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**Call for applications for**

**Small-scale investments to improve the competitiveness of value chains in the agricultural and rural development sectors in Una-Sana Canton and city of Bihac in the Federation of Bosnia and Herzegovina and in the municipalities of Gacko, Rogatica, Rudo, Visegrad, Osmaci, Foca and the City of Zvornik in Republika Srpska**

within the project TCP/BIH/3804 on

“Supporting local agricultural and rural development planning”

**Deadline for receipt of the applications:** 21st July 2023, 17:00 (pm)

**Language of the application:** English or Serbian or Bosnian or Croatian

**Background**

The call for application is implemented under the project titled **“Supporting local agricultural and rural development planning” (TCP/BIH/3804)** and is funded by the Technical Cooperation Programme of the Food and Agriculture Organization of the United Nations (FAO). The aim of the project is to support the enhancement of institutional capacities in rural development and community development planning, programming, coordination and implementation at cantonal and municipal levels in the Republika Srpska and in the Federation of Bosnia and Herzegovina.

1. **Targeting**
2. **Rationale for intervention**

Under the TCP/BIH/3804 project seven Agriculture and Rural Development Plans are under formulation in the Republika Srpska and two in the Federation of Bosnia and Herzegovina. According to the Plans sustainable development of rural communities are vital for creating lasting positive change in the country. Sound planning and strategizing at the local level results in more targeted public sector interventions and expenditures related to rural development and agriculture, which leads to improved sustainable management of natural resources and better economic well-being of the rural communities in the long-run.

The project is implemented in Una-Sana Canton and city of Bihac in the Federation of Bosnia and Herzegovina and the municipalities of Gacko, Rogatica, Rudo, Visegrad, Osmaci, Foca and the City of Zvornik in Republika Srpska – all of these local authorities have committed to developing and later adopting the Local Agriculture and Rural Development Plans following the guidance and support of FAO.

Agriculture has a strategic role in providing employment, nutrition and food security in the target municipalities. On farm processing and direct sale to intermediaries are the main marketing channels for the agriculture producers in the project areas, and in order to strengthen the market position of primary producers, a number of interventions are needed in the value chains of the priority agricultural products in the project areas.

In **Republika Srpska** this call for application is aimed for piloting funding of a few small-scale demonstration projects, corresponding with the strategic priorities defined by the Local Agriculture and Rural Development Plans of the municipalities listed below:

***Osmaci:*** The municipality covers an area of 78,10 km². The municipality of Osmaci is located in the eastern part of Republika Srpska and Bosnia and Herzegovina in a region that is regionally known as Srednje Podrinje or the Birač region. Using data from the 2013 Census, it was determined that the total number of inhabitants is 5,546. According to statistical records, 1,675 households live in the territory of the municipality, of which all households, as already mentioned, are located in an area classified as rural. The average age of the owner of an agricultural holding determined by survey research is 58 years. Agriculture of the region mainly includes subsistence and semi-subsistence farming. Land fragmentation, lack of agricultural machinery and technologies, abandoned lands, outmigration from the rural area and negative demographic trends are the main obstacles of agricultural development.

As priority value chains for development in Osmaci were selected raspberry production and distribution, beekeeping and honey production.

***City of Zvornik:*** Zvornik is located in the eastern part of the Republika Srpska. The town of Zvornik lies on the eastern slopes of the Majevica mountain, at an altitude of 146 m. The area of the city of Zvornik is 382 km2. Using data from the 2013 Census 54,407 inhabitants live in the territory of the city of Zvornik. According to statistical records, 17,690 households live in the city area, of which we can assume that 80% are rural households. The average age of the owner of an agricultural holding determined by survey research is 59 years. The food sector in this city is one of the strongest in the project area. Despite the relatively high production, small and medium farmers are facing similar constraints as in small municipalities: strong focus on primary production and challenges related to the storage and marketing of the produce.

As a priority value chain for development in the city of Zvornik was selected fruit production and processing, both organic and conventional.

