



Republic of Serbia

MINISTRY OF FINANCE

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

Belgrade, October 9th, 2017

CONTRACTING AUTHORITY'S CLARIFICATIONS no. 1

“Support to local self-government units“

EuropeAid/139223/ID/ACT/RS

No.	Question	Answer
1.	Which procurement procedure should be applied for carrying out purchases in the course of implementation of projects within this grant scheme: the PRAG procedure or the national Law on Public Procurement?	<p>Lead applicant/co-applicant(s)/affiliated entities must follow tender procedures defined in <i>Annex IV of the Grant Contract – Procurement by grant Beneficiaries in the context of European Union external actions</i>. This Annex is likewise published as "Annex GIV - award procedures" together with Guidelines for applicants for the present Call in the folder "Documents for information".</p> <p>For grant applicants which are awarded grants in the scope of this Call upon the completion of selection process, project implementation workshops will be organized where the procedures for awarding contracts within EU funded projects will be presented in detail.</p>
2.	Should evaluation and assessment grids and checklists be printed out and submitted together with the concept note/full application form?	<p>Please make the differentiation between the several evaluation/assessment tables and checklists contained in the documentation published for this Call:</p> <p><u>Evaluation grids</u> for the concept note and for the full application form are contained only in the Guidelines for applicants (<i>section 2.3. Evaluation and selection of applications</i> - evaluation grid for the concept note on pg. 19. of the GfA and evaluation grid for the full application on pages 22-23. of the GfA). These evaluation grids are presented for the purpose of clarifying evaluation criteria and the related scores. <u>Thus, these evaluation grids should not be printed/attached when submitting concept note/full application form.</u></p> <p>When it comes to <u>checklists</u>, these are contained only in Annex A – Application form (checklist for the concept note – point 2. of the Part A, pages 6-7. and the checklist for the full application – point 9. of the Part B, page 43.). These are intended to make sure that</p>

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		<p>the applicant has correctly filled in concept note and the full application respectively and <u>they should be filled in by the applicant, printed out and submitted together with the concept note/full application.</u> Everything concerning the submission of the full application, of course, pertains only to those applicants that are invited to prepare and submit full application form. In the first step, i.e. for the submission of the concept note by the deadline of October 20th, 2017 in the scope of this Call – all applicants should fill in, print out and enclose the checklist for the concept note.</p> <p>There are likewise tables entitled <u>assessment grids</u> – both for the concept note and for the full application, and they are contained only in the Annex A – Application form (assessment grid for the concept note – point 4. of the Part A, page 9. and the assessment grid for the full application – point 9. of the Part B, pages 39-40.). These are intended <u>for the use of the Contracting Authority only, and should not be filled in by the applicant.</u> Applicant can print out these assessment grids and enclose them when submitting the concept note/full application respectively, but should not insert any content therein.</p>
3.	<p>Should the costs pertaining to audit/verification of project costs be included in the project budget?</p>	<p>Yes, the costs pertaining to verification of project costs (audit) should be included in the project budget.</p> <p>In accordance with the Article 15.7. of the document <i>General Conditions applicable to European Union-financed grant contracts for external actions</i> – published as Annex GII in the documentation of this Call, the project Coordinator must provide an expenditure verification report for projects where amount of the grant is more than EUR 100 000. The expenditure verification report shall conform to the model in Annex VII of the Grant Contract and shall be produced by an auditor approved or chosen by the Contracting Authority. Likewise, the auditor shall meet the requirements set out in the Terms of Reference for expenditure verification in Annex VII of the Grant Contract (this document, which will constitute Annex VII of grant contracts is likewise contained in the folder <i>Documents for information</i> published under this Call and entitled: <i>e3h8_expendverif_en</i>).</p>
4.	<p>Is the existence of the viable local strategy/plan obligatory pre-condition for the eligibility of the action and is the link of the project with the local strategy obligatory?</p>	<p>In the documentation for the present Call there are no such explicit formulations on strategic pre-condition as suggested in the question.</p> <p>For the eligibility of actions and activities under this Call, please refer to section 2.1.4. Eligible actions (pages from 9 to 11) of the Guidelines for Applicants. Likewise, when filing in the concept note in the format as presented in Annex A – Grant Application Form,</p>

