



**Contacting Authority: The National Authorising Officer
Saint Lucia**

Saint Lucia

SFA 2005 Economic Diversification Programme

(SFA 2005)

**Guidelines
for grant applicants
responding to the call for proposals
for 2005**

Budget line B-21.03.18

Reference: EuropeAid/127311/M/ACT/LC

Deadline for submission of proposals: September 30, 2008

Please note that this Call for Proposals has been issued under a Suspension Clause. The Contracting Authority reserves the right to cancel this Call for Proposals if the necessary financing for the action is not accessible

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1. SFA 2005 ECONOMIC DIVERSIFICATION PROGRAMME

1.1 BACKGROUND

Saint Lucia is located in the Lesser Antilles and has an area of 620 sq km and a population of approximately 166,800 people. It is an established parliamentary democracy and a legal system based on English common law.

Saint Lucia has a small open economy with a narrow economic base that is highly susceptible to exogenous shocks. Its three main trading partners are the United Kingdom (UK), the Caribbean Community (CARICOM) and the United States who account for over 95% of domestic exports. Although tourism is fast becoming the most economically-important industry, agriculture (dominated by bananas) remains important to the traditional livelihoods of the large rural population.

Saint Lucia's economic transformation began in the 1980's when the economy was predominantly agriculture-based with a growing services sector. Due to rapid growth, the services sector centred on tourism, transport and communications, banking and insurance, real estate and housing, and government services, currently accounts for about 77% of real Gross Domestic Product (GDP). The economic contribution of agriculture has since declined from 14% of GDP to only 3% in 2005. Intermediate activities (construction, manufacturing, distributive trades, and public utilities) accounts for 20% of GDP.

The decline in banana exports, due to the erosion of trade protection on the UK market, has caused a slowdown in economic growth to well below the average levels achieved during the 1980s through early 1990's. Banana exports fell from 120,129 tonnes in 1993, when the EU's new banana regime came into effect, to 30,007 tonnes in 2005. Accordingly, banana revenue fell from EC\$137.9M to EC\$41.48M, respectively. Production of other agricultural produce also declined resulting in a contraction in the number of persons employed in agriculture to 14% of the working population compared to 25% twenty years ago. Although the marketing of bananas continues to be central to Saint Lucia's export performance, accounting for almost two-fifths of domestic goods exports, the industry's potential has been dealt a serious setback by rising production costs and the introduction of a tariff-only importation regime by the EU in 2006.

On the other side of the economic spectrum, tourism-related services account for almost three-quarters of total exports, employ 12.6% of the working population and remain a huge attraction for Foreign Direct Investment (FDI). Visitor arrivals declined from a record 813,681 visitors in 2004 to 747,308 visitors in 2005 due to an 18% decline in cruise visitor arrivals although estimated tourist expenditure grew 9.3% to \$961.2M due to growth in stay-over and yacht arrivals. In 2004, Saint Lucia's main tourist attraction, the piton management area, was made a World Heritage Site. Saint Lucia has also captured the prestigious World Travel Award's World's Leading Wedding & Honeymoon Destination for the past five consecutive years as well as being voted in the top five honeymoon destination in the World by readers of Bridal Magazine. FDI for tourism-related construction has remained relatively strong which will assist in expanding hotel capacity and improving product quality. The expansion of the tourism industry has also created new avenues for marketing of local agricultural produce. Hotel purchases of local food crops between 2003 and 2006 are estimated to average over \$3M.

Manufacturing has also been a vital export industry in Saint Lucia though output is highly concentrated in three sectors which account for three-quarters of the value of output: food and beverages (45%), electrical products (14%) and paper and paperboard (15%). Manufacturing output grew by 11.9% in 2005 and contributed 6.8% to real GDP. The value of output for food and beverages expanded for the third consecutive years as the beverages segment benefited from strong demand in domestic and Organisation of Eastern Caribbean States (OECS) markets. In 2005,

exports of food and beverages increased by almost 50% to \$36.8M; the value of electrical products targeted mainly to the North American market fell slightly to \$19.6M while the value of paper and paperboard fell by 6.7% to \$21.8M due to lower demand for packaging material by the banana sector.

The private sector has been the driving force behind export performance in Saint Lucia. Rising global price of food and petroleum products and the decline in banana exports has contributed to a deteriorating trade deficit situation from \$715.1M in 1998 to over \$1 billion in 2005 or 68% of gross national income. This has increased the reliance on tourism-led growth as the major source of foreign exchange.

