



Republic of Serbia  
**MINISTRY OF FINANCE**  
**Department for Contracting and Financing of EU Funded Programmes (CFCU)**

Belgrade, 16 December 2019

**CONTRACTING AUTHORITY'S CLARIFICATIONS No. 1**

2<sup>nd</sup> Call for proposals: **Cross-border Programme Serbia – Montenegro 2014-2020 under the Instrument of Pre-accession Assistance (IPA II), allocations 2016, 2017 and 2018**

**EuropeAid/165238/IH/ACT/MULTI**

No.	Question	Answer
1.	<p>In accordance with Guidelines for Applicants (Ref. EuropeAid/165238/IH/ACT/Multi) please clarify the following:</p> <p>In section 2.1. Eligibility criteria subsection 2.1.1. Eligibility of applicants under the specific objective 3.1. Improving capacities for exploiting tourism potentials of the programme area is stated that eligible lead applicant and co-applicant(s) are: Educational and research institutions and organizations.</p> <p>Please clarify which types of institutions/organizations fall under this category?</p>	<p>In line with the Guidelines for Applicants, Article 3.2.4. Further information about the applications, in order 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.</p> <p>Please see the following information under the Section 3.1.1 of the GfA:</p> <p>‘ <b>Lead applicant</b></p> <p>(1) In order to be eligible for a grant, the lead applicant <b>MUST</b>:</p> <ul style="list-style-type: none"><li>- be a legal person, <b>and</b></li><li>- be non-profit-making, <b>and</b></li><li>- be established in<sup>1</sup> either the Republic of Serbia or Montenegro, <b>and</b></li><li>- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary, <b>and</b></li><li>- <u>be a specific type of institution or organisation such as:</u></li></ul>

<sup>1</sup> To be determined on the basis of the organisation's statutes, which should demonstrate that it has been established by an instrument governed by the national law of the country concerned and that its head office is located in an eligible country. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a 'Memorandum of Understanding' has been concluded.

		<p>Under the specific objective 3.1 ‘Improving capacities for exploiting tourism potentials of the programme area;</p> <ul style="list-style-type: none"> <li>- Tourism and related clusters</li> <li>- Tourism organisations at national/regional/local levels</li> <li>- National/nature park organisations</li> <li>- <u>Educational and research institutions and organisations</u></li> <li>- Civil society organisations/NGOs</li> <li>- National, local and regional authorities</li> <li>- Local and regional development agencies</li> <li>- Associations of producers and tourism providers</li> <li>- Cultural institutions</li> <li>- Chambers</li> </ul>
<p>2.</p>	<p>We have two questions related to the Call for proposals with the Reference: EuropeAid/165238/IH/ACT/Multi, published within the CBC Programme Serbia-Montenegro 2014-2020, as follows:</p> <p>a) The first question is related to budgeting of the costs within the budget category/budget heading 4 – Local office. Namely, we would like to know if it is possible to budget certain costs within this heading for the use of the existing infrastructure in the target area – our existing office, part of which would be used for the implementation of the proposed action.</p> <p>b) The second question is: Is it possible to implement certain activities outside the programme area, but which would have as target groups and final beneficiaries the population of the programme area? This is related to the need of some representatives of the target groups from the programme area for specific trainings/education programmes which are organized in the relevant institutions outside the programme area.</p>	<p>a) Please refer to Annex II, General Conditions, Article 14.2 – Eligible Direct Costs:</p> <p>d) depreciation, rental or leasing costs for equipment (new or used) and supplies specifically dedicated to the purposes of the action;</p> <p>e) rental costs related to project office, when a project office is foreseen, duly justified and described in the description of the action and in the special conditions;</p> <p><i>NB: Where the beneficiaries' own equipment (proof of property and payment may be requested) is provided for an action, the running costs may be charged as direct costs, but the cost of use is normally considered to be covered within indirect costs. The cost of use (in the form of depreciation) can be accepted by the contracting authority as direct cost, when at least these basic conditions have been considered:</i></p> <ul style="list-style-type: none"> <li>- <i>It is so accepted by the contracting authority because justified by the concrete situation and type of equipment.</i></li> <li>- <i>No transfer to the final beneficiaries, local beneficiaries or local affiliated entities at the end of the action is foreseen: the equipment is not necessary for the sustainability of the action or the transfer will not be possible.</i></li> </ul>

