

Requests for Clarification

1st Call for Proposals under the IPA CBC Programme Serbia-Bosnia and Herzegovina

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1. Q. Is it possible for a grant to be awarded in the area of education and in what amount?

A. Please refer to the following Sections of the Guidelines for Applicants:

- 1.3. "Financial Allocation Provided By The Contracting Authority";
- 2.1.3 "Eligible actions: actions for which an application may be made".

2. Q. Have these types of project been implemented so far and what are the examples? Which are the most common projects in the area of education?

A. No, this is the first Call for Proposals within the Cross-Border Cooperation Programme between Serbia and Bosnia and Herzegovina under the Instrument for Pre-Accession assistance of the European Union.

3. Q. Can infrastructure works be part of the project under this Call for Proposal?

A. In the interest of equal treatment of applicants, neither the Contracting Authorities, nor the National or joint bodies in charge with the coordination of this Call for Proposal, will give a prior opinion on the eligibility of an applicant, a partner, an action or specific activities within an Action (Section 2.2.4 of the Guidelines for Applicants).

Please consult the Section 2.1.3 "Eligible actions: actions for which an application may be made" of the Guidelines for Applicants.

4. Q. What are the procedures for transferring of the awarded grant?

A. Please see the Article 7.3 of the Annex II "General Conditions applicable to European Community-Financed Grant Contracts for External Actions" to the Standard Grant Contract.

5. Q. What kind of costs can be a part of co-financing?

A. All the eligible costs indicated under Section 2.1.4 of the Guidelines for Applicants can be part of the co-financing.

6. Q. Do supporting documents (Annexes D and E) have to be sent in 1+3 copies?

A. Annexes D and E (Legal Entity Sheet and Financial Identification Form) shall always be sent in one original upon the request from the JTS, for the provisionally selected applicants.

7. Q. How to motivate civil servants to participate in the project implementation? Which are eligible costs that can be paid for their services?

A. Please see the Section 2.1.4 of the Guidelines for Applicants for eligibility of the costs.

Furthermore, the indicated Section 2.1.4 reads:

“Civil servants or other public employees of central or local administrations which participate under this call for proposals may not receive fees for their contribution to the action other than their salaries in the respective institution”.

Salaries of the civil servants or other public employees may be financed from the EC grant. They can also be presented as co-financing contribution of the applicant/partner.

Nevertheless, costs for those salaries must relate to activities which the relevant public authority would not carry out if it did not undertake the project concerned.

8. Q. Is forestry as an economic branch eligible to apply? Is there anybody from this branch that already applied on this kind of projects in Serbia?

A. In the interest of equal treatment of applicants, neither the Contracting Authorities, nor the National or joint bodies in charge with the coordination of this Call for Proposal, will give a prior opinion on the eligibility of an applicant, a partner, an action or specific activities within an Action (Section 2.2.4 of the Guidelines for Applicants).

Please consult the Section 2.1.3 “Eligible actions: actions for which an application may be made” of the Guidelines for Applicants.

As to the second part of your question, please note that this is the first Call for Proposals within the Cross-Border Cooperation Programme between Serbia and Bosnia and Herzegovina under the Instrument for Pre-Accession assistance of the European Union.

9. Q. Is it possible to build a mountain house on the land owned by the Šumarstvo “Prenj” d.d. Konjic (private/profitable company) where the ownership would be transferred to the mentioned company?

A. In the interest of equal treatment of applicants, neither the Contracting Authorities, nor the National or joint bodies in charge with the coordination of this Call for Proposal, will give a prior opinion on the eligibility of an applicant, a

partner, an action or specific activities within an Action (Section 2.2.4 of the Guidelines for Applicants).

10. Q. What is the case with the newly formed organizations which does not have ability to show balance sheet and balance of payments? How will they be treated when estimating their financial capacity?

A. The financial and operational capacity of the applicant and its partner(s) will be evaluated as indicated in the Evaluation Grid for the Step 3: Evaluation of the Application (Section 2.3 of the Guidelines for Applicants).

If the total average score is less than 12 points under this section, the application will be rejected.

Please see also the answer 66 below.

11. Q. Does the rule that the applicant may not be awarded more than one grant apply to all of the cross border programmes? For example if we are awarded a grant within the programme Serbia – B&H can we be awarded another from the programme with Croatia?

A. Each Cross Border Programme has its own Call for Proposals.

It is nevertheless possible that an applicant can additionally be awarded grants under another CBC Call for Proposals, subject to fulfillment of the conditions indicated in the respective Calls.

However, please note that the same action may give rise to the award of only one EC grant, and the same costs can not be financed twice by the EC funds.

12. Q. Is it necessary to translate statute and other documents into English? Do you recommend that we use an official court translator?

A. Following the Section 2.4 of the Guidelines for Applicants, where requested supporting documents are not in one of the official languages of the European Union or in the language of the country where the action is implemented, a translation into English of the relevant parts of such documents must be attached and will prevail for the purpose of analysing the application.

In case these documents are in an official language of the European Union other than English, it is strongly recommended, in order to facilitate the evaluation, to provide a translation of the relevant parts of such documents.

It is not necessary to use an official court translator.

13. Q. Is there a minimum number of municipalities required which an applicant has to include in the project implementation?

A. No, such eligibility criterion is not stipulated.

14. Q. Can an international organization with a headquarters in EU and regional office in BiH or Serbia apply for a grant?

