I PROGRAMMATIC GUIDELINES FOR APPLICANTS

programmatic approach and eligibility criteria for grant award procedures

Overseas Countries and Territories - the Thematic Programme Allocation of the 11th European Development Fund

Ref. no. RES-01

Sint Maarten, May 2021
NOTICE

The following guidelines describe programmatic approach and eligibility criteria for grant award procedures, in line with the agreement between Expertise France and European Union (EU).
This guideline is integral part of the Call for Submission of Proposals, RES-01.
The details on application and assessment process are presented in the document II Procedural Guidelines for Applicants, RES-01.

ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSP</td>
<td>Call for Submission of Proposals</td>
</tr>
<tr>
<td>EDF</td>
<td>European Development Fund</td>
</tr>
<tr>
<td>EF</td>
<td>Expertise France</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>EUD</td>
<td>EU Delegation to Guyana, for Suriname, and with responsibility for Aruba, Bonaire, Curaçao, Saba, Saint Barthelemy, Sint Eustatius and Sint Maarten.</td>
</tr>
<tr>
<td>EUR / €</td>
<td>Euros</td>
</tr>
<tr>
<td>GFDRR</td>
<td>World Bank: Global Facility for Disaster Reduction and Recovery</td>
</tr>
<tr>
<td>OCTs</td>
<td>Caribbean Overseas Countries and Territories</td>
</tr>
<tr>
<td>RESEMBID</td>
<td>The Resilience, Sustainable Energy, and Marine Biodiversity Programme</td>
</tr>
</tbody>
</table>

GLOSSARY

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action</td>
<td>An action is composed of a set of activities.</td>
</tr>
<tr>
<td>Affiliated entity</td>
<td>Only entities having a structural link with the applicants or a partner (if any), in particular a legal or capital link. The applicant and its partner(s) may act with affiliated entity(ies).</td>
</tr>
<tr>
<td>Applicant</td>
<td>Entity that will be directly responsible for the preparation and management of the project with the partner(s) and affiliated entity(ies), but not acting as an intermediary.</td>
</tr>
<tr>
<td>Associate</td>
<td>Other organisations or individuals may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant, with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria for applicants and partners. Associates must be mentioned in section 5. Partnerships and Beneficiaries of the ProDoc.</td>
</tr>
<tr>
<td>Beneficiary of a Grant</td>
<td>Any natural or legal person who receives a grant. In particular, the entity signing a grant contract is known as the grant beneficiary and should not be confused with the partner country, the final beneficiary of the project nor with the target group.</td>
</tr>
<tr>
<td>Budget</td>
<td>A summary of the costs of performing the project. In the case of grants the budget shows the eligible costs for funding and the total costs. The income must also be detailed.</td>
</tr>
<tr>
<td>Call for Submission of Proposals</td>
<td>A public invitation by the contracting authority, addressed to clearly identified categories of applicant, to propose operations within the framework of a specific EU programme, in this case RESEMBID Programme.</td>
</tr>
<tr>
<td>Contracting authority</td>
<td>Entity concluding the contract as provided for (where appropriate) in the Financing Agreement. In this case, Expertise France.</td>
</tr>
<tr>
<td>Eligibility</td>
<td>The eligibility criteria determine the conditions for participating in a call for submission of proposals: Eligibility of the applicants: this refers to the applicants' legal and administrative status (rules on nationality and grounds for exclusion). Eligibility of the action: this refers to the types of activities, sectors or themes and geographical areas covered by the call for submission of proposals.</td>
</tr>
</tbody>
</table>
The expenditure verification refers both to the process and the report by which an auditor verifies according to agreed-upon procedures contained in the relevant terms of reference that the financial report submitted by the beneficiary can be reconciled to the latter’s accounting and bookkeeping system and to the underlying accounts and records. The auditor also verifies that the beneficiary complies with the relevant provision of the contract signed with the Expertise France.

**Final beneficiaries of a grant**

Those who will benefit from the project in the long term at the level of the society or sector at large.

