



Montenegro

**A DECADE
OF INDEPENDENCE
A MILLENNIUM
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MONTENEGRO
2016**



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**GOVERNMENT OF MONTENEGRO
MINISTRY OF EDUCATION**

**HIGHER EDUCATION AND RESEARCH
FOR INNOVATION AND COMPETITIVENESS PROJECT**

Grants Operational Manual for the Institutional Improvement Grants Scheme

Podgorica, April 2016

Table of contents

List of abbreviations	3
1. Background.....	4
1.1. HERIC Project	4
1.2. Institutional development grant scheme	4
2. Objectives of the grant scheme	5
2.1. Overall objective.....	5
2.2. Specific objective.....	5
2.3. Priority areas for implementation of activities	5
3. Overview of Institutional Improvement Grants scheme	5
3.1. Financial allocation.....	5
3.2. Requirement for co-financing of project proposals	6
3.3. Duration of projects	6
3.4. Management of project	6
3.5. Responsibilities of the Grants Officer and the Technical Service Unit.....	6
3.6. Environmental impact.....	6
4. Eligibility criteria - rules for this Grant Scheme	7
4.1. Eligibility criteria for applicants and co-applicants.....	7
4.1.1. Number of projects per applicant.....	7
4.1.2. Eligibility criteria for applicants (leading partners)	7
4.1.3. Eligibility criteria for co-applicants (partners).....	8
4.2. Eligible and non-eligible activities within this grant scheme	8
4.2.1. Eligible activities.....	8
4.2.2. Non-eligible activities	11
4.3. Eligible and non-eligible costs	11
4.3.1. Eligible costs	11
4.3.2. Non-eligible costs	13
5. How to apply and the procedures to follow	13
5.1. Call for Proposals	13
5.2. Preparation of applications (project proposals).....	13
5.3. Review and evaluation of applications / project proposals	14
5.3.1. Completeness and administrative compliance.....	14
5.3.2. Ex-ante evaluation of received applications.....	14
5.3.3. Evaluation Committee - evaluators.....	15
5.4. Negotiation and award of grants	16
5.5. Signing of contracts	16
6. Implementation of contracts	16
6.1. Monitoring of projects' implementation.....	17
6.2. Procurement procedures.....	17
6.3. Administration related to implementation of project	18
6.4. Finance	19
6.5. Reporting.....	19
7. Fraud and Corruption	20
Full list of annexes	22

List of abbreviations

GOM	Grants Operational Manual
HEI	Higher Education Institutions
HERIC	Higher Education and Research for Innovation and Competitiveness Project
HR	Human Resources
ICT	Information and Communication Technologies
IIG	Institutional Improvement Grants
MoE	Ministry of Education
PMT	Project Management Team
TSU	Technical Service Unit
VAT	Value Added Tax

1. Background

1.1. HERIC Project

The Government of Montenegro, through Ministry of Education and Ministry of Science, is implementing the “Higher Education and Research for Innovation and Competitiveness” (HERIC) Project¹, financed from the World Bank loan. The anticipated duration of the project is from 2012 to 2017. The HERIC Project is placed within the overarching framework of the Government of Montenegro strategies for European integration in the areas of science and research and its Strategy on the Development and Financing of Higher Education. It supports the government’s initiatives to ensure that graduates are able to compete successfully on a regional and international level; professors at domestic universities are connected to domestic and international research efforts; innovation is central to developing a dynamic and relevant higher education environment; and universities and private enterprises engage in, and benefit from, research and development efforts and technology transfer opportunities.

To achieve this, significant reforms need to be implemented and investments made, including in the areas of quality and financing of higher education and research. Legislation and regulations have been developed and adopted in these areas, and the Project aims at helping to make some identified reforms a reality. In addition, the HERIC Project is helping the Montenegrin authorities to deepen ongoing reforms and align them with the broader European Union integration agenda.

The HERIC Project Development Objective is to strengthen the quality and relevance of higher education and research in Montenegro through reforming the higher education finance and quality assurance systems and by strengthening research and development capabilities. The HERIC Project’s main beneficiaries are students, graduates and academic staff, who will benefit from implementing supports for Quality Assurance and finance reform in higher education, as well as internationalization efforts for human capital capacity building. Universities and research institutions will also benefit from financing higher education reforms and establishing a competitive research environment.

Enterprises will be indirect beneficiaries of Project activities implementation, as well as the Ministry of Education (MoE) and the Ministry of Science as a result of capacity building activities financed by the Project.

The HERIC Project is comprised of four distinct although interlinked components; the Institutional Improvement Grants (IIG) scheme is defined under the Component 1: Higher Education Finance Reforms and Implementation of Quality Assurance Norms.

1.2. Institutional development grant scheme

The first component of the HERIC Project is aimed to facilitate implementation of strategic priorities defined in *the Strategy on the Development and Financing of Higher Education* (adopted by the Government of Montenegro in 2011). Specifically, this component focuses on the following finance and quality goals:

- Ensuring and improving quality of higher education.
- Linking higher education and the labour market and raising entrepreneurial, innovative character education.
- Analysis of the results of applying the principles of the Bologna Declaration in Montenegro.
- Adequate and appropriate funding of higher education.

