

Call 3:

# ACTIVE CITIZENS FUND IN CROATIA

## Guidelines for applicants to Call for Sectoral Innovation Projects

CONCEPT NOTES: Deadline for submission October 26, 2020, 12:00 Croatian time

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FULL PROJECT PROPOSALS: Indicative deadline for submission January 18, 2021, 12:00 Croatian time (or 1 month after applicants receive invitations to proceed with preparation and submission of full project proposals)

Note: The Croatian version is the official document, in case of differences between the two texts; the Croatian version is the valid one.

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## 1. EEA AND NORWEGIAN FINANCIAL MECHANISMS 2014 – 2021

### 1.1. ABOUT THE ACTIVE CITIZENS FUND

Support to civil society is a key priority for the EEA and Norwegian Financial Mechanisms (FMs) 2014 – 2021<sup>1</sup>, funded by Iceland, Liechtenstein and Norway. Their aim is to contribute to the reduction of economic and social disparities in the European Economic Area and to strengthen bilateral relations between the Donor States and the Beneficiary States. They cooperate with 15 beneficiary countries, EU member states, one of which is Croatia.

Overall focus of Active Citizens Fund (ACF) 2014-2021 as a part of Civil society Programme of FMs is set to long-term sustainable development and capacity building of non-governmental sector. **Main objective of Active Citizens Fund is 'Civil society and active citizenship strengthened and vulnerable groups empowered'**. Programme aims at strengthening the role of non-governmental organisations in promotion of democracy, public inclusion in decision-making processes on national and local level and human rights protection. An important priority of the Programme is also strengthening of bilateral cooperation between civil society organisations from Croatia and organisations from donor countries - Iceland, Liechtenstein and Norway.

Active Citizens Fund priority programme areas of support are:

- Democracy, active citizenship, good governance and transparency,
- Human rights and equal treatment through combating any discrimination on the grounds of racial or ethnic origin, religion or belief, gender, disability, age, sexual orientation or gender identity,
- Social justice and inclusion of vulnerable groups,
- Gender equality and gender-based violence,
- Environment and climate change.

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Programme is based on common values of respect for human dignity, freedom, democracy, equality, the rule of law and the respect for human rights including the rights of persons belonging to minorities.

### 1.2. OBJECTIVES AND EXPECTED OUTCOMES OF ACTIVE CITIZENS FUND IN CROATIA

Expected outcomes of the ACF in Croatia are:

- Strengthened civil society watchdog/advocacy role;
- Increased support for human rights, rule of law and good governance;
- Strengthened democratic culture and civic awareness and engagement;
- Enhanced capacity and sustainability of civil society (organisations and sector);
- Enhanced collaboration between Croatia and donor state entities involved in the Programme;
- Strengthened regional (cross-border) cooperation in the civil society sector.

To realise these goals and address challenges identified in common effort with CSOs in Croatia, Programme is set to:

<sup>1</sup> More on EEA and Norwegian Financial Mechanisms: [www.eeagrants.org](http://www.eeagrants.org).

- address funding gaps and provide targeted financing to CSOs performing a watchdog role, CSOs engaged in human rights protection, environmental protection and social inclusion of vulnerable groups and CSOs working in under-served geographic areas and with under-served target groups;
- improve the financial sustainability and autonomy of CSOs, especially those working in the fields of democracy and human rights by improving their ability to fundraise and diversify income sources;
- build resilience of human rights defenders and CSOs committed to the empowerment and the social inclusion of ethnic and sexual minorities;
- foster a culture of collaboration and solidarity among CSOs in managing common resources and in addressing common problems through broader and effective cross-thematic and cross-sectoral collaboration, a common human rights approach to social development and closer relations with socially responsible business community, non-profit and independent media;
- encourage development of innovative capacity building methods to improve transparent and accountable management/governance procedures as well as skills in monitoring and evaluation, fundraising and evidence-based advocacy;
- support community outreach and innovative methods for civic engagement, including new approaches to empower vulnerable groups;
- encourage youth inclusion across all priorities by encouraging CSOs to engage youth workers and volunteers in their activities and to target their projects to young people where such actions have the most impact and
- foster results and impact-oriented bilateral activities through partnerships on thematic areas of particular interest for bilateral cooperation between Croatian CSOs and CSOs from donor countries.

In addition, the Programme in Croatia shall address the following country-specific areas and concerns:

- Strengthen the capacity and sustainability of the civil society sector;
- Improve outreach to under-served geographic areas and target groups;
- Empowerment and inclusion of vulnerable groups, including Roma;
- Promote initiatives strengthening inter-cultural dialogue with special emphasis on national minorities;
- Promote initiatives aimed at intergenerational cooperation.

**Inter-generational cooperation and inter-cultural dialogue will be treated as horizontal priorities** in all grant schemes and a key resource for peer knowledge transfers in the scope of capacity building.

### 1.3. MANAGEMENT OF ACTIVE CITIZENS FUND IN CROATIA

Active Citizens Fund is managed by Financial Mechanism Office – FMO, Brussels based secretariat for the three EEA Grants’ donor countries, Iceland, Liechtenstein and Norway.

Community Foundation Slagalica (hereafter: CF Slagalica), in consortium with SOLIDARNA - Foundation for Human Rights and Solidarity, Association for Civil Society Development SMART and CNVOS – Centre for Information Service, Co-operation and Development of CSOs were selected to operate Active Citizens Fund in Croatia.

#### 1.4. INDICATIVE BUDGET OF ACTIVE CITIZENS FUND IN CROATIA

Total budget of ACF in Croatia is € 8.500.000, and out of that € 7.420.000 are intended for project co-financing.

The projects co-financing budget will be distributed via six public calls:

- Public call for large projects – with a budget of € 3.150.000, for expectedly about 21 projects.
- Public call for micro or »Ad-Hoc Action« projects – with a budget of €215.000, for expectedly around 43 projects.
- Public call for sectoral innovation projects – with a budget of €600.000, for expectedly 3 projects.
- Public call for medium projects – with a budget of €2.625.000, for expectedly around 44 projects.
- Two public calls for small projects – with a budget of €630.000, for expectedly around 42 projects.

In addition, ACF in Croatia includes co-financing budget for Fund for bilateral cooperation and Regional civil society initiatives as follows:

- Bilateral cooperation between Croatian and donor countries' CSOs - € 85.000,00 and
- Regional Civil Society Initiatives - € 115.000,00.

## 2. PROVISIONS OF THE CALL FOR SECTORAL INNOVATION PROJECTS 2020

### 2.1. INDICATIVE BUDGET FOR SECTORAL INNOVATION PROJECTS CALL

Total available budget for this call for sectoral innovation projects is €600.000 for expectedly around 3-4 projects.

Expected outcome	Indicative budget in euros
4. Enhanced capacity and sustainability of civil society (organisations and sector)	600.000,00
<b>Total</b>	<b>600.000,00</b>

**Please note** the application process is divided into two stages: in the first stage concept notes will be evaluated and only those with highest scoring will be invited to the second phase to submit full project application.

### 2.2. FOCUS OF THE CALL

#### FROM STRUCTURAL CHALLENGES TO INNOVATIVE SECTORAL SOLUTIONS

This Call strives to respond to the recognized overall need for substantial strategic support to wider clusters of organizations within the sector, ready to **devise innovative solutions to structural challenges faced by CSO sector in Croatia**. Across the CSO sector, there are clusters of CSOs that already collaborate on a steady basis, as well as potentials for inter-organisational cooperation and solidarity based on their particular programme and geographical foci, target groups and methods used.

The Programme's sectoral approach to sustainability building of Croatian CSOs is based on the assumption that **CSOs that share common values and social missions are also facing similar challenges and thus have an intrinsic, grounded interest in cooperation, learning and innovation**, leading to more effective resource mobilisation, citizen outreach, policy advocacy and social impact of benefit to all. **Successful sectoral innovation projects should** contribute to long-term structural improvements of efficiency, transparency, viability and relevance at the sectoral and inter-sectoral levels.

This Call for proposals provides financial and capacity building support for sectoral innovations for Croatian CSOs active in one (or more) of **the following five Programme Priority Areas<sup>2</sup>**:

1. Democracy, active citizenship, good governance and transparency,
2. Human rights and equal treatment through combating any discrimination on the grounds of racial or ethnic origin, religion or belief, gender, disability, age, sexual orientation or gender identity,
3. Social justice and inclusion of vulnerable groups,
4. Gender equality and gender-based violence,
5. Environment and climate change.

<sup>2</sup> More on EEA and Norwegian Financial Mechanisms: [www.eeagrants.org](http://www.eeagrants.org).

The Call is designed to strengthen sustainability of Croatian CSOs active in all five-priority areas of the Programme and in respect to country specific priorities, by supporting sectoral and inter-sector partnerships that respond to common, structural challenges with innovative sectoral solutions. The expected results of this Call directly contribute to the achievement of the ACF Programme's Outcome 4 - Enhanced capacity and sustainability of civil society (organisations and sector).

