

Smart use of the CSO-LA Thematic Programme to support actions led by CSOs and/or LAs within the TALD framework

Introduction

The thematic Programme CSO-LA is specifically designed to support multi-actor approaches and inclusive partnerships for development through actions led by CSOs and LAs in partner countries. The Programme could help CSOs and LAs to respond to populations' needs and to participate in inclusive policy-making processes at different levels. It focuses on the reinforcement of CSOs and LAs as autonomous actors and, while respecting their diversity, it promotes the coherence and complementarity of their actions and the leverage their synergies. To this end, the Programme fosters innovative forms of CSOs and LAs' interactions in local public policy-making, as well as the co-provision and co-production of good local governance and development outcomes.

The Programme pursues three priorities at country level:

- Enhancing CSOs' contributions to governance and development processes;
- Enhancing LAs' contributions to governance and development processes; and
- Testing pilot actions promoting *local development through a territorial approach*.

DEVCO's unit B2 'Civil Society & Local Authorities' is in charge of managing the current Thematic Programme for Civil Society Organisations and Local Authorities as well as the general coordination of relations and dialogue with civil society and local governments. The unit is also in charge of providing quality support and guidance to EU Delegations and other units on Decentralisation, Local Governance and Local Development and on modalities for engagement with LAs. More particularly, it is in charge of coordinating and facilitating the implementation of the new Commission's vision on the developmental role of local authorities as expressions of local political constituencies in a given territory.

Aim of this note

The overall aim of this note is to provide a clear and practical guidance on how to use the Thematic Programme - and its budget lines - dedicated to Civil Society Organisations and Local Authorities in a more strategic manner. The audience for this guidance is both EU staff in Delegations and task managers in Headquarters.

This note is based on various programming documents (MIP, MAAP), DEVCO Guides (PRAG, Companion), insights from different TALD seminars¹ as well as exchanges with some practitioners at EUD level.

¹ Bogota (June 2015), Cotonou (November 2015), Jakarta (February 2016)

Unpacking the Thematic Programme CSO-LA

The Thematic Programme CSO-LA combines a financial support to actions led by CSOs and/or LAs with “support measures” covering a wide range of “soft” activities².

First, financial support to CSOs, LAs or their associations is allocated through two main modalities: **Call for Proposals** (the most common procedure) and **Direct Awards** (primarily to national Associations of Local Authorities or national Platforms of Civil Society Organisations). The EUDs are in charge of defining the terms of the Calls of Proposals through the elaboration of “Guidelines for grant applicants” following a specific template³. The preparation of these guidelines offers the opportunity to target specific actors, territories, types of activities. By “tailoring” their Call, EUDs can encourage creation of territorial-based coalition of stakeholders that could produce and implement an action in a collaborative way, for instance.

Then, the “support measures”, representing up to 5% of EUDs’ allocations, are awarded through Service Contracts, following the procedures defined in the PRAG (section 3).

The following chapter will explore how EUDs can use these two tools in a smart way. This note is structured in three parts:

- The first part (“**Tailoring the Call for Proposals**”) explores the EUDs’ options for the design of the call’s guidelines;
- The second section is dedicated to **Exceptions, Derogations and Unforeseen events**, and deals first with Delegation in crisis situation, then with the use of Direct Award in non-crisis situation and finally with the reallocation exercise in case of an impossibility to contract the funds;

² Evaluations, identifications, studies, meetings, information sessions, special events for awareness-raising, publications, training activities...

³ Content of the Guidelines Template:

I.<Title of the Programme>

1.1 Background

1.2 Objectives of the programme and priority issues

1.3 Financial allocation provided by the contracting authority

II. Rules for this Call for Proposals

2.1 Eligibility criteria

2.2 How to apply and the procedures to follow

2.3 Evaluation and selection of applications

2.4 Submission of supporting documents for provisionally selected applications

2.5 Notification of the Contracting Authority’s decision

2.6 Conditions for implementation after the Contracting Authority’s decision to award a grant

III. List of Annexes

- The third and last section focuses on **Support Measures** and gives an overview of both conventional and “unconventional” uses of these funds, before launching a Call, during the Call and after the Call.

A. “Tailoring the Call for Proposals”

The EU Delegations have some flexibility in designing their Calls for Proposals and setting the terms of competition between potential beneficiaries in order to receive EU financial support.

By default, the Calls for Proposals are **restricted** (PRAG, section 6.4.1.2). Only in exceptional circumstances should a EUD opt for the publication of an open call for proposals. According to the PRAG *“a decision to launch an open rather than a restricted call must be justified by the particular technical nature of the call, the limited budget available, the limited number of proposals expected or organisational constraints (e.g. calls by regional Union delegations). In this case, prior approval must be sought”*. EUDs have to request prior approval to the Head of Delegation, following the templates available in the DEVCO Companion (Annexes H2a and H2c).

As mentioned above, funds of the Thematic Line are mainly awarded through calls for proposals. Even though Calls follow numerous rules and procedures, Delegations can still “tailor” their call in order to implement their strategic vision and to reach their goals. Indeed, Delegations can define types of stakeholders involved, locations of implementation or types of actions through the building of **lots** or the use of ring-fencing, which allows narrowing down the scope of the actions supported.

This section seeks to give an overview of options and to highlight what is possible or what is not. All the information provided are based on the MIP 2014-2020, the MAAP 2015-2017, the PRAG version 2016 and the DEVCO Companion 5.1 (01/06)⁴. This section follows the structure of the guidelines’ template and aims at offering a “step by step” review of a Call. Nevertheless, in order to be clear and to set some technical grounds right away, the first part has been switched to present the financial dispositions, before “jumping” into the content of actions.

I – Financial allocation, co-financing rate and size of grants (1.3)

- Financial allocation (1.3)

The CSO-LA MAAP 2015-2017 (Action Documents 1 for CSO and 2 for LA) specifies the CSO and/or LA financial envelopes allocated to each targeted country.

The Thematic Programme is funded through two separate budget lines:

- **BL 21 02 08 01** finances actions submitted by CSO or associations of CSOs (co-applicants are allowed: from CSO as well as from LA)

⁴ Each related heading in the Guidelines template is indicated in (orange)

- **BL 21 02 08 02** finances actions submitted by LA or associations of LAs (co-applicants are allowed: from CSO as well as from LA).

