



South East Europe (SEE) Programme Manual

Version 1.0 November 2011

**Restricted IPA Call for partners from
Montenegro**



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Glossary

Beneficiary

As indicated in art. 2 of the Reg. (EC) 1083/06, the beneficiary is an operator, body or firm, whether public or private, responsible for initiating and/or implementing operations. In the context of aid schemes under Article 87 of the Treaty, beneficiaries are public or private firms carrying out an individual action and receiving public aid. Within the current document beneficiary is any ERDF / IPA Partner.

European Regional Development Fund (ERDF)

The ERDF is one of the two Structural Funds and it is intended to help to reduce imbalances between regions of the Community. The Fund grants financial assistance for development projects in the EU regions. In terms of financial resources, the ERDF is by far the largest of the EU's Structural Funds.

Grant Contract (for IPA partners)

It is the contract regarding the relations between the relevant Contracting Authority and the IPA Financial Lead Partner. It determines the rights and responsibilities of the IPA Financial Lead Partner and the relevant Contracting Authority, the scope of the activities to be carried out, terms of IPA funding and the requirements for IPA reporting and financial control.

Instruments for Pre-Accession Assistance (IPA)

IPA aims at providing targeted assistance to countries which are candidates and potential candidates for membership of the EU. IPA supersedes the previously existing pre-accession instruments, i.e. Phare, ISPA, SAPARD, the Turkey pre-accession instrument, and CARDS, thus uniting under a single legal basis all pre accession assistance. IPA countries participating in the SEE Programme 2007 – 2013 are: Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro and Serbia.

Partners

Any legal entity that commits itself to the implementation a project selected and approved under the SEE Programme 2007 – 2013.

Partners can be distinguished by budget responsibility between:

- **Financing Partners:** directly financed by the Programme and with full responsibility on its budget share;
- **Associated Strategic Partner (ASP):** fully integrated in the project partnership but with no responsibility of its – eventual – budget share that is managed by an ERDF “sponsoring” partner.

For further details on partners please check also paragraph 3.2 and section 4.1.8 b) and c).

Partnership Agreement

The Partnership Agreement is a legal document signed by any project participant receiving funds from the Programme directly or indirectly (Financing Partners, 10% PP, EU Associated and EU Associated 20%), which contains a clear definition of the responsibilities among the partners and a framework for efficient project implementation and governance. The Partnership Agreement allows also the Lead Partner to extend the arrangements of the Subsidy Contract to the level of each partner. It is the responsibility of the partnership to define the contents of the Partnership Agreement as the Programme is providing only a template with the minimum mandatory requirements.

Project

The activity for which funding is being sought under a particular priority. Projects are also referred to as “operations”.

Subsidy Contract

It is the contract between the Joint Technical Secretariat (on behalf of the Managing Authority) and the ERDF Lead Partner. It determines the rights and responsibilities of the Lead Partner and the Managing Authority (MA), the scope of activities to be carried out, terms of ERDF funding, and the requirements for ERDF reporting and financial control.

1 Purpose and content of the SEE Programme Manual for restricted IPA Call

1.1 Purpose

The purpose of this Programme Manual is to provide further information about the possible participation of additional IPA partners from Montenegro. After the approval of the evaluation results of the 2nd Call for Proposals and the subsequent contracting process, a substantial leftover of the IPA 2009 allocation for Montenegro has remained non-committed. In order to spend these remnant funds, the Monitoring Committee of the South East Europe Programme (SEE) decided to launch a restricted Call for Proposals whose concept was ex-ante approved by the European Union Delegation to Montenegro.

Being a European Regional Development Fund (ERDF) programme, the SEE follows ERDF rules and procedures at project application and selection phase. To be eligible for financing by IPA, joint operations include beneficiaries from both Member States and IPA countries. Applications for joint operations identify a lead partner located in a Member State for the part of the joint operation taking place on the EU side with ERDF funds, and a financial lead partner in each of the participating candidate/potential candidate country for the part of the joint operation taking place on the candidate/potential candidate side with IPA funds. Applications must clearly distinguish between activities – and their costs – taking place on the EU side with ERDF funds and those taking place on the candidate/potential candidate side with IPA funds. This being said, it should be noted that the only viable possibility to involve additional partners from Montenegro is to adjoin or incorporate them to already approved and on-going projects within the 2nd Call for Proposals (CfPs).

