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ENPARD



# **Caritas Czech Republic in Georgia Khulo Local Action Group**

**Project “Promotion of Rural Development and Diversification in Khulo Municipality”**

**Rural Development Grant Competition Manual<sup>1</sup>**

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<sup>1</sup> These procedures are based on similar Grant Manuals developed by other ENPARD II implementing organizations.



## About the project

The International non-governmental organization Caritas Czech Republic in Georgia (CCRG), within the framework of the European Neighborhood Programme for Agriculture and Rural Development (ENPARD), in partnership with Croatian non-governmental organization HMRR and Georgian non-governmental organization PMC Research Centre, is implementing “Promotion of Rural Development and Diversification in Khulo Municipality” project. The objective of the project is to improve employment and living conditions in Khulo Municipality through diversification of the rural economy.

As part of the project, CCRG announces first call for applications under Rural Development (RD) grant competition for 2018/19 year.

The purpose of the RD grant competition is to fund projects which improve the standard of living and socio-economic condition in Khulo, based on the priorities and objectives of the Khulo Local Development Strategy (LDS) 2018 -2022.

Six priorities have been identified in the Khulo LDS:

1. Rural tourism;
2. Agriculture;
3. Communal and social infrastructure;
4. Culture, health, education, sports and youth;
5. Off farm activities
6. Environment and sustainable management of natural resources.

The RD grant competition is targeting entire administrative territory of Khulo Municipality. Grants will be awarded only to projects which reflect the priorities of Khulo LDS. Grants are available for public, community and business projects.

There are three steps for a project submission that each applicant must go through to be selected for grant awarding. During each step there will be a selection process and each project will be ultimately approved or rejected by a majority decision from the LAG’s Grant Evaluation (GE) committee. These three steps are:

1. Project Idea (PI) competition.
2. Full Project (FP) competition.
3. Verbal presentations.

For the detailed information about LDS priorities, goals, objectives and possible projects/activities, please visit Khulo LAG’s web page ([www.khulolag.ge](http://www.khulolag.ge)), alternatively you can visit CCRG office



in Khulo, located at Tbel Abuseridze str.#2; or use project hotline 551 13 5525 or send an-mail to: [info.enpard.khulo@caritas.cz](mailto:info.enpard.khulo@caritas.cz).

## **Rolling Calls and Time Limited Calls;**

The first call will be held summer 2018 and the second one in spring-summer 2019. Duration of projects may range from 3 to 12 months (to be completed by summer 2020).

Applicants wishing to participate in the competition should submit **electronically** Project Idea **in Georgian** starting from 1<sup>st</sup> of August, 2018 and send to: [info.enpard.khulo@caritas.cz](mailto:info.enpard.khulo@caritas.cz) or bring to CCRG office in Khulo **electronically**, located at Tbel Abuseridzestr #2. The application form can be downloaded from [www.khulolag.ge](http://www.khulolag.ge) site. The deadline to submit Project Ideas' is 31<sup>st</sup> of August, 2018 **Applications submitted after the deadline will not be considered.**

Evaluation of Initial Project Idea Applications will be completed by September, 2018.

The deadline for FP competition and Verbal presentation will be defined after completion of PI competition.

Final results will be published online – at Khulo LAG web page. In addition, all applicants will be informed via phone.

All following procedures depend on seasonality of the successful project and procurement procedure timeline. Grant contracts will be signed with beneficiaries during next 20 days form enouncement of the final results.

## **Calls for applications;**

Prior to accepting grant applications, a campaign will be launched to spread as much information as possible in Khulo Municipality. Meetings will be held in all 13 administrative units of Khulo municipality to present a brief overview of the strategy to the population. This document will be published on Khulo LAG website. Both employees of CCRG and members of Khulo LAG will be involved in this process.

To provide detailed information about the RD Grant Competition, including the procedures of filling and submitting the Project Idea Application form (Annex 1), the open-door events will be held in August, 2018 at CCRG Khulo office.

The formal and factual requirements regarding the applications and the evaluation criteria will be available at the web-page of Khulo LAG ([www.khulolag.ge](http://www.khulolag.ge)) and at the CCRG office in Khulo at above indicated address.