The transfer of funds between CSO and LA allocations is not possible since they correspond to two different budget lines.

It is possible to launch a **single call** for proposals, under the condition of establishing two separate lots: one for CSO and one for LA.

In the same way, it is possible to launch a single call for the CSO-LA Programme and for the EIDHR Programme for example. Again, there must be at least two or three lots (CSO-LA-EIDHR, CSO-EIDHR, LA-EIDHR...).

Eligibility criteria and priorities differ, and must be clearly spelled out for each separate lot.

Funds can **only** be reallocated between lots under the same budget line. There can be no transfer of funds between a CSO lot and a LA lot, or between a CSO lot and an EIDHR lot, for example.

The following sentence *“If the allocation indicates for a specific lot cannot be used due to insufficient quality of number of proposals received, the Contracting Authority reserves the right to reallocate the remaining funds to another”* should always be introduced.

It allows the reallocation of funds from one Lot to another **within the same budget line**.

The adoption of the Multi-Annual Action Plan 2015-2017 means that allocations for 2015, 2016 and 2017 are already covered by a Decision of the Commission. Pooling funds from these three budget years therefore does not require a prior approval.

However, since budgets are released annually, 2017 funds are not yet available. Launching a Call for Proposals including 2017 funds therefore requires the simple introduction of a sentence stating that “availability of 2017 funds depends on further confirmation of 2017 allocations in the annual budget procedure”.

The following sentence should be introduced in every set of guidelines *“The overall indicative amount made available under this call for proposals is ... euros. The Contracting Authority reserves the right not to award all available funds. **Similarly, this amount could be increased should more funds become available**”*. This sentence will allow potential reallocations from one EUD to another (see reallocation exercise).

Other prior approvals, derogations, exceptions and report on non-compliance events are now under the responsibility of Geographical Directors having received the sub-delegation for the thematic lines (they are not under the responsibility of Heads of thematic units anymore).

- **Co-financing rates, possible source of co-financing and case of full financing (1.3)**

As specified in the MAAP 2015-2017, as a general rule, the maximum possible rate of EU co-financing for each grant to be funded is as follows:

- Partner countries CSOs or LAs: maximum of **90%** of the total eligible costs
- European CSOs or LAs: maximum of **75%** of the total eligible costs.

The remaining budget must be financed from sources other than the European Budget or the European Development Fund.

The co-financing may also take the form of the beneficiary's own resources (self-financing), income generated by the action and financial or in-kind contributions from third parties. Participation from Member States, private sector, International donors or foundations is eligible.

The contracting authority may accept contributions in-kind as co-financing, if considered necessary or appropriate. Co-financing in kind means the provision of goods or services to the grant beneficiary free of charge by a third party. Salaries of the main applicant staff can be considered as in-kind contribution for co-financing.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 and PRAG 6.3.9 on Co-financing, full funding (100%) can be foreseen to carry out the action in the following situations (relevant for the Programme):

- Humanitarian aid, including assistance for refugees, uprooted persons, rehabilitation and mine clearance
- Aid in crisis situations
- Action to protect health or the fundamental rights of peoples

- Size of grants and potential derogation for lower threshold (1.3)

The minimum size of grant is now 300.000 euros. In some cases, a Delegation may want to lower this threshold. Then a prior approval by the Head of Unit B2 is required, with due justification and upon written request from the Head of Delegation.

For example, smaller grant minima can be exceptionally accepted if the average size of grants awarded under the previous programme was under 300.000 euros, if it is “established” that the local CSOs are unable to co-finance 10% of such a budget, or because of the specific context of the country (LCD, crisis situation, etc.), for instance.

In any case, should the Delegation decide to lower the minimum grant size, it will need to clearly state that it can take responsibility for the increased workload and can still handle it.

II – Objectives and priorities of the Programme: the use of lots and ring-fencing (1.2)

- Objectives and priorities (1.2)

First of all, these objectives, priorities and actions should be coherent with the work done at the identification phase and the vision established.

They must reflect priorities of the MIP 2014-2020, the MAAP 2015-2017, what has been described in the concept note drafted by EUD in the section 2 (Policy Priorities and interventions of the thematic Programme CSO-LA), and be consistent with the Priorities set out in the EU Roadmap for Engagement with Civil Society.

Box 1. Multiannual Indicative Programme for the Thematic Programme “Civil Society Organisations and Local Authorities” for the period 2014-2020

3. Strategy and main priority areas 2014-2020

3.1 Programme objectives

Accordingly, the Programme will pursue the objective of *improving governance and accountability through inclusive policy-making* by empowering citizens and populations, through the voicing and structuring of their collective demands, to contribute to tackle injustice and inequality.

The Programme will also aim at enhancing livelihood opportunities for populations to participate in and benefit from a just, inclusive and environmentally sustainable climate resilient low-carbon economic development that is tailored to territorial characteristics and needs, and trigger a change in the quality of citizens' life and wellbeing, ensuring a balance between socio-economic growth, equity and environmental quality and increasing the resilience of the most vulnerable.

3.2 Programme priorities

1. Focus on country level: enhancing CSOs' and LAs' contributions to governance and development processes.

Support will be provided to:

I. Enhance CSOs' contributions to governance and development processes as:

- a. Actors in governance and accountability;
- b. Partners in fostering social development;
- c. Key stakeholders in promoting inclusive and sustainable growth.

II. Enhance LAs' contributions to governance and development processes as:

- a. Actors of enhanced local governance;
- b. Welfare providers (public basic services, according to their institutional mandate) and promoters of inclusive and sustainable growth at the local level.

III. Test pilot actions promoting local development through a territorial approach.

The search for complementarity with other Instruments or Programmes such as the European Instruments for Democracy and Human Rights (EIDHR), the Thematic Programme on Global Public Goods and Challenges (GPGC), the Instrument contributing to Stability and Peace, the Partnership Instrument, the European Neighbourhood Instrument (especially Civil Society Facility) and projects supported by bilateral or regional cooperation is crucial.

As stated in the MIP 2014-2020, “In countries benefitting from bilateral cooperation, actions may be supported both within and outside of the selected focal sectors. To ensure the efficiency and effectiveness of assistance, this Programme **should complement geographic Programmes** (bilateral or regional)”.

