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Contracting Authority: International Centre for Migration Policy
Development

SME Support Grant Scheme for Job Creation

Guidelines
for Grant Applicants

Reference Number: ICMPD/2021/4/ENHANCER/SME/TUR

Deadline for submission of application: 13 September 2021



NOTICE 1

This Grant Scheme Programme is funded under the project “Enhancement of Entrepreneurship Capacities for Sustainable Socio-Economic Integration (ENHANCER)” (IPA/2019/411-568) which is funded by European Union’s “Facility for Refugees in Turkey (FRIT)” programme and implemented by the International Centre for Migration Policy Development (ICMPD).

The implementation of ENHANCER Project is based on the established institutional framework between the Ministry of Industry and Technology, General Directorate of Development Agencies and ICMPD.

This is a single-step call for proposals, where applicants shall submit all documents together at once.

ICMPD, as the Contracting Authority for the SME Support Grant Scheme, is responsible for the administrative and financial implementation of the Programme. ICMPD has the ultimate responsibility for the correct use of grant funds and is responsible for managing the call for proposals, contracting and payment procedures.

NOTICE 2

Please note that only the original documents and forms that are published on ICMPD electronic Application Platform have legal validity. ICMPD has no responsibility for the application documents and forms published on any other platform. Applicants shall submit their applications by filling the original documents downloaded from the ICMPD electronic Application Platform at <https://intendhost.co.uk/icmpd/aspx/Tenders/Appraisal>.

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LIST OF ABBREVIATIONS

DGRDA	Directorate General for Regional Development Agencies
ENHANCER	Enhancement of Entrepreneurship Capacities for Sustainable Socio-Economic Integration
ESOB	Chamber of Artisans and Craftsmen
EU	European Union
FRIT	The EU Facility for Refugees in Turkey
ICMPD	International Centre for Migration Policy Development
ILO	International Labour Organization
LHC	Local Host Community
SGK	Social Security Institution
SME	Small and Medium-Sized Enterprise
SMMM	Independent Accountant And Financial Advisor
SuTP	Syrians under Temporary Protection
TEPAV	The Economic Policy Research Foundation of Turkey
TOBB	The Union of Chambers and Commodity Exchanges of Turkey
TSO	Chamber of Commerce and Industry
TURKSTAT	Turkish Statistics Institute
UN	United Nations
YMM	Certified Public Accountant

1. SME SUPPORT GRANT SCHEME FOR JOB CREATION

1.1. BACKGROUND

ICMPD is an international organisation with 18 Member States and more than 250 staff members. Active in more than 90 countries worldwide, it takes a regional approach in its work to create efficient cooperation and partnerships along migration routes. Priority regions include Africa, Central and South Asia, Europe and the Middle East. Its three-pillar approach to migration management – structurally linking research, migration dialogues and capacity building – contributes to better migration policy development worldwide. The Vienna-based organisation has a mission in Brussels, a regional office in Malta and project offices in several countries. ICMPD receives funding from its Member States, the European Commission, the UN and other multilateral institutions, as well as bilateral donors. Founded in 1993, ICMPD holds UN observer status and cooperates with more than 700 partners including EU institutions and UN agencies. ICMPD has been supporting the government of Turkey's policy efforts and delivering technical assistance to address migration and refugee patterns in the country.

Turkey has become the country that hosts the biggest refugee population in the world as the number of Syrians under temporary protection (SuTPs) has reached 3.6 million. The Syrian population lives in rural and urban areas, densely in large cities in the South-Eastern Anatolia Region. Turkey continues to provide health & social services as well as education and employment opportunities for SuTPs under the framework of the Law on Foreigners and International Protection (Law No. 6458 of 2013) and its temporary protection directive. Besides, International Institutions support SuTPs and Turkey's efforts by developing various projects through the funds provided. As the Syrian crisis continues, there has been a shift from humanitarian aid perspective to the socio-economic integration and to support of SuTPs livelihoods. Accordingly, activities such as value chain analysis, labour market assessment studies and entrepreneurship supports have become more critical to identify their contribution for economic growth and job creation potential.

In this regard, ICMPD has started to implement the European Union funded "Enhancement of Entrepreneurship Capacities for Sustainable Socio-Economic Integration (ENHANCER) Project" in close cooperation with the General Directorate of Development Agencies under the Republic of Turkey Ministry of Industry and Technology as of January 2020. The EU Facility for Refugees in Turkey (FRiT) was established in 2016 in response to the European Council's call for significant additional funding to support Syrian refugees in Turkey. FRiT provides for a joint coordination mechanism, designed to ensure that the needs of refugees and host communities in Turkey addressed in a comprehensive and coordinated manner with a total of €6 billion budget in two tranches.

The aim of the ENHANCER project is to enable the SuTPs and the LHC¹ (Local Host Community) in developing new and growing businesses to provide sustainable jobs and livelihoods and develop a sustainable enabling institutional environment. The framework consists of modular strategies and actions that can be tailored to different types of regional, sectoral and socio-cultural settings.

In that sense, the specific objectives of the project are defined as

- (i) Increase the entrepreneurial activity of the SuTPs and the LHCs by providing an enabling environment and support in creation of new products and markets, which are tradable beyond the local market. This will be the entrepreneurial line focus of the project,
- (ii) Local entrepreneurial ecosystems are more effective and inclusive for the SuTPs and the LHCs. This will be the ecosystem line focus of the project,
- (iii) Policy development related to socio-economic integration and coordination of the implementation of those policies are improved in a structured manner at the national, regional and local levels. This will be the policy line focus of the project.

¹ Local host community refers to the citizens of country within which SuTPs live.

- (iv) Employment opportunities of the SuTPs and local host communities increased through strengthening the performance of the market operators. Finally, this will be the job creation line focus of the project.

EUR 5 million out of the total EUR 32.5 million project budget is allocated for grant support to SMEs and cooperatives operating in İstanbul, İzmir, Bursa, Konya, Mersin and Kayseri to support their job creation potential under the ENHANCER project. It is planned to support approximately 75 SMEs, prioritising the ones which have 10 to 249 employees, are financially stable, export oriented and with high-growth potential, with a total grant amount of EUR 3 million within this component.

Considering the importance of the issue and with the aim of disseminating the benefit of the projects, ICMPCD aims to reach out to more beneficiaries (SMEs). Thus, due to its' wider coverage compared to the national SME definition, EU SME definition will be used in this call for proposals. According to this definition, SMEs are made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, or an annual balance sheet total not exceeding EUR 43 million. The grants under this call for proposal will focus on/prioritize export-oriented SMEs having from 10 to 249 employees with high-growth potential.

SME Sector in Turkey

SMEs constitute the majority of businesses worldwide and are significant actors to create employment opportunities and to contribute to local and global development. They represent approximately 90% of all businesses and provide more than 50% of employment in the world. Thus, they are the biggest contributors to employment across countries².

