

Box: Role of the SWITCH Network Facility:

Expected results	Activities / outputs
Dissemination of results	<ul style="list-style-type: none"> ▪ Development of a customised analytical method and performance indicator scheme ▪ Aggregate environmental results achieved ▪ Preparation of case studies ▪ Diffusion of results, via hosting an interactive website and exposure at crucial SCP-events in Asia and globally ▪ Enhance exchange of experiences, lessons learned via networking events
Enhanced policy dialogue on SCP in Asia (national and regional)	<ul style="list-style-type: none"> ▪ Preparation of synergy papers on policy recommendations ▪ Co-organisation of national policy conferences ▪ Support national and regional policy makers and ECD staff in regional policy dialogue platforms (ASEM, ASEAN) and EU-Asia Summits
Asia SCP priorities and needs addressed in the international agenda	<ul style="list-style-type: none"> ▪ Support Asian policy makers and EC-staff in participating pro-actively in the Marrakech process

SWITCH- Asia has a *regional character*, but focuses on a customised approach for each specific country. Whenever relevant and functional, cross-border and multi-country approaches and collaboration will be encouraged.

The major *beneficiaries* are:

- (i) Intermediary (business) organisations and networks (e.g. chambers of commerce and industry associations);
- (ii) (Not-for-profit) Organisations aiming at pursuing sustainable development, and
- (iii) Governmental institutions, both at the central and local level¹.

The major *target groups* are:

- (i) Small and Medium sized Enterprises (SMEs)² who are the main receivers of improved environmental practices, environmental technology and management;
- (ii) Governments, who are responsible for policy formulation and uptake of project results;
- (iii) Retailers who are the main intermediary between the manufacturing sector and the consumers;
- (iv) Consumer organisations and consumer (groups) who choose more sustainable consumption behaviour and patterns.

1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this call for proposals is EUR 23 000 000 Million. The Contracting Authority reserves the right not to award all available funds.

The programme aims at a balanced coverage of the Asian countries; therefore the following two provisions are made:

(1) The indicative allocation of funds is 1/3 of funds to three geographical clusters, as follows:

South Asia:	Afghanistan, Pakistan, Nepal, Bhutan, Bangladesh, India, Maldives, & Sri Lanka;
South East Asia:	Laos, Vietnam, Thailand Cambodia, Malaysia, Myanmar, Indonesia, & the Philippines;
China and North Asia:	China, <i>excluding Hong Kong, Macau, and Chinese Taipei</i> , Mongolia & North Korea.

(2) A maximum of 25% of total funds will be allocated to China, and a maximum of 15% for India, respectively (in total 40% for both countries). This is done to avoid an excessively large over-representation of projects implemented in China and India³. Applicants are particularly encouraged to implement projects

¹ The term “central” refers to any legislative body of government that is below the national level. This can include district or city municipalities, or regional governments, and local/ regional governmental agencies. Ministries are not eligible.

² The main target group are SMEs, but it does not exclude larger companies from participating in projects funded by SWITCH-Asia. In Asia it is estimated that 90% of the licensed companies are SMEs, who are often characterised by operating with older and labour intensive technologies. In EU SMEs are defined by the number of employees, but this is not possible in an Asian context, where you often find SMEs that still have more than 500 employees.

³ Such over representation has been a common feature in implemented Asia Wide Programmes

in Least Developed Countries (LDCs), i.e. Afghanistan, Bangladesh, Bhutan, Cambodia, Laos, Maldives, Myanmar and Nepal.

In the case where the minimum percentage foreseen for a specific lot cannot be used due to insufficient quality or number of proposals received, the Commission reserves the right to reallocate the remaining funds to another lot.

Size of Grants

Component I: Sustainable Production

	Minimum	Maximum
Grant size (EUR)	1 000 000	2 500 000
EC Co-financing (%)	-	80% (90% for LDC's)
Duration (months)	24	48

Component II: Sustainable Consumption

	Minimum	Maximum
Grant size (EUR)	500 000	1 000 000
EC Co-financing (%)	-	80% (90% for LDC's)
Duration (months)	24	36

Where projects are implementing activities addressing both components, it has to be justified that a majority of the activities can be identified as related to Sustainable Production, if the applicant is applying for a grant higher than 1 000 000 Euro.

To receive 90 % co-financing it has to be justified that a majority of the activities are implemented in one or more of the countries listed as LDCs, which you can find on page 15 in these guidelines.

No proposal will be considered where the request for funding is below the minimum value or where the percentage requested exceeds the maximum.

2. RULES FOR THIS CALL FOR PROPOSALS

These guidelines set out the rules for the submission, selection and implementation of actions financed under this call, in conformity with the provisions of the Practical Guide to contract procedures for EC external actions, which is applicable to the present call (available on the Internet at this address: http://ec.europa.eu/europeaid/work/procedures/index_en.htm).

2.1 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

- Applicant(s) which may request a grant (2.1.1), and their partners (2.1.2),
- Actions for which a grant may be awarded (2.1.3),
- Types of cost which may be taken into account in setting the amount of the grant (2.1.4).

<i>2.1.1 Eligibility of applicants: who may apply?</i>
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For the sake of clarity, please note that:

- “Partnership”** refers to the grouping of organisations, i.e. the applicant and its partners;
- “Applicant”** refers to the lead organisation within the partnership which submits the proposal;
- “Partner”** refers to organisations - other than the applicant - which are members of the partnership;
- “Beneficiary”** refers to the applicant (of the grant contract) with whom a grant contract has been signed.
- “Associate”** refers to organisations/institutions which play a real role in the action but may not receive funding from the grant (see 2.1.2).
- “Subcontractor”** refers to organisations which are neither partners nor associates, but are contracted by the applicant or partners using the relevant procurement procedures to carry out limited specific tasks within the project (see 2.1.2).

(1) In order to be eligible for a grant, applicants **must**:

- a) Be a non-profit-making legal entity: **local governments⁴**, or other **non-profit-making organisations**
- b) Be nationals⁵ of a Member State of the European Union, with headquarters within Europe, or an Asian eligible country (regarding international organisations, see below: “On the eligibility of international organisations”)
- c) Be directly responsible for the preparation and management of the action, not acting as an intermediary
- d) Have stable and sufficient sources of finance to ensure the continuity of their organisation throughout the action and, if necessary, to play a part in financing it

⁴ The term “local governments” refers to any legislative body of government that is below the national level. This can include district or city municipalities, or regional governments, and local/ regional governmental agencies.

⁵ Such nationality being determined on the basis of the organisation's statutes which should demonstrate that it has been established by an instrument governed by the internal law of the country concerned. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if they are registered locally or accompanied by a “Memorandum of Understanding”.

