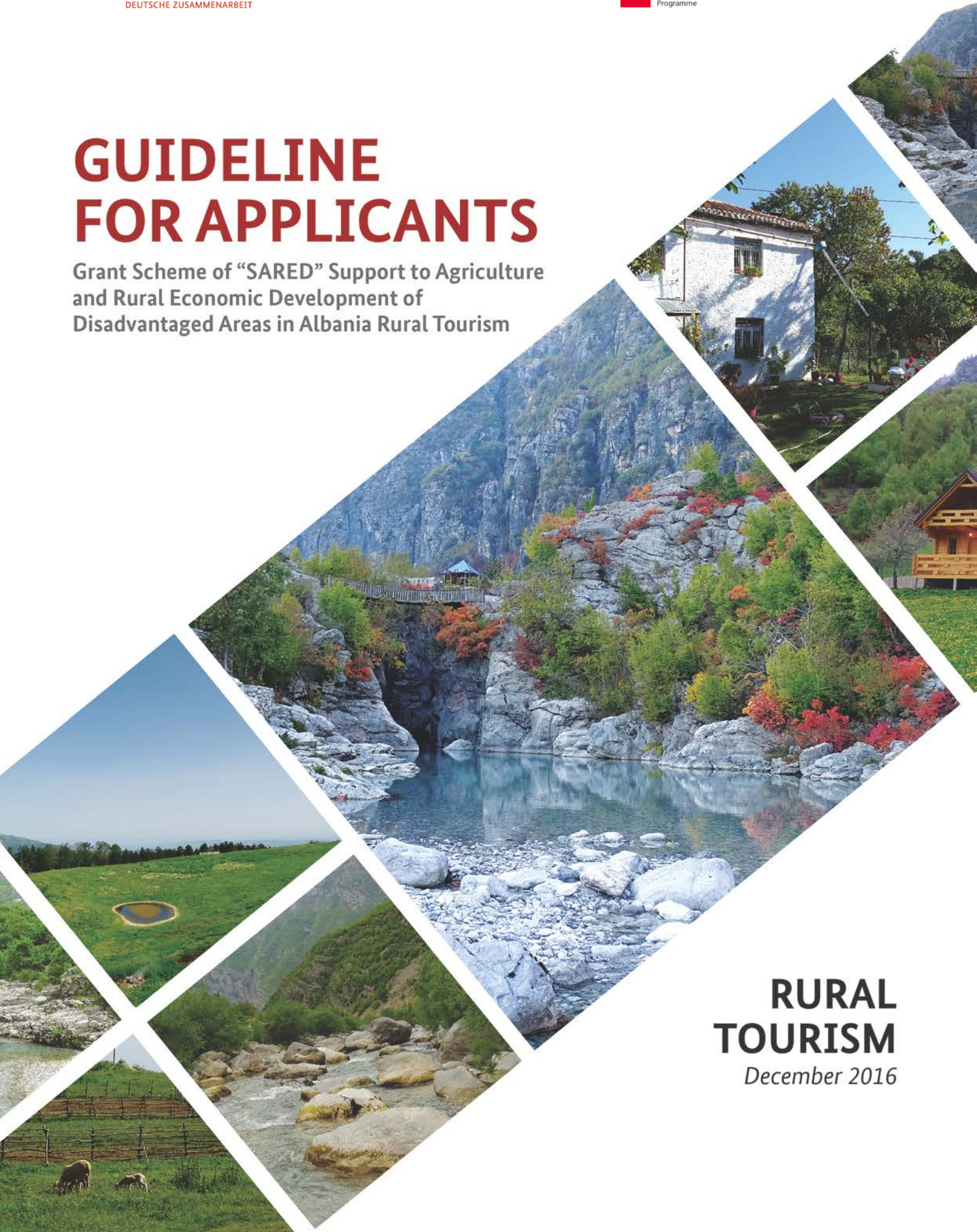


GUIDELINE FOR APPLICANTS

Grant Scheme of “SARED” Support to Agriculture
and Rural Economic Development of
Disadvantaged Areas in Albania Rural Tourism



**RURAL
TOURISM**
December 2016

Table of Contents

1.	SARED Grant Scheme	2
1.1	Background	2
1.2	Key Definitions	3
1.3	Overall Objectives of the SARED Grant Scheme	3
2-	Eligible VC, sectors and beneficiaries.....	4
2.1-	Eligible investments and VC	4
2.2	Eligibility criteria for Applicants under VC 4 (Rural Tourism).....	4
2.2.1	Who Can Apply?	4
2.2.2	The eligibility criteria for applicants in relation to status, ownership and territorial coverage.....	4
2.2.4	Eligibility criteria for applicants related to financial obligations	5
2.2.5	Eligibility criteria related to the investments	5
2.3	Financial Conditions of Eligible Investment Actions	6
2.3.1	Minimum and Maximum of eligible investments.....	6
2.3.2	Aid intensity (The maximum grant amount)	6
	The aid intensity (grant size) is calculated based on only “eligible expenditures (costs)”. The other costs listed as “non eligible expenditures” are not considered for the calculation of the grant to be paid to the beneficiaries.....	6
3.	Rules for Eligibility of expenditures	6
3.1	Eligible Expenditures under the 3 VC	6
3.2	Not Eligible Investments and Expenditures	8
4.	Specific objectives of Eligible investments in VC 4 – Rural Tourism	8
5	Application Procedure.....	9
5.1	Call for applications.....	9
5.2	Criteria for the Submission of Applications.....	9
5.3	Content of Application file.....	9
5.4	Selection and Ranking of Applications.....	12
6.	Important Notes in regard with the eligibility / rejection of the Applications.....	12
6.1	Rejection for major omissions	12
6.2	Request for resubmission of documents in case of smaller omissions.....	13
6.3	Other cases.....	13
7.	On the spot controls (OTS) before contracting.....	14
8.	Notification of Applicants in regard with the award decision	14
9.	Contract for the grant award	14
10.	Duration of implementation of an investment project.....	15
11.	Visibility of investments and Ex Post controls	15
12.	How the Grant is paid?	15
13.	Submission of Claim for Payment (CfP) - Approval / Execution	15
13.1	Criteria for the Submission of CfP	15
13.2	The CfP file.....	16
14.	OTC before payment.....	16
15.	Grant Payment (execution of the payment).....	17
16.	Summary of Important Notes to all the Applicants	17
17.	Annexes:	18