1.2. Who may submit a project application within the restricted IPA Call

The Lead Partners may involve additional IPA partners from Montenegro in order to contribute to the quality of the joint operations. The activities to be carried out by the MN IPA partner should have additional added value to the project and be important to the project from both territorial and content-wise perspectives.

The restricted IPA Call is open to all Lead Partners of the subsidy contracts stemming from the evaluation of the 2nd CfPs. The application forms shall be submitted by those Lead Partners whose partnerships do not already involve IPA partners from Montenegro as financing partners (i.e. partners already benefiting from IPA funds with their own budget). The LPs from those projects involving partners from Montenegro as 10% partners may also submit an application form involving MN partners different to those already involved as 10% partners.

For eligibility of MN IPA partners please check the Chapter 2.

1.3. Budgetary restrictions

The minimum amount of IPA funding that can be requested by project partners from an IPA beneficiary country is EUR 50,000. The maximum amount of IPA funding that can be requested by pro-

ject partners from an IPA beneficiary country is EUR 300,000. These limits apply regardless of the number of project partners from the country concerned.

The consistency of the budget with the envisaged activities/outputs will be carefully assessed.

The indicative allocation for this call is as following:

IPA	Montenegro	€ 900,000
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IPA funds are subject to the extension of the contracting deadline of relevant financing agreement by the Commission.

The IPA Contracting Authority reserves the right not to award all the programme funds allocated to this Call for Proposals.

Time schedule and submission of documents

The call will be open from 16th January 2012.

The documents as specified in Chapter 3 shall be submitted electronically via the email address to the SEE JTS jts@southeast-europe.net by 17th February 2012 (12 pm Central European time).

Further documents will be requested at national level by the MN Southeast Europe contact point in order to check the eligibility of MN IPA partner.

In case they are selected for funding, upon request of the Contracting Authority (European Union Delegation to Montenegro) IPA partners will submit the necessary documents for contracting (i.e. Legal Entity File and the Financial Identification Form).

2 Relevant information concerning IPA participation

The SEE Programme 2007 – 2013 is the most complex territorial cooperation programme in Europe. The SEE is an ERDF Programme but most countries benefiting from IPA funds (Albania, Bosnia and Herzegovina, Croatia, former Yugoslav Republic of Macedonia, Montenegro and Serbia) and ENPI funds (the Republic of Moldova, Ukraine) were invited to participate. Their involvement confirms the EU political commitment to support these countries on their way to the EU. The Programme applies ERDF rules for EU Member States and thus helps the IPA and ENPI countries to get acquainted with structural funds' rules which will be applicable upon their accession to the EU.

The Programme is challenging for all parties – project partners, management structure of the Programme, National Authorities and EC structures. The evaluation and selection is done according to ERDF rules, based on a Call for Proposals – Application Pack for the implementation of the programme, prepared by the SEE JTS.

The Contracting Authority (the EU Delegation under the centralised implementation system or the corresponding national Implementing Agency in case IPA funds are implemented in a decentralized way) will issue the IPA grants to the national financial lead partners participating in the selected joint operations. Where appropriate, the relevant rules and templates of the Practical Guide to contract procedures for EC external actions (PRAG) apply to contracts awarded to IPA partners.