It is recognised that commitments underpinning membership in the World Trade Organisation (WTO) and the Caricom Single Market and Economy (CSME) may lead to greater liberalisation of the economy. Further liberalisation will also be effected through the CARICOM-EU Economic Partnership Agreement which came into force in January 2008 and which grants reciprocal access to the domestic market for selected EU goods and services. Despite the inherent challenges, these trade agreements provide opportunities for widening Saint Lucia's export base. As highlighted above, Saint Lucia's export potential has been concentrated in the tourism and banana sectors which account for an average of almost 80% of total exports of goods and services.

The minimisation of inherent risks associated with further opening of the economy requires strategic investments to further diversify the economy and to foster export-led growth. Initiatives are therefore needed to develop the efficiency and export-readiness of small enterprises whose output are typically below acceptable competitiveness standards. At the same time support must be maintained to improve efficiency in export-ready industries such as bananas, manufacturing and tourism. Past initiatives have included, inter alia, the reform of customs to better facilitate trade, the introduction of an export-based fiscal incentives regime, and the strengthening of Saint Lucia's trade policy development and negotiating capacity through the Caribbean Regional Negotiating Machinery (CRNM), the OECS and the Ministry of Commerce.

In that respect, the Government of Saint Lucia commissioned a study in 2004 to develop a Saint Lucia National Export Development Strategy (SLNEDS). The study highlights the following general constraints to better export performance:

- Weaknesses in operational effectiveness and quality assurance programmes that are necessary to produce at the required international standards;
- Poor production processes and physical plant;
- High degree of product and market concentration within the export sector, which creates a situation of extreme vulnerability;
- Absence of trade promotion and marketing related services in new and emerging markets; and
- Need for improved quality of the human resource base to ensure adherence to internationally acceptable standards of service quality and performance.

The SLNEDS focuses on four main strategic areas:

- Institutional Focus: Creation of a satisfactory institutional arrangement(s) for continuous development of exports;
- Competitiveness Focus: Enhance international competitiveness of local exporters and increase value added;
- Promotion Focus: Sustainable market based, consumer focussed marketing and sales efforts that embrace all priority goods and services sectors;
- Negotiations Focus: Ensure that the proposed product and market strategies are reflected in bilateral and multilateral trade negotiations such as the Free Trade Area of the America (FTAA), CSME and WTO.

The SLNEDS also identifies ten priority sectors: Agriculture, Food (Agro-processed products), Architecture, Information Technology, Arts and Entertainment, Integrated Marketing and Communications, Beverages, Nursing Services (Training), Chemicals, and Tourism. The formulation of a more detailed Tourism Strategy and Action Plan was formulated in 2006.

The special framework of assistance programme is geared towards assisting Saint Lucia in preparing for the above challenges. The investment plan for the use of Special Framework of Assistance 2005 funding is concerned with initiatives to: (i) enhance the efficiency and competitiveness of banana enterprises; (ii) expand and diversify agricultural production; (iii) improve export performance and diversify the export mix; (iv) improve social stability through human resource development; and (v) promote the sustainable use of natural resources in Saint Lucia. A number of other EU-funded interventions [under STABEX, SFA, the 10th EDF National Indicative Programme, the PROINVEST programme managed by the Centre for the Development of Enterprise (CDE)] are aimed at achieving similar goals. Specifically, the 10th EDF NIP has been programmed for private sector development which will include support for outward oriented and export-ready companies seeking product and market diversification.

It is intended that the SFA 2005 programme will build on past and ongoing interventions in banana commercialisation, agricultural diversification, private sector development and human resource development.

The purpose of this call for proposal is to assist the Government of Saint Lucia in ensuring non-agricultural export performance is improved and the export mix diversified in a manner which is complementary with the SLNEDS.

The Office of the National Authorizing Officer will be overall responsible for coordinating implementation of the SFA 2005 instrument. The main stakeholders will be the SLNEDS Review Committee, the Office of Private Sector Relations, the St. Lucia Chamber of Commerce Industry and Agriculture, the St. Lucia Manufacturers Association, the Fresh Produce Exporters Association, the Saint Lucia Coalition of Services Industries, the National Development Corporation, and the Ministries responsible for Commerce and Industry, Agriculture, External Affairs, and Finance.

1.2 OBJECTIVES OF THE PROGRAMME

The overall objective of which this project will be part is to sustain recovery and competitiveness within the banana sector; and to assist economic diversification as foreseen under Articles 3.2 (a & b) of Council Regulation 856/1999, and also to provide social safety nets.

The programme purpose is to improve access to and use of appropriate technology, as a primary instrument for (i) increasing agricultural competitiveness, (ii) supporting private sector development and (iii) enhancing and sustaining social well being.