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		<p>please follow closely the instructions provided in particular for section 1.3 – Relevance of the action. It is implied therein that the project needs to be put in a relation/context with some relevant planning framework. Under sub-section 1.3.2. it is required that among else the following should be filled –in:</p> <p>“ ...</p> <p><i>iii. Refer to any significant plans undertaken at national, regional and/or local level relevant to the action and describe how the action will relate to such plans.”</i></p> <p>Please also note the following:</p> <p><i>“To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, or affiliated entity(ies), an action or specific activities”</i> (section 2.2.4. Guidelines for Applicants).</p>
5.	Does a Regional Development Agency need to be accredited in order to participate in the project?	<p>For the eligibility of participants in the project please see section 2.1.1. Eligibility of applicants (lead applicants and co-applicants, pages 6-7) and section 2.1.2. (for the eligibility of the affiliated entities, pages 7-9) of the Guidelines for applicants.</p> <p>Section 2.1.1. provides the following formulation concerning the RDAs as category of co-applicants:” <i>Regional development agencies established in the Republic of Serbia”</i> without additional restrictions.</p> <p><i>“In order to ensure equal treatment of project applicants, Contracting body cannot make preliminary opinion on qualification of leading applicants, co-applicants or connected organisations, action or specific activities</i> (section 2.2.4. Guidelines for Applicants).</p>
6.	Is the PADOR number requested for the applicants?	<p>Information in PADOR will not be drawn upon in the present call.</p> <p>Please refer to Guidelines for Applicants, section 2.2. <i>How to apply and which procedures to follow.</i></p>
7.	Is the software purchase included in 20% for the equipment (restrictions for small investments) and is the type of procurement procedure for the software of influence in this respect?	<p>For information on cost eligibility, please refer to section 2.1.5. <i>Eligibility of costs: costs that can be included</i> in Guidelines for Applicants.</p> <p>Eligible costs include list of costs defined in article 14. of General Conditions (Annex GII published with the documentation for the present Call).</p> <p>Please be informed that the Guidelines for Applicants for the present Call (section 2.1.4. – <i>Eligible actions</i>) state the following among the types of ineligible</p>

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No.	Question	Answer
		<p>actions:</p> <p>“... <ul style="list-style-type: none"> • <i>actions where investment in purchase of equipment and furniture, and small-scale renovations or adaptations is over 20% of the overall project budget...</i>” <p>With this stipulation in the GfA, the restriction referred to in the present question has been established.</p> <p>Depending on the content of the project, procurement of the software might be planned either in terms of its design (in which case service contract would apply) or its purchase (in which case supply contract would apply and the procured software would constitute an item to be calculated within the 20% limitation for the investment in purchase of equipment).</p> </p>
8.	<p>Is the deadline for registration of public property set by December 31st, 2017 and if this deadline is not legally extended, how does it affect obligatory activities under this Call?</p>	<p>Pursuant to the Law on Public Property, LSGs have the deadline to submit the request to Republic Geodetic Authority - Real Estate Cadastre (RGA-REC) for registration/inscription of ownership rights at latest by December 31st, 2017 (‘naknadni zahtev’ pursuant to Article 82a of the Law). Provided that legislative stipulations remain unchanged, for all the real estate for which the LSGs do not manage to submit requests to the cadastre by December 31st, 2017, LSGs will remain registered and will still have the capacity of users (right to use) for such public property until the further deadline of October 6th, 2021. After this date, if the LSGs do not submit requests to RGA REC, ownership rights will be registered <i>ex officio</i> in favour of the Republic of Serbia and the usage rights of LSGs shall be permanently deleted (pursuant to Article 77. of the Law on Public Property). It can be observed that the LSGs have the deadline until the end of 3rd quarter 2021 to complete the process before the cadastre.</p> <p>The obligatory activities as formulated under this Call, are not strictly related to the deadlines defined by the Law and pertain rather to continuous activities that need to be implemented by LSGs, before and after the expiry of any legal deadlines.</p>
9.	<p>What is considered by the first obligatory activity and how do we prove it?</p>	<p>For the eligibility of actions and activities under this Call, please refer to section 2.1.4. Eligible actions (pages from 9 to 11) of the Guidelines for Applicants. This section underlines that only actions that include all mandatory activities, will be considered eligible, whereby the first among the listed mandatory activities stipulates as follows: “1. <i>Establishment/improvement of municipal organizational structure for property management</i>”</p>

