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## Programme Rules

# Cidadania Ativa Programme

March 2014

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## PREAMBLE

The Calouste Gulbenkian Foundation was selected as the managing entity for the Non-Governmental Organisations (NGOs) funds of the European Economic Area Financial Mechanism (EEA/FM) in Portugal, following a tender launched for that purpose. It was thus created the **Cidadania Ativa Programme**, whose primary objective is to strengthen Portugal's civil society development and enhance the sector's contribution to social justice, democracy and sustainable development.

The **Programme** initially received a total budget of 5.8 million euros, provided by the Donor States of the EEA Financial Mechanism: Norway, Iceland and Liechtenstein. This amount was increased in March 2014 by about 2.9 million euros, to be primarily allocated to youth employability and social inclusion. The overall budget was thus set at about 8.7 million euros.

Its implementation period was initiated in 2013 and spans until 2016. Planned tenders are opened annually, in 2013 and 2014, in order to select the most relatively worthy projects. As a general rule, the Programme rate of assistance shall reach 90% of the eligible cost of the projects, which necessarily have a predominantly immaterial nature.

The **Cidadania Ativa Programme** represents both a challenge and an opportunity for Portuguese NGOs in that it is developed in a context of faster than usual paradigm changes, as the economic, financial and social crisis and the crisis of values in our country are summoning civil society and each citizen to a more committed, giving, and above all, present and active participation in public affairs.

The present regulation lays down the rules to be observed in the application of the EEA/FM fund in Portugal. The high standards demanded in the access of funding derive directly from the rules imposed by the EEA/FM in the management of the programmes in all 15 beneficiary European countries. The **Cidadania Ativa Programme** also observes rules very similar to those applied to Community support, through management by objectives focused on results, with permanent scrutiny by donor countries.

In light of this, applicants to the Programme must satisfy a very demanding and specific set of rules, not only in the preparation of the applications and projects, but especially in its implementation, the reporting system and evaluation of results.

The experience gained from the 2013 calls, as well as the addition of a new field of intervention, required some adjustments and clarifications in the Programme Rules, which are **reflected in this new version**.

## CHAPTER I

### SCOPE

#### Article 1.

##### Goal

This regulation defines the rules for the Portuguese Non-Governmental Organisations (NGOs) to access to funding granted by the Cidadania Ativa Programme, henceforward called "Programme", managed by the Calouste Gulbenkian Foundation and funded by the European Economic Area Financial Mechanism.

## Article 2. Objectives

1. The Programme aims to support projects promoting a more active participation of Portuguese Non-Governmental Organisations in the design and implementation processes of public policies in Portugal, as well as in a more effective defence of Human Rights, minority rights and the fight against discrimination in general, in the strengthening of its institutional empowerment, in order to improve the effectiveness of its action in the Portuguese political and social arena, and in the social and professional inclusion of the youth.
2. The Programme must also contribute to the accomplishment of the following cross-cutting issues: good governance, sustainable development and gender equality.
3. The Programme is also intended to encourage the establishment of partnerships between the Portuguese NGOs, and between them and public and private entities located in Portugal, the Beneficiaries States, the Donor States or intergovernmental organisations.

## Article 3. Fields of Intervention

The Programme is organised into four areas of intervention:

- A. Field of Intervention A - "Participation of NGOs in the design and implementation of public policies at national, regional and local levels" which hosts projects directed at:
  - i. Mechanisms that increase the influence of NGOs in political decision processes at a national, regional and local level, in particular through the enhancement of their representativeness, of the creation or consolidation of NGO participation platforms (in advisory organisations, social networks) of the identification of key stakeholders and of the implementation of devices for the intervention and empowerment of citizens;
  - ii. Instruments and measures that encourage the participation of the civil society in the decision making-processes, specifically in the area of public consultations, public hearings, petitions or participative budgets;
  - iii. Initiatives that contribute to the dialogue and cooperation between NGOs and public authorities in the field of public policy implementation, particularly at a local level in partnerships with municipalities, especially regarding proximity social support, intended to transfer know-how and improve efficiency/effectiveness, quality, user access and satisfaction;
  - iv. Initiatives that reinforce the awareness of NGOs and civil society to the need to monitor and survey public policies, in order to strengthen transparency and accountability in the use of public resources.
- B. Field of Intervention B - "Promoting democratic values, including Human Rights, minority rights and the fight against discrimination", which hosts projects aimed at:
  - i. Information campaigns, awareness and training of professionals and education staff, and of the general public, to promote active citizenship, human rights, minority rights and non-

discrimination, intercultural and intergenerational dialogue, children and youth at risk protection, sexual orientation and gender identity;