		<ul style="list-style-type: none"> <li>- <i>Such use is more effective than the rental or purchase of new equipment.</i></li> <li>- <i>The costs are not higher than the corresponding costs on the local market.</i></li> <li>- <i>The equipment is in good condition and suitable for the proper implementation of the action.</i></li> <li>- <i>It does not imply double-financing or profit for the beneficiary (the equipment must not have been paid entirely by the EU in a previous project or by any other donor. Depreciation is never eligible when the equipment is a contribution in kind).</i></li> <li>- <i>The value of the equipment must have a price-tag entered in the beneficiary's accounting system.</i></li> <li>- <i>The costs pass the test for direct eligible costs (with special attention to the direct link with the implementation of the action), except for the specific procurement rules of Annex IV.</i></li> </ul> <p><i>Only the portion of the equipment's depreciation, rental or lease costs corresponding to the implementation period and the rate of actual use for the purposes of the action may be taken into account.</i></p> <p><i>Only the costs relating to the unexpired depreciation period and to the implementation period of the action can be charged. Once fully depreciated, no costs can be charged or reimbursed, other than running costs.</i></p> <p>b)Please see the following information under the Section 3.1.4 of the GfA:</p> <p><u>Types of action</u>  Actions selected under this cross-border cooperation programme shall deliver clear cross-border impacts and benefits, that is, <b><u>they MUST:</u></b></p> <ul style="list-style-type: none"> <li>- <b><u>take place in the specific programme area of the Republic of Serbia and Montenegro;</u></b></li> <li>- have cross-border impacts and benefits in parts of the programme area of the Republic of Serbia and Montenegro;</li> <li>- foresee cooperation of the cross-border applicant and co-applicant(s) in both:</li> </ul>
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joint development: applicant and co-applicant(s) cooperate in designing the action, filling in a joint application form and drawing up their respective budget;

joint implementation: grant beneficiaries coordinate, in the frame of the operation, their activities across the border, and carry out most of the project activities together and not as independent, unrelated, mechanically reproduced and country-bound initiatives;

joint staffing: staff on both sides of the border act as one project team (e.g. some staffers carry out their duties for all entities in the partnership: procurement, financial management, overall coordination, training planning, etc.)

Location

Actions or operations must have as final beneficiaries the population of the programme area. They must take place in one or more of the following territorial units:

In the Republic of Serbia	In Montenegro
<ul style="list-style-type: none"> <li>• Zlatiborski District: <ul style="list-style-type: none"> <li>▪ Nova Varoš</li> <li>▪ Priboj</li> <li>▪ Prijepolje</li> <li>▪ Sjenica</li> </ul> </li> <li>• Moravički District: <ul style="list-style-type: none"> <li>▪ Ivanjica</li> </ul> </li> <li>• Raški District: <ul style="list-style-type: none"> <li>▪ Kraljevo</li> <li>▪ Novi Pazar</li> <li>▪ Raška</li> <li>▪ Tutin</li> <li>▪ Vrnjačka Banja</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Andrijevisa</li> <li>• Berane</li> <li>• Bijelo Polje</li> <li>• Gusinje</li> <li>• Kolašin</li> <li>• Mojkovac</li> <li>• Nikšić</li> <li>• Petnjica</li> <li>• Plav</li> <li>• Pljevlja</li> <li>• Plužine</li> <li>• Rožaje</li> <li>• Šavnik</li> <li>• Žabljak</li> </ul>

3.	<p>On behalf of the Sindikat zaposlenih u zdravstvu i socijalnoj zaštiti Srbije we would like to kindly ask you following questions regarding financial capacities:</p> <p>a) What the ratio between the <i>total assets in the single applicants' balance sheet</i> and the <i>total cost of the action of the project</i>, would be considered strong? In the case of consortia, what would be the formula?</p> <p>b) In case of pre-financing guarantee, will the Contracting Authority ask for bank guarantee for total amount of the grant or for the pre-financing instalment? And what percentage of the total grant would it be?</p>	<p>a) Please note that the Contracting Authority cannot give prior opinion on assessment of the Applications, including the capacity of the Applicants.</p> <p>b) As defined in template of Special conditions “if a financial guarantee is requested: The first instalment of pre-financing shall be accompanied by a financial guarantee amounting to EUR &lt;amount, usually the amount of the first pre-financing payment&gt;”. Amount of pre-financing is defined by ARTICLE 15.8 of General Conditions</p>
4.	<p>I have two questions regarding 2nd Call for Proposals Cross-border Programme Serbia-Montenegro 2014-2020 (IPA II).</p> <p>Is it acceptable under this Call to have the Lead applicant in Belgrade, Serbia, more precisely Brunch Union Administration Independence, situated in Belgrade, Serbia, and two co-applicants from the eligible cross border area, one in Novi Pazar and other in Berane? The first one is Trade Union independence – Body of the municipal administration Novi Pazar, which is situated in Novi Pazar and, second one is a New Union – administration of Berane based in Berane?</p>	<p>In line with the Guidelines for Applicants, Article 3.2.4. Further information about the applications, in order 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.</p> <p>Please see the relevant information under the Section 3.1.1 of the GfA (page 10)  “Lead applicant ...the lead applicant must be established in either Serbia or Montenegro.</p> <p>The lead applicant must act with at least one co-applicant as specified hereafter:</p> <p>If the lead applicant is established in the Republic of Serbia, at least one co-applicant must be established in Montenegro, and vice versa.</p> <p>At least one legal entity in the partnership (being the lead applicant or the co-applicant) must be effectively established or have an office <b><u>in the programme eligible area of each participating country.</u></b></p>