2.1 Eligibility of IPA Partners

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

- be legal persons **and**
- be non profit making **and**
- be specific types of organisations such as:
 - o Associations: non-governmental organisations, trade unions, employer's associations, professional associations etc.
 - o Institutions: public sector operators, educational and research institutions,¹ etc.
 - o Foundations;
 - o Chambers of commerce, chambers of crafts and trade, public employment service;
 - o Municipalities;
 - o Regional development agencies, business incubators, entrepreneurship centres, research and development institutes and other business support institutions
 - o International inter-governmental organisations; **and**

¹ Private research and educational institutions are eligible to apply if they will not derive profit during implementation of the project. According to article 165 of the Commission Regulation (EC) no 2342/2002 (Implementing rules of the Financial Regulation), profit shall be defined as a surplus of receipts over the costs of the action in question when the request is made for final payment of a grant for an action. Lump-sums and flat-rate financing should be established in such a way as to exclude a priori a profit

- be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary; and
- have stable and sufficient sources of finance to ensure the continuity of their organisation throughout the lifespan of the project and whose financial resources are not exclusively made up of subsidies and grants from EU budget or EDF.

The applicant must be registered or accredited in Montenegro. The aforementioned means that the applicant shall be established, on the basis of its statute, by or accredited under an instrument governed by the internal law of Montenegro.

The activities shall be mainly carried out on the territory of Montenegro. In exceptional cases, expenditure incurred outside the programme area may be eligible, if the project could only achieve its objectives with that expenditure.

The IPA organizations participating in an application are called partners. The partners shall select one, from among themselves (in case there is more than one partner applying under the same IPA country allocation), to be the **IPA Financial Lead Partner**. All partners are also known as applicants.

(2) Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the situations which are listed in Section 2.3.3 of the Practical Guide to contract procedures for EC external actions (available from the following Internet address: http://ec.europa.eu/europeaid/work/procedures/index_en.htm)

1. they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
2. they have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata; (i.e. against which no appeal is possible);
3. they have been guilty of grave professional misconduct proven by any means which the Contracting Authority can justify;
4. they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Contracting Authority or those of the country where the contract is to be performed;
5. they have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the Communities' financial interests;
6. they are currently subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation.

The cases referred to in point (5) applicable are the following:

- a. cases of fraud as referred to in Article 1 of the Convention on the protection of the European Communities' financial interests drawn up by the Council Act of 26 July 1995;
- b. cases of corruption as referred to in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member states of the European Union, drawn up by the Council Act of 26 May 1997;
- c. cases of participation in a criminal organization, as defined in Article 2(1) of Joint Action 98/733/JHA of the Council;
- d. cases of money laundering as defined in Article 1 of Council Directive 91/308/EEC.

Grant applicants and, if they are legal entities, persons who have powers of representation, decision-making or control over them, are informed that, should they be in one of the situations mentioned in:

- the Commission Decision (2008/969/EC, Euratom) of 16 December 2008 on the Early Warning System (EWS) for the use of authorising officers of the Commission and the executive agencies (O.1, L 344, 20.12.2008, p.125) or
- the Commission Regulation (2008/1302/EC, Euratom) of 17 December 2008 on the central exclusion database — CED (OJ L 344, 20.12.2008, p,12),

their personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the EWS only or both in the EWS and CED, and communicated to the persons and entities listed in the above-mentioned Decision and Regulation, in relation to the award or the execution of a procurement contract or a grant agreement or decision.

2.2 Public Procurement

If the implementation of an Action requires procurement by the IPA partner, the procurement for IPA grants shall follow the provisions of Annex IV to the PRAG standard grant contract.

The external aid rules for public procurement are also available on the Internet address http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

In case of missing or wrong application of procurement rules in the context of European Union external actions, the Contracting Authority(ies) will reserve the right to reduce or cancel the funds assigned to the project.

Furthermore the IPA Partner should take note of the provision contained in Article 1 (General Obligations) of the General Conditions applicable to European Union-financed grant contracts for external actions (Annex II to the PRAG standard grant contract), which reads: *“The Beneficiary [...] may subcontract a limited portion of the Action. The bulk of the Action must, however, be undertaken by the Beneficiary and, where applicable, his partners.”*

2.3 National contribution

The co-financing rate for IPA contracts will be up to 85%, meaning that no grant may exceed 85 % of the total eligible costs of the action. The balance (minimum 15%) must be financed from the

applicant's or partners' own resources, or from sources other than the European Community budget or the European Development Fund.