1. SARED Grant Scheme

1.1 Background

The German-Danish Programme “Support to Agriculture and Rural Development in disadvantaged areas of Albania” – SARED is a programme jointly funded by the Governments of Denmark and of Germany in line with the strategic objective of the Inter Sectorial Rural Development Strategy for Albania (ISARD 2014 - 2020).

The Programme duration is from 06/ 2014 until 05/2018.

The aim of SARED is to increase the viability of the rural economy in disadvantaged mountainous areas in such a manner to generate broad based impact. One of the components of SARED is the implementation of an investment Grant Scheme for agro-food and rural tourism sector development. The Grant Scheme is co-funded by the beneficiaries.

SARED Grant Scheme on rural tourism will be implemented by GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) in collaboration with MARDWA and will operate in the territory 3 preselected municipalities of Kukes, Peshkopi and Skrapar in the respective namely in Kukes, Diber and Berat.

The indicative budget for the VC 4 “Rural Tourism” is EUR 500,000 or in average around EUR 150,000 for each of 3 Municipalities. In case the budget is left over in one of the municipalities because of lack of applications it could be reallocated to the other municipalities in case it is needed.

This Guideline for Applicants sets out the rules for the submission, assessment, contracting, implementation of investment actions, submission of Claims for Payment, “On the spot controls”, and payment execution under the Grant Scheme **along the Value Chain 4 “Rural Tourism”**.

This Guideline together with all information related to the Call for Application can be downloaded from the web page:

www.bujqesia.gov.al

or clicking directly on the following link:

<http://www.bujqesia.gov.al/al/programi/projekti-sared>

1.2 Key Definitions

- **GfA:** Guideline for applicants
- **Contracting Authority:** GIZ / SARED
- **Applicant:** is an individual farmer, a registered physical or legal person, which submits an application for receiving a grant under the Call for Applications;
- **Beneficiary** (or grant beneficiary): is a natural or legal person who has been awarded a grant to implement an investment action (project).
- **Investment action** (project): is composed of set of activities for investment in tangible and intangible fixed assets aiming at objectives of the supported sectors.
- **Grant:** is a payment by the Contracting Authority reimbursing part of the eligible expenditures made by the beneficiary for the investment action (project) in tangible and intangible assets.
- **Grant Award Decision and signing of contract:** is a decision of the Authorizing officer to award the grant to the successful applicants based on the contract signed between them.
- **Decision for the Authorization and Execution of the Grant:** is a decision of the Contracting Authority to authorize the grant amount and execution of the payment. This decision is done after the submitted CfP is assessed positively.
- **Public (SARED) contribution:** is the amount of financial contribution granted by GIZ / SARED which is equal to 50% - 65% of the total eligible expenditures of the eligible investment project.
- **Beneficiary contribution:** is the amount of financial contribution granted by the beneficiary which is equal to 35% - 50% of the total eligible expenditures of the investment project.
- **Eligible expenditures:** are the expenditures approved in accordance with the Grant Scheme requirements as listed in respective chapter of this GfA and as stated in the signed contract.
- **LAGU:** Local Administrative Governmental Unit
- **Young applicant:** an applicant under 40 years of age at the day of application.
- **Guest house:** is a facility in the selected rural areas with a capacity of between 6 and 25 beds for receiving and accommodating guests.
- **Facility for entertaining guests (café-/restaurant) in rural areas:** is the facility for receiving between 10 and 30 guests at the same time (tables and chairs for up to 30 guests).
- **Reconstruction:** renovation / refurbishment of an existing building/facility (excluding extension).
- **Construction:** construction of a new building/facility or extension / adjustment of an existing house or agricultural building, or of a guest house, a café/restaurant and other facilities listed in the LEE in selected regions/areas.

1.3 Overall Objectives of the SARED Grant Scheme

The overall objectives of the Grant Scheme for the development of the rural tourism sector in the eligible rural areas are as follows:

- To contribute to increasing competitiveness of Albanian rural areas by enhancing the investment and absorption capacities of the economic actors under the eligible VC;
- To contribute to gradually greening economic activity of Albanian agricultural farms / establishments in rural areas through renewable energy and environmentally friendly investments.
- To contribute to increase the income of rural families

- To contribute to creation of new jobs or maintaining the existing ones
- To contribute to gradually upgrade Albanian agricultural farms / establishments in rural areas towards meeting national standards, mainly in the fields of food safety and quality, environmental protection and tradition and culture in the guesthouses.

2- Eligible VC and beneficiaries

2.1- Eligible investments and VC

VC 4 – Rural Tourism, under which are eligible

- On Farm investments supporting conversion of farm facilities (houses etc.) into accommodation facilities for tourists (guests), serving food and creating recreation conditions for families with children etc.
- Off Farm investments supporting small businesses in creating touristic services including accommodation, café and restaurants and improving the standards of their services

2.2 Eligibility criteria for Applicants under VC 4 (Rural Tourism)

2.2.1 Who Can Apply?

The SARED Grant Scheme is open to individual farmers and physical and juridical persons that own or represent micro, small, medium sized enterprises (MSME) which are working or wishing to start an activity (startup) in rural tourism.