### **Grant volume**

Maximum amount of grant in the frame of the RD Grant Competition for each project:

- From EUR 2,000 to EUR 60,000 for commercial projects (equivalent in GEL);
- From EUR 2,000 to EUR 20,000 for non-commercial public and municipality projects (equivalent in GEL);



- From EUR 2,000 to EUR 20,000 for projects submitted by Civil Society Organizations (CSO) (equivalent in GEL);

Exchange rate will be determined according to the rate of National Bank of Georgia on the date of signing the grant contract with the beneficiary. Co-financing (sub-grantee contribution) is compulsory component of the RD Grant Competition and amounts to at least:

- 30% for commercial projects;
- 30% for non-commercial public and municipality projects;
- 15% for projects submitted by CSO's.

### **Project Idea competition (PI);**

The calls for applications will be announced through entire administrative territory of Khulo Municipality. Applicants wishing to participate in the competition should submit **electronically** Project Idea form **in Georgian**. The application form could be found at [www.khulolag.ge](http://www.khulolag.ge) site. **Acceptance will be confirmed electronically.**

After the initial applications are submitted, the GE committee of Kuhl LAG will review them against the major criteria of Kuhl LDS and RD grant competition manual (Evaluation Form and Criteria of Project Idea Applications annex 2). successful project ideas that meet the criteria and receive minimum score according to Evaluation Form of Project Idea Applications will be admitted to the next stage of FP competition.

Successful project applicants will be notified via phone/mail, invited for second stage and informed about training schedule. At this stage, applicants will take part in technical trainings (including preparation of full applications/business plans, financial aspects, marketing, etc.). List of approved initial applications also will be available online – at Khulo LAG web site.

### **Development of full application/Full Project competition;**

After the trainings, applicants will prepare a narrative (textual/descriptive part) of full application on their own, to be submitted electronically by stated deadline (maximum 5 weeks).

At first stage submitted project applications are technically checked to determine their compliance to main criteria (requested grant amount does not exceed amount requested at PI competition stage, content compliance to PI, project duration and applicant's identity). Projects which will not pass this stage, are automatically discarded.

FP applications will be evaluated by external experts and scored according to project evaluation form (Annex X).

Same projects will be evaluated by RD grant committee according to project evaluation form.

At the same time, FP applications will be evaluated during Site Visits to confirm compliance of the resources stated in the application and scored. The site visit results and scores will be shared with external experts and the grant committee members. The GE committee scores applicant's full applications according to full project evaluation form.



Invited experts will also prepare technical/financial evaluation of full project applications and will give scores to full applications and recommendations to GE committee.

At the same time, technical group (CCRG Khulo team) of the LAG will evaluate movable and immovable assets of the applicants that were described in full project application as applicant's in-kind contribution, scores and submit their recommendations to the GE committee.

The GE committee will identify all complete applications to be supported, based on the highest scores, in the range of funding available for the first stage of RD grant competition. (description of process \_ Annex 3)

**Participation in FP competition does not guarantee to receive grant.**

## Verbal presentations

The GE committee and ENPARD Khulo project manager will appoint a special meeting with applicants, at which applicant will present project verbally and provide all necessary documentation for the project implementation (e.g. public registration document, relevant permissions, proof of co-financing and so on.). GE committee members may ask additional questions. If majority of the committee will approve the project, it will be admitted for granting.

## Basic eligibility check;

Public, legal and physical entities (businesses and civil society organizations) registered in Khulo and who have or intend to have business in Khulo are eligible to take part in the RD grant competition, provided that applicant accepts the co-funding requirement.

Potential beneficiaries can submit more than one application under the present requirement, however, each applicant will be financed only for one commercial project, and the number of granted non-commercial projects initiated by one applicant is not defined.

**Religious and political organizations and financial institutions are not eligible to apply for RD grant competition.**

**Priority** will be given to projects, initiated by People with Disabilities, women or youth and cooperatives, which are environmentally friendly, promoting energy-efficiency, aiming engagement of women and youth and have high share of co-financing.

## Eligibility and co-funding requirements for all project:

Non-commercial projects	Local government and self-government agencies, legal entities of public law and other public institutions in the territory of the municipality	For non-commercial projects: minimum 30 % of the total project budget.
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Non-commercial, community projects	Citizens of Georgia and groups of citizens, CSOs that will implement projects in Khulo Municipality	For non-commercial/social projects: minimum 15% of the total project budget
Commercial projects	Small businesses (employing less than 10 people), as well as individuals or groups of individuals who, if awarded the grant, are ready to register their business in accordance with the law of Georgia	For commercial projects: minimum 30 % of the total project budget.