***Višegrad*** is located in the eastern part of the Republika Srpska. The area of the Višegrad is 448 km2. Using data from the 2013 Census 10.118 inhabitants live in Višegrad. The total rural population is 5,289 or 49.6%. Despite the accelerated development of urban tourism in the area of this municipality, this growth did not spread to rural areas and agricultural development, and the main reason is migration from rural areas and negative demographic trends.

As priority value chains for development in Višegradwere selected raspberry production and processing, greenhouse production, honey production and beekeeping.

***Rogatica:*** The municipality of Rogatica is located in the middle of the eastern part of the Republika Srpska and Bosnia and Herzegovina, on an area of 645.92 km2. According to the results of the last population census in Bosnia and Herzegovina (2013), the total number of inhabitants in the Municipality of Rogatica was 10,302. About 40% of the population lives in the rural part of the municipality. This is the largest agricultural area within the project site in terms of resources and production intensity. However, despite a good resource base, there is a low degree of product finalization and added value.

As priority value chains for development in Rogaticawere selected production and geographic identity protection of *rogatic* potatoes, meat production and processing in the cow-calf system, and milk production and processing.

***Rudo:*** The territory of the municipality of Rudo is located on the triple border of Republika Srpska, Serbia and Montenegro. The area is distinctly hilly and mountainous with villages scattered and intersected by mountain passes, on an area of 344 km2. According to the results of the last population census in Bosnia and Herzegovina (2013), the total number of inhabitants in Rudo Municipality was 7,578 inhabitants in 89 associated settlements. The rural population numbers 6,203 people or 77.9% of total. Despite the modest resource base, small number of farms and low economic development, the municipality is distinguished by a strong agricultural cooperative and good projects of established value chains in raspberry production and milk processing, which should be further developed.

As priority value chains for development in Rudowere selected raspberry production and distribution, milk production and processing, and rural tourism.

**Foča:** The municipality of Foča is located in the southeastern part of Bosnia and Herzegovina, within the Republika Srpska entity. Foča is located on the banks of the Drina river. The municipality of Foča covers an area of 1,115 km2. According to the 2013 census, the municipality had 18,288 inhabitants. 7,051 or 38.6% of the population live in rural areas. The municipality, which lies in the heart of the national park and which does not sufficiently take advantage of the links that can be developed between agriculture and tourism, needs to strengthen value chains in fruit growing and meat and milk production through the improvement of production and processing technology.

As priority value chains for development in Foča were selected meat and milk production and processing, plum and raspberry production and processing, beekeeping and honey production.

**Gacko:** The municipality of Gacko is located in the southeast of Republika Srpska and Bosnia and Herzegovina. In terms of altitude, it is the highest mountain part of Herzegovina, with an average altitude above 1000 meters above sea level. The altitude of the Gacko settlement is 956 meters above sea level. The surface area of the municipality is 736 km². According to the results of the last census in Bosnia and Herzegovina (2013), the total number of inhabitants in the Municipality of Gacko was 8,710 inhabitants in 71 associated settlements. Of the total number of inhabitants, 40% live in rural parts of the municipality. Gacko is a typical mountain municipality with recognizable animal products that easily find their place on the market, but which should be branded and protected, so that the added value and benefit for the producer would be greater.

As priority value chains for development in Gacko were selected Gacko cream (kajmak) production, beekeeping and honey production.

In the **Federation** **of Bosnia and Herzegovina** this call for application is aimed for piloting funding of a few small-scale demonstration projects, corresponding with the strategic priorities defined by the Strategy of Agriculture and Rural Development for the Period 2023 -2027 for Una-Sana Canton and by the Local Plan of Agriculture and Rural Development for the Period 2023-2027 of City of Bihać:

***Una-Sana Canton:*** The Una-Sana Canton is located in the extreme north-western part of Bosnia and Herzegovina, bordering the southern and south-eastern parts of the Republic of Croatia. It is one of the ten cantons of the Federation of Bosnia and Herzegovina and with an area of 4,125 km2 it covers 15.8% of the territory of the Federation of Bosnia and Herzegovina, i.e. 8.1% of the total territory of BiH. In the territorial-political system this Canton is organized by eight local self-government units (municipalities/cities): Bihać, Bosanska Krupa, Bosanski Petrovac, Bužim, Cazin, Ključ, Sanski Most and Velika Kladuša. In 2021 the Canton area was populated with 264,248 inhabitants, out of which 13.42% are under 14 years old, and 14.35% are over 65 years old. According to the 2013 Census, a total of 78,255 households live in the area of the Una-Sana Canton, of which 60.98% or 47,718 households are located in rural settlements, and 39.02% or 30,537 households in the urban part of the Canton. Favourable climatic conditions and available land resources enable a greater number of agricultural productions, but as in most of the BiH, the agricultural sector faces numerous problems such as small holdings, poor equipment and low technical-technological levels of production.