**Grant**

A grant is a financial donation/non-commercial payment by the contracting authority from the general budget of the European Union or the European Development Fund (EDF) given to a specific grant beneficiary in order to implement an operation/project (or in some cases to finance part of its budget) to contribute to the EU funded programme.

**Grant amount**

The part of the project’s budget that is requested to be funded by the contracting authority, in this case Expertise France.

**Grant Award**

Grant award is a process of providing a financial assistance or goods to support or stimulate accomplishing a public purpose.

**Guidelines for grant applicants**

Document explaining the purpose of a call for submission of proposals for grants. It sets out the rules regarding who may apply, the types of operations and costs which may be financed, and the selection and award criteria. It also provides practical information on how to complete the application form, what documents must be annexed, and rules and procedures for applying.

**Implementation Period**

The period from the signature, or alternative date if specified in the special conditions, until all project activities have been carried out.

**Partner**

Partners participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the applicant. Partners must satisfy the eligibility criteria as applicable to the applicant himself. If awarded the grant contract, the partner(s) (if any) will become beneficiary(ies) in the project (together with the applicant).

**(Secondary) Procurement**

The procedure followed by a contracting authority or the beneficiary to identify, and conclude a contract with, a suitable contractor to provide defined goods, works or services.

**Project**

The project (sequence of tasks that must be completed to attain a certain outcome) in relation to which the grant contract is awarded.

**Target groups**

The groups/entities that will be directly positively affected by the project at the project purpose level.

The applicant and partners (if any) and their affiliated entities (if any) are permitted to award contracts. Applicants, partners, associates or affiliated entity(ies) cannot be also contractors in the project. Contractors are subject to the procurement rules set out in respective annex to the standard grant contract. Contractor is any natural or legal person or public entity or consortium of such persons and/or bodies selected at the end of the procedure for the award of the contract. The successful tenderer, once parties have signed the contract.
TABLE OF CONTENTS

1. THE RESILIENCE, SUSTAINABLE ENERGY, AND MARINE BIODIVERSITY PROGRAMME FOR CARIBBEAN OVERSEAS COUNTRIES AND TERRITORIES (RESEMBID) ........................................... 5
  1.1. Context ................................................................................................................................................ 5
  1.2. Objectives and Thematic Areas .......................................................................................................... 5
  1.3. Available Funds ................................................................................................................................... 6
  1.4. Size of the Grants ................................................................................................................................. 7
  1.5. Co-Financing ....................................................................................................................................... 7

2. ELIGIBILITY CRITERIA ................................................................................................................................. 7
  2.1. Actors ................................................................................................................................................... 7
  2.2. Eligible Actions/Activities ..................................................................................................................... 8
  2.4. Eligible and Non-Eligible Costs ............................................................................................................ 9
  2.5. Ethics Clauses and Code of Conduct ................................................................................................ 11

3. ANNEXES TO THE GUIDELINES ........................................................................................................ 11
1. THE RESILIENCE, SUSTAINABLE ENERGY, AND MARINE BIODIVERSITY PROGRAMME FOR CARIBBEAN OVERSEAS COUNTRIES AND TERRITORIES (RESEMBID)

1.1. CONTEXT

The Resilience, Sustainable Energy, and Marine Biodiversity Programme for Caribbean Overseas Countries and Territories (hereinafter: the Programme) is a project funded by European Union (EU) and implemented by Expertise France in collaboration with the Global Facility for Disaster Reduction and Recovery (GFDRR). The EU funding is within 11th European Development Fund (EDF) Caribbean Regional Programme that focuses on climate change (including disaster risk reduction) and sustainable energy. The 11 EDF Thematic Programme is closely aligned to the Overseas Association Decision and OCTA’s 2015-2020 Strategy, where sustainable development is a major component. Accordingly, the overall objective of the RESEMBID Programme is to **strengthen sustainable human development in the Caribbean Overseas Countries and Territories (OCTs)**.

