



Republic of Serbia

**MINISTRY OF FINANCE**

Department for Contracting and Financing  
of EU Funded Programmes (CFCU)

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3-5 Sremska St,

Belgrade

**QUESTIONS AND ANSWERS No. 1**

**Development of innovative, integrated youth tailored services and active inclusion models**

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No	Question	Answer
1.	Which sources could be used to provide co-financing?	Co-financing of the action can come from any sources other than the budget of the EU, as in line with the section 1.3 of the GfA: <i>“The balance (i.e. the difference between the total cost of the action and the amount requested from the Contracting Authority) must be financed from sources other than the European Union Budget.”</i> Also, in line with the section 2.1.5 of the GfA, please bear in mind that <i>“Contributions in kind may not be treated as co-financing”</i> .
2.	In which way eligible indirect costs of 7% can be shared between a lead applicant and co-applicant(s)?	Please note that, according to the Section 2.1.5 of the Guidelines for applicants, Eligibility of costs, Eligible indirect costs: <i>“The indirect costs incurred in carrying out the action may be eligible for flat-rate funding, but the total must not exceed 7 % of the estimated total eligible direct costs. Indirect costs are eligible provided that they do not include costs assigned to another budget heading in the standard grant contract. The lead applicant may be asked to justify the percentage requested before the grant contract is signed. However, once the flat rate has been fixed in the Special Conditions of the grant contract, no supporting documents need to be provided.”</i> Please, bear in mind that indirect costs should be planned depending on the allocation of work between the

		applicant and co-applicant.
3.	Which supporting documents should be submitted for justification of indirect costs?	During the contracting phase a lead applicant may be asked for a justification, but during implementation the indirect costs are not checked as in line with the Section 2.1.5 of the GfA <i>“Indirect costs are eligible provided that they do not include costs assigned to another budget heading in the standard grant contract. The lead applicant may be asked to justify the percentage requested before the grant contract is signed. However, once the flat rate has been fixed in the Special Conditions of the grant contract, no supporting documents need to be provided.”</i>
4.	Can the activists of the Office for Youth who are not engaged by labour contracts (“ugovor o radu”) be engaged and paid by a project, and if they can, in which amount and which rule should be respected?	<p>The rules of relevant national legislation should be respected as well as rules related to grant contracts implementation in the context of External Actions. Please, also consult the relevant provisions related to “in-house consultancy” on the following link:  A Users' Guide  <a href="http://ec.europa.eu/europeaid/companion/document.do?nodeNumber=19&amp;locale=en">http://ec.europa.eu/europeaid/companion/document.do?nodeNumber=19&amp;locale=en</a></p> <p>Please, assure the difference between Consultants (v. Employees) and specific case: "in-house consultants".</p> <p><i>“As a general rule, tasks performed by consultants, experts and/or other service providers (e.g. accountants, lawyers, translators, external IT staff, etc...) are to be considered as resulting from implementation contracts (Article 10). Consequently, Beneficiaries must award these contracts in accordance with Annex IV. These costs are thus not considered as human resources (budget heading 1) but as other costs/services (notably budget heading 5 or 6)”</i></p> <p><i>Specific case: "in-house consultants":  In house/"intra muros" consultants are natural persons working on the basis of a service contract as opposed to employees hired on the basis of a labour contract. They join a Beneficiary's project team and deliver 'external services'. The costs arising from these in-house consultants are in principle to be considered as costs relevant to implementing contracts.</i></p>

		<p><i>However, as an exception to the rule, these costs may be considered as personnel costs regardless of whether the consultants are self-employed or employed by a third party, <u>if the following cumulative conditions are fulfilled</u>” The requested conditions have been listed under the following link:</i></p> <p><a href="http://ec.europa.eu/europeaid/companion/document.do?nodeNumber=19.3.1.2">http://ec.europa.eu/europeaid/companion/document.do?nodeNumber=19.3.1.2</a></p> <p>Concerning estimation of budget costs, “<i>it is in the applicants' interest to provide a realistic and cost-effective budget as defined in the GfA, under section 2.1.5. This section also indicates that: “The amounts or rates have to be based on estimates using objective data such as statistical data or any other objective means or with reference to certified or auditable historical data of the applicants or the affiliated entity (ies). The methods used to determine the amounts or rates of unit costs, lump sums or flat-rates must comply with the criteria established in Annex K, and especially ensure that the costs correspond fairly to the actual costs incurred by the beneficiary (ies) and affiliated entity (ies)”</i>”</p>
5.	Can practitioners be paid travel costs and daily allowance during practice?	<p>The rules of relevant national legislation the (Law on Volunteering (Official Gazette No. 36/2010), in particular Article 10 of this Law) should be respected as well as rules related to grant contracts implementation in the context of External Actions. Please, also consult the relevant provisions related to 14.1. Eligible costs are actual costs incurred by the Beneficiary(ies), under <a href="http://ec.europa.eu/europeaid/companion/document.do?nodeNumber=19.3.1.1">http://ec.europa.eu/europeaid/companion/document.do?nodeNumber=19.3.1.1</a></p> <p><i>“Eligible costs are actual costs incurred by the Beneficiaries which meet all the eligibility criteria at the same time, and do not fall under the category of ineligible costs in Article 14.9. Furthermore, they must be in line with the specifications included in the call for proposals, which may provide for specific instructions and/or limitations to the general rules set in the General Conditions (if appropriate, specific clauses will also be included in the Special Conditions).</i></p>