2.2.2 The eligibility criteria for applicants in relation to status, ownership and territorial coverage

The applicants in order to be eligible for a grant under VC 4 must fulfill all the criteria listed below:

- a) They should be individual farmers registered at respective RDAs registers (farmers' card or farmers' VAT number) who perform their agricultural activity in the territory of one of the three preselected Municipalities, who are willing to invest and diversify to rural tourism, and who could prove the ownership of the land / building, where the investment activity will take place, through the legal documentation issued according to the national legislation (see requirements in the Application form – Annex 1 of GfA), **or**
- b) They should be physical persons who have an agricultural or other economic activity in the territory of the three preselected Municipalities and are willing to invest and diversify to rural tourism which are registered and licensed if the national legislation requires it, and who could prove the ownership of the land / building, where the economic or agricultural activity takes place through the legal documentation issued according to the national legislation (see requirements in the Application form – Annex 1 of GfA) **or**
- c) They should be legal entities, 100% privately owned who have an agricultural in the territory of the three preselected Municipalities and are willing to invest and diversify to rural tourism or the ones who have an existing economic activity related to rural tourism. They should be registered and licensed as the national legislation requires it and who could prove the ownership of the land / building, where the investment activity will take place, through the legal documentation issued according to the national legislation (see requirements in the application form – Annex 1 of GfA) **or**
- d) Eligible are individual farmers, physical persons, legal entities too, which have rented the land / building and/or they have been entitled through a "rental contract for In Use", to use it and invest for a minimum of 15 years for the eligible investments. The renting contract should be notary verified and accompanied by the ownership documents issued according to the national legislation (see requirements in the application form – Annex 1 of GfA). He / they should present the "rental contract for in Use" notary verified and

accompanied by the ownership documents issued according to the national legislation (see requirements in the application form – Annex 1 of GfA). **Or**

- e) Eligible are individual farmers who live in their (own or family) houses constructed before 1990 but for which they haven't yet registered in IPRO (ZRPP) and therefore they could not submit the ownership documentation. In that case the applicant should submit a certificate issued by the LAGUs (signed and stamped) certifying that the house is constructed before 1990 and the applicant lives in that house since that time.
- f) Eligible are all applicants as above who live and perform their economic eligible activity in the territory of the selected LAGUs in the territory of the following Municipalities; Municipality of Kukes of region (Qarku) Kukes, Municipality of Peshkopia in Qarku of Diber and Municipality of Skrapar in the Qarku (region) of Berat (see Annex 4)
- g) They should apply **only for investments** in the frame of Value Chain 4 and only based on the list of eligible expenditures / Investments (Annex 3 to the GfA),
- h) The applicants who have submitted an application or have signed a contract under the SARED grant scheme in the frame of the VC 1-3 have the right to apply under the VC rural tourism after they have finalized first the contracted investment and after they are paid by GIZ.

2.2.3 Eligibility criteria for applicants related to financial obligations

The applicants must:

- have fulfilled all financial obligations towards the state, as required by national law according to his legal status he applies including the tax on land in case he is an individual farmer and other financial obligations in relation with his economic activity in regard with taxes (including land tax or tax on the property – building where the economic activity takes place) insurance dues (health and pension), in case the applicant is a physical or juridical person or ACA **and**
- Have no overdue financial obligations to the MARDWA and its subordinated structures (including ARDA) and
- Have not received grants (public funds) in the last 5 years for the same investment he is applying for under SARED grant facility.

2.2.4 Eligibility criteria related to the investments

- The accommodation capacity eligible should be for an individual farmer up to 16 beds and for a business (MSME) up to 25 beds for each applicant. Separate living space for tourists must be ensured.
- The capacity of other facilities as. f.ex. a café/restaurant to be eligible should be between 10 – 30 persons.
- The investment when concluded must respect the relevant national standards in the relevant field as regards to accommodation, food safety and environmental protection.
- In case of investments in renewable energy (on-farm), eligible are only equipment with a capacity for self-consumption of the energy in the economic activity on his farm / MSME related to the activity of rural tourism.
- The construction works, materials and methods should respect the cultural, tradition and architectonic characteristics and requirements of the respective region and should be certified by the regional respective national institutions as required by Albanian legislation as well construction standards and requirements as per Albanian construction legislation.
- Furniture should be in respect of traditional characteristics of the region (not luxury ones).
- All the projects submitted to be eligible for support should be in compliance with respective standards of the relevant field at the end of investment and before the CfP.

- The investment projects should be in compliance with the requirements of management plans of natural and cultural heritage or protected zones and as such should be appropriate (suitable) for the territory where the investment takes place.
- In case that in certain territories there exist local development strategies, the project proposal should have the approval of the respective LAGs in case it exists as approved by MARDWA.

2.3 Financial Conditions of Eligible Investment Actions

2.3.1 Minimum and Maximum of eligible investments

Under this frame the total amounts of expenditures (including the VAT) of the eligible investment, both on Farm and off Farm investments, for which a grant may be requested must fall between the following minimum and maximum amounts:

- **minimum** amount of total eligible investments size: 400,000 ALL
- **maximum** amount total eligible investments size: 5,000,000 ALL

2.3.2 Aid intensity (The maximum grant amount)

The aid intensity (grant size) is calculated based on only “eligible expenditures (costs)”. The other costs listed as “non eligible expenditures” are not considered for the calculation of the grant to be paid to the beneficiaries.