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		<p>When designing the project, please also make sure to “<i>briefly outline the type of activities proposed and specify related expected outputs, outcome(s) and impact including a description of linkages/relationships between activity clusters</i>” – as required in section 1.2. point iv. of the Part A of the Application form. Therefore, when preparing <i>Description of the action</i>, it is expected that for the above stated mandatory activity, as well as for all the other activities, a link is established between such activities and outputs, outcomes and impact whose achievement directly depends on the undertaking of project activities.</p> <p>Please also note the following:</p> <p><i>“To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, or affiliated entity(ies), an action or specific activities”</i> (section 2.2.4. Guidelines for Applicants).</p>
10.	Do all partner LSGs have to implement all the activities of the project?	<p>For the eligibility of actions and activities under this Call, please refer to section 2.1.4. Eligible actions (pages from 9 to 11) of the Guidelines for Applicants.</p> <p>This section defines following formulations related to implementation of obligatory project activities:</p> <p><i>“Following types of actions are not acceptable for financing:</i></p> <ul style="list-style-type: none"> • <i>Actions where mandatory activities are not implemented by both the Lead applicant and the obligatory co-applicant</i> <p>and</p> <p><i>“Only actions that include all mandatory activities, presented below, will be considered eligible. Also, the description of the action should clearly present that mandatory activities shall be implemented by both the Lead applicant and obligatory co-applicant respectively.”</i></p> <p>Consequently, other partners – other eligible entities (e.g. acting as co-applicants or affiliated entities) may be (but are not obliged to be) engaged in implementation of mandatory activities, if the principal condition requiring mandatory engagement of lead applicant and obligatory co-applicant in implementation of mandatory activities is fulfilled.</p> <p><i>“To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, or affiliated entity(ies), an action or specific activities”</i> (section 2.2.4. Guidelines for Applicants).</p>

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No.	Question	Answer
11.	How to include a city municipality into project proposal when the founder city can participate only in one project?	<p>For the eligibility of participants in the project please see section 2.1.1. Eligibility of applicants (lead applicants and co-applicants, pages 6-7) and section 2.1.2. (for the eligibility of the affiliated entities, pages 7-9) of the Guidelines for applicants.</p> <p>Inclusion of one or more city municipalities in a project is strictly conditioned by participation of its (their) founder city in such project as presented in the above quoted sections. The manner in which the project shall be designed to fulfill such requirement relies upon the agreement among the founder city and the city municipality(ies).</p> <p>Please also refer to the text in the Guidelines for Applicants concerning <i>Number of applications and grants per applicants / affiliated entities</i> (page 11, section 2.1.4 <i>Eligible actions</i>), where, in the case of city municipalities, the following restrictions apply:</p> <p>“... - A co-applicant/affiliated entity may not be the co-applicant or affiliated entity in more than one application under this call for proposals. - A co-applicant/affiliated entity may not be awarded more than one grant under this call for proposals.”</p> <p>Thus, the founder city can participate only in one project but there is no restriction in number of city municipalities that can act as his partners in the project (as co-applicants, affiliated entities or associates providing they meet the set eligibility criteria).</p> <p>Please also note the following: <i>“To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, or affiliated entity(ies), an action or specific activities”</i> (section 2.2.4. Guidelines for Applicants).</p>
12.	Is it specified which type of property valuation is set as obligatory – bookkeeping value or market value?	<p>For the eligibility of actions and activities under this Call, please refer to section 2.1.4. Eligible actions (pages from 9 to 11) of the Guidelines for Applicants.</p> <p>This section envisages the following formulation for the obligatory activity on property valuation:” <i>Determining the value of property defined as priority for valuation</i>” without further restrictions or precisions.</p> <p><i>“To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, or affiliated entity(ies), an action or specific activities”</i> (section 2.2.4. Guidelines for Applicants).</p>
13.	What are the up to date information from the Republic Property Directorate	For fulfilling the obligations concerning the data entry into <i>Unique Registry of real estate in public ownership</i>