The Programme is carried out at all twelve Caribbean Overseas Countries and Territories (OCTs): Anguilla, Aruba, Bonaire, British Virgin Islands, Cayman Islands, Curaçao, Montserrat, Turks and Caicos Islands, Saba, Saint-Barthélemy, Sint Eustatius and Sint Maarten. Hence, final benefit of the RESEMBID will have the citizens and residents of the Caribbean OCTs, men and women, whose social, economic, and environmental development will be positively affected by reducing carbon-dependency for energy and protecting marine biodiversity and other ecosystem services. Finally, the marginalized coastal inhabitants, who have no place to go if their food security, livelihoods, and family well-being disappear will benefit from the Programme, too.

The Programme is supporting various stakeholders, governmental institutions, civil society organisations, international and regional organisations, educational institutions, private and social enterprises with focus on encouraging national, regional as well as cross-sectoral collaboration. In addition, RESEMBID supports those actors to include good governance and governability, gender, climate change, resilience and environment in their strategies and actions. The approach that RESEMBID offers is a demand-driven and bottom-up and supports delivery of technical assistance and financial supports i.e., grants to its implementing partners in the twelve OCTs.

The Programme operationally started on 1st January 2019 and is to be implemented until October 2023.

1.2. OBJECTIVES AND THEMATIC AREAS

The proposed projects to this Call for Submission of Proposals (CSP) will contribute to the RESEMBID overall objective to **strengthen sustainable human development in the Caribbean OCTs**.

The economies of the OCTs, in keeping with many small island developing states (SIDs) are disproportionately reliant on tourism and imported fossil fuels and are highly exposed to extreme weather events—hurricanes especially. This economic model and particular confluence of factors renders OCTs highly vulnerable economically, financially, and environmentally. The three core objectives of the Programme are designed to support the effort of the OCTs to address or mitigate these vulnerabilities.

Accordingly, the proposed projects must address at least one of the three thematic areas / core objectives of RESEMBID listed below:

1) **Resilience**: To increase the resilience of Caribbean OCTs to adapt to extreme and recurrent natural events.

2) **Sustainable Energy**: To increase energy efficiency of infrastructure with high impact on energy consumption; and

3) **Marine Biodiversity**: To improve protection and sustainable management of the OCTs Marine Biodiversity.

The Programme has been committed to ensure that, whilst remaining strategically coherent within the agreed thematic framework of the Programme, its projects would reflect local priorities and the specific circumstances of each and every OCT. To achieve this degree of **local sensitivity, responsiveness, and ownership**, the RESEMBID team made the effort “12-countries-in-12-weeks” to listen to and consult with all relevant stakeholders first-hand on the ground in each and every OCT. The findings of this effort were communicated to the OCTs in March 2020 in 12 Interim Feedback Reports specifically tailored to each OCT. These reports are good starting point for development of projects that are grounded on OCT’s actual priorities and trends.

The following is initial suite of intervention opportunities:

1) **RESILIENCE**

   - Development or improvement of **disaster risk management systems**, including infrastructures, for disaster prevention and preparedness, including prediction and early-warning systems, with a view to reducing the consequences of disasters.
Mainstream disaster prevention and preparedness into sectoral policies, plans and practices (risk-informed / evidenced based programming) within government (policymakers/senior technocrats).

- Strengthening the OCTs’ capacities to reduce their economic, health, education and environmental vulnerability and address and provide social and mental health support. This also includes capacity building of various relevant institutions and their coordination and collaboration.
- Community mobilisation and awareness raising for risks, prevention, preparation, and the response in the event of disaster, with due attention to the specific needs of vulnerable groups.