A. Please see the Section 2.1.1 of the Guidelines for Applications.

International inter-governmental organizations are defined by Article 43 of the Implementing Rules to the EC Financial Regulation¹.

15. Q. Are infrastructure projects eligible to be financed from the grant?

A. Please see the answer 3 above.

16. Q. Is it possible to buy a vehicle from the grant, fire truck or any other type necessary for the implementation of the project if the vehicle would not serve to gain profit?

A. Such costs may be eligible if they fulfill the requirements concerning the eligibility of the costs.

Please read the Section 2.1.4 (Eligibility of costs) of the Guidelines for Applicants.

17. Q. Is it eligible to build or conduct reconstruction of infrastructure (cabins) for touristic purposes or to buy equipment (water purification) as a part of the implementation of the project?

A. Please see the answer 16 above.

Please see also the Section 2.1.3 (Eligibility of actions) of the Guidelines for Applicants.

18. Q. In what cases do we have to conduct audit?

A. For this Call only in the case of a grant of more than EUR 100 000 - expenditure verification report shall be attached to the final report, as stipulated in the Article 15.6 of the Annex II "General Conditions applicable to European Community-Financed Grant Contracts for External Actions" to the Standard Grant Contract.

19. Q. What are the co-financing costs?

A. The co-financing contribution means that, since the EC grant does not cover entirely the eligible costs of the proposed action, the balance must be financed from the applicant's or partners' own resources, or from sources other than the European Community budget or the European Development Fund (see Section 1.3, subsection "Co-financing Rules", of the Guidelines for Applicants).

¹ International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies, European Investment Bank (EIB) and European Investment Fund (EIF) are also recognized as international organisations.

20. Q. Are there any limitations when it comes to selecting partners? Do partners have to be from the same type of institutions/organizations?

A. No, such limitations do not exist. Partners do not have to be the same type of organization/institution as applicants.

Please refer to the Section 2.1.2 of the Guidelines for Applicants for further specific instructions concerning the selection of partners.

21. Q. Whose address has to be written on the envelope?

A. The address of the Functional Lead Partner has to be written on the envelope. Please refer also to the Section 2.2.2 of the Guidelines for Applicants.

22. Q. If a maximum amount of grant awarded under the Measure I.1 can be €300.000,00 does that mean that Applicant from B&H can get €300.000,00 as well as the Applicant from Serbia?

A. Yes, there is one grant per country. If the project is approved for financing each applicant will receive grant from the respective financing allocation of each of the participating countries according to maximum and minimum amounts per measure. Please refer also to the Section 1.3 of the Guidelines for Applicants, subsection "Minimum and maximum amounts of EU IPA grants payable".

23. Q. Do applicants and partners have to sign contracts/agreements among each other explaining in detail their relationship and obligations within the project?

A. Partnership Statement is included in the Application Form (Annex A to the Guidelines for Applicants), Part B, Section III "PARTNERS OF THE APPLICANTS PARTICIPATING IN THE ACTION".

This Partnership Statement must be signed by all the partners and be included in the application.

All the signatures (e.g. declarations and partnership statements) should be provided on paper and enclosed in original in the application.

In case scans, copies or faxes of the signed documents (e.g. partnership statements) are enclosed in the application, the originals will need to be provided nonetheless at the later stage, otherwise the whole proposal will be rejected.

24. Q. Do associates and subcontractors have to fulfill the same eligibility criteria as applicants and what are the rules for their financing from the grant?

A. Please refer to Section 2.1.2, Sub-sections "Associates" and "Subcontractors", of the Guidelines for Applicants.

Associates do not need to fulfill the eligibility criteria, stipulated for the applicants and partners. Nevertheless, associates may not receive funding from the grant

with the exception of per diem or travel costs.

Subcontractors are subject to the procurement rules set out in Annex IV to the standard grant contract (Annex F to the Guidelines for Applicants).

25. Q. If the deadline for submission of applications is October 6th 16:00 what is the procedure for the applications sent by post?

A. Please refer to Section 2.2.3 “Deadline for submission of Applications” of the Guidelines for Applicants.

In case the applications are sent by post/courier services, they must be sent on 06 October 2009 at the latest, in any hour of that day. Postmark/deposit slip will serve as proof of timely submission.

The indicated hourly deadline i.e. 16:00 hrs of the same day (06 October 2009), only applies to applications delivered by hand directly to the JTS office.

26. Q. What percentage of grant can be subcontracted?

A. The maximum or minimum percentage of grant that can be subcontracted is not specified for this Call for Proposals.

However please consider Art. 1.3 of the General Conditions to the Standard Grant Contract (Annex II), which reads: *“The Beneficiary shall act alone or in partnership with one or more NGOs or other bodies identified in the Description of the Action. It may subcontract a limited portion of the Action. The bulk of the Action must, however, be undertaken by the Beneficiary and, where applicable, his partners”.*

27. Q. Will the amount of co-financing influence approval of the project? Does an applicant who provides higher co-financing have higher chances to receive the grant?

A. The amount of co-financing is not an award criterion and does not have influence on selection of the projects.

For evaluation procedure and evaluation grids, please consult the Section 2.3 of the Guidelines for Applicants.

28. Q. Is there a deadline for correction of potential irregularities within the application pack upon its delivery to JTS?