## 2.2.1. PRIORITY AREAS AND SPECIFICS OF THE CALL

### Structural challenges faced by CSOs in priority Programme areas

As assessed during the stakeholder consultations held in May 2019, **there are no existing funding opportunities in Croatia at present for wide-range interventions that address key broad sectoral challenges<sup>3</sup>** to the Croatian CSOs' autonomy, effectiveness and sustainability in making Croatian society more democratic, equitable and inclusive:

- **Over-dependency on over-bureaucratized and inefficient public funding** from EU and Government source, leading to financial and programme volatility and administrative overload.
- **Limited community embeddedness, outreach and mobilization of CSOs**, paralleled by **underdeveloped local philanthropy and CSO relations with the business sector**, resulting in CSOs' over-dependency on public funding, lack of human resources and community support.
- **Uneven development of CSOs' advocacy competences across different thematic areas and locally**, which creates deficits in government accountability through citizens' oversight and advocacy. This challenge is exacerbated by structural weaknesses of democratic governance in Croatia.
- **Lack of synergies between social service provision, evidence-based advocacy and community mobilization around social justice issues and social inclusion agenda**, paralleled with underdeveloped public participation mechanisms, which limits broader social and political impact of CSOs representing needs and interests of vulnerable social groups on the reforms processes in the labour, social protection and health sectors<sup>4</sup>.
- **Fragmented social and human capital along regional developmental asymmetries**, resulting in wide gaps in organizational, advocacy and community mobilization know-how and potency between civic activists and CSOs in regional centres and peripheries across the country, especially in the East and the South, which are heavily affected by depopulation and economic emigration<sup>5</sup>.
- **Social, economic and political marginalization of youth and their disengagement from socially progressive civic activism** paralleled and fuelled by lack of systematic civic education, negative

<sup>3</sup> For a more detailed overview of specific sectoral challenges detected during the civil society stakeholder consultations held in May 2019 by ACF Croatia, applicants are advised to consult the Discussion paper for Stakeholder consultations and Report from the Stakeholder Consultations, published on the ACF Croatia's website, [www.acfcroatia.hr](http://www.acfcroatia.hr).

<sup>4</sup> Human Rights House Zagreb. (2019). [Ljudska prava u Hrvatskoj: pregled za 2018. godinu](#) (Human Rights in Croatia: Overview for 2018), Zagreb.

<sup>5</sup> For detailed analysis of regional differences in civic activism and social participation, see [\(In\)Equality Surveyor \(Geometar nejednakosti\)](#), statistical research study conducted by Centre for Peace Studies in 2017.

demographic trends and rise of right-wing mobilization targeting youth. Youth are especially deprived in underdeveloped and depopulated regions in the East and South<sup>6</sup>.

- **Limited media space for CSOs' outreach to citizens, policy makers and business** due to inadequate public funding for media, inadequately transparent media ownership, declining professionalism and strong influence of interest groups matched with inadequate regulatory oversight over quality of media production, hate speech and fake news, especially in digital and social media<sup>7</sup>.
- **Rise of right-wing populism<sup>8</sup> (nationalist, clerical and xenophobic) in civil society, media and the political sphere**, which targets independent human rights institutions, human rights defenders and investigative journalists through media bashing, hostile advocacy against anti-discrimination policies and public funding of human rights CSOs<sup>9</sup>.

### Innovative solutions that enhance sustainability of civil society sector

Though partnership based, multi-year, strategically oriented action, **Sectoral Innovation Grants will address one or a set of inter-related structural challenges and provide sector-wide solutions** that build upon the lessons learned from the past, in an innovative manner that enables long-term improvements that strengthen sustainability of the CSOs.

CSO sustainability can be defined as organisational ability at individual and collective level to act in a resourceful and effective manner over a longer period, navigating successfully through changing circumstances and internal organisational and collaborative dynamics.

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Strengthening CSOs sustainability is a multifaceted endeavour that encompasses:

- transparent and accountable governance procedures, efficient management and strategic development of human resources;
- strategic management and diversification of funding sources;
- depth and breadth of partnerships and collaboration with the sector;
- Community and citizen mobilisation capacities, which lead to a strong support base,
- Building relationships and alliances across social sectors,
- Effective public communications and media relations,
- Organisational learning capabilities to adapt their strategies and operational modalities in light of the changing political, social, economic and technological context.

<sup>6</sup> Vlasta Ilišin i Vedrana Spajić Vrkaš (ed.). (2017). [Generacija osujećenih: mladi u Hrvatskoj na početku 21. stoljeća](#) (Generation of Disillusioned Youth in Croatia at the Beginning of the 21st Century.). Institut za društvena istraživanja u Zagrebu/Institute for Social Reserach in Zagreb, Zagreb.

<sup>7</sup> South East Europe Media Organisation (SEEMO), (2018). ["Press freedom in Croatia: Hate speech and Hope for Change. Report on the January 2018 Joint International Mission \(JIM\)"](#), published in May 2018.

<sup>8</sup> Grbeša, Marijana; Šalaj, Berto (2018). "Dobar, loš ili zao? Populizam u Hrvatskoj" ("Good, bad or evil? Populism in Croatia"). TIM Press, Zagreb.

<sup>9</sup> Human Rights House Zagreb, ["Human Rights Defenders: Obstacles and Challenges"](#), December 2018; FRA(2018), [„Challenges facing civil society organizations working on human rights in the EU“](#); Civil Society Europe (2018), [„Civic Space in Europe 2017 Report“](#).



By **innovative solutions**, this Call refers to new ways of viewing and resolving a sectoral challenge, based on evidence, experience, best practices and lessons learned from the past attempts to deal with it. Generating an innovative solution presupposes an open-minded approach to the challenge and an honest self-assessment of the collaborative relations and organisational capacities within the sector. **Openness to new perspectives in viewing the problem and potential solutions is instrumental for overcoming the sectoral challenge in a new, effective yet feasible manner.** This also requires **a realistic account of the contextual opportunities and limitations**, such as the political climate, economic situation, technological trends and social relations. In short, innovation does not mean starting from scratch and ignoring the past. **Rather, innovation means that knowledge and experience that stems from the past are re-visited, re-used and enriched in a new way that opens avenues to new, more positive outcomes for the CSO sector in Croatia.**

Proposed solutions **may entail various activities, i.e. methods, organisational models and strategies that best respond to the sectoral challenge(s) addressed by the project and enhance CSO sector's sustainability.** Since CSO sectoral sustainability is a **multidimensional quality of organisational existence**, which enables longevity and productiveness of collective action despite changes in external environment and individual involvement, **proposed solutions may vary greatly in their scope and methodologies** that they envision on overcoming a structural challenge(s).

The following are **illustrative examples of potential solutions** (some of which may be compatible and may form part of a coherent project design) to the **detected sectoral challenge of chronic deficit of active community support**, faced by human rights CSOs:

- rebranding of CSO human rights sector;
- enhancing CSO capacities for participatory and inclusive re-use of digital data and knowledge management for policy advocacy purposes;
- social impact measurement and assessment;
- development of strategic partnerships and new modes of CSO collaboration with socially responsible business community;
- strategic strengthening of ties with trade unions or other intersectoral or cross sectoral organizations/networks which enables more massive citizen outreach;
- building local philanthropic structures that support active citizenship in the five Programme priority areas;
- improving CSO's financial resilience in the context of economic crisis through more cost-effective resource management and solidarity financing innovations;
- membership development and active community engagement;
- innovations in project and financial management that save staff time for membership development, community engagement and public communications.

**IMPORANT NOTE:** Project applicants **are advised and encouraged, yet not mandated to focus on the challenges and solutions already detected by ACF Croatia** in their project design. A well argued sectoral challenge and a corresponding proposed solution that have not been previously detected by ACF Croatia is a legitimate basis for sectoral innovations project design, i.e. even if it has not been explicitly referred to in the Guidelines for this Call and the accompanying annexes.

### Durable and expanding partnerships within and across sectors

Partnerships are viewed as a fundamental prerequisite of a successful sectoral innovation that strives to address structural challenges at the sectoral level. Namely, for the success of an innovative approach to any issue of common concern, it is critical that CSOs active in the sector recognize its potential benefits, which is impossible without broad sectoral buy-in.

Hence, this Call supports sector and inter-sector partnerships of existing and emerging networks/platforms/coalitions, ready to take the leadership role for the benefit of the entire sector, in a manner that fosters trust, collaboration, sectoral mobilisation, learning and inclusion. Hence, intra-sectoral capacity building potential of the project partnerships and collaborative relations will be an important element of the evaluation of the project's implementation capacity as well as its prospects of sustainability.

Special attention should be paid to **partnerships that enhance inter-generational cooperation, intercultural exchanges and transfer of competences and power to CSOs from less developed areas and local communities** hence at the same addressing country specific priorities of the Call, which are also important factors of sustainability of the Croatian CSO sector.

