



European Agency for Reconstruction

European Integration Fund

**Guidelines
for grant applicants
responding to the call for proposals
for 2004**

Budget line: 03SER01/03/006

Table of contents

1.	THE EUROPEAN INTEGRATION FUND	
1.1	Background.....	3
1.2	Objectives of the programme and priority issues for 2004/2005.....	4
1.3	Financial allocation provided by the contracting authority	4
2.	RULES OF THIS CALL FOR PROPOSALS.....	6
2.1	Eligibility criteria.....	6
2.1.1	Eligibility of applicants: who may apply	6
2.1.2	Partnerships and eligibility of partners.....	7
2.1.3	Eligible actions: actions for which an application may be made	7
2.1.4	Eligibility of costs: costs which may be taken into consideration for the grant.....	8
2.2	How to apply, and the procedures to follow.....	10
2.2.1	Application form and supporting documents	10
2.2.2	Where and how to send the applications.....	11
2.2.3	Deadline for receipt of applications	11
2.2.4	Further information	11
2.2.5	Acknowledgement of receipt	12
2.3	Evaluation and selection of applications.....	13
2.4	Notification of the contracting authority's decision	15
2.5	Conditions applicable to implementation of the action following the contracting authority's decision to award a grant	15
3.	LIST OF ANNEXES.....	18

1. THE EUROPEAN INTEGRATION FUND

1.1 BACKGROUND

The Constitutional Charter of the State Union of Serbia and Montenegro provides that one of the priorities of the State Union is its integration into the European Union. The adoption of the Charter in 2003 was an achievement in its own right, but its implementation is still incomplete. Indeed, as indicated in the European Stabilisation and Association Report 2004, "progress in Serbia and Montenegro since the last annual Report has been mixed. Continued disagreements about the interpretation and implementation of the new constitutional arrangements reflect the lack of overall consensus on the future of the State Union. This lack of consensus weakens the joint institutions and policies which are indispensable for progress with political and economic reforms and for developing Serbia and Montenegro's relations with the EU. The constitutional problems and protracted party political disputes in both republics have contributed to the slow pace of reforms in many key areas.

Economic stability has been preserved. However, the pace of structural reforms has slowed considerably, mainly due to the political disputes that have hampered the functioning of the institutions.

There was some progress on the European reform agenda in the framework of the Stabilisation and Association Process (SAP). To speed up the reform process and to further deepen EU reform advice, an Enhanced Permanent Dialogue was established in July 2003, upon the Commission's suggestion, to build on the work of the previous Consultative Task Force meetings. The recommendations of both serve as reform guidelines and benchmarks.

Following the adoption of the Constitutional Charter and of the Internal Market and Trade Action Plan in August 2003, the Commission decided in September 2003 to commence work on its Stabilisation and Association Agreement Feasibility Report. The Feasibility Report looks into the possibility to open negotiations on a Stabilisation and Association Agreement on the basis of a number of criteria: the degree of compliance with SAP political and economic conditions, the overall functioning of the State Union, the existence of a single trade policy and a single market, progress on sectoral reforms and on those institutions at the state level necessary to implement an SAA.

The Feasibility Report was postponed in order to give the authorities more time to address the remaining key issues, including in particular political conditionality, constitutional issues and the Action Plan."

In order to accelerate the European integration process it is important to increase visibility and understanding of the European Union policy to the Western Balkans and Serbia and Montenegro in particular. The region's historic ties and the aspirations of the local population to reintegrate into mainstream Europe are expected to contribute to the political stabilization of the region and to be instrumental in promoting reforms.

Negotiations on the Stabilization and Association Agreement and following steps towards the integration into the EU imply the strengthening of the administrative capacity and the provision of legal and policy advice concerning the Acquis. A number of EAR projects are already addressing these needs through technical assistance including training of the public administration. The EAR 2004 Programme will continue this support. However, it should not include public institutions only but representatives of civil society as well so that the latter can participate in the public debate on EU integration and have a better understanding of the issues at stake in this process.

