

International Management Group (IMG)
in cooperation with
the Ministry of Labour, Employment and Social Policy

**Guidelines to Grant Applicants within Project
„Improvement of Occupational Safety and Health in Serbia“
Funded by the Norwegian Ministry of Foreign Affairs**

1. INTRODUCTION

The Norwegian Ministry of Foreign Affairs granted EUR 737.553,48 in support to project "Improvement of Occupational Safety and Health in Serbia". The overall objective of the project is to contribute to improving the occupational safety and health in Serbia. As the final result, the project activities will positively contribute to reducing the risk for employees' lives and to reducing the number of occupational accidents, and professional diseases.

One of specific objectives of the project is enhancing working conditions in 10 companies involved in production of textile, garment, leather and footwear in the territory of the Republic of Serbia. With the view of achieving this specific objective, up to EUR 250,000 will be used to provide up to ten grants with the maximum amount of EUR 25,000 per grant.

These grants are in line with the Occupational Safety and Health Strategy for 2009-2012 and the Action Plan for implementing the Strategy.

From the standpoint of strategic aspect of the occupational safety and health improvement in Serbia, the purpose of the grants is to raise awareness among employers and employees about the importance of daily application of occupational safety and health measures in all workplaces by giving a concrete aid to business entities to improve the working conditions of the employees. At the same time, the grants should result in achieving reduced number of occupational accidents and diseases, reduced number of lost workdays due to illness, provision of safe and healthy workplace to the employees, and thus positively influence the increase of the profit to the employer. Having this in mind, grant recipients will be expected to implement concrete and achievable ideas for improving the working conditions of their employees.

The grant recipients will also be obligated to submit to the Ministry of Labour, Employment and Social Policy annual and quarterly reports about how they applied specific occupational safety and health measures supported from the project funds and how these affect the working conditions of the employees. Namely, the reports should detail how the implemented measures influence the safety and how they reflect on the health of the employees. The reports will include the description, i.e. state-of-play of the occupational safety and health within the company, as well as the information which will be a result of continuous monitoring of the effects of the application of specific measures funded from the grant. The reporting period will span over at least three years from the implementation of the measures funded through the grant.

The Ministry of Labour, Employment and Social Policy will carry out on-site control related to the operation of equipment, means of work and other measures introduced through this project. The Ministry will monitor the sustainability of implemented concrete measures for improving working conditions of employees at any time during or after project duration.

2. ABOUT THIS DOCUMENT

This document contains the guidelines to grant applicants with the guidelines for the preparation and submission of applications, as well as the information on the competition rules and selection and implementation procedures.

This document is available in English and in Serbian. Grant applicants should be aware that in the case of any discrepancy between English and Serbian version of this or any other document in the application package, English version shall prevail.

3. WHO CAN APPLY FOR THE GRANT / ELIGIBILITY OF THE APPLICANT

Grant applicants can be business entities (companies and entrepreneurs) registered in the Serbian Business Registers Agency for the production of textile, garment, textile products (clothing production), leather and leather products (including footwear production).

The business entities must have been operational for a minimum of three last years.

The business entities must have at least 7 permanent full-time employees at any given moment in the last three years.

Only applicants with positive financial results (profit) in the last three business years are eligible to apply.

Only applicants which have already fulfilled all occupational and safety requirements defined by Serbian laws and regulations are eligible to apply.

Only applicants which do not fall under IMG grounds for exclusion are eligible to apply. IMG grounds for exclusion are provided in the annex to these guidelines, and the text “tenderer” should be read “grant applicant”.

Only applicants which will participate in the total cost of the project for occupational safety and health improvement in their company with at least 25% of the costs (co-financing) should apply for the grant.

Applications submitted in partnership of two or more business entities shall not be acceptable.

4. WHICH TYPE OF PROJECTS WILL BE FUNDED BY THE GRANT / ELIGIBILITY OF THE ACTION

Applicants can apply exclusively with the projects which as a direct result will have the improvement of the occupational safety and health conditions in their organisation.

The grants will be used for purchase of goods, reconstruction works and relevant auxiliary services for the measurable and physical/tangible improvements of the working conditions. As an example, eligible type of projects can propose the purchase of goods/works in relation to the ventilation systems, lighting, heating, electrical and other installations, improvements of working conditions for the work with dangerous and harmful materials and substances, etc.