Indeed, if the EUD wants to narrow down the Call for Proposals to one or few sectors, it is then *a priori* more pertinent to follow and ensure coherence with the sector of concentrations selected in countries’ Multiannual Indicative Programme (DCI) or National Indicative Programme (EDF).

For example, in some situations it might be interesting to fund participation mechanisms in a sector where the bilateral is active or to use the Thematic Programme budget line to experiment locally in the same sector.

Indeed, the guidelines are potentially stronger if they are aligned with bilateral cooperation and projects can then be used to advocate at the higher level, replicate initiatives, engage in political dialogue with these pilot experimentations.

Box 2: Complementarity between bilateral and thematic programming

The Thematic Programme can be used to pilot experiences which can later be scaled up in bilateral programming, or can provide insights for programming in non-traditional sectors. As an example, the Multiannual Indicative Programme (MIP) 2014-2020 for Guatemala included a new focal sector on conflict prevention and resolution. In parallel to the planning phase of the MIP, the former NSA programme foresaw a 1.5 million EUR lot to support civil society actors on conflict prevention and resolution activities, with a focus on:

- Strengthening networks and coordination forums on conflict prevention and resolution, and enhancing collaboration between research institutes, universities and CSOs;
- Capacity development of CSOs in dialogue, mediation and conflict resolution, and capacity transfer to state actors;
- Advocacy and monitoring for the effective implementation of the legal framework and existing public policies;
- Strengthening dialogue initiatives, conducting participatory conflict analysis, transfer of good practices.

This allowed the EU Delegation to fund and work with a set of key civil society actors, whose insights and project experiences from the ground could inform the

actual implementation of the MIP and in particular the design of an upcoming bilateral conflict prevention and resolution programme.

- **Lots and ring-fencing (1.2)**

If the EUD has defined several priorities, then several lots are required or a ring-fencing mechanism needs to be introduced. Other than the compulsory CSO and LA lots (if a single call is launched), both lots and ring-fencing can allow narrowing down the scope of the Call for Proposals.

The MAAP 2015-2017 indicates that “EU Delegations **may define** specific eligibility criteria according to the country context and in order to respond to local **needs in terms of actors (type and origin), priorities, themes, sectors, and geographical areas**. This will allow EU Delegations to ensure complementarity and subsidiarity with other programmes implemented in the country, as well as to better respond to local circumstances.”

Concretely, it means that, in duly justified circumstances and for strategic reasons, the Delegation can decide to target:

- a geographical area (poorest regions, most isolated areas, uplands territories, peri-urban villages)
- a type or a level of Local Authorities (metropolis, districts, village councils, provinces)
- a category of CSO (cooperative, CBO, research institute, NGO)
- a sector, public service or activity (in line with bi-lateral or not, when appropriate)
- a scope of partnership (formal involvement of communities, inclusion of the private sector)
- a nationality of applicants (EU vs local)

These orientations can be set by using either lots or ring-fencing.

Both are authorized, but generally speaking, lots are more straightforward and transparent, especially during the evaluation phase.

Two main differences: while using two or three lots can really target different actions in the purpose, activities, actors, duration (etc.), ring-fencing targets actions with the same characteristics and rules for all, but only one criterion is different. Ring-fencing is comparable to positive discrimination mechanisms targeting, for example, less favoured areas. It can also be decided to put a quota of funds set aside for a territory, in case of an archipelago, deciding for instance that 40% of the allocation will go to projects in one island (the biggest), 30% to the second island and 30% to the remaining one.

The main difference remains in the evaluation and selection process. In case of ring-fencing, each project is evaluated with the same set of criteria, then a ranking is established and **finally** the order is reorganized artificially by pushing on the top of the list projects that are falling into the % needed. This quota system is also usually not favoured by C&F. In practice

ring-fencing has, in many instances, been very difficult to use in evaluation committees, especially if the “ring-fenced” projects are of notably inferior quality.

Having separate lots, with dedicated amounts per lot, is an easier and more transparent way to introduce differentiation.

The following sections specifies the procedural framework in which Delegations can operate and can operationalize their lots through the adaptation of eligibility criteria.

III – The possible combination of various stakeholders (2.1)

The Thematic Programme offers different options in terms of stakeholders’⁵ engagement in the process. Those actors can be involved in various ways depending on the objectives of the Call. In addition, the option of testing pilot actions aiming at promoting local development through a territorial approach seeks to promote joint action between LAs and CSOs while involving the private sector.

As a consequence, one of the parameters that the EUDs need to fine-tune carefully is the combination of these different roles (main applicant, co-applicants, affiliated entities, associates, beneficiaries of financial support to third parties, target groups, etc.) endorsed by various stakeholders, and coordinated by a CSO or a LA.

If an EUD wants to impose a type of partnership, it has to be established first in section 1.2 of the guidelines (through a lot for instance, explaining the coalition sought) and then specified in the section 2.1, with the eligibility criteria.

⁵ The EU considers **CSOs as non-State, non-profit making actors operating on an independent and accountable basis**. They include: non-governmental organisations, organisations representing indigenous peoples, organisations representing national and/or ethnic minorities, diaspora organisations, migrants' organisations in partner countries, local traders' associations and citizens' groups, cooperatives, employers' associations and trade unions (social partners), organisations representing economic and social interests, organisations fighting corruption and fraud and promoting good governance, civil rights organisations and organisations combating discrimination, local organisations (including networks) involved in decentralised regional cooperation and integration, consumer organisations, women's and youth organisations, environmental, teaching, cultural, research and scientific organisations, universities, churches and religious associations and communities, philosophical and non-confessional organisations, the media and any non-governmental associations and independent foundations, including independent political foundations, likely to contribute to the implementation of the objectives of the DCI Regulation.

The term **Local Authorities** refers to **public institutions with legal personality, component of the State structure, below the level of central government and accountable to citizens**. Local Authorities are usually composed of a deliberative or policy-making body (council or assembly) and an executive body (the Mayor or other executive officer), directly or indirectly elected or selected at local level.