- For the investments on Farm made by applicants with the status of a farmer in frame of VC 4 the Aid Intensity is 65%** of the total eligible expenditures (costs) of the eligible investment implemented.
- For investments off Farm made by business operators in frame of VC 4 the Aid Intensity is 50% - 60 %** of the total eligible expenditure for the eligible investment implemented, as follows.
 - **The basic Aid Intensity (Grant size)**, for all applicants under this category, **is 50 %** of the total eligible expenditures for the eligible investment implemented.
 - **To this amount will be added 10 %** of the eligible expenditures in case the eligible investment is implemented by a young applicant (under 40 years in the moment of the application submission) **OR** by a woman (*individual or legal representative of the private registered business*).

3. Rules for Eligibility of expenditures

The 2 categories of costs (expenditure) considered as (i) eligible and (ii) non-eligible are explained in details below.

To be eligible under the grant scheme, expenditures must comply with the provisions of the signed Grant Contract. The template of the grant contract, is published on the MARDWAs' web page: www.bujqesia.gov.al

The applicants should note that the eligible expenditure must be based on real costs and prices and should be proved through supporting documents which has to be submitted as required in the CfP form. In this regard the controls made by the Contracting Authority may result in a need for clarification from the applicants, and may impose modifications which may result in reductions of reimbursement to address and correct any mistake, negligence or unreal cost.

3.1 Eligible Expenditures under the 3 VC

For the calculation of the grant amount are considered only “eligible expenditures”

The eligible costs (expenditures) incurred by the beneficiary **should meet all the following criteria:**

- 1) Eligible is any cost necessary for the implementation of the investment based in the List of Eligible Expenditures / Investments (Annex 3 of GfA) and explained in the detailed budget as part of the contract;
- 2) Any costs are identifiable and verifiable, are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.
- 3) Each payment related to machinery / equipment purchase, construction works, advisory services bought by the applicant should be documented by him through original invoices issued by registered suppliers or service providers as required by Albanian legislation according their legal status.
- 4) are costs relating to purchase of new machinery and equipment up to the market value of the asset;
- 5) are costs incurred and disbursed during the implementation period of the Investment Action (after the contract with GIZ is signed with exception of general costs). The Implementation period of the investment (its start and end dates) will be stated in the grant contract signed between the applicant and the Contracting Authority: therefore the Investment Action may not be started before the contract between the beneficiary and GIZ is signed and by the other hand the contracts between the applicant with suppliers and service providers may not be concluded before the date of signing the contract with the GIZ contracting authority (with exception of general costs related to the preparation of the application file).
- 6) are costs related to construction or reconstruction / extend / improvement of immovable property. In that case
 - a. Construction works must be carried by a third contracted party (registered physical or legal persons). Labor of the farmer or his relatives / enterprise workers is ineligible cost.
 - b. Routine maintenance works of buildings and facilities are not eligible. Routine maintenance means services that are performed continuously on a regular schedule and that are intended to extend the useful life of a building system and reduce the need for major repairs.
- 7) **are general costs** which should be planned in the business plan and which are related to Expenditures referred to the investment and are done mainly for the preparation of the application file (before the application date) and related to the advice for implementation of the investment and preparation of the CfP such as:
 - a. payments to advisors for the preparation of the application file, preparation of the business plan, costs of official translation of documents for submission of the application,
 - b. preparation of the project design (architectural project, construction project, bill of quantities, technological project, electrical project, engineering project...) architects', engineers' and
 - c. other consultation fees for feasibility studies, preparation of marketing strategy closely related to the investment,
 - d. the acquisition of licenses,
 - e. costs for consultants to follow up and advise the beneficiary in regard with correct implementation of the eligible investment, including the preparation of the Claim for Payment.
 - f. **Total amount of the eligible general costs** is up to a ceiling of 12 % of total eligible expenditures, including the costs for the preparation of the business plan up to ceiling of 4 % of total eligible expenditures but a maximum of ALL 200,000.
 - g. The above mentioned general costs should be proved by original invoices issued by registered service providers of goods and services as provided in the Albanian legislation based on the contracts signed between the applicant and the service provider (consultant) before the date the applicant has submitted the application file.

3.2 Not Eligible Investments and Expenditures

Under all 3 VC **the following investments/expenditures** will not be taken into account in regard with grant calculation:

- Projects where the end product is not within the list of LEE defined in Annex 3;
- Projects / investments financed by other public support for the same investments; Costs to the same investment covered by another action funded by national or donor program.
- Costs related to purchase of second hand equipment / construction and other materials;
- Projects to replace items grant-aided in the previous 5 years;
- Projects / Investments commenced and Expenditure incurred prior to the signature of the Grant contract with contracting authority (GIZ-SARED), with the exception of general costs as defined in section 3.1;
- All kind of contributions in kind as f.ex. labor of applicant, his employees or his relatives.
- Routine maintenance works of buildings and facilities are not eligible. Routine maintenance means services that are performed on a regular schedule and that are intended to extend the useful life of a building system and reduce the need for major repairs
- Costs of purchase, rent or leasing of land and buildings, and rent / leasing of machineries and equipment;
- Purchase, rent or leasing of animals for touristic activities;
- Operating costs (such as consumables, service and fuel supplies – electricity, water, oil, gas, etc.), maintenance, depreciation and rental costs;
- Value added tax for the applicants that are registered as physical or legal persons and who are required by law to pay VAT;
- Any other taxes
- Customs and import duties, or any other charges;
- Any costs incurred by public administration in managing and implementing assistance
- Exchange costs of monetary values, charges and exchange losses, as well as other purely financial expenses;
- Interest refinancing costs, overheads and insurance charges;
- Fines, financial penalties and expenses of litigation;
- Bank charges, costs of guarantees and similar charges;
- Debts and debt service charges provisions for losses or potential future liabilities;

4. Specific objectives of Eligible investments in VC 4 – Rural Tourism

Please refer to Annex 3 of GfA that provides details of eligible investments that are under the Grant Scheme.