The specific aim of the SFA 2005 Economic Diversification Programme, and thus this grant, is to improve non-agricultural export performance and diversify the export mix in Saint Lucia.

1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this call for proposals is EUR 1,150,000. The contracting authority reserves the right not to award all available funds.

Size of grants

The size of the grants made available to achieve each result under this programme shall be: **€1,000,000** and an additional **€150,000** for Technical Assistance (TA) to assist with programme implementation or any aspect thereof. The TA component must be shown separately under Item 6 of Annex III-Budget for the Action (template e3c).

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

Minimum: €75,000 inclusive of €75,000 for TA which must be shown separately, as stated above.
Maximum: €1,150,000 inclusive of €150,000 for TA which must be shown separately, as stated above.

A grant may not be for less than 50% of the total eligible costs of the action.

In addition, no grant may exceed 95% of the total eligible costs of the action (see also section 2.1.4). The balance must be financed from the applicant's or partners' own resources, or from sources other than the European Community budget or the European Development Fund.

Please note that this Call for Proposals has been issued under a Suspension Clause. The Contracting Authority reserves the right to cancel this Call for Proposals if the necessary financing for the action is not accessible.

2. RULES OF THIS CALL FOR PROPOSALS

These guidelines set out the rules for the submission, selection and implementation of actions financed under this call, in conformity with the provisions of the Practical Guide to contract procedures for EC external actions, which is applicable to the present call (available on the Internet at this address: http://ec.europa.eu/europeaid/work/procedures/index_en.htm).

2.1 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

- applicant(s) which may request a grant (2.1.1), and their partners (2.1.2),
- actions for which a grant may be awarded (2.1.3),
- types of cost which may be taken into account in setting the amount of the grant (2.1.4).

2.1.1 Eligibility of applicants: who may apply?

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

- be legal persons, and;
- be non profit making, and;

- be non-governmental organisations, public sector operators, local authorities, international (inter-governmental) organisations as defined by Article 43 of the Implementing Rules to the EC Financial Regulation,¹ and;
- be nationals² of a Member State of the European Union and of ACP countries, and;
- be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary.

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

In part B section VI of the grant application form (“Declaration by the applicant”), applicants must declare that they do not fall into any of the situations.

2.1.2 Partnership and eligibility of partners

Applicants may act individually or in consortium with partner organisations. Partnership with other organisations is encouraged.

In the case of European NGOs applying for grants, a partnership with a local NGO is encouraged.

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

The following are not partners and do not have to sign the “partnership statement”:

- Associates

Other organisations may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.1. The associates have to be mentioned in Part B section IV - “Associates of the Applicant participating in the Action” of the Grant Application Form.

¹ International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies, European Investment Bank (EIB) and European Investment Fund (EIF) are also recognized as international organisations.

² Such nationality being determined on the basis of the organisation's statutes which should demonstrate that it has been established by an instrument governed by the internal law of the country concerned. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if they are registered locally or accompanied by a “Memorandum of Understanding”.

- Subcontractors

The grant beneficiaries have the possibility to award contracts to subcontractors. Subcontractors are neither partners nor associates, and are subject to the procurement rules set out in Annex IV to the standard grant contract.

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

2.1.3 Eligibility actions: actions for which an application may be made

Definition: An action (or project) is composed of a set of activities.

Duration

The duration of an action may not exceed 2 years. All actions must be completed before 31 December 2010.

Sectors or themes

The actions must relate to the programme purpose and overall objective and formulated to achieve success in the three broad result areas (see section 1.2).

Location

All actions must take place in Saint Lucia

Type of actions

Actions financed by this grant should seek to improve Saint Lucia's non-agricultural export performance and diversify the export mix. Actions should maintain the strategic focus (i.e., the institutional, competitiveness, promotion and negotiation focus) outlined in the Saint Lucia National Export Development Strategy (SLNEDS).

Actions may include:

1. Initiatives to strengthen export development (i.e., product/service/market development and diversification), preferably in one or more of the non-agriculture priority sectors identified, such as:

- Assistance to enterprises to undertake business process and value chain analyses aimed at improving export competitiveness.
- Initiatives to develop strategic partnerships between local, regional and international firms and trade organisations.
- Support to promote awareness for local goods and services (such as hosting of trade shows, joint marketing of products etc.).
- Technical assistance support to resolve administrative problems and hurdles faced by exporters.
- Technical assistance support to develop and implement export business plans including packaging and pricing strategies.
- Facilitating compliance with international standards.
- Support for the implementation of quality management systems.
- Market research and public dissemination of information.
- Training in areas that would enhance competitiveness at the firm level.