¹ For more details about HERIC project visit website www.heric.me

Within the Component 1, it is envisaged establishment of a grant scheme for eligible higher education institutions (HEI) in Montenegro, with the aim “to incentivize their participation in reform activities and support capacity building”. The grant scheme is planned to be implemented through projects prepared by the respective higher education institutions aimed to strengthen their administrative and operational capacities.

2. Objectives of the grant scheme

2.1. Overall objective

The overall objective of the grant scheme is to strengthen the administrative and operational capacities of higher education institutions so that they are in better position to: i) participate in the development of quality assurance and finance reforms, including the provision of data, participation in meetings and data collection; ii) contribute to the refining of strategic findings and documentation; and iii) implement the recommended strategic reforms at HEIs and in specific programs.

2.2. Specific objective

The Grant Scheme envisages three-fold specific objective focusing on:

- i) organizational development and strengthening governance structures of the HEI;
- ii) strengthening educational and teaching services and development of capacities for services to other stakeholders; and
- iii) improvement of educational infrastructure to facilitate quality teaching and learning at the HEI.

2.3. Priority areas for implementation of activities

In line with the comprehensive specific objective, the following priority areas are identified:

Priority area 1: Reform, development and Improvement of teaching and learning processes;

Priority area 2: Enhancement of quality management of teaching and learning processes;

Priority area 3: Organizational development and strengthening governance structures of the HEI;

Priority area 4: Improvement of composition and strengthened functioning of governing bodies and governance structures of HEI;

Priority area 5: Development of human resources (educational and non-educational capacities) within HEIs;

Priority area 6: Improvement of internal and external communication of HEIs; and

Priority area 7: Improvement of educational infrastructure within higher education institutions.

3. Overview of Institutional Improvement Grants scheme

3.1. Financial allocation

IIG scheme operates through Calls for Proposals. The first Calls was launched in July 2015 and closed in October 2015. The second Call, with available budget up to €300.000 will be launched in April 2016.

Size of grants:

In order to ensure that the projects could address challenges from any of the selected priority areas, requested contribution under this Grant Scheme should fall between the following grant amounts:

- minimum grant amount: € 10,000;
- maximum grant amount: € 50,000;

It is important to highlight that the eligible institutions could prepare larger projects but the amount of approved grant must not exceed € 50,000.

3.2. Requirement for co-financing of project proposals

In order to ensure higher degree of ownership and ensure that the project results continue after the completion of project, it is required to include project co-financing, which must not be less than 10% of the requested grant amount. This contribution is a prerequisite for transferring of grant funds to the grant recipient.

In-kind contributions will not be considered as co-financing.

3.3. Duration of projects

The duration of the awarded projects under this grant scheme has to be up to 12 months.

3.4. Management of project

The HEI is ultimately responsible for the overall management/implementation of the project and a person (Project Manager) responsible for the implementation of the project must be nominated.

The funds provided through the Institutional Improvement Grants should improve organizational capacities of the HEI, hence, costs related to the management of the project should be covered by the respective HEI and not from the grant.

3.5. Responsibilities of the Grants Officer and the Technical Service Unit

The Grants Officer, who is a member of the HERIC Project Management Team (PMT), performs initial administrative control of project proposals, and is responsible for monitoring of implementation of the IIG project activities, for performing control of documentation that has to be submitted by grant recipients during implementation of project, as well as reviewing of progress reports prepared by the grant recipients. The Grants Officer in cooperation with responsible person in the MoE will also provide necessary support to grant recipients.

The Technical Service Unit (TSU) within the Ministry of Finance will be responsible for fiduciary issues with regard to grants implementation: (i) ensuring that formal processes of procurement is functioning according to the World Bank guidelines (TSU role includes publishing notices of tenders, issuing bidding documents, receiving bids, providing secretariat for evaluation committees ensuring that their work is conducted in accordance with the World Bank procurement guidelines); (ii) transfer funds based on withdrawal application prepared by the grant recipients; and (iii) accept financial reports prepared by these grant recipients concerning the use of grant funds.

3.6. Environmental impact

The activities within this grant scheme are not expected to have any environmental impact. But in cases where possible negative environmental impact has been identified, the applicants/grantees will comply with the relevant Montenegrin legislation and World Bank safeguard policies and procedures.

4. Eligibility criteria – rules for this Grant Scheme

This Grants Operational Manual (GOM) sets out the rules for the submission, selection and implementation of the projects financed under this Grant Scheme.

There are three sets of eligibility criteria, relating to:

- (i) the applicants (leading partners) and co-applicants (partners);
- (ii) the activities for which a grant may be awarded; and
- (iii) the eligibility of costs within the application.

4.1. Eligibility criteria for applicants and co-applicants

4.1.1. Number of projects per applicant

This grant scheme does not set the limit for number of projects in which a higher education institution could act as an applicant and co-applicant.

4.1.2. Eligibility criteria for applicants (leading partners)

Applicant (leading partner) is a higher education institution from Montenegro ultimately responsible for preparing and submitting the application and implementing the project.

The Grant Scheme is designed to support organizational development of higher education institutions in Montenegro.

The applicant* must:

- be legal entity and
- be accredited and licensed higher education institution registered under the Law on Higher Education of Montenegro and
- be directly responsible for the preparation and overall management of the approved projects**.

Apart from projects that involve more than one institution (partnerships), grants can be awarded also to projects that involve only one institution.