Box 3. Call for Proposals 2014 – EUD to Nigeria

Lot 2 – LAs 1. Promotion of more accountable, responsive and inclusive local government budgetary processes

Increased public access to budgetary information (publication and dissemination of citizen-friendly budgets and policy documents, audit reports, etc.), strengthening participatory budgeting models (**establishing forums for regular and meaningful dialogues between CSOs and local government councils, as well as consultative forums, etc.**) and capacity building (on public expenditure management, budget planning, negotiation and communication skills with civil society organisations, etc.) for local government council personnel.

This flexibility of combination offers alternative options in unfavourable or sensitive contexts. For example, in a country where the technical and HR capacities of LAs are not sufficient to manage funds and it would actually be harmful to award grant to a LA, then other arrangements can be supported. The EUD could encourage decentralised or triangular cooperation arrangements, projects led by CSOs (as main applicants), where LAs are co-applicants or beneficiaries, could support stronger and more “professional” LAs that will have to sub-grant to smaller LAs... Various options are possible to promote these territorial coalitions.

- Eligibility criteria (2.1)

Concerning these three sub-headings (2.1.1. *Eligibility of applicants*, 2.1.2. *Affiliated entities and 2.1.3. Associates and Contractors*), the first check should be done by the Delegation itself to ensure that minimal conditions are met. For example, if CSOs are allowed to receive foreign funds, if LAs have a bank account and legal entity...

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

The eligibility for the applicants only takes into account administrative criteria and nationality criteria. The duration and quality of the experience should be considered as evaluation criteria (indicated in 1.2), and should not be included under the eligibility criteria. In the DCI 2014, article 8, it is written that “The objective of Union assistance under the ‘Civil Society Organisations and Local Authorities’ programme shall be to strengthen civil society organisations and local authorities in partner countries and, where provided for in this Regulation, in the Union and in the beneficiaries eligible under Regulation (EU) No 231/2014. The actions to be financed **shall be primarily carried out by civil society organisations and local authorities**. Where appropriate, in order to ensure their effectiveness, actions may be carried out by other actors for the benefit of the civil society organisations and the local authorities concerned”.

The eligibility criteria in the MAAP 2015-2017 points out that although geographical criteria can be extended (from the country of the action to neighbouring countries for instance), the implementers should always be CSO or LA, considering the actor-based dimension of the programme.

International Organizations are NOT eligible to CSO-LA Calls for Proposals⁶.

Another important reminder, when writing the co-applicant (s) part: the guidelines' template says, by default, "co-applicant(s) must satisfy the eligibility criteria as applicable by the applicant itself". This part **needs to be adapted** to allow either an LA (in case of CSO budget line) or a CSO (in case of LA budget line) to be beneficiaries.

Finally, the nationality or geographical restrictions should be indicated in this section again. For instance, putting in the eligibility criteria if CSOs or LAs from the EU are eligible, or if the range is even narrower with regional constraints.

Once again, priority will be given to supporting CSOs and LAs **from partner countries** in order to strengthen their capacity, in line with the overall objectives of the Programme. Should it be considered necessary, Delegations could envisage broadening up the eligibility to applicants from other eligible countries, particularly from the EU. In those cases, projects proposals **should be based on local initiatives and genuine involvement of partner countries CSOs and LAs** should be ensured at all stages.

It is good practice to mandate that if the Applicant is an EU CSO or LA, the Action must include at **least one CSO or LA co-applicant from the partner country**.

- Associates and Contractors (2.1.3)

First of all, these statuses are the only ones allowing the private sector or international organisations to participate in the action.

As indicated in the guidelines, "Associates or affiliated entity (ies) **cannot be also contractors** in the project". For example, it is not possible for an applicant to put a consulting firm as associate and then appoint them for a study. They will not be able to participate in a tender.

Although associates may not receive funding from the grant, they can still get per diem and travel costs, to participate in seminars or do field visits for instance.

To sum up, the General Conditions indicate that "all beneficiaries shall carry out the Action **jointly and severally vis-a-vis** the Contracting Authority taking all necessary and reasonable

⁶ International organisations, as defined by the Art. 43 of the Implementing Rules of the EU Financial Regulation (http://ec.europa.eu/budget/library/biblio/documents/regulations/syn_pub_rf_modex_en.pdf), are international public sector organisations set up by intergovernmental agreements, and specialised agencies set up by such organisations. These organisations may have worldwide (e.g. the United Nations, the World Trade Organisation) or regional/sub-regional scope (e.g. the African Union, the European Union, MERCOSUR, the Association of Southeast Asian Nations ASEAN, the Southern African Development Community SADC, the West African Economic and Monetary Union UEMOA).

measures to ensure that the Action is carried out in accordance with the Description of the Action in Annex I and the terms and conditions of this Contract”.

The following table offers a synthesis of different stakeholders’ tasks and responsibilities.

Status	Tasks and responsibilities
Main Applicant (identified as the Coordinator in the General Conditions)	<ul style="list-style-type: none"> • monitor that the Action is implemented in accordance with the Contract and ensure coordination with all Beneficiary(ies) in the implementation of the Action • be the intermediary for all communications between the Beneficiary(ies) and the Contracting Authority • be responsible for supplying all documents and information to the Contracting Authority which may be required under the Contract, in particular in relation to the narrative reports and the requests for payment. Where information from the Beneficiary(ies) is required, the Coordinator shall be responsible for obtaining, verifying and consolidating this information before passing it on to the Contracting Authority • be responsible in the event of audits, checks, monitoring or evaluations, including the accounts of the Beneficiary(ies), copies of the most relevant supporting documents and signed copies of any contract concluded • have full financial responsibility for ensuring that the Action is implemented in accordance with the Contract • establish the payment requests in accordance with the Contract • be the sole recipient, on behalf of all of the Beneficiary(ies), of the payments of the Contracting Authority. The Coordinator shall ensure that the appropriate payments are then made to the Beneficiary(ies) without unjustified delay • not delegate any, or part of, these tasks to the Beneficiary(ies) or other entities

