



*Embassy of Italy*



**Contracting Authority:**  
Embassy of Italy in Addis Ababa

Programme

**Stemming Irregular Migration in Northern and Central  
Ethiopia (SINCE)**

Funded by the **European Union Emergency Trust Fund for Africa**

## **Guidelines for grant applicants**

Reference: T05-EUTF-HoA-ET-02.1

**Deadline for submission of concept notes and full applications:**

25 September 2017

## **NOTICE**

This is an open call for proposal, where all documents are submitted together (concept note and full application). In the first instance, only the concept notes will be evaluated. Thereafter, for the lead applicants who have been pre-selected, the full applications will be evaluated. After the evaluation of the full applications, an eligibility check will be performed for those, which have been provisionally selected. Eligibility will be checked on the basis of the supporting documents requested by the Contracting Authority and the signed 'declaration by the lead applicant' sent together with the full application.

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## 1. SINCE: STEMMING IRREGULAR MIGRATION IN NORTHERN AND CENTRAL ETHIOPIA

### 1.1 BACKGROUND

#### **Country context**

Forced displacement, irregular migration, trafficking in human beings and smuggling of people are transnational challenges that affect Ethiopia to a high degree. A country with an estimated population close to 100 million inhabitants, Ethiopia hosts over a million displaced persons, including over 450,000 internally displaced persons (IDPs) and more than 800,000 refugees<sup>1</sup>, which are the second largest refugee population in Africa. The geostrategic situation of Ethiopia makes it a source of, a destination for, and a transit region for migration and refugee flows, mostly within the region but also to the Gulf countries and Middle East (Eastern Route), Europe (Northern route) and South Africa (Southern route), as well as of internal displacement. Ethiopia has an open door policy to migrants and refugees fleeing war, famine and hunger. In this context, it is often difficult to clearly distinguish irregular migrants from refugees. The concept of mixed migration has thus appeared to describe these complex population movements including refugees and asylum seekers, unaccompanied minors, victims of trafficking, economic migrants and others often travelling in an irregular manner. Ethiopia is increasingly becoming a transit country for mixed migration flows, mainly from Eritrea and Somalia using primarily the Western route, as well as a country of departure for migrants mainly using the Eastern route and to a lesser extent the Southern and Northern routes.

According to demographic projections, more than two million young Ethiopians are looking for a job every year. The challenge of their socioeconomic integration is immense. A lack of success in integrating these young people would be a collective failure and it could risk destabilising Ethiopia. In addition, Ethiopia is regularly hit by humanitarian crises.

#### **Sector context: policies and challenges**

Although manifested differently according to local contexts, a complex set of drivers underpins forced displacement and mixed migration in Northern and Central Ethiopia: lack of economic opportunities, marginalisation, natural disasters, and food insecurity are at the roots of the problem. While the country has experienced double-digit positive growth rates during the last decade, the lack of economic opportunities, as well as of participation in economic life, are still very high, adding to a sense of disenfranchisement and constituting an important push factor for displacements. Across the country, population displacement has continued or increased, with returns to places of origin decreasing, and a growing flow of mixed migrants has also moved across the borders, fuelling human trafficking and smuggling of migrants. A culture of migration, amplifying the success stories of those making a good living abroad, spreads throughout the Ethiopian society and constitutes a strong pull factor. Information may also have a key role on migration patterns. At the same time, Ethiopia is also a recipient country for refugees arriving in camps and irregular migrants. They are not allowed to access a regular work permit and, as a result, they survive relying on informal sector activities with no legal status. Insufficient data are available on the subject in Ethiopia.

Women, girls and migrants under the age of 20 are increasingly on the move and they face additional vulnerabilities during their transit or at the point of arrival. Despite the relatively low overall migration rate in Ethiopia if compared to other countries, migration rates have been increasing. 86% of all migrants in Ethiopia are working migrants, seeking employment and 25% migrate from rural to urban areas. In Addis Ababa, internal migrants (all those not residing in the community of their birth) represent nearly half of the population, although there is a recent migration favouring smaller rural cities. A majority of migrants are young at the time of departure: the average age of a migrant in Ethiopia is 24 years old. There is also a large number of unaccompanied minors continuously arriving in Ethiopia (particularly from Eritrea) who are at high

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<sup>1</sup><https://twitter.com/UNHCREthiopia/status/848821721352294400/photo/1>

risk of trafficking and abuse. With more than 8,500 migrant child returnees registered from the total of over 160,000 deportees from the Kingdom of Saudi Arabia in 2013-2014, the issue of migrant children is an important focus for Ethiopia<sup>2</sup>. Furthermore, due to the recent changes in the Kingdom of Saudi Arabia's foreign worker legislation and the subsequent crackdown on irregular migration, the Government of the Kingdom of Saudi Arabia (GoKSA) declared on 29<sup>th</sup> March 2017 that all irregular migrants in KSA should voluntarily leave KSA, among them an estimated 500,000 are Ethiopians. According to the Government of Ethiopia (GoE) 35,000 undocumented Ethiopians have so far returned home from KSA.<sup>3</sup> Migration has during the past two years increasingly become an issue of importance for the Government of Ethiopia. Work has been initiated towards enhancing the framework for legal migration. In June 2015, a proclamation to provide for the prevention and suppression of trafficking in person and smuggling of migrants was adopted giving Ethiopia a tool to help prevent and tackle this increasingly important problem. Ethiopia and the European Union have signed a Common Agenda on Migration and Mobility (CMM). This is now the framework for all future interventions in the sector and a crucial tool for fostering political dialogue between EU Member States/the EU Delegation and Ethiopian authorities.

The Government has been actively supporting the reintegration of returnees and is willing to address migration matters in a comprehensive way. Furthermore, the new country strategy outlined in the Growth and Transformation Plan II (GTP II) makes youth and employment a high priority and intends to achieve results in particular through manufacturing development, including the opening of agro and industrial parks around the country. The goal of the GTP II is not only to promote small and medium industries and hence generate employment, but also to promote in a broad sense the economic structural transformation such as industrialization of the country and public-private investments. To this end, SINCE is aligned to the GTP II objectives and will also contribute to the provision of employment including linked to the establishment of the new agro and industrial parks in the target regions. In details, the GTP II objectives highlight the importance for the manufacturing industry to play a leading role in terms of production and productivity, contribution to export earnings, technology transfer, skill development and job creation. The specific objectives under the above umbrella are: (i) ensuring the sustainability of the growth of the manufacturing industry and its role as an engine of economic growth to bring about a shift in productivity and production, technological transfer and structural transformation; (ii) realizing the growth of the manufacturing industry by creating favourable conditions for investors through investing in human resource development to sustain growth, deepening developmental thinking and addressing the root causes of rent seeking; (iii) creating conducive investment climate for domestic investors to ensure their participation in the manufacturing industry and for successful transition; (iv) facilitating and ensuring the implementation of enabling and supportive policies, legal frameworks, organizational structures and systems to sustain growth and transformation of the manufacturing industry; and (v) building a manufacturing industry that catalyses and supports sustainable development.

### **Intervention logic**

This Call for Proposals is an integral part of SINCE Programme - Stemming Irregular Migration in Northern and Central Ethiopia, which is one of different initiatives financed under the European Union Emergency Trust Fund for Africa (EU Trust Fund), Addressing the Root Causes of Irregular Migration and Displacement in Africa. The project contributes to EU Trust Fund's objectives to create greater economic and employment opportunities, especially for young people and women, with a focus on vocational training, public private partnership and investment, reinforcement and further development of existing value chains, as well as the reinforcement of cluster of micro and small enterprises. On a more details, the proposition of different ways of public private partnership, initiatives to reinforce value chains and cluster of enterprises should receive a particular and renew

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<sup>2</sup>World Bank Group, *Ethiopia poverty assessment. January 2015 Poverty Global Practice Africa Region*.

<sup>3</sup> International Organization for Migrant (IOM), Return and Reintegration assistance to Ethiopian migrants from the Kingdom of Saudi Arabia, Weekly update 09, 27th June 2017

attention from applications, in order to strengthen national policies reform for future programme and projects.

The programme is aligned with the **Valletta Action Plan** priority domain (1) development benefits of migration and addressing root causes of irregular migration and forced displacement. Furthermore, SINCE is also complementary to the EUTF projects: (i) Regional Development and Protection Programme (RDPP)<sup>4</sup>, and (ii) Resilience building and creation of economic opportunities in Ethiopia (RESET II)<sup>5</sup>. Under the same Trust Fund umbrella, SINCE intends to build up with others programmes by promoting economic and equal opportunities, as well as crisis response assistance. SINCE is also aligned with some Ethiopian flagship programmes such as: the Agricultural Growth Programme second phase<sup>6</sup>, the Education Sector Development Programme<sup>7</sup>.

SINCE intends to foster a more inclusive economic environment across the region; and to create a more conducive environment for return and reintegration of migrants. The intervention logic assumes that the reinforcement of productive value chains, the access to economic stability and the improvement prospects reduce the root causes and the risk of irregular migration. In particular, SINCE intends to enhance the living conditions of potential migrants and returnees through the reinforcement of existing value chains and cluster of enterprises, on the job training and capacity development of the target population in the main migrant prone woredas and regions of the country and in particular in rural towns and urban areas in North and Central Ethiopia.