As priority value chains for development in Una-Sana Canton were selected beekeeping and honey production, meat production and processing.

***City of Bihać***: The city of Bihać is located in the north-western part of Bosnia and Herzegovina, administratively belongs to the entity of the Federation of Bosnia and Herzegovina and is the administrative, economic, cultural, university and sports center of the Una-Sana Canton. The city of Bihać covers an area of 900 km2, which is 21.8% of the territory of the Una-Sana Canton and 1.7% of Bosnia and Herzegovina. The average altitude is 224 meters; most of the territory of the City is located on terrains up to 600 meters above sea level, while its smaller part is located in the mountain and hill-mountain zone at an altitude of over 900 meters. In 2021, a total of 55,291 inhabitants live in the City of Bihać. According to the data from the Census, in 2013 a total of 18,293 households lived in the area of the City of Bihać, out of which 26.66% or 4,877 households were located in rural settlements, and 73.34% or 13,416 households in the urban part of the City. Agricultural production is an important part of the City's economy, especially vegetable and milk production, and recently honey production has experienced a special expansion.

As priority value chains for development in the City of Bihać were selected vegetable production and distribution.

All these municipalities and cities, to a greater or lesser extent, are characterized by large spatial dispersal, lack of organization of agricultural production and poorly developed value chains. In terms of value chain improvement, two directions were identified. One direction refers to the production, which is characterised by low level of production technology, low yields, lack of equipment and mechanization, lack of and access to knowledge and information. The second direction refers to the processing, which in most cases takes place on the farm and is performed by women, where there is a lack of quality and safety check, lack of adequate packaging, resulting to exclusion of the traditional products from formal marketing channels.

Women’s high involvement in manual activities, as well as, unpaid housework including care work, leads to their economic dependency and invisibility of their work. The lack of opportunities for youth to be employed in rural areas is another challenge due to the limited number of full-time jobs in these rural areas. It leads young generation to move to the towns and cities and leave them uncertain about their future. This leaves elderly household with no labour force for extension of agriculture production, larger agriculture households with lack of seasonal workers to be hired which creates grate need in automation and digitalisation of production process.

These crucial factors create the necessity to encourage and support those most marginalized groups to participate in and benefit from the intervention. Specifically it is needed to support youth, women, people with disabilities and others in the key relevant areas (relevant to the grant measure) where they already figure prominently.

Sustainable development of rural areas cannot be achieved successfully without improvement of competitiveness of the agricultural sector, including technical-technological renewal, support of valuable economic initiatives, support of agricultural holdings, smallholders and family farms and local population through rural development grant programmes.

During the implementation of this project and preparation of LARDs, FAO national consultants, in cooperation with the private sector and representatives of local self-government, defined activities for the improvement of value chains at each of the communities within the project area which should contribute to the improvement of competitiveness of producers and producer organisation, but also to the improvement of quality of life in rural areas.

1. **Scope and actions**

According to the local Agriculture and Rural Development Plans formulated in each of the target municipalities, existing production in the communities is limited to primary products, whereas for increasing income of the local population, it is crucial to develop the value chains. The current technological and equipment levels of agricultural sector in the communities necessitates their further support, which will largely contribute to the improvement of the competitiveness and the income generation in the communities. Therefore, the measure targets the support of the following direction through two sub-measures:

**Measure 1:** **Investments in tools and equipment for value adding to agricultural products**:

* Agricultural processing equipment; small agriculture machines.
* Equipment and tools for marketing, sorting and packaging.