Given its focus on sector-wide improvements through innovations, the lead applicant and its project partners should have **sufficiently effective management and governing processes capable of developing complex, multi-year project interventions**, strategically targeting common sectoral challenge(s).

They should also **have sufficient communication and relational capacity to mobilise others' trust and to ensure that their sectoral innovation get accepted and embedded** within the sector it aims to strengthen. Hence, project applicants are invited to **describe in detail how they intend to build ownership within the CSO sector** (understanding, acceptance and motivation to collaborate and act) for the wide and lasting use of the proposed innovative solution, which is viewed as **a critical component of the project's relevance and sustainability**.

### 2.2.2. EXPECTED PROGRAMME OUTCOMES

Active Citizens Fund follows a common results-based framework, based on which fund operators in each beneficiary country in cooperation with FMO and with help of public consultation identify and set their outcomes and outputs that shall contribute to realisation of the expected results on the level of the Programme.

Presented below is the ACF Results' Framework with four main Programme outcomes and respective outputs, expected results and indicators that enable standardised measurement across all ACF programmes on beneficiary countries.

Outcome/ Output	Expected programme results	Indicator
Programme	Civil society and active citizenship	Number of people engaged in civil society

Objective	strengthened and vulnerable groups empowered	organisation activities
		Number of CSOs (always referring to project promoters and their project partners) directly funded by the Programme
Outcome 1	Strengthened civil society watchdog/advocacy role	Number of national policies and laws influenced by the CSOs
		Number of media reports of CSOs' engagement in public policy
Output 1.1	Strategic litigation supported	Number of strategic litigation cases supported
		Number of CSOs engaged in strategic litigation
Output 1.2	Research conducted to inform public policymaking and debate	Number of CSOs using evidence/research to support their advocacy and policy work
		Number of evidence-based policy submissions by CSOs
Output 1.3	Policy-monitoring and advocacy supported	Number of CSOs engaged in monitoring private/ public decision-making
Output 1.4	Network and coalition building supported	Number of CSO platforms, coalitions and networks supported
Outcome 2	Increased support for human rights, rule of law and good governance	Share of people who disapprove of public statements that express negative views or hatred towards specific groups in society
		Share of people who know it is a crime to incite hatred based on race, ethnicity and gender
		Number of victims supported by CSOs
Output 2.1	Victims of human rights violations supported	Number of CSOs providing services to victims of human rights violations
Output 2.2	Intra and inter-sectoral collaboration and synergies supported	Number of joint initiatives conducted by CSOs in collaboration with other CSOs and/or private/public entities.
Output 2.3	International human rights standards promoted	Number of CSOs engaged in advocacy and watchdog work on women's rights
		Number of public awareness-raising campaigns carried out
		Number of CSOs engaged in advocacy work on human rights
		Number of people reached by campaigns
Outcome 3	Strengthened democratic culture and civic	Share of persons who show civic

	awareness and engagement	awareness
		Number of vulnerable individuals reached by empowerment measures
Output 3.1	Civic and human rights education supported	Number of CSOs (project promoters and project partners) engaged in civic education
		Number of public and educational institutions partnering with CSOs on civic and human rights education
Output 3.2	Outreach to and empowerment of vulnerable groups supported	Number of new or improved methods developed to address the needs of vulnerable groups
		Number of CSO initiatives consulting vulnerable groups on public policy decisions
Output 3.3	Citizen mobilization and engagement promoted	Number of volunteers working in supported CSOs
Outcome 4*	Enhanced capacity and sustainability of civil society (organisations and sector)	Number of CSOs that are members of civil society networks/platforms
		Number of CSOs demonstrating diversification in funding sources
		Number of CSOs with transparent and accountable governance procedure
		Number of CSOs that regularly disseminate information on their activities and results to the public
Output 4.1.	Capacity-building provided to CSOs	Number of CSOs participating in learning initiatives supported by the programme
		Number of CSO leaders trained on leadership skills
		Number of supported CSOs with effective management procedures
		Number of CSOs conducting an assessment of their organisational capacity
Output 4.2.	Partnerships between CSOs supported	Number of partnerships between established/strong and less established/weaker/smaller CSOs
Output 4.3.	CSOs' outreach to citizens and local communities supported	Number of CSO paid staff trained in public communications and community outreach
		Number of CSOs trained in public communications and community outreach

In the scope of this Call, all project applicants **must**, as the basis **for the formulation of the main project objective**:

- **select Outcome 4** – Strengthened sustainability of CSOs, and
- **refer to the sectoral challenge** that the project aims to address.

Project applicants need to define their **specific project objectives with clear reference to**:

- the Programme Outputs 4.1., 4.2. and 4.3., as well as
- specific aspects of the proposed sectoral solution.

When defining **indicators of project outcomes and results**,

- select all indicators provided in the Results Framework under Outcome 4 and related Outputs 4.1, 4.2 and 4.3 that are relevant to the project, and
- formulate additional indicators that reflect the specifics of the project. For that purpose, project applicants can define their own indicators and /or use relevant indicators included in the Programme’s Results Framework under Outcomes 1, 2 and 3, if applicable.

## 2.3. ELIGIBLE APPLICANTS

Eligible lead applicants are civil society organisations (CSOs) established and registered in Republic of Croatia if they meet following definition:

“A non-profit voluntary organization established as a legal entity, having a non-commercial purpose, independent of local, regional and central government, public entities, political parties and commercial organizations. Religious institutions and political parties are not considered NGOs”.

More specifically, eligible candidates must meet all of the following general conditions:

- 1) Are **non-profit** organizations that have not been created nor operate to generate personal profit. Although they may have paid staff and may engage in revenue- generating activities, they do not distribute profits to their members nor to their board. Where revenue-generating activities are undertaken, these should not represent the purpose of the NGO but should be solely a means to support its mission and values;
- 2) Have members who do not have any direct commercial interest in the outcome of the work of the organizations or of its commercial activities and should not pursue the commercial or professional interests of their members. This requirement therefore excludes trade and professional associations, where the aims and purposes of the association are to further the specific interests of its members only;
- 3) Are voluntary in nature, formed voluntarily by groups or individuals and usually involving an element of voluntary participation in the organization;
- 4) Act in the public arena and for the public good on concerns and issues related to the well-being of people, groups or society as a whole;
- 5) Have some degree of formal or institutional existence, unlike informal or ad hoc groups, involving formal statutes or other governing document(s) defining their mission, objectives and scope;

- 6) Have transparent structures and an elected chair / board, and are accountable to their members and donors;
- 7) Are independent of local, regional and national government and other public authorities;
- 8) Are independent of political parties and commercial organizations;
- 9) Conducts transparent financial operations validated through Register of Non-profit Organizations (RNO) with Croatian Ministry of Finance<sup>10</sup>;
- 10) The organisational Statute explicitly states that the CSO is active in selected priority Programme area.
- 11) Organisation's annual programme reports **confirm the minimum of four-year track record** in selected priority Programme area.

Political parties, religious institutions, social partners or profit-distributing cooperatives are not considered CSOs.

Foundations and the Croatian Red Cross societies are considered eligible CSOs if they fulfil the above principles.

Faith-based organisations are eligible if they meet the principles identified above and if the funded activities do not directly or indirectly promote a religious doctrine, mission or proselytism related to the beliefs of a particular faith (beyond basic religious/cultural awareness raising).

Organisations that have not recovered amounts due, following a final court decision in connection with the CSO Programme 2009-2014 in Croatia, shall not be considered eligible applicants and/or partners.

All eligible applicants, partners and project proposals shall follow the principles of common values of respect for human dignity, freedom, democracy, equality, the rule of law, and the respect for human rights, including the rights of persons belonging to minorities<sup>11</sup> (based on race or ethnicity, gender, disability, age, sexual orientation or identity). The applicants and partners will confirm this in the Applicant and Partner declarations of compliance accordingly. Selection Committee will have the authority and obligation to propose the rejection of the project application in case the aforementioned principles are not respected or disregarded.

## 2.4. ELIGIBLE PARTNERS

A project **must be implemented in partnership with at least three project partners**. At least **two project partners must be CSOs** established and registered in Croatia.

<sup>10</sup> Applicants who are CSO by their legal status, by transparent financial operations, are considered to have submitted to the FINA, for the Croatian Ministry of Finance, an annual revenue and expenditure account from 1 January to 31 December 2019 and a balance sheet or annual financial statement of receipts and expenditures for 2019, in accordance with the accounting regulations of non-profit organizations, whereby the 2019 Annual Financial Report is visible in the Register of Nonprofit Organizations.

<sup>11</sup> Article 1.2 of Protocol 38c on the EEA and Norwegian Financial Mechanisms (2014-2021)

**Project partners which are CSOs must meet the same general eligibility conditions for applicants set in the section 2.3 from point 1 to (and including) point 9.**

The applicant shall sign a partnership agreement with each of the project partners. A model agreement is a part of the call documentation. In the application process, partners will have to sign a Partnership statement as part of the application.

