



## **BSEC-HDF COMMITTEE**

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### **- GUIDELINES FOR GRANT APPLICANTS -**

**Reference: Call for Proposals on Renewable Energy Sources**

**Deadline for submission of proposals: 31 January 2011**

## A. Background Information

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### 1. The Organization of the Black Sea Economic Cooperation (BSEC)

On 25 June 1992, the Heads of State and Government of eleven countries: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine signed in Istanbul the Summit Declaration and the Bosphorus Statement giving birth to the Black Sea Economic Cooperation (BSEC).

BSEC came into existence as a unique initiative and a promising model of multilateral political and economic cooperation aimed at fostering interaction and harmony among the Member States, as well as to ensure peace, stability and prosperity encouraging friendly and good-neighborly relations in the Black Sea region.

With the entry into force of its Charter on 1 May 1999, BSEC acquired international legal personality and was transformed into a full-fledged regional economic inter-governmental organization: The **ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION**.

BSEC has currently a membership of twelve States: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Serbia, Turkey and Ukraine.

### 2. BSEC Project Funding Instruments

The Organization of BSEC currently disposes two funding mechanisms with sources from its own budget, able to enhance its project oriented approach.

The two development funds aim to support regional projects in the established areas of BSEC cooperation by providing financial assistance to partners based in the Member States. The Funds are: The Project Development Fund (PDF) and the BSEC-Hellenic Development Fund (BSEC-HDF).

### 3. The BSEC- Hellenic Development Fund (BSEC-HDF)

#### 3.1. Establishment, Statute and Operations

BSEC-HDF is a Special Fund within the Organization of BSEC that was established by a resolution of the 18th BSEC Council in Kyiv on 17 April 2008, in accordance with Article 26 of the BSEC Charter, upon a voluntary contribution by the Government of the Hellenic Republic.

The “Terms of Reference” and “Guidelines” of BSEC-HDF were approved by the 19<sup>th</sup> BSEC Council in Tirana on 23 October 2008.

Following the first contribution by the Hellenic Republic and the appointment of the BSEC-HDF Manager by the 21<sup>st</sup> BSEC Council in Baku on 23 October 2009, the Fund fully launched its operations in November 2009.

### **3.2 Funds**

The Hellenic Republic will contribute to BSEC-HDF an initial amount of 2,000,000 Euros over a period of four years as of 2008. By 31<sup>st</sup> January 2010, the Hellenic Republic had transferred 1,000,000 Euros to the Fund.

### **3.3 Purpose and Specific Key Areas**

BSEC-HDF is a flexible grant facility aiming to support the efforts of the BSEC Organization to strengthen cooperation among its twelve Member States and to enhance its project-oriented approach also by taking into account the guidelines of OECD's Development Assistance Committee (DAC/OECD).

BSEC-HDF targets the following specific key areas of regional cooperation, provided by the statutory texts of the BSEC Organization, the Economic Agenda for the Future and the Resolutions and Decisions adopted by the Council of Ministers of Foreign Affairs of the BSEC Member States: **transport, renewable energy sources, environmental protection, business cooperation and trade facilitation, tourism, as well as culture.**

## **4. Development Assistance Committee (DAC) of the OECD**

The Development Assistance Committee (DAC) is a unique international forum where donor governments and multilateral organizations come together to help partner countries achieve the Millennium Development Goals.

All of DAC's work relates to achievement of the Millennium Development Goals (MDGs) through cooperation with development partners and at country level.

The Organization of BSEC has expressed a commitment to contribute to the attainment of the UN Millennium Development Goals. The Declaration of the Heads of State and Government of the BSEC Member States (BSEC Summit, Istanbul, 25<sup>th</sup> June 2007) reiterated this commitment.

### **4.1 Official Development Assistance (ODA)**

ODA, simply stated, is the official financing or transfer of technologies or other forms of assistance for social and economic growth given by governments (donors) to eligible recipients (governments and multilateral institutions) in order to promote and implement development ([www.oecd.org/dac/stats/daclist](http://www.oecd.org/dac/stats/daclist)).

The Organization of BSEC became an eligible recipient of Official Development Assistance (ODA) in June 2007 with a coefficient of 78% (Channel Code: 47110).