**Measure 2: Investments in infrastructure related to primary agricultural production:**

* Irrigation equipment, green houses, etc.

Each applicant can apply to **only one measure**.

**B. Eligibility**

1. **Territorial scope**

Eligible grant projects may only be implemented in Una-Sana Canton and city of Bihać in the Federation of Bosnia and Herzegovina and municipalities of Gacko, Rogatica, Rudo, Visegrad, Osmaci, Foca and the City of Zvornik in the Republika Srpska that are the project sites which have been pre-identified and recommended by the state and entity-level governments during the development of the Technical Cooperation Project TCP/BIH/3804 – “Supporting local agricultural and rural development planning”.

1. **Applicants: who may apply?**

The aim of the small-scale investment intervention is to make benefit for the maximum of local people, not only the individual, therefore those interventions will be found eligible which bring benefit for the majority of the community directly or indirectly.

Producers’ or farmers’ associations, organizations and unions; cooperatives, for which agriculture is either the main or additional field of activity and other types of membership-based organizations, which among other things are involved in agriculture that are legally registered and operating in one of the locations in Bosnia and Herzegovina mentioned under section 3, have a bank account, are not in the state of bankruptcy and have not received the same type of tool/equipment under another grant support during the last 1 year are eligible to apply on this call.

1. **The following costs are not eligible under the FAO Grant Support:**

* The costs of activities pertaining to the preparation and submission of the project proposal, business plan and required documentation;
* Debts and provisions for losses;
* Interest owed;
* Costs that do not pertain to the period of project implementation;
* Financial transactions and bank guarantees;
* Purchase of land or buildings;
* Taxes, including VAT;
* Renovation or construction of the buildings;
* Construction material;
* Salary of those who got job as an effect of the intervention;
* Purchase of live animals;
* Engineering/architect fees;
* Installation fees;
* Mounting fees;
* Repair of the purchased equipment;
* Software fees;
* Maintenance costs;
* Extended guarantee on equipment;
* Basic services which should be financed by the municipality (local road, local lightning, sewage system; waste management);
* Costs of landscaping and planting.

1. **Duration of the projects**

The deadline for the realization of the grant project activities is 31st December 2023.

**C. Application process**

1. **Procedure of application:**

The application form will be available in hard copy and digital versions at FAO country office and at the administration of the target municipalities. The digital version is also accessible through the following [link](https://bosniaherzegovina.un.org/en/239153-call-applications-within-project-%E2%80%9Csupporting-local-agricultural-and-rural-development). Filled application form together with necessary supporting documents (application package) should be **hand delivered** to the FAO country office to the attention of Amela Kozic, UN House, Zmaja od Bosne bb, 71 000 Sarajevo, phone 033 293 556. It is also possible to submit the application package **in a digital form** to the following email address: amela.kozic@fao.org.

The application package should be submitted in one sealed envelope if submitted in paper format and in one email if submitted electronically. In case the applicants submit applications both electronically and in paper format, the electronic application will prevail.

Further information related to administration and submission procedure can be recieved from the FAO country office, contact Ms Amela Kozic on 033 293 556 or amela.kozic@fao.org.

You can post your questions related to the Call from July 5 to July 19 in the following Viber group: <https://encr.pw/evDwV>. You can join the Viber group to post and read questions related to the Call also by scanning the QR code:

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Language of the application: English or Serbian or Bosnian or Croatian.

Information days will be organized for the interested applicants on 10th and 11th July 2023 in Pale (Hotel Forest, from 10:30 to 14:30), and on 12th July 2023 in Bihać (Hotel Emporium, from 09:00 to 12:30).

1. **Deadline for submission of the applications:**

The deadline for submission of applications is **21st July 2023, 17:00 .**

In case of sending the application via e-mail, the receipt date is evidenced by the indication in the e-mail headline. If the application is hand-delivered, the receipt has to be confirmed by the signature of both sides – the applicant and the recipient. The date and time (hour/minute) of receipt have to be indicated on the envelope.

**Note:** Any application submitted after the deadline or incomplete applications (eg. missing mandatory supporting documents) will be automatically rejected.