A. Such procedure or deadline is not anticipated under this Call for Proposals.

29. Q. Does the JTS plan to organize additional sessions for the purpose of partner search?

A. Partner search forums are not planned during the time the Call for Proposals is open. However one of the ways of searching for partners is registering and searching through partners’ databases on the following web sites: www.evropa.gov.rs and www.dei.gov.ba.

30. Q. In what way the Applicant has to prove its ability for co-financing and when?

A. Upon submission of the grant application, sources of co-financing must be mentioned in the estimated budget of the action (Worksheet 2 of the Annex B to the Guidelines). See also Part B (I)(3) 'Expected Sources of funding' of the Application Form. Ability for co-financing will be made inter alia by analysing the applicant's financial capacities.

When submitting the request for payment of the balance, the beneficiary must list also the sources of co-financing. Proof of the sources and amounts of the co-financing finally obtained can be based on the beneficiary's accounts or on any other relevant supporting documents.

31. Q. If the Applicant receives the grant, does it have to open a separate bank account?

A. It is a specific requirement that the funds received from the Commission are clearly identified and segregated from the general account of the Beneficiary so as to ensure clarity in case of audit and that any interest accrued is reflected accurately.

It is obviously preferable that a separate bank account is opened specifically for the action. However this is not always feasible but in many countries a sub-account reference within an organization's main bank account can be opened. Where this is allowed, the sub account must be opened and be specific to the action.

If a new bank account or sub-account cannot be opened, the applicant must justify why it cannot open either a new account or sub account and provide a clear indication how they intend to maintain a segregation of the funds from the point of reception through disbursement, and accurately calculate and notify any accrued interest.

32. Q. Is it possible to repeat projects that were already implemented somewhere else?

A. In order to be eligible an action (or project) must involve cross-border cooperation between Serbia and Bosnia and Herzegovina and to fall under one of the 2 priority measures described in section 2.1.3 of the Guidelines for Applicants.

Please see also the answer 11 above.

33. Q. Is the VAT paid for the expenses which are part of the co-financing considered eligible for co-financing?

A. Taxes, including VAT, are not eligible for financing under this Call.

However, the VAT may be exceptionally eligible for financing under this Call, if the following conditions are fulfilled:

- The VAT is not recoverable by any means;
- It is established that the VAT is borne by the applicant/partner; and
- The VAT is clearly identified in the project proposal.

The procedure for tax exemption differs from country to country - this implies that the two Applicants receiving funding from a different Delegation might have to follow different procedures. Should the need be, the contracting authority may provide assistance to the applicants that will sign grant contracts.

34. Q. Do applicants have to be equal? For example if one of the applicants is a municipality and the other a NGO, can NGO be a Functional Lead Partner?

A. No, Applicants do not have to be the same type of organization or institution. Please refer to Section 2.1.2 on partnerships and section 2.1.1 on eligibility of applicants of the Guidelines for Applicants.

35. Q. Is it possible for a project to be implemented in one or few of the municipalities within the eligible territory or it has to be implemented in the entire programme area?

A. As stated in Section 2.1.3 of the Guidelines for Applicants, actions and their activities must take place in the programming area. No requirement has been stipulated concerning a minimum share of the eligible area or the number of municipalities to be actually affected by a single project. Further information can be found in the mentioned Section 2.1.3.

36. Q. If an applicant comes from Bosnia and Herzegovina is it possible to have a partner only from Bosnia and Herzegovina and not from Serbia?

A. Each proposal must include two Applicants.

If the applicant for funds from the Contracting Authority in Bosnia and Herzegovina is actually originating in Bosnia and Herzegovina, it may have partners from any of the eligible countries listed under Section 2.1.1 of the Guidelines for Applicants.

However it must act in partnership with the second Applicant, applying for funds from the Contracting Authority in Serbia - if this applicant is not originating from Serbia, it must have at least one partner originating from Serbia.

Please see the Section 2.1.2 of the Guidelines for Applicants.

37. Q. Does subcontracting (documents) have to be conducted entirely in English?

A: Yes, subcontracting has to be conducted in English. The language of this programme and the contracts is English, and all the documents and written communication between applicant and Joint Technical Secretariat has to be in English.

38. Q. Can only one of the applicants provide co-financing for the entire project?

A. Yes, it can. Co-financing can come from the applicant's or partner's own resources or from sources other than from the European Community budget or the European Development Fund. Naturally, level of co-financing must respect the minimum and maximum percentage, as stipulated in the Section 1.3 of the Guidelines for Applicants.

Please note that national legislation restricting the possibility to transfer funds across the borders remains applicable at all times, and may reduce the possibility for an Applicant to provide funds covering the co-financing of its cross-border partner applicant.

39. Q. Do interpreters hired for the project have to be certified and can they be placed in the human resources part of the budget?

A. Interpreters can be part of the project team and in that case their salary can be part of the human resources section in the budget. No specific requirement (certification) for interpreters is stipulated.

40. Q. Is tourist signalisation equipment (an eligible cost) and does it have to be subcontracted?

A. Please see the answer 16 above.

All subcontracting in order to implement the action (e.g. buying equipment) shall be done in accordance with the Annex IV to the Standard Grant Contract. However, please note that only a limited portion of the Action can be subcontracted. The bulk of the Action must be undertaken by the Beneficiary and, where applicable, his partners.

41. Q. What are the procedures for the exemption of VAT within subcontracting procedure?

A. Please see answer to question 33 above.

42. Q. Can those, who are writing a project, be project managers and responsible for reporting later on if the project is awarded a grant?