- e) Have been registered for a minimum of three years
- f) Be experienced and able to demonstrate their capacity to manage large-scale activities corresponding with the size of the action for which a grant is requested

(2) Potential applicants may not participate in calls for proposals or be awarded grants if:

- a) They are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) They have been convicted of an offence concerning professional conduct by a judgement which has the force of *res judicata* (i.e., against which no appeal is possible);
- c) They are guilty of grave professional misconduct proven by any means which the Contracting Authority can justify;
- d) They have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Contracting Authority (where it is not the Commission) or those of the country where the action is to take place;
- e) They have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- f) They have been declared to be in serious breach of contract for failure to comply with their contractual obligations in connection with a procurement procedure or other grant award procedure financed by the Community budget.

Applicants are also excluded from participation in calls for proposals or the award of grants if, at the time of the call for proposals, they:

- g) Are subject to a conflict of interests;
- h) Are guilty of misrepresentation in supplying the information required by the Contracting Authority as a condition of participation in the call for proposals or fail to supply this information;
- i) Have attempted to obtain confidential information or influence the evaluation committee or the Contracting Authority during the evaluation process of current or previous calls for proposals.

In the cases referred to in points (a), (c), (d), (f), (h) and (i) above, the exclusion applies for a period of two years from the time when the infringement is established. In the cases referred to in points (b) and (e), the exclusion applies for a period of four years from the date of notification of the judgment.

In part B, section VI of the grant application form ("Declaration by the applicant"), applicants must declare that they do not fall into any of the above categories (a) to (f). Signatures shall appear in original.

Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the situations which are listed in Section 2.3.3 of the Practical Guide to contract procedures for EC external actions (available from the following Internet address:

http://ec.europa.eu/europeaid/work/procedures/index_en.htm);

In part A, section III of the grant application form ("Declaration by the applicant"), applicants must declare that they do not fall into any of the situations. Their signatures on the Declaration by the Applicant shall appear in original.

"If the Contracting Authority suspects that an applicant has only a registered office in an eligible country or state and that the nationality of the applicant is ineligible, the applicant is responsible for demonstrating effective and continuous links with that country's economy. This is to avoid awarding contracts to organisations whose nationalities are ineligible but which have set up 'letter box' organisations in an eligible country to circumvent the rules on nationality."

International Organisations

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, European Investment Bank (EIB) and European Investment Fund (EIF) are also recognised as international organisations.

An office of a relevant institution such as that of UN or World Bank is eligible if it is located in a country eligible under the EU-Asia SWITCH Programme and meets the above requirements including those set in the *Practical Guide to EC external aid contract procedures* (especially Section 7, “Relations with international organisations and other donors”).

2.1.2 Partnerships and eligibility of partners

Applicants must act in consortium with partner organisations as specified hereafter.

Role of Partners

Applicants’ partners participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the grant Beneficiary. They must therefore satisfy the same eligibility criteria as applicants.

Composition of Partnership

The minimum size of partnerships consists of **one organisation from a Member State of the European Union** and at least **one organisation from an eligible Asian country**. More partners are encouraged when they perform functionally complementary tasks to the applicant and the other partner. Each member of a partnership must have a precise and clearly identified role in the implementation of the project. There is no upper limit on the number of members in a partnership. A partnership should be composed in such a way as to allow for the achievement of project objectives in the most efficient and cost-effective manner.

The role of each partnership member organisation must be clearly explained in the proposal. Even though the contracting authority concludes a contract with the Beneficiary only (i.e. the applicant), all partners should be shown to actively contribute to the implementation of the project. It is strongly recommended that the applicant and its partners draw up an agreement defining the technical and financial rights and obligations of each partnership member. A clear written allocation of responsibilities and a balanced distribution of costs will contribute to the partnership’s success.

The applicant and **each** partner must **sign** and date the **Partnership Statement** annexed to the Application Form, Annex A, III, 2. Signatures shall appear in original.

The following are not partners and do not have to sign the “partnership statement”:

Associates

Other organisations may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.1. Associates may be commercial organisations, such as private enterprises or banks (ineligible) or on-governmental organisations; think tanks; associations; foundations; charities (eligible). Associates are not taken into consideration for the fulfilment of the minimum membership requirements of a partnership. Associates must not represent the majority of members in a partnership and must not undertake essential parts of the work, such as project management. The associates have to be mentioned in Part B section IV - “Associates of the Applicant participating in the Action” of the Grant Application Form.

Organisations from Hong Kong, Macau, Chinese Taipei, Brunei Darussalam and Singapore can fully participate in projects as associates, provided that they do not receive Commission funding.

Subcontractors

The grant beneficiaries have the possibility to award contracts to subcontractors. Subcontractors are neither partners nor associates, and are subject to the procurement rules set out in Annex IV to the standard grant contract. This document sets out rules on nationality and origin, and determines the procedures to be followed when tendering, according to the value of the contract. This document can be consulted on the Europe Aid Co-operation Office website:

http://europa.eu.int/comm/europeaid/tender/gestion/cont_typ/st/ppm_en.pdf

The involvement of contractors may be important when organisations, with crucial expertise and experience for the implementation of the project, would otherwise be excluded for not complying with the eligibility criteria. The involvement of subcontractors should not lead to the situation that the projects are controlled by contractors or be driven by commercial purposes.

The amount of the subcontracted costs (including fees, travel and accommodation costs, etc.) **must not exceed 20% of project total eligible costs** (that is 20% of item 9. in the “Budget for the Action” table – Annex B). A fair amount of other costs for subcontracted services are acceptable in excess to the latter for the following: publications, standard computer services, travel arrangement and other costs related to logistics. Overall project management – for which, the Applicant will be responsible cannot be subcontracted, although some limited management activities at the field level can. The Contracting Authority suggests that the involvement of contractors only take place if necessary for the implementation of the project and, which cannot be secured through the not-for-profit partners. No projects should be controlled by contractors or be driven by commercial purposes. Proposals which fail to comply with these principles will be rejected by the Programme’s Evaluation Committee.

The costs for subcontracted services – including consultancy services – must be listed under item 5. in the “Budget for the Action” table – Annex B. In addition, financial details concerning the subcontracted activities (rates, number of days/months, outputs, etc.) must be developed as necessary in the budget justification section to be attached to the budget tables and highlighted in the “Budget for the Action” table (Annex B).

The applicant will act as the lead organisation and, if selected, as the contracting party (the "Beneficiary").

2.1.3 Eligible actions: actions for which an application may be made

Definition: An action (or project) is composed of a set of activities.