**D. Selection process and selection criteria**

1. **First phase of evaluation of the applications:**

The first step of the evaluation procedure will exclude applications, which are not in line with the requirements mentioned under sections 2, 3, 4, 5 and 6; which are incomplete or have been deposited after the official deadline for submission or where the identified investment needs are not fitting under any of the sub-measures of this call for application. This step will be performed by the Secretary of the Technical Committee.

1. **Second phase of evaluation of the applications**

After the eligibility check, applications that will pass the first phase, will be assessed against the following criteria:

|  |  |
| --- | --- |
| Criterion | Points |
| 1. The grant project has an economic and social impact on the territory concerned:  * The proposed project will create jobs - (5 points maximum); * The proposed project has a significant positive effect on the development of the local economy - (5 points maximum); * The investment and the proposed budget, as well as the suggested timeline are realistic - (5 points maximum); * The applicant is planning to buy additional tools/equipment separately linked to the grant assistance requested from FAO under this call for application. The purchase of used/second hand equipment is not acceptable. - (5 points maximum); * The applicant has sufficient experience and understanding to ensure the sustainability, maintenance and use of the equipment for at least 3 years. - (5 points maximum). | 25 |
| 1. The proposed grant project will contribute to the improved integration/position of the applicant in one of the priority value chains identified for the territorial entity under Section 1. Rationale for intervention. | 5 |
| 1. At least 1/3 of the members of the applicant’s group belongs to any of the following groups:  * women - (4 points maximum); * young dwellers (below 40) - (4 points maximum); * persons with disability/parent or guardian of the child with disability - (4 points maximum); | 12 |
| 1. Capacities and comparative advantages of the applicant | 5 |
| **Maximum points** | **47** |

The scoring will be performed by the FAO members and external members of the Technical Committee in the way described under section 12. The total number of scores that can be reached by an applicant is 141 points (three times 47 points).

1. **Third phase of evaluation of the applications**

After the assessment of the application package, FAO members of the Technical Committee will visit those 12 applicants who received the highest scores during Second Phase of the evaluation to check the feasibility of the proposed grant project and validity of the provided information in the field. If the total number of applicants is less than 12, all applicants will be visited. On the spot check will include comparison of the on-site situation and the provided information in the application form and interview with applicant concerning experience and the planning of the grant project.

The applicants will be assessed against the following criteria:

|  |  |
| --- | --- |
| **Criterion** | **Scores** |
| The facilities and/or land of the applicant are appropriate to install and/or use the equipment. | 0-2 |
| The raw materials necessary for the implementation of the grant project are available. | 0-2 |
| There is an existing linkage between the ongoing activities of the applicant and the proposed project idea. | 0-2 |
| The skills and capabilities of the applicant are appropriate for the operation and management of the grant project. | 0-2 |
| The applicant provided accurate information about their capacities and comparative advantages. | 0-2 |
| The applicant provided accurate information if they have or do not have other type of activities that provide additional income. | 0-2 |
| The applicant provided accurate information if they did or did not receive assistance in the past (e.g., grant, cheap credit, other ) | 0-2 |
| **Total score:** | **0-14** |

Scores will be given based on the following methodology:

* 0 points if the applicant does not meet the criterion based on the field visit
* 1 point if the applicant partially meets the criterion based on the field visit
* 2 points if the applicant appropriately meets the criterion based on the field visit

The applicant shall reach minimum 10 points to pass the third phase, otherwise will be excluded from further consideration in the selection process.

1. **Grant approval procedure:**

Any grants allocated within the framework of FAO project is governed by FAO Manual Section 703 on Beneficiary Grants.

The FAO Grant approval procedure requires the establishment of both a Technical Committee, that reviews and scores applications against pre-defined eligibility and selection criteria, and a Selection Committee, which is responsible for the selection, rejection and/or amendment of the applications ranked by the Technical Committee, with reference to pre-defined eligibility and selection criteria.

Under the current Grant Programme, only one call for application will be launched covering both Entities. For this reason, one Technical Committee and one Selection Committee will be established that will cover both the Republika Srpska and the Federation of Bosnia and Herzegovina. Minimum one application will be selected for award from both the Republika Srpska and the Federation of Bosnia and Herzegovina with the best score. The rest of the Grant Projects will be selected for award based on the ranking and in order of best scores.