One application may target **one or more objectives and include one or more investment types of one VC** as listed in the Annex 3 of the GfA of the SARED grant scheme.

Modernization of accommodation and services facilities for tourists in alignment with national legal requirements.

Improvement of standards in the fields of accommodation and services for tourists, including environmental protection / preservation, food safety and quality, animal health and welfare.

Eligible for support are investment actions targeting the following specific objectives:

- Improve accommodation capacities, techniques and technology, based on traditional regional characteristics;

- Improve facilities and equipment for accommodation and entertaining tourists and for preparing and serving food in respect of the relevant standards applicable in the national tourism sector and in particular in the accommodation, preparation and storage of food, hygienic standards etc;
- Through investments support the introduction of food safety and quality systems in the food preparation / serving facilities (kitchen, cafe-restaurants, etc.);

5 Application Procedure

5.1 Call for applications

The Applicants will be invited to submit their application through an open call for applications which will be launched through announcements published in national and regional media, and MARDWA's webpage www.bujqesia.gov.al .

Please be aware that the precise information related to the Call for Applications, on its length and on the deadlines in which the applicants can submit their applications will be defined in the respective **call announcement** which will be published in the national newspapers and will be published on MARDWA's web page www.bujqesia.gov.al .

5.2 Criteria for the Submission of Applications

- Applications in relation to VC 4 must be submitted only to the regional offices of SARED in Kukes, Peshkopi and in Berat hand delivered in person.
- It will be accepted only the applications submitted according to the deadlines provided in the Call for Applications published.
- The application files must be submitted in two copies in an envelope (1 original file and 1 photocopy of the original), sorted in the order as provided in the PART - 5 "LIST OF THE SUPPORTING/ACCOMPANYING DOCUMENTS", of Application Form.
- On the envelope the applicant should write his full name and address (contacts), the title of the project (investment) and the respective VC.
- The number of successful applications of 1 applicant within "SARED" Grant scheme is limited to 1.
- The Contracting Authority (GIZ) retains ownership of all applications received. GIZ could decide based on a written request if the applicants have the right to have their original applications returned to them.

5.3 Content of Application file

The application file should be in Albanian language (respectively translated). In case the supporting documents are not issued in Albanian (foreign providers) an **official translation into Albanian** language must be attached.

The applicants have to submit the Application file containing

- (a) The application form** (Annex 1 of GfA),
- (b) All supporting documents**, listed as introduced in the Application form and
- (c) The Business Plan**

Further Explanations in regard with;

- (a) Application form – Annex 1.** Please submit the application form in one **original paper print and signed personally by the applicant.**
- (b) Supporting documents**, requested in the Application form (see Annex 1 of GfA)
 - The applicant has to submit with the application file all supporting documents, which are requested and listed in the Application Form given as part 5 of Annex 1 to the GfA, as a prove that he/she has met all eligibility criteria related to the investment.

- In case the Application Form requires “Copy” of the documents, they should be clear, easy to read and identical to originals, which have to be confirmed by statement of the applicant which has to be given in Application form. In this way the applicant takes over the responsibility of the veracity of the document submitted.
- The applicant keeps a file with all original documents in his farm / establishment because they will be checked during the on the spot control to verify the submitted copies with the original. In case of discrepancies the application might be rejected or respectively grant payment will be rejected. The original documents should contain all elements as required by the Albanian legislation (as f.ex. seal, signature, protocol nr etc.).

(c) Business Plan:

- For investments up to 1,400,000 ALL, please use the template of BP provided in Annex 2/1, consisting only on a simple narrative BP;
- For investments above 1,400,000 ALL please use the template of BP provided in Annex 2/2, consisting of a narrative and a financial part:
 - **Narrative part** of the Business Plan has to be prepared using the template given in **Annex 2/2/1** and to be submitted in one original paper print;
 - **Financial Part** of the Business Plan has to be prepared using the template given in **Annex 2/2/2** and to be submitted in printed and electronic format (CD-Rom)
 - (Calculations made in digital version of financial part of Business Plan provided on CD-ROM will be checked)

In order to submit a well prepared BP please follow carefully the instructions how to prepare the BP attached as annex 2.3 to this GfA.

Together with the BP and the Application form, applicants have to submit 3 original offers for any single expenditure related to the investment action (project) higher than 140,000 ALL (total value of the invoice).

The requirements relating to offers are as follows:

The 3 offers should be easy to compare therefore;

- i. The applicant prepares neutral technical specifications for each item or machinery he is applying in the SARED grant scheme
- ii. The applicant asks 3 offers from 3 different suppliers based on the same neutral technical specifications (as above) for each investment purchased item, project design projection for construction / reconstruction works where the offers issued by the providers should contain elements as follows;
 - a. In case of equipment should contain besides the technical specifications asked by the applicant and f.ex. the type, model, capacity, power and other main characteristic of the equipment etc.,
 - b. In case of investment in construction/reconstruction, the offers should be based on the same technical specifications of project design and related cost estimation “bill of quantity”.

Offers / invoices from foreign suppliers / service providers outside Albania, must be issued, if possible, in English language. The applicant must attach to the originals an **official translation into Albanian** language.

Offers / invoices from Albanian suppliers / service providers should be issued in Albanian and in Albanian currency (ALL).

The suppliers from Albania are requested to submit the simple registration extract issued by NCR. The suppliers / service providers invited to submit 3 offers requested for expenditures related to the investment must not be related to each other or to the applicant, not be

relatives (meaning not close family members and explicitly father, mother, husband, wife, son, daughter, son in law, daughter in law) and business related.