A project partner is a public or private-law entity, as well as non-governmental organisation established as a legal person in any of the ACF donor countries – Iceland, Liechtenstein and Norway, any of the ACF beneficiary countries (beside Croatia, also Bulgaria, Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Romania, Slovakia, Slovenia, Poland, Portugal), and/or Countries outside the European Economic Area that have a common border with Croatia (Bosnia and Herzegovina, Montenegro and Serbia) or any inter-governmental organisation or a body thereof that is actively involved in, and effectively contributing to, the implementation of a project.

Eligible project partners are also informal groups under following conditions:

- informal group is not established for the purpose of personal gain;
- work for public good;
- are voluntary and non-discriminatory;
- are independent of local, regional and national authorities and other public institutions, political parties, religious communities, chambers and corporate entities.

Informal group shall be represented by a chosen individual as a signatory of partnership agreement. Informal group cannot be a direct beneficiary of project funding; their costs shall be carried by the project applicant organization.

It is important that partnerships are based on quality and concrete challenges that are common to all organisations involved in the project. Partnership shall strive to address such challenges based on a long-term, mutual relationship reflected in common ownership of the project. All partners shall be included in preparation as well as actual and financial implementation of the project. In project proposal evaluation and selection process, capacity of the whole partnership will be considered. It is expected that partnerships will continue to exist also after the conclusion of the project.

**Important: A project partnership shall not be mistaken for sub-contracting. Contractors providing services and supply of goods awarded by a beneficiary organization under the Fund do not fall within the category of partners and are selected by the respective organization under the rules for the procurement of goods and/or services, i.e. selection of contractor. The partner must have a clear and well-grounded role in achieving the goals of the project!**

A special emphasis is put on partnerships that are including partners from the donor countries. Projects including such partnerships shall be scored with up to 5 additional points in the 2<sup>nd</sup> stage selection process.

All partners are requested to sign a Partnership statement in the process of project submission. The form of Partnership statement is a part of the call documentation.



### *Support in finding partners*

For easier search for partners from Donor states and beneficiary countries you can use a portal of Norwegian Helsinki committee: <https://ngonorway.org/>. Applicants searching for Icelandic partners are advised to turn to the Icelandic Human Rights Centre (margret@humanrights.is). Especially welcome are the upgrades of already existing partnerships.

**Recommendation:** All applicant organisations interested in partnership with potential partners from the donor countries are recommended to prepare a short brief of the project idea consisting of its objectives, main activities, and proposed task and obligations of the partner, including indicative budget distribution. A model for project brief can be found in call documentation.

## 2.5. NUMBER OF PROPOSALS AND PARTNERSHIPS

Each individual applicant can submit **only one project proposal** in this call **as a lead applicant**.

**Lead applicant can be a partner in another application.**

Each organization **can participate in no more than two project proposals in a partner role.**

## 2.6. PROJECT SIZE AND DURATION

Budget for Sectoral innovation projects: € 600.000

The grant requested must be between following minimum and maximum amounts:

- Minimum: € 150.000,00
- Maximum: € 200.000,00

### *Project grant rate*

The maximum project grant rate indicated in the application may equal 100% of the total eligible project costs.

### *Project duration*

Project duration is 36 months.

### *Location of the project*

The selected projects will be implemented in Croatia.

Regarding the projects that are implemented in partnership with the organizations outside Croatia, some activities, if necessary, could be performed also within the territory of the country where the seat of the respective partner is. The financial support for activities outside Croatia has to be well-founded and directly related to the objective of the project and the desired results.

### *Payments*

Payments of the project grant shall take the form of advance payments, interim payments and a final payment. The level of advance payment to projects shall be set out in the project contract. The maximum level of advance payment shall be linked to the project budget and duration as follows:



Grant size	Project implementation duration	Advance payment	Interim payment(s)	Final payment
<b>Sectoral innovation projects</b> from €150.000 to €200.000	36 Months	Max. 40%	Max 50%	Minimum 10% or the remaining balance

*Value added tax*

Value added tax (VAT) is eligible cost only in case the applicant is not entitled for recoverable VAT. Applicants shall be aware of this rule when preparing their financial plan for the projects, and consider only those VAT costs that are non-recoverable by the state.

Applicants whose project proposals will be selected for the grant will be asked to provide a statement on non-recoverable VAT.

*Changes to the financial structure during project implementation period*

General principle regarding possible reallocation between cost headings is: reallocation of budget between cost headings of up to 15% of total heading amount are possible without consent of the grant officer on the side of the Fund Operator; for reallocation of budget between cost headings higher than 15% of total heading amount project promoter will have to get Fund Operator's grant officer's approval and an annex to the contract will be signed.

*Procurement rules*

National and European Union law on public procurement shall be complied with at any level in the implementation of the projects.

Notwithstanding provisions of national law that exempt CSOs from public procurement, any procurement procedures related to amounts above the European Union thresholds for procurement shall be undertaken in accordance with the applicable laws on procurement without regard for such an exemption.

In cases where contracts concluded as part of the implementation of the projects fall below the national or European Union thresholds set for public procurement or outside the scope of the applicable public procurement laws, the awarding of such contracts (including the procedures prior to the awarding) and the terms and conditions of such contracts shall comply with best economic practices, including accountability, allow a full and fair competition between potential providers, for example by way of effective price comparison, and ensure the optimal use of resources from the ACF in Croatia. To this end, and in the absence of stricter national laws, in cases of procurement related to an amount of € 5,000 or higher but below the relevant European Union thresholds, the project applicant shall invite at least three suppliers/service providers to submit offers.

The highest ethical standards shall be observed during the procurement and execution of contracts. The project applicant shall ensure the application of adequate and effective means to prevent illegal or corrupt practices. No offer, gifts, payments or benefit of any kind, which would or could, either directly or indirectly, be construed as an illegal or corrupt practice, e.g. as an inducement or reward for the award or execution of procurement contracts, shall be accepted.

## 2.7. ELIGIBLE EXPENDITURE

Eligible expenditures of projects are those actually incurred by the project applicant or the project partner, which meet the following criteria:

- they are incurred between the first and final dates of eligibility of a project as specified in the project contract;
- they are connected with the subject of the project contract and they are indicated in the detailed budget of the project;
- they are proportionate and necessary for the implementation of the project;
- they are used for the sole purpose of achieving the objective of the project and its expected outcome(s), in a manner consistent with the principles of economy, efficiency and effectiveness;
- they are identifiable and verifiable, in particular through being recorded in the accounting records of the project promoter and determined according to the applicable accounting standards and generally accepted accounting principles; and
- they comply with the requirements of applicable tax and social legislation.

Expenditures are considered to have been incurred when the cost has been invoiced, paid and the subject matter delivered (in case of goods) or performed (in case of services and works). Exceptionally, costs in respect of which an invoice has been issued in the final month of eligibility are also deemed to be incurred within the dates of eligibility if the costs are paid within 30 days of the final date of eligibility.

Indirect costs and depreciation of equipment are considered to have been incurred when they are recorded on the accounts of the project promoter and/or project partner.

The internal accounting and auditing procedures must permit direct reconciliation of the expenditures and revenues declared with the corresponding accounting statements and supporting documents.

Project promoters and partners are obliged to keep a separate account card for the project.

### 2.7.1. Direct expenditure

- the cost of staff assigned to the project (employments contracts, civil law contracts, private entrepreneurs, who are part of the project team), comprising actual salaries plus social security charges provided that this corresponds to the project promoter's and project partner's usual policy on remuneration;
- travel and subsistence allowances for staff taking part in the project provided that they are in line with the project promoter's and project partner's usual practices on travel costs;
- cost of new or second hand equipment provided that it is depreciated in accordance with generally accepted accounting principles applicable to the project promoter and generally accepted for items of the same kind. Only the portion of the depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be taken into account by the Fund Operator. In case the Fund Operator determines that the equipment is

an integral and necessary component for achieving the outcomes of the project, the entire purchase price of that equipment may be eligible<sup>12</sup>;

- costs of consumables and supplies, provided that they are identifiable and assigned to the project;
- costs entailed by other contracts awarded by a project applicant for the purposes of carrying out the project, provided that the awarding complies with the applicable rules on public procurement;
- costs arising directly from requirements imposed by the project contract for each project (e.g. dissemination of information, specific evaluation of the action, audits, translations, reproduction), including the costs of any financial services (especially the cost of financial guarantees) and
- reconstruction, renovation or refurbishment of a real estate up to 50% of the eligible direct cost of the project.

### 2.7.2. Indirect costs

Indirect costs incurred in carrying out the project may be eligible for flat-rate funding, but the total must not exceed **15 % of the estimated total eligible personnel costs**. Indirect costs do not have to be proven or evidenced in the separate account evidence of the project. The rate of indirect costs applies to the whole partnership; however, the rate can differ between partner organisations.