It is mandatory that the planned implementation period of the proposed projects/activities (purchase, delivery, installation and testing of the equipment, construction and reconstruction works) be shorter than ten weeks. Any activity implemented after the deadline will have to be paid by grant recipient in full.

If construction and reconstruction works are a part of the project, project applicant must, at its own cost, provide all construction permits and other necessary permits, consents and documents.

Grants may, as a rule, only cover costs incurred after the date on which the grant contract is signed. No grant may be awarded retroactively for actions already completed or commenced.

The proposed projects must **not** be used to fulfil legal requirements for the occupational safety and health, as it is the obligation of each employer to organise and implement the work in accordance with the relevant rules and regulations.

The following types of activities will **not** be supported: sponsorships for participation in workshops, seminars, conferences and congresses; scholarships for studies or training; retroactive funding of projects or activities that are currently being implemented or that were implemented in the past.

Under no circumstances may the grant give rise to profits with exception of the actions with the objective of reinforcement of the working conditions from the occupational safety and health perspective, and which are in the long term expected to have overall positive influence to the profitability of the company through decreased number of injuries and occupational diseases.

5. CO-FINANCING AND COSTS ELIGIBLE FOR FUNDING

Selected grant recipients will sign the grant award contract/agreement with IMG. Selected grant recipients will receive grants in funds (in RSD according to the buying exchange rate of Societe Generale Bank Serbia on the day of the transfer) in accordance with the contract and based on their application.

Prior to transferring of the grant, grant recipients will be obligated to submit to IMG adequate pre-financing bank guarantee (bank guarantee for the advance payment) with validity period of six months.

The funds will be transferred exclusively to a project account or sub-account opened by the grant recipient exclusively for the purposes of the grant administration/implementation. Utilisation of the grants will be audited by an independent audit firm which will be contracted by IMG. Grant recipients will be obligated to allow to the Ministry of Labour, Employment and Social Policy, IMG, or any organisation, company or person authorised by IMG or the Ministry free and unlimited access to all grant or project-related activities and to complete relevant documentation.

Grant recipients will be obligated to adhere to the Law on Public Procurements of the Republic of Serbia for any purchases made from the funds of the grant.

Part of the goods and services for the implementation of the project, in the amount of at least 25% of the total project value shall be funded by the grant recipient.

The applicants should note that 25% refers to the total cost of the project. On the example of project with the total cost of EUR 28,000, mentioned 25% equals to EUR 7,000 (in dinar counter-value). This then is the minimum contribution of the grant recipient, whereas up to EUR 21,000 is the amount of the grant.

It is recommended that the grant recipients from their own financial resources fund the activities/goods/services which can be contracted separately from the activities/goods/services which will be funded from the grant.

Costs eligible for funding by grant recipient's own funds as a co-financing percentage are costs which are:

- Necessary for implementing the project activities and must comply with the principles of legality and cost-effective financial management. This especially regarding the value of invested money (getting real value for money);
- Recorded during the project/grant implementation period in the financial records/accounts of the grant recipient, are evident and verifiable, and are supported by original documentation which will serve as the basis to justify the co-financing to the Ministry of Labour, Employment and Social Policy and IMG.

When preparing their application, applicants should take into account that the following costs are not eligible to be funded either from the grant nor can be included in the grant recipient's own contribution: debts and compensation for losses or debts; interests, penalties and/or fines; items already financed from other sources; items delivered or services rendered prior to signing grant contract/agreement, salaries, bonuses or other incomes to the staff of the grant recipient; payments to grant recipient's subsidiaries, organisational units or other legal entities which have the same owner as the grant recipient company.

6. CONTENTS OF THE GRANT APPLICATION

Basic and mandatory documentation for applying for the grant is as follows:

1. Filled-in Project Fiche Form (Document 1) with preliminary or final design / preliminary or final technical specifications attached
2. Filled-in Application Form (Document 2)
3. Filled-in Declaration (Document 3)
4. Filled-in Budget Narrative Form (Document 4)
5. Filled-in Budget Table Form (Document 5)
6. Filled-in Occupational Safety and Health Questionnaire (Document 6)
7. Photocopy of the official proof for signature specimen of the business entity's authorised representative
8. Photocopy of the Registration Certificate before the competent authority (Serbian Business Registers Agency)
9. Photocopies of financial reports (balance sheets and the income statements) for the previous three fiscal years
10. Confirmation of the Tax Administration of the Republic of Serbia of the Ministry of Finance about paid taxes and fees
11. Confirmation of the competent authorities (confirmations from the Commercial Court and from the Magistrate's Court) which should cover a period of three years before the deadline for submitting the application confirming that no final judicial or administrative measure or the prohibition of the activity was ruled
12. Latest submitted "PPOD form" (Tax return on calculated and paid contributions for social insurance income) which proves that the business entity has minimum of seven permanent employees.