The suppliers from abroad are requested, in addition to the main elements requested to be introduced in the offer as listed below, to make a statement in the offer that;

- the company has an active business status in the field related to the offer, and
- they are not related to the applicant, (meaning not close family members and explicitly father, mother, husband, wife, son, daughter, son in law, daughter in law) and
- they are not business connected with the applicant.

However, the GIZ has the right to request from the applicant to submit extract from register for the suppliers from abroad during the assessment process.

In cases when above mentioned connection is determined between applicant and legal representative of one of the suppliers or legal representative of the suppliers than a new offer is requested.

The main elements requested to be introduced in the offer issued by any supplier are as follows;

- Date of issue;
- Name of the supplier;
- Registration number of the supplier in NRC;
- Price, VAT and other taxes quoted separately based on;
 - Detailed technical specification send by the applicant, including other specifications as type, model of the equipment offered etc.)
 - Bill of quantities with unit prices, in case of works and construction cost estimation;
 - Place of delivery
- Validity of the offer.
- Signature of the legal representative and stamp, where applicable.
- A statement in the offer that the prices offered refer to new machinery, equipment etc.

The offers should be issued in original, valid for the time when the purchase / investment will be done,

In case that any offer submitted is false and issued with the intention that the applicant realize undue advantage, such application must be rejected.

The applicant makes by himself (his adviser) the comparison of the offers based on the table of offer comparison in the BP – annex 2.1 and 2.2.1.

If the lowest value offer is not selected, the applicant has to provide his justification in written.

In the comparison table all amounts of the offers respectively of the invoices should be calculated and indicated in ALL. For the ones issued in foreign currency, by the foreign suppliers / companies, the calculation of amounts from foreign currency to ALL is based on the exchange rate of the month in which the call for applications was opened or in relation to the Claim for Payment of the month in which the Claim for Payment is submitted. The correct amounts claimed related to the contracting and respectively to the payment calculated as above are introduced in the respective table in the Application form and / or Claim for Payment form.

The applicant should use exchange rate provided at:

http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm

A. Invoices

In case the applicant has performed **payments** related to the category general costs which are performed before the applicant signs the contract with the GIZ, the applicant submits the following:

1. In case the total value of the invoice does not exceed 140,000 ALL he submits
 - i. only the original invoice issued by the service provider / supplier in accordance with Albanian legislation requirements related to his business activity.
2. In case the total value of the invoice exceeds 140,000 ALL he submits
 - i. the contract signed by the applicant and the service provider and
 - ii. the original invoice issued in accordance with Albanian legislation requirements related to his business activity.

If applicant does not submit requested document in given deadline application file will be rejected.

5.4 Selection and Ranking of Applications

All the applications will be collected and ranked in the end of the deadline of the call for application, based on Municipality and LGAU level.

Ranking will be used, based on ranking criteria as follows;

Criteria for ranking	Points
Additional jobs created explained in the BP	30
Applicant is a woman or a young man under 40 years	20
Investment is in compliance with tradition of the region and culture in accommodation and food preparation / serving	25
Professional experience with tourism explained in the BP for individual farmers or through licenses for MSMEs	15
Investment is introducing the renewable energy or elements of energy efficiency	10
Total points	100

The eligible applications received will be listed according the points received based on the ranking table as above. Based on the available budget will be drawn the bottom line, and the applications above this line will be financed. Furthermore, priority will be given to the two highest ranked applications from each LAGU under the given Municipality.

In case of 2 or more applications are ranked with the same number of points, than for them will be used the principle of the date and time of the submission of the application in the regional offices, "The first come first served principle". The date and the time are kept in the receipt protocol of SARED regional office.

In case after the contracting of the ranked applications is still a certain budget available the contracting process will continue with the applications under the bottom line in the waiting list according to the ranking.

In case there is no or are few applications under one certain LGAU or Municipality than the left budget will be shifted to another LGAU or Municipality with higher number of applications.

6. Important Notes in regard with the eligibility / rejection of the Applications

If some of the formal requirements stated above are not fully respected the reaction will be proportional to the omission identified and not distorting equal treatment of potential applicants.

6.1 Rejection for major omissions

The application **will be rejected** without requesting submission/ resubmission of documents in case of major omissions of the formal following requirements:

- Application submitted after the announced deadlines or after utilization of funds of SARED grant scheme;

- No application form is submitted;
- No BP is submitted
- The application form or business plan standard templates are not used. They are submitted but not in the standard given templates;
- Application form or business plan is handwritten;
- No supporting documents are attached to the application form;
- No offers are submitted;
- The same applicant has submitted two applications for the call for proposals at the same time;
- Applicant has applications that have not been paid yet;
- The applicant already received maximum amount of support;
- Applicant is on debtor ledger held by MARDWA;
- Total investment is not in line with the List of eligible expenditures (Annex 3).

6.2 Request for resubmission of documents in case of smaller omissions

Clarifications / resubmission of missing documents will be requested by GIZ staff in case of the following small omissions:

- Application form and Narrative part of the Business Plan is submitted with the correct templates and the requested information is provided, but the way in which the document has been filed in is not clear or some data are missing;
- Application file / declaration or other documents are not signed or contain a scanned signature.
- Part of the supporting documents requested in the Application form are missing;
- Validity of the supporting document has expired, not fulfilling the requirements of the Application form (certificates, offers etc);
- The total eligible costs are below or above the limit stated in the guidelines for applicants;

The following corrections will be made before contracting as defined in the GfA:

- In case the requested information in the application form and narrative part of the business plan is provided, but the documents are not correctly filled in; e.g. the information is provided in a section X of the template and such information should have been correctly provided in section Y;
- Arithmetical errors corrected;
- Ineligible items will be deleted (not accepted).
- If thresholds for the general costs or business plan are exceeded, the costs will be reduced by SARED staff;
- The grant amount will be reduced accordingly in case the applicant requests a higher rate of aid intensity of grant as he should.