	<ul style="list-style-type: none"> In case of financial support to third-party, The Coordinator shall provide in its report to the Contracting Authority a comprehensive and detailed report on the award and implementation of any financial support given. These reports should provide, amongst other, information on the award procedures, on the identities of the recipient of financial support, the amount granted, the results achieved, the problems encountered and solutions found, the activities carried out as well as a timetable of the activities which still need to be carried out
Co-applicants	<ul style="list-style-type: none"> Co-applicant(s) participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the applicant. They also must forward to the Coordinator the data needed to draw up the reports, financial statements and other information or documents required by the Contract and the Annexes thereto, as well as any information needed in the event of audits, checks, monitoring or evaluations
Associates	<ul style="list-style-type: none"> Associates (private sector for instance) play a real role in the action but may not receive funding from the grant, with the exception of per diem or travel costs
Contractors	<ul style="list-style-type: none"> The grant beneficiaries are permitted to award contracts. But associates or affiliated entity(ies) <u>cannot be also contractors</u> in the project. Contractors are subject to the procurement rules.
Third-Party (sub-grantees)	<ul style="list-style-type: none"> Carry out the action for which they have been awarded a grant Provide data, draw reports, financial statement and forward other information or documents required by the Coordinator

- Number of applications and grants per applicants **(2.1.4)**

Finally, EUD can have a certain leeway in restricting the access of applicants and co-applicants in a same call for proposals, in the following section.

These options can be used to try to avoid having several applications from the same coalition of stakeholders, to try to diversify the potential grantees and avoid granting what some Delegations consider being the “usual suspects”.

The applicant <may/may not>submit more than <...> application(s) [per lot] under this Call for Proposals.

The applicant <may/may not> be awarded more than <...> grant(s) [per lot] under this Call for Proposals.

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

A co-applicant/affiliated entity <may/may not>submit more than <...> application(s) [per lot] under this Call for Proposals.

A co-applicant/affiliated entity <may/may not> be awarded more than <...> grant(s) [per lot] under this Call for Proposals.

A co-applicant/affiliated entity <may/may not> be <the applicant or an affiliated entity> in another application at the same time.

IV – Defining the eligible actions: type of activities, location and duration (2.1.4)

- Types of activity (2.1.4)

Once the objectives and priorities have been established through lots in the section 1.2, the type of actions and activities supported need to be detailed. Other than the “conventional” activities targeted by the Delegations, some strategic activities can be made compulsory in a Call for Proposals.

For instance, it is possible to mandate that the first activity of an action be a mapping, a stakeholders’ consultation, an update of the project analysis or an update of the stakeholders’ analysis, especially if the period between the writing of the proposal and the beginning of the action is long.

Or it can be specified that the action and budget need to include *per diem* and travel costs for a seminar or a meeting with other beneficiaries once a year in the capital.

The following example comes from the guidelines for the Development Education and Awareness Raising (DEAR) Call for Proposals.

“In preparing the plan of activities and related budget, it is compulsory to foresee the participation of one project staff in the seminars which EuropeAid will organise in Brussels after selection and signature of contracts, at least once a year for the whole duration of the project. Participation in the Seminar, for the purpose of training, exchange of good practices and networking is compulsory for the actions presented under all Lots of this Call for Proposals.

This activity must be clearly spelled out in the description and the budget of the action (travel, accommodation, per diem for Brussels for a maximum of three days per year).”

- Financial support to third parties (2.1.4)

First of all, it is possible to either make financial support to third parties compulsory, optional or to exclude this activity.

If financial support is foreseen (not as the main purpose of the Action), the maximum amount of grants per “third party” is 60.000 euros, but the guidelines could define a lower maximum, if appropriate.

Where the main purpose of the action is sub-granting, there is no threshold applicable: the main applicant can set the maximum amount of the grants per “sub-grantees” itself.

However, even in the case where financial support to third parties is the main purpose of the Action, it is possible to define different minimum and maximum amounts for sub-grants in the guidelines.

Before using this rather “new” option, it is important to first keep in mind the following obligations indicated in the guidelines template.

*In compliance with the present guidelines and notably of any conditions or restrictions in this section, applicants should define mandatorily **in section 2.1.1 of the grant application form**:*

- (i) *the objectives and results to be obtained with the financial support*
- (ii) *the different types of activities eligible for financial support, on the basis of a fixed list*
- (iii) *the types of persons or categories of persons which may receive financial support*
- (iv) *the criteria for selecting these entities and giving the financial support*
- (v) *the criteria for determining the exact amount of financial support for each third entity, and*
- (vi) *the maximum amount which may be given.*

It is good practice to introduce an additional point:

- vii) *the system of control set up to verify the eligibility of costs.*

The PRAG 6.9.2. (Financial support to third parties by grant beneficiaries) states clearly that the demand of detailed conditions aims at **avoid(ing) the exercise of discretion by the grant beneficiary**.

Then, the dedicated section of the **Annex II – General Conditions** applicable to European Union-financed grant contracts for external actions regarding sub-granting stresses **more requirements** (Points 10.7 and 10.8 should particularly be kept in mind).

DEVCO Companion section 19.2.10.2 also provides useful references regarding financial support to third parties.

Box 4. ARTICLE 10 — IMPLEMENTATION (from 10.4 to 10.8)

10.7. The Coordinator shall provide in its report to the Contracting Authority a **comprehensive and detailed report on the award and implementation of any financial support given**. These reports should provide, amongst other, information on the award procedures, on the identities of the recipient of financial support, the amount granted, the results achieved, the problems encountered and solutions found, the activities carried out as well as a timetable of the activities which still need to be carried out.

10.8. To the extent relevant, the Beneficiary (ies) shall ensure that the conditions applicable to them under Articles 3 (**liability**), 4 (**conflict of interests and good conduct**), 5 (**confidentiality**), 6 (**visibility**), 7 (**ownership/use of results and assets**), 8 (**evaluation/monitoring of the Action**) and 16 (**Accounts and technical and financial checks**) of these General Conditions are also applicable to third parties awarded financial support.

Before engaging in compulsory financial support to third parties or strongly promoting it, it should be noted that the workload of managing grants is actually being “transferred” to the main applicant/coordinator. It can be a quite important amount of work, challenges and financial risks as the main applicant is taking responsibility for the “sub-grantee”. If one of the third-parties gets non-eligible costs, then the main applicant will not get reimbursement.

- **Location of the action (2.1.4)**

Location of the action(s) can also be adapted to the country’s situation or to the Delegation’s strategy, whether it is specific districts or regions, or category of towns for instance. For example, the Kyrgyz Delegation indicated in its Call for Proposals.