## B. Eligibility Criteria<sup>1</sup>

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### 1. Applicants

#### 1.1 Eligible Applicants

Any legal entity (national of, and/or registered and operating in the territory of a BSEC Member State, respecting-international law) from the public or the private sector, as well as international organizations (governmental or non-governmental) is eligible to benefit from the BSEC-HDF.

International non-governmental organizations have to be registered in one of the BSEC Member States.

At least two entities, each one registered in a different BSEC Member States, will be required to submit a project application. The applicants must have the management capacity, professional competencies and qualifications required to successfully complete the proposed project.

#### 1.2 Conditions that prevent eligibility:

Legal entities that:

- (a) are bankrupt, are having their business 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 situation arising from a similar procedure provided for in national legislation;
- (b) have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata* (e.g. against which no appeal is possible);
- (c) have been guilty of grave professional misconduct proven by any justifiable means;
- (d) have not fulfilled obligations relating to the payment of debts in accordance with the legal provisions of the country in which they are established;
- (e) have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organization or any other illegal activity.

### 2. Application and Submission

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<sup>1</sup> For any issue that is not mentioned in the presented document, applicants should refer to the "Terms of Reference and Guidelines" of BSEC-HDF which are available at [www.bsecprojects.com](http://www.bsecprojects.com).

Applications must be submitted using the **Standard Grant Application Form** which can be downloaded from [www.bsecprojects.com](http://www.bsecprojects.com). Two original copies of the signed and stamped grant application should be sent by regular post (or courier) and one copy by email to the BSEC-HDF Manager in BSEC PERMIS for consideration by the BSEC-HDF Committee.

Applications should be submitted by at least two entities, from two BSEC Member States which are established according to the relevant internal legal procedures and registered, if necessary, with the national authorities. It is advisable that a draft copy is sent to the BSEC-HDF Manager for screening before sending the original applications by post.

Applications from international organizations are waived from this requirement, but the proposals should cover at least two different BSEC Member States.

Every project proposal should designate a lead partner who will be responsible, primarily, for project management, ensure full implementation and sound financial management of the project as well as for keeping the signed grant contract on behalf of the partnership.

Applicants must also explain whether they are related to other policies or initiatives implemented in the Black Sea Region, whether the proposed project complements or creates synergy with other projects implemented in the area and how duplications will be avoided.

### **3. Deadline or depletion of available funds**

Applications will be receivable for a period of one year as of the date of the specific Call and subject to the availability of funds.

### **4. Project title**

The project's title shall reflect the purpose of the proposed actions and shall become the trademark of the project. The applicants shall provide both the full title and, if applicable, a shorter version (acronym) for easy reference and with relevance to the project.

### **5. Project summary**

The project summary should give a brief description of the main project elements, such as the rationale, the partners involved, the proposed activities, and the expected results.

The summary shall be presented in the form of an article that could, eventually, be used by BSEC-HDF for dissemination and promotion of its funding activities.

### **6. Evaluation**

The BSEC-HDF Manager will perform an initial evaluation of the applications submitted based on their eligibility, responsiveness to the objectives of the priority areas and their overall merits.

Summaries of all project proposals shall be sent to the Ministries of Foreign Affairs of BSEC Member States for their information. The proposals will be considered eligible, if no objection by the Member States concerned reaches PERMIS preferably within a week in order to ensure uninterrupted operations of the Fund.

The BSEC-HDF Committee at its first upcoming meeting will approve or reject eligible projects and decide on the award of the grant according to the criteria mentioned in the “*Evaluation Grid*” (attached as Annex 1 in the BSEC-HDF “Guidelines”) and also by taking into account the availability of funds.

## **7. Language, Budget and Currency**

Applications and any supporting documents must be typed and submitted in **English**.

Applications must include an estimated analytical budget presented in **Euro** with clearly presented information on how the BSEC-HDF grant will be spent according to the activities described and divided per each partner.

Applicants based in countries outside the Eurozone must use the conversion rates published in the Official Journal of the European Communities and should be aware that they fully carry the risk of exchange rate fluctuations.

## **8. Implementation period**

Each project shall be implemented during a period of up to two (2) years, starting from the signing of the relevant contract.

The implementation period of a project may be extended for up to one (1) year upon decision of the Committee, on the basis of a written request, submitted before the expiration of the implementation period, by the beneficiary.

# **C. Purpose and objectives of the Call on Renewable Energy Sources**

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## **1. Energy and Sustainable Development**

Energy and environment are essential to achieve sustainable development. Achieving sustainable development means, using the necessary resources to meet human needs while preserving the environment in a way that these needs can also be met in future generations.