Duration

The planned duration of an action may not be lower than nor exceed:

Minimum duration	<p>The duration of an action may not be less than the following:</p> <table> <tr> <td>Sustainable Production Projects:</td><td>24 months</td></tr> <tr> <td>Sustainable Consumption Projects:</td><td>24 months</td></tr> </table>	Sustainable Production Projects:	24 months	Sustainable Consumption Projects:	24 months
Sustainable Production Projects:	24 months				
Sustainable Consumption Projects:	24 months				
Maximum duration	<p>The duration of an action may not exceed the following:</p> <table> <tr> <td>Sustainable Production Projects:</td><td>48 months</td></tr> <tr> <td>Sustainable Consumption Projects:</td><td>36 months</td></tr> </table>	Sustainable Production Projects:	48 months	Sustainable Consumption Projects:	36 months
Sustainable Production Projects:	48 months				
Sustainable Consumption Projects:	36 months				

Sectors or themes

SWITCH-Asia encompasses at programme level both sustainable production and sustainable consumption axes ⁶ in order to create sufficient critical mass in Asia on both interlinked but complementary issues.

Ideally projects address both sustainable production and consumption. In that case projects should indicate the share of the budget that will be allocated to the respective components. However, this should not lead to complex project design and complicated implementation mechanisms with failure risks. It is stressed that applicants who exclusively focus on either sustainable production or sustainable consumption will be considered equally as projects that combines activities in both fields. The SWITCH programme also encompasses a merge role between both components via its Network Facility.

As part of the above 2 components, activities oriented towards the development of an *enabling policy environment* - legal and/or economic instruments - will be essential, to create a setting that (re) enforces and/or stimulates (push and pull) enterprises and consumers to change their behaviour. Projects should aim to include activities related to the policy framework level, complementary to concrete interventions in businesses and consumer networks and/or organisations.

The programme prefers wherever already in place, to build upon and strengthen already existing networks and institutions in order to create visible impact. In the last decade already a number of Asian Centres of SCP has been established. The organisational capacity, knowledge and strengths, especially outreach capacity, amongst these Asian SCP-institutions vary greatly and certainly can be enhanced. These centres are expected to be intensively involved in the SWITCH-programme.

Projects should incorporate the priority settings of the respective Asian Country Specific Papers, and whenever possible add upon and strengthen earlier initiatives or seek synergy with parallel similar projects in the region.

They should be sustainable, innovative, and replicable, and should enable the design and implementation of solutions to clearly identified local problems. Because projects are intended to be replicable, it is essential that dissemination/communication activities will be one of their core development activities.

Preference will be given to projects with a participatory approach, and where **especially customised business support (network) organisations and local governments are applicants or partners; e.g. organisations who are closest to and recognised by the defined target groups, and will play an active role in the proposed activities.**

Furthermore it is stressed that all **European applicant or partners should spend the majority of their time in field activities in Asia.** Such should be clearly reflected in the project description and subsequent budget.

⁶ Sustainable Consumption and Production can be seen as the two faces of a same coin related to ‘the use of goods and services that respond to basic needs and bring a better quality of life, while minimizing the use of natural resources (including energy and water), toxic materials and emissions of waste and pollutants over the life cycle, so not to jeopardize the needs of future generations’.

Location

Actions must take place in one or more of the following countries:

European Union		Asia	
Austria	Latvia	<u>Afghanistan</u>	Malaysia
Belgium	Lithuania	<u>Bangladesh</u>	<u>Maldives</u>
Cyprus	Luxembourg	<u>Bhutan</u>	Mongolia
Czech Republic	Malta	<u>Cambodia</u>	<u>Nepal</u>
Denmark	Netherlands	China*	DPR Korea
Estonia	Poland	India	Pakistan
Finland	Portugal	Indonesia	Philippines
France	Slovak Republic	<u>Laos</u>	Sri Lanka
Germany	Slovenia	<u>Myanmar</u>	Thailand
Greece	Spain		Vietnam
Hungary	Sweden		
Ireland	United Kingdom		
Italy			

Within the eligible Asian countries, those underlined are considered as Least Developed countries (LDC's). Organisations from Hong Kong, Macao, Brunei Darussalam and Singapore may participate in projects as Associates, provided they do not receive funding from the grant with exception of per diem or travel costs, see the following section.

Types of action

Component 1: Sustainable Production Projects

Target group

SWITCH explicitly aims to target Small and Medium Sized Enterprises (SMEs) as the primary end-target group with business (intermediary) support networks, tailored for and having best access to SMEs, as most relevant parallel target groups and certainly relevant partnerships.

Sector or area

The programme will work in urban areas and the industry and services sector. Primary production (mining, agriculture, fisheries, and forestry) will not be addressed, as specific other (EC) programmes cover these. The choice of specific sectors or industrial areas for SP projects will be left to the applicants, based on a customised approach to reach the prescribed number of SMEs (from 100 in the 1st year to 500 or more in the 4th year), that is determined by country-specific characteristics. Selected sectors or industrial areas should:

- Substantially contribute to overall pollution;
- Have sufficient potential for improvement;
- Form a substantially share of the economy; and
- Have sufficient potential for further multiplication in the country and/or region.

Focus

Sustainable Production projects have to pay attention to: **effective outreach activities** towards a large number of SME's: innovative approaches to create a "multiplier effect" promoting the concept of SCP, resulting in:

- Tangible and quantified environmental improvement;
- Strengthened awareness raising within relevant stakeholders (intermediary organisations, business networks, financing and insurance institutes, etc.) having ample access to and recognised by SME's;
- Capacity built in Asian business intermediary organisations and establishment of small industry networks to join forces to strengthen SME's ability to access environmental knowledge.

This Call for Proposals will request projects to focus on the following themes:

- Next to the exploration and implementation of 'good-house keeping' measures (the 'low hanging fruits') also *induce technical innovations*, if possible with indigenous or locally produced technology (to tailor to the local conditions and avoid high transaction costs);
- Secure a more sustainable character of SP at enterprise-level via embedding in *environmental management systems* (e.g. ISO 14001, EMAS, and others) and application of environmental accounting systems;
- *Supply chain management*, inducing environmental practices as part of the market push-pull mechanism in the whole chain of production;
- Broaden the scope of working with individual enterprises towards *industrial estates, areas and/or clusters*, creating a more effective outreach and seeking innovative opportunities like Industrial Ecology, etc.;
- Promotion of *Corporate Social Responsibility* (CSR) and as part of it *Occupational Health & Safety* (OH&S), in order to improve labour rights and working standards.

The selection of adequate project partners is of utmost importance; not aiming at establishing new organisations but explicitly using and strengthening existing Asian organisations and networks that have ample and proven access to the target groups of sustainable production (SME's), such as industrial associations, chambers of commerce and industrial business support networks.