Project promoters have to be able to demonstrate that indirect costs of the project are proportionate to total administrative costs of their organisation.

In case beneficiaries are international organisations or bodies or agencies thereof, indirect costs can be identified in accordance with existing rules of such organisation.

## 2.8. INELIGIBLE EXPENDITURES

The following costs shall not be considered eligible:

- Costs related to preparation of project application;
- Costs of construction work, i.e. construction of new buildings, facilities, objects;
- Costs for purchasing of equipment, which is not necessary for implementation of the project;
- Fees for regular work of civil servants or other public officials engaged in project implementation;
- Costs of debt, interest on debt, debt service charges and late payment charges;
- Charges for financial transactions and other purely financial costs, except costs related to accounts required the contract with Fund Operator;
- Costs related to purchase of land or real estate;

<sup>12</sup> Where the entire purchase price of equipment is eligible in accordance with this paragraph, the project promoter shall: a) keep the equipment under its ownership for a period of at least five years following the completion of the project and continues to use the equipment for the benefit of the overall objectives of the project for the same period; b) keep the equipment properly insured against losses such as fire, theft or other normally insurable incidents both during project implementation and for at least five years following the completion of the project; and c) set aside appropriate resources for the maintenance of the equipment for at least five years following the completion of the project. The specific means for the implementation of this obligation shall be specified in the project contract.

- Provisions for losses or potential future liabilities;
- Exchange losses;
- Recoverable VAT;
- Costs that are covered by other sources;
- Fines, penalties and costs of litigation, except they are an integral and necessary component for achievement of project objectives;
- Excessive or reckless expenditure;
- Re-granting of project funds to third parties;
- Subcontracting costs between partner organisations.

### 3. CALL DOCUMENTATION AND APPLICATION PROCESS

All of the call documentation can be found at: <https://acfcroatia.hr/>

Call documentation consist of:

- Call for sectoral innovation projects (pdf);
- Guidelines for applicants to the call for sectoral innovation projects (pdf);
- Application form:
  - 1<sup>st</sup> phase: concept note (presentation of project idea rationale, including financial estimate of project total cost) (word)
  - 2<sup>nd</sup> phase: full project proposal (action plan, timeline, expected outcomes and outputs, etc.) (word);
- Financial plan\_2<sup>nd</sup> phase\_sectoral innovation project (excel);
- Applicant's statement;
- Partner's statement;
- Contract sample;
- Partnership agreement sample;
- Annex 1: ACF HR - Discussion Paper for Stakeholder Consultations
- Annex 2: ACF HR - Report from The Stakeholder Consultations

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Application process of this call is divided into two phases: in the first phase, concept notes prepared and submitted by applicants will be evaluated by external evaluators. Based on the evaluation, the Selection Committee will select those with highest scoring to be invited to the second phase of the application process – preparation and submission of full project proposals. The final decision is on the Fund Operator.

#### 3.1. FIRST PHASE - CONCEPT NOTE PROPOSAL

Applicants submit the concept note on a designated form in accordance with the instructions. In the form, applicants will also have to indicate total value of the project and primary Programme areas addressed by the project (democracy, human rights, social inclusion, gender equality, environment and climate change).

**Please note: total amount of requested co-financing of the project cannot be higher in the second phase of the application process.**

In addition to the Concept note, applicants will also have to submit Applicant statement, Partner statement, and current statute or the founding act of the applicant, if such a document is not available in an on-line public register.

**Please note: in the second phase of the application process, changes of existing partnership are possible only exceptionally. In case a change is inevitable due to objective reasons, partner shall be replaced with another partner of similar nature and characteristics (for instance, if the partner that needs to be replaced was a municipality, it can be replaced only by another municipality or another appropriate public institution of the municipality; it cannot, for instance, be replaced by an CSO). Reasons for change will have to be explained in the full application form. Expansions of partnerships are possible in the second phase, but only under the condition that eligibility criteria regarding the minimum number and type of partner organizations (as defined in section 2.4 i 2.5 of these Guidelines for Applicants) are met in the first phase of the Call.**

*Deadline and submission process for the first phase: October 26, 2020, 12:00 (noon, Croatian time).*

Complete application in the first phase of the application process consists of:

- Completed Concept note for the first phase of the application process (word and pdf);
- Scan of Applicant statement, (signed and stamped), (pdf);
- Scan of Partner statement (signed and stamped), (pdf);
- A scan of a current statute or the founding act of the applicant if the document is not available in electronic public register.

Application shall be submitted **only in electronic form** to the following e-mail address: [prijava.sektorski@acfcroatia.hr](mailto:prijava.sektorski@acfcroatia.hr) (this e-mail is intended exclusively for submission of applications for this call and will therefore not be checked before the deadline for submission of project proposals. In case you have questions regarding the call, Fund, etc., please contact us at: [podrska@acfcroatia.hr](mailto:podrska@acfcroatia.hr)).

The subject of the submitting e-mail shall be: **Application to call for sectoral innovation projects**

**Please note: The concept note applications submitted in any other form or way (for example via fax, regular mail, etc.) or to any other e-mail, shall be rejected without possibility of re-submission.**

The Concept note applications must **be delivered** to the e-mail provided above by **October 26, 2020 before 12 p.m. (noon, Croatian time)**. Concept note applications delivered to the respective e-mail past the deadline will be rejected. Date and time of the arrival of the e-mail with a complete application and all necessary attachments will be considered based on the records of the Fund Operator's server, regardless of the date and time of when it was sent and regardless of the date and time of sending recorded by the

sending server. Fund Operator assumes no responsibility for any delays in the delivery of application e-mail (for example, due to large attachments and server occupancy or network disruption, etc.). Therefore, applicants are recommended to not delay the submission of their applications until the last day.

Applicants will receive an automatic response on the delivery of their e-mail to the sending e-mail address. In case such response does not arrive to applicant's e-mail inbox or spam within two (2) hours after sending the application e-mail, please contact the Fund Operator at 031 213 255 during working hours, so the Fund Operator can check the status of your application on its side.

### Language of the concept note

The concept note form and all the required annexes should only be submitted in Croatian with a project summary in English, irrespective of whether the project is submitted by a national entity only or in cooperation with a partner from a Donor State.

### Administrative and Eligibility check

Prior to the quality evaluation of the concept notes, the eligibility of the applicants and administrative compliance assessment will be done based on the copy of the statute and criteria, explained in the Guidelines for applicants.

#### ADMINISTRATIVE CRITERIA

Criteria	Meeting the criteria	IF "NO"
Application is submitted as instructed to the designated e-mail address.	YES	NO rejection
Application is submitted within the deadline.	YES	NO rejection
Application is completed in Croatian language.	YES	NO rejection
Application is completed in compliance with page limitations	YES	NO rejection
Applicant's statement, signed and stamped, by the applicant's representative by law is submitted.	YES	NO request for supplementation
Partner statement of each partner, signed and stamped, by the legal representative of partner is submitted.	YES	NO request for supplementation
Applicant submitted only one proposal to the Call	YES	NO Only the first delivered CN may remain in the process of assessment, while other are rejected as ineligible.
Partner organisation participates in more than two application in the role of a partner.	YES	NO Request for supplementation – exclusion of a partner, otherwise the application will be rejected

## ELIGIBILITY CRITERIA

Criteria	Meeting the criteria		Notes (If NO)
	YES	NO	
Lead applicant is an eligible civil society organization registered in Croatia, with track record of at least 4 years of active contribution in selected Programme priority area <sup>13</sup> .	YES	NO	rejection
Statute or the Founding Act of the lead applicant explicitly states that the lead applicant is active in selected Programme priority area	YES	NO	rejection
Partner organisations are eligible.	YES	NO	rejection
The project engages at least 3 partner organisations, including at least 2 CSOs established and registered in Croatia.	YES	NO	rejection
Grant amount corresponds to determined frame of 150.000 € and 200.000 €.	YES	NO	rejection
Applicant is registered at RNO and conducts transparent financial operations <sup>14</sup>	YES	NO	rejection
Applicant (and partner organizations - if applicable) have no unrecovered amounts due, following a final court decision in connection with the CSO Programme 2009-2014 in Croatia	YES	NO	rejection

In case the concept note application will miss certain parts (documents or information) that can be supplemented according to the above criteria applicants will be invited to provide respective missing parts within 5 working days. An invitation to provide the missing parts of the application will be sent to the e-mail address of the applicant listed in the application form (e-mail address of the contact person).