### **Inception Phase**

To shape the SINCE actions an Inception phase was carried out by the technical assistance of UNIDO and ILO during the period of August 2016-March 2017, covering the targeted regions. The aim was to gain a better understanding on migration dynamics, particularly the root causes of migration, and their nexus with the lack of decent livelihood and employment opportunities (see Annex FII). The Inception Phase focused on “woredas” within four Regional States (Amhara, Oromia, SNNP and Tigray), as well as sub-cities of Addis Ababa city administration, showing a high incidence of irregular migration and some major migration trends in the target areas. The identification of sectors and target groups was based on specific criteria such as:

- Target areas: areas have been targeted and prioritized based on the employment creation opportunities, migration prone areas with large incidence of returnees;
- Employment: employment and wage levels, particularly for youth and women;

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<sup>4</sup>The complementary is linked to objectives 2 (Improved livelihoods and employment opportunities for Eritrean and Somali refugees (in and out of camp) and their host communities) and 4 (Strengthened capacities of local authorities and multi-stakeholder coordination platforms to cooperate in developing an integrated approach for refugees, host communities and mixed migration flows). RDPP, Call for proposals, Reference: EuropeAid/152810/DD/ACT/ET.

<sup>5</sup>The complementary is linked to results 2 (Enhanced livelihood income and diversification of opportunities) and 4 (Research & knowledge management enhanced to reduce vulnerability and tackle root causes of irregular migration and displaced persons in Ethiopia and neighbouring countries), RESET II, Call for proposals, Reference: T05 - EUTF - HoA - ET - 01 (CfP).

<sup>6</sup> The Ministry of Agriculture (MoA) is currently developing the second phase of the program, AGP-II which will be implemented in the existing four regions (Oromia, Amhara, Tigray and Southern Nations Nationalities and Peoples Region (SNNPR), plus in Benishangul-Gumuz, Gambella, Harari and Dire Dawa Administrative Council as newly included areas. It should be noted that in the new areas, there will only be a total of six woredas (two in Gambella, two in Benishangul-Gumuz and one in each of Harari and Dire Dawa). The proposed second phase of the program will follow-on from AGP-I in three respects: (i) scale-up the program in 61 additional geographic areas, and thereby expand the implementation from the existing 96 woredas to a total of 157; (ii) consolidate the activities being undertaken in the existing AGP-I woredas; and (iii) refine the intervention approach for increased impacts. The Project Development Objective (PDO) is to increase agricultural productivity and commercialization of a smaller holders farmers targeted by the project.

<sup>7</sup> The priorities of the education and training system in Ethiopia are to: (i) Provide equal opportunities and participation for all, with special attention to disadvantaged groups general education, two priority programmes are included. The first focuses on quality; the second focuses on access, equity and internal efficiency. For the other levels, these quality, access, equity and efficiency concerns are dealt with together. (ii) Deliver quality education that meets the diverse learning needs of all children, youth and adults; (iii) Develop competent citizens who contribute to social, economic, political and cultural development through creation and transfer of knowledge and technology; (iv) Promote effective leadership, management and governance at all levels in order to achieve educational goals by mobilising and using resources efficiently; (v) Assist children, youth and adults to share common values and experiences and to embrace diversity

- Size of economic sectors and their potential employment capacity on youth and women;
- Work upgrading potential towards the objective of decent work; and
- Intervention impacts.

Based on the above-mentioned criteria, the Inception Phase applied a comprehensive approach, stressing on sectors/value-chains with high employment and economic potential for the target groups. The selected sectors (textile, leather, metal work, construction and agri-business) have a high potential of employment development by upgrading their value chain and developing the systems into which they are embedded. The Inception Phase highlighted the need for a comprehensive response that addresses root causes identifying short, medium and long-term strategies. The Inception Phase also highlighted that actions and activities that can achieve the best results should be based on:

- Implementation through NGOs, which have a strong added value in terms of knowledge of the context at grassroots level and innovative and locally adjusted solutions;
- Importance of strengthening coordination and communication among private and public institutions to improve the capacity to overcome potential bottlenecks in businesses;
- Importance of promoting linkages between training institutions and the private sector in order to provide training tailored to labour market needs;
- The advantage of supporting the existing cluster of medium, small and micro-entrepreneurs to facilitate their access to inputs and markets.

## 1.2 OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The **overall objective** of SINCE call for proposal is to contribute to the reduction of irregular migration from Northern and Central Ethiopia by improving the living conditions of the most vulnerable population, including potential migrants and returnees with specific focus on youth and women.

To contribute to reducing the root causes of irregular migration, as investigated during the Inception Phase, the **specific objective** of the call for proposal is to establish inclusive economic programs that create employment opportunities for potential migrants, returnees and refugees, especially women and youths, in the most migration prone regions of Ethiopia (Addis Ababa, Amhara, Oromia, SNNPR and Tigray) by strengthening the capacities of local vocational training providers (TVET) and promoting public private partnerships (PPPs) in strategic economic clusters.

For details on expected results and indicative activities under SINCE call for proposal, see Annex F.I Logical framework.

### **Strategic considerations, key issues and guiding principles**

SINCE can be considered a pilot programme that through different levels of intervention, strategically inter-related and coordinated, aims to contribute to reducing the root causes of irregular migration. The strategy includes two pillars: the first one is based on an immediate and short-term response to facilitate and create employment and job opportunities, such as ad hoc employment measures, PPP, incentives for private sectors, strengthening the linkages between private sector and labour market etc. (e.g. training courses relevant to enterprises demand); the second pillar reflects medium and long-term measures, which identify ways to ‘upstream’ actions and measures to build capacity for tackling the root causes, preventing primary movements and identifying forms of development cooperation that can offer people viable alternative to migration, such as long terms actions and support to reforms as well as public and private partnership, institutional bonds and network, synergies and cooperation amongst stakeholders, etc.

Based on the two pillars, this call for proposal includes a new methodology of work, which is built on integrated approaches and services requiring processes using a novel participatory, and a different organizational composition. Its aim is to develop innovations that can subsequently scale-up the exploratory effort – and the value they will generate - to many other donors and

programmes. Indeed, one of the key ambitious strategic considerations of SINCE is to pilot and promote a new methodology in delivering actions and activities (see 2.1.4); this innovative approach for achieving results refers mainly to joined-up services for the benefit of the target beneficiaries. Approaches and services can be integrated either vertically or horizontally. The former refers, for instance, to bringing together different levels of training and employment hierarchy, from national to regional and local level institutions in order to ensure the continuum of policies, strategies and actions (novel participatory). The latter means bringing together previously separated services, institutions and organizations - with a different background - across different fields to better serve the target population with complex and multiple needs (organizational composition). Integrated services can be delivered in many forms, depending on the extent of interaction, and the scope of support. Integration of services can happen via cooperation or communication among service providers, collaboration among institutions and stakeholders across different sectors, the physical or virtual collocation of complementary services, or a mix of these. Under this call for proposal, the methodology of work includes a range of components:

- it refers to working together through public and private partnership, involvement of the private sector, reinforcing the existing Public Employment Services, information sharing, and creating an institutional network to improve service beneficiary's experience and access of beneficiaries to public services. Integration of stakeholders and services will be a necessary step for reducing the lack of coordination;
- when institutions, stakeholders, partners work well together e.g. through different form of public private partnership and institutional involvement, costs can be lowered, services are not duplicated, and the identification and response to the target beneficiaries needs can occur more quickly.

Thus, the methodology that SINCE intends to apply in order to contribute to reducing the root causes of irregular migration requires to strengthen the capacities of local authorities, private sector and other organizations, and coordination to cooperate in developing an integrated approach for youths and women, potential migrants, returnees and Eritrean refugees out of camps.

The complex nature of this new implementing methodology necessitates of working in parallel on the above-mentioned two pillars to achieve objectives in the short term and creating the conditions for medium and long-term results. Applicants are urged to work on two pillars simultaneously, and reflect on the following strategic considerations, key issues and guiding principles while designing applications:

***Value chains development/strengthening.*** The value chain is a concept which can be simply described as the entire range of activities required to bring a product from the initial input-supply stage, through various phases of production, to its final market destination. The production stages entail a combination of physical transformation and the participation of various producers and services (e.g. value chains involve numerous interlinked activities and industries). As opposed to the traditional exclusive focus on the production, the concept stresses the importance of value addition at each stage, thereby treating production as just one of several value-adding components of the chain. More in details, the term 'value chain' refers to the concept that value is added to preliminary products through combination with other resources (for example tools, manpower, knowledge and skills, other raw materials or preliminary products). As the product passes through the stages of the value chain, its value increases. For Ethiopia, the main source to select the most valuable and labour intensive value chains is the National 2015-2020 Growth and Transformation Plan (GTP II). The most labour intensive value chains segments identified per each sector selected during SINCE inception phase<sup>8</sup> are the following:

- Textile: garment, export-oriented production, and traditional fabric.
- Leather: leather consumer goods (footwear, leather garments, leather goods, gloves).
- Agribusiness: tomato and durum wheat production.