A. Yes, they can.

43. Q. Is the number of the partners involved important when it comes to evaluation of the proposed project?

A. No. The IPA CBC Programme seeks for relevant and coherent partnerships, whose composition should be instrumental to reach the goals of the project. Thus, the number of partners has to be relevant and coherent with the envisaged objectives and activities of the project. A high number of partners is not considered as a standalone synonym of quality.

44. Q. Do all partners have to be from the eligible area defined within the Programme?

A. All the partners must fulfill the same eligibility criteria as applicants. Those eligibility criteria are stipulated in the Section 2.1.1 of the Guidelines for Applicants.

Please see also to the Section 2.1.2 “Partnerships and eligibility of partners” of the Guidelines for Applicants.

45. Q. Do we state exact months in the action plan table in the Application form or we only write month 1, months 2, and etc?

A. In the action plan table only month 1, month 2, and etc. are stated.

46. Q. Do we make a team with the partner? What happens if a project of only one of the partners is approved?

A. Each proposal is to be submitted on a single Application Form, indicating both (lead) Applicants and all their partners. Consequently, there is only one project.

Therefore, all eligibility and evaluation criteria apply to one single proposal (project) as a whole.

47. Q. Where do we send applications/project proposals?

A. Please refer to Section 2.2.2 of the Guidelines for Applicants.

48. Q. Does co-financing have to be money only or it can also be in kind contribution?

A. Contributions in kind are not considered actual expenditure and are not eligible costs. The contributions in kind may not be treated as co-financing.

Please see the Section 2.1.4, subsection “Contributions in kind”, of the Guidelines for Applicants.

49. Q. Can an organization represent already approved project as co-financing if the problem addressed is the same?

A. It can, if the co-financing comes from the sources other than from the European Community budget or the European Development Fund.

However, please note that the same action may give rise to the award of only one EC grant, and the same costs can not be financed twice by the EC funds.

50. Q. Does every applicant report on the project progress separately?

A. No. The Functional Lead Partner reports on the progress of the implementation of the project to the JTS. The other applicant must provide all necessary information to the Functional Lead Partner for the report. However every applicant is responsible for the implementation of the project activities and for spending

funds on its side of the border.

51. Q. Does all of the equipment purchased for the project have to be from the European Union?

A. All the supplies must originate in an EU Member State, a country that is a beneficiary of IPA Regulation (Croatia, The former Yugoslav Republic of Macedonia, Turkey, Albania, Bosnia, Montenegro, Serbia, including Kosovo), a country that is a beneficiary of the European Neighbourhood and Partnership Instrument (Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestinian Authority of the West Bank and Gaza Strip, Russian Federation, Syria, Tunisia, Ukraine) or a Member State of the European Economic Area (Iceland, Lichtenstein, Norway).

The origin of the goods is determined according to the Community Customs Code (see also Annex IV of the Standard Grant Contract and its provisions on the rule of origin).

In duly justified cases and following a written request from the grant beneficiary, the Contracting Authority may issue a derogation to the rule of origin indicated above.

52. Q. How are the funds from the grant divided among the partners?

A. Applicants submit one joint project proposal, to receive two grants, one in each country. If the project proposal is selected for financing, each Contracting Authority (in Serbia and Bosnia and Herzegovina respectively) will conclude grant contracts with the Applicants for the respective country. Financial accounting and reimbursement of costs incurred by their respective partners will therefore be the ultimate responsibility of the Applicants.

53. Q. Partners – where do they have to be from – Serbia or border region in Serbia?

A. Please see the answer 44 above.

54. Q. Will application form be translated into local languages?

A. No, the Application Form will not be translated into local languages since the official language of the programme is English. All the documents and written communication between applicants and Joint Technical Secretariat has to be in English.

55. Q. Is VAT for fuel eligible cost?

A. Please see the answer 33 above.

56. Q. Who is paying for the costs incurred before the start of the project implementation?

A. Grants may, as a rule, only cover costs incurred after the date on which the grant contract is signed.

Exceptionally, a grant may be awarded for an action which has already begun only where the applicant can demonstrate the need to start the action before the contract is signed. In such case, costs eligible for financing may not have been incurred prior to the date of submission of the grant application.

No grant may be awarded retrospectively for actions already completed.

57. Q. Does the co-financing from the applicant have to be on the separate account where the grant is transferred or it can stay on the applicant's original account or partners (if its municipality for example)?

A. No, the grant beneficiary is not obliged to have the respective amount of co-financing on the account where the Contracting Authority transfers the payments.

However, provisions of the Article 16 of the General Conditions to the standard grant contract shall be respected.

Please see also the answers 30 and 31 above.

58. Q. Can co-financing be the money generated during the project (from selling tickets for example)?

A. Yes, it can.

59. Q. Is it possible for a person to temporarily stop working on its position for duration of the project in order to be paid from the project?

A. Regarding salaries of civil servants please see the answer 7 above.

In case an expert is permanently or temporarily employed (i.e. on a labour contract) by the Beneficiary or partner, his salary and costs must not exceed those normally borne by the Beneficiary or its partners, as the case may be, unless it is justified by showing that it is essential to carry out the action.

In case an expert is external (i.e. working on a service contract), his engagement shall be subject to subcontracting, meaning it shall follow the procurement rules stipulated in the Annex IV to the standard grant contract.