## Finances and monitoring

*a. Expenditures which cannot be requested as part of the grant, nor considered as co-financing:*

- Repayment of borrowings/debts
- Repayment of future expenses - salaries/fees/fuel and other recurring expenses
- Financing of undertaken obligations (for example-activities funded by other sources)
- Any personal expenses, (for example educational and travel expenses)
- Any expenses which are not supported by invoices

*b. Expenditures which cannot be requested as part of the grant, but could be included in applicants co-financing:*

- Purchase of land and buildings
- Renovation materials (less than 500 GEL per one invoice) and services
- Labour/service expenses supported by payment document of income tax
- Purchase of live animals (only from official dealers)
- Raw materials
- Expenses for licenses, permits etc.
- Independently invited experts and consultants
- Procurement of B category vehicles.

Applicants co-financing can be considered any financial resources from other sources except donor funding. For non-commercial projects donors funding can be considered as co-financing.

*c. Record keeping and monitoring*

Before signing a contract, all submitted documents will be checked. In case of revealed mistakes (e.g. non-realistic or non-eligible expenses), applicant will be requested to modify the budget.

After the project is financed, all legal and financial documents must be made available to monitoring officers at the time of monitoring. This documentation will not be made public unless it has some irregularities specified in the law and grant agreement.



The beneficiary will comply with all requirements of tax legislation, will regularly maintain and file accounting statements in accordance with the law of Georgia. The documents must be stored by the grant recipient and made available to CCRG and Khulo LAG and store for at least 3 years from the date when contract was signed.

For the purpose of sharing experience, beneficiary must, upon request of CCRG or Khulo LAG, present its enterprise to all interested parties for at least the next 3 years, starting from the date when contract was signed.

## **Grant Evaluation (GE) Committee;**

The GE committee is a permanent body of Khulo LAG. It consists of 22 members from the LAG (15 keys and 7 reserves). Candidates for the committee will be raised by LAG chairman and approved by LAG management body simple majority.

At PI competition, GE committee is organized in five groups (4 persons in each group, including one representative of the technical group (CCRG)). LAG management body is deciding how these three groups will be composed. GE committee evaluates the different project idea applications, filters and selects applicants to participate in full project development. ENPARD Khulo Project Manager as an independent observer (without vote) is participating in the GE committee meetings.

FP evaluation grant committee consist of three-members groups (ENPARD Khulo project team member is acting as a moderator), which are appointed randomly by the designated project team member. Appointment will be taken place in the beginning of the week.

### **The winners will be selected according to quotas. (Annex 4)**

At Verbal presentation, GE committee together with ENPARD Khulo project manager will appoint a special meeting with full project applicants, who will present their projects verbally.

The GE committee members will undergo trainings on the criteria and procedures for evaluation of the project applications.

The GE committee member can be dismissed by chairman, based on statement of the member or correspondent request of LAG management body.

In particular GE committee member cannot participate in selection process if:

- The member of selection commission is applicant, the representative of applicant, family member of the applicant;
- The member of selection commission has work, business, paid consulting service or other relations with the applicant;
- The member of selection commission is related to the applicant in some other way or there are circumstances which can influence objective selection.

In the event of any conflict of interests, i.e. if a member of GE committee or his/her family member has any financial or other interests in the project under consideration, this member will refuse in





writing to evaluate this particular project. The proposal will be evaluated by another group of the committee.

## **Project appraisal and scoring;**

At PI competition stage, each group of GE committee will evaluate different projects. Each project idea application will be evaluated by three members of the committee and one representative of the technical group (CCRG) independently. Maximum points by one evaluator per project is **100 points**. Maximum points per project is **400 points**. Projects receiving less than **200 points** in total will not be invited to submit full application.

At FP competition stage, the maximum score for each full application is **170, 50 points** from LAG's GE committee, **100 points** from the invited financial/technical experts and **20 points** from the Site Monitoring group (CCRG Khulo team). The mandatory minimum score for each full application is **50 points** from the invited financial/technical experts and **5 points** from the Site Monitoring group. The RD grant will be awarded according to the highest score and project technical group quotas (please see the annex X). ENPARD project manager reserves the right to disapprove the decision made by GE committee in case of serious suspicions on the selection process fairness.