*Explanatory note 1

Universities, as legal entities composed of more faculties, are eligible/supposed to submit projects on behalf of faculties that are operating under the respective University (in practice this means that faculties that are part of University cannot be formal applicants, but University should submit the application on behalf of that faculty). Apart from applying for grants related to (and on behalf of) their faculties, universities may also apply with projects related to universities as a whole, i.e. to common topics (for example: international relations, HR management, financial management, etc).

Individual faculties, as legal entities, that are not part of any university, are eligible to submit applications on their own behalf.

**Explanatory note 2

Preparation and management of approved projects:

The applicant (leading partner) is responsible for all activities related to the awarded grant, including financial management and procurement, following procedures established in this Grants Operational Manual (and relevant annexes issued separately) satisfactory to the MoE. The responsibility of the leading partner related to preparation and overall management of the project, includes among others the following aspects:

- Elaborating of a proposal for obtaining the grant;
- When pre-selected for receiving a grant, negotiating the grant contract, including a project proposal and budget plan, with the MoE, as well as preparing a procurement plan;
- Developing partnership agreements between the applicant and co-applicants (project partners) - if any;
- Coordinating the work of all the partners according to the overall project plan and taking adequate steps to address any delays or deviations from the original plan;
- Making payments to suppliers and consultants and obtaining receipts for such payments;
- Performing sound contract management;
- Maintaining project records;
- Establishing a sound financial management;
- Ensuring regular project monitoring;
- Resolving any issues affecting project implementation, including procurement; and
- Preparing the necessary periodical and final reports.

4.1.3. Eligibility criteria for co-applicants (partners)

Two or more higher education institutions may develop a joint project in line with the specific objective, in the respective priority areas of the grant scheme and work together to implement proposed action. One of the institutions will act as the applicant (leading partner), while other institutions will be considered as co-applicants (partners). The applicant and co-applicants must sign a partnership agreement, in which the roles of the applicant (leading partner) and co-applicant (partner) should be recognized.

In order to be eligible to act as co-applicant, the institution must meet the following criteria:

- be legal entity (refer to Explanatory Note 1, under section 4.1.2) and
- be accredited and licensed higher education institution registered under the Law on Higher Education of Montenegro.

Co-applicant provides inputs during the preparation of the application and participates in implementation of the project.

4.2. Eligible and non-eligible activities within this grant scheme

4.2.1. Eligible activities

The project is composed of a set of activities to be implemented within the proposed timeframe through utilization of the approved budget (comprising of the funds approved through the Grant Scheme and co-financed resources).

Activities in the application and their immediate results should be aligned with the grant scheme. In case of partnership activities should be designed to improve capacities of all partners.

The following list of activities is suggested, based on the situation assessment, evaluation reports and challenges that the HEI are facing. This is not a complete list of activities, but other activities that will contribute to the achievements could be included; it is expected that the projects will include more than one/ logical combination of proposed activities.

Activities recommended for the Priority area 1: Reform, development and improvement of teaching and learning processes: activities that will facilitate and support to further reform, development and improvement of teaching and learning processes; this should be perceived within the broader context of the Bologna reform, particularly the shift to student-centred teaching and the focus on student employability and attainment.

Example of activities that could be considered are:

- Technical assistance for redesigning teaching curricula to fit current labour market needs and wide international trends, as well as identifying learning outcomes for each study programme and course;
- Activities aimed at developing and enabling individual learning paths by increasing the number of elective courses;
- Activities that will increase understanding and awareness among the students and the wider public about the learning-outcome approach;
- Exchange of international experience, introducing and promoting examples of good and innovative practices in the area of student-centred learning (e.g. interactive learning, use of case-studies, problem-based learning, etc);
- Activities that will improve internship scheme for the students and more practical learning.

Activities recommended for Priority area 2: Enhancement of quality management of teaching and learning processes: these activities should be interlinked with reform of educational institutions, with the possible following activities:

- Technical assistance/support for the development of internal quality processes through implementation of the Standards and Guidelines for Quality Assurance in the European Higher Education Area and recommendations for education quality from the Council of Higher Education;
- Increasing responsibility and enhancing the role of the administrative and academic staff and students to monitor quality and to communicate progress as defined through better understanding of the quality system and improved capacities for this role;
- Activities that support quality of education through strengthening of the students feedback system such as a) developing and including questions on the learning process and allowing some modification of questionnaires for individual disciplines; b) evaluating the learning environment (e.g. library, registrar functions, student support services, etc); c) exploring and testing alternative models of collecting feedback (e.g. student focus groups); d) informing students about the use of the results; e) establishing alumni tracking mechanisms.

Activities recommended for the Priority area 3: Organizational development and strengthening governance structures of the HEI: these activities should be concerned with the improvement of

management and operational functions, advancement of quality of education and development of new services.

Some activities in this area could be:

- Activities aimed at development of strategic and planning capacities and capabilities within the higher education institutions; for example: technical assistance for preparation of long, mid and short-term strategic plans including clear assignment of roles and responsibilities, financial requirements and monitoring mechanism;
- Activities aimed at improvement of the financial management, including clearly defined risk management approach (these activities should be closely connected with enhancement and diversification of services);
- Activities for the establishment of alumni associations, career centres, international cooperation offices, students' employment services and support to its functioning.