1.2 OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES FOR 2004/2005

1.2.1 OBJECTIVES

European Integration Fund should:

- facilitate better understanding of European integration matters (legal, economic, political, cultural, educational, etc.) and broadening the scope of public participation and debate on the process of EU integration and regional cooperation.
- increase support to the reform process and contribute to the realistic expectations of what it will deliver through better understanding of what the association and accession to the EU really means.
- contribute to development of a strategy for better communication and co-ordination of activities between EU players and national/local authorities and opinion makers/opinion leaders (media, civil society organizations, academia, business, etc) related to understanding and promotion of the European Union and integration benefits for Serbia and Montenegro.

1.2.2 PRIORITIES

Priority is given to project proposals which:

- ensure the involvement of the specified target groups in order to improve their knowledge on further European integration process and regional cooperation issues and actively participate in the larger public debate regarding these issues.
- include the cooperation of several stakeholders and/or cooperation of NGO's and other target groups (i.e. local authorities, state agencies, public institutions) in Serbia and Montenegro to contribute to the European and regional integration of the Serbia and Montenegro.

1.2.3 TARGET GROUPS:

- | | |
|------------------------------------|------------------------------|
| 1. NGOs | 6. Professional associations |
| 2. Media | 7. Business community |
| 3. Universities | 8. Local administration |
| 4. High school pupils and students | 9. Cultural institutions |
| 5. Trade unions | 10. Wider public |

1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this call for proposals is EUR 850.000 The contracting authority reserves the right not to award all available funds.

Size of grants

Any grant awarded under this programme must fall between the following minimum and maximum amounts:

- minimum amount: EUR 1.000
- maximum amount: EUR 60.000

In addition, no grant may exceed 90% of the total eligible costs of the action (see also section 2.1.4). The balance must be financed from the applicant's or partners' own resources, or from sources other than the European Community budget.

The grant may cover the entire costs of the action if this is essential to carry it out. If that is the case, the applicant must justify full financing in section 1.3 of the grant application form.

2. RULES OF THIS CALL FOR PROPOSALS

These guidelines set out the rules for the submission, selection and implementation of actions financed under the programme, in conformity with the provisions of the Practical Guide ¹.

2.1 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

- organizations which may request a grant,
- actions for which a grant may be awarded,
- types of cost which may be taken into account in setting the amount of the grant.

2.1.1 Eligibility of applicants: who may apply

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

- be registered non-governmental organizations
- be a public institution
- have their headquarters in the Serbia and Montenegro
- be directly responsible for the preparation and management of the action, not acting as an intermediary;

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

- (a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) they have been convicted of an offence concerning professional conduct by a judgement which has the force of *res judicata* (i.e., against which no appeal is possible);
- (c) they are guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- (d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the action is to take place;

¹ Available on the Internet at this address: http://europa.eu.int/comm/europeaid/tender/gestion/index_en.htm.

- (e) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the Communities' financial interests;
- (f) they have been declared to be in serious breach of contract for failure to comply with their contractual obligations in connection with a procurement procedure or other grant award procedure financed by the Community budget.

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

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

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

Applicants must supply with their applications a sworn statement that they do not fall into any of the above categories (a) to (f).

2.1.2 *Partnerships and eligibility of partners*

Applicants may act individually or in consortium with partner organizations.

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

Other organizations may be involved in the action. 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.

Subcontractors are neither partners nor associates, and are subject to the rules set out in Annex IV to the standard grant contract.

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

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

Duration

The duration of an action may not exceed nine months.

Sectors or themes

The project proposals should be adhered to and will comprise the actions which will contribute to the better understanding of integration process to the European Union. All actions envisaged by the project proposal should be bound for achieving the objectives and priorities of the programme quoted in the chapter 1.2.

The themes which should be covered are related to the legal, economic, political, cultural, educational, aspects of the European Union in general as well as connected with various issues related to the European integration process and regional cooperation of Serbia and Montenegro.