- Promotion of the use of Information and Communications Technology (ICT) to increase competitiveness, including through high-quality training for entrepreneurs in the use of ICTs to enhance export performance and competitiveness.

Product, service and market development and diversification initiatives may include:

- Increase in production capacity in the priority export sectors;
- Strengthening of research and development capabilities to create new products and improve existing ones;
- Development of a national quality infrastructure that will promote the implementation of internationally recognized standards and develop capabilities for certification to Hazard Analysis and Critical Control Points (HACCP), ISO 9000 and ISO 14000 including:
 - Carrying out needs assessments to determine the requirements of the export sector as it relates to quality and standards;
 - Developing a national quality policy, and constitute a national quality council, comprising key stakeholders;
 - Assisting Government and Private Sector stakeholders to oversee the implementation of this Policy;
 - Encouraging the private sector to get involved in the provision of standards related technical assistance services.
- Establishing linkages with the agriculture sector to increase production of value added agricultural commodities;
- Generally increase the local value added component in national exports;
- Strengthening of Intellectual Property administration and support to encourage innovation
- Support in development of export markets:
 - to take advantage of the opportunities presented by the CSME.
 - to improve market intelligence, strategic alliance building and response to specific opportunities driven by other trade agreements.
 - to increase penetration and expand product range in UK and other EU markets.
 - to increase the efficiency and effectiveness of key institutions involved in trade facilitation.

2. Strengthen the capacity of designated institutions to develop, monitor and evaluate trade policy, such as by:

- Facilitating dialogue between the public and private sectors on matters (policy, legislation, institutional, etc) pertaining to external trade.
- Provide technical support to policy making and monitoring bodies, private sector organisations, firms, and civil society bodies.

The following indicators will be used to evaluate the success of the overall programme of which this component is part:

At the objectives level:

- Rural employment increased.
- Economic growth increased

At the purpose level:

- At least 10% increase in output from the major sectors by year 2 of the programme.

At the results level:

- Export performance improved with a diversified export mix
- At least 10% reduction in the trade deficit

The result area level indicators will be reviewed annually in conjunction with relevant stakeholders and grant beneficiaries.

The following types of action are ineligible:

- individual scholarships for studies or training courses.

Re-granting

In order to **support the achievement of the objectives of the Action**, and in particular where the **implementation of the Action proposed by the Applicant requires financial support to be given to third parties**, the Applicant **may** propose awarding sub-grants.

In case where the Applicant foresees to award sub-grants, it has to specify in its proposal the total amount of the grant which may be used for awarding sub-grants as well as the minimum and maximum amount which may be paid to third parties and the criteria for determining the exact amount for the sub-grant.

The maximum amount is limited to EUR 10,000 per third party of the sub-grant while the total amount which can be awarded as sub-grants to third parties is limited to EUR 100,000.

The list containing the types of activities which may be eligible for sub-grants under this Call for proposal have to be submitted by the Applicant together with the submission of its proposal.

The following types of action are ineligible:

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

Number of proposals and grants per applicant

An applicant may be awarded more than one grant under this call for proposals.

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

Only "eligible costs" can be taken into account for a grant. These are detailed below. The budget is therefore both a cost estimate and a ceiling for "eligible costs". Note that the eligible costs must be based on real costs based on supporting documents (except for subsistence costs and indirect costs where flat-rate funding apply).

Recommendations to award a grant are always subject to the condition that the checking process which precedes the signing of the contract does not reveal problems requiring changes to the budget (for instance arithmetical errors, inaccuracies or unrealistic costs and other ineligible costs). The checks may give rise to requests for clarification and may lead the Contracting Authority to impose modifications or reductions to address such mistakes or inaccuracies. The amount of the grant and the percentage of co-financing as a result of these corrections may not be increased in any case.

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

Eligible direct costs

To be eligible under the call for proposals, costs must respect the provisions of article 14 of the General Conditions to the Standard Grant Contract (see Annex F).

Contingency reserve

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

Eligible indirect costs (overheads)

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding fixed at not more than 7% of the total eligible direct costs.

If the applicant is in receipt of an operating grant financed from the Community budget no indirect costs may be claimed within the proposed budget for the action.

Contributions in kind

Contributions in kind are not accepted.

Ineligible costs

The following costs are not eligible:

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

2.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

OPEN CALL FOR PROPOSALS

2.2.1 APPLICATION FORM

Applications must be submitted using the application form annexed to these Guidelines (Annex A). This form includes guidance for concept note, which must also be drafted. Applicants should keep strictly to the format of the application and fill in the paragraphs and the pages in order. Please provide budget with round figures.