- ii. Support to training of individuals and institutions specialised in the mediation of minority and vulnerable groups' issues (such as immigrants, ethnic minorities, refugees, human trafficking victims, and former prison inmates) that can perform this function in services and institutions aimed at the full integration of these groups in the community;
  - iii. Actions targeted at vulnerable groups, risk groups and those subject to discrimination, which reinforce their active participation in society and organisations in order to promote their integration in the community and provide transitional or permanent solutions to their problems;
  - iv. Promotion of better access to public services in general, and particularly those relevant to specific groups (including information assistance);
  - v. Coordination of information and support services at a local level for underprivileged and at-risk groups, including social emergency responses leveraging the use of structures, institutions and mediation services already in place, the extension and consolidation of service networks and their respective funding;
  - vi. Support to the construction of networks that allow them to contribute to an intervention in those community sectors that are at short in terms of their participation in the civil society.
- C. Field of Intervention C – “Strengthening the effectiveness of NGOs”, which hosts projects aimed at:
- i. Qualification of NGO managers and employees (including volunteers), which conjugates the consolidation of the knowledge of legal instruments with social, relational and personal skills (communication, leadership, team management), combining a new culture of cooperation and partnership with strategic management, quality and marketing skills and the introduction of best practices;
  - ii. Implementation of organisational and management innovation in NGOs, aimed at improving management and the quality and diversity of their services and activities, including in particular the use of information and communication technologies, shared management services and monitoring and evaluation methodologies and tools;
  - iii. Training of NGOs in financial management and economic sustainability in order to facilitate access to available funding sources and encourage the continuation of activities with return on investment, through social entrepreneurship and strategic partnerships with the private sector;
  - iv. Initiatives to mobilize volunteers and sharing of volunteer groups to support NGOs and their projects, and strengthen the NGOs capacity to manage volunteers for their activities, valuing their contribution for a winning strategy;
  - v. Partnerships and relationship mechanisms between NGOs and with other profit or non-profit organisations, which improve the NGOs capability, the creation of multidisciplinary teams aimed at specific problems and encourage intersectional cooperation by promoting mutual understanding, sharing of learning experiences, propagating good practices and widening the scope of their activities;

- vi. Empowerment actions through relevant international interchange of experiences and learning about other organisational cultures, in order to integrate best practices, strengthening of management and the empowerment of Portuguese NGOs.
- D. Field of Intervention D – “Supporting youth employability and inclusion”, which hosts projects intended exclusively or mainly to young people (unemployed youth, youth out of school and youth at risk) under the age of 30 years and particularly aim at:
- i. Capacity building for employability, with priority to young people in vulnerable situations, including the development of soft skills and the acquisition of cross-cutting skills required by the labour market – time and stress management, teamwork, problem solving and results orientation, counselling and career guidance, career management –, trainee programmes for employment and action towards the adaptation of school curricula to the needs of the labour market;
  - ii. Entrepreneurship and job creation, with priority to young people in vulnerable situations, including training and mentoring of new entrepreneurs throughout the entire project cycle, legal and financial advice to entrepreneurs namely in accessing microcredit, support to the preparation of applications to access financing sources, project incubation, training of trainers with priority to green employment and social entrepreneurship, identification of good practices in social innovation and promotion of their replication and expansion, creation of platforms and networks for the dissemination of job offers, ideas and projects;
  - iii. Social inclusion of children, adolescents and young people in vulnerable situations, namely by making greater use of the potential of school and youth infrastructure to that end, by strengthening the links between the school environment and the labour market, by promoting specific actions for the inclusion through culture, arts and sport, by countering discrimination, by providing information on rights and youth support services, by training mediators, by supporting young families and the homeless, by promoting access to information and communication technologies;
  - iv. Civic participation of young people, including information and awareness campaigns on issues of concern to young people, promotion of policies for the youth, creation of platforms or networks in areas with low civic participation, training for leadership, empowerment of the youth for a better integration into the community and the resolution of their specific problems, internships in NGOs, and promotion of volunteering with special focus on civic participation related to human rights and environmental responsibility.

#### Article 4.

#### Areas of Support

1. The Programme supports projects in the following areas:
  - a) Democracy
  - b) Human rights including minorities rights (ethnic, religious, linguistic and sexual orientation)

- c) Good governance and transparency
  - d) Participatory democracy
  - e) Combat racism and xenophobia
  - f) Anti-discrimination
  - g) Social inequalities, poverty and exclusion, especially in rural areas
  - h) Gender equality
  - i) Gender-based violence
  - j) Children and youth problems;
  - k) Empowerment of NGOs;
  - l) Promotion of active citizenship;
  - m) Creation of networks and platforms of NGOs;
  - n) Promotion of partnerships between NGOs and public authorities.
2. Projects that fall within paragraphs a) to i) in the abovementioned point shall be granted at least 33% of the Programme's budget.
3. Projects that fall in paragraph j) of paragraph 1 shall be granted at least 10% of the Programme's budget.

#### Article 5.

#### Concepts / Definitions

For the purpose of the present Regulation, the following definitions apply:

- a) "Call notice" public disclosure document with the announcement of the opening the process for allocation of funding by the Programme; contains specific items of information for the preparation of applications;
- b) "Application" set of information and documentation that a Promoter submits, in a form for this purpose, inserted in the SIPCA, as support to the presentation of their project to a Programme's call for applications;
- c) "Components" coherent and aggregated sets of actions in which the activities of a project are organised and programmed in a timeline, and which constitute the basis for the flow of the budget and financial planning;
- d) "Call for applications" procedure opened by the Programme's managing entity to host applications, through which projects for funding are selected;
- e) "Grant Contract" contract celebrated between the Promoters and the Programme's managing entity which contains the terms and conditions for the funding approved for the project;
- f) "Project Coordinator" person designated by the Promoter responsible for the executive management of the project;