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<sup>8</sup> For further details, please refer to the inception phase report, annex FI to the call for proposal

- Metal working: fabricated metal, metal equipment and simple machineries.
  - Construction: construction material production, construction finishing works.
- The Textile sector is currently undertaking a rapid expansion driven by strategic interests of both, the GoE and key international investors, and offers considerable opportunities to create employment of basic operators, and middle management staff, labour in large factories, as well as medium and small entrepreneurial activities. In particular, the sector is suitable to generate significant employment opportunities for potential migrants and is naturally inclined to attract a significant number of women and youth. High number of new firms is expected to enter the sector, which is going to provide additional jobs through the development of new production lines.
  - The Leather sector is a prominent sector for its coherence with the strategic objectives of GTP II, the on-going and expected private investments (FDIs and local investors) and, the presence of already existing cluster functioning or under construction. The sector can create additional opportunities for employment for skilled workers, low and middle management staff. These opportunities will be especially available for potential migrants as well as for youth and women that represent the large majority of the working force employed in the sector.
  - Agribusiness has a high potential to absorb a large number of jobless youth and women, mainly in the tomato and durum wheat value chains and in the existing cooperatives.
  - The Metal work sector offers a partial possibility to generate employment; it is sustained by a high policy prioritization, as it is considered crucial to promote the growth of other labour intensive industries: these are those who drive most of its market demand. The sector seems particularly attractive for youth, while nowadays women employment in the sector is minor; it is nevertheless estimated to be on a growing trend. Metal work is of particular interest for Eritrean refugees that, for several reasons, seem over-represented in the sector, although in informal businesses. Furthermore, the products generated by the selected value chain segments serve as inputs in other growing sectors, e.g. doors and windows are demanded for housing. Construction for housing is a fast growing sector in most urban centres, and this increases the demand for finishing items. This creates also a market for simple machineries for construction, such as elevators, machines for the production of hollow concrete blocks, pre-cast mould machines, and concrete mixers.
  - The construction sector has been a leading sector in the Ethiopian economy over the last two decades, both in terms of contribution to economic growth and in terms of employment generation. Construction is a priority sector for the GTP II, which specifically sets targets for housing and road development. Most of the employees in the construction sector are young; women are a minority in official statistics, but these are likely to underestimate their current presence. Construction is indicated as a relevant sector for (informal) employment of refugees and potential employment for returnees' reintegration.

Maintenance services (e.g. for the metal working and construction sectors) can also be included as cross-cutting segments to the above-mentioned sectors.

While designing and implementing actions and activities, applicants should be guided by the principle of 'value chain development and reinforcement' in order to promote opportunities that are productive and deliver a fair income, as well as promoting social integration of the target population. These principles can include, for instance, the development of Public-Private Partnership (PPP) on skills development even for start-up companies; upgrading the human and technological capacity; interventions on selected clusters where is possible to create additional employment opportunities; etc.

**Cluster development.** Industrial clusters are generally defined as the geographic concentration of economic activities within a certain sector producing similar and closely related goods<sup>9</sup>. Several types of clusters in Ethiopia can be identified and classified according to the type of government intervention. The classification proposed is the following:

- “*Natural*” clusters, (i.e. agglomeration of micro and small enterprises whose geographical proximity is not due to the existence of government premises);
- “*Established*” clusters, (government-promoted) that are created from scratch;
- “*Expansionary*” clusters, (government-promoted) consisting of buildings that are constructed in the proximity of existing natural clusters. The aim of expansionary clusters is to provide spacious and clean working premises to enterprises that were previously operating in homes or in other informal workspaces;
- “*Relocated*” clusters (government-promoted). They refer to the case where natural clusters are already congested and there is not enough space to build working premises in their proximity. As a result, enterprises that used to operate in the natural clusters are given working premises in another location.

The rationale behind the SINCE intervention on the clusters is to maximize the creation of employment opportunities in the short run. Therefore, it is strongly recommended to identify the clusters to be supported among the already organized ones (established, expansionary or relocated clusters). Actions concerning clusters can be conceived as an “*assistance package*” that can also rely on the establishment of PPP, where both small and big firms, as well as cooperatives, are involved together with public bodies, research centres, TVETs etc. These packages may include, for instance, (i) the support for the establishing and strengthening of market forward linkages; (ii) the support aimed at improving the technical, managerial, and marketing capacity of enterprises; it is observed that both technical and managerial skills of medium and small enterprises are often limited, and that this hampers business effectiveness, including the capacity to expand forward linkages and consequently production; (iii) the provision of shared equipment and support to equipment maintenance; (iv) the establishment of a training facility inside the cluster.

**Decent work.** Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. Putting job employment at the heart of economic policy-making and development plans will not only generate decent work opportunities but also more robust, inclusive and poverty-reducing growth. It is a virtuous circle that is as good for the economy as it is for people and one that drives sustainable development. Productive employment and decent work are key elements to achieving a fair globalization and poverty reduction. The ILO has developed an agenda for the community of work looking at job creation, rights at work, social protection and social dialogue, with gender equality as a crosscutting objective. When developing applications, actions should be based on the principle of decent works by ensuring, not limited to: (i) promotion and respect of fundamental principles at work; (ii) employment-intensive approach; (iii) social security policies; (iv) strengthening labour administration and social dialogue; (v) strengthening the capacity of employers and labour organizations.

**Voucher.** Actions and activities directly addressed to the target beneficiary should be based on the concept of “voucher”, which gathers various interventions. The concept represents a novelty in the Ethiopian panorama as it is based on three key points explaining the guiding principles: (i)

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<sup>9</sup>Ali, M. (2012), *Government’s role in cluster development for MSEs. Lessons from Ethiopia*, Chr. Michelsen Institute (CMI), Bergen

**individual centrality, (ii) personalized services and (iii) high performances.** Through them the target beneficiaries can obtain modular services based on their needs. The provided activities can be composed of different areas: basic services such as beneficiary registration, orientation such as active job search, training and skill certification and job placement and they depend on the needs of each beneficiary. In others words, the voucher can be considered as a mechanism consisting of an individual economic ‘symbolic’ entitlement, which the eligible person (the target beneficiary), can purchase (a package of) strictly defined services, provided by a consortium. The voucher can be made up of different components, than can be cumulated, under specific conditions. Within this call for proposal two are the mechanisms a consortium is expected to adopt:

- The “Training Voucher”, which is aimed at enabling the acquisition and/or the updating of knowledge, skills and abilities in view of individual’s employability. It is addressed to unemployed and/or inactive people. It allows the individual to access to one or more training services provided by Technical school, TVET institution, in cooperation with selected enterprises, in the framework of the regional/woreda professional education and training system. Training services should be integrated by tutoring and stage support services. Its value varies by length and type of the chosen training courses, for a maximum of 800 EUR for each individual.
- The “Employment Voucher”, which is aimed at favouring employment beneficiaries in the job insertion and reinsertion or in the professional requalification paths. It allows the individual to access internship schemes and employment services, for a maximum value of 1.500 EUR (of which employment services must absorb between 500 and 1.000 EUR, whereas the remaining to be used for internship schemes) for each individual; first level reception service will be provided for free by the Public Employment Service (PES). The services the target group can access are: competencies’ assessment; tutoring and orientation counselling; scouting and active job research; internship schemes and activities to support employment.

### **Target resources effectively**

It is important that each consortium consider the appropriate balance between providing support for the target beneficiaries, and developing more targeted and intensive approaches that enable more sustainable training, labour market integration and creation/reinforcement of value chains and cluster of enterprises. Targeting unemployed and/or inactive youth and women, returnees and Eritrean refugees out of camp, according to skills levels, employability and other factors will be a valuable approach to maximising the effectiveness of the actions. Modular training courses, which allow SINCE beneficiaries to quickly build on their skills to meet local labour market needs, are suggested. Activities, which involve scouting of opportunities, counselling, training in combination with job placements, would also seem to be particularly successful, at least in reference to “immersion” schemes. In developing such schemes it is crucial that SINCE beneficiaries are guided towards employment placements that reflect their previous skills and career aspirations. To achieve real success, such actions also require the strong cooperation with local PES.

### **Support the recognition and development of skills**

While implementing training courses aimed at supporting the employability of the target beneficiaries, it is of the utmost importance that actions support the recognition and development of skills, when possible, even if they are relatively low level, through the recognition of competencies already gained. This may involve applying national or regional Ethiopian mechanisms for the certification of competencies (COC). To this end, it is suggested the development of demand-driven certified courses for technical skills that are relevant to local labour market and enterprises demand, whilst also recording information about generic skills and competences which help to build up employer trust. In developing actions, it is important that local authorities, professional organisations are given a strong role from an early stage.

### **Enhancement of Public Employment Services (PES)**

Matching the supply and demand of labour market in order to create greater economic and employment opportunities, relies on the involvement of Public Employment Services (PES). PES at

a regional and local level should play this intermediation function, as they are the main agent for the delivery of labour market and employment services. In promoting employment and decent livelihood opportunities for unemployed and/or inactive youths and women, potential migrants, returnees and Eritrean refugees benefiting from out of camp policy, consortia should describe how the involvement of PES is guaranteed, which can take the form of different actions as mentioned above when describing the strategic considerations.

**Multi-stakeholder ownership.** Coordination and cooperation among different stakeholders (be them at national, regional and local level) is fundamental for effective and efficient delivery of results for the beneficiaries, as well as to ensure ownership and sustainability. It is crucial that strong linkages will be maintained between institutions and organisations working at the local level to support initiatives, so as to ensure that the target population is adequately signposted towards new sources of help in their transition from unemployment to training and employment. Such coordination will require the establishment of networks where stakeholders can regularly meet and share experiences. This kind of “governance mechanisms” should be managed in a way that allows local institutions and organizations to share good practice and information about potentially complimentary services, and to develop common involvement in policies and initiatives. Involvement of the local authorities in the monitoring of the project has to be considered and a periodic review meeting with all stakeholders at regional level is recommended to promote changes and innovations, push policy dialogue and mainstreaming of best practices. Consortia are urged to link initiatives, where possible with existing local technical services in all phases of the intervention to ensure ownership and continuation of services, management of activities and assets after the end of the project. Cooperation need to be set up with relatively long term goals in mind, as transition from unemployment to employment is often only a gradual process.