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After the administrative eligibility assessment process is completed, ineligible applicants will be notified of the rejection of their project proposals from further evaluation. Applicants of ineligible project proposals will have 8 calendar days available for appeal against the eligibility decision. Appeals will be considered by the Appeal Committee. The decision of the Committee is final. Appeal can be submitted at: [prigovori@acfcroatia.hr](mailto:prigovori@acfcroatia.hr). The appeal will be formulated in writing and will include the reason for which such a request is well justified. The contestant cannot modify the content of the initial submitted application, but the Appeal Committee may request additional information from the contestant. The FO will take into consideration only the appeals submitted by the legal representative of the applicant or by the person empowered on his behalf. The appeal will be considered by the Appeal Committee of the FO and applicants will be informed within ten (10) calendar days. The decision on the appeal is irrevocable. No further appeal on the same application could be formulated afterwards.

<sup>13</sup> Active contribution in selected Programme priority area has to be documented through the valid list of links to published CSO's annual programme reports in the Concept Note

<sup>14</sup> Applicants who are CSO by their legal status, by transparent financial operations, are considered to have submitted to the FINA, for the Croatian Ministry of Finance, an annual revenue and expenditure account from 1 January to 31 December 2019 and a balance sheet or annual financial statement of receipts and expenditures for 2019, in accordance with the accounting regulations of non-profit organizations, whereby the 2019 Annual Financial Report is visible in the Register of Nonprofit Organizations.



### Application quality assessment

Each concept note application that meets the administrative and eligibility criteria shall be evaluated by two impartial external experts according to the evaluation criteria set below. For the purposes of ranking the concept note applications, the average of the scores awarded by the experts shall be used.

If the difference between the scores given by the two experts will be higher than 30 % of the highest score, a third expert will score the project independently. In such cases the average score of the two closest scores shall be used for ranking the project. The latter shall not be used in cases where scoring of the third evaluator does not, in any way, contribute to granting the project proposal.

### CONCEPT NOTE ADEQUACY CRITERIA (max. total points: 100)

<b>Relevance of the concept note (65points)</b>		
<b>*elimination criterion: if below 40, the Concept note project proposal will be rejected</b>		
Criteria	Description of criteria	Score
Justification of described challenge(s) and its relevance to sector/selected Programme priority area	<i>To what extent is the detected challenge or a group of challenges justifiable, current and relevant? To what extent is the detected challenge(s) recognised by different groups and practicing communities in the sector/selected Programme priority area?</i>	/ 15
Project's relevance for expected outcomes and outputs of the ACF Programme, with focus on Outcome 4 and country specific priorities.	<i>To what extent will the project contribute to selected objectives, expected outcomes and outputs of the ACF Programme, with focus on Outcome 4 and country specific priorities?</i>	/15
Innovation of the proposed solution to structural challenges	<i>To what extent does the project idea provide innovative and solutions that contribute to solving sectoral challenges and cross-sectoral cooperation? Are the proposed structural innovation solutions based on evidence, best practices, and results and learning from previous work?</i>	/10
Sustainability of the project	<i>To what extent will the project activities, results and planned outcomes affect the target group, sector and selected Program area? To what extent will ownership of project results be achieved within the sector?</i>	/10
Relevance and the sustainability of the partnerships formed for proposed solution to the challenge	<i>Are partners and proposed associated entities connected through thematic area, previous engagement, values and complementary competences? Is there a history of collaboration and work on the same or similar topics? Does the partnership have the potential for wider long-term impact within and between sectors?</i>	/ 15
<b>Project implementation capacities (35 points)</b>		



Criteria	Description of criteria	Score
Adequacy and feasibility of proposed activities, and feasibility of proposed outcomes	<p><i>To what extent is there a clear logical link between the proposed activities, expected results and project objectives?</i></p> <p><i>Will the planned activities lead to the achievement of expected results and objectives of the project?</i></p> <p><i>Are all key target groups or other relevant actors identified?</i></p> <p><i>To what extent is the proposed methodology relevant for implementing activities and achieving results?</i></p>	/ 15
Project implementation capacities	<p><i>To what extent do applicants and partners have management competencies and relevant program and financial experience for project implementation?</i></p> <p><i>To what extent do the applicant and project partners have the overall organizational capacity, resources (employees, associates, volunteers and technical and spatial conditions) for the successful implementation of the project?</i></p> <p><i>To what extent do the applicant and partners have the competencies and experience to carry out activities similar to those foreseen in the project?</i></p>	/10
Relevance of the experience of applicants and partners in working in the selected program area	<p><i>To what extent do the applicant and partners have relevant work experience in the selected Program area?</i></p>	/10
		<b>/100</b>

After the conclusion of expert evaluation of all eligible project proposals, the Fund Operator will prepare the ranking list of applications based on received scoring by. Proposed ranking list will be examined by the Selection Committee, who will make recommendations to the Fund Operator on which concept notes shall enter the second phase of the application process. The Fund Operator may modify the recommendations of the Selection Committee in justified cases. If such a modification results in a rejection of a project that would otherwise have been approved, the applicant in question shall be informed in writing about the justification for the modification. Final decision is made by the Fund Operator.

The threshold for inclusion of the concept note into the next phase of application process is 70 out of 100 possible points.

Selection committee will make recommendations to the Fund Operator on around 7 best scored project proposals to enter the second phase of application process. Final decision is made by the Fund Operator. The decision of the Fund Operator is definite and is not object of appeal/complaint.

### *Notification on selection*

Applicants will be notified on the selection of their project proposals to enter the second phase of the application process via e-mail indicated in application form (e-mail address of the contact person), in November 2020.

## 3.2. SECOND PHASE - FULL PROJECT PROPOSAL

Applicants invited to submit full project proposals in the second phase of the application process shall prepare and fill in the form »Cjelovita projektna prijava« (Full Application Form) in accordance with instructions. Full proposal shall be based on the concept note submitted in the first phase of the application process.

### **Deadline and submission process**

*Deadline and submission process for the second phase: January 18, 2021, 12:00 (noon, Croatian time) or 1 month after applicants receive invitations to proceed with preparation and submission of full project proposals.*

Complete application in the second phase of the application process consists of:

- Complete application form – Full project proposal (word, .pdf),
- Complete form for project financial plan (excel),
- Scan of partner statement (signed and stamped), pdf, for those partners that have not been included in the first phase.

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All of the call documentation can be found at: <https://acfcroatia.hr/>

### **Language of the application form**

The application form and all the required annexes should only be submitted in Croatian with a project summary in English, irrespective of whether the project is submitted by a national entity only or in cooperation with a partner from a Donor State.

The project application shall be submitted **only in electronical form** to the following e-mail address: [prijava.sektorski@acfcroatia.hr](mailto:prijava.sektorski@acfcroatia.hr) (this e-mail is intended exclusively for submission of applications for this call. In case you have questions regarding the call, Fund, etc., please contact us at: [podrska@acfcroatia.hr](mailto:podrska@acfcroatia.hr)).

The subject of the submitting e-mail shall be: **Application to call for sectoral innovation projects – second phase.**

**Please note: Applications submitted in any other form or way (for example via fax, regular mail, etc.) or to any other e-mail, shall be rejected without possibility of re-submission.**

Full applications must **be delivered** to the e-mail provided above by January 18, 2020 **before 12 p.m. (noon, Croatian time).**

Applications delivered to the respective e-mails after that deadline will be rejected. Date and time of the arrival of the e-mail with a complete application and all necessary attachments will be considered based on the records of the Fund Operator's server, regardless of the date and time of when it was sent and regardless of the date and time of sending recorded by the sending server. Fund Operator assumes no responsibility for any delays in the delivery of application e-mail (for example, due to large attachments and server occupancy or network disruption, etc.). Therefore, applicants are recommended to not delay the submission of their applications until the last day.

Applicants will receive an automatic response on the delivery of their e-mail to the sending e-mail address. In case such response does not arrive to applicant's e-mail inbox or spam within two (2) hours after sending the application by e-mail, please contact us at +385 31 213255 (Community Foundation Slagalica), so we can check the status of your application on our side.

### *Full project proposal assessment procedure and criteria*

After the delivery of project proposals, Fund Operator will check their eligibility based on the administrative compliance criteria. Fund Operator can request for additional information or clarifications referring to administrative compliance criteria.

In case the full application will miss certain parts (documents or information) that can be supplemented according to the above criteria applicants will be invited to provide respective missing parts within 5 working days. An invitation to provide the missing parts of the application will be sent to the e-mail address of the applicant listed in the application form (e-mail address of the contact person).