Activities recommended for Priority area 4: Improvement of composition and strengthened functioning of governing bodies and governance structures of HEI: these activities should enable better functioning of HEIs and the following activities could be considered:

- Technical assistance for enhancing strategic capacity to implement and realize institutional missions by assigning clear objectives, deadlines and responsibilities in a professional manner;
- Activities that are aimed at developing and facilitating new organizational culture based on high level of professionalism, academic values and academic decisions making processes.

Activities recommended for Priority area 5: Development of human resources (HR) within HEIs: these activities should be primarily focused on enhancing and further developing capacities of educational and non-educational staff and the following activities could be considered:

- Technical assistance and support to development of HR to the international standards;
- Preparation of HR development platforms for academic and administrative staff in line with the strategic priorities of the educational institutions;
- Preparation and delivery of specific (priority) trainings for professional development of academic and administrative staff;
- Introduction of needed elements for the HR management system (employment, advancement; merit system for academic promotion, etc) with support of partners.

Activities recommended for Priority area 6: Improvement of internal and external communication of HEIs:

- Support to improvement of communication with the public through establishment, improvement and more active use of communication and information tools such as websites, web-portals, different social media (e.g. Facebook, Twitter, LinkedIn, development of specific mobile phone applications for the educational institution etc);
- Improvement of internal communication practices within educational institutions: this will include establishment of intra-net with a sound knowledge management system for students; e-learning and improved access to learning materials for students and teachers; organization of webinars and on-line lectures, etc.

Activities recommended for the Priority area 7: Improvement of educational infrastructure within HEI: these activities should be concerned with classroom improvements and enhancement/advancement of the educational infrastructure and facilities within educational institutions; the objective is to enable higher quality of education. Therefore, some of the proposed activities could be:

- Purchase of ICT and other equipment to advance students learning and improve research and teaching methods: this will include procurement and instalment of the special education rooms and cabinets; procurement and instalment of the 3D boards; banners, beamers, lap-top and desk top computers, scanners, and other ICT equipment needed for improved learning;
- Modernization of libraries: in order to facilitate access to knowledge for students, activities that will work for modernization of libraries will be supported; this will include purchase of new literature; subscription to magazines; establishment of e-libraries; improvement of library system, etc.

It is desired and recommended that the infrastructure related actions are combined with provision of educational (teaching, learning, research) services to maximize the benefit of the investment and the effective use of the new public facilities; this approach will ensure clear educational focus and long-term sustainability of efforts.

Location of activities: In terms of location, majority of activities will take place in Montenegro; however, it will be possible for some activities to take place outside of Montenegro, for example study tours; workshops; trainings, etc. However, it is recommended that activities outside of Montenegro are limited and clearly justified in the project document.

4.2.2. Non-eligible activities

Based on the objectives of both, the HERIC project and the grant scheme, some activities should not be considered as eligible and approved for financing:

- Activities concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences, congresses;
- Activities concerned only or mainly with individual scholarships for studies or training courses;
- One-off conferences: conferences can only be funded if they form part of a wider range of activities to be implemented in the life-time of the action. For these purposes, preparatory activities for a conference and the publication of the proceedings of the conference do not, in themselves, constitute such "wider activities";
- Activities/services provided among partners (e.g. consultancy, trainings, renting of equipment etc).

4.3. Eligible and non-eligible costs

4.3.1. Eligible costs

Following the indicative lists of activities, it is envisaged that the following methods for implementation of activities will be present:

- Purchase of goods/services (e.g. ICT equipment and software, books for libraries, etc) related to implementation of envisaged activities;

- Technological missions and on-the job trainings to better facilitate transfer of knowledge;
- Exchange of best practices and transfer of experience: this could include both, in-country and international experience;
- Training courses and workshops, conferences and round tables;
- Study tours/visits for transfer of knowledge;
- Technical assistance and technological consulting by national or international experts.

However, this is not the definite list and other tools and methods could be applied as per proposed project activities.

The costs for implementation of the projects will depend on the planned activities and it is considered that the following costs are eligible:

- Costs related to procurement of goods
 - Purchase and maintenance of new ICT equipment;
 - Purchase and maintenance of tailor-made software;
 - Purchase of books, e-books, magazines for improvement of libraries;
 - Purchase of new equipment to facilitate teaching and learning process and support organizational development of the higher education institutions.
- Material and consumables that are directly linked with implementation of activities
- Costs related to procurement of technical assistance services
 - Engagement of international and/or national consultants including experts, trainers, coaches/mentors
- Subscriptions to magazines and electronic databases, etc;
- Costs related to organization of events (conferences, workshops, trainings, seminars)
 - Renting or purchase of equipment: the HEI is encouraged to use its own equipment to the extent possible (if this equipment exists within the institution); purchase or renting of equipment must be justified;
 - Hiring a venue including translation services if deemed necessary – the HEI is highly encouraged to use its own or use other, adequate facilities that are free of charge;
 - Costs related to preparation and delivery of events (refreshments and food; preparation of materials; info desk, etc): this should be justified, as it is recommended respective higher education institution to co-finance these costs.
- Costs related to study tours
 - Travel costs justified by selection of activities (in-country and international travels);
 - Daily allowances (as per national public sector scale);
 - Accommodation (lodging expenses as per public sector regulations).
- Administrative/incidental costs including costs for dissemination of project results: this costs is limited to maximum 5% of the total budget

All expenses/prices in budget plan table have to be calculated/presented as gross amounts (taxes, contributions, VAT etc included).