In Turkey, there are currently 3,221,200 SMEs, which represent 99.8% of all registered entities in the country. All together they constitute 72.4% of the employment (11,329,276 people are working in SMEs), 44.1% of production value and 50.4% of the turnover overall in Turkey. 36.6% of the total export and 21.5% of the import are also realized by SMEs. According to the statistical classification of economic activities (NACE Rev.2), the majority of SMEs in Turkey operate in the wholesale and retail trade; repair of motor vehicles and motorcycles with a rate of 36.3%. This is followed by transportation and storage sector with 14.4%, and manufacturing industry with 12.4%.³ The target provinces of implementation, namely İstanbul, Bursa, İzmir, Konya, Mersin and Kayseri host a significant portion of the fastest growing SMEs in Turkey⁴. Also these 6 provinces for this call for proposals contain the SMEs that cover up 66% of overall export of Turkey in last three years⁵. The table given below addresses to export data, which refers to the sustainability of the SMEs, also the sustainability of employment.

Province	Number of SuTPs	2018 (Export)	2019 (Export)	2020 (Export)
Istanbul	523,859	88,203,471,000	88,827,640,000	82,859,706,000
Izmir	147,997	12,264,536,000	12,168,872,000	11,610,392,000
Bursa	179,201	11,716,921,000	10,898,036,000	9,549,277,000
Konya	118,894	1,782,997,000	1,990,513,000	2,166,912,000
Mersin	226,922	2,814,211,000	3,091,336,000	3,209,708,000
Kayseri	79,731	2,362,967,000	2,496,210,000	2,625,521,000
TOTAL	1,276,604	119,145,103,000	119,472,607,000	112,021,515,000
TOTAL (Countrywide)	3,665,946	177,169,000,000	180,833,000,000	169,658,000,000

² World Bank (2020), SMEs Finance <https://www.worldbank.org/en/topic/smefinance>

³ TURKSTAT (2020), SME Statistics 2019 <https://data.tuik.gov.tr/Bulten/Index?p=Small-and-Medium-Sized-Enterprises-Statistics-2019-37548&dil=2>

⁴ TOBB (2020), Top 100 Fastest Growing Companies, <https://tobb.org.tr/Sayfalar/Eng/Detay.php?rid=26157&lst=MansetListesi>

⁵ <https://ticaret.gov.tr/data/5d63d89d13b8762f7c43a738/1-Yillara%20Gore%20Dis%20Ticaret.pdf>

⁶ <https://ticaret.gov.tr/istatistikler/dis-ticaret-istatistikleri/dis-ticaret-istatistikleri-tuik-gts-2021-ocak-subat-donemi/illere-gore-dis-ticaret>

Furthermore, according to the data published by Ministry of Trade, as of 26 February 2019, there are 15,159 SMEs with at least one Syrian co-founder of which the majority is located in target cities. These companies have approximately 7 workers and provide livelihood for 7% of 3.6 million SuTP population in Turkey. The majority of these companies are export-oriented and play a significant role in rebalancing Turkey's exports to Syria.⁷

Accounting for 72.4% of employment for both SuTP and LHC populations, SMEs are essential to create employment opportunities for a growing labour force and to boost productivity, growth and competitiveness. They are also very important actors to absorb and integrate the SuTP population into the local market.

Job Creation and Its Importance

Job creation and economic growth are strongly related. According to ILO, under 3rd thematic working area "Employment-rich Economic Growth", an economy's ability to generate employment opportunities, is an important indicator for economic development. Moreover, creating more, productive and better quality jobs boosts growth, reduces poverty and increases social cohesion. Thus, employment opportunities constitute an important link between the migrants and the society. As stated in the 2013 World Development Report⁸, jobs influence who we are and our relations with others. Jobs connect people with each other leading interaction among communities. Therefore, it is very important to activate SMEs' capacity to create employment opportunities through supporting their job creation efforts.

Unemployment has individual, social and economic dimensions which affect the society as a whole and it requires subsidiary policies and programs by different stakeholders. According to the Labour Force Statistics Report published by Turkish Statistics Institute (TURKSTAT) on 22 March 2021, unemployment rate among people who are 15 years old and older in Turkey was 13.2% in 2020. The unemployment rate within the young population between the age of 15-24 has been noted as 25.3%. Furthermore, women's participation in the workforce is also relatively low, at 35%⁹. At the same time, 20.9% of 3.6 million SuTP are between the ages of 15-24, which creates new challenges for the Turkish labour market with high youth unemployment¹⁰. Thus, in this challenging environment, actions supporting job creation efforts of different entities gain great importance.

Creating new job opportunities are also important to reduce the number of informal workers and create decent work environments for both SuTP and LHC communities. Approximately 92% of all the Syrian people working in Turkey (≈1 million people) are employed informally and occupying low-skilled jobs. Among them, roughly 10% hold a tertiary degree, which constitutes a big population of high-qualified workers¹¹. The informal jobs occupied by the SuTPs often offer poor working conditions, which include safety and health risks, very long working hours, and under minimum wage payment. The high number of informal Syrian employees also creates a tension between two communities, as Syrian people replace Turkish informal workers with a cheaper rate despite the deteriorated conditions, which also hinders their chances for a quick integration into society¹².

Thus, along with hosting majority of high-growing SMEs, the cities covered under the component 6 host a large portion of high-potential youth of SuTP and LHC population that have difficulties to access quality employment opportunities. ENHANCER Project aims to enhance the SMEs capacities to create jobs by matching the skills of unemployed youth with the newly established job opportunities through the mentioned grant support, whose further details are explained below.

⁷ TEPAV (2019), Syrian Entrepreneurship and Refugee Start-ups in Turkey: Leveraging the Turkish Experience

⁸ <https://openknowledge.worldbank.org/handle/10986/11843>

⁹ TURKSTAT (2021). Labour Force Statistics, 2020. <https://data.tuik.gov.tr/Bulten/Index?p=%C4%B0%C5%9Fg%C3%BCc%C3%BC-%C4%B0statistikleri-2020-37484&dil=1>

¹⁰ <https://www.goc.gov.tr/gecici-koruma5638>

¹¹ Luis Pinedo Caro, ILO (2020), Syrian Refugees in the Turkish Labour Market, https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/--ilo-ankara/documents/publication/wcms_738602.pdf

1.2. OBJECTIVES OF THE PROGRAMME AND PRIORITY AREAS

The overall objective of this call for proposals is to increase the job creation efforts of relevant local stakeholders in İstanbul, İzmir, Bursa, Konya, Mersin and Kayseri through grant interventions.

The specific objective of this call for proposal is to contribute to well established, financially stable small and medium sized enterprises (SMEs) in the targeted provinces to grow and thereby generate sustainable employment for SuTPs and LHC members.