Type of actions

Effective implementation of SCP-projects requires an effective mixture out of the following activities:

- Awareness raising
- Training and capacity building
- Tool development
- Technical assistance
- Benchmarking
- Institutional strengthening
- Network building
- Policy dialogue
- Implementation at target level (e.g. SME's)
- Dissemination

Applicants are expected to build upon experience and established capacities in SCP in the respective Asian country (ies). Therefore applicants should go beyond the 'traditional' Sustainable Production activities ⁷ -

⁷ "Traditional' SCP-projects over the last decade in Asia, as part of, amongst others multilateral programmes of UNEP/UNIDO (the global NCPC-programme) and bilateral programmes, focussed mainly on awareness raising, capacity building on application of SP at company level, institutional set-up of CP-centres, tool development and (a limited number of) in-depth demonstration projects, and limited attention to enlarging the scope of CP towards other tools, effective enabling policy development and outreach to a substantial number of SME's.

projects can cope with but at the same time should *go explicitly beyond preparatory activities* such as needs assessments, market surveys, awareness raising, capacity building, tool development and/or research. Of crucial importance will be especially *the development and actual application of multiplier approaches* for effective outreach towards the large number of SME's.

Projects should target on reaching a substantial number of SME's. To give an indication: from about 100 in the first year to 500 or more in the last year, depending actual coverage on size and complexity of the enterprises in the respective sector, taking into account the national economy. The share of enterprises covered of the total number of enterprises in the national or provincial economy will be one of the performance indicators.

Performance indicators

Each project should define its own clear, tangible and measurable set of performance indicators related to the main objectives of the SWITCH programme, and at least incorporate the following indicators in the project proposal:

- Numbers of SME's actively involved and the coverage of the respective sector (with clear description of what active involvement implicates);
- Level of enlarged competitiveness of the SME's/SME-sector in the Asian country and the global market quantified in increased market share a/o market potential;
- Tangible environmental improvements achieved at enterprise level (e.g. quantified in environmental indicators like reduction of CO₂-emissions, reduction of water consumption, reduction of wastewater quantity and/or toxicity, etc.);
- Estimation of environmental improvement potential (e.g. quantified via justified estimation and extrapolation of the actual results in the pilots towards full uptake, with conditions for effective uptake).

Component 2: Sustainable Consumption Projects

Target group

SWITCH aims at consumers in general but in order to reach effective and tangible results it is preferred to focus at clearly segmented consumer 'groups' (e.g. government, offices, schools, hospitals, etc.), consumer organisations, retailers and/or intermediary networks involved in influencing consumer behaviour (e.g. marketing, advertisement, etc.)

The selection of adequate project partners is of utmost importance; not aiming at establishing new organisations but explicitly using and strengthening existing Asian organisations and networks that have ample and proven access to the target groups of sustainable consumption (e.g. consumer groups), such as retailer organisations and consumer organisations.

Focus

All *Sustainable Consumption* projects will focus explicitly on capacity building amongst intermediary organisations to support Asian companies to comply with international product oriented code of conduct.

This Call for Proposals will request projects to focus on the following themes:

- Development and strengthen effective *marketing strategies* to promote eco-products from SMEs in Asian countries and for intra-Asian trade, involving relevant marketing institutes, advertisement agencies and media to effectively reach consumers;
- Develop and strengthen country specific *organisational networks and framework conditions* supportive to Sustainable Consumption;
- Encourage *procurement* (public and private) on eco-friendly products;

- Research and design of products with lower waste quantity (% of packaging) and impact (Recycling strategy);
- Demonstrate as part of the *supply chain* (B2B) and/or in close relation with *retailers* (B2C), how to enhance the production and sales of eco-friendly products in line with international product standards and codes of conducts;
- Information exchange and strengthen the understanding of existing international *requirements and codes of conduct* that have direct or indirect impact on product and consumer patterns.

Type of actions

Effective implementation of SCP-projects requires an effective mixture of the entire set of activities:

- Awareness raising
- Training and capacity building
- Tool development
- Institutional strengthening
- Network building
- Policy dialogue
- Implementation at target level (e.g. government, consumer groups, retailers)
- Dissemination.

Applicants are expected to build upon experience and established capacities in SCP in the respective Asian country (ies). Therefore applicants should *go explicitly beyond preparatory activities* such as needs assessments, market surveys, awareness raising, capacity building, tool development and/or research. Of crucial importance will be especially *the development and actual application of multiplier approaches* for effective involvement of and outreach towards the retailers and consumer (groups).

Performance indicators

Each project should define its own clear, tangible and measurable set of performance indicators related to the main objectives of the sustainable consumption component of the SWITCH programme, and at least incorporate the following indicators in the project proposal:

- Level of involvement and increased awareness of consumer intermediary groups with regard to sustainability issues;
- Numbers of retailer organisations actively involved (with clear description what active involvement implicates);
- Number of SME's that increased the manufacturing of eco-friendly products (and quantified the increased share of products);
- Tangible environmental improvements achieved at target group level (for instance changes in public procurements, increased market share of eco products all quantified in environmental indicators like reduction of CO2-emissions, reduction of water consumption, reduction of wastewater quantity a/o toxicity, etc.);
- Estimation of environmental improvement potential: (e.g. quantified via justified estimation and extrapolation of the actual results in the pilots towards full uptake, with conditions for effective uptake).

Both Components:

Creating an Enabling Policy Environment

Achievements in the ‘enabling public environment’ may involve legal instruments and/or economic instruments and may refer to both components. Projects should aim to include activities related to the policy framework level or can be mainly policy oriented, but always complementary to concrete interventions in businesses and consumer networks and/or organisations.

This will result in:

- Development and reinforcement of legal environmental instruments, as well as voluntary or negotiated agreements between the private sector (businesses) and relevant government institutions;
- Development and application of effective economic instruments that enhance SCP by keeping compliance costs low and providing incentives to environmental friendly production, processes and products.

Possible activities to be covered are:

- Actions aiming at increasing Asian policy-makers and awareness in the field of SCP and opportunities for co-operation;
- Capacity building and technical support to formulate enabling regulatory frameworks for SCP at the appropriate government levels;
- Support to enhance capacity of government to reinforcement environmental legislation;
- Capacity building and technical support to define appropriate economic instruments that favour SCP;
- Improve product information (on labels) and install capacity for independent product testing (in combination with bureaux of standard);
- Capacity building and technical support to development of indicators and databases for monitoring consumption and production for selected sectors (benchmarking);
- Initiate and/or contribute to policy dialogue at national or local level to promote/enforce adoption of SCP methodologies in e.g. industrial productions, including capacity building at policy level (national, regional, local authorities);

Initiation and/or contribution to policy dialogue at (sub) regional Asian level is also seen at utmost importance. This will be primarily covered at programme level via customised activities under the Network Facility. This includes participation in existing and developing new regional networks and partnership with centres of excellence for exchange of information and experience and cooperation on sustainable consumption and production that could support and promote efforts at capacity building and technology transfer activities. The Programme through the Network Facility will endorse uptake of success results from individual projects in environmental policies **and** mainstreaming in other policies at (sub) regional Asian level via linkage with dialogue networks like ASEM, ASEAN and the global Marrakech Process.

