



Republic of Serbia
MINISTRY OF FINANCE
Department for Contracting and Financing of EU Funded Programmes

QUESTIONS AND ANSWERS - IMPLEMENTATION WORKSHOP

Questions posted by participants and answers provided by the Contracting authority at the Implementation workshop for the beneficiaries of the 1st CfP within the IPA Cross-border Cooperation Programme Serbia–Montenegro 2014-2020

Nova Varoš, April 17-18, 2019

Venue: Nova Varoš, Hotel „Zlatarski biseri“

No.	Question	Answer
1.	How should the grant beneficiaries overcome the problem of preparing tendering documentation in English, if majority of tenderers do not speak and/or write English?	For the secondary procurement procedures under 20.000 euros the beneficiaries are allowed to prepare tender documents bilingual, both in local and English, while in any case of discrepancies English version will prevail.
2.	Should the grant beneficiaries envisage site visits for tenderers within the procedure for procurement of supplies and/or works?	In tender procedures/instruction for tenderers for works it is highly recommended to invite tenderers to visit the site where the works are planned, while in cases of procurement of the supplies i.e. installation of video surveillance, it could be also useful.
3.	What EUR exchange rate has to be applied from by the Serbian Grant Co-beneficiary if Coordinator transfers funds to him in accordance with dynamics the Contracting Authority payments to the Coordinator?	<p>As it has been stated in article 15.9 GC: "<i>the exchange rate of the last instalment received from the contracting authority will be applied.</i>"</p> <p>So, all entities involved in the implementation of a project must use a unique currency rate, in accordance with article 15.9 of the General Conditions:</p> <p><i>"(...)Reports shall be submitted in the currency set out in the special conditions, and may be drawn from financial statements denominated in other currencies, on the basis of the beneficiary(ies)'s applicable legislation and applicable accounting standards. In such case and for the purpose of reporting, conversion into the currency set in the special conditions shall be made using the rate of exchange at which each contracting authority's contribution was recorded in the beneficiary(ies)'s accounts, unless otherwise provided for in the special conditions. If at the end of the action, a part of the expenses is pre-financed by the beneficiary(ies) (or by other donors), the conversion rate to be applied to this balance is the one set in the special condition according to the beneficiary(ies)'s usual accounting practice. If no specific provision is foreseen in the special conditions, the exchange rate of the last instalment received from the contracting authority will be applied."</i></p>
4.	What EUR exchange rate has to be applied from by the Serbian Grant Co-beneficiary if Coordinator transfers funds to him in several tranches all in accordance with the Partnership Agreement?	<p>Throughout the general conditions, the term 'beneficiary(ies)' refers to the coordinator, the co-beneficiaries and the affiliated entities. The same approach should thus apply when interpreting Article 15(9).</p> <p>- The logic that applies when the coordinator receives funds from the Contracting Authority also applies to the co-beneficiaries and the affiliated entities when they receive funds from the coordinator.</p> <p>For more details please see https://ec.europa.eu/europeaid/companion/document.do?no deNumber=19.3.2.9</p>

5.	<p>In accordance with the Serbian Law on VAT and its changes and amendments in force since October 15th 2018, all VAT payers which delivering supplies and services in the field of construction i.e. delivering works to another VAT payer, issuing an invoice i.e. a final work situation without VAT included in the calculation. This specific article of the Law on VAT (10.2.3) is applicable to all legal persons described in the article 9.1 and therefore it also applicable to the grant contract beneficiaries.</p> <p>In this regard the question is: are these articles also applicable in term of subcontracting of execution of works within the Action defined by the Grant Contracts signed under this CBC Programme?</p>	<p>All VAT payers issue an invoice without VAT based on issued Pro-forma invoice which has been already VAT exempted. Please, bear in mind that only Final Beneficiaries exempt from VAT. VAT payers cannot exempt from VAT their suppliers (for indirect import Final Beneficiary perform VAT exemption).</p>
6.	<p>Are we, as beneficiaries in Montenegro, obligated to announce all tender procedures on the web site of the National Agency for Public Procurements?</p>	<p>By signing bilateral agreement among EU and Montenegro it is envisaged to align national with the EU legislative on public procurements, so national authorities are aware on secondary procurements performed by grant beneficiaries in CBC Programmes.</p>
7.	<p>Since in the process of the budget clarification one budget line was completely abolished, and that line refers to the activity that exists in the Grant application form, how should we treat that activity and output indicators related to that activity, since there is no funds in the budget for its implementation?</p>	<p>The point is that in the budget of the contract some entries or pieces of expenditure that were in the budget of the application were removed, while the activity or activities associated to them were kept in the ‘description of the action’ and ‘logframe’ of the contract. This inconsistency is presently noticed and could be sorted out in the following way: the coordinator writes a notification letter to the contracting authority clearly underlining the mismatch and attaching the text of the ‘description of the action’ and ‘logframe’ where the incongruity would have been eliminated. The new versions of the ‘description of the action’, including the logframe, would henceforth serve as the sole reference to assess whether the coordinator and co-beneficiaries will perform the activities for which they have budgeted costs and eventually achieve the outcomes and objectives of the action.</p>