### *Administrative eligibility*

Criteria	Meeting the criteria		Notes (if NO)
Application is submitted as instructed to the designated e-mail address.	YES	NO	rejection
Application is submitted within the deadline.	YES	NO	rejection
Application is completed in Croatian language.	YES	NO	rejection
Short brief on the project is prepared in English language.	YES	NO	request for supplementation
Financial plan form is attached and adequately completed in Euros.	YES	NO	rejection
Partner statement, signed and stamped, for each partner is attached (only for those partners that have not been included in the first phase of application process).	YES	NO	request for supplementation

After the administrative eligibility assessment process is completed, ineligible applicants will be notified of the rejection of their project proposals from further evaluation. Applicants of ineligible project proposals will have 8 calendar days available for appeal against the eligibility decision. Appeals will be considered by the Appeal Committee. The decision of the Committee is final. Appeal can be submitted at: [prigovori@acfcroatia.hr](mailto:prigovori@acfcroatia.hr). The appeal will be formulated in writing and will include the reason for which such a request is well justified. The contestant cannot modify the content of the initial submitted application, but the Appeal Committee may request additional information from the contestant. The FO will take into consideration only the appeals submitted by the legal representative of the applicant or by

the person empowered on his behalf. The appeal will be considered by the Appeal Committee of the FO and applicants will be informed within ten (10) calendar days. The decision on the appeal is irrevocable. No further appeal on the same application could be formulated afterwards.

### Application quality assessment

All eligible and administratively compliant project proposals will be evaluated by two independent evaluators in accordance with criteria set below.

If the difference between the scores given by the two experts will be higher than 30 % of the highest score, a third expert will score the project independently. In such cases the average score of the two closest scores shall be used for ranking the project. The latter shall not be used in cases where scoring of the third evaluator does not, in any way, contribute to granting the project proposal.

### FULL APPLICATION ADEQUACY CRITERIA (MAX. TOTAL POINTS: 100)

Quality of project design and implementation methodology (35 points)		
Criteria	Description of criteria	Score
Logical interconnectedness of individual parts of project proposal	<i>To what extent are the objectives, activities, outputs and expected outcomes logically interconnected and coherent?</i>	/ 10
Comparative advantage of innovative approach	<i>To what extent does the innovative approach to recognized sectoral challenge brings added value to the proposed solution?</i>	/10
Action plan feasibility	<i>To what extent are planned activities adequate and feasible and lead to realisation of project outputs? Is project feasible within planned timeframe? To what extent is timeline and interdependency of individual (set of) activities considered?</i>	/ 10
Adequacy and objective verifiability of indicators	<i>To what extent are output and outcome indicators adequate and measurable? Are planned target values of indicators adequate?</i>	/ 5
		<b>/ 35</b>
Financial efficiency (15 points)		
Criteria	Description of criteria	Score
Cost – action plan compliance	<i>To what extent are proposed costs compliant with action plan? Are the planned costs logically related to planned activities and outputs?</i>	/5
Adequacy of cost justification	<i>To what extent does the cost justification clarify what the cost entails and at what price? To what extent are cost estimations based on realistic assumptions?</i>	/10
		<b>/ 15</b>
Project team's management competencies (20 points)		
Criteria	Description of criteria	Score
Organisational, expert and financial capacities of applicant and partner(s) for project implementation	<i>To what extent are regular activities and experiences of applicant and partner organisation relevant for the proposed project? To what extent is applicant and partner organisation adequately experienced and staffed in respect to required expertise, managerial competences and technical skills for the implementation of this particular project?</i>	/ 15

	<i>To what extent does applicant and partner organisation demonstrate financial capacity for implementation of proposed project?</i>	
Risk management	<i>To what extent are appropriate and realistic measures proposed regarding the impacts in the external environment that may jeopardize the success of the project, including risks in the area of financial and human resources for both the applicant and partners? To what extent are identified other possible project implementation risks and respective risk reduction measures adequate?</i>	/ 5
		<b>/ 20</b>

<b>Impact and sustainability of the project (20 points)</b>		
Criteria	Description of criteria	Score
Impact of the project on sector/selected Programme area and defined target groups	<i>To what extent will the project affect the positive change of the target group and sector/selected Programme area in regards to detected problem(s)/challenge(s)?</i>	/ 10
Sustainability of project outcomes and usability of project outputs after the conclusion of the project	<i>To what extent is made evident which activities and in what way are going to be continued after the project conclusion? Is it demonstrated how the project's outputs and outcomes will continue in financial or organisational sense after the conclusion of the project? To what extent does the project bring about more sustainable solutions for the target group and addressed problem?</i>	/ 10
		<b>/20</b>

<b>Donor country organisation partnership (5 points)</b>		
Criteria	Description of criteria	Score
Bilateral partnership priority	<i>Does the Project include a partnership with Donor states? To what extent will the project contribute to building a sustainable partnership?</i>	5
		<b>/ 5</b>

<b>Contribution to country specific (5 points)</b>		
Criteria	Description of criteria	Score
Project's contribution to country specific priorities	<i>To what extent will the proposed project contribute to selected country specific priorities?</i>	/5
		<b>/ 5</b>

After the conclusion of expert evaluation of all project proposals, based on received scoring, the ranking list of applications will be prepared by the Fund Operator. Proposed ranking list will be examined by the Selection Committee, who will make recommendations to the Fund Operator on project proposals that shall be funded. Final decision is made by the Fund Operator.

Project proposals scoring a minimum of 70 points in quality assessment will be recommended for funding. Only the highest scoring project proposals will be awarded with ACF grant.

The decision of the Fund Operator to approve or disapprove support is definite and is not object of appeal/complaint.

Acceptance of an application does not imply an obligation to award it up to the amount claimed by the applicant. The amount claimed may be decreased by the selection committee based on the evaluators' findings on the appropriateness of the financial plan. Based on the findings of the evaluators on the

appropriateness of the activities for achieving the project objectives, the selection committee may reject financing of activities that do not contribute to the objectives.

#### *Notification on selection*

Applicants will be notified on the selection of their project proposals via e-mail indicated in application form, in accordance with the indicative timeline in section 7 .

## 4. PROVISIONS ON PROJECT IMPLEMENTATION

After final decision on selection of project for co-financing by ACF, the applicant will receive a project contract based on standard contract sample as presented in the call documentation. Before the signature of the contract, negotiations between applicants and Fund Operator to determine final definition of project activities and costs are possible.

### 4.1. CONTRACT PROVISIONS

For each approved project, a project implementation contract shall be concluded between the Community Foundation Slagalica and the project promoter setting out the terms and conditions of the grant, as well as the role and responsibilities of the parties. In case a delay in project implementation occurs due to objective reasons, beneficiary can request for a prolongation of the project for a maximum of 3 months. Request will be considered by the Fund Operator. Prolongation of the project does not impact financial plan of the project.

The project contract shall contain, as a minimum, provisions on the following:

- Final grant amount – maximum grant amount and rate will be determined in EUR with the contract based on the financial plan of the project representing planned amount of costs. However, this amount will become final only after the conclusion of the project and after submission of the final financial statement of project account;
- Failure to fulfil obligations of project contract and provisions – In case beneficiary will not realise project in accordance with project contract obligations and provisions, the Fund Operator reserves the right to stop payments or terminate the contract. ACF contribution can be reduced and Fund Operator can demand total or partial refund of already paid contribution in case beneficiary does not comply with the contractual provisions;
- Changes to the project – In the event of significant changes to the project, an annex to the contract has to be prepared and signed, while with smaller-scale changes, prior approval of contract guardian is sufficient;
- Changes to the financial plan – Original amounts of the categories in the financial plan may change under the following conditions:
  - when the change does not impact the original purpose of the project; and
  - reallocation of budget between cost headings of up to 15 % of total heading amount are possible without consent of the grant officer on the side of the Fund Operator; for reallocation of budget between cost headings higher than 15 % of total heading amount project promoter will have to get Fund Operator's grant officer's approval and an annex to the contract will be signed;
- The description and the project budget;

- The duration of the project;
- The obligations on project reporting;
- The eligibility and the supporting documents on expenditure;
- The method of calculation of indirect costs and its maximum amount;
- The first and final date of the eligible costs;
- Approval of reports and payment of grant;
- Provisions that ensure that access for monitoring, audits and evaluations is provided without delay;
- Provisions to ensure obligations regarding publicity;
- Obligations regarding participation in the capacity building activities;
- The right of the Fund Operator and the Office of the EEA Financial Mechanism for monitoring project implementation;
- The obligation of the promoter as regards record keeping of the project files;
- Resolution of disputes and jurisdiction;
- Provisions on equipment for which the entire purchase price is eligible;
- A reference to partnership agreement(s) or letter(s) of intent, if relevant;
- Provisions in case of termination of the project contract;
- Waiver of responsibility.

## 4.2. REPORTING AND PAYMENTS

The submission of narrative and financial reports is a mandatory condition for the execution of the interim and final payments. The number of project reports depends on the project size and duration. Reports have to be approved by the Fund Operator before payments are made. Fund Operator can request for additional information on implementation progress at any time.

**Interim Monitoring Reports** (includes narrative and financial part) have to be submitted by the project promoter within 30 calendar days in 12 month intervals.

**The final narrative and financial report** supporting the final payment claim shall be submitted by the project promoter within 45 calendar days after the completion of the project.

Payments of the project grant shall take the form of advance payment, interim payments and final payment. The level of advance payment to projects shall be set out in the project contract.