4.3.2. Non-eligible costs

- Costs related to management of project: costs for directly involved staff from the respective higher education institution in implementation of projects are not eligible;
- Costs related to events and study tours: participation of the representatives of the HEI in events and study tours is not eligible cost if presented as a stand-alone activity; however, this could be eligible costs if presented as a part of more substantive institutional development effort of the HEI;
- Other non-eligible costs are: any civil construction works (e.g. adaptation, renovation and construction); procurement of vehicles; purchase and lease of property; procurement of (non-educational) equipment that does not support institutional development of the HEIs; costs related to services provided among partners (e.g. consultancy, trainings, renting of equipment etc).

5. How to apply and the procedures to follow

The grants awarding process consists of five main activities that are:

- (i) Call for Proposals;
- (ii) Preparation of applications / project proposals;
- (iii) Review and ex-ante evaluation of applications/proposals,
- (iv) Negotiation and award of grants; and
- (v) Signing and implementation of contracts.

Launching of the grant scheme and preparation of application/proposals are more generic part of the grants awarding process; therefore, actual evaluation of submitted applications is described in more details in the following paragraphs.

5.1. Call for Proposals

The HERIC PMT and the Ministry of Education of Montenegro will prepare a Call for Proposals, including key dates, special technical/conceptual information and key administrative procedures.

The HERIC team will organize one-day information seminar to introduce potential applicants to the grant scheme. First part of the seminar will be given over to introduction and presentation of the grant scheme, and the second part will be opened for questions and discussion.

The main references about the Call for Proposals will be the HERIC project website (www.heric.me), and the website of the Ministry of Education; all documents related to the grant scheme will be uploaded on the HERIC website as well as on the website of the MoE. The Call for Proposals is featured in Annex 2.

5.2. Preparation of applications (project proposals)

This Grant Operatinal Manual with relevant Annexes is available on the website of the MoE (www.mps.gov.me) and on HERIC website (www.heric.me). The HEIs considering the development of a proposal and submission of an application may find in these documents all necessary information and the main forms to be filled out.

Development of project proposals/applications will be the responsibility of interested and eligible HEI. During that period, the HERIC team will provide necessary information/clarifications to the potential applicants upon their requests.

5.3. Review and evaluation of applications/ project proposals

Submitted applications/proposals will undergo a review and evaluation that includes the following interlinked phases: a) Completeness and administrative compliance; b) Ex-ante evaluation of applications; and c) Final review and award determination.

5.3.1. Completeness and administrative compliance

The evaluation of proposals will begin with screening of proposals' administrative completeness and compliance. All proposals considered to be eligible will be forwarded for further review and full (ex-ante) evaluation.

If the initial screening of proposals' administrative completeness and compliance will show that the applicants failed to submit the requested information, in this case the proposal will no longer be considered for financing. In certain cases applicants could be enabled to clarify/modify certain information and add what is missing in submitted documentation in order to avoid, due to possible negligible administrative issues, their possible disqualification in this initial phase.

The completeness and administrative compliance will be based on the following questions:

Question	Yes	No
1. Is the applicant eligible to submit the application under this grant scheme?		
2. Is the project application submitted on time?		
3. Is requested amount within defined limits and co-financing is ensured?		
4. Is the submitted project application complete (includes all requested information, documents, sections, annexes, forms and signatures)?		
5. Is the correct number of hard and electronic copies submitted in the required language and the requested form?		

In order to meet completeness and administrative compliance requirements, all answers must be marked “yes”; If the answer on any of the first three questions is “no”, the application will not be considered further.

In the case of “no” answer on other questions, the HERIC team could request additional documents and clarifications from the applicants.

Project applications that satisfy the completeness and administrative compliance check will be forwarded for full-fledge ex-ante evaluation.

5.3.2. Ex-ante evaluation of received applications

The ex-ante evaluation consists of the 5-set evaluation criteria: i) Capacities of leading partner; ii) Relevance and design of the project; iii) Effectiveness of the project; iv) Efficiency (budget and finances) of the project; v) Sustainability and impact of the project.

The following scale with distribution of points is adopted for ex-ante evaluation:

Evaluation criteria	Points
<p>Capacities of leading partner</p> <p><i>This evaluation criterion assesses technical and administrative capacities of the leading partner, primarily focusing on capacities to implement development projects and ensure achievement and full utilization of results.</i></p>	10 points
<p>Relevance and design of the project</p> <p><i>This evaluation criterion shows if the application is in line with the overall and specific objectives of the grant scheme and the priority areas.</i></p>	35 points
<p>Effectiveness of the project</p> <p><i>This evaluation criterion analyses the relationship between the activities of the project, results that the project is to achieve and the objectives of the Grant Scheme. It is a measure of the extent to which the actual results of the activities planned within a project will contribute to the specific result and address the key problem of the HEI.</i></p>	30 points
<p>Efficiency (budget and finances) of the project</p> <p><i>This evaluation criterion analyses if the project budget and the overall management approach of the project provide for rational use of resources/inputs (funds, expertise, time, etc).</i></p>	10 points
<p>Sustainability and Impact of the project</p> <p><i>This evaluation criterion assesses if the positive results of the project are likely to continue after the end of the project and the actual influence of the project.</i></p>	15 points
Total points	100 points

5.3.3. Evaluation Committee – evaluators

In order to carry out ex-ante evaluation, independent and professional Evaluation Committee will be established. The Evaluation Committee will consist of 3 members (hereinafter: evaluators) – two external experts selected on a basis of competence, with academic and consultancy experience, and one delegated representative of the Ministry of Education. Evaluators' impartiality is as important as their professional expertise and mastery of evaluation techniques, and they must exhibit the highest standards of integrity, objectivity, fairness and professionalism and sign statements of impartiality and confidentiality.

