

Sub-granting

Annex X

to guidelines

Detailed information on the financial support to third parties (applicable only to lot 3)

In compliance with the present guidelines and notably with any conditions or restrictions in this section, the **lead applicant shall define** in section 1 of Annex A.1 Concept Note (application form):

(i) Objectives

In their application, the beneficiary (ies) must outline the objectives and the results that they would like to achieve through the use of the financial support. These objectives must be in line with the Main objective and Specific objectives of the DEAR call for proposals.

(ii) Eligible activities

A clear and detailed description of the activities eligible for financial support must be provided.

Activities shall:

1. be based on the options described in lot 1 of the guidelines for applicants, namely, "Global learning education" and "Campaigning and advocacy" (see article 2.1.5 of the Guidelines for Applicants.
2. include a mechanism of knowledge sharing and networking between the third parties, in order to ensure mutual learning and capacity building.

(iii) Eligible entities

Strengthening the capacity of small and middle sized CSOs shall be a priority. This aspect shall be duly reflected in the selection and evaluation process of the third parties.

Third parties eligible for financial support **must**:

- be a legal person **and**
- be non-profit-making **and**
- be a Civil Society Organisation (CSO) or an association of CSO **and**
- be established in¹ a Member State of the European Union **and**
- **not** be a beneficiary of a grant under lots 1,2, and 4 (neither lead, nor co-applicant, or affiliated entity) in the frame of this call for proposals
- have the capacity to successfully carry out the activities to be financed through the financial support but cannot compete directly for EU funding under this DEAR Call for Proposals.

A legal entity may only be eligible for one financial support to third party.

¹ To be determined on the basis of the organisation's statutes, which should demonstrate that it has been established by an instrument governed by the national law of the country concerned and that its head office is located in an eligible country. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a 'Memorandum of Understanding' has been concluded.

(iv) Selection criteria

The beneficiary shall detail the criteria and methodology to be used to select third parties. Beneficiaries may use their own rules in the selection and evaluation process, provided that these comply with the principles of proportionality, sound financial management, equal treatment and non-discrimination. The Beneficiary must ensure transparency and prevent conflict of interests throughout the entire award procedure.

The selection and evaluation procedure must be based on the above mentioned principles and shall be well documented. This documentation must be provided upon request to the Contracting Authority. In addition, once the selection process is finalised, the list of the beneficiaries of Financial Support will need to be submitted to the Contracting Authority.

(v) Criteria to determine amount of financial support to third parties

Under this lot, financial support to third parties shall be the primary aim of the action.

The application shall detail the criteria and methodology used to determine the amount of the financial support to third parties. This shall include the following indicative information:

- The total amount allocated to Financial Support to Third Parties.
- The number of Third Party projects to be supported.
- The costs linked to administration, management, and coordination incurred by the applicants.
- The costs linked to quality support activities (knowledge sharing, capacity building, networking etc.) incurred by the applicants.

(vi) Maximum amount of financial support per third party

The indicative minimum and maximum amount per third party shall be defined in the application.

- The maximum amount per third party shall NOT exceed EUR 100,000.00

(vii) System of control set up to verify the eligibility of costs (relevant to the implementation phase)

The EC grant Beneficiary shall assume the sole responsibility for the management of the EC funds. There is no contractual link between the EC and the third party. Therefore, the beneficiary shall set up a system of control of third party activities and costs.

In order to monitor the project activities, the beneficiary shall provide, in its reports to the Contracting Authority, a comprehensive and detailed description of the award and implementation of any financial support given. These reports should provide, amongst other, information on the award procedures, on the identities of the recipient of financial support, the amounts granted, the results achieved, the problems encountered and solutions found, the activities carried out as well as a timetable of the activities which still need to be carried out.

Any publication or information or product produced should be consistent with the objectives and main purpose of the Call for Proposals.

The auditor selected by the beneficiary shall verify the eligibility of the costs incurred by the third party. It is advisable that the beneficiary agrees with the auditor on the supporting documents required to certify the eligibility of costs incurred by third parties.

The Beneficiary shall keep copies of all supporting documents² related to financial support to third parties for the period as specified in the General Conditions of the EC grant contract.

In addition, to the extent relevant, the Beneficiary(ies) shall ensure that the conditions applicable to them under Articles 3, 4.1-4.4, 6 and 16 of the General Conditions are also applicable to third parties awarded financial support.

Furthermore, the beneficiary must verify that the third parties are not in any of the exclusion criteria as described in point 2.3.3. exclusion criteria of the Practical Guide (PRAG)³. To that extent, the beneficiary shall ensure that all the third parties complete and sign the below "Declaration by the third party" before the signature of the Financial Support to Third Party contracts.

² The beneficiary must ensure that recipients of the financial support allow the Contracting Authority, the Commission, OLAF and the Court of Auditors to exercise their powers of control on all documents and information.

³ <http://ec.europa.eu/europeaid/prag/document.do?nodeNumber=1>

Declaration by the third party

In order to provide the Beneficiary with a reasonable assurance that the third party is able to carry out the agreed upon actions, the authorised signatory of the third parties declares that they will be excluded from participation if:

- (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*;
- (3) they have been guilty of grave professional misconduct proven by any means which the Beneficiary 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 Beneficiary 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 organisation or any other illegal activity detrimental to the Communities' financial interests;
- (6) they are currently subject to an administrative penalty referred to in section 2.3.5 of the Practical Guide to contract procedures for EC external actions.

The authorised signatory of the third party must certify that he is not in one of the situations listed above and signed on behalf of the third party.

Name of the Organisation	
Address	
Contact details	
Name of the Responsible Person	
Position	
Signature	
Date	