**Public Private Partnership (PPP) development.** Under this call for proposal, *partnership* refers to long term, task oriented, and formal relationships. The PPP is meant as a ‘joint commitment’ between Technical education, Vocational system, Universities, Enterprises, Research centres, and other selected institutions in order to assist youth, women, potential migrants, returnees and Eritrean refugees out of camp, in acquiring portable and marketable skills and industry-recognized credentials through better alignment of training and employment, as well to promote public employment polices addressed to unemployed people. Its aim is to provide training and learning opportunities based on the enhancement of vocational, technical, scientific and technological culture related to the selected sectors. The PPP should be understood as a sort of polytechnic network aimed at supporting the value chain and industrial cluster development as well as supporting the process for the definition of actions addressed to the beneficiaries, which should be designed to bring greater experiences, efficiency and transparency to the routes from unemployment to employment opportunities and job insertion. Not only did such partnerships will create a powerful mechanism for addressing difficult problems by leveraging on the strengths of different partners, they also package complex process-related challenges to the value chain itself. The PPP refers, for instance, to the involvement of:

- **Private sector.** Its engagement will guarantee the access to job opportunities for existing and new businesses within the value chain, sectors and the market system, creating jobs and raising revenues for vulnerable populations, in particular for women and youth. Allowing employers to have an active role first in designing and then in delivering actions, will ensure that actions will meet demand needs, and could be attractive to other local employers. In other words, the involvement of the private sector should guarantee and support the continuum: actions on (i) skill development, (ii) matching demand/supply and (iii) employment. To guarantee the employment of the target population, actions should also can include financial incentives schemes and/or subsidies to enterprises. Guaranteeing the involvement of the private sector during the lifespan of the project will help not only to reduce the gap between labour market supply and labour market demand at the local level, but also to promote decent and sustainable work. The private sector should therefore support and ensure all the conditions to create an enabling environment. Interactive planning, innovative programming and decision-making processes are needed to guarantee private sector participation, and to co-ordinate this participation.

- **Education and TVETs institutions.** Education, Technical school and TVETs institutions play an important role in equipping people to enter the labour market and in improving their employability. Their involvement should be contextualized to local needs and respond to changing labour market needs. It should be focused, for instance, on: (i) expand the outreach of their training by designing new and additional training courses, in cooperation with the private sector, for highly specialized skills and innovative capacities; (ii) designing higher technical education and training pathways to allow SINCE beneficiaries to become specialized technicians capable of managing and supervising corporate organizational and manufacturing processes, also connected to technological innovations requested by the value chain and the cluster of enterprises; (iii) ensuring the availability of well-qualified trainers, even from the private sectors; (iv) improve the quality of their services by providing updated teaching materials, tools, and class-room facilities, (v) guaranteeing access to equipment and laboratories; (vi) industry partnership.

Additional criteria and factors of added value:

**Contextualized approach.** The time devoted for the elaboration of the applications should include activities such as local stakeholder engagement, further sectorial analysis e.g. additional analysis of the specific value chains to be focussed on the project, the potential market opportunities within each of them, the first identification and selection of target beneficiaries and the approach and activities to be adopted. It should also include immediate actions to be undertaken, for which there is no need for further detailed assessment and design, after the approval of the application.

**Sustainability.** All proposed actions should be designed to achieve long-lasting changes after the closure of the project and of the SINCE programme. Actions might include, for instance measures to guarantee: (i) equity of access to public services for all the target beneficiaries; (ii) a sense of community ownership; (iii) mechanisms for a community to fulfil its own needs where possible; (iv) political advocacy; etc. Applicants should give a clear description of how this aspect will be achieved and guaranteed.

**Complementary: close coordination with other lots, programmes and projects.** The efficiency and effectiveness of the actions are affected by the cooperation among the different lots (falling under this call for proposal), programmes and other projects already implemented and/or to be implemented in the selected locations. The cooperation implies a continuous exchange of information regarding progresses of the implementation of different actions and activities; challenges encountered and lessons-learned to be shared. The exchange should cover all the aspects, and requires being in contact with other lots in a way to learn from each other the difficulties encountered and the results achieved. The lessons learned will be transferred, if applicable, into the implementation of actions and activities and in the documents produced. Understanding the difficulties encountered can provide the insight to plan the implementation of project activities in a way to mitigate or avoid the situations causing evident difficulty for the progress of the project. It is evident that coordination between lots and with other programmes and donors activities allows the project producing proposals that result to be an improvement of the existing situation and not simply re-doing the same thing already done in other projects but in a different way. Applicants should explain how this coordination will be maintained.

**Visibility.** A proactive communication and dissemination policy is extremely important in order to increase the visibility of the actions and to ensure the commitment of the local community to the necessary and demanding changes. During the implementation of the actions and activities a professional interactive, multiple-level communication plan should be developed and followed. This communication plan should clearly identified communication objectives, target groups, key messages, appropriate channels of delivery, specific activities and resources required.

**National Policy frameworks.** The proposed actions should demonstrate awareness of and synergy with existing and emerging national policy frameworks, public reforms and coordination mechanisms for migration, job creation, etc, as well as should indicate bottle-necks for possible

regulatory and policy intervention.

**Innovative and evidence-based solutions.** The proposed actions should seek innovate and where possible evidence-based solutions.

**Monitoring and evaluation.** Project progress should be regularly monitored (at minimum quarterly) and evaluated throughout the intervention with the help of baselines, indicators and targets and through a participatory approach, including beneficiaries and stakeholders feed-back.

The applicants will need to make sure that their methodology explicitly states how the above strategic considerations and guiding principles will be ensured.

### 1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this call for proposals is **EUR 14.000.000**. The Contracting Authority reserves the right not to award all available funds.

#### Indicative allocation of funds by lot/geographical distribution:

**Lot 1: Addis Ababa** (Sub-cities: Arada, Addis Ketema, Yeka and Kirkos)

Minimum amount: EUR 2,000,000

Maximum amount EUR 2,500,000

**Lot 2: Amhara** (woredas: Kalu, Dessie, Habru, RayaKobo and Kemissie)

Minimum amount: EUR 3,000,000

Maximum amount: EUR 3,500,000

**Lot 3: Oromia** (woredas: Sinana, Adaba, Asella and Sherka)

Minimum amount: EUR 2,500,000

Maximum amount: EUR 3,000,000

**Lot 4: SNNP and West Oromia** (woredas: Siltie, Meskan and Setema)

Minimum amount EUR 2,000,000

Maximum amount: EUR 2,500,000

**Lot 5: Tigray** (woredas: AtsbiWumberta, Wukro, Mekelle, RayaAlamata)

Minimum amount: EUR 2,000,000

Maximum amount: EUR 2,500,000

Any grant requested under this call for proposals must not exceed 95% of the total eligible costs of the action (see also section 2.1.5).

The balance (i.e. the difference between the total cost of the action and the amount requested from the Contracting Authority) must be financed from sources other than the European Union Budget or the European Development Fund<sup>10</sup>.

For each lot, only one application will be selected and awarded a grant. Therefore, applicants are encouraged to present proposals, aimed at exploiting the maximum amounts indicated above.

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<sup>10</sup>Where a grant is financed by the European Development Fund, any mention of European Union financing must be understood as referring to European Development Fund financing

If the allocation indicated for a specific lot cannot be used due to insufficient quality or number of proposals received, the Contracting Authority reserves the right to reallocate the remaining funds to (an)other lot(s).

## 2. RULES FOR THIS CALL FOR PROPOSALS

These guidelines set out the rules for the submission, selection and implementation of the actions financed under this call, in conformity with the Practical Guide, which is applicable to the present call and is available on the Internet at this address:

<http://ec.europa.eu/europeaid/prag/document.do?locale=en>

### 2.1 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

(1) the actors:

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

(2) the actions:

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

(3) the costs:

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

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

Considering the need to develop an integrated approach, as well as the variety of services and technical expertise, applicants should be grouped in consortia, preferably including local partners who have experiences, good knowledge of the local and economic context, specific technical expertise in one or more of the areas/sectors covered by this call for proposal, and sufficient management capacity. Different actors, including private sector organisations, Technical school and TVET colleges/agencies are encouraged to apply as co-applicants. However, they are not allowed to make profit from activities financed under this call for proposal.

Each consortium shall be made up of a lead applicant, three or more co-applicants, and, if any, affiliated entity(ies) to the lead applicant and/or co-applicant(s). The lead applicant and co-applicants working in a specific location and/or sector and/or field should complement each other in terms of expertise and geographical presence in order to provide an integrated and comprehensive response to the target beneficiaries.

#### Lead applicant

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

- be a legal person **and**
- be non-profit-making **and**

- be a Civil society organisation<sup>11</sup> as defined by Article 43 of the Rules of application of the EU Financial Regulation **and**
- be established in<sup>12</sup> a Member State of the European Union or in countries eligible under EDF-funded programmes<sup>13</sup> **and**
- be registered and/or authorized to implement activities in Ethiopia, **and**
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary **and**
- have operational presence in the region of the lot of the application<sup>14</sup>. The operational presence in the specific zones/woredas indicated in the call for proposal will be considered as an added value, but not determinant, **and**
- have proven experience in the region and/or sector and/or thematic areas to be addressed under this SINCE Call for Proposals, and have a legal valid registration in the area of intervention (where applicable).

(2) Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the situations listed in section 2.3.3 of the Practical Guide;

In part B, section 8 of the grant application form ('declaration by the lead applicant'), the lead applicant must declare that the lead applicant himself, the co-applicant(s) and affiliated entity(ies) are not in any of these situations.

The lead applicant must act with co-applicant(s) as specified hereafter.

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

### **Co-applicant(s)**

Co-applicants are obligatory and they participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the lead applicant.

Co-applicants must satisfy the eligibility criteria as applicable to the lead applicant.

In addition to the categories referred to in section 2.1.1, the following are also eligible:

- Private sector<sup>15</sup>,
- Technical schools, TVET colleges, TVET regional agencies<sup>16</sup>,

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<sup>11</sup>Civil society organisations are organisations such as e.g. non-governmental organisations, professional associations, trade unions, faith-based organisations, community organisations, women's and youth organisations.