		<p><i>Costs have to be related to and generated by activities carried out within the implementation period of the Action (as defined in Article 2 of the Special Conditions) and in accordance with the Contract.</i></p> <p><i>To be considered eligible, costs must be actually incurred by the Beneficiaries, and must have generated a debt to be paid directly by an entity which is party to the Contract with the Contracting Authority (i.e. the Coordinator or a co-Beneficiary).</i></p> <p><i>Costs incurred by affiliated entities which are identified in the Special Conditions will also be accepted as eligible. In this case, the affiliated entities concerned have to abide by the same rules applicable to the Beneficiaries under the Contract with regard to the eligibility of costs and the rights of checks and audit by the Commission, OLAF and the Court of Auditors.”</i></p>
6.	<p>Is it necessary that associations which apply possess experience as an organization or is it sufficient that persons engaged in these associations have necessary experience in project implementation?</p>	<p>According to the GfA, Article 2.2.4. Further information about concept notes <i>“To ensure equal treatment of applicants, the contracting authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, affiliated entity(ies), an action or specific activities.”</i></p> <p>Also, please bear in mind that instructions related to experience of a lead applicant, co-applicant(s) and affiliated entity(ies) (if applicable) under section 2.2, 2.3 and 2.4 of the Application Form, part B, should be followed</p>
7.	<p>What is your standpoint on the "small-scale investments" (for example: small scale reconstruction works - painting walls, smoothing walls, reconstruction of sanitary nodes, etc.) as well as supply of furniture and specialized equipment for the implementation of educational activities?</p>	<p>The section 2.1.4. of the GfA, refers to <u>types of actions</u>, which may be financed under this call which includes as well under the Lot 2 – Active inclusion, the following action:</p> <p><i>“Architectural adjustment of workplace (small scale reconstruction works) for persons with disabilities (removal of architectural barriers, etc.); technical adjustment of work conditions (insurance of technical equipment which facilitates implementation of tasks in line to type and degree of disability).”</i> Following that, please bear in mind that the following types of actions for this Call for Proposals are ineligible:</p> <p><i>“actions concerned only or mainly</i></p>

		<i>focusing on infrastructure investments and/or the procurement of equipment. These activities can only be funded if they form part of a wider project;”</i>
<b>8.</b>	Considering types of activities listed in the Call for Proposals (EuropeAid/159572/ID/ACT/RS), please be kind to clarify whether the procurement of equipment and renting of work space within innovative start-up support (as a part of a wider project) would be considered as eligible costs.	Please bear in mind that the following types of actions for this Call for Proposals are ineligible, if:  <i>“actions concerned <u>only or mainly</u> focusing on infrastructure investments and/or the procurement of equipment. These activities can only be funded if they form part of a wider project;”</i>
<b>9.</b>	Could you pls clarify whether Public Universities are eligible coordinators/applicants?	Eligibility criteria for Applicants are presented in the Guidelines for Applicants, Article 2.1.1. According to the GfA, Article 2.2.4. Further information about concept notes “To ensure equal treatment of applicants, the contracting authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, affiliated entity(ies), and action or specific activities.”
<b>10.</b>	Are the three elements of Active Inclusion (adequate income support, inclusive labour markets and access to quality services) all mandatory and necessary elements of Active Inclusion as a multi-model approach? Our project proposal leans towards activities belonging to inclusive labour markets and access to quality services measures, so the question is whether all three types of measures are mandatory?	No, there is no need to address all three elements of Active Inclusion by one project proposal. As it is stated in Guidelines for Applicants, Article 1.1.3. “Active inclusion is not a single-model approach. Each EU Member State defines the level of adequate income support and the policy mix best adapted to the needs identified at local, regional and national level.”
<b>11.</b>	Specifically, what is considered under adequate income support? We have understood this as either support (information provisioning and ease of access) for claiming welfare benefits under national law in force OR allowances for the beneficiaries paid from the project budget for the duration of relevant project activities. There might be a third interpretation of which we are unaware.	Under the Adequate Income Support (Article 1.1.3.) is considered the following: “Adequate income support (i.e. welfare benefits to ensure people can live adequately while they are not working together with help to get a job). This could be by linking out-of-work and in-work benefits, and by helping people to access the benefits they are entitled to.”
<b>12.</b>	As regards a number of applications and grants per applicants, we would like to clarify whether the lead applicant may be awarded two grants under this Call for Proposals: one as the lead applicant (Coordinator) and the second one as a co-applicant (beneficiary).	The GfA under the paragraph <u>Number of applications and grants per applicants / affiliated entities</u> , states the following: “The lead applicant may not be awarded more than (one) 1 grant under this Call for Proposals. The lead applicant <u>may be a co-applicant</u> or

		<p>an affiliated entity in another application at the same time.</p> <p>A co-applicant/affiliated entity may not be awarded more than two (2) grants under this Call for Proposals.”</p> <p>Consequently, one entity may be awarded 1 grant as Lead Applicant, and not more than 2 grants as co-applicant/affiliated entity.</p>
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