		The maximum number of co-applicants that could be involved in the action is 3. However, CBC partners must carefully bear in mind the most appropriate conditions to ensure an intra-project efficient coordination when deciding on this. The number of partners and the composition of the partnership should be coherent with the envisaged objectives and activities of the action.”
5.	<p>In line with ongoing 2nd Call for Proposals Cross-border Programme Serbia Montenegro 2014-2020 under the Instrument of Pre-accession Assistance (IPA II) we would kindly ask for further clarification:</p> <p>In the Guidelines for grant applicants for 2nd call on the page 22 is stated that type of action is ineligible: actions aimed at the upgrading of infrastructure and equipment in privately owned facilities.</p> <p>In this context if the project is linked with Result 3.1.1.: Joint tourist products enhanced and/or Result 3.1.2.: Complementary products and services developed and one of the activity is purchase of equipment for the purpose of the improving farm tourism and services in private husbandry /farmhouse is this eligible to be finance . For example value of this kind supply is cca 2 000 eur per end recipient .</p> <p>Additionally, in case the Municipality is co applicant and have intention to organize some fairs in city square is it eligible to purchase equipment (value of supply 3 000 eur) under this call for proposal. In case this is eligible please inform us is there any maximum percentage for purchase of the equipment compared to the total value of the project .</p>	<p>In line with Article 3.2.4. Further information about the applications of the published GfA, in order to ensure equal treatment of all applicants, Contracting Authority cannot give a prior opinion on the eligibility of applicants, affiliated entity(ies), an action or specific activities.</p> <p>Please see the following information under the Section 3.1.4 of the GfA (pages 22-23).</p> <p>Moreover, please refer to the Section regarding Financial support to the third parties (page 24 of the published GfA): “Applicants may not propose financial support to third parties. In other words, sub-granting is not allowed under this Call for Proposals.”</p> <p>In order fulfil all requirements set under this Cfp, you must satisfy all eligibility criteria set in the Article 3.1. of the GfA:</p> <ul style="list-style-type: none"> <li>- Eligibility of the applicants - this refers to the applicants' legal and administrative status, see in particular section 3.1.1. of the GfA</li> <li>- Eligibility of the action - see in particular section 3.1.4. of the GfA</li> <li>- Eligibility of costs - see in particular section 3.1.5. of the GfA</li> </ul> <p>In Annex B - Budget a narrative clarification must be provided for each budget item demonstrating the necessity of the costs and how they relate to the action (e.g. through references to the activities and/or results in the Description of the Action) and, In Annex C - The Logical framework (log frame) matrix the overview of the objectives must be presented, activities and resources of the project.</p>
6.	We have a question related to the Call for proposals with the Reference: EuropeAid/165238/IH/ACT/Multi, published	<p>Please see the following information under the Section 3.1.5 of the GfA:</p> <p><u>Eligible direct costs</u></p>

<p>within the CBC Programme Serbia-Montenegro 2014-2020, as follows:</p> <p>Could you please answer if it is possible for a public institution to hire a person outside their institution to work on the project and to be paid from the project budget, within the Budget Heading 1 - Human Resources. Please note that we are not speaking about the salary which will be counted in the co-financing that is necessary to provide, but about the amount in addition to the co-financing.</p>	<p>To be eligible under this call for proposals, costs must comply with the provisions of Article 14 of the general conditions to the standard grant contract (see Annex G of the guidelines).</p> <p>Salary costs of the personnel of national, regional or local administrations, as well as those of other publicly owned or controlled institutions or enterprises, may be eligible to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the action or operation were not undertaken.</p> <p>The personnel shall not receive for the engagement in the project activities any other remuneration than their standard, regular salaries in their respective institutions.</p> <p>The total sum of the salaries of personnel shall not exceed the amount of co-financing provided by the applicant, co-applicant(s) and affiliated entity(ies).</p> <p><b><u>Please note that this does not apply to professional staff recruited by the national, regional or local administrations, as well as other publicly owned or controlled institutions or enterprises, for the sole purpose of managing this project resulting from the grant award.</u></b></p> <p>Please also note that in-house operational capacities will be assessed and accordingly most of the work should be carried by the applicants' staff what should enforce internal capacities of the applicants</p> <p>The total costs for Human Resources (Budget Heading 1) and Local Office (Budget Heading 4) must not exceed the 30% of the total eligible costs.</p>
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