<sup>12</sup>To be determined on the basis of the organisation's statutes, which should demonstrate that it has been established by an instrument governed by the national law of the country concerned and that its head office is located in an eligible country. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a 'Memorandum of Understanding' has been concluded.

<sup>13</sup>Please refer to the PRAG chapter 2.3.1. for the list of countries eligible under EDF-funded programmes.

<sup>14</sup>Operational presence here means current established presence (office, field office, staff presence) in one of the regions covered by the action.

<sup>15</sup>Profit-making private sector organisations may participate as co-applicants. However, they are not allowed to make profit from activities in the project financed by the EU grant during the implementation of the project.

The number of co-applicants should be manageable.

Co-applicants must sign the mandate in Part B, section 4 of the Grant Application Form.

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

As a whole, it is suggested the following composition of a consortium:

- one lead applicant;
- at least one medium and big enterprise (co-applicant), with operational presence in the zone/value chain/woreda of intervention, and working in one of the selected value chain sectors of the action; the involvement of the enterprise will be considered an added value;
- at least one Technical school and/or TVET colleges/agency (co-applicant), with operational presence in the zone/woreda of intervention and proven experiences in at least one of value chain sectors of the action as well as experience in providing TVET courses; the involvement of Technical school and/or TVET colleges/agency will be considered an added value;
- at least one Ethiopian CSO registered in Ethiopia.

By applying the guiding principle of the 'voucher' (see 1.3), the involvement of medium/big enterprises and Technical school/TVET colleges/agencies with strong experience, could in turn reinforce weak industries, Technical schools and TVET institutions that need to be benefitted by the future SINCE activities.

Within the consortium, a clear thematic sharing of tasks should be defined amongst the lead applicant and the co-applicants. It is mandatory to sign a partnership statement or agreement/MoU, to be submitted with the full applications, which clearly reflects the sharing of project actions including the respective roles and responsibilities. Applications with missing statement or agreement/MoU will be excluded from the assessment phase.

The role of the lead applicant should not be limited to the overall coordination, management, monitoring and evaluation of the proposed project interventions. It needs to be involved in direct joint implementation of the proposed actions and activities based on clear sharing of tasks with the co-applicant(s).

SINCE call for proposal encourages partnerships with local institutions and stakeholders, which have specific technical expertise in one or more of the areas covered by this call for proposal.

### **2.1.2 Affiliated entities**

Affiliated entity(ies)

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

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

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

This structural link encompasses mainly two notions:

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<sup>16</sup>Technical schools, TVET colleges, TVET regional agencies may participate as co-applicants. However, they are not allowed to make profit from activities in the project financed by the EU grant during the implementation of the project.

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

Entities affiliated to an applicant may hence be:

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

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

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

#### What is not an affiliated entity?

The following are not considered entities affiliated to an applicant:

- Entities that have entered into a (procurement) contract or subcontract with an applicant, act as concessionaires or delegates for public services for an applicant,
- Entities that receive financial support from the applicant,
- Entities that cooperate on a regular basis with an applicant on the basis of a memorandum of understanding or share some assets,
- Entities that have signed a consortium agreement under the grant contract (unless this consortium agreement leads to the creation of a "sole applicant" as described above).

#### How to verify the existence of the required link with an applicant?

The affiliation resulting from control may in particular be proved on the basis of the consolidated accounts of the group of entities the applicant and its proposed affiliates belong to.

The affiliation resulting from membership may in particular be proved on the basis of the statutes or equivalent act establishing the entity (network, federation, association) which the applicant constitutes or in which the applicant participates.

If the applicants are awarded a grant contract, their affiliated entity(ies) will not become beneficiary(ies) of the action and signatory(ies) of the grant contract. However, they will participate in the design and in the implementation of the action and the costs they incur (including those

incurred for implementation contracts and financial support to third parties) may be accepted as eligible costs, provided they comply with all the relevant rules already applicable to the beneficiary(ies) under the grant contract.

Affiliated entity(ies) must satisfy the same eligibility criteria as the lead applicant and the co-applicants. They must sign the affiliated entity(ies) statement in part B, section 5 of the Grant application form.

### **2.1.3 Associates and Contractors**

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

- Associates

Other organisations or individuals may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant, with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.1. Associates must be mentioned in Annex A.2, section 4. 'Associates participating in the action' — of the grant application form.

- Contractors

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

### **2.1.4 Eligible actions: actions for which an application may be made**

#### **Definition:**

An action is composed of a set of activities.

#### **Duration**

The initial planned duration of an action may not be lower than 18 months nor exceed 24 months.

#### **Sectors or themes**

- Actions aimed at developing and reinforcing the value chains with the aim to produce new employment opportunities in the short term;
- Actions aimed at facilitating the access to work of unemployed and/or inactive youths and women, potential migrants, returnees and Eritrean refugees benefiting from out of camp policy, through inter alia labour market information, vocational training, managerial training, skills assessment, information on recognition of competences and contact with potential employers;
- Integrated service in education, training and employment to facilitate the access to work and foster integration in the work place;
- Capacity building of local authorities and multi-stakeholder coordination to cooperate in developing an integrated approach in relation to training, employment and labour market opportunities.
- Reinforcement of cluster of micro, small and medium enterprises and/or cooperatives in order to create additional employment opportunities.

- Actions aimed at creating strong partnerships with the private sector in order to provide skilled labour force and as to ensure that private sector creates sustainable and decent working environment for the workers.
- Actions aimed at enforcing linkages between labour demand and labour supply (matching services).

### Location

Actions must take place in the following geographical region, sectors, zones and woredas in Ethiopia:

Regions	Sectors	Zones	Woredas
Addis Ababa	Leather		Sub-cities Arada, Addis Ketema, Yeka and Kirkos
	Metal working		Sub-cities Arada, Addis Ketema, Yeka and Kirkos
	Construction		Sub-cities Arada, Addis Ketema, Yeka and Kirkos
Amhara	Textile	North & South Wollo	Kalu, Dessie and RayaKobo
	Metal Working	North & South Wollo and Oromia zone	Kalu, Dessie, RayaKobo and Kemissie.
	Construction	North & South Wollo	Kalu, Dessie, Habru
Oromia	Agri-business	Arsi, West Arsi, Bale and Jimma	Sinana, Adaba, Asella and Sherka
SNNP and West Oromia	Agri-business	Silte, Gurage and Jimma	Siltie, Meskan and Setema.
	Textile	Silte and Gurage	Siltie and Meskan.
Tigray	Textile	Central and Eastern Tigray	AtsbiWumberta, Wukro; Mekelle, RayaAlamata
	Metal Working	Central and Eastern Tigray	AtsbiWumberta, Wukro; Mekelle, RayaAlamata
	Construction	Central and Eastern Tigray	AtsbiWumberta, Wukro; Mekelle, RayaAlamata

It is recommended that actions should cover all the suggested sectors and woredas in the selected Regions. However, if duly justified, actions may be focused in only some of the sectors in the selected lot.

## **Types of action**

Applicants are urged to work on two pillars simultaneously to achieve objectives in the short term and creating the conditions for medium and long-term results. Actions to be financed under SINCE call for proposal shall be strictly connected to the achievement of the objectives stated in section 1.2. They must be conceived as a *package* with integrated activities and a specific timeline. Actions should have clear and specific objectives, target groups, and defined results, with relevant measurable indicators. Their justification must be based on recent reliable information and broad-based consultation and participation of relevant stakeholders. Activities should be designed in such a way that they contribute to a structural change and have long-term impact.

The types of actions, which may be financed under this Call for Proposals, include the following list.

- **Value chains development**

Actions and activities can include, but not limited to: the development of Public-Private Partnership (PPP) on skills development even for start-up companies; upgrading the human and technological capacity; interventions on selected clusters and/or cooperatives where is possible to create additional employment opportunities; etc.

- **Industrial cluster development**

The activities concerning clusters can be conceived as an “*assistance package*” that can also rely on the establishment of PPP, where both small and big firms, as well as cooperatives, are involved together with public bodies, research centres, TVETs institutions, etc. These packages may include the following activities:

- Support for the establishing and strengthening of market forward linkages;
- Support to the strengthening of the linkages between large and small companies, and/or cooperatives, in view of expanding sub-contracting arrangements with to aim to create job opportunities in the short run;
- Support aimed at improving the technical, managerial, and marketing capacity of enterprises; it is observed that both technical and managerial skills of small enterprises are often limited, and that this hampers business effectiveness, including the capacity to expand forward linkages and consequently production. This may happen through the involvement, within PP platforms, of TVETs and business development service providers; it has to be noted that managerial and entrepreneurial skills can be useful for those unemployed educated youths who are also the most prone to irregular migration;
- Support for the establishment of a training facility inside the cluster.

- **Employment support schemes**

Employment support schemes, connected to the value chain and cluster of enterprises development, provide a link between inclusive economic programmes and migration reduction only when it is continuously guided through strategies and actions that systematically influence the determinants of labour market characteristics. It is, therefore, necessary to address the problem of unemployment and working poor, through a coordinated employment framework addressing the issues of labour demand, labour supply, and labour market institutions in an integrated manner.

By applying the concept of ‘employment voucher’, activities should include:

- Scouting of job opportunities;
- Internship experience (from three to six months) mainly addressed to returnees;

- Job placement supporting the hiring process. To allow enterprises to indirectly benefit from the ‘employment voucher’, the employment of the target beneficiaries should include one of the following employment contracts: apprenticeship schemes, fixed-term contract and open-ended contract;
- Promotion of private sector instruments to attract companies, local services to assist in job placement.

Applicants should specify the number and typology of the target beneficiaries to be involved.