Regarding entrepreneurs' participation, only those who have an obligation to maintain double-entry bookkeeping system are eligible to apply, and they should submit the same set of documents required for other business entities.

Optional documentation includes technical specifications, designs, plans, blueprints, construction permits and similar. Optional documentation will depend on the type of project proposed. Technical specifications must not point to particular brands and types.

The documentation should be submitted as hardcopies (printed form), in one original and two photocopies. Only complete applications will be evaluated.

Language of the documents which comprise the application can be either Serbian or English.

Requested forms which the applicants should fill-in must be filled-in on a computer. Applications in which the forms are filled-in by hand or typewriter will not be considered valid.

7. HOW, WHERE AND WHEN TO SUBMIT THE APPLICATION

Applications must be **received** by International Management Group (IMG), Vladimira Popovica 6, 11070 Novi Beograd, before 17:00 hrs on 11 February 2013.

Applications can be submitted either by a recorded delivery (by official postal service) or be hand delivered (including courier services) in return for a signed and dated receipt. Applications submitted by any other means will not be considered.

Applications must be submitted in a sealed outer envelope, and the envelope should carry the following information:

- the address for submission of applications indicated above;
- the reference code of the grant award procedure to which the applicant is responding (i.e., <NOR91 grants>);
- the words "Not to be opened before the grant application opening session";
- full name and mailing address of the applicant.

The inside envelopes will be marked by "original", "copy 1" and "copy 2".

All pages of the application (of the original, copy 1 and copy 2) must be numbered. The order of the documents in the envelopes must follow the order as in the list of the documents provided in these guidelines.

An applicant may submit only one application i.e. only one project proposal. Applicants who submitted more than one application will be rejected.

8. ALTERATIONS AND WITHDRAWAL OF THE APPLICATION

Applicants may alter or withdraw their application by written notification prior to the deadline for submission of applications. No application may be altered after this deadline.

Any such notification of alteration or withdrawal shall be prepared and submitted in accordance with section 7 of these guidelines, where the outer envelope (and the relevant inner envelopes) must be marked 'Alteration' or 'Withdrawal' as appropriate.

9. INQUIRIES AND CLARIFICATION REQUESTS

Personal inquiries are not allowed. Applicants can send their questions via e-mail to the e-mail address NOR91grants@img-int.org

Answers to the questions will be published on IMG website.

Deadline for inquiries expires at 10 o'clock, 21 calendar days before the deadline for submitting the applications. Inquiries received after this deadline will not be taken into account.

Comments, expression of views, questions for which the answers are already included in the documents etc. will not be answered.

In the interest of equal treatment of applicants, no prior opinions on the eligibility of an applicant, an action or specific activities shall be given.

10. EVALUATION OF APPLICATIONS

Selection of the grant recipients will be based on the evaluation criteria, and the rank list which will be made depending on the number of points which the applicants will have been awarded.

Points will be awarded only for the fulfilment of the selection criteria which have been documented, i.e. for which the necessary written proof was included in the application.

Only the applications which fulfil all administrative requirements and eligibility criteria will be evaluated.