In the Energy field, Renewable Energy Sources (RES) and Energy Efficiency (EE) should be able to contribute to sustainable development and environmental protection and thus in mitigating the effects of Climate Change.

In addition, RES and EE are considered cost-effective ways to fulfill the major energy-related challenges of increased energy security and reduced energy production costs.

Innovative and environment-friendly energy solutions and good practices will enhance the scientific, technical and administrative competencies and capacities of institutions in the Member States and thus enable them to face the common challenges and create.

## 2. Purpose

The overall purpose of BSEC-HDF, also covered by this Call for Proposals, is to strengthen regional cooperation by enhancing the Organization's project-oriented approach. The Fund will support regional partnerships thus contributing to BSEC's broader objective towards economic and social development in the region.

BSEC-HDF is initiating its funding operations in this particular area because of the urgent need to develop and promote RES and EE in the Black Sea Region, and overcome barriers that stand in the way for their implementation and diffusion.

Also this Call aims to address the key energy challenges by decreasing the costs for greenhouse gas abatement, enhancing productivity and increasing competitiveness through economic benefits deriving from cost savings.

BSEC Member States will be assisted in strengthening their cooperation and capacity to address these energy challenges at regional, national and community levels, to seek out and share best practices and to link partners through pilot projects that help develop, promote and implement RES and EE as well as help build sustainable livelihoods.

It is envisaged that projects implemented with BSEC-HDF funds will provide additional stimulus to educate, promote and encourage innovative technologies, applications and investments in **sustainable energy**. These innovative actions should have a potential for wide replication and high impact in the BSEC Member States.

## 3. Objective

This objective of this Call is to build on the positive experience gained in some BSEC Member States by **transferring technology, know-how, build small scale infrastructure and facilitate investment** in other Member States.

Energy sustainability will require the transfer and development of environmentally sound technologies as well as further **promote cooperation and capacity building** which has an important role to play for BSEC.

Project proposals should aim to be 100% environment friendly with priority in **reducing conventional energy use** and limiting the damage done to the environment. Projects should, in principal, use the most cost-effective way to reduce primary energy consumption without affecting the level of economic activity and of social development.

Projects should contribute to BSEC efforts in **mitigating the effects of Climate Change**, so that Member States are assisted to avoid or reduce increases in carbon emissions without compromising their ability to meet their energy needs.

## **4. BSEC References**

### **4.1. Yerevan Declaration on Energy Cooperation in the BSEC Region (20 March 2009)**

*“... Considering the possibility of developing, together with interested parties, the **regional cooperation in the field of energy as a foundation for sustainable development in the wider Black Sea area, as well as between the BSEC and the EU;***

*Recognizing BSEC as an advanced, inclusive and comprehensive institutional cooperation framework in the Black Sea Region and the need for additional measures to further promote cooperation in the field of energy;...*

*Study the possibility of the elaboration of projects of common interest for the BSEC and the EU in the sectors of oil, natural gas and electricity **as well as in renewable energy and energy efficiency;***

*Elaborate a coordinated policy among BSEC Member States towards the **increasing of energy efficiency and development of renewable sources of energy.** Develop practical and purpose-oriented cooperation to adhere in this direction with the EU;...”*

### **4.2. Declaration on the Occasion of the Fifteenth Anniversary Summit of the Black Sea Economic Cooperation (Istanbul, 25 June 2007)**

*“...Our common objective should be **to further promote BSEC as a project oriented organization which will best represent its Member States and peoples and encourage cooperation and joint development.** Improved economic outlook will enable the BSEC to set more ambitious goals and to undertake and effectively implement major regional projects of strategic importance....*

*We reaffirm our unswerving commitment to the **protection of the environment in the Black Sea region, taking into consideration its gradual degradation, in recent decades and the severe health hazards this entails.** Aware of the importance of multilateral initiatives in the region, we commit ourselves to undertake appropriate measures in order **to preserve and rehabilitate the environment for the present and future generations, in line with the objective of sustainable development.***

*In this respect, we consider necessary to strengthen the cooperation with all international organizations dealing with issues on protection and rehabilitation of the Black Sea marine environment including those on preventing and reducing of the pollution of the rivers flowing into the sea and the hydrographical basins of the rivers flowing into the sea. We also stress **the serious consequences of climate change** and the need for widest possible regional and international cooperation to address this issue in a comprehensive and effective manner.*