All Applicants must apply in English.

Please complete the application form carefully and as clearly as possible so that it can be assessed properly.

Any error related to the points listed in the Checklist (section V of part B of the grant application form) or any major inconsistency in the application form (e.g. the amounts mentioned in the budget are inconsistent with those mentioned in the application form) may lead to the rejection of the proposal.

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

Hand-written applications will not be accepted.

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

2.2.2 WHERE AND HOW TO SEND THE APPLICATIONS

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

Postal address

The National Authorising Officer
Ministry of Economic Affairs, Economic Planning and National Development
American Drywall Building
Vide Boutielle
Castries
SAINT LUCIA
Tel: +1-758 - 468-2180/2179
Fax: +1-758- 453-2960
e-mail: projects@candw.lc

Address for hand delivery or by private courier service
The National Authorising Officer
Ministry of Economic Affairs, Economic Planning and National Development
American Drywall Building
Vide Boutielle
Castries
SAINT LUCIA
Tel: +1-758-468-2180/2179
Fax: +1-758-453-2960
e-mail: projects@candw.lc

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

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

The Checklist (Section V of part B the grant application form) and the Declaration by the applicant (Section VI of part B of the grant application form) must be stapled separately and enclosed in the envelope

Where an applicant sends several different proposals (if allowed to do so by the Guidelines of the Call), each one has to be sent separately.

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

Applicants must verify that their application is complete using the checklist (section V of part B of the grant application form). Incomplete applications may be rejected.

2.2.3 DEADLINE FOR RECEIPT OF APPLICATIONS

The deadline for the submission of applications is **September 30, 2008** as evidenced by the date of dispatch, the postmark or the date of the deposit slip. In case of hand-deliveries, the deadline for receipt is at 16:00 Hrs local time as evidenced by the signed and dated receipt. Any application submitted after the deadline will automatically be rejected.

2.2.4 FURTHER INFORMATION

An information session on this call for proposals will be held on **July 30, 2008 at 14:00 hrs** local time (at the Conference Room, Ministry of Economic Affairs, Economic Planning and National Development, American Drywall Building, Vide Boutielle, Castries, Saint Lucia)

Questions may in addition be sent by e-mail or by fax no later than 21 days before the deadline for the submission of proposals to the address(s) listed below, **indicating clearly the reference of the call for proposals:**

E-mail address: projects@candw.lc
Fax: 1 758 453 2960

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

In the interest of equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of an applicant, a partner or an action.

Questions that may be relevant to other applicants, together with the answers, will be published on the internet at the EuropeAid website: http://ec.europa.eu/europeaid/work/procedures/index_en.htm and <http://www.stlucia.gov.lc/tenders/index.htm>

2.3 EVALUATION AND SELECTION OF APPLICATIONS

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

(1) STEP 1: OPENING SESSION AND ADMINISTRATIVE CHECK

The following will be assessed:

- The deadline has been respected. If the deadline has not been respected the proposal will automatically be rejected.
- The Application Form satisfies all the criteria mentioned in the Checklist: section V of part B of the grant application form. If any of the requested information is missing or is incorrect, the proposal may be rejected on that sole basis and the proposal will not be evaluated further.

Following the opening session and the administrative check, the Contracting Authority will send a letter to all applicants, indicating whether their application was submitted prior to the deadline, informing them of the reference number they have been allocated, whether they have satisfied all the criteria mentioned in the checklist and whether their Application Form has been recommended for evaluation.

(2) STEP 2: EVALUATION OF THE CONCEPT NOTE

The evaluation of the Concept Notes that have passed the first administrative check will cover the relevance of the action, its merits and effectiveness, its viability and sustainability. The Contracting Authority reserves the right to skip the evaluation of the Concept Notes whenever considered justified; for example when a less than expected number of proposals are received and to go straight to the evaluation of the corresponding full proposals.

Please note that the scores awarded to the Concept Note are completely separate from those given to the Full Application.

The Concept Note will be given an overall score out of 50 points in accordance with the breakdown provided in the Evaluation Grid below. The evaluation shall also verify the compliance with instructions provided in the guidance for Concept Note, part A of the grant application form.

If the examination of the Concept Note reveals that the proposed action does not meet the eligibility criteria stated in paragraph 2.1.3, the proposal shall be rejected on this sole basis.