- g) "Eligible cost" of the project corresponds to part of the "total supportable cost» net of not eligible expenses pursuant to Article 34;
- h) "Total supportable cost" of the project concerning expenditure financed by the Promoter and partners, under the terms of paragraphs 2 and 3 of Article 16;
- i) "Total cost" of the project corresponds to the total expenditure of the project financed by the Promoter and all partner organisations;
- j) "Programme Managing Entity" Calouste Gulbenkian Foundation (CGF);
- k) "Beneficiary States" of the support of the European Economic Area Financial Mechanism: Portugal, Bulgaria, Cyprus, Slovakia, Slovenia, Spain, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Czech Republic and Romania;
- l) "Donor States" countries that contribute to the budget of the EEA Financial Mechanism: Norway, Iceland and Liechtenstein;
- m) "Programme Manager" person appointed by the Programme Managing Entity to head the PMU, responsible for programme's implementation and achievement of expected results.
- n) "NGO" Non-Governmental Organisation - an entity that meets the requirements of Article 7;
- o) "Partners / Partner Organisations" entities participating in "Partnership Contracts" required by an approved project;
- p) "Project" application after being selected; consists of a coherent set of components/actions which the Promoters are committed to accomplish under a grant contract;
- q) "Promoter" Portuguese NGO responsible for submitting an application to the Programme (and for the implementation of the project in case funding is approved by the Programme);
- r) "SIPCA - Cidadania Ativa Programme Information System" through which applications are submitted and where all administrative interaction between the Promoters and the PMU necessary for the execution of projects is processed;
- s) "PMU / Programme Management Unit" service created by the Programme Managing Entity to undertake the ongoing management of the Programme, which is managed by the Programme Manager.

## **CHAPTER II**

### **ACCESS TO FUNDING**

#### Article 6.

#### Territorial Application

The Programme aims to support Portuguese NGO projects in mainland Portugal and the Autonomous Regions of the Azores and Madeira, without prejudice to actions that are developed in the Donor or Beneficiary States, in the partnerships envisaged in the selected projects.

#### Article 7. Promoters

1. Those eligible to access to the support provided by this Programme are Portuguese NGOs that are non-profitable voluntary private entities, irrespective of their legal form, which at the time of submission comply with the following requirements:
  - a) are established as a legal entity in Portugal;
  - b) pursue the general interest or common good;
  - c) are independent from any local, regional or national public authorities and other public entities or socio-professional or commercial organisations;
  - d) are not political organisations or political parties;
  - e) are not religious organisations.
2. Eligible applicants shall abide by the principles of democratic values and human rights.

#### Article 8. Eligible Activities

1. Within the scope of this Programme, activities addressing the objectives set in Article 2 are eligible, namely:
  - a) Actions that promote the participation of citizens in the design processes and decision of public policies at a local, regional and national level;
  - b) Awareness-raising activities;
  - c) Actions that promote dialogue and cooperation between NGOs and public bodies;
  - d) Activities that promote the integration of underprivileged or at risk groups into society;
  - e) Activities that empower and strengthen the effectiveness NGOs;
  - f) NGOs network and platform creation activities;
  - g) Training and information activities;
  - h) Provision of proximity social support services;
  - i) Advocacy, watchdog and monitoring of public policies;
  - j) Actions fostering employability and job creation for young people.
2. Notwithstanding the preceding paragraph, the projects must incorporate activities that consider one or more of the following specific subjects:
  - a) Tolerance and intercultural understanding
  - b) Hate speech/intolerance;
  - c) Extremist violence and hate/intolerance crimes;

- d) Racism and xenophobia;
- e) Homophobia;
- f) Anti-Semitism;
- g) Intolerance against the Roma;
- h) Sexual harassment;
- i) Violence against women;
- j) Human trafficking.

#### Article 9.

##### Project Typology and Duration

1. The Programme includes the following types of projects:
  - a) "Large projects": projects with a total supportable cost higher than 27 500 and or equal to or less than 138 500 euros;
  - b) "Small projects": projects with a total supportable cost between 10 000 and 27 500 euros.
2. The maximum duration of the projects is as follows:
  - a) Large projects of the first calls (2013): up to 24 months;
  - b) Large projects of the second calls (2014): up to 18 months;
  - c) Small projects: up to 12 months.
3. The duration of the projects referred to in paragraph 2 is counted, at most, from the date of signature of the grant contract.
4. In 2014, small projects may only be supported under Fields of Intervention B and C.

#### Article 10.

##### Bilateral Cooperation Initiatives

1. In addition to the types of projects mentioned in the previous article, the Programme supports initiatives aimed at strengthening bilateral cooperation relations between Portuguese NGOs and entities from the Donors States, and also intergovernmental organisations such as the Council of Europe.
2. Bilateral cooperation initiatives are intended to finance short-term and international exchanges of experiences, including participation in conferences, seminars and short duration training courses, and to foster contacts amongst NGOs and other potential partners having in mind the preparation of large projects to be submitted to the Programme.
3. In addition to the Promoters listed in Article 7, entities from the Donors States, as mentioned in the call notice, are also eligible as Promoters.

4. The bilateral co-operation initiatives' proposals must be submitted in a form for this purpose, and must follow an evaluation and selection process which includes detailed evaluation criteria, specified in the call notice.
5. Applications to calls under the Fields of Intervention indicated in Article 3 shall have their merit increased upon application of the selection criteria indicated in Article 23, provided that the bilateral cooperation initiatives are submitted to the Programme up to three months from the date of opening of calls under these Fields of Intervention.

#### Article 11.

##### Limits on accessing support

1. An entity may only participate, either as promoter or as project partner, on a single application per Field of Intervention per year, and may only be selected for a total of six projects supported by the Programme.
2. In order to access the 'large projects' typology as a promoter, it is necessary that the entity has been formally created and registered for more than one year on the date of submission of application and must have proper accounting in accordance with Accounting Standards.
3. Each Promoter may only be supported up to a maximum of two bilateral cooperation initiatives.