Hence, grants will be awarded to proposals which have the potential to create additional employment (or formalise employment) in parallel with sustainable business growth. The proposed action (project) should cover **at least two priority areas** under this call for proposals.

Priority Areas:

- (i) Generating sustainable employment for SuTPs and LHC members,
- (ii) Integrating SuTPs into the Turkish economy through sustainable employment,
- (iii) Increasing the amount of decent and registered employment opportunities,
- (iv) Improving matching between jobs and workers in terms of skill.

Targeted sectors/local value chains:

Sectors & Local Value Chains	Province
Innovative and high-tech value chains (Software, design, e-commerce etc.)	Bursa, İstanbul, İzmir, Kayseri, Konya, Mersin
Machinery and equipment and metal manufacturing and repair	İstanbul, Kayseri, Konya, Mersin
Textile and ready garment	Bursa, İstanbul, İzmir, Konya, Mersin
Agriculture/food	Bursa, İstanbul, İzmir, Kayseri, Mersin
Furniture	Bursa, Kayseri, Konya, Mersin
Shoe-making	İzmir, Konya

Although this list is not exhaustive, i.e. actions targeting job creation in general are eligible for support; actions targeting above-mentioned specific sectors and value chains will be positively assessed in the “relevance” section of the evaluation stage.

To these ends, instead of establishing a one-time support relation with the SMEs, the project considers the grantees as a strategic stakeholder in the mid-term business development. It aims to incorporate other entrepreneurial supports available in other activities of ENHANCER such as mentoring, B2B matching, improving access to alternative financing and integration of local value chains to supply or marketing channels of higher order companies in the chains, where applicable. Such potential synergies among project activities will be sought in improving grantee SMEs propensity to grow and employ more SuTPs and LHC members.

Approximately 75 SMEs are planned to be supported. These 75 SMEs are expected to create 225 new jobs that will be provided to 60% SuTPs and 40% LHC members. The call for proposals also adopts a gender inclusive approach, where women employment will be expected to constitute minimum 25% of the total employment created.

1.3. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this call for proposals is EUR 3 000 000. The Contracting Authority reserves the right not to award all available funds.

The Contracting Authority reserves the right to allocate unused fund, because of unqualified application, to other grant schemes under ENHANCER Project.

Size of Grants

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

- minimum amount: EUR 20 000
- maximum amount: EUR 55 000

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

- Minimum percentage: 75% of the total eligible costs of the action (see also Section 2.1.4).
- Maximum percentage: 90% of the total eligible costs of the action (see also Section 2.1.4).

The balance (i.e. the difference between the total cost of the action and the amount requested from the contracting authority) must be financed from sources other than ICMPD and the European Union.

Issuance of this Call for Proposals does not constitute an award or commitment on the part of ICMPD to make any award, nor does it commit ICMPD to pay for costs incurred in the preparation and submission of an application.

<u>IMPORTANT NOTE 1</u>
Applicants should keep in mind that the funds applied for should be proportionate to the activities to be carried out. They should not automatically request the maximum amount of funding available.

2. RULES FOR THIS CALL FOR PROPOSALS

This guideline sets out the rules for the submission, selection and implementation of the actions financed under this call.

2.1. ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

(1) the applicants:

- The **'lead applicant'**, i.e. the entity submitting the application form (2.1.1),
- And, if any, its **co-applicant(s)** (**where it is not specified otherwise the lead applicant and its co-applicant(s) are hereinafter jointly referred as 'applicant(s)'**) (2.1.1),

(2) the actions:

Actions for which a grant may be awarded (2.1.3);

(3) the costs:

- Types of cost that may be incurred in the implementation of an action (2.1.4).

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

Lead Applicant

In order to be eligible for a grant, the applicant must:

- be a legal person (be properly registered) and have their headquarters and operational production facilities in the targeted provinces: İstanbul, İzmir, Bursa, Konya, Mersin and Kayseri; and
- be a Small and Medium Sized Enterprise (SME); and
For this call for proposals, the EU SME definition is applied to determine the status of an applicant. Applicants shall calculate the Exchange rate as €1 = TRY 10.44 according to Inforeuro¹² for June 2021. The main factors determining whether an enterprise is an SME are as follows:

Table 3: EU SME Criteria¹³

Company category	Staff headcount	Annual Turnover	or	Annual Balance sheet total (Total Assets)
SME	< 250	≤ € 50 m		≤ € 43 m

For further information, please check: ([EU SME Definition - User Guide 2020](#))

- have 100% privately owned share; and
- have no previous non-paid overdue liabilities, overdue social charges and tax payment, defaulted loans; and
- be experienced and able to provide information on their capacity to manage projects, corresponding with the size of the project for which a grant is requested; and

¹²https://ec.europa.eu/info/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-inforeuro_en

¹³ Class Change and Loss of SME Status: If the company does not meet any of the criteria (annual number of employees or turnover and financial balance sheet total) in two consecutive years, the company loses its SME status.

- be directly responsible for the preparation and management of the action, not acting as an intermediary; and
- have been established at least 2 years prior to the announcement date of this call for proposals; and
- have net profit at the end of 2019 and 2020; and
- not decrease its turnover (in TRY) more than 25% in 2020 compared to 2019¹⁴.

Enterprises that employ fewer than 10 persons are not eligible applicants for this call for proposals.

Enterprises whose annual turnover (based on the income statement for the most recent financial year, which the accounts have been closed) **are below TRY 3 million are not eligible applicants for this call for proposals.**

Enterprises whose annual balance sheet total (total assets) (based on the balance sheet for the most recent financial year, which the accounts have been closed) **are below TRY 3 million are not eligible applicants for this call for proposals.**

Applicants may act individually or with co-applicant(s).

Co-applicant(s)

Note: Please note that co-applicant(s) are partners in a project (application) and not a shareholder partner of the applicant.

Where it is not specified otherwise the lead applicant and its co-applicant(s) (if any) are hereinafter jointly referred to as 'applicant(s)'. Below are the key principles regarding co-applicant(s).

- Co-applicants participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the lead applicant.
- Co-applicants must satisfy the eligibility criteria as applicable to the lead applicant itself. Co-applicants do not necessarily need to be registered in the same province as the lead applicant; however, they should be registered in one of the targeted provinces: Istanbul, Izmir, Bursa, Konya, Mersin and Kayseri.

Co-applicants must sign the mandate in Section 9 of the grant application form.

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

Conditions of Ineligibility

As a general principle, but in observance of the principle of proportionality, ICMPD shall exclude from participation applicants, which were found in situations of:

- a) bankruptcy, insolvency or winding-up procedures;
- b) breach of obligations relating to the payment of taxes or social security contributions;
- c) grave professional misconduct, including misrepresentation;
- d) fraud;
- e) corruption;
- f) conduct related to a criminal organisation;
- g) money laundering or terrorist financing;
- h) terrorist offences or offences linked to terrorist activities;

¹⁴ $((2020 \text{ Turnover}) / (2019 \text{ Turnover})) > 0.75$

- i) child labour and other trafficking in human beings.