The evaluation criteria are divided into headings and subheadings. Each subheading will be given a score between 1 and 5 in accordance with the following assessment categories: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

	Scores	
	Sub-score	15
1. Relevance of the action	Sub-score	15
1.1 Relevance of the problems to needs and constraints of the country/region to be addressed in general, and to those of the target groups and final beneficiaries in particular	5	
	5(x2)*	
1.2 Relevance to the priorities and objectives mentioned in the Guidelines		
2. Effectiveness and Feasibility of the action	Sub-score	25
2.1 Assessment of the problem identification and analysis	5	
2.2 Assessment of the proposed activities (practicality and consistency in relation to the objectives, purpose and expected results).	5(x2)*	
2.3 Assessment of the role and involvement of all stakeholders and proposed partners.	5(x2)*	
3. Sustainability of the action	Sub-score	10
3.1 Assessment of the identification of the main assumptions and risks, before the start up and throughout the implementation period.	5	
3.2 Assessment of the identification of long-term sustainable impact on the target groups and final beneficiaries.	5	
TOTAL SCORE		50

*the scores are multiplied by 2 because of their importance

Once all Concept Notes have been assessed, a list will be established with the proposed actions ranked according to their total score.

Firstly, only the Concept Notes which have been given a score of a minimum of 12 points in the category "Relevance" as well as a minimum total score of 30 points will be considered for pre-selection.

Secondly, the list of Concept Notes will be reduced in accordance to the ranking to those whose sum of requested contributions amounts to at least two times the available budget for this Call for proposals. The Evaluation Committee will subsequently proceed with the evaluation of the full proposals of the pre-selected applicants.

(3) STEP 3: EVALUATION OF THE FULL APPLICATION

An evaluation of the quality of the proposals, including the proposed budget, and of the capacity of the applicant and his partners, will be carried out in accordance with the evaluation criteria set out in the Evaluation Grid included below. There are two types of evaluation criteria: selection and award criteria.

The selection criteria are intended to help evaluate the applicants' financial and operational capacity to ensure that they:

- have stable and sufficient sources of finance to maintain their activity throughout the period during which the action is being carried out and, where appropriate, to participate in its funding;

- have the management capacity, professional competencies and qualifications required to successfully complete the proposed action. This also applies to any partners of the applicant.

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

of the call for proposals. They enable the selection of proposals which the Contracting Authority can be confident will comply with its objectives and priorities and guarantee the visibility of the Community financing. They cover such aspects as the relevance of the action, its consistency with the objectives of the call for proposals, quality, expected impact, sustainability and cost-effectiveness.

If the examination of the proposal reveals that the proposed action does not meet the eligibility criteria stated in paragraph 2.1.3, the proposal shall be rejected on this sole basis.

Scoring:

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

Evaluation Grid

Section	Maximum Score
1. Financial and operational capacity	20
1.1 Do the applicant and partners have sufficient experience of project management ?	5
1.2 Do the applicant and partners have sufficient technical expertise ? (notably knowledge of the issues to be addressed.)	5
1.3 Do the applicant and partners have sufficient management capacity ? (including staff, equipment and ability to handle the budget for the action)?	5
1.4 Does the applicant have stable and sufficient sources of finance ?	5
2. Relevance	25
2.1 How relevant is the proposal to the objectives and one or more of the priorities of the call for proposals? Note: A score of 5 (very good) will only be allocated if the proposal specifically addresses at least one priority . Note: A score of 5 (very good) will only be allocated if the proposal contains specific added-value elements, such as promotion of gender equality and equal opportunities...	5 x 2
2.2 How relevant to the particular needs and constraints of the target country/countries or region(s) is the proposal? (including avoidance of duplication and synergy with other EC initiatives.)	5
2.3 How clearly defined and strategically chosen are those involved (final beneficiaries, target groups)? Have their needs been clearly defined and does the proposal address them appropriately?	5 x 2
3. Methodology	25
3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	5
3.2 How coherent is the overall design of the action? (in particular, does it reflect the analysis of the problems involved, take into account external factors and anticipate an evaluation ?)	5
3.3 Is the partners' level of involvement and participation in the action satisfactory? Note: If there are no partners the score will be 1 .	5

3.4 Is the action plan clear and feasible?	5
3.5 Does the proposal contain objectively verifiable indicators for the outcome of the action?	5
4. Sustainability	15
4.1 Is the action likely to have a tangible impact on its target groups?	5
4.2 Is the proposal likely to have multiplier effects ? (including scope for replication and extension of the outcome of the action and dissemination of information.)	5
4.3 Are the expected results of the proposed action sustainable : - financially (<i>how will the activities be financed after the funding ends?</i>) - institutionally (<i>will structures allowing the activities to continue be in place at the end of the action? Will there be local “ownership” of the results of the action?</i>) - at policy level (where applicable) (<i>what will be the structural impact of the action — e.g. will it lead to improved legislation, codes of conduct, methods, etc?</i>)?	5
5. Budget and cost-effectiveness	15
5.1 is the ratio between the estimated costs and the expected results satisfactory?	5
5.2 Is the proposed expenditure necessary for the implementation of the action?	5 x 2
Maximum total score	100

Note on Section 1. Financial and operational capacity

If the total average score is less than 12 points for section 1, the Evaluation Committee will reject the proposal.