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	concerning the data entry into Unique Registry of real estate in public ownership ('jedinstvena evidencija nepokretnosti u javnoj svojini')	<p>which is maintained by the Republic Property Directorate (RPD), please follow the viable legal texts, notably the Law on Public Property and the Decree on Records of Real Estate in Public Ownership (adopted in July 2014, as amended in 2016 and afterwards in February 2017). Pursuant to the text of the Decree, it is prescribed that the Unique Registry shall only exist in electronic form and for that purpose all users are instructed to upload the documents (NEP-JS forms) to RPD exclusively through the established web application, while their respective separate local registries need to be automatized accordingly.</p> <p>Please also regularly check the website of the RPD for the instructions on usage of the applicative software for the Unique Registry of real estate in public ownership.</p>
14.	Is the usage of simplified cost options recommended?	<p>Usage of simplified cost options is applicable under the present Call and is explained in the section 2.1.5. <i>Eligibility of costs: costs that can be included in Guidelines for Applicants.</i> It is also referred to in article 14. of General Conditions (Annex GII published with the documentation for the present Call) as well as in <i>Annex K - Guidelines and Checklist for assessing action budgets and simplified cost options for Union financed grant contracts.</i></p>
15.	Having in mind that national legislation allows additional engagement of employees in public administration to the extent of 30% of the additional working time and consequently the 30% of additional remuneration, would this additional payment be eligible as the expenditure for financing from the grant?	<p>For the eligibility of the costs, please see section 2.1.5. Eligibility of costs: costs that can be included (pages from 12 to 14) of the Guidelines for Applicants and related to that, the Article 14 – Eligible costs of the Annex GII – General Conditions to this Guidelines for Applicants. These stipulate under which terms the direct costs pertaining, <i>inter alia</i>, to the staff assigned to the action and/or to service contracts, etc. are eligible.</p> <p>In particular, the Art 14.1 of the General Conditions states:</p> <p>a) <i>"the cost of staff assigned to the Action, corresponding to actual gross salaries including social security charges and other remuneration-related costs; salaries and costs shall not exceed those normally borne by the Beneficiary(ies), unless it is justified by showing that it is essential to carry out the Action"</i></p> <p>When it comes to the eligibility of the salary costs as presented in the Guidelines for Applicants, the following is stated: <i>"Salary costs of the personnel of national administrations 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 were not undertaken."</i></p>

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No.	Question	Answer
16	<p>If local self-government is Lead applicant, can the public utility company act as a co-applicant or only other municipality can act as a co-applicant?</p>	<p>For the eligibility of applicants and co-applicants, please see section 2.1.1. Eligibility of applicants, of the Guidelines for applicants (p.6 & 7).</p> <p>This section states the following formulations for co-applicants:</p> <p><i>“Co-applicant(s)</i></p> <p><i>The applicant must act at least with one co-applicant. The obligatory co-applicant must be local authority (municipality or city/town) from the same or from neighboring district of the applicant within the territory of the Republic of Serbia.</i></p> <p>...</p> <p><i>Co-applicants must satisfy the eligibility criteria as applicable to the lead applicant himself. In addition to the above mentioned obligatory co-applicants, the following institutions and organizations are also eligible as co-applicants:</i></p> <ul style="list-style-type: none"> •, • <i>Institutions and organizations established by the Republic of Serbia and /or local authority (public utility companies, directorates, educational and training institutions, research institutions, higher education institutions, etc.).</i> <p>Please also note the following:</p> <p><i>“To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, or affiliated entity(ies), an action or specific activities” (section 2.2.4. Guidelines for Applicants).</i></p>
17.	<p>Is it acceptable that only the lead applicant and one co-applicant carry out all the mandatory project activities, and that the second co-applicant undertakes only some of the mandatory activities?</p>	<p>For the eligibility of lead applicants, co-applicants and actions, please see section 2.1.1. Eligibility of applicants (p.6&7) and section 2.1.4. Eligible actions (pages from 9 to 11) of the Guidelines for Applicants.</p> <p>These sections state the following formulations for co-applicants:</p> <p><i>“The applicant must act at least with one co-applicant. The obligatory co-applicant must be local authority (municipality or city/town) from the same or from neighbouring district of the applicant within the territory of the Republic of Serbia.”</i></p> <p><i>“Only actions that include all mandatory activities, presented below, will be considered eligible. Also, the description of the action should clearly present that mandatory activities shall be implemented by both the</i></p>