Applicants included in the lists of EU restrictive measures¹⁵ at the moment of the award decision cannot be awarded the contract¹⁶.

Please note that:

- Political parties and their affiliated structures are **not eligible** as lead applicants or co-applicants under this call for proposals.
- Provincial/regional/district directorates of central government cannot participate in this call for proposals as lead applicants or co-applicants; however, they may participate as associates.

2.1.2. Associates and contractors

The following entities are not applicants and do not have to sign the ‘mandate for co-applicant(s)’:

- Associates

Other organisations or individuals may be involved in the action planned for the project. Such associates play a real role in the action but may not receive funding from the grant. Associates do not have to meet the eligibility criteria referred to in Section 2.1.1.

- Contractors

The beneficiaries are permitted to award contracts within the context of this grant application in order to fulfil the main objectives of the Project. Associates cannot be also contractors in the project. Contractors are subject to the procurement rules set out in Annex IV to the grant contract.

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

Definition of an “action”:

An action (or project) is composed of a set of activities for a specific period of time in order to achieve planned goals.

Duration:

The initial planned duration of an action may **not be less than 8 months nor exceed 12 months**.

Priority Areas:

The proposed action (project) should cover **at least two priority areas** under this call for proposals.

- (i) Generating sustainable employment for SuTPs and LHC members,
- (ii) Integrating SuTPs into the Turkish economy through sustainable employment,
- (iii) Increasing the amount of decent and registered employment opportunities,
- (iv) Improving matching between jobs and workers in terms of skill.

Employment planned to be created by the action (stated in Application Form 4.3) should start during the 2nd quarter of the implementation period latest.

¹⁵ <https://ec.europa.eu/europeaid/prag/document.do?nodeNumber=2.4>

¹⁶ The updated lists of sanctions are available at www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

Sectors or themes:

Sectors that have potential for SuTPs to integrate Turkish economy and have more employment opportunities are eligible in this call for proposals.

Following sectors are **not eligible** in this call for proposals:

- Electricity and gas production and distribution;
- Steel and coal industry;
- Manufacturing or trade of arms;
- Production of tobacco and tobacco products;
- Production of beverages with alcoholic content;
- Operation of a casino or any other entity involved in the gambling industry;
- Banking, insurance, financial services;
- Activities involving currency and financial speculations; securities investment;
- Real estate related investment.

Location:

Actions must take place in one or more of the following targeted provinces, namely İstanbul, İzmir, Bursa, Konya, Mersin and Kayseri.

Type of actions:

The proposed actions should aim to foster creating additional employment (or formalise employment) of SuTPs and LHC members in parallel with sustainable business growth.

Actions that contribute to an increase in decent and registered employment opportunities, improve matching between jobs and workers in terms of skills, employ new employees, improve their skills, increase their experience through sustainable jobs, and add to employees' career and credibility are eligible.

The actions may cover indicatively the following domains. The actions listed are by way of example only and are non-exhaustive:

- As a capacity building project, investments related to R&D, innovation, technology transfer, and IT technology; investments necessary to obtain quality certification under international technical and quality standards;
- Consultancy services received for digitalization, internationalization and branding;
- Investments for new production units as well as expanding and modernising production capacity in line with creation of employment;
- As a capacity building project, professional advice and consultancy services on:
 - export competitiveness,
 - improving marketing practices to increase market share and access to new markets such as marketing and market development,
 - product design and development,
 - new technologies,
 - access to finance,
 - human resources development and on the job training;
- Development of mentoring mechanisms and integration in mentoring networks;
- Support of design/idea/content/product development activities;
- As a capacity building project, procurement of machinery and equipment; software, hardware and licences (but no project may be limited only to the procurement of goods. Procurement of goods must be part of wider action with defined objectives); transport of equipment purchased;

- Capacity building and training programs on specialised topics such as commercialization, finance, legal advice, accounting, business development/improvement, export and intellectual property;
- Vocational training and apprenticeship programmes accredited by the Turkish Authority as an answer to the needs of SMEs;
- In-service training programs including capacity building activities for SMEs;
- Establishment of a foreign trade department;
- With the support of Arabic language skills of SuTPs, activities that enhance competitiveness of the company through increasing its market share, number of customers and exports, especially in the MENA region.

All actions shall have a positive contribution to employment and economic development. Priority will be given to activities respecting gender equality and increasing women/youth employment and employment of SuTPs.

The following types of action are ineligible:

- Actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences, congresses;
- Actions concerned only or mainly with individual scholarships for studies or training courses;
- Actions already financed or in a process of being financed from state budget or other EU programmes, or other funds;
- Establishing and developing any activity in area where the Turkish legislation does not apply regarding safety at work, environment protection, employment of the workforce;
- Actions which are ideologically biased or partisan in nature;
- Actions of supporting or linked to political parties;
- Infrastructure projects;
- Actions with costs incurred outside the contract period;
- Procurement or lease of land, buildings or other similar facilities and structures;
- Actions that had started before applicants signed the contract for awarding grants.

IMPORTANT NOTE 2

As it is specified in section 2.1.1. Eligibility of applicants (i.e. lead applicant and co-applicant(s)), the lead applicant must be directly responsible for the preparation of the action with the co-applicant(s). Proposed applications should be “original” and “unique” to the target group’s needs, problems, and be designed with proper solutions and implementation methodology. Therefore, applications that may be considered copy – paste applications (from this Call for Proposals) may be eliminated in the course of the evaluation process when the proposals present the same;

- scope of activity, wording or the same sentences differentiated only by rephrasing, or;
- content of the budget including the budget items, justification sheet etc. or;
- implementation modalities with only few differences such as the implementation place, name of lead applicant, co-applicant(s), and the number of target group.

In case multiple applications for the same project idea are submitted, duplicates may be rendered ineligible.

Financial support to third parties

Applicants may not propose financial support to third parties.

Visibility

The beneficiary(ies) must take all necessary steps to ensure the visibility of ICMPD, the European Union as the donor, Ministry of Industry and Technology, and Development Agencies. The fact that the European Union has financed the action under the FRiT programme has to be publicised by the applicant.

The beneficiary(ies) shall mention the title of the Action and the Contracting Authority as well as the European Union's financial contribution in information given to the final recipients of the Action, in its internal and annual reports, and in any dealings with the media. It shall display the Contracting Authority, Ministry of Industry and Technology and European Union logo wherever appropriate.