- **Actions enabling the working integration of youth and women**

Specific activities should be based on an initial, comprehensive analysis of sectors and value chains, where market development and employment opportunities can realistically be promoted. Activities could include:

- Counselling/interview coaching in order to access to professional vocational training opportunities;
- Demand-driven training courses for the acquisition and/or updating of skills consistent with the skills shortage experienced by enterprises and related to different specialization;
- Job placement and in-work employment support by promoting three typologies of employment contracts: apprenticeship schemes, fixed-term contract and open-ended contract;
- Support to up scaling of local businesses and their linkages to value chains at higher market levels.

Applicants should specify the number and typology of the target beneficiaries to be involved.

Opportunities for Eritrean refugees to gain livelihoods outside camps should be promoted where possible.

- **Actions enhancing the involvement of the private sector, Education and TVET institutions**

The involvement of the private sector, even through a public private partnership with Education and TVET institutions can be declined into activities to enhance labour demand-supply matching, but also to activities that will ensure that jobs created within enterprises are decent and sustainable:

- The definition of demand-driven training courses and curricula, which respond to the need of the industry being part of the value chains and clusters, for different specialization levels (e.g. basic operators, middle management staff, business management, etc.). This kind of interaction has a twofold objective: first, it aims at reducing the skill gap by supporting the identification and the provision of those competences that are better tailored to the enterprises’ needs; second, it aims at reducing the skill gap that is identified as a constraint to employment expansion of firms. The training course will be then the result of a joint agreement between Education/Technical schools/TVET colleges/agencies and industries/cooperatives, determining in this way for migrants the time to be spent at ‘school’, the time to be spent in an enterprise/cooperatives; typologies of competences to be acquired in the enterprise/cooperatives, even through working experience;
- The definition of a cumulative credit system to gain a final certificate;

- The implementation of a properly functioning “cooperative training”<sup>17</sup>;
- Direct activities on skills development, job seekers matching with the supply and support to employment;
- The implementation of supporting services such as: career and personal counselling; occupational assessment; employment placement, on-the-job training and after-training employment and so on;
- The sharing of workshops, equipment and other facilities;
- Establishment of public-private platforms representing the main stakeholders in the sector, and strengthening backward and forward linkages to the labour market and the value chains.
- Establishment of joint partnership for ‘intern’ schemes.

The following types of action are ineligible:

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

#### Financial support to third parties<sup>18</sup>

Applicants may not propose financial support to third parties.

#### Visibility

The applicants are required to provide the following material during the implementation of each project component under the SINCE Program **on a monthly basis**, when possible:

- A short update of the project's progress (no more than 500 words) including facts and figures
- A monthly photo album (of 10-20 photos, including descriptive captions with names of beneficiaries, activities, location etc.)
- A short monthly video clip (1-2 minutes maximum) – e.g. of an activity at the project or interviews with beneficiaries/partners (even if it is done with basic equipment such as a smartphone).

Furthermore, partners are required to provide the following material **on a quarterly basis**:

- Human interest stories, either per video or in text form, including quotes from beneficiaries (and in the case of stories in text form, photos highlighting the impact of the funding on beneficiaries).

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

Applicants must comply with the objectives and priorities and guarantee the visibility of the EU financing (see the Communication and Visibility Manual for EU external actions specified and published by the European Commission at [http://ec.europa.eu/europeaid/funding/communication-and-visibility-manual-eu-external-actions\\_en](http://ec.europa.eu/europeaid/funding/communication-and-visibility-manual-eu-external-actions_en)).

#### Number of applications and grants per applicants / affiliated entities

The lead applicant may not submit more than one application as lead applicant under this call for proposals (one lot has to be chosen in the application).

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<sup>17</sup>“Cooperative TVET is a mode of TVET provided in partnership between enterprises and TVET institutions. Usually, the bulk of practical training takes place in an enterprise, while theory and initial practical exposure is provided by the TVET institution”. TVET National Strategy, Ministry of Education 2008

<sup>18</sup>These third parties are neither affiliated entity(ies) nor associates nor contractors.

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

The lead applicant may be a co-applicant or an affiliated entity in a maximum one other application in another lot under this call for proposals.

A co-applicant/affiliated entity may not be: (1) a co-applicant or affiliated entity in another application of the same lot, and (2) may not be the co-applicant or affiliated entity in more than two applications under this call for proposals.

### **2.1.5 Eligible of costs: costs that can be included**

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

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

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

Simplified cost options may take the form of:

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

The amounts or rates have to be based on estimates using objective data such as statistical data or any other objective means or with reference to certified or auditable historical data of the applicants or the affiliated entity(ies). The methods used to determine the amounts or rates of unit costs, lump sums or flat-rates must comply with the criteria established in Annex K, and especially ensure that the costs correspond fairly to the actual costs incurred by the beneficiary(ies) and affiliated entity(ies), are in line with their accounting practices, no profit is made and the costs are not already covered by other sources of funding (no double funding). Refer to Annex K for directions and a checklist of controls to assess the minimum necessary conditions that provide reasonable assurance for the acceptance of the proposed amounts.

Applicants proposing this form of reimbursement, must clearly indicate in worksheet no.1 of Annex B, each heading/item of eligible costs concerned by this type of financing, i.e. add the reference in capital letters to "UNIT COST" (per month/flight etc.), "LUMPSUM", "FLAT RATE" in the Unit column. (see example in Annex K)

Additionally in Annex B, in the second column of worksheet no.2, "Justification of the estimated costs" per each of the corresponding budget item or heading applicants must:

- describe the information and methods used to establish the amounts of unit costs, lump sums and/or flat-rates, to which costs they refer, etc.
- clearly explain the formulas for calculation of the final eligible amount<sup>19</sup>

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<sup>19</sup>Examples:- for staff costs: number of hours or days of work \* hourly or daily rate pre-set according to the category of personnel concerned;- for travel expenses: distance in km \* pre-set cost of transport per km; number of days \* daily allowance pre-set according to the country;- for specific costs arising from the organization of an event: number of participants at the event \* pre-set total cost per participant etc.

- identify the beneficiary who will use the simplified cost option (in case of affiliated entity, specify first the beneficiary), in order to verify the maximum amount per each beneficiary (which includes if applicable simplified cost options of its affiliated entity(ies))

At contracting phase, the Contracting Authority decides whether to accept the proposed amounts or rates on the basis of the provisional budget submitted by the applicants, by analysing factual data of grants carried out by the applicants or of similar actions and by performing checks established by Annex K.

The total amount of financing on the basis of simplified cost options that can be authorised by the Contracting Authority for any of the applicants individually (including simplified cost options proposed by their own affiliated entities) cannot exceed EUR 60 000 (the indirect costs are not taken into account).

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

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

The simplified cost option may also take the form of an apportionment of Field Office's costs.

Field Office means a local infrastructure set up in one of the countries where the action is implemented or a nearby country. (Where the action is implemented in several third countries there can be more than one Field Office). That may consist of costs for local office as well as human resources (excluding any costs related to the construction of field offices).

A Field Office may be exclusively dedicated to the action financed (or co-financed) by the EU or may be used for other projects implemented in the partner country. When the Field Office is used for other projects, only the portion of capitalised and operating costs, which corresponds to the duration of the action and the rate of actual use of the field office for the purpose of the action, may be declared as eligible direct costs.

The portion of costs attributable to the action can be declared as actual costs or determined by the beneficiary(ies) on the basis of a simplified allocation method (apportionment).

The method of allocation has to be:

1. Compliant with the beneficiary's usual accounting and management practices and applied in a consistent manner regardless of the source of funding and
2. Based on an objective, fair and reliable allocation keys. (Please refer to Annex K to have examples of acceptable allocation keys).

A description prepared by the entity of the allocation method used to determine Field Office's costs in accordance with the entity's usual cost accounting and management practices and explaining how the method satisfy condition 1 and 2 indicated above, has to be presented in a separate sheet and annexed to the Budget.

The method will be assessed and accepted by the evaluation committee and the Contracting Authority at contracting phase. The applicant is invited to submit (where relevant) the list of contracts to which the methodology proposed had been already applied and for which proper application was confirmed by an expenditure verification.

At the time of carrying out the expenditure verifications, the auditors will check if the costs reported are compliant with the method described by the beneficiary(ies) and accepted by the Contracting Authority.

Adequate record and documentation must be kept by the beneficiary(ies) to prove the compliance of the simplified allocation method used with the conditions set out above. Upon request of the beneficiary(ies), this compliance can be assessed and approved ex-ante by an independent external auditor. In such a case, the simplified allocation method will be automatically accepted by the evaluation committee and it will not be challenged ex post.

When costs are declared on the basis of such allocation method the amount charged to the action is to be indicated in the column "TOTAL COSTS" and the mention "APPORTIONMENT" is to be indicated in the column "units" (under budget heading 1 (Human resources) and 4 (Local Office) of the Budget).

### Eligible direct costs

To be eligible under this call for proposals, costs must comply with the provisions of Article 14 of the General Conditions to the standard grant contract (see Annex G of the guidelines).

### Contingency reserve

The budget may include a contingency reserve not exceeding 5 % of the estimated direct eligible costs. It can only be used with the **prior written authorisation** of the Contracting Authority.

### Eligible indirect costs

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding, but the total must not exceed 7% of the estimated total eligible direct costs. Indirect costs are eligible provided that they do not include costs assigned to another budget heading in the standard grant contract. The lead applicant may be asked to justify the percentage requested before the grant contract is signed. However, once the flat rate has been fixed in the Special Conditions of the grant contract, no supporting documents need to be provided.

### Contributions in kind

Contributions in kind mean the provision of goods or services to beneficiaries or affiliated entities free of charge by a third party. As contributions in kind do not involve any expenditure for beneficiaries or affiliated entities, they are not eligible costs.