#### Article 12.

##### Call for Applications

1. Applications are submitted in response to the call notice advertised in newspapers of national circulation and the Programme/CGF's website.
2. The call notices specify the terms of the call for applications, including namely the opening and closing dates of the tender, areas of intervention to which applications may be presented, eligible types of projects, selection criteria and respective weights as well as other specific information required to formalise the application.

#### Article 13.

##### Submission of Applications

1. Applications can only be submitted through the SIPCA application available at <http://www.cidadaniaativa.gulbenkian.pt>, within the timeline specified in the call notice.
2. After the submission of applications, the Promoter must submit to the Programme Management Unit (PMU), by registered mail with acknowledgment of receipt, an original copy of the liability waver generated by the system, within 10 working days counted from the day after the date of submission, signed and initialled by those responsible, under the law, for the entity.
3. The Promoter submits, through SIPCA, copies of statements of commitment from partner organisations, signed and initialled by those who have legal powers to do so.

#### Article 14.

##### Specificities of Large Project Applications

1. Large projects are necessarily developed in partnership.
2. Large projects are subject to a tendering system which comprises two phases:
  - a) a first phase with a description of the project and its objectives, of the Promoter and partner entities and the content of the partnership;
  - b) a second phase with a detailing of the project, its objectives, content and methodology, as well as the attainment of the partnerships, by developing and formalizing their partnership contracts.
3. Throughout the second phase of call for applications, the PMU staff provides support to the Promoters in the development of their projects.
4. In 2014, notwithstanding paragraphs 2 and 3, the selection process for large projects shall consist of a single stage, and before the contracting of support, projects shall be further developed and improved in direct dialogue with the Programme's Management Unit.

#### Article 15.

##### Partnerships - Concept

1. Partnership is the means by which activities developed by several NGOs or between these and the partner entities eligible under Article 16 are established.
2. Partnerships are required for large projects and optional for smaller projects and are materialised through partnership contracts.
3. The leader of the partnership is the Promoter, who is responsible for the overall coordination of the partnership, for submitting payment requests related to eligible costs of the partners, for transferring the amounts to the partners and ensuring all communication with the Manager of the Programme on any matter relating to the project.
4. Besides the Promoter, the number of partner entities is limited to three per project.

#### Article 16.

##### Partner Entities

1. Portuguese NGOs that meet the requirements of Article 7 may participate in the partnerships, as well as any other entities, public or private, profit or non-profit based, which develop their business in Portugal, the Beneficiary or Donor States, as well as intergovernmental organisations that pursue social or economic purposes which can be framed and implemented through the proposed project.
2. Only costs incurred by partner organisations who meet the requirements for Promoters under Article 7 are eligible.

3. Notwithstanding paragraph 2, costs incurred by the partner entities under Field of Intervention D are eligible even if they do not meet the criteria set out in Article 7, provided they are legally created and carry out their activities in Portugal or the Donor Countries.

#### Article 17.

##### Partnership Agreement

1. Partnerships are created through a contract celebrated between the Promoter and each of the partner organisations.
2. Partnership contracts necessarily include the following elements:
  - a) Identification of the parties;
  - b) description of the partnership objectives;
  - c) description of the components and actions to be developed within the partnership;
  - d) detailed budget, including cost of the components of the partnership, as well as a financial plan and milestones of achievement;
  - e) definition of reciprocal responsibilities, including the system of advance payments and reimbursements;
  - f) identification of the monetary unit of the partnership and the rules related to the risk of currency fluctuations;
  - g) information regarding the monitoring of the project and audits and supervision to verify the regularity of expenditure;
  - h) system for conflict resolution.
3. Partnership contracts are written in English when partner organisations of the Beneficiary or Donor States are involved.
4. Partnership contracts are submitted to the PMU before signing the grant contract, namely for the purpose of verifying compliance with the provisions of this Regulation.
5. The PMU provides promoters with a template to be used as a basis for partnership contracts.

#### Article 18.

##### Management Body

The process of calling for applications and management of applications submitted to this programme is ensured by the Programme Managing Entity, through the Programme Management Unit, headed by the Programme Manager.

## Article 19.

## Selection Committee

1. In the selection process, the Programme Managing Unit is assisted by a Selection Committee composed of three individuals, one being an independent expert, other an expert from the Calouste Gulbenkian Foundation and the Programme Manager.
2. The Selection Committee is chaired by the Programme Manager.
3. Representatives of the National Management Unit, created by Resolution of the Council of Ministers No. 26/2012 of 14 March, of the European Economic Area Financial Mechanism and of the Norwegian Embassy in Portugal may participate in the Selection Committee meetings as observers.

## Article 20.

## Admissibility

1. The PMU checks the compliance with the formal and administrative requirements of admissibility of applications, particularly for the purpose of:
  - a) eligibility of the application, under the terms of article 9;
  - b) relevance of the application within the objectives, fields of intervention and eligible activities set for the Programme;
  - c) qualification as an NGO under Article 7;
  - d) complete and correct filling of the application form;
  - e) promoter's financial contribution under the terms of Article 35;
  - f) proof of no liability towards the Tax Administration and Social Security of the promoter and partner entities referred to in article 7 and nos. 2 and 3 of article 16;
  - g) statement of responsibility in accordance with paragraph 2 of Article 13;
  - h) declarations of commitment to partnership signed by all partners for large projects typology;
2. The PMU notifies the Promoters of applications that are not considered eligible, explaining the reasons for their rejection.
3. The Promoters of rejected applications have a period of 10 days to appeal, counted from the day after the notification.
4. Appeals submitted to the PMU are analysed, and will be sent to the Board of Trustees of FCG for a final decision, together with a reasoned opinion from the Programme Manager.
5. The final decision of the Board of Trustees of FCG shall be notified to the Promoter.