Eligibility of expenditure

Only "eligible costs" can be taken into account for an IPA grant. The categories of costs considered as eligible and non-eligible are indicated below.

The eligible costs:

Eligible costs are costs actually incurred by the beneficiary of the IPA grant which meet all the following criteria:

- They are incurred during the implementation of the action as specified in Article 2 of the Special Conditions of standard grant contracts, with the exception of costs relating to final reports, expenditure verification and evaluation of the action, whatever the time of actual disbursement by the Beneficiary and/or its partners.
- must be indicated in the estimated overall budget of the action,
- must be necessary for the implementation of the action which is the subject of the grant,
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary,
- must be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

Eligible direct costs:

- the cost of staff assigned to the Action, The costs should correspond to actual gross salaries and include social security charges and other remuneration-related costs, salaries and costs must not exceed those normally borne by the Beneficiary or its partners, as the case may be, unless it is justified by showing that it is essential to carry out the action
- travel and subsistence costs for staff and other persons taking part in the Action, provided they do not exceed those normally borne by the Beneficiary or its partners, as the case may be. This refers to partners' participation in meetings, seminars, conferences and other similar activities, closely related to the project, taking place in the Programme area and, if applicable, outside the Programme area but inside the EU; any flat-rate reimbursement of the subsistence costs must not exceed the rates set out in Annex III (Budget for the Action) of the Standard Grant Contract, which correspond to the scales published by the European Commission at the time of signing this Contract;
- purchase costs of supplies and new equipment and rental costs for equipment and supplies specifically for the purposes of the Action, and costs of services, provided they correspond to market rates;

- cost of consumables;
- costs entailed by contracts awarded by the Beneficiary for the purposes of the Action referred to in Article 1.3 of the General Conditions (contracts concluded by grant beneficiaries);
- costs deriving directly from the requirements of the Contract (dissemination of information, evaluation specific to the Action, audits, translation, reproduction, insurance, etc.)
- value added taxes, if the following conditions are fulfilled:
 - they are not recoverable by any means;
 - it is established that they are borne by the final beneficiary; and
 - they are clearly identified in the project proposal.
- Charges for trans-national financial transactions;
- where the implementation of an operation requires a separate account or accounts to be opened, the bank charges for opening and administering the accounts;
- legal consultancy fees, notaries fees, costs of technical or financial experts, and accountancy or audit costs, if they are directly linked to the co-financed operation and are necessary for its implementation;
- the cost of guarantees provided by a bank or other financial institutions, to the extent that the guarantees are required by national or Community legislation;
- the purchase of land for an amount up to 10% of the total eligible costs of the Action.

Contingency reserve

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

Eligible indirect costs (overheads)

Overheads provided they are based on real costs attributable to the implementation of the operation concerned. Flat-rates based on average costs may not exceed 25% of those direct costs of an operation that can affect the level of overheads. The calculation shall be properly documented and periodically reviewed.

Overheads include costs such as water, gas, electricity, maintenance, insurance, supplies and petty office equipment, postage, administrative service, book-keeping, salary administration, postal / telephone services, copying and centralized computer support, IT, etc.

These costs are considered “indirect” costs since they are not directly linked to performance of the action, but they can be identified and justified by the beneficiary using his accounting system as having been incurred in connection with the eligible direct costs for the action. They may not include any eligible direct costs.

Moreover, **it is possible that some costs can be considered either direct costs or indirect costs, but in any case no cost can be taken into account twice, as a direct cost and an indirect cost!**

How to apply overheads²

There are two methods how to apply overheads. Please read carefully.

The overhead costs shall be declared either on the basis of real costs (justified with all the supporting documents), or on a flat-rate basis (with no supporting documents / no justification needed), in both cases up to the limitation set up by the IPA Programme (ref. article 89.3.f of the Commission Regulation 718/2007).