Contributions in kind may not be treated as co-financing

However, if the description of the action as proposed includes contributions in kind, the contributions have to be made.

### Ineligible costs

The following costs are not eligible:

- debts and debt service charges (interest);
- provisions for losses or potential future liabilities;
- costs declared by the beneficiary(ies) and financed by another action or work programme receiving a European Union (including through EDF) grant;

- purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred in accordance with Article 7.5 of the General Conditions of the standard grant contract, at the latest at the end of the action;
- currency exchange losses;
- credit to third parties;
- salary costs of the personnel of national administrations.

## 2.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

### 2.2.1 Application forms

Applications must be submitted in accordance with the instructions on the concept note and full application in the grant application form annexed to these guidelines (Annex A).

Applicants must apply in English.

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

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

Hand-written applications will not be accepted.

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

### 2.2.2 Where and how to send applications

Applications must be submitted in one original and 3 copies in A4 size, each bound. The complete application form (Part A: concept note and Part B: full application form), budget and logical framework must also be supplied in electronic format (CD-ROM or USB stick) in a separate and single file (i.e. the application must not be split into several different files). The electronic file must contain **exactly the same** application as the paper version enclosed.

The checklist (section 7 of Part B of the grant application form) and the declaration by the lead applicant (section 8 of Part B of the grant application form) must be stapled separately and enclosed in the envelope.

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

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

Embassy of Italy in Addis Ababa  
 Att: SINCE Programme coordinator  
 Villa Italia, Kebena  
 P.O. Box 1105  
 Addis Ababa, Ethiopia

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

**Lead applicants must verify that their application is complete using the checklist (section 7 of Part B of the grant application form). Incomplete applications may be rejected.**

### **2.2.3 Deadline for submission of applications**

The deadline for the submission of applications is the 24<sup>th</sup> September, at 16:00 (Addis Ababa local time) as evidenced by the date of dispatch, the postmark or the date of the deposit slip. Any application submitted after the deadline will be rejected.

However, for reasons of administrative efficiency, the Contracting Authority may also reject any application sent in due time but received after the effective date of approval of the first evaluation step (i.e. concept note) (see indicative calendar under section 2.5.2).

### **2.2.4 Further information about applications**

An information session on this call for proposals will be held on 11 August 2017 at 9:00

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

E-mail address: [addisabeba.since@esteri.it](mailto:addisabeba.since@esteri.it)

The Contracting Authority has no obligation to provide clarifications to questions received after this date.

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

To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, affiliated entity(ies), an action or specific activities.

No individual replies will be given to questions. All questions and answers as well as other important notices to applicants during the course of the evaluation procedure will be published on:

the website of the Contracting Authority:

<http://www.ambaddisabeba.esteri.it>

the website of the Italian Agency for Development Cooperation (AICS) in Addis Ababa

<http://www.itacaddis.org/en/news.php>

the EuropeAid website:

<https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>

the website of the Delegation of the European Union to Ethiopia:

[http://www.eeas.europa.eu/delegations/ethiopia/index\\_en.htm](http://www.eeas.europa.eu/delegations/ethiopia/index_en.htm)

It is therefore advisable to consult the abovementioned website regularly in order to be informed of the questions and answers published.

## 2.3 EVALUATION, NEGOTIATION AND SELECTION OF APPLICATIONS

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

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

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

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

- If the deadline has been met. Otherwise, the application will be automatically rejected.
- If the application satisfies all the criteria specified in the checklist in Section 7 of part B of the grant application form. This includes also an assessment of the eligibility of the action. If any of the requested information is missing or is incorrect, the application may be rejected on that sole basis and the application will not be evaluated further.

The concept notes that pass this check will be evaluated on the relevance and design of the proposed action.

The concept notes will receive an overall score out of 50 using the breakdown in the evaluation grid below. The evaluation will also check on compliance with the instructions on how to complete the concept note, which can be found in Part A of the grant application form.

The evaluation criteria are divided into headings and subheadings. Each subheading will be given a score between 1 and 5 as follows: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

#### Concept Note Evaluation Grid

#### Scores

<b>1. Relevance of the action</b>	Sub-score	<b>30</b>
1.1 How relevant is the proposal to the objectives and priorities of the call for proposals?	5x2**	
1.2 How relevant to the particular needs and constraints of the target country(ies) or region(s) is the proposal (including synergy with other EU initiatives and avoidance of duplication)?	5x2**	
1.3 How clearly defined and strategically chosen are those involved (final beneficiaries, target groups)? Have their needs been clearly defined and does the proposal address them appropriately?	5	
1.4 Does the proposal contain specific added-value elements, such as environmental issues, promotion of gender equality and equal opportunities, needs of disabled people, rights of minorities and rights of indigenous peoples, or innovation and best practices and to what extent does the proposal meet the specific additional criteria and factors of added value indicated under 1.2. of the guidelines for applicants?	5	
<b>2. Design of the action</b>	Sub-score	<b>20</b>
2.1 How coherent is the overall design of the action? In particular, does it reflect the analysis of the problems involved, take into account external factors and relevant stakeholders?	5x2**	

2.2 Is the action feasible and consistent in relation to the objectives and expected results?	5x2**	
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**TOTAL SCORE 50**

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

\*\*these scores are multiplied by 2 because of their importance

Once all concept notes have been assessed, a list will be drawn up with the proposed actions ranked according to their total score.

Firstly, only the concept notes with a score of at least 30 will be considered for pre-selection.

Secondly, the number of concept notes will be reduced, taking account of the ranking, to the number of concept notes whose total aggregate amount of requested contributions is equal to 300% of the available budget for this call for proposals. The amount of requested contributions of each concept note will be based on the indicative financial envelopes for each lot, where relevant.

After the evaluation of concept notes, the Contracting Authority will send letters to all lead applicants, indicating whether their application was submitted by the deadline, informing them of the reference number they have been allocated, whether the concept note was evaluated and the results of that evaluation. The evaluation committee will then proceed with the lead applicants whose proposals have been pre-selected.

## **(2) STEP 2: EVALUATION OF THE FULL APPLICATION**

Firstly, the following will be assessed:

- If the full application satisfies all the criteria specified in the checklist (Annex A.2). This includes also an assessment of the eligibility of the action. If any of the requested information is missing or is incorrect, the application may be rejected on that **sole** basis and the application will not be evaluated further.

The full applications that pass this check will be further evaluated on their quality, including the proposed budget and capacity of the applicants and affiliated entity(ies). They will be evaluated using the evaluation criteria in the evaluation grid below. There are two types of evaluation criteria: selection and award criteria.

**The selection criteria** help to evaluate the applicant(s)'s and affiliated entity(ies)'s operational capacity and the lead applicant's financial capacity and are used to verify that they:

- have stable and sufficient sources of finance to maintain their activity throughout the proposed action and, where appropriate, to participate in its funding (this only applies to lead applicants);
- have the management capacity, professional competencies and qualifications required to successfully complete the proposed action. This applies to applicants and any affiliated entity(ies).

**The award criteria** help to evaluate the quality of the applications in relation to the objectives and priorities set forth in the guidelines, and to award grants to projects, which maximise the overall effectiveness of the call for proposals. They help to select applications, which the Contracting Authority can be confident will comply with its objectives and priorities. They cover the relevance of the action, its consistency with the objectives of the call for proposals, quality, expected impact, sustainability and cost-effectiveness.

*Scoring:*

The evaluation grid is divided into sections and subsections. Each subsection will be given a score between 1 and 5 as follows: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

**Full Application Evaluation Grid**

<b>Section</b>	<b>Maximum Score</b>
<b>1. Financial and operational capacity</b>	<b>20</b>
1.1 Do the applicants and, if applicable, their affiliated entity(ies) have sufficient experience of projectmanagement?	5
1.2 Do the applicants and, if applicable, their affiliated entity(ies) have sufficient technical expertise? (especially knowledge of the issues to be addressed)	5
1.3 Do the applicants and, if applicable, their affiliated entity(ies) have sufficient management capacity? (Including staff, equipment and ability to handle the budget for the action)?	5
1.4 Does the lead applicant have stable and sufficient sources of finance?	5
<b>2. Relevance of the action</b>	<b>30</b>
<i>Score transferred from the Concept Note evaluation</i>	
<b>3. Effectiveness and feasibility of the action</b>	<b>20</b>
3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	5
3.2 Is the action plan clear and feasible?	5
3.3 Does the proposal contain objectively verifiable indicators for the outcome of the action? Is any evaluation planned?	5
3.4 Is the co-applicant(s)'s and affiliated entity(ies)'s level of involvement and participation in the action satisfactory?	5
<b>4. Sustainability of the action</b>	<b>15</b>
4.1 Is the action likely to have a tangible impact on its target groups?	5
4.2 Is the proposal likely to have multiplier effects? (Including scope for replication, extension and information sharing.)	5
4.3 Are the expected results of the proposed action sustainable?:  - financially( <i>how will the activities be financed after the funding ends?</i> )	5

<ul style="list-style-type: none"> <li>- 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>)</li> <li>- 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>)</li> <li>- environmentally (if applicable) (<i>will the action have a negative/positive environmental impact?</i>)</li> </ul>	
<b>5. Budget and cost-effectiveness of the action</b>	<b>15</b>
5.1 Are the activities appropriately reflected in the budget?	/ 5
5.2 Is the ratio between the estimated costs and the expected results satisfactory?	/ 10
<b>Maximum total score</b>	<b>100</b>

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

#### *Provisional selection*

After the evaluation, a table will be drawn up listing the applications ranked according to their score. The highest scoring applications will be provisionally selected until the available budget for this call for proposals is reached. In addition, a reserve list will be drawn up following the same criteria. This list will be used if more funds become available during the validity period of the reserve list.