All FAO personnel and external stakeholders participating in any aspect of the Beneficiary Grants process will be required to sign a “non-conflict of interest” statement before they commence their responsibilities.

After the submission of the applications, all the documentations are transferred to the Technical Committee for assessment.

**Technical Committee:**

Received applications will be scored according to the scoring system described in this document (sections 9-11). The total number of scores received by each applicant consist of scores received from the Technical Committee and from the results of the field visit. The scores of the Technical Committee are equally distributed among FAO members (47 points), external members from RS (47 points) and external members from the Federation (47 points) of the Technical Committee. The scores of the field visits (14 points) are assigned by the FAO project office. The maximum number of points is 155

The scoring procedure will be performed in the following way:

* + - 1. The three FAO members of the Technical Committee who have the right to vote, the Chair, National Consultant 1 and National Consultant 2, will assign with a score up to 47 (in line with the scoring defined in section 10) either based on consensus or by taking the arithmetic average of their separate scores, it is up to them to decide which of these two methods they apply.
      2. The seven external members from Republika Srpska will also assign with a score up to 47 ( in line with the scoring in section 10), either based on consensus or by taking the arithmetic average of their separate scores, it is up to them to decide which of these two methods they apply.
      3. The seven external members from the Federation of Bosnia and Herzegovina will come up with a score up to 47 in a similar way.

The maximum number of points that can be reached this way is three times 47 points, 141 points in total plus the score from the field visit.

* + - 1. The scoring based on the field visit described in section 11 will be performed by the FAO members of the Technical Committee and the maximum score is 14.

FAO reserves the right to not to support the Applicant which provides false date or information in its application form.

Upon completion of the Technical Assessment process, the Chair of the Technical Committee is responsible for submitting the ranked list of applications to the Budget Holder, for onward forwarding to the Selection Committee.

**Selection Committee:**

Upon receipt of the ranked list of applications, the Chair of the Selection Committee initiates the Selection process. This involves review of the scores applied to each application and confirmation that the procedures described in the current Grants Operational Manual (GOM) were appropriately followed.

In cases where the Selection Committee confirms that these procedures have been followed appropriately, the ranked list of applications provided by the Technical Committee will form the basis of selection, i.e. beneficiaries will be selected on the basis of the position of their applications on the list.

Upon completion of the Selection process, the Chair of the Selection Committee must submit the final list of ranked applications to the Budget Holder, for final approval. In cases where the Selection Committee recommends ranking and selection of applications in an order different from the Technical Committee, this must be clearly justified and subject to a second review by the Budget Holder, which must be recorded in the project documentation. In cases where the Selection Committee finds that proper procedure has not been followed in relation to one or more applications, or where it finds that one or more applications is inaccurate, incomplete or offers poor value for money, it must return these applications to the Technical Committee via the Budget Holder, for further review and action.

The Selection Committee will require those applicants that will be suggested to be awarded to obtain a certificate from primary court of the relevant municipality stating that the applicant is not under any type of investigation. In case the applicant cannot provide the certificate within 5 working days, the application will be excluded from further consideration in the selection process.

The Selection Committee may not be granted authority to reject applications itself, without approval by the Budget Holder.

The two FAO members, the Chair and International Rural Development Consultant 2 and the two external Members from Republika Srpska and the two external members from the Federation of Bosnia and Herzegovina make their decision based on consensus or by voting where each of the mentioned six members vote with the same weight.

**Budget Holder:**

Upon receipt of the final list of ranked applications from the Selection Committee, the Budget Holder is responsible for final approval or rejection of the associated Beneficiary Grant awards. The decisions of the Budget Holder in this regard are final – no other individual or entity may be granted authority over these decisions and there is no right of appeal.

In cases where the Budget Holder chooses to award grants to entities or at values different from those recommended by the Technical and/or Selection Committees, the justification for these decisions must be clearly recorded in the project documentation.