2) SUSTAINABLE ENERGY
- Formulation, adoption, implementation or compliance of national policies and regulations to meet articulated national/regional goals for renewable energy and energy efficiency penetration as well as to guarantee affordable and sustainable energy tariffs. Consequent opportunity is the support of the translation of energy policies into actionable activities for the local population.
- Strengthening the OCTs’ capacities to formulate and implement strategic and regulatory frameworks and gain knowledge, data and experience on renewable energy power systems and their maintenance.
- Energy efficiency, in particular the development and introduction of energy efficiency standards and implementation of energy efficiency measures in different sectors (mostly public and households, but also industrial and commercial) as well as accompanying educational and awareness activities.

3) MARINE BIODIVERSITY
- Sustainable management of marine and coastal resources, which contribute to protected species, habitats, and ecosystem functions. This includes, ensuring the conservation, restoration and sustainable use of biological diversity and ecosystem services.
- Strengthening the OCTs’ capacities to identify and analyse marine biodiversity threats and potentials and to develop and implement effective national policies as well as management of protected areas.
- Strategies, measures, and actions for conservation of coral reefs and mangroves, sustainable use and management of fisheries, but also for sustainable financing, waste management and environmental education and raising awareness.

Only projects that contribute to achieving the core objectives will be eligible under this CSP. Although the proposed project may address issues from more than one area, it must clearly belong only to one of the areas enumerated in the present CSP.

Furthermore, RESEMBID projects should enjoy the ownership and legitimacy of being anchored in the local reality of the countries. Therefore, proposed projects should:
- be focused on ownership and specific results that are demand driven.
- be orientated to partnership and collaboration.
- apply inclusive approach, that genuinely and proactively involves cross-cutting issues.

RESEMBID – as a Programme funded in the framework of the EU’s European Development Fund (EDF) – works hand in hand with national governments, who are the Programme’s official counterpart. Accordingly, proposed projects must be formally endorsed by the national RESEMBID counterpart (the designated “RESEMBID Focal Point”)

Contracting Authority for the awarded grants is Expertise France.

1.3. AVAILABLE FUNDS
The overall indicative amount made available under this CSP is EUR 13,000,000. The contracting authority reserves the right not to award all available funds or/ and reallocate or/and increase the available funds.

---

1 More information on a role of the RESEMBID Focal Point can be found at the Procedural Guidelines for Applicant.
1.4. SIZE OF THE GRANTS
Any grant requested under this CSP must fall between the following minimum and maximum amounts:
- minimum amount: EUR 100,000.
RESEMBID will exceptionally consider lower minimum amount of funding in case of a pilot actions or actions with high impact potential.
- maximum amount: EUR 1,500,000.
RESEMBID will exceptionally consider higher maximum amount of funding in case of actions with high impact potential.
Requested amount for funding has to be justified, relevant for the proposed action, and consistent with the project logic.
RESEMBID reserves the right to change the above stated amounts (increase, decrease) under exceptional circumstances.

1.5. CO-FINANCING
Under this CSP co-financing is not compulsory but would be welcomed asset and additional indication of national commitment and ownership. However, kindly note that in case of co-financing, no other source of funding may come from the general budget of the EU or the EDF.
If co-financing is not foreseen, please provide justification for full financing.

2. ELIGIBILITY CRITERIA
There are three sets of eligibility criteria, relating to:
1) Actors, the entity submitting the application and partners.
2) Actions/Activities, type of actions/activities that are encouraged/expected within this call.
3) Costs, type of costs that may be taken into account in setting the amount of the grant.

2.1. ACTORS
2.1.1. Lead Applicant
a) In order to be eligible for a grant under this Call, the lead applicant must:
- be a legal person and
- be a specific type of organisation such as: governmental authorities, local authorities, public service providers, civil society organisation2, regional and sub-regional organisations, educational institutions, private and social enterprises, international organisations3, and
- be established in a country recognised as eligible as determined by Expertise France. This obligation does not apply to international organisations, and
- be directly responsible for the preparation and management of the action with the partner(s) and affiliated entity(ies), not acting as an intermediary,
- be able to demonstrate their capacity to manage activities corresponding to the size and type of the project for which a grant is being requested and
- have access to stable and adequate funding to maintain its activities for the period of action implementation.
This will be demonstrated by submission of annual balance sheets and profit and loss accounts available from the last financial year, for which the accounts have been closed for the applicant organisation/institution.
b) Potential applicants may not participate in calls for submission of proposal or be awarded grants if they are in any of the situations listed in Article 156 of the EU Financial Regulation. In this respect, applicants, partners and affiliated entities are obliged to declare that they are not in one of the exclusion situations through a signed sworn statement.
The applicant may act individually or with partner(s). If awarded the grant contract, the applicant will become the beneficiary identified as the Coordinator in the grant contract. The coordinator is the main interlocutor of the contracting authority. It represents and acts on behalf of any other co-beneficiary (if any) and coordinate the design and implementation of the action.