If hired in accordance with the mentioned Annex IV, and if in accordance with provisions for eligibility of the direct costs (Section 2.1.4 of the Guidelines for applicants), the external expert's fees may be eligible for financing.

Please note that one of the criteria for eligibility of costs is that they must be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

Moreover, the Contracting Authority may impose modifications or reductions of costs that are not in accordance with the principle of sound financial management.

60. Q. Is it possible to conduct reconstruction works? Would these represent an eligible cost as a part of the Measure I.2?

Such costs may be eligible if they fulfill the requirements concerning the eligibility of the costs - please read the Section 2.1.4 (Eligibility of costs) of the Guidelines for Applicants.

Please see also the Section 2.1.3 (Eligibility of actions) of the Guidelines for Applicants.

61. Q. Is the registration in PADOR obligatory?

A. For this Call for Proposals, registration of applicants and partners in PADOR is not obligatory, as stipulated in the Section 2.2 of the Guidelines for Applicants.

Applicants have the possibility and are invited to register their organization in PADOR, also because other EU-funded Calls for Proposals already established such registration as obligatory, but this is not yet the case for CBC Programmes' Calls.

62. Q. If the applicant is registered in PADOR does it have to fill in all the info in Application Form?

A. All the information must be filled in the application Form, irrespective of the fact that similar pieces of information might have been registered under PADOR registration.

63. Q. Which documents need to be sent as a part of the Application pack?

A. Please refer to the Section 2.2.1 "Application form" and Section 2.2.2 "Where and how to send the Applications" of the Guidelines for Applicants.

64. Q. Do amounts requested/grants have to be the same in Serbia and in Bosnia and Herzegovina?

A. No, the amounts of the grants requested to the respective Contracting Authorities in the beneficiary countries do not have to be equal.

65. Q. When is it necessary to hire an auditor? When single grant is over 100.000 EUR or when the entire project is over 100.000 EUR?

A. The requirements concerning expenditure verification report are described in Article 15.6 of Annex II "General Conditions" to the Standard Grant Contract.

Such requirements apply individually and separately to each grant contract, so they have to be considered for each of the two applicants: it might be the case that one of the applicants is subject to the requirement concerning the expenditure verification, while its cross-border partner is not subject to the same requirement.

66. Q. Does previous financial capacity of the organization affect the amount of grant that can be received?

A. There is no exact indication of the amount of a grant to be requested with regards to financial capacity of the applicant.

However, an applicant shall have stable and sufficient sources of funding to maintain its activity throughout the period during which the action is being carried out and to participate in its funding.

Please see the Section 2.3 “Evaluation and selection of Applications” of the Guidelines for Applicants, subsection 3 – “STEP 3: EVALUATION OF THE APPLICATION”.

67. Q. Do all Annexes have to be in one file?

A. Each Annex (application form, budget and logical framework) must be supplied in electronic format (CD-Rom) in a separate and unique file (e.g. the application form must not be split into several different files). That means that there will be three files on the CD-Rom – one file for each annex.

68. Q. Can the salary of one person working on the project implementation be presented as co-financing and another person be paid from the grant?

A. Yes, that is possible.

69. Q. Who is conducting accounting of the costs incurred during the project implementation? Can the salary of an accountant be part of the project costs?

A. Costs deriving directly from the requirements of the Contract are eligible to be financed by the EU grant, as indicated in the Section 2.1.4 of the Guidelines for Applicants.

According to the Article 16.1 of the General Conditions (Annex II to the standard grant contract), the Beneficiary shall keep accurate and regular accounts of the implementation of the action using an appropriate accounting and double-entry book-keeping system.

Please note that in order for the costs to be eligible for financing, they must inter alia be necessary for the implementation of the action which is the subject of the grant, and they must be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

70. Q. How long is the procedure for evaluation of project proposals?

A: The duration of the evaluation procedure depends on the number of the applications received by the JTS under this Call for Proposals, and it is not possible at present to provide a more accurate estimate than the one contained in the table 2.5.2 “Indicative Time Table” in the Guidelines for Applicants.

71. Q. How can employed personnel or honorary assistants at the college

receive salary from the project?

A. Please see the answers 7 and 59 above.

72. Q. What should be in the Application form, page 22, in the part “capacity of applicants”? Only EU projects experience or general experience?

A. Applicant has to state all the experience by sector, as indicated in the subsection 2.2. of the Applicants’ profile (page 16 of the Application form). Applicants should indicate each sector where they have been active in the past 7 years.

73. Q. Where to specify references of the expert engaged on the project?

A. The evaluation of the proposals will not be based on the quality of CVs of engaged experts, but on the basis of the quality of the proposed Action. No requirement is stipulated for the Applicant to attach references for the staff engaged in the project.

The evaluation of the operational (or technical) capacity of the applicants and their partners will take into account the capacity of those organisations themselves, not of the individuals within the institution. When applying for a grant, institution can rely on individual experience of its team members, but indication of the institution's operational capacity (management capacity, professional competencies and qualifications required to successfully complete the proposed action) in the Application form should relate to the institution as a whole.

74. Q. Is there some sort of confirmation that JTS provides for the applicant as a proof that the application was received?

A. In the case of hand delivery applicant receives receipt with the exact date, time and signature of the person that received the pack. In case of submission of application by post or courier service, the postmark or the date of the deposit slip will serve as evidence of the date of dispatch.