Location

Actions must take place in Serbia and Montenegro.

In the case where actions described in the project proposal required to be undertaken out of Serbia and Montenegro e.g. participation in workshops, seminars, conferences, congresses that are held abroad the costs of these actions will be considered as justified and these activities eligible.

Type of actions

Standard activities to be supported by the European Integration Fund are the organization of or the participation to workshops, conferences, seminars and other forms of obtaining knowledge or know-how, as well as organization of cultural events, publication of supplements, conference proceedings, guidelines, brochures, serials, broadcasting programs and other forms of information dissemination.

Moreover every other original and creative activity and idea other than organization of or the participation to workshops, seminars, as well as publication of supplements, brochures and other forms of information dissemination regarding the European Union issues, will be taken into consideration.

The following types of action are ineligible:

- individual sponsorships for participation in workshops, seminars, conferences, congresses;
- individual scholarships for studies or training courses;
- academic research and feasibility studies.

Number of proposals and grants per applicant

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

2.1.4 Eligibility of costs: costs which may be taken into consideration for the grant

Only "eligible costs" can be taken into account for a grant. These are detailed below. The budget is therefore both a cost estimate and a ceiling for "eligible costs". Note that the eligible costs must be based on real costs, not lump sums (except for travel and subsistence costs and indirect costs).

Recommendations to award a grant are always subject to the condition that the checking process which precedes the signing of the contract does not reveal problems requiring changes to the budget. The checks may give rise to requests for clarification and may lead the European Agency for Reconstruction to impose reductions.

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

Eligible direct costs

To be eligible under the call for proposals, costs must:

- be necessary for carrying out the action, be provided for in the contract annexed to these Guidelines and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
- have actually been incurred by the beneficiaries or their partners during the implementing period for the action as defined in Article 2 of the Specific Conditions, whatever the time of actual disbursement by the Beneficiary or a partner; this does not affect the eligibility of final audit costs;
- be recorded in the Beneficiary's or the Beneficiary's partners' accounts or tax documents, be identifiable and verifiable, and be backed by originals of supporting documents.

Subject to those conditions and where relevant to the contract-award procedures being respected, eligible direct costs include:

- the cost of staff assigned to the action, corresponding to actual salaries plus social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the Beneficiary or his partners, as the case may be;
- travel and subsistence costs for staff taking part in the action, provided they do not exceed those normally borne by the Beneficiary or his partners, as the case may be; any flat-rate reimbursement must not exceed the scales approved annually by the European Commission;
- the cost of purchasing equipment (new or used) and services, provided they correspond to market rates;
- the cost of consumables and supplies;
- subcontracting expenditure;
- costs arising directly from the requirements of the contract (dissemination of information, evaluation specific to the action, audit, translation, printing, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees).

Ineligible costs

The following costs are not eligible:

- debts and provisions for losses or debts;
- interest owed;
- items already financed in another framework;
- purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred to the final beneficiaries at the end of the action;
- currency exchange losses;
- taxes, including VAT, unless the Beneficiary (or the Beneficiary's partners) cannot reclaim them and the applicable regulations authorize coverage of taxes.

Eligible indirect costs (overheads)

A lump sum not exceeding 7% of the direct eligible costs of the Action may be claimed as indirect costs to cover the administrative overheads incurred by the Beneficiary for the Action.

Indirect costs are eligible provided that they do not include costs assigned to another heading of the contract budget.

Indirect costs are ineligible if the Beneficiary receives in other respects an operating grant from the European Commission.

This does not apply in the case of an operating grant.

Contributions in kind

Any contributions in kind made by the Beneficiary or the Beneficiary's partners, which must be listed separately at Annex B, do not represent actual expenditure and are not eligible costs. They may not be treated as cofinancing by the Beneficiary.

However, the Beneficiary must undertake to make such contributions as stated on the application form if the grant is awarded.