The Evaluation Committee will perform evaluation based on criteria provided in this Grants Operational Manual.

Each proposal will be evaluated and scored individually by all 3 evaluators, after which proposals will be ranked based on aggregate scores – the average of the three scores will be used.

Experts will prepare individual evaluation reports (including scores) for each proposal. They will also prepare a summary evaluation report for each proposal (outline of individual evaluations), with joint comments, including issues to be raised/clarified with an applicant during negotiation

phase and project's final score. The summary evaluation reports will be submitted to the applicants as a feedback information.

Upon completion of ex-ante evaluation, the Evaluation Committee will prepare the Final evaluation report, with the final ranking list of all evaluated applications.

5.4. Negotiation and award of grants

The technical threshold for this grant scheme is established at 70 points and applications with the highest score will be financed (best ranked applications).

The MoE will, if needed, organize negotiations with the applicants with a purpose to discuss implementation of projects, to solve all ambiguities that emerged during evaluation and to obtain all possibly required clarifications of the application. Negotiation may cover any technical, legal or financial aspects of the proposal, taking into account the comments of the evaluating experts.

In the event of withdrawal of applicants or unsuccessful negotiations with those initially selected, MoE might contact the next-ranked applicants to begin negotiations.

After finishing negotiations and revisions of the involved proposals, the MoE will make a final decision on accepting the application and approving the related grants funding.

All lead applicants will be informed accordingly about the results of the selection process and the list of selected applications/project proposals will be published on the websites of the Ministry of Education and HERIC project.

5.5. Signing of contracts

The HERIC team will organise pre-contracting meetings with each of the applicants who will be selected for financing, aimed at providing them with information regarding various rules and procedures that have to be followed during realisation of projects and addressing any issue that is specific for each of the awarded projects.

Contracts will be established, via discussions and negotiations, for all applications/proposals selected for financing and should be signed no later than three (3) weeks after the final/official award of the grant by the MoE. Parties to the contract will be the MoE and Grant Recipient. The MoE will prepare a template of the contract form, but it will be defined in details and adjusted during negotiation phase with each Grant Recipient depending on the specificities of the application/proposal. The contract will define the rights and obligations of the contracting parties and in particular the arrangements for the technical and financial implementation.

If the project includes partnership, the leading partner will sign contracts with the partners that will participate in the implementation of project, thus regulating their interrelations and hence the project will begin. Signed partnership contracts have to be submitted to the MoE and will be a precondition for releasing the project funds.

6. Implementation of contracts

This GOM provides necessary information and references for implementation of projects, as indicated in the previous paragraphs.

Project implementation consists of several core processes, including: *planning, operations, administration and finance, and reporting*.

Overall project implementation is the responsibility of the Grant Recipient (Lead Applicant). The responsibilities of the Grant Recipient will be regulated in contract signed with the MoE. In case of

partnerships, responsibilities and relationship between the partners will be regulated in the contract signed between them and approved by the MoE.

The contract will contain an agreed overall implementation plan for the full duration of the project together with its associated indicative financial plan. The Grant Recipient may be allowed to make a modification in the project activities with written approval by the MoE. The overall objectives and principal deliverables, as set out in the contract, will not be expected to change during the lifetime of the project. During implementation, Grant Recipient will carry out all aspects of the project and complete administration, procurement, finance and reporting tasks as described below.

Grant Recipient may contact the Grants Officer in order to obtain necessary explanation of procedures and documents/forms to be used.

6.1. Monitoring of projects' implementation

Grants Officer of the HERIC PMT in cooperation with responsible person in the MoE will perform supervision of projects, which includes participation in monitoring of project implementation and review of progress reports prepared by grant recipients. Each submitted and approved project will have clearly defined specific monitoring arrangements including verifiable performance indicators and milestones against which progress and outcomes of the proposed activities can be assessed. These indicators and milestones will be finally agreed during negotiations between the MoE and the pre-selected applicant prior to signing the contract.

6.2. Procurement procedures

Each pre-selected applicant shall prepare a Procurement Plan, which includes all the items to be procured during the implementation of project, and submit it for approval to the MoE/ HERIC team. If justifiable, Procurement Plan may be amended throughout the project implementation period, with approval of the MoE.