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

https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/visibility_requirements_near_english.pdf)

2.1.4. Eligibility of costs: costs that can be included

Any grant requested under this call for proposals must fall between the following percentages of total eligible costs of the action, whose details are given below:

- Minimum percentage: 75% of the total eligible costs of the action
- Maximum percentage: 90% of the total eligible costs of the action

Which should fall between:

- minimum amount: EUR 20 000
- maximum amount: EUR 55 000

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

The reimbursement of eligible costs will be based on the actual costs incurred by the beneficiary(ies).

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

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

Eligible costs are actual costs incurred by the Beneficiary(ies) which meet all the following criteria:

1) they are incurred during the implementation of the Action. In particular:

- (i) Costs relating to services and works shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Signature of a contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services, works or supplies after expiry of the implementation period do not meet this requirement;

(ii) Costs incurred should be paid before the submission of the final reports. They may be paid afterwards, provided they are listed in the final report together with the estimated date of payment;

(iii) An exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the Action, which may be incurred after the implementation period of the Action;

(iv) Procedures to award contracts, as referred to in Article 10 of General Conditions, may have been initiated and contracts may be concluded by the Beneficiary(ies) before the start of the implementation period of the Action, provided the provisions of Annex IV have been respected.

2) they are indicated in the overall budget for the Action;

3) they are necessary for the implementation of the Action;

4) they are identifiable and verifiable, in particular being recorded in the accounting records of the Beneficiary(ies) and determined according to the applicable accounting standards of the country where the Beneficiary(ies) is established and according to the usual cost accounting practices of the Beneficiary(ies);

5) they comply with the requirements of applicable tax and social legislation;

6) they are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

Eligible direct costs

The proposed costs should aim to foster creating additional employment (or formalise employment) of SuTPs and LHC members in parallel with sustainable business growth and not just request purchase of machinery or the like.

The following direct costs of the Beneficiary(ies) shall be eligible:

- a) the cost of Project Staff assigned to the Action, corresponding to actual gross salaries including social security charges and other remuneration-related costs; salaries and costs shall not exceed those normally borne by the Beneficiary(ies), unless it is justified by showing that it is essential to carry out the Action;
- b) the cost of created additional employment (or formalise employment) of SuTPs and LHC members; cost of work permit card and its fee; their actual gross salaries including social security charges and other remuneration-related costs. **Please note that the total cost of human resources should not exceed the 50% of the total eligible direct costs;**
- c) purchase costs for new (second hand purchase is not eligible) equipment, machinery and supplies specifically for the purpose of the Action, provided that ownership is transferred at the end of the Action when required. **Please note that the total costs of equipment and supplies (excluding office supplies) should not exceed the 50% of the total eligible direct costs;**
- d) costs of consumables;
- e) training/consultancy costs;
- f) visibility costs;
- g) subcontracting costs;
- h) costs entailed by contracts awarded by the Beneficiary for the purposes of the Action;
- i) costs deriving directly from the requirements of the Contract (dissemination of information, evaluation specific to the Action, expenditure verification costs, translation, reproduction, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees where required according to the Contract);
- j) duties, taxes and charges, including VAT, paid and not recoverable by the Beneficiary, unless otherwise provided in the Special Conditions;
- k) Pre-financing guarantee cost.

IMPORTANT NOTE 3

1. Please note that costs for expenditure verification should be provisioned in the budget and in the application documents properly. In case of award of a grant, the applicant will make the necessary arrangements for expenditure verification audit (such as preparation of ToR, selection of audit company) before the contract signature.
2. Please note that Contracting Authority may request a financial guarantee for the amount of the initial pre-financing payment during the contracting phase. This cost should be provisioned in the budget line 5.6 "Financial Services".
3. Please ensure that purchase or rental costs for any equipment and supplies should be serving purposes of the action; and requested costs of services should correspond to market rates.
4. Please note that sound financial management principles in terms of ensuring cost-effectiveness (in terms of efficiency, effectiveness and sustainability of the action) will be of importance in the evaluation stage, therefore, applicants shall carefully consider project budget versus project activities and achievements in designing their proposals.

Civil servants who are employed under the Law No 657 of the Republic of Turkey cannot be employed or be paid any salary within the context of this project except if:

- upon receipt of official permit by their institutions confirming no conflict with their nature of duties and they are under the payroll of the beneficiaries.

Other public officials and academic staff can be employed in the project upon receipt of official permit from their institutions within the framework of the applicable law(s) to which they and their institutions are subject to.

Contingency reserve

The budget **should not include a contingency reserve**, as it is not eligible as a cost under this call for proposals.

Indirect costs

The indirect costs incurred in carrying out the action may be eligible for flat rate funding, but the total must not exceed 2% of the estimated total eligible direct costs. Indirect costs are eligible provided that they do not include costs assigned to another budget heading in the standard grant contract. The lead applicant may be asked to justify the percentage requested before the grant contract is signed. Once the flat rate has been fixed in the special conditions of the grant contract, no supporting documents need to be provided.

If any of the applicants is in receipt of an operating grant financed by the ICMPD or EU, it may not claim indirect costs on its incurred costs within the proposed budget for the action.

Ineligible costs

The following costs are not eligible:

- Construction and refurbishment costs except for the small renovations for installation of the necessary equipment/machinery;
- Travel and subsistence cost for staff and other persons taking part in the Action;
- Office vehicle costs and office rent;
- Debts and debt service charges (interest);
- Provisions for losses or potential future liabilities;

- Costs declared by the beneficiary and financed by another action or work programme receiving an ICMPD or European Union (including through EDF) grant;
- Purchases of land or buildings,
- Currency exchange losses;
- Contributions in-kind;
- Credits to third parties;
- Non-project related expenditures;
- Amortisation and depreciation costs;
- Fines, financial penalties and court costs.

No- profit Principle

The grant may not produce a profit for the applicant(s) or co-applicant(s). Profit is defined as a surplus of the receipts over the eligible costs approved by the Contracting Authority when the request for payment of the balance is made.

No profit rule shall apply for the activities such as:

- Interest revenue generated from the grant
- Revenue generated from the grant through stock market operations, exchange currency operations
- Extraordinary revenue (e.g. revenue generated through the sales of the machinery and equipment purchased within the context of the grant).

The no profit rule shall not apply for the following activities:

- a) activities the objective of which is the reinforcement of the financial capacity¹⁷ of the Beneficiary;
- b) activities, which generate an income to ensure their continuity beyond the end of the contract.

2.2. ETHICS CLAUSES AND CODE OF CONDUCT

a) Absence of conflict of interest

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

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

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

¹⁷ Activities that affect the financial situation of the company positively, which are included in the nature of the company.

of association and collective bargaining; elimination of forced and compulsory labour; abolition of child labour).