In case of technical flaw detection applicant is given one week to submit complaint statement and in case of approval by the project manager changes can be made in the application.

Evaluation results will be made public (available at Khulo LAG web page).

At Verbal presentation stage, the project will be scored accepting or rejecting by the committee members and if majority of them accepts, the project will be admitted to the next stage.

## **Notification of the decision to applicant;**

Successful project applicants, at all three stages, will be notified via phone/mail, invited for next stage and informed about next steps. List of approved project ideas/full projects also will be available online – at Khulo LAG web site.

## **Appeal procedure**

Applicants of rejected Project Ideas/Full projects will be notified by phone and invited to CCRG Khulo office in order to receive written justification of rejection of the application (not meeting criteria). In case the applicants had difficulty of phone coverage and project team wasn't able to





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contact them, it's solely applicant's responsibility to request the result of evaluation in CCRG office within 15 days.

All applicants believing that their applications were rejected unfairly or that some procedures were violated may appeal the decision with ENPARD Khulo Project Manager and LAG Chairman in a written form. The Project Manager and LAG Chairman will investigate and invite the applicant for an interview. If the applicant provides strong arguments and proves the violation of procedures based on facts and documentary evidence, Project Manager and LAG Chairman will send a letter of recommendation to the GE committee regarding the re-consideration of the issue and taking decision of following steps.

**Purchases for successful projects will be made according to CCRG procurement policy.**

**Requested grant from the project is exempted from VAT tax.**



## Annexes

### Annex 1 \_ Project Idea Application form

<b>Applicants name/ legal entity name</b>	
<b>Legal statue:</b>	<input type="checkbox"/> commercial <input type="checkbox"/> non-commercial <input type="checkbox"/> public body <input type="checkbox"/> individual
<b>ID number and date of registration/birth certificate</b>	
<b>Legal address</b>	
<b>Contact information</b>	

#### ☒ General Information about the project

<b>Project type</b>	<input type="checkbox"/> commercial <input type="checkbox"/> non-commercial
<b>Project name</b>	
<b>Full budget</b>	
<b>Grant sum requested</b>	
<b>Applicant co-financing</b>	



Date of projects start/end	
Project partners (if applicable)	
Project location	
The priority of LDS, which is in line with the project (please see “Khulo LDS 2018-2022”)	
Target beneficiaries/customers and number	

### 1. Project description

*(up to 250 words, describe situation before and after project implementation and the project objectives)*

### 2. Number of workplaces created:

*(number of people employed during project implementation and number of workplaces created)*

**During project implementation:**

Female \_\_\_\_\_ *(youth: )*

male: \_\_\_\_\_ *(youth: )*

**After project implementation:**

Female: \_\_\_\_\_ *(youth: )*

male: \_\_\_\_\_ *(youth: )*



**3. Target beneficiary/customers description and number:**

*(desegregated by gender and age)*

**4. Applicant experience and knowledge:**

*(up to 200 words, short description of applicant's experience and qualifications)*

**5. Innovation and influence on environment**

*(up to 150 words, describe why the project is innovative and does not have negative influence on environment is in line with Georgian legislation on environmental protection)*

**6. Accordance with LDS**

*(up to 100 words, describe with which strategic priorities is project in line)*



## 7. Sustainability of the project

*(up to 200 words, describe why the project is sustainable and how the sustainability will be ensured after ENPARD project termination)*

## 8. Budget

*(Please describe purchases and prices. Describe sources of purchases in the last column.  
(purchases will be part of the grant or co-financing))*

**Please consider that purchases made within the grant are exempted from VAT tax.**

Name	Number of	Retail price	Total price	Purchase source

## 9. Acceptance form

<b>1.</b>	<i>In order to participate in the RD Grant competition, I agree to share my personal data to Khulo LAG</i>
<b>2.</b>	<i>During project implementation I agree to allow project implementer (CCRG) to take photos and provide detailed information on expenses and income, which includes both, field visit and monitoring period</i>



3. *I agree that by submitting Project Idea I take part in the competition and will be contacted only in the case of invitation to the next stage (Full Project competition) of competition*