6.3 Other cases

In all other cases that are not explicitly stated above, MARDWA and GIZ will take a decision on a case by case basis ensuring

- The equal treatment of proposals and
- In accordance with the principle of proportionality.

The applicant will be given up to 20 working days deadline to resubmit missing documents, and if the documents are not delivered within the deadline or incomplete the application will be rejected.

7. On the spot controls (OTS) before contracting

The applications which comply with the administrative and eligibility rules will be checked on-the-spot to verify that the information submitted in the application form is correct.

The OTC will be performed by regional coordinators of GIZ and MARDWA staff in the regions (extension etc) and eventually by relevant National Authorities and short term experts hired by GIZ in the respective field of investment verifying the relevant information related to eligibility criteria and national minimum standards of the planned investment project (action).

Obligatory OTC before contracting is done only for investments in construction and reconstruction (not for new movable equipment), but as well for any type of investment which contracting authority finds necessary to be verified. During the on-the-spot checks the original documents and assets will be controlled.

If the on-the-spot checks before contracting reveal that the applicant or the investment action does not meet the required eligibility criteria stated in the GfA, the application shall be rejected on this sole basis.

8. Notification of Applicants in regard with the award decision

Applicants will be informed in writing on the decision of the Contracting Authority concerning their application;

In case of positive assessment / decision the applicant will be invited to sign the contract and, in case of rejection, the contracting authority (GIZ) informs them on the reasons for the negative decision.

9. Contract for the grant award

Following the decision of the contracting authority to award a grant, the Beneficiary will be offered a grant contract. The template of the grant contract will be made available online on MARDWA's webpage www.bujqesia.gov.al.

The potential beneficiary will receive a Notice for Grant Award where the beneficiary will be invited to come and sign the Contract in a period of 10 working days from the day when Notice was sent from the central office.

The Grant contract will be issued in two copies on each language (English and Albanian) one for Contracting Authority and another one for the Grant beneficiary.

By signing the grant contract the applicant declares accepting, in case where it is awarded a grant, the contractual conditions as laid down in the grant contract.

Any need of the beneficiary to any change of the contract terms including the investment items and their specifications and the time duration of the contract should be done based on a request for amendment of the contract that the applicant submits prior his signed contract expires and is valid only after it is approved and signed by the contracting authority (GIZ).

10. Complaints

Applicants believing that they have been harmed by an error or irregularity during the award process may file a complaint in 15 working days from the date of the decision. The complaint is to be submitted in written form in the regional offices or directly by post to the main office in Tirana, signed by the applicant referring to a justification of the decision taken by the Contracting Authority. Following the reassessment of the situation for which a complaint has been submitted the Contracting Authority will issue an answer in written form.

10. Duration of implementation of an investment project

- The deadlines for the implementation of the investment and / or submitting the CfP will be specified in the individual contracts which will be signed between Contracting Authority and potential beneficiaries.
- The applicant may apply for extension / amendment of the contract under certain circumstances as laid down in the respective article of the signed contract.
- Beyond the above mentioned deadlines there will be not any extension.

11. Visibility of investments and Ex Post controls

The Grant Beneficiary is obliged to place immediately after payment is done, according the size of investment financed, a *sticker and/or commemorative plaque* indicating that the Investment Action is being financed by: The German-Danish Programme “Support to Agriculture and Rural Development in disadvantaged areas of Albania” – SARED. The logo will be produced and distributed by the GIZ Contracting Authority.

Chapter II

Grant reimbursement

12. How the Grant is paid?

- The payment will be made by GIZ based on the claim for payment file which is submitted by the beneficiary after the investment is implemented as provided in the contract.
- The grant will be paid in one installment upon completion of the eligible contracted investment.
- Advance or intermediate payments are not made in the framework of “SARED” grant scheme.
- The CfP form should be downloaded from the MARDWA web page.

13. Submission of Claim for Payment (CfP) - Approval / Execution

After completion of the investment according the contract the Beneficiary should present to the Contracting authority the claim for payment file (CfP).

13.1 Criteria for the Submission of CfP

- CfP in relation with VC 4 investments must be submitted only to the regional offices of SARED in Kukes, Peshkopi and in Berat hand delivered in person.
- It will be accepted only the CfPs submitted according the deadlines provided in the contract signed between GIZ and the beneficiary.
- The Claim for Payment file has to be submitted to the respective office in regional level as hand delivery in person according to the official template of Payment Claim form (see Annex 5). It must be submitted in two copies in an envelope (1 original file and 1 photocopy of the original), sorted in the order as provided in the *PART - 5 “LIST OF THE SUPPORTING DOCUMENTS”*, of Claim for payment form. On the envelope the applicant should write his full name and address (contacts), the title of the project (investment) and the respective VC.
- On the envelope the applicant should write his full name and address (contacts), the title of the project (investment) and the respective VC.
- The Contracting Authority (GIZ) retains ownership of all CfP files received. Consequently, grant beneficiaries will not have their original payment claims returned to them until GIZ decides based on a written request if the applicants have the right to have their original CfP files returned to them (original invoice/s after they are stamped by GIZ if they will not stay with GIZ).
- The fulfilled claim for payment form which should be downloaded from the MARDWA web page. The CfP form should not be fulfilled by hand written.

13.2 The CfP file contains;

- a) CfP form. In case the Claim for Payment Form requires “Copy” of the documents, they should be clear, easy to read and identical to originals, which has to be confirmed by statement of the applicant which has to be given in the Claim for payment form. In this way the applicant takes over the responsibility of the veracity of the document submitted.