Cross Cutting Issues

The attention of applicants is drawn to the need to consider the following points when drawing up their proposal:

- **Outreach and scaling-up** – i.e. the Programme recognises that in the last decade already numerous SCP-projects have been executed in Asia (partially sponsored by the EU), and is seeking for the ‘next steps’, to leapfrog towards tangible impact with involvement of a substantial number of often neglected SME’s;
- **Demand driven** – i.e. the Programme is designed to address problems perceived by the Asian countries itself, and appropriate to local institutional, social and economic conditions;

- **Synergy** – i.e. the Programme endorses links with existing or planned projects of other donors, taken in mind that the visibility of the EU as main sponsor of this Programme is safeguarded;
- The **added value** to be brought by the project – i.e. the Programme is designed to co-finance activities, which will induce **positive** environmental change, which can be then be **replicated** within and without the country of implementation;
- **Gender and minority groups issues and participatory approaches** – i.e. the practical involvement of women and minority-groups in the proposed activities, and in the policies to be developed/tested through the proposed project;
- Cross-cutting **development effects** - contribution to (institutional) development and strengthening competitiveness of Asian private sector, health and/or good governance and poverty alleviation contribution to improved livelihood for the poor – who are most directly affected by environmental degradation;
- **Sustainability – the benefits of the project continue to accrue to the beneficiaries** after the project has finished, with clear evidence of the organisational setting and the financial conditions;
- **Local implementation of international agreements** while relating to Sustainable Production and Consumption - e.g. local agenda 21 project proposals, Multilateral Environmental Agreements (e.g. UNFCCC/Kyoto Protocol, Basel Convention, Stockholm Convention, Montreal Protocol, etc.) and/or related to EU-Directives (WEEE, etc.).

Number of proposals and grants per applicant

Applicants may submit only one proposal with the same partner institutions within one type of actions under this Call for Proposals. However, they may submit more than one proposal if they have been formulated with different partners (at least one partner must be different) AND different content. Please note that in this case, each proposal must be submitted in a separate envelope.

2.1.4 <i>Eligibility of costs: costs which may be taken into consideration for the grant</i>
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Only "eligible costs" can be taken into account for a grant. These are detailed below. The budget is therefore both a cost estimate and a ceiling for "eligible costs". Note that the eligible costs must be based on real costs based on supporting documents (except for subsistence costs and indirect costs where flat-rate funding apply).

Recommendations to award a grant are always subject to the condition that the checking process which precedes the signing of the contract does not reveal problems requiring changes to the budget (for instance arithmetical errors, inaccuracies or unrealistic costs and other 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. The amount of the grant and the percentage of co-financing as a result of these corrections may not be increased in any case.

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

Eligible direct costs

To be eligible under the call for proposals, costs must respect the provisions of article 14 of the General Conditions to the Standard Grant Contract:

- They are incurred during the implementation of the action as specified in Article 2 of the Special Condition with the exception of costs relating to final reports and expenditure verification. Eventual contracts for goods/services/works used/provided/delivered during the implementation period may have been awarded but not executed by the Beneficiary or his partners before the implementation period of the Action started, provided the provisions of Annex IV were respected. Such costs must be paid for before the final report is finalised.

- Have to be indicated in the estimated overall budget of the action,
- Have to be necessary for the implementation of the action which is the subject of the grant,
- must be identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost account practices of the beneficiary,
- have to be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency,

Subject to the above and where relevant to the provisions of Annex IV being respected, the following direct costs of the Beneficiary and his partners shall be eligible:

- The cost of staff assigned to the Action, corresponding to actual salaries plus social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the Beneficiary or his partners, as the case may be, unless it is justified by showing that it is essential to carry out the action;
- Travel and subsistence costs for staff and other persons taking part in the Action, provided they do not exceed those normally borne by the Beneficiary or his partners, as the case may be. Any flat-rate reimbursement of the subsistence costs must not exceed the rates set out in Annex III, which correspond to the scales published by the European Commission at the time of signing this contract;
- Purchase or rental costs for equipment and supplies (new or used) specifically for the purposes of the Action, and costs of services, provided they correspond to market rates;
- Costs of consumables;
- Subcontracting expenditure;
- Costs deriving directly from the requirements of the Contract (dissemination of information, evaluation specific to the Action, audits, translation, reproduction, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees).

Contingency reserve

A contingency reserve not exceeding 5% of the direct eligible costs may be included in the Budget of the Action. It can only be used with the **prior written authorisation** of the Contracting Authority.

Eligible indirect costs (overheads)

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding fixed at not more than 7% of the total eligible direct costs.

Contributions in kind

Any contributions in kind, which must be listed separately at Annex III, do not represent actual expenditure and are not eligible costs. The contributions in kind may not be treated as co-financing by the Beneficiary.

The cost of staff assigned to the Action is not a contribution in kind and may be considered as co-financing in the Budget of the Action when paid by the Beneficiary or his partners.

Notwithstanding to the above, if the description of the action as proposed by the beneficiary foresees the contributions in kind, such contributions have to be provided.

The Contracting Authority may accept co-financing in kind, if considered necessary or appropriate. In such cases, the value of such contributions must not exceed:

- (i) Either the costs actually borne and duly supported by accounting documents;
- (ii) Or the costs generally accepted on the concerned market of reference.

Contributions involving real estate shall be excluded from the calculation of the amount of co-financing.

Ineligible costs

The following costs are not eligible:

- Debts and provisions for losses or debts;
- Interest owed;
- Items already financed in another framework;
- Purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred to the final beneficiaries and/or local partners, at the latest by the end of the action;
- Currency exchange losses;
- Taxes, including VAT;
- Credits to third parties.

2.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

Please note that the prior registration in PADOR for applicants for this Call for proposal is Obligatory. **PADOR will be available from mid-November on the following link:**

<http://ec.europa.eu/europaid/online services/pador>

However the applicant can submit a request for derogation concerning its registration in PADOR. A reasoned request for derogation should be sent to the Contracting Authority at the address as indicated in these Guidelines 21 days before the deadline for submission at the latest. The Contracting Authority needs to reply at the latest 11 days before the deadline for the submission. The justification for a derogation must be based on the objective impossibility of the applicant to have access to the technology required to register in PADOR. This objective impossibility should go beyond the control of the applicant and, in principle, be of a general nature (i.e. not attributable to the specific circumstances of the applicant itself). The applicant should provide, where possible, supporting documents substantiating its request. The Contracting Authority shall reason its reply. The derogation applies to the applicant requesting the derogation and only in the context of a specific call for proposals, unless the Contracting Authority see grounds for a general derogation for that call for proposals. In this case, data will be introduced in PADOR by the European Commission. If, at a later stage, the organisation wishes to update itself its data, an access request is needed.

2.2.1 *Concept Note content*

Applications must be submitted with the guidance on the Concept Note in the Grant Application Form annexed to these Guidelines (Annex A).

Applicants must apply in **English**.