---
2 Organisations considered as non-state, non-profit making actors operating on an independent and accountable basis. They include: non-governmental organisations, professional associations, employers’ associations and trade unions (social partners), chambers of commerce, universities and any other non-governmental associations and independent foundations.
3 As defined by Annex IV of the Partnership Agreement ACP-EU signed in Cotonou on 23 June 2000 as last revised in Ouagadougou, on 22 June 2010
2.1.2. Partners
Under this CSP, applications may include one or more partners.
Partners participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the lead applicant.
Partners must satisfy the eligibility criteria as applicable to the applicant himself.
If awarded the grant contract, the partner(s) (if any) will become beneficiary(ies) in the action (together with the coordinator).

2.1.3. Affiliated Entities
The applicant and its partner(s) may act with affiliated entity(ies).

Only entities having a structural link with the applicants (i.e., the applicant or a partner), in particular a legal or capital link may be considered as affiliated entities to the lead applicant and/or to co-applicant(s).

This structural link encompasses mainly two notions:
(i) Control, as defined in Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings.
(ii) Membership, i.e., the applicant is legally defined as a e.g., network, federation, association in which the proposed affiliated entities also participate, or the applicant participates in the same entity (e.g. network, federation, association) as the proposed affiliated entities.

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

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

2.1.4. Associates and contractors
The following entities are not applicants nor affiliated entities and do not have to sign the "mandate for partner(s)" or "affiliated entities' statement":

Associates
Other organisations or individuals may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant, with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.

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

2.2. Eligible Actions/Activities
An action is composed of a set of activities.

Duration
The initial planned duration of an action may not be less than 6 months nor exceed 24 months. Nevertheless, all proposed actions must complete implementation by 30 June 2023.

Sectors or themes
Specific sectors or themes to which the action must relate are those directly contributing to the achievement of the objectives as per section 1.2 above i.e., sustainable energy, marine biodiversity, and resilience.

Location
Actions must take place in one or more of the following 12 Caribbean OCTs: Anguilla, Aruba, Bonaire, British Virgin Islands, Cayman Islands, Curaçao, Montserrat, Turks and Caicos Islands, Saba, Saint-Barthélemy, Sint Eustatius and Sint Maarten.

Types of action and activities
Actions must relate to one or more of the specific objectives of this CSP and deliver clear impacts and benefits for OCTs.

Types of actions which may be financed under this call (non-exhaustive list):
- Formulation, adoption, implementation or compliance of national policies and regulations.
• Collection of appropriate information, including statistical and research data, to enable governments to make evidence-based decisions; formulate and implement policies; and to support their monitoring efforts and interventions.
• Development and implementation of effective and efficient management systems.
• Public awareness and communication campaigns, and education.
• Exchange of knowledge, learning, know-how and good practices.
• Institutional strengthening and building of technical competencies.
• Baseline and feasibility studies, mapping, and other technical documentation.
• Building OCT capacity to put in place systems for sustainable financing.
• Minor infrastructure provided that is integral to and in support of a technical assistance activity.

**NOTE:** The list of types of action is not exhaustive, but only illustrative and appropriate activities that are not mentioned above will also be considered for support.