1) Overheads directly allocated to the project (real / direct costs)

The IPA project partner shall declare the overhead costs on real costs basis.

In this case, each item declared as overhead cost has to be directly related to the project and justified by invoices or accounting documents having an equivalent probative value.

The list of eligible costs for this method is as follows:

- Electricity, heating, water and other services related to the maintenance of the office (e.g. cleaning);
- Phone, fax, internet, postal costs, courier;
- Stationery, printing, copying;
- Indirect staff costs or services supporting directly the project implementation and proportionally allocated to the project: administrative staff, book-keeping/accounting, salary administration, IT support.

It is also possible to allocate an invoice partially to the project in case it is demonstrated that a part of the expenditure is directly related to the project. In this case the method for distributing the cost to the project has to be recorded for each type of expenditure (e.g. the ratio of the number of people working for the project / number of people working in the organisation or department).

2) Overheads allocated proportionally to the project (indirect costs)

If the applicant will make use of an already existing office that operates regardless of the action proposed, but some of the resources of this office would be employed for the purpose of the action, part of the costs of this office can be included in the overhead costs taking into account the proportion of resources used for the purpose of the action compared to the total costs of the office.

This method of calculation is based on flat-rates. The level of the flat-rates **cannot exceed 25% of staff costs (sum of the budget lines 1.1 and 1.2. of the IPA budget)**! The administrative costs

² Staff costs are considered as direct costs of an operation which can affect the level of overheads. Please note that - according to the Practical Guide-Grants Section, E3h_1 Special Conditions, E3h_2 General Conditions (annex II) Article 9 - an amendment of the heading for administrative costs and an increase of the maximum grant referred to in Art. 3.2 of the Special Conditions are excluded.

determined on a flat-rate basis will be included in the budget line 10 -"Administrative costs".

No further justification or supporting document is needed from the IPA project partner to justify the expenditure.

As said above, the applicant should decide which method to apply. **The combination of the two methods is not allowed.** In case overhead costs are directly allocated to the project (real/direct costs) in the budget heading "4.Local office", administrative costs can not be allocated proportionally to the project (flat rates based on average real costs) in budget line "10.Administrative costs" of the budget.

The threshold for the administrative costs has to be applied at partner level.

The final version of the IPA budget template is annexed to the Programme Manual

Finally, please note that if the applicant is in receipt of an operating grant financed from the Community budget no indirect costs may be claimed within the proposed budget for the action.

Ineligible costs:

The following expenditure shall not be eligible for Community contribution under this programme:

- debts and debt service charges;
- provisions for losses or potential future liabilities;
- costs declared by the Beneficiary and covered by another action or work programme;
- taxes, including value added taxes; however value added taxes may exceptionally be eligible, see direct eligible costs above;
- customs and import duties, or any other charges;
- purchase, rent or leasing of land (for the purchase of land see eligible costs above) and existing buildings;
- fines, financial penalties and expenses of litigation;
- operating costs;
- second hand equipment;
- bank charges, costs of guarantees and similar charges (some of these charges can be eligible, please see direct costs above);
- conversion costs, charges and exchange losses associated with any of the component specific euro accounts, as well as other purely financial expenses;
- contributions in kind
- credits to third parties;

- interest on debt;

Civil servants or other public employees of the central, regional and local administrations may participate under this call for proposals but they shall not receive fees for their contribution to the action other than their standard, regular salaries in the respective institution. The salaries of the civil servants or other public employees of the central, regional and local administrations may be presented as co-financing contribution of the IPA partners, including the country leader.

Contributions in kind

Contributions in kind are not considered actual expenditure and are not eligible costs. The contributions in kind shall not be treated as co-financing by the Beneficiaries. The cost of staff assigned to the Action is not a contribution in kind and may be considered as co-financing in the Budget of the Action when paid by the Beneficiaries or their partners.