Zero tolerance for sexual exploitation, abuse and harassment

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

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

c) Anti-corruption and anti-bribery

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

d) Unusual commercial expenses

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

Grant beneficiaries found to have paid unusual commercial expenses on projects funded by the European Union are liable, depending on the seriousness of the facts observed, to have their contracts terminated.

e) Breach of obligations, irregularities or fraud

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

2.3. HOW TO APPLY AND THE PROCEDURES TO FOLLOW

2.3.1. Application forms

Applications shall be submitted in accordance with the instructions on the applications in the Grant Application Form annexed to these guidelines (Annex A).

Applicants must apply in English. Official documents provided from public institutions may be provided in original language/Turkish.

Any error or major discrepancy related to the points listed in the instructions or any major inconsistency in the application (e.g. if the amounts in the budget worksheets are inconsistent) may lead to the rejection of the application.

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

Hand-written applications will not be accepted.

Please note that applications (i.e. the Application Form (Annex A), the Budget (Annex B), the Logical Framework (Annex C), Legal Entity Sheet (Annex D), and Financial Identification Form (Annex E)) which have to be filled in will be transmitted to evaluators. It is therefore of utmost importance that these documents contain all the relevant information concerning the action.

2.3.2. Supporting documents to be submitted

In addition to the Grant Application Form (Annex A), The Budget (Annex B), and Logical Framework (Annex C) the Lead Applicants must submit the following documents in order to allow the Contracting Authority to verify the eligibility of the Applicants and their partners:

The **Legal Entity Form (Annex D)** duly completed and signed by each of the applicants (i.e. by the lead applicant and (if any) by each co-applicant), accompanied by the justifying documents requested there.

The **Financial Identification Form (Annex E)** of the lead applicant (not from co-applicant(s)). The bank should be located in the country where the Lead Applicant is established. If the Lead Applicant has already submitted a financial identification form in the past for a contract where the ICMPD was in charge of the payments and intends to use the same bank account, a copy of the previous financial identification form may be provided instead.

Additional supporting documents (Annex F) (upload as zip folder):

- 1- **Copies of the Turkish Trade Registry Gazette** of the Lead Applicant and, if any, of each co-applicant, where the establishment and the current shareholders' structure of the company are declared (sole proprietorship and self-employed persons engaged in craft or other activities may not have Turkish Trade Registry Gazette, so they shall submit a document that proves their legal status).
- 2- **Audit report** produced by an approved external auditor where it is available, and always in cases where a statutory audit is required by EU or national law. That report shall include and certify the accounts for the last 2 financial years available. In all other cases, the lead applicant and each co-applicant (if any) shall provide a self-declaration signed by its authorised representative (YMM¹⁸, SMMM¹⁹) including and certifying the validity of its accounts for the last 2 financial years.
- 3- **SME Status Declaration Form** (template is provided) based on the European Union SME definition²⁰ signed by the lead applicant and of each co-applicant (where applicable).
- 4- **Copy of Chamber Registration** (Chamber of Commerce and Industry (TSO) or Chamber of Artisans and Craftsmen (ESOB)) for the lead applicant and each co-applicant (if any).
- 5- **Board decision of the lead applicant's** and (if any) each co-applicant's Managing Body to implement the Project with an indication of the person(s) nominated to sign documents.
- 6- **List of Authorised Signatories** with the name(s) of the person(s) empowered to represent the lead applicant, each co-applicant (if any). A further decision of the Board of Directors is required, only if the person(s) to be appointed are not empowered with such responsibility within the Articles of legal status of the lead applicant and each co-applicant; sample of signature(s), registered to the notary for representative(s) will be provided-original.

¹⁸ Certified Public Accountant (CPA)

¹⁹ Independent Accountant and Financial Advisor

²⁰ https://ec.europa.eu/growth/smes/sme-definition_en

- 7- **A copy of tax registration** or a document of the lead applicant indicating the tax number from the relevant tax authority. A copy of tax registration is not required from (if any) the co-applicant(s).
- 8- **Up-to-date evidence on the fulfilment (including restructuring etc.) of obligations related to social security contributions** taken from the relevant social security authorities for the lead applicant and for each co-applicant (if any). If the lead applicant and/or the co-applicant(s) (if any) are exempted from social security contributions, documentary proof regarding the status should be provided.
- 9- **Up-to-date evidence on the fulfilment (including restructuring etc.) of the fiscal/tax obligations** taken from the relevant tax authorities for the lead applicant, for each co-applicant (if any). If the lead applicant and/or the co-applicant(s) (if any) are tax exempted, documentary proof regarding the status should be provided.
- 10- The quality certificates and the proof for patent rights (if mentioned in the application) - for the lead applicant and each co-applicant (if any).
- 11- Authorization, licenses or necessary permits from the relevant authorities necessary for the implementation of the project, if required by the Law - for the lead applicant and each co-applicant (if any).
- 12- Active workers list approved by Social Security Institution (SGK) - for the lead applicant and each co-applicant (if any).
- 13- Title deed or the documentation (rental agreement) proving the right of usufruct of the building/facility/premise of the company where project activities will be implemented - for the lead applicant and each co-applicant (if any).
- 14- Declarations/mandates/statements/certificate obtained from the authorized execution offices of the lead applicant and co-applicant that there are no finalized seizure transactions of 3% or more of ICMPD's financial support - for the lead applicant and each co-applicant (if any).
- 15- If there are linked and/or partner enterprises²¹ of lead applicant and co-applicant(s) (if any), please provide following information of linked and/or partner companies:
 - active workers list approved by Social Security Institution (SGK),
 - current shareholders' structure (Turkish Trade Registry Gazette),
 - last 2 years' certified financial statements of linked and/or partner enterprises (YMM, SMMM).

Documents must be submitted in the form of originals, photocopies or scanned versions (i.e. showing legible stamps, signatures and dates) of the said originals.

If the abovementioned supporting documents are not provided together with the application form, the application may be rejected.

Please note that the grant application form and the published annexes which have to be filled in will be evaluated. It is therefore of utmost importance that these documents contain ALL the relevant information concerning the action.

No additional annexes should be sent. All other additional documents attached will be disregarded and not used in the evaluation.

If deem necessary, additional documents may be requested.

2.3.3. Where and how to apply

Applications (application form, other annexes and supporting documents) must be submitted on the ICMPD electronic Application Platform at <https://in-tendhost.co.uk/icmpd.aspx/Tenders/Appraisal>. Applications sent by any other means (e.g. by email or post) will be rejected.

²¹ For the definition of linked and partner enterprises: https://ec.europa.eu/growth/smes/sme-definition_en

Applicants must register their organisation on the platform. Once registered, applicants can access all Call for Proposals documents and annexes. The manual “how to register and apply” is available for download on the platform at <https://in-tendhost.co.uk/icmpd/asp/BuyerProfiles>.

In case applicants face difficulties to register and/or submit an application on the ICMPD electronic Application Platform, please contact grants@icmpd.org.