2.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

2.2.1 Application form and supporting documents

Applications must be submitted on the application form annexed to these Guidelines (Annex A). The application form is also available on the European Movement in Serbia web site at <http://www.emins.org/projekti/akcioni/eif/index.htm>. Applicants should keep strictly to the format of the application and fill in the pages in order.

Applicants must apply in English

Please complete the application form carefully and as clearly as possible so that we can assess it properly. Be precise and provide enough detail to ensure the application is clear, particularly as to how the aims of the action will be achieved, the benefits that will flow from it and the way in which it is relevant to the programme's objectives.

Hand-written applications will not be accepted.

Supporting documents

Applications must be accompanied by the following supporting documents:

1. The statutes or articles of association of the applicant organization and, where appropriate, of each partner organization;
2. The applicant's most recent annual report and accounts (the profit and loss account and the balance sheet for the previous financial year);
3. Letter of endorsement of publishers or newspapers attesting the readiness to publish articles, publications or brochures, as well as information containing the volume of the edition and the territory coverage;
4. Invitation/Application Letter for the participation at the conference, workshop, seminar;
5. Letter of recommendation from the institution whose member(s) is proposed to participate in seminars, workshops, conferences as well as their CVs of the potential participants
6. Completed and signed partnership statement by each partner.

The supporting documents requested must be supplied in the form of originals or photocopies certified as true by an authorized independent body. Where such documents are in a language other than the language(s) of the call for proposals, a faithful translation into one of the latter must be attached and will prevail for the purpose of interpreting the proposal.

2.2.2 *Where and how to send the applications*

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

Postal address

Evropski pokret u Srbiji - European Integration Fund
Kralja Milana 31/II
11000 Belgrade

Address for hand delivery

Evropski pokret u Srbiji - European Integration Fund
Kralja Milana 31/II
11000 Belgrade

Delivery by private courier service

Evropski pokret u Srbiji - European Integration Fund
Kralja Milana 31/II
11000 Belgrade

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

Applications (application form, budget, and supporting documents) must be submitted in one original and two copies. The application form and budget must also be supplied in electronic format.

The outer envelope must bear the reference number of the call for proposals, the full name and address of the applicant, and the words "Not to be opened before the opening session" [and " Ne otvarati pre završetka konkursa"].

Applicants should verify that their application is complete by comparing it with the checklist included with the application form.

2.2.3 *Deadline for receipt of applications*

The deadline for the receipt of applications is September 1st, 2004. at 16.00h local time. Any application received after the deadline will be automatically rejected even if the postmark indicates a date preceding the deadline or if the delay is due to the private courier service.

2.2.4 *Further information*

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

E-mail address: EIF@emins.org
Fax: 011/322 42 02

They will receive a reply no later than 11 days before the deadline for the receipt of proposals.

Questions that may be relevant to other applicants, together with the answers, will be published on the internet at www.emins.org/projekti/akcioni/eif/faq.htm

2.2.5 Acknowledgement of receipt

Following the proposal opening session, the European Movement in Serbia – European Integration Fund will send an acknowledgement of receipt to all applicants, indicating whether or not their application was received prior to the deadline and informing them of the reference number they have been allocated.

2.3 EVALUATION AND SELECTION OF APPLICATIONS

Applications will be examined and evaluated by the Evaluation Committee of the European Integration Fund. All actions submitted by applicants will be assessed according to the following criteria:

(1) Administrative compliance

- Verification that the application is complete in accordance with the checklist.

(2) Eligibility of the applicants, partners and actions

- Verification that the applicant, the partners (and the associates where applicable), and the action are eligible according to the criteria set out in section 2.1.1, 2.1.2 and 2.1.3.

(3) Evaluation of the quality of the proposals and financial evaluation

An evaluation of the quality of proposals, including the proposed budget, will be carried out in accordance with the evaluation criteria set out in the Evaluation Grid shown on the next page. 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 professional competencies and qualifications required to successfully complete the proposed action. This also applies to any partners of the applicant.