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

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

- The declaration by the lead applicant (section 8 of Part B of the grant application form) will be cross-checked with the supporting documents provided by the lead applicant. Any missing supporting document or any incoherence between the declaration by the lead applicant and the supporting documents may lead to the rejection of the application on that sole basis.
- The eligibility of applicants and the affiliated entity(ies) will be verified according to the criteria set out in sections 2.1.1, 2.1.2 and 2.1.3.

Any rejected application will be replaced by the next best placed application on the reserve list that falls within the available budget for this call for proposals.

#### **2.4 SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS**

A lead applicant whose application has been provisionally selected or placed on the reserve list will be informed in writing by the Contracting Authority. It will be requested to supply the following

documents in order to allow the Contracting Authority to verify the eligibility of the lead applicant, (if any) of the co-applicant(s) and (if any) of their affiliated entity(ies)<sup>20</sup>:

1. The statutes or articles of association of the lead applicant, (if any) of each co-applicant and (if any) of each affiliated entity<sup>21</sup>. Where the Contracting Authority has recognised the lead applicant's, or the co-applicant(s)'s, or their affiliated entity(ies)'s eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, it should be submitted, instead of the statutes or articles of association, a copy of the document proving their eligibility in a former call (e.g. a copy of the Special Conditions of a grant contract received during the reference period), unless a change in legal status has occurred in the meantime<sup>22</sup>. This obligation does not apply to international organisations which have signed a framework agreement with the European Commission.
2. An external audit report produced by an approved auditor, certifying the lead applicant's accounts for the last financial year available where the total amount of the requested EU contribution exceeds EUR 750 000 (EUR 100 000 for an operating grant). The external audit report is not required from (if any) the co-applicant(s) or affiliated entities.

This obligation does not apply to public bodies and international organisations provided that the international organisation in question offers the guarantees provided for in the applicable Financial Regulation, as described in chapter 6 of the Practical Guide.

3. A copy of the lead applicant's latest accounts (the profit and loss account and the balance sheet for the last financial year for which the accounts have been closed)<sup>23</sup>. A copy of the latest account is neither required from (if any) the co-applicant(s) nor from (if any) affiliated entity(ies)).
4. Legal entity sheet (see Annex D of these guidelines) duly completed and signed by each of the applicants (i.e. by the lead applicant and (if any) by each co-applicant), accompanied by the justifying documents requested there. If the applicants have already signed a contract with the Contracting Authority, instead of the legal entity sheet and supporting documents, the legal entity number may be provided, unless a change in legal status occurred in the meantime.
5. A financial identification form of the lead applicant (not from co-applicant(s)) conforming to the model attached as Annex E of these guidelines, certified by the bank to which the payments will be made. This bank should be located in the country where the lead applicant is established. If the lead applicant has already submitted a financial identification form in the past for a contract where the European Commission was in charge of the payments and intends to use the same bank account, a copy of the previous financial identification form may be provided instead.

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

Where these documents are not in the language of the call for proposal, a translation into English of the relevant parts of these documents proving the lead applicant's and, where applicable, co-applicants' and affiliated entity(ies)' eligibility, must be attached for the purpose of analysing the application

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<sup>20</sup>No supporting document will be requested for applications for a grant not exceeding EUR 60 000.

<sup>21</sup>Where the lead applicant and/or a co-applicant(s) and or an affiliated entity(ies) is a public body created by a law, a copy of the said law must be provided.

<sup>22</sup>To be inserted only where the eligibility conditions have not changed from one call for proposals to the other.

<sup>23</sup>This obligation does not apply to natural persons who have received a scholarship or that are in most need in receipt of direct support, nor to public bodies and to international organisations. It does not apply either when the accounts are in practice the same documents as the external audit report already provided pursuant to section 2.4.2.

If the abovementioned supporting documents are not provided before the deadline indicated in the request for supporting documents sent to the lead applicant by the Contracting Authority, the application may be rejected.

After verifying the supporting documents, the evaluation committee will make a final recommendation to the Contracting Authority, which will decide on the award of grants.

NB : In the eventuality that the Contracting Authority is not satisfied with the strength, solidity, and guarantee offered by the structural link between one of the applicants and its affiliated entity, it can require the submission of the missing documents allowing for its conversion into co-applicant. If all the missing documents for co-applicants are submitted, and provided all necessary eligibility criteria are fulfilled, the above mentioned entity becomes a co-applicant for all purposes. The lead applicant has to submit the application form revised accordingly.

## 2.5 NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

### 2.5.1 Content of the decision

The lead applicants will be informed in writing of the Contracting Authority's decision concerning their application and, if rejected, the reasons for the negative decision. This letter will be sent by e-mail. Lead applicants who had to submit their application by post or hand-delivery will be informed by e-mail or by post if they did not provide any e-mail address.

An applicant believing that it has been harmed by an error or irregularity during the award process may lodge a complaint. See further section 2.4.15 of the Practical Guide

### 2.5.2 Indicative timetable

	<b>DATE*</b>	<b>TIME</b>
<b>1. Information meeting</b>	11 August 2017	9:00 (local date and time)
<b>2. Deadline for requesting any clarifications from the Contracting Authority</b>	4 September 2017	16:00 (local date and time)
<b>3. Last date on which clarifications are issued by the Contracting Authority</b>	13 September 2017	-
<b>4. Deadline for submission of applications</b>	25 September 2017	15:00 (local date and time)
<b>5. Information to lead applicants on opening, administrative checks and concept note evaluation (Step 1)</b>	19 October 2017*	

<b>6. Information to lead applicants on the evaluation of the full applications (Step 2)<sup>24</sup></b>	24 October 2017*	-
<b>7. Notification of award (after the eligibility check) (Step 3)</b>	30 October 2017*	-
<b>8. Contract signature<sup>25</sup></b>	15 November 2017*	-

\***Provisional date.** All times are in local time.

This indicative timetable refers to provisional dates (except for dates 2, 3, and 4) and may be updated by the Contracting Authority during the procedure. In such cases, the updated timetable will be published on:

the website of the Contracting Authority:

<http://www.ambaddisabeba.esteri.it>

on the website of the Italian Agency for Development Cooperation (AICS) in Addis Ababa

<http://www.itacaddis.org/en/news.php>

the EuropeAid website:

<https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>

the website of the Delegation of the European Union to Ethiopia:

[http://www.eeas.europa.eu/delegations/ethiopia/index\\_en.htm](http://www.eeas.europa.eu/delegations/ethiopia/index_en.htm)

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

Following the decision to award a grant, the beneficiary(ies) will be offered a contract based on the standard grant contract (see Annex G of these guidelines). By signing the application form (Annex A of these guidelines), the applicants agree, if awarded a grant, to accept the contractual conditions of the standard grant contract.

### Implementation contracts

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

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<sup>24</sup>Note that according to the financial regulation, in direct management, applicants must be notified the outcome of the evaluation of their applications within 6 months following the submission deadline of the full application. This time-limit may be exceeded in exceptional cases, in particular for complex actions (including multi-beneficiary calls), large number of proposals or in case of delays attributable to the applicants.

<sup>25</sup>Note that according to the financial regulation, in direct management the grant must be signed within 3 months following the notification of the award decision. This time-limit may be exceeded in exceptional cases, in particular for complex actions (including multi-beneficiary calls), large number of proposals or in case of delays attributable to the applicants.

### 3. LIST OF ANNEXES

#### DOCUMENTS TO BE COMPLETED

- Annex A: Grant Application Form (Word format)
- A.1 Concept Note
  - A.2 Full application Form
- Annex B: Budget (Excel format)
- Annex C: Logical Framework (Word format)
- Annex D: Legal Entity Sheet<sup>26</sup>
- Annex E: Financial identification form

#### DOCUMENTS FOR INFORMATION<sup>27</sup>

Annex F.I: Logical framework matrix for the SINCE Programme

Annex F.II Inception Phase Report

Annex G: Standard Grant Contract

- Annex II: general conditions
- Annex IV: contract award rules
- Annex V: standard request for payment
- Annex VI: model narrative and financial report
- Annex VII: model report of factual findings and terms of reference for an expenditure verification of an EU financed grant contract for external action
- Annex VIII: model financial guarantee
- Annex IX: standard template for transfer of ownership of assets

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

[http://ec.europa.eu/europeaid/work/procedures/implementation/per\\_diems/index\\_en.htm\\_en](http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm_en)

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

Annex K: Guidelines and Checklist for assessing Budget and Simplified cost options.

#### Useful links:

##### Project Cycle Management Guidelines

[http://ec.europa.eu/europeaid/aid-delivery-methods-project-cycle-management-guidelines-vol-1\\_en](http://ec.europa.eu/europeaid/aid-delivery-methods-project-cycle-management-guidelines-vol-1_en)

##### The implementation of grant contracts

##### A Users' Guide

<http://ec.europa.eu/europeaid/companion/document.do?nodeNumber=19&locale=en>

##### Financial Toolkit

[http://ec.europa.eu/europeaid/funding/procedures-beneficiary-countries-and-partners/financial-management-toolkit\\_en](http://ec.europa.eu/europeaid/funding/procedures-beneficiary-countries-and-partners/financial-management-toolkit_en)

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<sup>26</sup>Only applicable where the European Commission will make the payments under the contracts to be signed.

<sup>27</sup>These documents should also be published by the Contracting Authority.

Please note: The toolkit is not part of the grant contract and has no legal value. It merely provides general guidance and may in some details differ from the signed grant contract. In order to ensure compliance with their contractual obligations beneficiaries should not exclusively rely on the toolkit but always consult their individual contract documents.

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