Please note that documents provided to the IN-TEND system should be in the following formats:

- 1- Application form must be submitted as a WORD file AND as a signed scanned version (PDF)
- 2- Budget must be submitted as an EXCEL file AND as a signed scanned version (PDF)
- 3- Logframe must be submitted as a WORD file AND as a signed scanned version (PDF)
- 4- All supporting documents must be scanned and in PDF format

Applications must be complete and contain all requested information and all required annexes and supporting documents. **Lead applicants must verify that their application is complete using the checklist (Section 11 of the grant application form). Failure to comply with these requirements may lead to the rejection of the application. Incomplete applications may be rejected.**

The format of the documents shall be: A4 Size, Calibri font: 11, standard margins (2.0 cm top, 2.5 cm bottom, right and left), line spacing 1.0 for each document.

IMPORTANT NOTE 4

Applicants are strongly advised to register in advance and familiarize themselves with the ICMPD electronic Application Platform at <https://in-tendhost.co.uk/icmpd/asp/Tenders/Appraisal>. Applicants must review the grant rules carefully before starting their application process. It is advised to consult the platform regularly to be informed of the clarifications and possible amendments published. All official communication regarding the Call for Proposals will be published on the platform.

By submitting an application, applicants accept to receive notification of the outcome of the procedure by electronic means (through ICMPD electronic Application Platform). Such notification shall be deemed to have been received on the date upon which ICMPD sends it to the electronic address used for registration on the platform.

Number of applications and grants per applicant

The lead applicant may not submit more than 1 application under this call for proposals.

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

A co-applicant may not be the co-applicant in more than 1 application under this call for proposals.

IMPORTANT NOTE 5

Please note that lead and co-applicants, if any, who will be granted under this call for proposals will be excluded from applying (both as lead applicant and co-applicant) from future Grant Scheme Programs of ICMPD’s ENHANCER Project and other funding opportunities provided under the FRIT second tranche operations and IPARD programme in Turkey channelled through other international partner organisations.

Please note that lead and co-applicants can only be signatory of one grant scheme contract under ENHANCER project. This note does not exhaust the possibility of applying for more than one call for proposals. However, note that in case awarded with several grant schemes, the lead and co-applicants can sign only one grant contract.

2.3.4. Deadline for submission of applications

The deadline for the submission of applications is 13 September 2021, 17:00h (Vienna local time). The application must be sent before the date for submission. Any application submitted after the deadline will automatically be rejected. The lead applicant is strongly advised not to wait until the last day to submit its application, since heavy Internet traffic or a fault with the Internet connection (including electricity failure, etc.) could lead to difficulties in submission. The Contacting Authority cannot be held responsible for any delay due to such afore-mentioned difficulties.

2.3.5. Clarifications and Information Session

An online information launch session on this call for proposals will be held on 12 July 2021 at 13:30 (Vienna local time). Prospective applicants shall register to participate in the session by sending an email to grants@icmpd.org before 12 July 2021 at 11:00 (Vienna local time).

An information session for Questions and Answers will be organized in August 2021 in all 6 provinces and shall be advertised as a clarification note to these guidelines on ICMPD electronic Application Platform.

Prospective applicants may submit questions on the ICMPD electronic Application Platform before the deadline specified under section “2.4.2. Indicative Timetable”, specifying the publication reference.

If ICMPD provides additional information on the Call for Proposals Guidelines, it shall be advertised on ICMPD electronic Application Platform.

Any clarification of the Call for Proposals Guidelines will be issued to prospective applicants simultaneously before the deadline as specified under section “2.4.2. Indicative Timetable” on the ICMPD electronic Application Platform. ICMPD has no obligation to provide clarifications after this date. It is advisable to consult the platform regularly in order to be informed of the questions and answers published.

To ensure equal treatment of applicants, the contracting authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, an action or specific activities.

Any prospective applicants seeking to arrange individual meetings other than advertised information sessions by ICMPD during the application period may be excluded from the Call for Proposals procedure.

Please note that the contracting authority may decide to extend the deadline of applications or cancel the call for proposals procedure at any stage.

2.3.6. Evaluation and selection of applications

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

2.3.7. Opening & Administrative Checks and Eligibility Check

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

- If the deadline has been respected. If the deadline has not been respected the proposal will be automatically rejected.
- If the application satisfies all the criteria mentioned in the Checklist (Section 11 of the grant application form). If any of the requested information is missing or is incorrect, the application may be rejected on that sole basis and the proposal will not be evaluated further.
- If the application and all the relevant supporting documents have been submitted and if they are in proper format. Any missing supporting document or any incoherence between the declaration by the applicant and the supporting documents may lead to the rejection of the application on that sole basis.
- If the Lead Applicant and Co-applicant(s) are eligible. The Declaration by the Lead Applicant, (Section 12 of the Grant Application Form) will be crosschecked with the supporting documents provided by the Applicant.

2.3.8. Financial & Operational Capacity Check and Technical Evaluation

The applications that passed the administrative and eligibility check will be further evaluated on their quality, including the proposed budget and capacity of the applicants. Evaluation of the quality of the proposals, including the proposed budget, and of the capacity of the Lead Applicant and the Co-applicant(s), 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 co-applicants.

The award criteria allow the quality of the proposals submitted to be evaluated in relation to the objectives and priorities set, and grant 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.

Scoring:

The evaluation criteria are divided into sections and subsections. 1 (one) is the lowest score for each subsection.

Section	Maximum Score	Application Form
<p>1. Financial and operational capacity <i>Evaluation Criteria for Section 1. Financial and operational Capacity</i></p> <ul style="list-style-type: none"> • <i>If the total average score is less than 14 points for section 1, the Evaluation Committee will reject the proposal.</i> • <i>If the score for at least one of the subsections under Section 1 is 1, the application will also be rejected.</i> 	20	

1.1. Do the applicants have sufficient in-house experience of project management?	4	Section 7.2, Section 7.3
1.2. Do the applicants have sufficient in-house technical expertise? (especially knowledge of the issues to be addressed)	4	Section 2.1, Section 2.2, Section 2.3, Section 7.2, Section 7.3
1.3. Do the applicants have sufficient in-house management capacity? (Including staff, equipment and ability to handle the budget for the action)	4	Section 2.1, Section 2.2, Section 2.3 and supporting documents (n, o, p)
1.4. Does the lead applicant have stable and sufficient sources of finance?	4	Section 2.4, and supporting financial documents (b)
1.5. Does the lead applicant have export orientation or/and have organisational capacity for commercial scaling up?	4	Section 2.1, section 2.3 and supporting financial documents (b, c)
2. Relevance (If the total average score is less than 10 points for section 2, the Evaluation Committee will reject the proposal.)	20	
2.1. How relevant is the proposal to the objectives and priorities of the call for proposals and to the specific themes / sectors / areas or any other specific requirement stated in the guidelines for applicants? Are the expected results of the action aligned with the priorities defined in the guidelines for applicants (section 1.2)?	4	Section 3, Section 4
2.2. How relevant is the proposal to the particular needs and constraints of the target province(s) and/or relevant sectors (including synergy with other development plans)?	4	Section 3, Section 4
2.3. How clearly defined and strategically chosen are those involved (final beneficiaries, target groups such as women, youth, SuTP)? Have the needs of target groups and constraints been clearly defined and does the proposal address them appropriately?	4	Section 3.1.3
2.4. Does the foreseen new employment prioritize SuTPs or women (60% SuTPs and 40% LHCs and at least 25% women employment as overall objective of the Grant Programme)?	5	Section 3.1, Section 3.2, Section 4
2.5. Does the proposal contain particular added-value elements (e.g. innovation, best practices)?	3	Section 3.1.4
3. Design of the Action	12	
3.1. How coherent is the design of the action? (2 points each) 3.1.1. Does the proposal indicate the expected results to be achieved by the action? 3.1.2. Do project outputs explain the rationale to achieve the expected results? Are the activities proposed appropriate, practical, and consistent with the envisaged outputs and outcome(s)?	4	Section 3, Section 4, Section 6