Apart from preparation and updating of their procurement plans, grant recipients shall: prepare and be responsible for technical specifications of goods to be procured (including conditions of procurement such as time and place of delivery, installation, warranty period, maintenance of equipment), as well as Terms of References for consultants to be engaged; provide addresses of potential suppliers to whom Invitations to Quote should be sent; make final check and approval of tender documents compiled by TSU before they are sent to potential suppliers and/or advertised for engagement of consultants; establish evaluation committees and perform evaluation and selection of suppliers and consultants; possibly (if needed) negotiate offered prices and other conditions with selected suppliers and consultants; take over the communication with selected/contracted suppliers and consultants (arranging details related to delivery of goods etc); keep written records, agreements and tender documentation of all selection and procurement processes, which will be delivered to them after the contracts will have been signed with suppliers and consultants.

Grant recipients will be responsible for their procurement following the procedures explained in this GOM and relevant annexes provided separately that are in accordance with:

- the World Bank's "Guidelines: Procurement of Goods, Works, and Non-Consulting Services Under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011;
- the World Bank's "Guidelines: Selection and Employment of Consultants Under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011;

The Grant Recipient will perform procurement with the assistance of the TSU. The role of the TSU in procurement process is mentioned in chapter 3.5 of this GOM.

For any procurement details possibly not covered by the GOM and relevant separate annexes, the provisions of the above mentioned World Bank's Guidelines will be valid.

Contractors, subcontractors and suppliers shall permit the World Bank, at its request, to inspect their accounts and records relating to the procurement and performance of the contract and to have said accounts and records audited by auditors appointed by the World Bank.

The procurement methods to be used are determined at the stage of Procurement Plan development. Which method would be used for procurement of particular goods and services depends on several factors: cost estimation, type and quantity, complexity and scope, availability in local region, etc.

Procurement of goods will be done through "shopping" method, where advertising is not required – invitations to quote are sent directly to local and foreign (where applicable) suppliers. The method is based on obtaining and comparing at least three price quotations, to assure competitive prices. In justifiable circumstances procurement may be executed under direct contracting (single source) with prior approval from the World Bank, e.g. where certain goods are available only from a particular supplier or in cases where compatibility with existing equipment requires specific goods.

As for the engagement of consultants, recruited consultants will assist in capacity building and institutional strengthening. They will be selected on the basis of their qualifications and reasonable costs, through comparison of qualifications of at least three qualified candidates. In specific circumstances consultants may be hired under sole source contracting with prior approval of the World Bank.

Written records will be kept of all procurement/selection processes. For all purchase of goods and consultant services a contract will be signed between the Grant Recipient and supplier/ service provider.

Grant Recipient may address the Grants Officer of the HERIC PMT who would provide adequate support and all necessary documents/forms.

All necessary information about procurement rules, procedures, methods and forms will be provided to the pre-selected applicants during the negotiation phase.

6.3. Administration related to implementation of projects

Following the award of grant, the Grant Recipient will implement the project with due diligence and efficiency and in accordance with the terms and conditions of the contract.

All participants in the project management and implementation process (grant recipient, consultants and suppliers) shall permit the MoE and the World Bank, at their request, to inspect all their accounts, records and other documents related to project implementation and to have said documentation audited.

If the Grant Recipient is required by local legislation to have an annual statutory audit, the Grant Recipient should send to the TSU and the MoE a certified copy of the above mentioned annual audited financial statements, together with a certified copy of the audit opinion thereon, within one month of the completion of the audit. The cost of hiring such auditors by the grant recipient may not be financed by the IIGs funds.

The MoE retains the right to postpone or discontinue the project activities if the implementation performance of the Grant Recipient does not fulfil the contract provisions. If this happens the Grant Recipient is due to refund (except in cases caused by vis major) within 15 working days all received but not spend funds, including the funds for which the MoE establishes that have not been spent in accordance with the contract.

Delay or failure in the implementation of a contract for an approved grant due to mistakes, errors or negligence on the part of the Grant Recipient will be taken into account in the assessment of any future grant proposals made by the same Grant Recipient.

6.4. Finance

The grant funds will flow directly to the Grant Recipient, which shall have separate and protected bank account (in further text the Grant Account), opened solely for flows of funds under the project. All grant funds to be used to implement the project will be kept in the Grant Account. The records and statements of the bank account will be available for review and inspection of HERIC team, TSU and the external audits.

The use of grant funds will be in accordance with sound financial/accounting principles and the Grant Recipient will maintain records for use of all grant funds. Records shall include accurate, current and complete disclosure of the grant project income and expenditures and shall include documentation to substantiate all costs incurred by the grant project. Such maintenance of records will assist in periodic financial monitoring, supervision and auditing, being available for review and inspection of the HERIC PMT, TSU and the external audits. The Grant Recipient shall retain, in accordance with national legislation, financial records and any substantiated documents such as bills, invoices, receipts etc, and any other record pertinent to the grant project.

Financial audits of grant funds will be carried out on randomly selected financial statements of Grant Recipients. These audits will be conducted in accordance with International Standards on Auditing (ISA) as issued by the International Federation of Accountants (IFAC).

The TSU will transfer to the bank account of the Grant Recipient the total amount of awarded grant in one tranche, provided that the contract and (in the case of projects with more partners) all partnership agreements between the Grant Recipient and its partners are submitted for control and approved by the MoE, as well as that the Grant Recipient has transferred to its Grant Account the obligatory financial contribution (minimum 10% of the requested grant amount). In order to receive the grant funds, after approval of partnership agreements and transfer of own financial contribution to its Grant Account, the Grant Recipient is supposed to submit the Payment Request form, with accompanying documents (the form and instructions to Grant Recipient will be provided by the Grants Officer in due course), and within the following 30 days the grant funds will be transferred to the Grant Account.