EVALUATION GRID

Criteria	Scoring and maximum no. of points
<p>1. Number of employees</p> <p>Total number of employees in the business entity, where the priority in receiving grant will have small and medium enterprises</p>	<p>The maximum number of points is 20</p> <p>Scoring modality:</p> <ul style="list-style-type: none"> • Over 250 employees: 0 points • Between 51-250 employees: 10 points • Number of employees from 7-50: 20 points
<p>2. Coverage</p> <p>The percentage of employees employed in manufacturing (production workers) covered by the application of specific measures to improve working conditions and in accordance with the submitted project ideas.</p> <p>The economic entity that has the highest percentage of employees covered by the application of concrete measures to improve conditions of occupational safety and health will have maximum points.</p>	<p>The maximum number of points is 35</p> <p>Scoring modality:</p> <ul style="list-style-type: none"> • up to 10% of manufacturing employees: 0 points • from 11-40%: 10 points • from 41-80%: 20 points • 80% or more: 35 points
<p>3. Additional positive effects</p> <p>Is the implementation of project ideas, in addition to improving state in OSH, expected to achieve additional positive effects (e.g. environment, resolving issues of waste water, etc.) by using the appropriate specific measures?</p>	<p>The maximum number of points is 5</p> <p>Scoring modality:</p> <ul style="list-style-type: none"> • there are no additional positive effects: 0 points • there are additional positive effects: 5 points
<p>4. Duration of improvements</p> <p>Percentage of the grant used for the purchases of items with medium and long term effects.</p> <p>Measures with longer effect will receive more points. Budget lines 1. and 2. are considered as those with medium and long term effect.</p>	<p>The maximum number of points is 10</p> <p>Scoring modality:</p> <p>Percentage of the grant funds to be used for medium and long term measures:</p> <ul style="list-style-type: none"> • Up to 60%: 0 points • Between 60% and 80%: 5 points • Over 80%: 10 points
<p>5. Completeness of production cycle</p> <p>Advantage will be given to those who cover more steps in the overall production cycle. Attention will be paid to the complexity of the production cycle and the type and number of production operations during the production cycle.</p>	<p>The maximum number of points is 30</p> <p>Scoring modality:</p> <ul style="list-style-type: none"> • Final processing and finalisation of products: 15 points • From semi-product to final product: 25 points • From raw materials to final product: 30 points

If more applicants have the same number of points, advantage will be given to the one with the better score in criteria no. 2 (coverage) and if this is not sufficient to make the selection, the final decision will depend on the amount of own funds to be used for the project.

Proposals will be evaluated by the Evaluation Committee comprising a non-voting Chairperson, a non-voting Secretary and three voting members. The Committee will comprise of representatives of the Ministry of Labour, Employment and Social Policy and IMG.

The Chairperson of the Evaluation Committee may, during the course of the evaluation procedure and on request of the Evaluation Committee require applicants to provide clarifications or additional supporting documents within a reasonable deadline.

The entire evaluation procedure is confidential, subject to the IMG policy on access to documents. The Evaluation Committee's decisions are collective and its deliberations are held in closed session. The members of the Evaluation Committee are bound to secrecy.

The evaluation reports and written records, in particular, are for official use only and may be communicated neither to the applicants nor to any party other than IMG.

No information on the evaluation and selection process will be given before the evaluation and selection procedures are finalised. In this regard, inquiries by the applicants or the third parties are not allowed.

11. GRANT AWARD AND NOTIFICATION OF APPLICANTS

Following the evaluation by the Evaluation Committee and creation of the rank list of eligible applicants, representatives of the Ministry of Labour, Employment and Social Policy will verify the contents of the applications of the first ten-ranked applicants by visiting the business entities and performing on-the-spot checks.

Despite of the reason for submitting the false information, any applicant for whom it was determined that the application included information which is not accurate and correct will be eliminated from the list, and the next ranking company will be taken into consideration.

Following on-the-spot checks, the final list of grant recipients will be made.

Grants shall be awarded by International Management Group (IMG). Final list of grant recipients will be published on the websites of IMG and the Ministry of Labour, Employment and Social Policy. In addition, successful applicants will be notified in writing that their application has been selected. Unsuccessful applicants will be notified that they have not been selected specifying the reasons.

12. TENTATIVE SCHEDULE

	DATE	TIME*
Deadline for request for any clarifications on the procedures and the application process	<21 January 2013>	<10:00 hrs>
Last date on which clarifications are issued by the International Management Group	<31 January 2013>	<10:00 hrs>
Deadline for submission of applications	<11 February 2013>	<17:00 hrs>
Application opening session	<12 February 2013>	<10:00 hrs>
Completion date for evaluation of applications and preparation of preliminary rank list	<21 February 2013> [⊗]	-
Visits to the factories/on-the-spot verification	<From 22 February to 5 March 2013> [⊗]	-
Publication of final list of grant recipients	<6 March 2013> [⊗]	-
Contract/agreement signature	<7 to 13 March 2013> [⊗]	-
Commencement date	<14 March 2013> [⊗]	-
Date for completion of works/deliveries	<23 May 2013> [⊗]	-
Monitoring and evaluation by the Ministry of Labour, Employment and Social Policy	<March through to May 2013 and to be continued during the next three years> [⊗]	-