3.2. Does the proposal include credible baseline, targets and sources of verification? If not, is a baseline study foreseen (and is the study budgeted appropriately in the proposal)?	4	Section 3.2
3.3. Does the design reflect a robust analysis of the problems involved, and the capacities of the relevant stakeholders (co-applicants, target groups, etc.)?	4	Section 3
4. Implementation Approach	13	
4.1. Is the action plan for implementing the action clear and feasible? Is the timeline realistic?	5	Section 3.2.1, Section 3.2.2, Section 6
4.2. Does the proposal include an effective and efficient monitoring system? Is there an evaluation planned (previous, during or/and at the end of the implementation)?	4	Section 3.2.1
4.3. Is the stakeholders' (co-applicants, target groups, etc.) level of involvement and participation in the action satisfactory?	4	Section 3.2.1
5. Expected results	8	
5.1. Is the action likely to create sustainable jobs and have an impact on employment in the long-run? Are there any potential multiplier effect or added-value with the created job? <i>If the action aims to create additional employment (or formalise employment) of SuTPs and LHC members in parallel with sustainable business growth, the maximum score for 5.1 shall be;</i> <ul style="list-style-type: none"> • 8 (Maximum Score), if the created formal employment is 10% or more of the existing employment, • 6 points, if the created employment is 5-9% of the existing employment, • 4 points, if the created employment is 1-4% of the existing employment. <u>If there are no jobs created, Evaluation Committee will reject the proposal.</u>	8	Section 3.2, Section 4, Section 5, Section 6
6. Sustainability	12	
6.1. Is the project likely to have multiplier effects, including scope for replication, extension, capitalisation on experience and knowledge sharing?	2	Section 5, Section 6
6.2. Are the expected results of the proposed action sustainable? (2 points for each question) <ul style="list-style-type: none"> 6.2.1. Financially (e.g. financing of follow-up activities, sources of revenue for covering all future operating and maintenance costs) 6.2.2. Institutionally (will structures allow the results of the action to be sustained at the end of the action?) 6.2.3. Environmentally (will the action have a negative/positive environmental impact?) 6.2.4. Inclusiveness (Does new employment include any disadvantaged group such as youth, women, SuTPs?) 	8	Section 6
6.3. Does the project have a detailed risk analysis and contingency plan? Does it include a list of risks associated with each proposed action, accompanied by relevant mitigation measures.	2	Section 6

7. Budget and cost-effectiveness	15	
7.1. Are the activities appropriately reflected in the budget?	5	<i>Budget</i>
7.2. Is the ratio between the estimated costs and the results satisfactory?	10	<i>Budget</i>
Maximum total score	100	

Provisional selection

After the evaluation, an overall table will be drawn up listing the applications ranked according to their total scores. For applications that score 65 or higher, the provisional selection will be made as outlined below:

1. The highest ranked 5 (five) project proposals that score 65 or higher from each province will be provisionally selected.
2. There will be no more provincial quota for the remaining project proposals scored 65 or higher and overall highest scoring applications will be provisionally selected in sequence until the available budget of this call for proposals is reached.

In addition, a reserve list will be drawn up listing the project proposals ranked according to their score. This list will be used if more funds become available during the validity period of the reserve list. In case of any need to replace the best application of any province, the next available project that meets selection & award criteria from the same province will be provisionally selected. In all other cases, overall ranking scores will be considered.

2.4. NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

2.4.1. Content of the decision

The lead applicants will be informed in writing of the contracting authority's decision concerning their application on the ICMPD electronic Application Platform.

2.4.2. Indicative Timetable

	DATE	TIME (Vienna local time)
1. Deadline for registering to the information session (online webinar)	12 July 2021	11:00
2. Information meeting (online webinar)	12 July 2021	13:30
3. Information meetings	August 2021 (Exact date TBD)	(Exact time TBD)
4. Deadline for requesting any clarifications from the contracting authority	23 August 2021	17:00

5. Last date on which clarifications are issued by the contracting authority	31 August 2021	17:00
6. Deadline for submission of applications	13 September 2021	17:00
7. Notification to the applicants on the results of evaluation (predicted time)	January 2022	
8. Contract signature (predicted time)	February 2022	

All times are in the time zone of **Vienna, Austria**.

This indicative timetable refers to provisional dates (except for dates 4, 5, and 6) and may be updated by the contracting authority during the procedure.

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

Following the decision to award a grant, the beneficiary(ies) will be offered a contract. By signing the application form, the applicants agree, if awarded a grant, to accept the contractual conditions of the grant contract.

Implementation contracts:

Where implementation of the action requires the beneficiary(ies) to award procurement contracts, those contracts must be awarded in accordance with Annex IV to the standard grant contract (Annex G).

3. LIST OF ANNEXES

Documents to be Submitted

- Annex A : Application Form (Word format)
- Annex B : Budget (Excel format)
- Annex C : Logical Framework (Word Format)
- Annex D : Legal Entity Identification Form
- Annex E : Financial Identification Form
- Annex F : Supporting Documents Mentioned in Section 2.3.2 (upload as zip folder)

Documents for Information (These documents do not need to be submitted)

- Annex G : Standard Grant Contract
 - Annex II : General Conditions
 - Annex IV : Procurement by Grant Beneficiaries
 - Annex V : Payment Request for Grant Contract
 - Annex VI : Model Narrative, Final and Financial Report
 - Annex VII : Terms of Reference for an Expenditure Verification of a Grant Contract
 - Annex VIII : Pre-financing Guarantee Form
 - Annex IX : Template for Transfer of Assets
 - Annex X : Provisional Financial Report and Forecast
- Annex H : Information on Tax Regime
- Annex I : The Non-Exhaustive List of Indicators (*for information only*)

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