In the Concept note, the applicants must provide an estimate only of the probable total cost of the action and of the requested amount of the EC contribution. Only the applicants invited to submit a full proposal in the second phase will be required to present a detailed budget. Please provide budget with round figures. This detailed budget may not vary from the initial estimate by more than 20%, while the applicant is free to adapt the percentage of co-financing required as far as the minimum and maximum amount of co-financing, as laid down in the present Guidelines, is respected.

Any error or major discrepancy related to the points listed in the guidance on the Concept Note may lead to the rejection of the Concept Note.

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

Hand-written Concept Notes will not be accepted.

Please note that only the Concept Note form will be transmitted to the assessors. It is therefore of utmost importance that this document contain ALL relevant information concerning the action.

2.2.2 *Where and how to send concept notes*

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

Postal address

European Commission
EuropeAid Co-operation Office
Directorate D, Asia including Central Asia
Unit D3, Finances, Contracts and Audits
Office: J/54 8/14
B-1049 Brussels, Belgium

Address for hand delivery or by private courier service

European Commission
EuropeAid Co-operation Office
Directorate D, Asia including Central Asia
Unit D3, Finances, Contracts and Audits
Avenue du Bourget, 1
B-1140 Brussels, Belgium

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

The Concept note together with the Checklist for the Concept Note (Part A section II of the grant application form) and the Declaration by the applicant for the Concept Note (Part A section III of the grant application form) must be submitted in **one original** in A4 size, each bound (ring binder, folder etc. **no loose papers**).

Concept Notes must also be submitted in an electronic format (CD-Rom). The electronic format must contain **exactly the same** proposal as the paper version enclosed.

Where an applicant sends different concept notes, each one must be sent separately.

The outer envelope must bear the **reference number and the title of the call for proposals**, and title the full name and address of the applicant, and the words "Not to be opened before the opening session".

Applicants must verify that their Concept Note is complete using the Checklist for Concept Note (Part A section II of the grant application form). Incomplete concept notes may be rejected.

2.2.3 Deadline for submission of the Concept Notes

The deadline for the submission of Concept Note is **28 February 2008** as evidenced by the date of dispatch, the postmark or the date of the deposit slip. In case of hand-deliveries, the deadline for receipt is at 16.00 hours Brussels time as evidenced by the signed and dated receipt. Any Concept Note submitted after the deadline will automatically be rejected.

2.2.4 Further information for Concept Note

An information session on this call for proposals will be held on 13 December from 9.30 – 13.00 in Brussels.

Questions may in addition 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: europaaid-switch-asia@ec.europa.eu

Fax: +32 (0) 2 298 48 63

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

In the interest of equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of an applicant, a partner or an action.

2.2.5 Full Application form

Applicants invited to submit a full application form following short listing must do so by using the Part B of the application form annexed to these Guidelines (Annex A). Applicants should keep strictly to the format of the application and fill in the paragraphs and the pages in order.

The elements contained in the concept note cannot be modified in the full application form. The detailed budget (please provide budget with round figures) may not vary from the initial estimate by more than 20%, while the applicant is free to adapt the percentage of co-financing required as far as the minimum and maximum amount of co-financing, as laid down in this application form, is respected.

Applicants must submit their applications in the same language as their concept note (English).

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

Any error related to the points listed in the Checklist (section V of Part B of the grant application form) or any major inconsistency in the full application form (e.g. the amounts mentioned in the budget are inconsistent with those mentioned in the full application form) may lead to the rejection of the proposal.

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

Hand-written applications will not be accepted.

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

2.2.6 Where and how to send the Full Application form

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

Postal address

European Commission
EuropeAid Co-operation Office
Directorate D, Asia including Central Asia
Unit D3, Finances, Contracts and Audits
Office: J/54 8/14
B-1049 Brussels, Belgium

Address for hand delivery or by private courier service

European Commission
EuropeAid Co-operation Office
Directorate D, Asia including Central Asia
Unit D3, Finances, Contracts and Audits
Avenue du Bourget, 1
B-1140 Brussels, Belgium

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

Applications must be submitted in **one original** in A4 size, each bound (ring binder, folder etc. **no loose papers**).

The full application form, budget and logical framework must also be supplied in electronic format (CD-Rom) in a separate and unique file (e.g. the full application form must not be split into several different files). The electronic format must contain **exactly the same** proposal as the paper version.

The Checklist (Section V of part B of the grant application form) and the Declaration by the applicant (Section VI of part B of the grant application form) must be stapled separately and enclosed in the envelope

Where an applicant sends several different proposals, each one must be sent separately.

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

Applicants must verify that their application is complete using the checklist (section V of part B of the grant application form). Incomplete applications may be rejected.

2.2.7 *Deadline for submission of the Full Application form*

The deadline for the submission of applications is **29 May 2008** as evidenced by the date of dispatch, the postmark or the date of the deposit slip. In case of hand-deliveries, the deadline for receipt is at 16.00 hours Brussels time as evidenced by the signed and dated receipt. Any application submitted after the deadline will automatically be rejected.

2.2.8 *Further information for the Full Application form*

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

E-mail address: europaaid-switch-asia@ec.europa.eu

Fax: +32 (0) 2 298 48 63

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

In the interest of equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of an applicant, a partner or an action.

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 actions submitted by applicants will be assessed according to the following steps and criteria:

(1) STEP 1: OPENING SESSION AND ADMINISTRATIVE CHECK

The following will be assessed:

- The deadline has been respected. If the deadline has not been respected the proposal will automatically be rejected.
- The Concept Note satisfies all the criteria mentioned in the Checklist section II of part A of the grant application form. If any of the requested information is missing or is incorrect, the proposal may be rejected on that sole basis and the proposal will not be evaluated further.

Following the opening session and the administrative check, the Contracting Authority will send a letter to all applicants, indicating whether their application was submitted prior to the deadline, informing them of the reference number they have been allocated, whether they have satisfied all the criteria mentioned in the checklist and whether their Concept Note has been recommended for evaluation.

(2) STEP 2: EVALUATION OF THE CONCEPT NOTE

The evaluation of the Concept Notes that have passed the first administrative check will cover the relevance of the action, its merits and effectiveness, its viability and sustainability. The Contracting Authority reserves the right to skip the evaluation of the Concept Notes whenever considered justified (for example when a less than expected number of proposals are received) and to directly send invitations to submit a full proposal.

Please note that the scores awarded to the Concept Note are completely separate from those given to the Full Application.

The Concept Note will be given an overall score out of 50 points in accordance with the breakdown provided in the Evaluation Grid below. The evaluation shall also verify the compliance with instructions provided in the guidance for Concept Note, part A of the grant application form.

If the examination of the Concept Note reveals that the proposed action does not meet the eligibility criteria stated in paragraph 2.1.3, the proposal shall be rejected on this sole basis.