## Article 21.

## Verification of Funding Requested

1. The Programme Management Unit will examine the application both technically and financially, checking in particular the formal correctness of the financial plan and the fulfilment of the eligibility rules as to its nature and limits of the budgeted costs.
2. Following the analysis in the preceding paragraph, the PMU may adjust the application's budget and financial plan on the basis of the applicable eligibility rules.
3. When in doubt and in duly justified situations, the PMU may coordinate the adjustment referred to in the preceding paragraph with the Promoter of the application.

## Article 22.

## Evaluation

1. The evaluation of the merits of applications is completed by two independent experts based on the criteria set out in Annex 1 of these Programme rules.
2. Applications are assessed according to their merit and ranked on a scale of 0 to 100 points, where projects with a score equal or above 50 points may be selected. The final score of applications is the simple average of both evaluations.
3. When the ratings of the two experts differ by more than 30%, the application is assessed by a third expert, and the final score results from the average of the two closer ratings.

## Article 23.

## Selection Criteria

The evaluation and selection of applications of large and small projects are based on the criteria set forth in Annex 1 to this Regulation, with the weights of the selection criteria disclosed within each call notice.

## Article 24.

## Reserve list

1. In order to avert unforeseen circumstances, a reserve list of projects for ulterior selection may be established, exceeding the financial resources allocated to the calls.
2. The option provided for in the preceding paragraph, as well as the modalities for the establishment of the list and the period during which it may have practical effects, shall be specified in the relevant call notices.
3. The overall value of the reserve list may not exceed 40% of the appropriations.
4. The reserve list shall be ranked according to the scores obtained by the applications which constitute it, with the eventual selection of additional projects being made in decreasing order of score.

## Article 25.

## Project Selection

1. After the evaluation and scoring of all candidate projects, the PMU submits the sorted listings to the Selection Committee which draws up a proposal of the final decision to be submitted by the Programme Manager to the Board of Trustees of the CGF containing the proposed decisions on:
  - a) List of selected projects, with a breakdown of the support value;
  - b) List of large projects selected to the second phase of the call for applications, if applicable;
  - c) List of applications in reserve for possible selection in the future, if applicable;
  - d) List of applications with positive ratings, but whose score was not good enough for being selected, given the pre-set financial allocation;
  - e) List of applications with ratings lower than 50 points;
  - f) List of not admitted applications.
2. In suitably justified cases, the Selection Committee may decide to amend the rating of projects and the ranking of applications.
3. The final decision concerning the selection of applications is made by the CGF Board of Trustees.
4. Decisions on the applications are communicated individually to the respective Promoters.
5. The PMU shall prepare the final list of selected promoters and projects and make it available on the Programme's website.

## Article 26.

## Communication of the call's results

1. In the case of approval of funding, the Programme Management Unit may request additional documents from the promoter, which clarify or complement the information provided with the application, for the drafting of the grant contract.
2. The items indicated above shall contribute to the improvement and detailing of the project, particularly considering the analyses performed by the expert evaluators.
3. After the promoter submits the technical information indicated in the previous paragraph and the data and documents necessary for drafting the contract, a contract shall be proposed to the promoter, specifying the terms and conditions of the approved grant.
4. If the conditions of the approved funding are accepted, the Promoter must return the proposed contract to the PMU within 10 working days, counted from the day after the remittance of the proposed contract, duly signed and initialled by those responsible for the entity under the law, and notarised.
5. Failure to return the signed and notarised contract within the period indicated in the previous paragraph may result in revocation of the grant decision.

## Article 27.

## Implementation - General Principle

1. Promoters are required to execute all approved projects timely and diligently under the terms and conditions agreed in the grant contract.
2. Projects must necessarily begin up to two months after the date of notification of the grant decision otherwise the decision may be revoked.
3. Actions financed by the Programme shall not generate direct income during the implementation phase of the project.
4. Only in duly justified cases may the Promoters request the amendment of the approved projects, as specified in Article 28.

## Article 28.

## Amendments to Projects

1. Changes to projects involving the modification of the approved financial plan, time schedule, cost structure or changes in components/activities of the project are subject to the decision of the Programme Manager, after review and opinion of the PMU.
2. Requests for changes must be formalized with the submission of the appropriate form, available through SIPCA, and are subject to the following limitations:
  - a) a maximum of two amendments for small projects;
  - b) a maximum of three amendments for large projects.
3. Promoters are notified of the Programme Manager's decision regarding the request for an amendment to the project within 15 working days from the date the application is validated.
4. In the period between the request for amendment and the decision, the payments and the ability to submit new requests for payment are suspended.
5. The last request to amend the project must be submitted to the PMU up to two months before the completion of the project.

## Article 29.

## Progress Reports

1. Promoters are required to submit information regarding the physical and financial execution of the project as follows:
  - a) quarterly progress reports for large projects;
  - b) an interim report on progress, roughly half way through the implementation process, for small projects.

2. Quarterly progress reports of large projects shall be submitted by the end of the month following the end of each calendar quarter, with information reported for that three-month period.
3. The presentation of information on implementation mentioned in the preceding paragraphs must be submitted on SIPCA, without prejudice of paragraph 1 of Article 38.