In the payment claim all costs should be indicated in ALL. The calculation of amounts from foreign currency to ALL for the invoices from the foreign supplier/s is based on the exchange rate of the month when payment claim was submitted. Exchange rate is available at following address:

http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm

- b) All required supporting documents as part of the claim for payment form (see the PART - 5 “LIST OF THE SUPPORTING DOCUMENTS”, of Claim for payment form,
- c) All original invoices for each eligible expenditure done in relation to the approved investment indicated in the signed contract;

The invoices of foreign suppliers should possibly be issued in English or Albanian if possible and the applicant must attach to the originals an **official translation into Albanian** language.

The invoices should be arithmetically correct, i.e amount/s of the invoice, items and technical specifications should be in accordance with the signed contract with contracting authority. The invoices must be accompanied by the respective technical equipment or materials.

Except for general cost, the other eligible cost/invoices should incur after the Grant Contract is signed with the contracting authority. Costs for *investments that have been executed in the past or started implementation before the signature of the Grant contract as well other costs as defined in the contract are not eligible under the Grant Scheme*),

All the payments should be done by bank transfer from the account of the grant beneficiary to the account of the supplier of goods and or services (rather than cash deposit to the supplier’s bank account) and this should be proved by bank statements for the date the transfer is done). For all payments submitted with the Claim for payment a bank statement is requested to be submitted in order to confirm the accuracy of the information indicated.

No cash payments will be accepted.

14. OTC before payment

The CfP applications which comply with the administrative and eligibility rules will be checked on-the-spot to verify that the information submitted in the application form is correct.

The OTC will be performed by regional coordinators of GIZ and MARDWA staff in the regions (extension etc) and eventually by National Authorities and short term experts hired by GIZ in the respective field of investment verifying the relevant national minimum standards of the planned investment project (action).

OTSC before payment will be done on 100% of applications to verify that the investment is completed in respect of the contract and put in operation, works completed, and payments to all suppliers are executed.

During the on-the-spot checks the original documents and assets will be controlled and controller/s can make photos, measure land parcels, buildings, etc. can take notes and collect any other evidence which can support the answers given in checklist.

Based on the report of OTC and if the investment is done as stated in the contract the CfP is approved. In case of discrepancies the CfP is rejected or revised (corrections in the calculation of the amounts claimed) will be done.

15. Grant Payment (execution of the payment)

After the approval of the claim for payment, GIZ transfers the amount of the grant to the account of grant beneficiary which is provided with the application form.

The applicant could request to GIZ to change the account number provided only in written form.

The maximum time for executing the payment to the account of the beneficiaries is up to two months after the date the complete CfP (claim for payment) file is submitted.

16. Summary of Important Notes to all the Applicants

- Applications may include only investments in **tangible and intangible assets as described in the LEE Annex 3 to the GfA.**
- All purchased machinery and equipment **must be new.**
- The grant scheme supports only investments that will be implemented **after the signature of the Grant Contract.**
- **Investments** that have been executed in the past or started implementation before the signature of the Grant contract are **not eligible** under the Grant Scheme.
- **Only payments related to general costs and respective invoices** (see point 3.1 above) which are realized prior to the submission of application and which are done related to activities necessary for the preparations of the investment project and application are eligible (consultants, preparation of business plans, technical designs, application form etc.).
- All **investments must comply with the relevant national minimum standards** regarding accommodation and receiving of tourists environmental protection, food safety, animal and plant health, animal welfare, and occupational safety. This may be controlled during the on-the-spot controls before contracting and before authorization of the payment by relevant bodies / authorities subordinated to the MARDWA (National Veterinary Service, National Food Authority) jointly with SARED experts based on confirmation reports templates which are formally used by these bodies / authorities. The relevant authorities will also check if relevant for the investment:
 - Building / facilities which were constructed/reconstructed; and/or
 - building/ facilities where the newly acquired equipment is installed; and/or
 - Land site where investments took place.
- In case of **construction and/or reconstruction**, the applicant respectively the supplier of works / services should prepare and keep all the technical documentation such as construction/ reconstruction plans including other relevant documents as requested by national law and these should be submitted with the application respectively claim for payment as defined in the GfA.
- To be eligible for support investment actions (projects) proposed must be **economically viable**. The economic viability is shown via business plan. For the investments/total eligible expenditures up to 1,400,000 ALL, the applicant has to prepare and submit simplified version of the business plan provided in Annex 2.1. The applicant with total eligible expenditures above 1,400,000 ALL has to prepare and to submit a **business plan** using the template provided in Annex 2.2 which has to demonstrate economic viability of the holdings at the end of the realization of the project.
- All the payments related to the investments / purchase are to be done by bank transfer from the bank account of the applicant to the bank account of the supplier of services or goods / works based on the invoices in official format as the law requires for the registered service providers / suppliers.
- Contracts with suppliers of services, machineries, construction works together with original invoices should be submitted with the application form respectively CfP and these should have been signed after the signature of the contract between applicant and the GIZ authorizing officer.

- The deadlines set in the GfA related to the finalization of the investment respectively in the individual contract for submission of the CfP should be respected. The expenditures and the CfP presented after these deadlines will be considered ineligible.

17. Annexes:

1. Application Form

2. Business Plan Forms

2.1 Business Plan for Investments up to 1,400,000 ALL

2.2 Business Plan for Investments above 1,400,000 ALL

2.2.1 Narrative Business Plan for investments above 1,400,000 ALL

2.2.2 Financial part of Business plan for Investments above 1,400,000 All

2.3 Instructions for Applicants on how to fill in Business Plan

3. List of Eligible Expenditures

4. List of Eligible villages respectively LAGU

5. Claim for Payment Form