Note on Section 2. Relevance

If the total average score is less than 20 points for section 2, the Evaluation Committee will reject the proposal.

Provisional selection

Following the evaluation, a table listing the proposals ranked according to their score and within the available financial envelope will be established as well as a reserve list following the same criteria.

Note: The scores awarded in this phase are completely separate from those given to the concept note of the same application.

(4) STEP 4: VERIFICATION OF ELIGIBILITY OF THE APPLICANT AND PARTNERS

The eligibility verification, based on the supporting documents requested by the Contracting Authority (see section 2.4) will only be performed for the proposals that have been provisionally selected according to their score and within the available financial envelope.

- The Declaration by the applicant (Section VI of part B the grant application form) will be cross-checked with the supporting documents provided by the applicant. Any missing supporting document or any incoherence between the Declaration by the applicant and the supporting documents may lead to the rejection of the proposal on that sole basis.
- The eligibility of the applicant, the partners, and the action will be verified according to the criteria set out in sections 2.1.1, 2.1.2 and 2.1.3.

Following the above analysis and if necessary, any rejected proposal will be replaced by the next best placed proposal in the reserve list that falls within the available financial envelope, which will then be examined for the eligibility of its applicant and the partners.

2.4 SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED PROPOSALS

Applicants who have been provisionally selected or listed under the reserve list will be informed in writing by the Contracting Authority. They will be requested to supply the following documents in order to allow the Contracting Authority to verify the eligibility of the applicants and their partners:³

1. The statutes or articles of association of the applicant organisation⁴ and of each partner organisation. Where the Contracting Authority has recognized the applicant's eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, the applicant may submit, instead of its statutes, copy of the document proving the eligibility of the applicant in a former Call (e.g: copy of the special conditions of a grant contract received during the reference period), unless a change in its legal status has occurred in the meantime.⁵

This obligation does not apply to international organisations which have signed a framework agreement with the European Commission. A list of the relevant framework agreements is available at the following address: http://ec.europa.eu/europeaid/work/procedures/index_en.htm

2. Where the grant requested exceeds EUR 500 000 (EUR 100 000 for an operating grant), an external audit report produced by an approved auditor, certifying the accounts for the last financial year available.

1. This obligation does not apply to international organisations.
 2. This obligation does not apply to public bodies.
 3. This obligation does not apply to secondary and higher education establishments.
- 3. Copy of the applicant's latest accounts (the profit and loss account and the balance sheet for the previous financial year for which the accounts have been closed⁶).

4. Legal entity sheet (see annex D) duly completed and signed by the applicant, accompanied by the justifying documents which are requested therein. If the applicant has already signed a contract with the Contracting Authority, instead of the legal entity sheet and its supporting documents the legal entity number may be provided, unless a change in its legal status occurred in the meantime.

5. A financial identification form conforming to the model attached at Annex E, certified by the bank to which the payments will be made. This bank must be located in the country where the applicant is registered. If the applicant has already signed a contract with the European Commission or where the European Commission has been in charge of the payments of a contract, a copy of the previous financial identification form may be provided instead, unless a change in its bank account occurred in the meantime.

6. An overview of previous projects managed by the applicant proving relevant experience from similar activities and demonstrating capacity to manage the scale of activities foreseen under the project for which a grant is requested.

7. A separate statement or proper assessment on the environmental impact of any environmentally sensitive actions proposed in the application.

³ No supporting document will be requested for applications for a grant not exceeding EUR 25 000.

⁴ Where the applicant and/or (a) partner(s) is a public body created by a law, a copy of the said law must be provided

⁵ To be inserted only where the eligibility conditions have not changed from one call for proposals to the other.

⁶ This obligation does not apply to natural persons who have received a scholarship, nor to public bodies nor to international organisations. It does not apply either when the accounts are in practice the same documents as the external audit report already provided pursuant to section 2.4.2.

The supporting documents requested must be supplied in the form of originals or photocopies of the said originals. However, the Legal entity sheet and the financial identification form must always be submitted in original.

Where such documents are not in one of the official languages of the European Union or in the language of the country where the action is implemented, a translation into **English** of the relevant parts of these documents, proving the applicant's eligibility, must be attached and will prevail for the purpose of analysing the proposal.