The following types of action are ineligible:

• Actions concerned with financing of activities for the exclusive benefit of specific individuals.
• Financial support of the core administrative budget of an entity (e.g., core/budget support).
• Stand-alone activities of a singularly humanitarian nature (e.g., food parcels…).
• Actions supporting specific parties or candidates’ elections.
• Actions which consist exclusively or primarily in capital expenditure, e.g., land, buildings, equipment, and vehicles, except in special circumstances.
• Actions that are harmful to the environment, wildlife, and biodiversity of OCTs.
• Actions which discriminate against individuals or groups of people on grounds of their gender, sexual orientation, political creed, religious beliefs or lack of them, or their ethnic origin.

**Financial support to third parties**

Applicants may not propose financial support (sub-grants) to third parties.

**Cross-cutting issues**

Where appropriate and further strengthening of the action, applicants should ensure the following aspects: good governance and governability, gender, climate change, and environment.

**Visibility**

Applicants must take all necessary measures to ensure the visibility of the financing or co-financing provided by Expertise France and European Union. Projects financed by Expertise France in whole or in part must, wherever possible, include information and communication activities designed to raise awareness among all or a section of the public regarding the motivation behind the project and behind the support provided by Expertise France in the OCT or region concerned, and in terms of the results and impact of the support. Approved project budgets may be required to include a budget line to finance visibility activities. Applicants must comply with the specified objectives and priorities and guarantee the visibility of the financing provided by Expertise France and European Union.

**2.3. ELIGIBLE AND NON-ELIGIBLE COSTS**

Recommendations to award a grant are always subject to verifications preceding signature of the grant contract not revealing any issues requiring modification of the budget (e.g., arithmetical errors, inaccuracies, unrealistic costs and ineligible costs). The verification procedure may give rise to clarification requests and lead Expertise France to impose modifications or reductions to correct any such errors or inaccuracies. Corrections may not give rise to a higher grant and higher percentage of co-financing from Expertise France. Consequently, it is applicants’ interests to provide a realistic budget and appropriate cost effectiveness.

Applicants (and their partners, as applicable) agree that the expenditure verification process specified in Articles 15.8. to 15.11. of the General Conditions of the model grant contract (see Annex F of the CSP) will be conducted at the request of Expertise France or by any external body authorised by Expertise France.

---

4 More information about possible relevant actions please read the Overseas Association Decision: the Part 2 - Areas of cooperation for sustainable development in the framework of the association, Chapter 1.

5 These third parties are neither partners, affiliated entity(ies) nor associates nor contractors.
2.3.1. Eligible Costs

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

Eligible costs are actual costs incurred by the beneficiary(ies) which meet all the following criteria:

a) they are incurred during the implementation period of the grant as specified;

b) they are indicated in the estimated overall budget for the action;

c) they are necessary for the implementation of the action;

d) they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary(ies) and determined according to the accounting standards and the usual cost accounting practices applicable to the beneficiary(ies);

e) they comply with the requirements of applicable tax and social legislation;

f) they are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

Direct Costs

Direct costs are expenses that an applicant can easily, directly connect to the proposed project and more specifically to an activity, product, equipment implemented, produced or purchased by the proposed project. It may also include human resources, travel, and office costs, assuming the labour, trips and office are specific to project.

The following direct costs of the applicant, its partners (if any) and affiliated entities (if any) are eligible:

a) Costs for gross salaries for involved staff in implementing the proposed project.

b) Direct costs for the proposed project that will occur during its implementation period;

c) Operational costs such as office rents, electricity, phone bills, etc. that are relevant to the proposed project.

Furthermore, salary costs of the personnel of national administrations may be eligible to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project were not undertaken and supported by respective payroll documents.

Contingency reserve

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

Eligible administrative/indirect costs

The indirect (also referred to as administrative or overhead) costs for the project are those eligible expenditures which may not be identified as specific costs directly linked to the implementation of specific project activity. However, they are incurred by the applicant and/or partners in connection with the eligible direct costs for the project.