*... we reaffirm our willingness to **deepen our cooperation in the area of energy** with due regard to interests of energy producing, consuming and transit countries and cooperate with the European Union and other international partners in order to ensure fair access to energy resources and markets on a mutual basis for all interested countries to enhance global energy security, **efficiency, competitiveness and environmental sustainability**...*

*We reiterate our **commitment to contribute to the attainment of UN Millennium Development Goals** at national, regional and global levels and invite the Council of Ministers of Foreign Affairs to examine possible steps for the achievement of these goals in the BSEC region..."*

#### **4.3 Declaration of the Ministers of Energy of the BSEC Member States on the Establishment of an Integrated Black Sea Energy Market (Sofia, 28 January 2010)**

*"Have agreed to: ... Support projects promoting sustainable energy development..."*

More information on BSEC policy and decisions is available at [www.bsec-organization.org](http://www.bsec-organization.org)

## **5. Funding for the-Specific Call for Proposals**

The amount made available under the specific Call for Proposals on Renewable Energy Sources will be **400,000 Euros**.

## **6. Eligible Activities**

Proposals eligible to be funded by BSEC-HDF could include:

- **Small scale infrastructure projects**
- **Networks and capacity building that promote innovation and regional development.**

## **7. Priority sectors**

Priority will be given to project applications in the following sectors:

- a) Wind Energy ( electric power generation);**

- b) **Hydro Energy** (electric power generation);
- c) **Solar Energy** (solar thermal and solar heating applications including photo-voltaic cells);

**Energy Efficiency** projects with renewable energy applications should apply to public buildings.

## 8. Activities

Activities should seek to promote sustainable energy development by means of demonstrative projects and pilot investments, transfer of know-how and transfer of technologies for:

- Providing technical assistance and capacity-building for innovative applications from one Member State to another;
- Developing and strengthening the institutional framework, and harmonization with international standards and policies;
- Promoting accessibility, innovation, entrepreneurial and administrative capacity;
- Creating partnerships and networks for the implementation of appropriate solutions, exchange of good practices and strengthening the joint knowledge and information base necessary to address common challenges;
- Promoting or facilitating investments and stimulating the business environment in RES.

## D. Funding

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### 1. Grant and Cost-Sharing

BSEC-HDF grants will finance up to **80%** of the total eligible costs and this amount will be no less than **50,000** Euros. Therefore, the total eligible cost of a project should be at least **62,500** Euros with an average project budget of 62,500-80,000 Euros.

The beneficiaries must contribute to the financing of the project (cost-sharing) by at least 20% of the total eligible costs either by way of their own resources or by securing financial contribution from third parties in the form of public or private assistance (States, international organizations or other institutions).

Potential applicants may additionally address and consequently mobilize other donors' funds for cost-sharing their project.

## 2. Avoidance of duplicate funding

Each project may give rise to the award of only one grant by the BSEC-HDF. The applicants must indicate the sources and amounts of any other funding received or applied for in the same project proposal.

For this reason, original letters of commitment signed by the applicants and/or other sources must be presented stating the precise amount of each financial contribution to the budget.

If other partners are involved in implementing the project, a letter of commitment/partnership from each of the partners, should also provide the name, address and person responsible and explain the nature of their involvement.

## E. Address for submission of Applications and Communication

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### Administrative Contact

<p>Mr. Konstantinos ZAIMIS BSEC-HDF Manager</p> <p>BSEC - Hellenic Development Fund</p> <p>Tel &amp; Fax: +90-212-323 2142</p> <p>Email: <a href="mailto:kzaimis@bsec-hdf.org">kzaimis@bsec-hdf.org</a></p> <p>Web: <a href="http://www.bsecprojects.com">www.bsecprojects.com</a></p>	<p><b><u>BSEC - Hellenic Development Fund</u></b> Permanent International Secretariat (PERMIS) Organization of the Black Sea Economic Cooperation (BSEC) Musir Fuad Pasa Yalisi, Eski Tersane 34460 Istinye - ISTANBUL</p> <p>Tel: +90 (212) 229 6330-35 Fax: +90 (212) 229 6336 Email: <a href="mailto:info@bsec-organization.org">info@bsec-organization.org</a> Web: <a href="http://www.bsec-organization.org">www.bsec-organization.org</a></p>
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