The evaluation criteria are divided into headings and subheadings. Each subheading will be given a score between 1 and 5 in accordance with the following assessment categories: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

	Scores	
1. Relevance of the action	Sub-score	15
1.1 Relevance of the problems to needs and constraints of the country/region to be addressed in general, and to those of the target groups and final beneficiaries in particular	5	
	5(x2)*	
1.2 Relevance to the priorities and objectives mentioned in the Guidelines		
2. Effectiveness and Feasibility of the action	Sub-score	25
2.1 Assessment of the problem identification and analysis	5	
2.2 Assessment of the proposed activities (practicality and consistency in relation to the objectives, purpose and expected results).	5(x2)*	
2.3 Assessment of the role and involvement of all stakeholders and proposed partners.	5(x2)*	
3. Sustainability of the action	Sub-score	10
3.1 Assessment of the identification of the main assumptions and risks, before the start up and throughout the implementation period.	5	
3.2 Assessment of the identification of long-term sustainable impact on the target groups and final beneficiaries.	5	
TOTAL SCORE		50

*the scores are multiplied by 2 because of their importance

Once all Concept Notes have been assessed, a list will be established with the proposed actions ranked according to their total score.

Firstly, only the Concept Notes which have been given a score of a minimum of 12 points in the category "Relevance" as well as a minimum total score of 30 points will be considered for pre-selection.

Secondly, the list of Concept Notes will be reduced in accordance to the ranking to those whose sum of requested contributions amounts to two times the available budget for this Call for proposals. The pre-selected applicants will subsequently be invited to submit full proposals.

(3) STEP 3: EVALUATION OF THE FULL APPLICATION

OPENING SESSION AND ADMINISTRATIVE CHECK OF THE FULL APPLICATION

The following will be assessed:

- The deadline has been respected. If the deadline has not been respected the proposal will automatically be rejected.
- The application form satisfies all the criteria mentioned in the Checklist (Section V. of part B of the grant application form). If any of the requested information is missing or is incorrect, the proposal may be rejected on that sole basis and the proposal will not be evaluated further.

Following the opening session and the administrative check, the Contracting Authority will send a letter to all applicants, indicating whether their application was submitted prior to the deadline, informing them of the reference number they have been allocated, whether their application has satisfied all the criteria mentioned in the checklist and whether their application has been recommended for evaluation.

EVALUATION OF THE FULL APPLICATION

An evaluation of the quality of the proposals, including the proposed budget, and of the capacity of the applicant and his partners, will be carried out in accordance with the evaluation criteria set out in the Evaluation Grid included below. There are two types of evaluation criteria: selection and award criteria.

The selection criteria are intended to help evaluate the applicants' financial and operational capacity to ensure that they:

- Have stable and sufficient sources of finance to maintain their activity throughout the period during which the action is being carried out and, where appropriate, to participate in its funding;
- Have the management capacity, professional competencies and qualifications required to successfully complete the proposed action. This also applies to any partners of the applicant.

The award criteria allow the quality of the proposals submitted to be evaluated in relation to the set objectives and priorities, and grants to be awarded to actions which maximise the overall effectiveness of the call for proposals. They enable the selection of proposals which the Contracting Authority can be confident will comply with its objectives and priorities and guarantee the visibility of the Community financing. They cover such aspects as the relevance of the action, its consistency with the objectives of the call for proposals, quality, expected impact, sustainability and cost-effectiveness.

If the examination of the proposal reveals that the proposed action does not meet the eligibility criteria stated in paragraph 2.1.3, the proposal shall be rejected on this sole basis.

Scoring:

The evaluation criteria are divided into sections and subsections. Each subsection will be given a score between 1 and 5 in accordance with the following guidelines: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

Evaluation Grid

Section	Maximum Score
1. Financial and operational capacity	20
1.1 Do the applicant and partners have sufficient experience of project management ?	5
1.2 Do the applicant and partners have sufficient technical expertise ? (Notably knowledge of the issues to be addressed.)	5
1.3 Do the applicant and partners have sufficient management capacity ? (Including staff, equipment and ability to handle the budget for the action)?	5
1.4 Does the applicant have stable and sufficient sources of finance ?	5
2. Relevance	25
2.1 How relevant is the proposal to the objectives and one or more of the priorities of the call for proposals? Note: A score of 5 (very good) will only be allocated if the proposal specifically addresses at least one priority . Note: A score of 5 (very good) will only be allocated if the proposal contains specific added-value elements, such as promotion of gender equality and equal opportunities...	5 x 2
2.2 How relevant to the particular needs and constraints of the target country/countries or region(s) is the proposal? (including avoidance of duplication and synergy with other EC initiatives.)	5
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 x 2
3. Methodology	25

3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	5
3.2 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 anticipate an evaluation ?)	5
3.3 Is the partners' level of involvement and participation in the action satisfactory?	5
3.4 Is the action plan clear and feasible?	5
3.5 Does the proposal contain objectively verifiable indicators for the outcome of the action?	5
4. Sustainability	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 and extension of the outcome of the action and dissemination of information.)	5
4.3 Are the expected results of the proposed action sustainable : - Financially (<i>how will the activities be financed after the funding ends?</i>) - Institutionally (<i>will structures allowing the activities to continue be in place at the end of the action? Will there be local "ownership" of the results of the action?</i>) - At policy level (where applicable) (<i>what will be the structural impact of the action — e.g. will it lead to improved legislation, codes of conduct, methods, etc?</i>)?	5
5. Budget and cost-effectiveness	15
5.1 is the ratio between the estimated costs and the expected results satisfactory?	5
5.2 Is the proposed expenditure necessary for the implementation of the action?	5 x 2
Maximum total score	100

Note on Section 1. Financial and operational capacity

If the total average score is less than 12 points for section 1, the Evaluation Committee will reject the proposal.

Note on Section 2. Relevance

If the total average score is less than 20 points for section 2, the Evaluation Committee will reject the proposal.

Provisional selection

Following the evaluation, a table listing the proposals ranked according to their score and within the available financial envelope will be established as well as a reserve list following the same criteria.

Note: The scores awarded in this phase are completely separate from those given to the concept note of the same application.

(4) STEP 4: VERIFICATION OF ELIGIBILITY OF THE APPLICANT AND PARTNERS

The eligibility verification, based on the supporting documents requested by the Contracting Authority (see section 2.4) will only be performed for the proposals that have been provisionally selected according to their score and within the available financial envelope.

- The Declaration by the applicant (Section VI of part B the grant application form) will be cross-checked with the supporting documents provided by the applicant. Any missing supporting document

or any incoherence between the Declaration by the applicant and the supporting documents may lead to the rejection of the proposal on that sole basis.

- The eligibility of the applicant, the partners, and the action will be verified according to the criteria set out in sections 2.1.1, 2.1.2 and 2.1.3.

Following the above analysis and if necessary, any rejected proposal will be replaced by the next best placed proposal in the reserve list that falls within the available financial envelope, which will then be examined for the eligibility of its applicant and the partners.