Grant size	Project implementation duration	Advance payment	Interim payment(s)	Final payment
From €150,000 to €200,000	Max. 36 months	Max. 40%	Max. 50%	Minimum 10% or the remaining balance

**Advance payments** are to be paid up to 15 working days from the start date of the project as stipulated in the Project Contract, or from the receipt of the project contract signed by the project promoter's statutory representative (if the latter executes after the start date of the project).



**Interim payment(s) up to 50% of the grant**, based on payment request upon approval of the Interim Monitoring Report of the project (includes narrative and financial part) submitted by the project promoter within required deadlines according to the Project Contract. The number of interim payments and its amount depends on the length of the project (i.e. number of interim monitoring reports submitted along with the payment request. A condition to prove incurred expenditures in amount of at least 50% of previous payment must be fulfilled concurrently. The transfer of interim payment is made in 15 working from the receipt of payment request signed by the promoter's entitled representative, following the approval of the individual report.

**Final payment/payment of the final balance up to 10% of the grant, or up to the maximum grant amount** according to the actually utilised eligible project expenses, is based upon approval of the Final Monitoring Report and the final payment request.

The approval of project interim/final financial report shall take place within 30 calendar days from the submission of all required information.

Rights and obligations of the project promoter and the Fund Operator regarding the monitoring and control of the use of the grant funds are detailed in the Project contract.

The project promoter and partner(s) must allow the FO/FMO/EFTA Board of Auditors/Office of the Auditor General of Norway to carry out audits and on-the-spot verifications and to examine supporting documents, accounting documents and any other documents relevant to the financing of the project. The supporting documents and records must be kept available for inspections and audits for a three-year period following the FMO's approval of the Final Program Report.

If the project is implemented with a partner(s) from Donor states, exceptionally, with reference to expenditures incurred by project partners whose primary location is registered in one of the donor states or project partners that are international organisations or bodies or agencies thereof, the proof of expenditure may take a form of a report by an independent auditor, qualified to carry out statutory audits of accounting documents, certifying that the reported costs are incurred in accordance with the guidelines, bilateral cooperation initiative implementation agreement, the relevant law and national accounting practices. In such a case:

- The cost of the report is considered an eligible cost, providing that it complies with the eligibility rules defined in the guidelines, Project contract and it is included in the budget;
- Upon request by the FMO, EFTA Board of Auditors/The Office of the Auditor General of Norway a project promoter or project partner shall grant access to the supporting documents on the basis of which the report was issued;
- The certification process can be governed by the International Standard on Related Services (ISRS) 4400 "Engagements to perform agreed-upon procedures regarding financial information" as published by the IFAC (International Federation of Accountants).

The annually audited financial statement of an entity cannot replace the specific auditor's certificate confirming that the claimed costs are incurred in accordance with the guidelines, Project contract, the relevant law and national accounting practices.



### 4.3. INFORMING THE PUBLIC

Project promoters are obliged to inform the public on receiving a grant from ACF. In all written publications, communications and products, at publication of project products, public events, such as conferences, seminars, fairs or exhibitions, related to project activities, project promoters are obliged to make explicit and visible the support of the donor countries.

Guidelines for informing and communicating will be published before the beginning of project implementation period on the ACF Croatia web site: <https://acfcroatia.hr/> and sent to all project promoters. Project promoter will also have a wide pallet of communication support activities at their disposal.

## 5. INFORMATION CONCERNING THE PROCESSING OF PERSONAL DATA SUBMITTED BY PROJECT APPLICANTS TO THE ACTIVE CITIZENS FUND IN CROATIA

With personal data submitted (included) in application to public calls of the ACF in Croatia and reporting documentation by the applicants, CF Slagalica as Fund Operator and SOLIDARNA - Foundation for Human Rights and Solidarity, Association for Civil Society Development SMART and CNVOS – Centre for Information Service, Co-operation and Development of CSOs as partners and fund co-operators will be acquainted. Hence, fund operator and co-operators enter the role of common personal data controllers. Submitted personal data will be used for the purposes of implementation of public calls (application assessment, informing of applicants) and in applications rewarded with grants also for preparation of grant agreements, for monitoring, control of co-financing and for related informing of beneficiaries or for other related business communication (request for additional information, informing on financial means) as well as for the purpose of proving of eligibility for funding.

Co-financing of selected project means establishing a contractual relation between CF Slagalica and the applicant in which CF Slagalica assumes the liability of co-financing party and has therefore, together with its partners, the right to monitor and control the implementation of the project. Such contractual relationship as well as submission of application to a public call (as a request for such contractual relationship) represent legal basis for all personal data processing by CF Slagalica, SOLIDARNA - Foundation for Human Rights and Solidarity, Association for Civil Society Development SMART and CNVOS – Centre for Information Service, Co-operation and Development of CSOs as noted in this information.

With whole application, including personal data submitted with it, also third persons can get acquainted, and that is Financial Mechanism Office (Financial Mechanism Office, Rue Joseph II 12-16, 1000 Brussels, Belgium), donor states and their authorized persons.

In accordance with GDPR and respective national legislation, individuals whose personal data is included in application to public call have the right to be **acquainted with all of their personal data, to correction, in the case of conditions as laid down by applicable regulations also the right to deletion, restriction of processing** and to their portability. Individuals concerned can address their requests or questions regarding their personal data processing to CF Slagalica.

**Please note: At submission of project proposal application to public call of ACF Croatia, legal representative of applicant organisation is obliged to sign a statement that they are aware of and in agreement with processing of personal data included in project proposal and relevant parts thereof.**

## 6. COMPLAINT MECHANISM

In accordance with the terms and conditions for the Active Citizens Fund in Croatia, the Fund Operator has established a Complaints Committee. Complaints/alerts may be submitted in case of suspicion of irregularity, bad governance, corruption in implementation of Active Citizens Fund in Croatia programme, including those on possible misuse of funding projects submitted by general public. Complaints/alerts can also be submitted anonymously. Complaint/report/alert must be justified and consisted of the following information:

- Description of the irregularity (including whether it is alleged or real and how it occurred);
- Period the irregularity refers to or the timeline of its occurrence;
- How did the reporting person become aware of the irregularity;
- Identification of the individuals or legal entities related to the irregularity, and other information.

The decisions related to the administrative compliance and eligibility verification as part of the selection process are not subject to verification by the Complaints Committee.

The final decision of the Fund Operator whether to approve or reject support to a project as well as the final decision on the shortlisted applications in the selection process is not subject to complaint/appeal.

General complaints/alerts related to the selection process as such can be submitted to the Complaints Committee providing the information as outlined above.

All complaints are first assessed by the Fund Operator. A complainant who is not satisfied with the conclusion made by the Fund Operator has the right to take the case to the Complaints Committee, which includes two members who are external to the Fund Operator and its Board and does not include programme staff responsible for assessing project applications.

The complaints must be submitted electronically to the following email: [prigovori@acfcroatia.hr](mailto:prigovori@acfcroatia.hr).

## 7. ADDITIONAL INFORMATION AND SUPPORT FOR THE APPLICANTS

In the first phase of application process, support to project applicants is available by email. All inquiries concerning the call for proposals should be directed to [podrska@acfcroatia.hr](mailto:podrska@acfcroatia.hr). All questions and answers will be replied within one week and will be published on the programme's website at [www.acfcroatia.hr/faq/](http://www.acfcroatia.hr/faq/). Questions may be sent to the FO no later than eight (8) days before the deadline for the submission of project proposals, i.e. until October 18, 2020. The FO has no obligation to provide clarifications to questions received after this date.

Information workshop on the calls' purpose and focus, as well as on how to fill in the application form will be organized as an online event and video from the event will available at the programme's web site.

For the second application stage (full application) individual personal assistance will be available upon request. E-mail support will also be available until eight (8) days before the application deadline. All inquiries concerning the call for proposals should be directed to [podrska@acfcroatia.hr](mailto:podrska@acfcroatia.hr). All questions and answers will be replied within one week and will be published on the Programme's website.

Timetable of workshops:

Event	Main purpose	Date	Venue
Information workshop	Detailed presentation of the call for proposal, especially result framework	September 04, 2020 September 09, 2020	On-line

#### INDICATIVE TIMELINE

Date	Step
August 24, 2020	Publication of Call for sectoral innovation projects
Until 18 October, 2020	E-mail counselling
September 04, 2020 September 09, 2020	Info workshop (on-line)
October 26, 2020	Deadline for submission of concept note
October 27 – November 02, 2020	Applicant and application eligibility check, supplementing applications
November 10, 2020	Notification of applicants and appeal consideration
	Concept note assessment
End of November, 2020	Selection Committee meeting
End of November, 2020	Notification of applicants
mid December - January 10, 2021	Individual counselling
January 18, 2021 (planned)	Deadline for submission of full project proposals
February 2021	Full project proposal assessment
End of February 2021	Selection Committee meeting
End of February 2021	Notification of applicants