#### Article 30.

##### Final Report

1. Along with the request for final payment, Promoters present a final report on the implementation of the project with a detailed description of the activities and outcomes of the project, according to the model provided by the PMU.
2. The presentation of the report mentioned in the preceding paragraph must be done through its submission in SIPCA.

#### Article 31.

##### Follow-Up Report

1. Promoters of large projects must submit a follow-up report on the impact of the project within 6 months of completing the project, according to the model provided by the PMU.
2. The presentation of the report mentioned in the preceding paragraph must be done through its submission in SIPCA.
3. Failure to submit the follow-up report, as mentioned in preceding paragraphs, implies the Promoter's ineligibility to apply for further support by the Programme.

#### Article 32.

##### Information and Advertising

Promoters must respect regulations regarding information and advertising, published on the Programme's website.

### **CHAPTER III FUNDING**

#### Article 33.

##### Support Rate

The maximum rate of support for approved projects is 90% of their respective eligible costs.

Article 34.  
Eligible costs

1. The nature and limits of eligible costs are as follows:
  - a) Programmed costs incurred and paid by the Promoters or their partners for the implementation of components/activities that integrate the approved project;
  - b) Costs which comply with the principles of economic reasonability, efficiency, effectiveness and the cost/benefit ratio;
  - c) Costs incurred and paid during the eligibility period, as defined in paragraphs 9 and 10 of the present article.
2. The following direct costs are eligible:
  - a) Expenditure with human resources assigned to the project, including the salaries and costs with social security tax and other contractual subsidies that correspond to normal remuneration of the Promoter or partner organisations;
  - b) Expenditure with transportation and travel allowances for personnel assigned to a project, as long as it is in line with normal conditions applied by Promoters and partner organisations and does not exceed the referential applied to the Portuguese Public Administration;
  - c) Cost with the depreciation of new or used equipment during the execution of the project in accordance with the accounting regulations applicable for this purpose;
  - d) Cost with consumable goods and supplies, provided they are in fact used for the project;
  - e) Cost with services from third parties, provided it complies with the rules of procurement, as specified in Article 36;
  - f) Cost with advisory services/legal consultancy specializing in the area of public procurement;
  - g) Cost with certification of expenditure abroad within the scope of partnership projects;
  - h) Costs arising directly from requirements imposed by the project contract for each project (e.g. dissemination of information, travel-related costs for trainees and at-risk beneficiaries, specific evaluation of the action, audits, translations, reproduction), including the costs of any financial services (especially the cost of financial guarantees).
3. Transport and accommodation expenditure for trainees and beneficiaries from vulnerable groups may also be eligible, provided the amounts are reasonable and necessary for the implementation of the project.
4. Indirect costs associated to the project are also considered eligible and are calculated in one of the following manners:
  - a) General cost incurred and directly attributed to the project proved through an analytical accounting system which identifies and quantifies them (real cost method);
  - b) Flat-rate option up to the limit of 15% of eligible direct cost of the project calculated according to the methodology published on the Programme's website (estimated cost method).

5. Costs with the purchase of equipment referred to in paragraph 2.c) are eligible if they are in fact necessary for the implementation of the project and up to a maximum of 20% of eligible project costs.
6. Costs with adaptation of facilities are eligible if they are actually necessary for the implementation of the project and up to a maximum of 25% of eligible project costs.
7. Cost with payment of VAT is eligible, but if it is in fact incurred and is not refundable. Proof should be provided by the Promoter and partner entities to the PMU up to submission of the first payment claim.
8. The following costs are not considered eligible:
  - a) Payment of interest, fines and fees;
  - b) Costs related to bank fees, except those related to the requirement of maintaining separate accounts;
  - c) Acquisition of real estate;
  - d) Exchange rate risks and differences;
  - e) Expenses that are reimbursed by any other source;
  - f) Expenses with penalties, fines, judicial costs and other costs associated with litigation.
9. The eligibility of expenditure period is between the date of the grant decision or such later date as defined in the grant contract for the start of the project, and the date of conclusion defined on the financing contract.
10. In any case, the final date of eligibility of cost of projects funded by the Programme is April 30<sup>th</sup>, 2016.

#### Article 35.

##### Promoter's Financial Contribution

1. It is the responsibility of the Promoter and partner entities, if any, to provide the necessary and sufficient financial resources for the full and timely implementation of their projects, complementing the support by the Programme.
2. The Promoter's financial contribution indicated in the previous paragraph can be made in cash or kind.
3. Contribution in kind may be made through volunteer work up to a maximum of 50% of the necessary contribution value.
4. To calculate the value per hour of volunteer work for the purpose of contribution in kind the following formula is used:

$$VHVW = (NMW \times (1 + SS \text{ tax rate})): 22: 7$$

Where 'VHVW' means 'Value of hour of volunteer work' and 'NMW' - 'national minimum wage', to which the value of social security contributions at the legal rate is added.

#### Article 36.

##### Procurement Legal Framework

1. The rules of the Public Contracts Code are applied to the acquisition of goods and services of the projects financed by the Programme.
2. Notwithstanding the preceding paragraph, for any purchase of goods or services above 5 000 euros but inferior to the limits established by the European Directives at least three suppliers must be consulted.