**Beneficiary Grants Agreement:**

Beneficiary Grants may only be transferred to Beneficiaries on the basis of a legally-binding Beneficiary Grants Agreement between each Beneficiary and FAO. The authority to sign the Beneficiary Grants Agreements, plus the associated authority to financially commit and pay/transfer Beneficiary Grant awards, is delegated on a case-by-case basis from Director-PSS to an Authorized Official in the implementing office. In most cases the Authorized Official will be the FAOR, who is also usually the project Budget Holder. Before the signature of the Grant Agreement, the technical specifications of the item(s) that will be procured by FAO as in-kind Grant Support shall be final cleared by the relevant FAO technical officer(s).

**E. Grant award calculation:**

1. **Grant allocation**

* Funding is provided by FAO in the frame of the Technical Cooperation project “Supporting local agricultural and rural development planning in Bosnia and Herzegovina” (TCP/BIH/3804).
* Type of support: in-kind non-refundable beneficiary Grant Support
* Value of Grant Support: The current call is designed primarily to support Grant Projects that have a total budget not exceeding USD 8,000 (BAM 14,512 as 1 USD= 1.814 BAM as per UNORE of 15 June 2023). The budget of a Grant Project consists of the value of the Grant Support provided by FAO and the value of the beneficiary contribution The Grant Support awarded by FAO cannot exceed 60 percent of the total budget of the Grant Project (maximum USD 4,800 that is BAM 8,707 as per UNORE of 15 June 2023). The remaining 40 percent of the Grant Project’s budget is expected to be financed from the applicant’s own sources as self-contribution. Grant Projects with a total budget over USD 8,000 (BAM 14,512) are also eligible to be awarded, however the amount of the FAO Grant Support cannot exceed USD 4,800 (BAM 8,707) and the rest of the Grant Project’s budget is expected to be covered by beneficiary contribution. The awarded Grant Support amount does not include value added tax (VAT), while the beneficiary contribution investments are not exempt from VAT. The total amount budgeted under the project TCP/BIH/3804 for the Grant Support is USD 50,000.
* Estimated number of beneficiaries that will be provided Grant Support: 10.
* The Grant Support will be provided through procurement of materials/equipment (and not via cash Grant Support) by FAO, applying FAO’s relevant corporate policies and systems (i.e. Manual Section (MS) 502 governing the procurement of goods) and will be transferred to the Beneficiary in line with FAO policies.
* FAO reserves the right not to award all available funds due to insufficient quality or number of applications received.

FAO reserves the right to purchase only selected items from the list submitted by the awarded applicants.

The applicant can purchase complementary equipment/tool separately, but not jointly with FAO under the common procurement action.

The applicant is not allowed to sell the tool/equipment provided as Grant Support by FAO for at least 3 years.

1. **Aid intensity**

The Grant Support awarded by FAO may not exceed 60 percent of the total cost of the Grant Project (maximum USD 4,800 that is BAM 8,707 as per UNORE of 15 June 2023). The awarded Grant Support amount does not include value added tax (VAT). The remaining balance of minimum 40 percent must be financed from the applicant’s own sources as a self-contribution. The cash contribution from the beneficiary should be minimum 20 percent of the total Grant Project budget, the other 20 percent can be provided as in kind contribution. The total beneficiary contribution can be provided in a form of cash contribution.

The in-kind contributions can be provided in form of labour, goods and services (have to be specified in the application form and budget with value and amount indicated). The beneficiary contribution investments are not exempt from VAT.

If the total Grant Project budget exceeds USD 8,000 (BAM 14,512), the awarded applicant is expected to ensure minimum USD 1,600 (BAM 2, 902) cash contribution.

The value of the Grant Support and the cash and in kind contributions defined by the applicant will be verified by the project team (National Administrative Assistant and National Consultants) through conducting a local market research. The way to conduct market research in line with MS 502 is through a requests for quotations (RFQ) procedure. The RFQ procedure means obtaining prices from three sources in writing (either email or letter) or by consulting published prices in catalogues or the Internet to obtain an indication of the price ‘Quotation’.

**F. Grant Agreement**

Selected beneficiaries are expected to sign the Grant Agreement. The sample Grant Agreement (English version only) is attached to this call.