75. Q. Has the programme set criteria for dividing allocated financial means per regions involved?

A. No, such criterion is not stipulated.

76. Q. Can lead applicant have to be from Bosnia and Herzegovina or it has to be from Serbia?

A. Please see the answer 36 above.

Please see the Section 2.1.2 and 2.1.1 of the Guidelines for applicants.

77. Q. What is the minimum project value?

A. The amounts requested from the Contracting Authority shall be:

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- Measure I.1 – minimum EUR 50,000.00, maximum EUR 300,000.00;
 - Measure I.2 – minimum EUR 20,000.00, maximum EUR 50,000.00.

Please note that the co-financing provided by the applicants or partners shall be a minimum of 16.4% and maximum of 50% of the total eligible expenditure.

Please see the Section 1.3 of the Guidelines for Applicants.

78. Q. Are there any specific conditions our potential partner, another NGO for example, has to fulfill?

A. All the partners must fulfill the same eligibility criteria as applicants. Those eligibility criteria are stipulated in the Section 2.1.1 of the Guidelines for Applicants.

Please see also to the Section 2.1.2 “Partnerships and eligibility of partners” of the Guidelines for Applicants.

79. Q. Does an NGO have to have support of the local government for the project implementation?

A. It is up to the applicant to decide whether the government support is necessary or not, based on the scope and objectives of its proposal. The Call for Proposals did not stipulate any specific requirements for this type of cooperation.

80. Q. How does applicant prove co-financing? What if “somebody” promises to co-finance a project and then for some reason do not provide the money?

A. Please see the answer 30 above.

In addition, an Applicant is obliged to provide co-financing as indicated in its proposal.

Where a Beneficiary fails, without justification, to fulfill any of the obligations incumbent the Contracting Authority may terminate the Contract, without paying compensation of any kind.

In the event of termination the Beneficiary shall be entitled to payment of the grant only for the part of the Action carried out, excluding costs connected with current commitments that would be implemented after termination.

Any amounts paid in excess will be recovered from the Beneficiary.

Finally, this Beneficiary may be excluded from all EC financed contracts for a maximum of five years (possible extension up to 10 years).

81. Q. How important is for the partners to have similar activities? Can they have different activities if they are contributing to the same goal?

A. Types of the activities depend of the nature of the project, and accordingly they can be similar or not. Relevance of the activities is evaluated during the evaluation process.

Please refer also to section 2.1.3 of the Guidelines for Applicants, defining "Eligible actions: actions for which an application may be made".

82. Q. Can final beneficiaries, if they are profitable, benefit from the project (receiving equipment or improving infrastructure in milk production)?

A. Please refer to Article 7 of the Annex II General Conditions applicable to European Community-financed grant contracts for external actions.

83. Q. Can SMEs be subcontractors in the project?

A. Yes. Private companies and profit organizations in general cannot be applicants or partners in the project. However, they can participate in the implementation of the project as associates or subcontractors.

For subcontracting requirements, please refer to Annex IV to the Standard Grant Contract.

84. Q. Can one organization receive grant as an applicant for one project and at the same time as a partner in another project?

A. Yes, that is possible. Please refer to the paragraph "Number of proposals and grants per applicant" in section 2.1.3 of the Guidelines for Applicants.

85. Q. Is there a person that can be contacted during the project writing phase to check whether we are on the right track with our project?

A: In the interest of equal treatment of applicants, neither the Contracting Authorities, nor the National or joint bodies in charge with the coordination of this Call for Proposal, will give a prior opinion on the eligibility of an applicant, a partner, an action or specific activities within an Action.

In the same way, the joint Technical Secretariat cannot provide you with some advice during the period of open call for proposals.

86. Q. When and how financial guarantees are required?

A. Please see the Article 15.7 of the General Conditions (Annex II to the standard grant contract).

87. Q. If the Applicant is a state institution what procedures do they follow when it comes to subcontracting? Is subcontracting conducted based on PRAG or local legislation?

A. In case the Beneficiary or partner is a public administration of the non-EU Member State (e.g. Serbia or Bosnia and Herzegovina), it must fulfill the requirements indicated in the Annex IV to the standard grant contract.

In accordance with the Section 8.2 of the mentioned Annex IV, where the Beneficiary or partner is a public administration of the EU Member State, it must apply the relevant provisions of the Community Directives applicable to

procurement procedures.

In all cases, the general principles and rules on nationality and origin indicated in the mentioned Annex IV must be followed.

88. Q. How come that customs costs are not eligible if we are importing goods for the project when we can assume that customs duties are already paid and calculated in the price for all of the goods we are buying in the country?

A. The beneficiary governments agreed upon specific procedures to be followed by the Grant beneficiaries to gain exemption from custom duties. Such procedures may vary from country to country, and applicants will receive detailed instructions upon signature of the Contract.

89. Q. In case applicant is local self-governance unit can it hire external experts as project manager directly or it has to be under PRAG sub-contracting procedures? Does this apply to all external staff?

A. Please see the answer 59 above.

On the salaries of civil servants, please see the answer 7 above.

90. Q. Is travelling between Serbia and Bosnia and Herzegovina as a part of cross-border project considered international travel?

A. Yes, it is.

91. Q. What if we spend less money for the implementation of the project than it was planned?

A. Please see the Article 17 of the General Conditions (Annex II to the standard grant contract).

92. Q. Are there rules for sub-contracting of auditors under PRAG?

A. The Grant Beneficiary has to propose a name of any certified audit firm before signing the Grant Contract, which will be included in the Article 5.2 of the Grant Contract Contract. The Beneficiary does not have to recur to any tendering procedure. However please consider that the Contracting Authority reserves the right to oppose to the proposed auditor, justifying the reason for the opposition, and to ask the contractor to propose another auditor.