#### Article 37.

##### Initial Advanced Payment

1. The acceptance of the decision approving the application, through the signing the grant contract by the Promoter, gives it the right to perceived approved funding in order to implement the project, considering this regulation.
2. After the signing of the grant contract, the PMU shall transfer, to the bank account indicated in article 43, an initial advanced payment up to a value correspondent to:
  - a) 30% of the total amount of approved grant in the typology of large projects;
  - b) 50% of the total amount of approved grant in the typology of small projects.
3. Processing of this advance payment shall be contingent to the fulfilment of the following requirements:
  - a) Return of the grant contract signed and initialled by those responsible, under the law, for the entity;
  - b) Verification of no liability towards the Tax Administration and Social Security, through delivery (submitted through the SIPCA) of a declaration of non-debt or permanent code access to the information in question.

#### Article 38.

##### Payment System

1. The Promoter submits payment claims exclusively through SIPCA, accompanied by information about the physical and financial implementation of the project.
2. The PMU is responsible for instruction and processing of advanced and interim payments.
3. Payments to the Promoter are conditioned to available funds of the European Economic Area Financial Mechanism.

#### Article 39.

##### Payments - Large Projects

1. After the initial advanced payment, interim payments to large projects follow a system of expense reimbursement.

2. Requests for interim payment may be presented without fixed periodicity, but are subject to a minimum request of 5 000 euros each.
3. The sum of the initial advanced payment together with interim payments cannot exceed 90% of the total amount approved for the project.
4. The remainder amount is paid after approval of the final project report.

#### Article 40.

##### Payments - Small Projects

1. Payments to small projects follow a system of advanced payments that complies with the following rules:
  - a) After the initial advanced payment, the Promoter submits the proof of expenditure documents through SIPCA;
  - b) When the sum of justified expenses reaches 80% of the initial advanced payment, the Promoter is entitled to a second advanced payment of 30% of the total amount of funding approved.
2. The remainder amount is paid after approval of the final project report.

#### Article 41.

##### Request for Final Payment

1. The Promoter must submit the claim for the project's final payment within 30 days after the date of its completion.
2. The formal claim for final payment must be made through the SIPCA application.

#### Article 42.

##### Payments within the Scope of Partnerships

1. Claims for reimbursement of costs incurred by partner organisations under a partnership agreement are presented by the Promoter, as leader of the partnership, integrated within the reimbursement requests.
2. Payments to partner organisations are made by the Promoter, obeying the rules defined in the partnership agreement and compulsorily via bank transfer.
3. The Promoter and partner entities are required to keep records and evidence of bank transfers in the implementation of partnership agreements.
4. The payment of the costs incurred by partner organisations outside of Portugal must be justified by accounting documents certified by a statutory auditor or by who, in the Country of origin, has equivalent powers to do so.

Article 43.  
Bank Account

1. The Promoter must have a bank account, associated to the implementation of the project through which payments within the scope of the project are made and the grant is received.
2. The IBAN code of the account referred to in the previous paragraph shall be timely reported to the PMU for the purpose of drafting the grant contract.
3. Change of address, of account owner or the closure of the Promoter's bank account referred to in the preceding paragraph without notice to the PMU, determines the immediate suspension of payments to the project.

**CHAPTER IV**  
**MONITORING AND CONTROL**

Article 44.  
Project Folder

1. The Promoter must maintain an updated project folder containing all communication and documentation related to the project and consisting of the following original (if applicable) documents:
  - a) Application Form and respective annexes, including a copy of the liability waiver mentioned in paragraph 2 of Article 13 and, where applicable, statements of commitment from partner entities referred to in paragraph 3 of Article 13;
  - b) Notification of approved grant decision;
  - c) Statement of Acceptance/Grant Contract;
  - d) Partnership Agreements, if applicable;
  - e) Requests for amendments to the decision of approval, if applicable;
  - f) Document proving VAT information;
  - g) Proof of no liability towards the Tax Administration and Social Security;
  - h) Expenditure supporting documents (invoices, receipts or documents of equivalent value);
  - i) Proof of expenditure and bank transfers within the partnerships, if applicable;
  - j) Monthly extracts from the project's bank account;
  - k) Project implementation reports;
  - l) Documentation concerning advertising of received support;
  - m) Documents supporting the application of the legal regime of public procurement, where applicable.
  - n) Documentation regarding the findings of audits and monitoring of the project.
2. A stamp must be placed over the original documents of expenses and revenue, with the features to be transmitted by the PMU.

3. The originals of the documents mentioned in point h) and i) of paragraph 1 may be replaced by copies, containing the exact indication of their location in the accounting documentation of the Promoter or of the partner institutions, if applicable.
4. The Promoter must keep the project folder updated, where delays exceeding 30 days are under penalty of suspension of payments.
5. Upon completion of the project, the respective folder must be archived for a minimum period of 4 years.
6. The Promoter agrees to allow access to locations where the project actions are conducted, and those where elements and necessary documentation is found, including expenses, for the purpose of monitoring and control.

#### Article 45.

##### Monitoring

1. Project implementation is subject to monitoring by the PMU with the purpose of supervising work progress and execution of expenditure, in order to achieve the goals and objectives agreed to in the Grant Contract.
2. The monitoring referred to in the previous paragraph is done through the analysis of the data contained in the Programme's Information System and in the progress reports referred to in Article 29.
3. Following the analysis of information about the projects, the PMU may contact Promoters directly in order to identify any difficulties and obstacles in the implementation of the project and agree on measures, actions or adjustments which provide a better performance and achievement of results.
4. Where appropriate, the PMU performs visits to project implementation locations with a view to:
  - a) check the progress on the project, analyse the reasons and difficulties vis-à-vis agreed goals and objectives, examine possible solutions to the problems identified with Promoters and Partners, in order to ensure the project's success;
  - b) identify expected or potential risks in subsequent stages and up to the completion of the project and agree on possible measures to minimize these risks;
  - c) review with the Promoters, partners and other stakeholders (target groups) the manner in which they have been interacting within the project;
  - d) analyse any other aspects related to the physical and financial implementation of the project and gather feedback on the reporting system, towards a continuous improvement of the existing information mechanisms.
5. Lack of cooperation by the Promoters or partner entities, or refusal of access to PMU or by those designated by it is a serious breach of contractual obligations, which may result in the termination of funding and determine the restitution of all amounts already transferred.