- Where these documents are in an official language of the European Union other than the language of the call for proposals, it is **strongly** recommended, in order to facilitate the evaluation, to provide a translation of the relevant parts of the documents, proving the applicant's eligibility, into **English**.
-
- If the supporting documents are not provided before the set deadline (15 calendar days from the receipt of the letter sent by the Contracting Authority), the application may be rejected.
-
- Based on the verification of the supporting documents by the Evaluation Committee it will make a final recommendation to the Contracting Authority which will decide on the award of grants.
-

2.5 NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

2.5.1 CONTENT OF THE DECISION

Applicants will be informed in writing of the Contracting Authority's decision concerning their application and the reasons for the decision.

Applicants believing that they have been harmed by an error or irregularity during the award process may petition to the Contracting Authority directly. The Contracting Authority must reply within 90 days of receipt of the complaint.

Where the European Commission is informed of such a complaint, it must communicate its opinion to the Contracting Authority and do all it can to facilitate an amicable solution between the complainant (applicant) and the Contracting Authority. If this procedure fails, the applicant may have recourse to procedures established under the recipient's national legislation.

2.5.2 INDICATIVE TIME TABLE

	DATE	TIME*
Information meeting (if any)	July 30, 2008	10:00 hrs
Deadline for request for any clarifications from the Contracting Authority	August 8, 2008	16:00 hrs
Last date on which clarifications are issued by the Contracting Authority	September 9, 2008	-
Deadline for submission of Application Form	September 30, 2008	16:00 hrs
Information to applicants on the opening & administrative check	October 15, 2008*	-

Information to applicants on the evaluation of the Concept Notes	October 24, 2008*	-
Information to applicants on the evaluation of the Full Application Form	October 31, 2008*	-
Notification of award (after the eligibility check)	November 28, 2008*	-
Contract signature	December 15, 2008*	-

***Provisional date.** All times are in the time zone of the country of the Contracting Authority

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

Following the decision to award a grant, the Beneficiary will be offered a contract based on the Contracting Authority's standard contract (see Annex F). By signing the Application form (Annex A), the applicant declares accepting, in case where it is awarded a grant, the Contractual conditions as laid down in the Standard Contract.

If the successful applicant is an international organisation, the model Contribution Agreement with an international organisation or any other contract template agreed between the international organisation concerned and the Contracting Authority will be used instead of the standard grant contract provided that the international organisation in question offers the guarantees provided for in article 53d (1) of the Financial Regulation, as described in Chapter 7 of the Practical Guide to contract procedures for EC external actions.

Implementation contracts

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

3. LIST OF ANNEXES

DOCUMENTS TO FILL IN

ANNEX A: GRANT APPLICATION FORM (WORD FORMAT)

ANNEX B: BUDGET (EXCEL FORMAT)

ANNEX C: LOGICAL FRAMEWORK (EXCEL FORMAT)⁷

ANNEX D: LEGAL ENTITY SHEET (EXCEL FORMAT)⁸

http://ec.europa.eu/europeaid/work/procedures/index_en.htm

ANNEX E: FINANCIAL IDENTIFICATION FORM

DOCUMENTS FOR INFORMATION

ANNEX F: STANDARD CONTRACT

ANNEX G: DAILY ALLOWANCE RATES (PER DIEM), available at the following address:

http://ec.europa.eu/europeaid/work/procedures/index_en.htm

ANNEX H: STANDARD CONTRIBUTION AGREEMENT, APPLICABLE IN CASE WHERE THE BENEFICIARY IS AN INTERNATIONAL ORGANISATION

ANNEX I: LIST OF ABBREVIATIONS

⁷ Optional where the total amount of the grants to be awarded under the call for proposals is EUR 100 000 or less.

⁸ Only applicable where the European Commission is the Contracting Authority or will make the payments under the contracts to be signed.

ANNEX I - LIST OF ABBREVIATIONS

CARICOM	Caribbean Community
CDE	Centre for the Development of Enterprise
CRNM	Caribbean Regional Negotiating Machinery
CSME	CARICOM Single Market and Economy
EU	European Union
FDI	Foreign Direct Investment
FTAA	Free Trade Areas of the Americas
GDP	Gross Domestic Product
HACCP	Hazard Analysis and Critical Control Points
ICT	Information and Communications Technology
ISO	International Standards Organisation
OECS	Organisation of Eastern Caribbean States
SFA	Special Framework of Assistance for traditional ACP suppliers of bananas
SLNEDS	Saint Lucia National Export Development Strategy
UK	United Kingdom
WTO	World Trade Organisation