Actions must take place in the rural parts of Leylek district (rayon) of Batken region (oblast) of the Kyrgyz Republic.

The Proposal must identify and indicate the villages where the actions are to be implemented. At that, targeted rural areas should be selected by the Applicant based on the following criteria:

- *relatively large population of poor and socially disadvantaged people (including areas high prone to ethnic tensions);*
- *high community demand for income generating and for local economic and social development initiatives.*

- Duration (2.1.4)

In the AAP 2014, the duration of an action was in principle between 24 and 48 months but the MAAP 2015-2017 extended this limit: the duration of an action now ranges between **24 and 60 months**, for both CSO and LA Objective 1. However, if the maximum initial duration is 60 months in the Guidelines, no amendments will be allowed to extend a 60 months grant contract, even if there are delays.

Under their respective calls for proposals each EU Delegation may determine the minimum and maximum durations, provided these stay within the above-mentioned limits. Only in duly justified cases, EU Delegations can finance actions of less than 24 months with a minimum of 12 months.

B. Exceptions, derogations and “unforeseen” issues

I – Crisis situation

Upon EUD request and after HQ evaluation, a list of countries (or regions of a country) declared in “crisis” is established every year in June.

The current list includes 33 countries⁷ and is valid from 01/07/15 to 30/06/2016. The crisis declaration may in some cases only be valid for a particular area of a country.

For the EUD concerned, flexible procedures may apply.

Flexible procedures mostly refer to the possibility to depart from the rules applicable to competitive tender or grant-award procedures established in EU rules as reflected in PRAG. It may also include the possibility to apply a number of derogations to other rules established in PRAG or in the DEVCO Companion (rules of origin and nationality, proof of non-reimbursement of taxes, etc.)

Once a decision declaring a crisis situation has been made, the Contracting Authority has the legal coverage to directly award grants, service, supplies and works contracts falling under the geographic and temporal scope of such decision⁸.

⁷ Afghanistan, Bangladesh, Burundi, Cameroon, Central African Republic, Chad, Comoros, DR of Congo, DR of North Korea, Gambia, Guinea Bissau, Guinea Conakry, Haiti, Iraq, Kenya, Liberia, Madagascar, Maldives, Mali, Mauritania, Myanmar, Nepal, Niger, Nigeria, Pakistan, Rwanda, Sierra Leone, Somalia, South Sudan, Sudan, Uganda, Yemen, Zimbabwe

⁸ The legal basis for using direct award in crisis situation is article 190(1) RAP for grant contracts, and articles 266(1) second paragraph, 268(2) and 270(1) second paragraph RAP for procurement contracts. It is considered that the application of negotiated procedures or direct-grant award to contracts falling under the scope of that decision is already justified from the legal viewpoint.

II – Direct awards in non-crisis context

The MAAP 2015-2017 (Annexes I and II) foresees direct award as an implementation modality, following the Article 190(1)(f) of Regulation (EU) No 1268/2012 and section 6.4.2 of the PRAG “Grants awarded without calls for proposals ('Direct award')”.

The PRAG describes the special circumstances or situations allowing the use of this procedure.

Direct grant can be awarded to:

- a body with a de jure or de facto **monopoly**, duly substantiated in the award decision. 'De facto' or 'de jure' monopoly means that one of the grant beneficiaries, (or it may also be a consortium):

- has exclusive competence in the field of activity and/or geographical area to which the grant relates pursuant to any applicable law; or
- the only organisation (i) operating or (ii) capable of operating in the field of activity and/or geographical area to which the grant relates by virtue of all considerations of fact and law.

- actions with specific characteristics that require a particular type of body on account of its **technical competence**, its **high degree of specialisation** or its **administrative power**, on condition that the actions concerned do not fall within the scope of a call for proposals. These cases shall be duly substantiated in the award decision.

- bodies identified in the work programme, in case of research and technological development, where the basic act expressly provides for that possibility, and on condition that the action does not fall under the scope of a call for proposals.

These criteria have been translated in the MAAP 2015-2017 which states that “EU Delegations may award direct grants if justified by the local context and in line with the achievement of the objective of this action”.

Annex I (CSO) specifies that “priority will be given to **representative National Platforms of Civil Society Organisations** originating from the EU partner country where the action takes place, in order to strengthen their institutional and operational capacity, in line with the overall objectives of the Thematic Programme CSO-LA”.

Annex II (LA) states that “EU Delegations may award grants directly to **representative National Associations of Local Authorities (NALAs)** (legal entities or groupings without legal personality) originating from the EU partner country where the action takes place in order to strengthen their institutional and operational capacity”.

In both cases, such grants could possibly be awarded through a Framework Partnership Agreement. The PRAG (2016) provides the templates required in Annex E12a (FPA) for the political agreement and in Annex E12b (Specific Agreement) for the grant.

Formally speaking, direct award need the prior approval of the **Head of Delegation**, as indicated in Annex H2c (List of prior approval cases).

Prior discussion with DEVCO B2 regarding the appropriateness of the direct award with regards to the CSO-LA programme is good practice.

Box 5. Framing the Strategic Partnership

The Legal Basis - Article 121 (EU FR) and Article 178 (RAP)

Strategic Partnerships may be established and regulated through Framework Partnership Agreement (FPA) - as a long-term cooperation mechanism with strategic partners - and are structured in two levels:

- POLITICAL: **FPA** will define the respective roles and responsibilities of the Commission/Delegation and its Partner in implementing the partnership.
- OPERATIONAL: **Specific Grant Agreement** will define the operational terms of the strategic partnership, instrumental to achieve the common political priorities and objectives between the Partners.

- The duration of the partnership may not exceed four years, save in exceptional cases, justified in particular by the subject of the framework partnership.
- Principles of transparency or equal treatment of applicants.
- Framework partnerships shall be treated as grants with regard to programming, *ex ante* publication and award.
- Specific grants based on framework partnership agreements shall be awarded in accordance with the procedures laid down in those agreements, and in compliance with the Financial Regulation.