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

Eligibility in time and area

As concerns IPA, grants may, as a rule, only cover costs incurred after the date on which the grant contract is signed. However, according to the provisions of PRAG, chapter 6 “Grants”, section 6.2.8 “Non-retroactivity”, a grant may be awarded for an action which has already begun only where the applicant can demonstrate the need to start the action before the contract is signed (e.g. participation at kick-off meetings, organized by the trans-national LP). In such cases, expenditure incurred, following a request in writing by the IPA Country Lead Partner and the subsequent approval of the relevant Contracting Authority might be eligible.

The costs must be incurred during the implementation of the action as specified in Article 2 of the Special Conditions with the exception of costs relating to final reports, expenditure verification and evaluation of the action, whatever the time of actual disbursement by the Beneficiary and/or its partners.

2.4 Project revenues

The beneficiary accepts that the grant can under no circumstances result in a profit for himself and that it must be limited to the amount required to balance income and expenditure for the Action. Profit shall be defined as, in the case of a grant for an Action, a surplus of receipts over the costs of the Action in question when the request is made for payment of the balance.

Receipts for the purpose of the IPA Regulation include revenue earned by an operation, during the period of its co-financing, from sales, rentals, services, enrolment fees or other equivalent receipts with the exception of:

- a. Receipts generated throughout the economic lifetime of the co-financed investments in the case of investment in firms;

- b. Receipts generated within the framework of a financial engineering measure, including venture capital and loan funds, guarantee funds, leasing;
- c. Where applicable, contributions from the private sector to the co-financing of operations, which shall be shown alongside public contribution in the financial tables of the programme.

Receipts as defined in paragraph 2 of this section represent income which shall be deducted from the amount of eligible expenditure for the operation concerned. No later than the closure of the programme, such receipts shall be deducted from the relevant operation's eligible expenditure in their entirety or pro-rata, depending on whether they were generated entirely or only in part by the co-financed operation.

3 Procedure for applying for IPA funds

Lead Partners (LPs) interested in incorporating additional IPA Project Partners (PP) from Montenegro should identify whose involvement might be beneficial for the project both on the basis of a territorial and content-wise dimension. The LPs may get in touch with the SEE Contact Point (SCP) in Montenegro in order to be supported and detect the proper IPA PPs.

The Lead Partner shall fill in the IPA application form with information relevant to the MN IPA PPs. The LP shall submit an IPA application form (including a logframe), a Statement and the IPA Budget according to the PRAG template by email to South East Europe Joint Technical Secretariat - email address jts@southeast-europe.net

Due to the fact most of the ERDF projects resulting from the 2nd call have been under implementation for almost one year and in order to speed up the process thus enabling the possible MN IPA partners to catch up with the project activities, the evaluation and selection procedure is simplified as much as possible. Notwithstanding, the procedure will ensure the necessary quality check for assessing the relevance of the MN IPA partners' involvement.

Once the MN IPA partner is selected for funding, the Partnership Agreement with the Lead Partner will be signed and uploaded in the IMIS of the SEE programme.

List of requested documents to be submitted by the Lead Partner:

- **IPA application form, including the project logframe, filled in by the Lead Partner;**
- **A statement of the Lead Partner to incorporate the IPA MN Partner to the Partnership, signed and stamped by the Lead Partner**
- **A declaration signed by the IPA Financial Lead Partner**
- **The IPA PraG budget template,**

During the assessment performed by the JTS, the MN SCP will check the eligibility of MN IPA partner and confirm whether it is eligible or not to the JTS. The MC will approve the results of the assessment and consequently the evaluation report will be sent to the EU Delegation to Montenegro for ex-ante approval.

ASSESSMENT AND SELECTIONFormal check

The Formal Check aims at confirming to the applicants that their proposal has arrived within the set deadline and that the Application Form is complete and conforms to the requirements. This check will be carried out by the JTS.

The failure to meet the formal requirements leads to the rejection of the proposal.