93. Q. Is evaluation eligible and who can conduct evaluation of the project?

A. Costs deriving directly from the requirements of the Contract are eligible to be funded through the grant.

Please see the Section 2.1.4 of the Guidelines for Applicants for the rules on eligibility of costs.

For the rules on expenditure verification, please see the answer 18 above.

94. Q. How long is the procedure for sub-contracting according to the PRAG?

A. The time-limits for receipt of tenders and requests to participate must be long enough to allow interested parties a reasonable and appropriate period to prepare and submit their tenders, as indicated in the Annex IV "Contract Award Procedures" to the Standard Grant Contract.

95. Q. Since the sustainability of the project is required is it eligible to generate income based on the results of the project activities after the end of the contract?

A. That is possible and allowed.

However, the grants may not in any case have the purpose or effect of producing a profit for the beneficiary.

A profit means a surplus of actual receipts over the actual costs of the Action in question when the request is made for payment of the balance, as stipulated in the Article 17.3 of the General Conditions to the Standard Grant Contract.

To ensure that this rule has been observed, when examining the request for final payment, the Contracting Authorities will require a summary statement of all the actual costs and receipts (both eligible and non-eligible) with regards to the implemented Action.

Furthermore the Contracting Authorities will take account of all revenues which, on the date when the request for payment of the balance is established are:

- a) established (i.e. have been collected and entered in the accounts); or
- b) generated or confirmed (i.e. have not yet been collected but which have been generated or for which the beneficiary has a commitment or written confirmation).

On the basis of this, the Contracting Authorities will be in a position to identify any surplus or deficit of receipts, in relation to the actual costs of the action:

- where there is a deficit of receipts, the action has not generated a profit and the theoretical Community grant is maintained;
 - where there is a surplus of receipts, by applying the no-profit rule the Community grant must be revised downwards in order to balance all revenue and expenditure of the action.
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96. Q. Is it possible to make a triangle project between Serbia, Bosnia and Herzegovina and Montenegro?

A. Eligibility of applicants and partners for this CBC Programme is regulated by Sections 2.1.1 and 2.1.2 of the Guidelines for Applicants.

Section 2.1.3 defines eligible actions: actions for which applications may be made. This includes both the geographic areas in which the actions have to take place

and which are to be affected by the actions, as well as the eligible types of actions and activities.

Please note that the same action may give rise to the award of only one EC grant, and the same costs can not be financed twice by the EC funds.

- 97. Q. We want to be Applicant in the project under cross-border programme but we don't now how to fill-in the Grant Application Form in section 4. "Experience of similar actions" and other question where we need to give our references. Does this refer only to the applicant or both, the applicant and his partners? We are new organisation but we have very experienced personnel (with similar project in other organizations) and experienced partners. It is very important for us to get a chance to present our potential for this, by our opinion, very concrete project.**

A. Both applicants have to fill-in the section 4. "Experience of similar actions". Also, every other section that concerns references or experience has to be filled-in only by applicants and to present the operational capacity of the organizations themselves.

The information about partners in the project (including their experience of similar action, in relation to their role in the project) has to be stated in the part III of the Grant Application Form "Partners of the applicants participating in the Action".

- 98. Q. What about the municipalities from the Republic of Srpska that are on the list attached to the RS Government's Conclusions stating that the RS Government would not participate in the co-financing of the cross border cooperation?**

A. It is up to each applicant to determine its own ways to raise the co-financing needed for the implementation of the project. Please refer also to answers provided to questions n. 30 and 80 above.

Please take note that Section 2.2.4 of the Guidelines for Applicants reads: *"In the interest of equal treatment of applicants, neither the Contracting Authorities, nor the National or joint bodies in charge with the coordination of this Call for Proposal, will give a prior opinion on the eligibility of an applicant, a partner, an action or specific activities within an Action."*

- 99. Q. How many copies of the application do we have to submit? Section 2.2.2 of the Guidelines for Applicants "Where and how to send the Applications" states that "Applications must be submitted in one original and three (3) copies in A4 size, each bound", while in the checklist it says "One original and 2 copies are included"**

A. Applications shall be submitted in one original and three (3) copies in A4 size, each bound.

- 100. With reference to the partnership statements to be enclosed in the application, can "scanned" or "faxed" partnership statements be accepted,**
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at least until the “pre-selection” of proposals, or do they have to be rigorously submitted in original only?

Please see the answer 23 above.

101. Is a health center from the programming area eligible to apply?

Please refer to Section 2.1.1 “Eligibility of applicants: who may apply?” of the Guidelines for Applicants.

102. Who and in what amount has to co-finance the project?

Please refer to Section 1.3 “Financial allocation provided by the Contracting Authority” of the Guidelines for Applicants.

103. In what way the partnership has to be presented in the project?

The question is vague, so it is difficult to answer appropriately. We suggest you to refer to Section 2.1.2 “Partnerships and eligibility of partners” of the Guidelines for Applicants, and to the Grant Application Form.

Please see also the answer 104 below.

104. Can partners cooperate within the projects without limitations in different areas (activities, project development, equipment purchase, small investments)?