2.4 SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED PROPOSALS

Applicants who have been provisionally selected or listed under the reserve list will be informed in writing by the Contracting Authority. They will be requested to supply the following documents in order to allow the Contracting Authority to verify the eligibility of the applicants and their partners:

(1) The statutes or articles of association of the applicant organisation⁸ and of each partner organisation. Where the Contracting Authority has recognized the applicant's eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, the applicant may submit, instead of its statutes, copy of the document proving the eligibility of the applicant in a former Call (e.g.: copy of the special conditions of a grant contract received during the reference period), unless a change in its legal status has occurred in the meantime. This obligation does not apply to international organisations which have signed a framework agreement with the European Commission. A list of the relevant framework agreements is available at the following address:

http://ec.europa.eu/europeaid/work/procedures/index_en.htm

(2) Where the grant requested exceeds EUR 500 000 an external audit report produced by an approved auditor, certifying the accounts for the last financial year available.

This obligation does not apply to international organisations or public bodies.

(3) Copy of the applicant's latest accounts (the profit and loss account and the balance sheet for the previous financial year for which the accounts have been closed)⁹.

(4) Legal entity sheet (see annex D) duly completed and signed by the applicant, accompanied by the justifying documents which are requested therein. If the applicant has already signed a contract with the Contracting Authority, instead of the legal entity sheet and its supporting documents the legal entity number may be provided, unless a change in its legal status occurred in the meantime. **(This document should already have been registered in PADOR, and should therefore not be submitted again at this stage)**

(5) A financial identification form conforming to the model attached at Annex E, certified by the bank to which the payments will be made. This bank must be located in the country where the applicant is registered. If the applicant has already signed a contract with the European Commission or where the European Commission has been in charge of the payments of a contract, a copy of the previous financial identification form may be provided instead, unless a change in its bank account occurred in the meantime. **(This document should already have been registered in PADOR, and should therefore not be submitted again at this stage)**

The supporting documents requested must be supplied in the form of originals or photocopies of the said originals. However, the Legal entity sheet and the financial identification form must always be submitted in original.

Where such documents are not in one of the official languages of the European Union *or in the language of the country where the action is implemented*, a translation into the language of the call for proposals of the relevant parts of these documents, proving the applicant's eligibility, must be attached and will prevail for the purpose of analyzing the proposal.

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

⁸ Where the applicant and/or (a) partner(s) is a public body created by a law, a copy of the said law must be provided

⁹ This obligation does not apply to natural persons, who have received a scholarship, or to public bodies or to international organisations. It does not apply either when the accounts are in practice the same documents as the external audit report already provided pursuant to section 2.4.2.

If the supporting documents are not provided before the set deadline (15 calendar days from the receipt of the letter sent by the Contracting Authority), the application may be rejected.

Based on the verification of the supporting documents by the Evaluation Committee it will make a final recommendation to the Contracting Authority which will decide on the award of grants.

2.5 NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

2.5.1 Content of the decision

Applicants will be informed in writing of the Contracting Authority's decision concerning their application and the reasons for the decision.

Applicants believing that they have been harmed by an error or irregularity during the award process may petition to the Contracting Authority directly. The Contracting Authority must reply within 90 days of receipt of the complaint.

The applicant may have recourse to procedures established under Community legislation. European citizens or residents, including legal entities with a registered office in the European Union, also have the right to complain to the European Ombudsman, who investigates complaints of maladministration by the European Community Institutions.

2.5.2 Indicative time table

	DATE	TIME*
Information meeting	13 December 2007	9.00 to 13.00
Deadline for request for any clarifications from the Contracting Authority	7 February 2007	-
Last date on which clarifications are issued by the Contracting Authority	15 February 2008	-
Deadline for submission of Concept Notes	28 February 2008	16.00
Information to applicants on the opening & administrative check	9 March 2008	-
Information to applicants on the evaluation of the Concept Notes	25 March 2008	-
Invitations for submission of Full Application Form	26 March 2008	-
Deadline for submission of Full Application Form	29 May 2008	16.00
Information to applicants on the evaluation of the Full Application Form	30 June	-
Notification of award (after the eligibility check)	15 July 2008	-
Contract signature	By 1 November 2008	-

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

2.6 CONDITIONS APPLICABLE TO IMPLEMENTATION OF THE ACTION FOLLOWING THE CONTRACTING AUTHORITY'S DECISION TO AWARD A GRANT

Following the decision to award a grant, the Beneficiary will be offered a contract based on the Contracting Authority's standard contract (see Annex F). By signing the Application form (Annex A), the applicant declares accepting, in case where it is awarded a grant, the Contractual conditions as laid down in the Standard Contract.

If the successful applicant is an international organisation, the model Contribution Agreement with an international organisation or any other contract template agreed between the international organisation concerned and the Contracting Authority will be used instead of the standard grant contract provided that the international organisation in question offers the guarantees provided for in article 53d (1) of the Financial Regulation, as described in Chapter 7 of the Practical Guide to contract procedures for EC external actions.

Implementation contracts

Where implementation of the action requires the Beneficiary to award procurement contracts, it must award the contract to the tendered offering the best value for money, that is to say, the best price-quality ratio, in compliance with the principles of transparency and equal treatment for potential contractors, care being taken to avoid any conflict of interests. To this end, the Beneficiary must follow the procedures set out in Annex IV to the contract.

3. LIST OF ANNEXES

DOCUMENTS TO FILL IN

ANNEX A: GRANT APPLICATION FORM (WORD FORMAT)

ANNEX B: BUDGET (EXCEL FORMAT)

ANNEX C: LOGICAL FRAMEWORK (EXCEL FORMAT)

ANNEX D: LEGAL ENTITY SHEET (EXCEL FORMAT) *(TO BE FILLED IN PADOR)*

ANNEX E: FINANCIAL IDENTIFICATION FORM *(TO BE FILLED IN PADOR)*

ANNEX B, C, D, AND E CAN BE DOWNLOADED AT THE FOLLOWING LINK:

[HTTP://EC.EUROPA.EU/EUROPEAID/WORK/PROCEDURES/IMPLEMENTATION/GRANTS/ANNEXES_STANDARD_DOCUMENTS/INDEX_EN.HTM](http://ec.europa.eu/europeaid/work/procedures/implementation/grants/annexes_standard_documents/index_en.htm)

DOCUMENTS FOR INFORMATION

ANNEX F: STANDARD CONTRACT (WORD FORMAT), available at the following address:

http://ec.europa.eu/europeaid/work/procedures/implementation/grants/annexes_standard_documents/index_en.htm

ANNEX G: DAILY ALLOWANCE RATES (PER DIEM), available at the following address:

http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm

ANNEX H: STANDARD CONTRIBUTION AGREEMENT, applicable in case where the beneficiary is an International organisation, is available at the following address:

http://ec.europa.eu/europeaid/work/procedures/implementation/grants/annexes_standard_documents/index_en.htm