Tab. 1: 1. Phase Formal Check

Formal criteria	How to assess? Method	Consequence on failure	Who is checking?
Timely submission	Submission within deadline: - electronic version submitted by the deadline;	Rejection of the proposal	JTS
Completeness of submitted IPA Application Form, including the logframe	It is filled in all its parts	Rejection of the proposal	JTS
Statement of the Lead Partner submitted, signed and stamped	The document submitted	Rejection of the proposal	JTS
Declaration by the IPA Financial Lead Partner	The document submitted	Rejection of the proposal	JTS
IPA budget PraG template submitted	The document submitted	Rejection of the proposal	JTS

Eligibility check

Eligibility criteria are of “knock-out nature” and should be clearly answered with a **YES or NO** as to a large extent they are not subject to interpretation.

Eligibility of the partner will be carried out by the MN SCP. The failure to meet the eligibility requirements leads to the rejection of the IPA partner.

In relation to the eligibility of the application, the JTS will check whether the amount of the IPA grant requested is within the fixed thresholds.

Tab. 2: Eligibility Check

Eligibility criteria – partner and application level	Description	Consequence on failure	Who is checking?
Financing IPA partner is eligible	Financing IPA partner of the project is eligible according to the eligibility rules set out in the Operational Programme, the Programme Manual and the respective call for proposals	Rejection of IPA Contract	MN SCP
Requested IPA grant is within the fixed thresholds	The IPA requested grant is between the eligible minimum and maximum amounts as identified in the respective call for proposals (if and where applicable)	Rejection of IPA Contract	JTS

Phase 3: Quality Check

The purpose of quality criteria is to assess the quality of the eligible IPA partner. Quality criteria are closely linked to the nature and objectives of the SEE OP and are common to all Priority Axes or Areas of Intervention. This phase will be conducted by the JTS under the supervision of the Monitoring Committee according to the specifications of the SEE OP (sections 7.1.1 and 7.1.2).

The quality check will be a “light” check, as the projects of high quality are already selected. This check will basically consist of assessing the added value quality of the integration of a Montenegrin partner to the transnational partnership and the quality of content of MN part of the project.

1. **Quality of Transnational Partnership with regard to MN IPA partner**
2. **Quality of Content with regard to MN IPA partner**

The quality check will take into consideration the criteria groups (“Partnership” and “Content”) which are assessed on the basis of sub-criteria with each being scored from 0 (not present / missing) to 5 (very good). These criteria will assess only the newly added MN IPA partner and only those questions relevant for MN IPA partner are to be answered.

Score	Significance
0	None
1	Very poor
2	Poor
3	Fair
4	Good
5	Very Good

Quality of Transnational Partnership with regard to MN IPA partner

	Detail questions for the criterion	Score
	PARTNERSHIP	
Composition and quality of transnational partnership with regard to MN IPA partner	Is the involvement of the MN IPA partner well justified and able to contribute in a balanced manner to the implementation of the transnational co-operation project?	5 points
	Is the type of territory/region represented by the MN IPA partner meaningful in respect to the project topic?	
	Is the role of the MN IPA partner detailed, balanced and adequate for achieving the aims of the proposal?	
	Has the MN IPA partner proven experience and competence in the thematic field concerned (reference projects) to achieve the envisaged outputs and expected results?	
	Are the trans-national activities proposed likely to have a clear benefit and impact in Montenegro?	

Quality of Content with regard to MN IPA partner

	Detail questions for the criterion	Score
	CONTENTS	
Quality of work plan and description of activities with regard to MN IPA partner	Is the MN partner's project's conceptual approach and work plan well designed and realistic?	5 points
	Are the described activities detailed (how, where, when and by whom they will be undertaken) and relevant?	
	Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	
	Is the budget allocated to each project activities justified and correctly quantified in relation with the proposed project activities?	

The overall score will be calculated as an average of the score related to the quality of partnership (weighted 60%) and quality of contents (weighted 40%).

Applications receiving between 60% and 100% of average score, for the quality of the transnational partnership, the quality of content criteria will be recommended by the JTS to the MC for selection. Applications with score less than 60% will be recommended to the MC for rejection.