## Article 46.

## Control

1. Without prejudice to any other control mechanisms that may be adopted, projects are subject at all times, to the possibility of financial, physical and technical verification actions.
2. The financial verification of the project is based on the statements of investment expenditure submitted by the Promoter and aims to confirm:
  - a) The legality of the supporting documents registered in the expenditure statements and requests for payment (investment map);
  - b) Compliance of the actions taken with the objectives established in the application and approved changes to the project as well as their eligibility given the dates of their completion;
  - c) full compliance with payment procedures, including proof of financial flows, appropriateness of respective date and receipt validity;
  - d) A proper accounting of project expenses in accordance with applicable accounting standards;
  - e) The formality of stamping of evidence of expenditure of the project, as well as their correct accounting record.
3. The physical and technical verification of the project is carried out by the PMU directly or by entities designated by it, confirming evidence that the components/activities foreseen in the project were in fact carried out and that the objectives have been attained, under the terms of the grant contract.
4. The verification of projects by the PMU, can be done at any stage of the process, on site or by request of a sample, or whenever an occurrence of mandatory verification is identified or when there is reasonable doubt surrounding the circumstances of the physical or financial project implementation.
5. The project verification and control audits can be done until the deadline for keeping documentation referred to in paragraph 5 of Article 44.
6. Where the Promoter or partner entities demonstrate lack of cooperation or refusal of access to PMU or other entities, there is a serious breach of contractual obligations, which may result in the termination of funding and determine the restitution of all amounts already transferred.

## Article 47.

## Irregularities

1. The finding of any wrongdoing or other breaches of contract funding throughout verification audits or management control will lead to the immediate suspension of payments until the final decision on that occurrence.
2. Irregularities are classified as:
  - a) Serious irregularities – those that, by nature or intensity, permanently affect the contractual relationship of the Promoter and as such, provide grounds to the decision to revoke financing, naming the presentation of false statements, withdrawal from the project during the implementation

stage, use of financing for a purpose different to that to which it was provided, non-existence or corruption of elements in the project folder, presentation of expenditure to more than one financing entity.

- b) Correctable irregularities – those that do not permanently affect the contractual relationship with the Promoter, such as alterations to the circumstances which have supported the selection of the project and that may be corrected through an amendment to the project.
3. The final decision about the occurrence of an irregularity is decided by the CGF Board of Trustees, through a reasoned proposal by the Programme Manager and, depending on the severity, may be one of the following:
- a) Determination of serious irregularity, with a decision to revoke funding, cancellation of the grant contract and request that all transferred amounts to the Promoter are returned, including those regarding the partnership activities;
  - b) Determination of correctable irregularity, with a decision to modify the grant contract, through a reduction of funding and corresponding amendment to contract;
  - c) Filing of process due to inexistence of irregularities.
  - d) Revocation of the financing decision to terminate the contract and funding request to surrender all amounts transferred to the Promoter, including those relating to activities in partnership.
4. The refusal by the Promoter to a contract amendment under paragraph b) represents a serious irregularity and gives rise to immediate termination of financing and repayment of all amounts already received by the Promoter, including advances and expenses associated with partner organisations.
5. In case of failure to return the funding as mentioned above, the Programme Managing Entity activates all legal and judicial means at its disposal against the Promoter, in order to ensure the fulfilment of that contractual obligation, leaving the Promoter unable to apply for any other support or subsidies managed by the Calouste Gulbenkian Foundation for a minimum period of 5 years.

## **CHAPTER V**

### **FINAL AND TRANSITIONAL PROVISIONS**

#### Article 48.

##### Questions and Omitted Cases

1. Omissions and everything that is not explicitly covered in this regulation will be decided by the Programme Managing Entity, based on the grant contract, regulations and supplementary requirements related to the European Economic Area Financial Mechanism, as well as national and Community legislation applicable to the Structural Funds.
2. Decisions made under the preceding paragraph shall be advertised on the Programme's website.

Article 49.  
Applicability

1. This Regulation applies to the calls launched by the Programme during its term, and may be amended as per decision of the Programme Managing Entity, without prejudice to any additional specifications that may result from call notices.
2. Notwithstanding the preceding paragraph, the rules in force at the moment the calls were launched shall be applied to the projects approved under the April 18, 2013 regulation (2013 calls), until the end of the concerning grant contracts.

Lisbon, March 2014

## ANNEX 1 - SELECTION CRITERIA REFERED TO IN ARTICLE 23

- i. Relevance of project towards achievement of Programme's objectives and subsequent results
- ii. Methodology
- iii. Coherence between project's objectives, activities, results and expected impact
- iv. Experience and ability of promoting NGOs
- v. Leader/Project Coordinator's Curriculum Vitae
- vi. Project sustainability
- vii. Innovation
- viii. Project's potential for empowerment
- ix. Impact on Programme's cross-cutting issues
- x. Communication plan associated to the project
- xi. Consistency and nature of the partnership
- xii. Value for money
- xiii. Proposed mechanisms for monitoring and evaluation