The Grant Recipient may reallocate funds between budget lines. Any proposal for reallocation of funds must be provided with adequate argumentation for such reallocation and can be made only after written approval by the MoE. Proper notation shall be made in the procurement plan and financial and accounting records.

No grant funds shall be allocated for payments made for expenditures prior to the date of signature of the grant contract.

Funds may be expended on activities not included in the project application/proposal, subject to prior written approval of the MoE, i.e. extended No Objection to the updated Procurement Plan.

6.5. Reporting

All reports should be prepared by the Grant Recipient (Lead Applicant) and in the case of partnership in collaboration with the project partners, and should cover all project activities. The Grant Recipient (Lead Partner) signs the reports and is responsible for their content.

Progress reports: The Grant Recipient will prepare narrative progress and financial reports on semi-annual basis. An electronic copy (both PDF and Word format) and two (2) hard copies will be submitted to the HERIC PMT (for PMT and MoE). The purpose of narrative progress reports is to

show the progress in accordance with the plan for the project, to provide comprehensive information on realisation and achievement of project milestones for the related period and to identify and explain problems.

The purpose of financial reports is to show progress in disbursement of funds, as well as compliance with the prescribed financial and disbursement procedures. Financial reports should be accompanied by the financial statement (and any other record/document that may be required by the TSU, such as copies of invoices, receipts, contracts, approved cost table for training activities). The Grant Recipient will refund all non-approved but executed expenses, i.e. the undocumented balance.

Reports shall be submitted no later than 20 days after the end of the period to which the reports refer to. In the case of delay of reports' submission, the Grant Recipient should present written notification to the MoE and explain the reasons for such delay.

Final report: at the completion of the project, a final report, prepared by the Grant Recipient (and signed by all project partners), will assess the results of the project against its agreed objectives. This final report will focus on outputs, results, outcomes (impact) and attainment of the agreed verifiable indicators that reflect the foreseen objectives. The final report should be accompanied by the financial statement and financial report for the entire period.

Upon receipt of final financial and progress reports from the Grant Recipient, the MoE shall initiate procedures to close-out the project. Close-out procedures include approving all required reports, disbursing any outstanding grant payments, and ensuring that any unexpended grant funds are refunded to the MoE. All IIGs requirements remain in full force and effect until the grant recipient receives a close-out letter from the MoE, indicating that all obligations have been satisfied. Such a close-out letter will normally be completed in 2 months after receipt of final reports, unless there are unforeseen circumstances which might cause a delay.

Final report should be submitted no later than 45 days after the end of project implementation.

7. Fraud and Corruption

The World Bank's policy requires that all participants in the project activities (bidders, suppliers, contractors and their agents (whether declared or not), sub-contractors, sub-consultants, service providers or suppliers, and any personnel thereof) observe the highest standard of ethics during the procurement and execution of World Bank-financed contracts. In pursuance of this policy, the World Bank defines, for the purposes of this provision, the terms set forth below as follows:

- “corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
- “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
- “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- “obstructive practice” is:
 - deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially

impede a World Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or

- act intended to materially impede the exercise of the World Bank's inspection and audit rights.

The World Bank will reject a proposal for award if it determines that the bidder recommended for award, or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question. In that case, the World Bank will sanction an organisation or individual, at any time, in accordance with the prevailing World Bank's sanctions procedures, including by publicly declaring such organisation or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier, or service provider of an otherwise eligible organisation being awarded a World Bank-financed contract.

FULL LIST OF ANNEXES

Annex 1:

Key dates for the second Call for Proposals in the IIG scheme

- Call for Proposals published:
April 19, 2016
- Due date for applications/proposals:
June 24, 2016
- Administrative/eligibility check completed:
July 8, 2016
- Evaluation of applications/proposals completed:
September 15, 2016
- Additional negotiation process completed:
November 18, 2016
- Final approval:
November 22, 2016
- Award of grants by MoE:
December 1, 2016
- Contracts come into force:
December 1, 2016
- Implementation period:
1st of December 2016 to 30th of November 2017

Published on the websites of the Ministry of Education (www.mps.gov.me) and HERIC project (www.heric.me):

Annex 2: Call for Proposals
Annex 3a: Application Form
Annex 3b: Budget Plan
Annex 3c: Guarantee Form

The following internal documents do not form part of the GOM portfolio. They are listed for completeness and clarity only:

Annex 4: Format for initial screening of completeness and administrative compliance of proposal
Annex 5a: Code of Conduct for evaluators
Annex 5b: Draft Contract for evaluators
Annex 6a: Format for individual evaluation of proposals
Annex 6b: Format for evaluation summary by Evaluation Committee
Annex 6b: Format for final evaluation report and ranking of proposals by EC
Annex 12: Format for project monitoring

The following documents will be made available to the pre-selected IIG applicants after the decision on pre-selection, i.e. during the negotiation phase:

Annex 7: Procurement Plan Format
Annex 9: Reporting Schedule Format

The following documents will be made available to the selected IIG applicants after the negotiations are completed:

Annex 8: Grant Contract
Annex 10: Progress Report Format (narrative)
Annex 11: Financial Report Format
Annex 13: Format for requesting modifications in IIG implementation