Framework Partnership Agreement (FPA) - Political Part (Annex PRAG - E12a)

- *Preamble*: Creation of a strategic/long-term cooperation between the EU Delegation and strategic partners on the basis of the EU policy
- *Strategic Plan*: common political priorities and objectives of the strategic partnership, on the basis of the Partner's Multi-Annual Strategy
- *Annexes*
 - General Conditions;
 - Model specific grant agreement;
 - Narrative report of political processes and operations (in case of grant);
 - Financial report
- **No reference to funding** as the FPA does not constitute an obligation for the EU to provide the Partner with funds

Specific Grant Agreement (SGA) - Operational Part

(Annex PRAG - E12b)

- This document will define the operational terms of the strategic partnership, instrumental to achieve the common political priorities and objectives between the EU and ALA or platforms of CSOs
- Action grant or Operating Grant
- Duration of SGA: Action grant up to 48 months; Operating Grant max 12 months (related to the annual work plan of the Partner)
- SGA includes the following documents:
 - Description of the action: objectives (linked to the FPA), activities, target groups/beneficiaries, location, results, indicators, sustainability, human resources, work plan
 - Logical Framework
 - Budget

III – Reallocation of unused funds between Delegations

The CSO-LA MAAP 2015-2017 (Action Documents 1 for CSO and 2 for LA) specifies the CSO and/or LA financial envelopes allocated to each targeted country.

This thematic programme is funded through two separate budget lines:

- **BL 21 02 08 01** finances actions submitted by CSO or associations of CSOs (co-applicants are allowed: from CSO as well as from LA)

- **BL 21 02 08 02** finances actions submitted by LA or associations of LA (co-applicants are allowed: from CSO as well as from LA).

As stated before, the transfer of funds between CSO and LA allocations is not possible since they correspond to two different budget lines.

Nevertheless, between June and December of Y + 1, several reallocation exercises are carried out.

If a Delegation is not in a position to contract all its funds, whether CSO or LA, it can send them back to HQ. In the opposite situation, if a Delegation considers that it received more good quality proposals than could be funded with its allocation, it can ask for additional funds to contract them.

In order for Delegations to benefit from the reallocation exercise, **a standard sentence must be included in the Guidelines of the Call for Proposals specifying that the Contracting Authority reserves the right not to award all funds or to award additional funds if they become available** (section 1.3).

Adjustments can then be done between Delegations, but respecting the two budget lines: the CSO funds recovered can only be attributed to CSO projects and same goes with LA. All reallocations are done by DEVCO B2, which also arbitrates between differing priorities.

EUD wishing to participate in this exercise need to contact their **country officer** in B2.

C. Support measures

Support measures exist at two levels: (1) **the Programme level**, with funds managed in Headquarters and (2) **the Country level**, with funds managed in Delegations.

At **Programme level**, the MAAP 2015/2017 indicates that “the Support Measures for the Civil Society Organisations and Local Authorities, as foreseen under Article 10 of the DCI Regulation and Article 3 of the Common Implementation Rules, are designed to cover expenditures associated with the preparation, follow up, monitoring, evaluation and audit activities related to the **implementation of the programme and to the achievement of its objectives**. Such measures (audits, evaluations, identifications, studies, meetings, information sessions, special events for awareness-raising, publications, training activities and any other administrative or technical assistance expenditure, including interests for late payments, etc.) contribute to the sound management of the programme, to the achievement of its expected results and objectives and to the measurement, analysis and reporting on the impact.” Among other activities, a **Facility** to support Delegations with Calls for Proposals’ evaluation is funded from the Programme’s support measures budget.

At **Country level**, Support Measures are funded from the CSO and from the LA allocations with a maximum of 5% of each allocation.

First, an important precision: when a EUD receives funds from both CSO and LA’s budget lines, support measures should represent **5% of each allocation** and cannot be allocated entirely to one of them. Nevertheless, the use of the support measures is flexible and depends on the EUD strategy: an EUD can decide to award the entire 5% to the Programme as a whole and “pooled” the funds, to dedicate smaller amounts to various measures targeting only CSOs or only LAs, to invest solely on capacity building and implementation of funds or to use the majority of the 5% envelope to strategic purposes.

Considering this leeway and the potentiality of experimentation, HQ has asked to be informed of EUDs’ experience with support measures, in order to be able to capitalise and disseminate good practices.

Secondly, the scope of support measures at country level is more limited: they must cover exclusively activities of **direct benefit to the organisations/partners** targeted by the country programme, such as consultation sessions, information sessions on Calls for Proposals, support for "Potential Applicant Data Online Registration" (PADOR), local mapping studies, training seminars and workshops related to the programme, capitalisation studies, programme evaluations at country level and/or other activities focusing on the strengthening of actors.

Evaluation of proposals or audits therefore cannot be carried out with the 5% and Delegations must ask headquarters for *ad hoc* funding from the Programme support measures.

Delegations that do not have (any more) funds available under the 5% or do not have an allocation in a given year and want to initiate an activity for the benefit of the actors

targeted by the Programme can also request *ad hoc* funding under the Programme support measures.

These support measures can be used beforehand, during the Call for Proposals and afterwards.

The following sections present both the conventional uses of support measures and the possible non-conventional uses. The focus can be put either on technical/managerial issues or on more strategic and long-term approaches.

Either way, it is looking to reach out for expertise, outside or inside the Delegation, also in order to find an entry point to support a TALD.

I – To prepare the Call – beforehand

In that case, the support measures can be use in the identification phase, in order to design a Call and implement a coherent and contextualized programme.

Delegations can commission research and studies on either Central Government/LAs/CSOs dynamics, on decentralisation processes, on specific territories or topics, for a local mapping, etc.

Preparatory consultations can also be organised in order to identify certain type of issues or problems to be tackled specifically in the following Call. By organising this relatively open discussion and associating – up to a certain point –, either local CSOs, LAs, international NGOs or even Member States, the Delegation can not only get their inputs on the needs and situation but also “justify” the decision to narrow down the Call and target specific themes/actors/territories, afterwards.

In order to have a fruitful consultation, it is suggested to send information or working documents beforehand, such as the MAAP or specific Action Document, the Country Roadmap or internal study that could be publicly disclosed.