[⊗] Provisional date

Annex I – Grounds for Exclusion

Tenderers will be excluded from participation in procurement procedures if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata; (i.e. against which no appeal is possible);
- c) they have been guilty of grave professional misconduct proven by any means which IMG can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or those of the country where the contract is to be performed;
- e) they have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to IMG financial interests;

Points (a) to (d) shall not apply in the case of purchase of supplies on particularly advantageous terms from either a supplier which is definitively winding up its business activities, or the receivers or liquidators of a bankruptcy, through an arrangement with creditors, or through a similar procedure under national law.

IMG will accept, as satisfactory evidence that the tenderer is not in one of the situations described in (a), (b) or (e) production of a recent extract from the judicial record or, failing that, a recent equivalent document issued by a judicial or administrative authority in the country of origin or provenance showing that those requirements are satisfied. IMG shall accept, as satisfactory evidence that the tenderer is not in the situation described in (d), a recent certificate issued by the competent authority of the State concerned. Where no such document or certificate is issued in the country concerned and for the other cases of exclusion listed above, it may be replaced by a sworn / solemn statement made by the interested party before a judicial or administrative authority, a notary or a qualified professional body in its country of origin or provenance.

IMG should take into account that, as a rule, the exclusion criteria are related to the legal entity/ natural person who acts as a tenderer and not to its representatives in case of legal entities. However, depending on the national legislation of the country in which the tenderer is established and where considered necessary by IMG or where IMG has doubts concerning the personal situation, the above documents may also relate to the natural persons including company directors or any person with powers of representation, decision-making or control in relation to the tenderer. Whenever one tenderer, due to its nature (for instance, national public administrations and international organisations), cannot fall into some of the categories above and/or cannot provide the documents indicated above, a simple declaration explaining their situation will suffice.

Tenderers, except those in a second step of a restricted service tender or competitive dialogue, must sign their applications including the declaration that they do not fall into any of the categories cited above.

Depending on its risks assessment, IMG may refrain from requiring the above-mentioned declaration that the Tenderers are not in one of the situations of exclusions for contracts with a value equal to or less than EUR 10,000.

Tenderers who have been notified the award of a contract following an open procedure must supply the proof usual under the law of the country in which they are established that they do not fall into the categories listed above. In restricted procedures, the supporting documents must be sent together with the tender. The date on the evidence or documents provided must be no earlier than 1 year before the date of submission of the tender. Tenderers must, in addition, provide a statement that their situation has not altered in the period that has elapsed since the evidence in question was drawn up. If the supporting documents are not written in English, a translation must be attached.

The required proof documents shall be submitted by the tenderer and their consortium members. The documents may be originals or copies. The original documents shall be available upon request by IMG.

If sub-contractors are used, they may not be in any of the exclusion situations either.

Whenever requested by IMG, the successful tenderer/contractor shall submit a declaration from the intended subcontractor that it is not in one of the exclusion situations. In case of doubt on this declaration of honour, IMG shall request the documentary evidence as mentioned above.

For contracts with a value less than the international thresholds (service < €200.000, supply < € 150000, works < €5.000.000) IMG may waive this obligation, depending on its risk assessment. When this obligation has been waived, IMG may nevertheless, where it has doubts as to whether the tenderer to whom the contract is to be awarded is in one of the situations of exclusion, require him/her to provide the evidence.

IMG may also waive the obligation of any tenderer to submit the documentary evidence referred to above if such evidence has already been submitted to it for the purposes of another procurement procedure and provided that the issuing date of the documents does not exceed one year and that they are still valid. In such a case, the tenderer shall declare on his/her honour that the documentary evidence has already been provided in a previous procurement procedure and confirm that no changes in his/her situation have occurred.

Contracts may not be awarded to Tenderers who, during the procurement procedure:

- are subject to a conflict of interest;
- are guilty of misrepresentation in supplying the information required by IMG as a condition of participation in the contract procedure or fail to supply this information;
- find themselves in one of the situations of exclusion for this procurement procedure.