The award criteria allow the quality of the proposals submitted to be evaluated in relation to the objectives and priorities set, and grants to be awarded to actions which maximize the overall effectiveness of the call for proposals. 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.

Please note the following important information:

Scoring:

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

Note on Section 1. Financial and operational capacity

If a total score lower than "adequate" (12 points) is obtained for section 1, the proposal will not be evaluated further.

Note on Section 2. Relevance

If a total score lower than "good" (20 points) is obtained for section 2, the proposal will not be evaluated further.

Evaluation Grid

Section	Maximum Score	Application form
1. Financial and operational capacity	20	
1.1 Do the applicant and partners have sufficient experience of project management ?	5	II.4.1 and III.1
1.2 Do the applicant and partners have sufficient technical expertise ? (notably knowledge of the issues to be addressed.)	5	II.4.1 and III.1
1.3 Do the applicant and partners have sufficient management capacity ? (including staff, equipment and ability to handle the budget for the action)?	5	II.4.2 and III.1
1.4 Does the applicant have stable and sufficient sources of finance ?	5	II.4.2
2. Relevance	25	
2.1 How relevant is the proposal to the objectives and one or more of the priorities of the call for proposals? Note: A score of 5 (very good) will only be allocated if the proposal specifically addresses at least one priority .	5	I.1.6(a)(b)
2.2 How relevant to the particular needs and constraints of the target country/countries or region(s) is the proposal? (including avoidance of duplication and synergy with other EC initiatives.)	5	I.1.6(c)
2.3 How clearly defined and strategically chosen are those involved (intermediaries, final beneficiaries, target groups)?	5	I.1.6(e)
2.4 Have the needs of the target groups proposed and the final beneficiaries been clearly defined and does the proposal address them appropriately?	5	I.1.6 (c)(f)
2.5 Does the proposal contain specific elements of added value , such as innovative approaches, models for good practice, promotion of gender equality and equal opportunities, environmental protection?	5	Passim
3. Methodology	30	
3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	5	I.1.7
3.2 How coherent is the overall design of the action? (in particular, does it reflect the analysis of the problems involved, take into account external factors and anticipate an evaluation ?)	5	I.1.8
3.3 Is the partners' level of involvement and participation in the action satisfactory? Note: If there are no partners the score will be 1.	5	I.1.8(e)
3.4 Is the target groups' and final beneficiaries' level of involvement and participation in the action satisfactory?	5	I.1.8(e)
3.5 Is the action plan clear and feasible?	5	I.1.9
3.6 Does the proposal contain objectively verifiable indicators for the outcome of the action?	5	I.2.1 and I.1.5
4. Sustainability	15	
4.1 Is the action likely to have a tangible impact on its target groups?	5	I.2.1
4.2 Is the proposal likely to have multiplier effects ? (including scope for replication and extension of the outcome of the action and dissemination of information.)	5	I.2.2 & I.2.3
4.3 Are the expected results of the proposed action sustainable : - financially (<i>how will the activities be financed after the EC funding ends?</i>) - institutionally (<i>will structures allowing the activities to continue be in place at the end of the action? Will there be local "ownership" of the results of the action?</i>) - at policy level (where applicable) (<i>what will be the structural impact of the action — e.g. will it lead to improved legislation, codes of conduct, methods, etc?</i>)?	5	I.2.4
5. Budget and cost-effectiveness	10	
5.1 is the ratio between the estimated costs and the expected results satisfactory?	5	I.3
5.2 Is the proposed expenditure necessary for the implementation of the action?	5	I.3
Maximum total score	100	

2.4 NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

Applicants will be informed in writing of the contracting authority's decision concerning their application. A decision to reject an application or not to award a grant will be based on the following grounds:

- the application was received after the closing date;
- the application was incomplete or otherwise non-compliant with the stated administrative conditions;
- the applicant or one or more of its partners was not eligible;
- the action was ineligible (e.g. the action proposed is not covered by the programme, the proposal exceeds the maximum duration allowed, the requested contribution is higher than the maximum allowed, etc);
- the proposal was not relevant enough or the applicant's financial and operational capacity was not sufficient, or the proposals selected were considered superior in these respects;
- the proposal was considered technically and financially inferior to the proposals selected.