Then clearly stating the frame of the discussion, the outcomes expected, the leeway possible in adapting the programme (and the legal constraints and unmodifiable elements) or explaining the next steps would help to avoid a collection of requests that cannot be prioritized and the establishment of a “wish list”.

More regular meetings can also be organized, in order to inform and discuss different phases of the programming cycle.

Another recurrent use of support measures before the Call concerns the training of potential applicants, either with application training or workshop on technical issues. Technical issues can be general (monitoring and evaluation for example) or competences related to a specific sector.

Finally, translation of the Guidelines of a Call for Proposals and other relevant documents in the local language can be useful to at least reach out and inform organisations that would otherwise completely pass by this opportunity. However, potential applicants should be made aware that applications and contract documents including reports have to be in the official languages only. Any non-official translation should also mention clearly that the original version prevails over translated versions.

II – During the Call

During the call, information sessions are often organised by Delegations, where the Programme and its vision is again explained and “popularised”. In addition to these sessions, several communication activities can be financed, such as publishing the Call in newspapers, setting up a radio spot explaining the Call for proposals, etc. The large broadcasting of the Call and these facilities needs to be ensured, through the Delegation official means of communication, but also through local medias.

It is also possible to hire a Technical Assistant and set-up a help desk that will support all the pre-selected⁹ applicants in drafting the full application, which both ensures better project design and builds the capacity of the partners.

Box 6: Capacity development beyond EU procedures

Support measures are sometimes used to train CSOs or local authorities to enhance the quality of proposals. With a smart design, such training can enhance people's project management skills beyond “smart proposal writing” and EU contract and budget procedures.

In Guatemala, all local governments that had passed the concept note phase of the Call for Proposals received a comprehensive project management training, implemented by a recognized training institute. The training institute adapted its standard project management training to work with a real life example of a local development project throughout the course and the EU Delegation facilitated a session on procedures and evaluation of the proposals.

At the same time, the multi day training was delivered using international standards of project management, and taught the essential skills of good project formulation and management. Not only did the overall quality of project proposals clearly improved, but participants also highly appreciated the fact that they could attend a professional training and received an internationally recognized certificate of project management skills.

⁹ “Pre-selected applicants” refers to the applicants - in a restricted Call for Proposals - whose concept notes have been positively evaluated and who have been invited to submit a full application form.

Since support measures at country level may not cover activities or expenditure **aimed at helping EU Delegations** to manage the programme, such as technical assistance for the evaluation of proposals or auditing activities, Delegation can request support under the operational facility managed in HQ B2.

III – After the Call

After the grants have been awarded, measures funded under the 5% and targeting the beneficiaries directly can also indirectly facilitate the Delegations' work. For instance, Technical Assistants can be commissioned to support and help beneficiaries with writing better reports or managing their budget. Some Delegations have decided to provide support for the reviewing of the Logical Frameworks, identifying more appropriate Outcomes and Outputs, reviewing activities and potential (realistic) results. A Technical Assistant can be hired to provide one-by-one tailored courses, and together with the coordinators, to build new versions in a participatory manner (and meanwhile, reminding the EU contractual obligations).

In general, trainings, coaching, networking events, exchange of experiences or study visits abroad (either in EU or neighbouring countries) can be financed.

These types of activities advocate for more coherent portfolios of actions/projects, as the discussions and “peer-learning” would benefit from beneficiaries acting in the same field, facing similar challenges or being engaged with the same kind of target groups.

The means of support could also be determined after discussion and reaching out to the beneficiaries, asking them what they need.

IV – Examples of creative and non-conventional uses of Support Measures

Before elaborating on examples from Brazil and Ecuador, that are more strategic and long-term, a simple “innovative” measure could be to advertise in the local media that a Local Authority has received funding from the EU Delegation to do an action so that citizens are aware of it and can potentially be an informal “watchdog” of its implementation.

The Support Measures can also help to mobilize other actors beyond the Thematic Programme (local, national and international), to foster public opinion interest, establish alliances with other development partners or create visibility for issues of high importance for the European Union (EU). For example, specific activities can focus on the empowerment of local actors, the creation of visibility of the EU Delegation in the host country or the awareness on topics tackled through the Thematic Programme for the scaling-up of local solutions, among others.

In **Ecuador**, the EU Delegation has been supporting the organisation and operation of a “*National Table for Management of the Solid Waste*”, realising that the local actors involved in waste management – supported through the Thematic Programme for years - were not able to reach higher levels of government, either to share their experience or to advocate for changes in national regulations. Funds were then used to support the creation of a

permanent consultation body with the participation of the national government, local governments, CSOs and development partners. Their recommendations are actually now both heard and taken into account.

In **Brazil**, Support measures have been mobilized to increase EU visibility in the country. For instance, the Delegation has developed some short videos (of 5, 12 and 30 minutes in length) on the experiences gained through the implementation of development projects from the previous Calls for Proposals—both LA and CSO. The objectives of this initiative are twofold:

- i) To document experiences and lessons learned and share these practices with potential applicants of the Thematic Programme through future calls for proposals
- ii) To increase the European Commission' visibility in Brazil; the short videos have also been presented during the exhibitions of the Annual Conference of Prefects, as well as during the World Football Cup in DEVCO web-page

In this case too, support to lobby and advocacy is ensured by this commitment to communicate on successful experiences and participate to the scaling-up of these approaches.

Box 7. Action Document for Support Measures (MAAP 2015-2017, Annex 7) - Programme Level / HQ

Objective 1 – In-country interventions:

An indicative amount of **EUR 1 000 000** will be used to finance a service contract to assist the European Union Delegations in the implementation of priority 1 of the CSO-LA thematic programme in partner countries (2nd Semester 2017)

Other CSO-LA support (studies, audits, TA, etc.):

An indicative amount of **EUR 550 000** will be used to finance the CSO-LA Thematic Programme Mid-Term review in order to contribute to the Mid-Term review of the DCI foreseen in Article 17 of the Common Implementing Rules (1st Semester 2016).

Besides the initiatives above-described, other contracts will be established to perform evaluations, studies and/or technical assistance programme-wide, including on visibility and communication, for an indicative amount of **EUR 5 324 924** (according to needs).

Finally, there will be indicatively 180 external audit contracts for individual projects. An indicative amount of **EUR 2 250 000** will be used to finance these contracts.