Please refer to Section 2.1.3 of the Guidelines for Applicants. The action must involve cross-border cooperation in order to be eligible i.e. it must foresee cooperation of the cross-border applicants/partners in at least one, but preferably more than one, of the following ways:

- Joint project development: applicants cooperate in designing the action, filling in a joint application form and drawing up their respective budgets;
- Joint financing: activities are financed by both applicants;
- Joint staffing: staff on both sides of the border act as one project team;
- Joint implementation: grant beneficiaries coordinate their activities across the border. Furthermore please refer to the GfA, Section 2.1.1 Partnerships and eligibility of partners.

For the definition of partners please see the Section 2.1.2 “Partnerships and eligibility of partners” of the Guidelines for Applicants.

105. Does the limitation for the project approval apply only to the lead applicant or to applicants in general?

Please see the answers 46 and 52 above.

106. Could you confirm that the set of guidelines and requirements do not exclude newly formed organizations (LSI), as an NGO with long tradition and achievements but with recently changed name and character (international

vs. national), from applying?

The Guidelines for Applicants do not exclude newly formed organizations from submitting their proposals; however the financial and operational capacity of the applicant and its partner(s) will be evaluated.

Please see the Section 2.3(3) "STEP 3: EVALUATION OF THE APPLICATION" of the Guidelines for Applicants as well as the Evaluation Grid (Section 1) indicated therein.

107. Could salaries of staff assigned by applicant's partner be considered as co-financing in the budget in percentage as requested in the Guidelines?

Yes, that is possible. Please see the Section 2.1.4, subsection "Eligible direct costs", of the Guidelines for Applicants.

In addition, the subsection "Contributions in kind" of the same section 2.1.4 indicates that *"The cost of staff assigned to the Action is not a contribution in kind and may be considered as co-financing in the Budget of the Action when paid by the Beneficiaries or their partners."*

108. Is it possible that co-financing include portion of salaries of staff, assigned by applicant's partner, combined with portion of partner's cash?

Yes, that is possible.

Please see also the answers 19 and 107 above.

109. I would be very grateful if you could give me an advice about calculation of travel costs for CBC projects.

Please see the Section 2.1.4, subsection "Eligible direct costs", of the Guidelines for Applicants.

Please see also the budget template (annex B to the Guidelines for Applicants), in particular budget headings 1.3 and 2.

110. Is it possible to finance implementation of the priority action (project) selected from the Document (Municipal Environmental Action Plan) produced within this project?

Please refer to the Section 2.1.3 "Eligible actions: actions for which an application may be made" of the Guidelines for Applicants.

Please note that, according to Section 2.2.4 of the Guidelines for Applicant, *"In the interest of equal treatment of applicants, neither the Contracting Authorities, nor the National or joint bodies in charge with the coordination of this Call for Proposal, will give a prior opinion on the eligibility of an applicant, a partner, an action or specific activities within an Action."*

111. Can a Development Fund of Divcibare be an applicant? The Fund was established this year as a nonprofit and not governmental organization but this is stated only in its founding documents while in the Certificate of Registration made by the Ministry of Culture this is not explicitly stated? (In

general legislation classifies funds under No. 65232 – financial affairs not classified)

Please refer to the Section 2.1.1 “Eligibility of applicants: who may apply?” of the Guidelines for Applicants.

According to the Section 2.4 of the Guidelines for Applicants, supporting documents (including statutes or articles of association of the applicants and each partner) will be requested for the provisionally selected applications. The applicants will receive requests for clarification if necessary.

Please note that, according to Section 2.2.4 of the Guidelines for Applicant, *“In the interest of equal treatment of applicants, neither the Contracting Authorities, nor the National or joint bodies in charge with the coordination of this Call for Proposal, will give a prior opinion on the eligibility of an applicant, a partner, an action or specific activities within an Action.”*

112. On the page 14 of 39 in the Grant application form the «legal entity file number» is required. Which number of which contract do we put here?

If the applicant has already signed a contract with the European Commission, it was assigned a unique Legal Entity number (usually 10-digit number in the format 6000XXXXXX), to be indicated in the section concerned.

113. On the page 16-20 of 39 in the Grant application form we must tick the box for each sector our organization has been active in the past 7 years. Is it enough if we tick just the main sector (for example “11-education”) and give the description of all the actions regarding education in forthcoming tables or do we need to tick more specific 'sub-sectors' (for example “11130-Teacher training”)?

Applicants and their partners should provide detailed and accurate details about their organizations since management capacity, professional competencies and qualifications required to successfully complete the proposed action will also be subject to evaluation, in accordance with the Section 2.3(3) “STEP 3: EVALUATION OF THE APPLICATION”.

114. On the page 25 of 39 in the Grant application form which «financing source» do we tick if an applicant is municipality? Do we tick «third countries public bodies», since the majority of financing sources of municipality is coming from national budget/ministries? Or do we put financing sources of municipality in the box «other» and specify it?

In that case you should tick “Third Countries Public Bodies”.

115. On the page 26 of 39 in the Grant application form the information about «unpaid» staff is required. What do you mean with «unpaid» staff? Is this the staff that is working in our organization but is paid by another one?

Unpaid staff would be staff working on voluntary basis, without being paid for it.

116. On the page 29 of 39 in the Grant application form the information for «other

relevant resources» must be provided. Which information exactly is required here?

Any relevant resources you consider important mentioning, e.g. volunteers working for your organization.