The European Agency for Reconstruction's decision to reject an application or not to award a grant is final.

The date on which the contracting authority plans to announce the decision following the completion of the award procedure is November 1st 2004 — this date is indicative only.

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

Following the decision to award a grant, the Beneficiary will be offered a contract based on the contracting authority's standard contract annexed to these Guidelines (Annex E).

The date planned for the start of actions, following the signing of the contract by the parties, is December 1st 2004 — this date is indicative only. The actions should all be finished before September 1st 2005

The contract will, in particular, establish the following rights and obligations:

Final amount of the grant

The maximum amount of the grant will be stipulated in the contract. As explained in point 2.1.4, this amount is based on the budget, which is itself only an estimate. As a result, it will be final only once the action has ended and the final accounts have been presented (see Articles 17.1 and 17.2 of the General Conditions).

Failure to meet the objectives

If the Beneficiary fails to implement the action as undertaken and agreed in the contract, the European Agency for Reconstruction reserves the right to suspend payments, and/or to terminate the contract (see Article 11 of the General Conditions). The contracting authority's contribution may be reduced, and/or the contracting authority may demand full or partial repayment of the sums already paid, if the Beneficiary does not fulfill the terms of the contract (see Articles 11.4 and 17.4 of the General Conditions).

Amendments to the contract and variations within the budget

Any amendment to the contract must be set out in a written addendum to the original contract (Article 9.1 of the General Conditions). However, some amendments (addresses, bank account, etc.) may simply be notified to the European Agency for Reconstruction (see Article 9.2 of the General Conditions).

Variations within the budget

Budget items may vary from the original figures provided that the following conditions are met:

- (1) they do not affect the basic purpose of the action; and
- (2) the financial impact is limited to a transfer within a single budget heading or to a transfer between budget headings involving a variation of less than 15% of the original amount of each relevant budget heading.

In such instances, the Beneficiary may make alterations to the budget, and inform the European Movement in Serbia - European Integration Fund and European Agency for Reconstruction.

This method may not be used to amend the heading for overhead costs.

In all other cases, a written request must be made in advance to the European Movement in Serbia - European Integration Fund and European Agency for Reconstruction and an addendum is required.

Reports

Reports must be drafted in the language provided for in the contract. Technical and financial reports are to be supplied together with payment requests (other than the first installment of pre-financing). A work plan and budget for the next period of implementation must accompany reports submitted for further payments of pre-financing. The final report must be submitted to the European Movement in Serbia - European Integration Fund at least one month after the contract expiration.

Additional information

In accordance with Article 2.1 of the General Conditions, the contracting authority may request additional information.

Payments

The Beneficiary will receive the first pre-financing installment in amount of 80% of the grant.

The final installment in amount of 20% of the grant will be paid upon submission of the final report by the Beneficiary and acceptance by the European Movement in Serbia - European Integration Fund and approval by the European Agency for Reconstruction of the final report (see Article 15.1 of the General Conditions).

Payments will be made to an Action-specific bank account or sub-account which identifies the funds paid by the European Agency for Reconstruction.

Accounts of the action

The Beneficiary must keep accurate and regular records and dedicated, transparent accounts of the implementation of the action (see Article 16.1 of the General Conditions). It must keep these records for seven years after payment of the balance.

Publicity

Appropriate visibility and credit must be given to the grant made by the European Community, for example, in reports and publications stemming from the action or during public events associated with the action, etc. (see Article 6 of the General Conditions).

Implementation contracts

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

3. LIST OF ANNEXES

ANNEX A: GRANT APPLICATION FORM (WORD FORMAT) to be filled in

ANNEX B: BUDGET (EXCEL FORMAT) to be filled in

ANNEX C: STANDARD CONTRACT (WORD FORMAT) for information