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding, but the total must not exceed 7% of the estimated total eligible direct costs. Indirect costs are eligible provided that they do not include costs assigned to another budget heading in the standard grant contract. The lead applicant may be asked to justify the percentage requested before the grant contract is signed. However, once the flat rate has been fixed in the special conditions of the grant contract, no supporting documents need to be provided. As general rule, under this CSP public bodies are not entitled to administrative costs. RESEMBID will exceptionally consider as eligible the indirect costs for public bodies in duly justified cases.

Contributions in kind

Contributions in kind will not be treated as co-financing.

2.3.2. Ineligible costs

The following costs are not eligible:

- Costs of activities that were completed at the date of signature of the grant contract.
- Direct budgetary support.
- Debts and debt service charges (interest).
- Provisions for losses or potential future liabilities.
- Financial compensation for operational expenses or financial loss of private/public entities.
- Cost declared by the beneficiary that are financed by another donor.
- Purchases of land or buildings.
- Currency exchange losses.
- Provision of loans and credit to third parties.
- Cash transfers of any kind (conditional or unconditional) including to citizens or migrants or undocumented workers.
- Salary costs of the personnel of national administrations.
- Duties, taxes and charges, including VAT, that are recoverable/deductible by the beneficiary.
2.4. ETHICS CLAUSES AND CODE OF CONDUCT

a) Absence of conflict of interest
The applicant must not be affected by any conflict of interest and must have no equivalent relation in that respect with other applicants or parties involved in the actions. Any attempt by an applicant to obtain confidential information, enter into unlawful agreements with competitors or influence the evaluation committee or the contracting authority during the process of examining, clarifying, evaluating and comparing applications will lead to the rejection of its application and may result in administrative penalties according to the Financial Regulation in force.

b) Respect for human rights as well as environmental legislation and core labour standards
The applicant and its staff must comply with human rights. In particular and in accordance with the applicable act, applicants who have been awarded contracts must comply with the environmental legislation including multilateral environmental agreements, and with the core labour standards as applicable and as defined in the relevant International Labour Organisation conventions (such as the conventions on freedom of association and collective bargaining; elimination of forced and compulsory labour; abolition of child labour).

Zero tolerance for sexual exploitation and sexual abuse:
The European Commission applies a policy of ‘zero tolerance’ in relation to all wrongful conduct which has an impact on the professional credibility of the applicant.

Physical abuse or punishment, or threats of physical abuse, sexual abuse or exploitation, harassment and verbal abuse, as well as other forms of intimidation shall be prohibited.

c) Anti-corruption and anti-bribery
The applicant shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption. The European Commission reserves the right to suspend or cancel project financing if corrupt practices of any kind are discovered at any stage of the award process or during the execution of a contract and if the contracting authority fails to take all appropriate measures to remedy the situation. For the purposes of this provision, ‘corrupt practices’ are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or execution of a contract already concluded with the contracting authority.

d) Unusual commercial expenses
Applications will be rejected or contracts terminated if it emerges that the award or execution of a contract has given rise to unusual commercial expenses. Such unusual commercial expenses are commissions not mentioned in the main contract or not stemming from a properly concluded contract referring to the main contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a payee who is not clearly identified or commissions paid to a company which has every appearance of being a front company.

Grant beneficiaries found to have paid unusual commercial expenses on projects funded by the European Union are liable, depending on the seriousness of the facts observed, to have their contracts terminated or to be permanently excluded from receiving EU/EDF funds.

e) Breach of obligations, irregularities or fraud
The contracting authority reserves the right to suspend or cancel the procedure, where the award procedure proves to have been subject to breach of obligations, irregularities or fraud. If breach of obligations, irregularities or fraud are discovered after the award of the contract, the contracting authority may refrain from concluding the contract.

3. ANNEXES TO THE PROGRAMMATIC GUIDELINES
Please check the second part of the Guidelines i.e., the II Procedural Guidelines for Applicants (application, review, approval, and award procedures) for annexes and templates.