## Annex 2 \_ Evaluation form and criteria of Initial Project Applications

<b>Evaluation form of Initial Project Applications (Project Idea)</b>		
<b>Name of the project/ applicant/ group</b>		
<b>Name of evaluator</b>		
<b>Date of evaluation</b>		
<b>Section 1</b> <b>Mandatory Criteria to be met by all application</b>	<b>Yes/No (Project that do not meet all mandatory criteria- will not be evaluated further in section 2)</b>	<b>Comment of evaluator</b>
Project will be implemented in the territory of Khulo Municipality		
Project application is in line with the priorities of Khulo LDS 2018-2022 (specifying the sector and task)		
Project is not harmful to the environment/environment protection practices are specified		
Project is not politically and religiously based		
Project applicant commits to mandatory co-financing		
<b>Section 2</b> <b>Criteria to be Scored</b>	<b>Score/points</b> <b>Maximum or 0</b>	<b>Comment of Evaluator in case of 0 score</b>
Need is justified, beneficiary/costumer's group is clearly identified	20	
Applicant has relevant experience/skills	20	

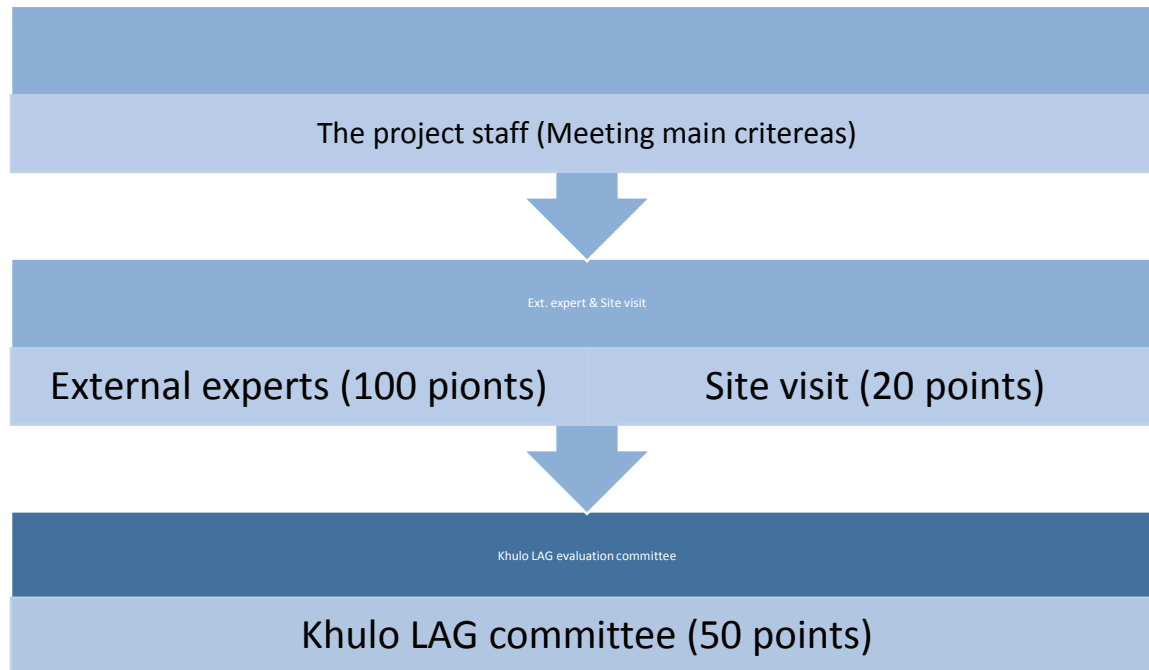


Budget justification is clear and relevant	5	
Co-financing share more than 35%	5 (1 point for additional 5%)	
Number of workplaces created	15	
Sustainability of the project	15	
Project offers new service or product for Khulo	8	
Influence on environment	7	
Project supports local women/youth engagement/employment	5	
<b>Total Score: maximum 100</b>		





### Annex 3 \_ Description of process





**Annex 4 \_** Quotas to select winners

Requested grant	Max. projects from each priority	Max. projects from each community
Low budget projects	10	4
Medium size budget projects	3	2
High budget projects	1	