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		<p><i>Lead applicant and obligatory co-applicant respectively.</i> “</p> <p>Likewise, the following is stated as the ineligible type of action: “ ...</p> <ul style="list-style-type: none"> • <i>actions were mandatory activities are not implemented by both the Lead applicant and the obligatory co-applicant.</i>” <p>Consequently, other eligible entities (e.g. acting as co-applicants or affiliated entities) may be engaged in implementation of mandatory activities, if the principal condition requiring mandatory engagement of lead applicant and obligatory co-applicant in implementation of mandatory activities is fulfilled.</p> <p>Please also note the following: <i>“To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, or affiliated entity(ies), an action or specific activities”</i> (section 2.2.4. Guidelines for Applicants).</p>
18.	<p>If a municipality applying as the Lead applicant acts with one obligatory co-applicant which is a municipality from the same or from a neighboring district of the Lead applicant, can there be other co-applicants (one or more) which would be municipality(ies) from more distant geographical location(s), i.e. not from the same or from the neighboring district of the Lead applicant?</p> <p>To be clear: If the Lead applicant and one co-applicant are the municipalities from the same or neighboring district, is it possible to have one more co-applicant that is not located in the same or neighboring district?</p>	<p>If the requirement that the Lead applicant and obligatory co-applicant are local authorities from the same or from neighboring districts is satisfied, other co-applicants (one or more) do not have to be from the same or from neighboring districts.</p> <p>For the eligibility of lead applicants and co-applicants, please see section 2.1.1. Eligibility of applicants of the Guidelines for applicants (p.6 & 7).</p> <p>This section states for co-applicants following formulation: <i>“The applicant must act at least with one co-applicant. The obligatory co-applicant must be local authority (municipality or city/town) from the same or from neighbouring district of the applicant within the territory of the Republic of Serbia.”</i></p> <p>Hence, existing instructions do not prohibit inclusion of eligible co-applicants other than obligatory co-applicant.</p> <p>Please also note the following: <i>“To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, or affiliated entity(ies), an action or specific activities”</i> (section 2.2.4. Guidelines for Applicants).</p>

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No.	Question	Answer
19.	<p>a) Could a project be designed in a manner to include the establishment of the Department for Property Valuation within the city/municipal Tax Administration and thus refer to the mandatory activity no. 1: "Establishment/improvement of municipal organizational structure for property management"?</p> <p>b) In case the Department for Property Valuation is formed, could the city/municipality engage persons via service contract, temporary employment contract or already employed persons so that within the scope of the project such persons would undergo the training in the area of property valuation, receive the certificates and conduct the value assessment/determination of property defined as priority for valuation?</p> <p>c) Can a company for conducting the property valuation be engaged within the scope of the project/action?</p>	<p>a) For the eligibility of actions please see section 2.1.4. Eligible actions (pages from 9 to 11) of the Guidelines for Applicants.</p> <p>The mandatory activity concerning "<i>Establishment/improvement of municipal organizational structure for property management</i>" has been correctly pointed out, however Contracting Authority cannot give a prior opinion on the eligibility of the specific activity you have stated (i.e. establishment of the Department for Property Valuation within the city/municipal Tax Administration) pursuant to section 2.2.4. of the Guidelines for Applicants.</p> <p>b) For the eligibility of the costs, please see section 2.1.5. Eligibility of costs: costs that can be included (pages from 12 to 14) of the Guidelines for Applicants and related to that, the Article 14 – Eligible costs of the Annex G II – General Conditions - to this Guidelines for Applicants. These stipulate under which terms the direct costs pertaining, <i>inter alia</i>, to the staff assigned to the action and/or to service contracts, etc. are eligible (please refer to Article 14.2, paragraph 1, point a) of the General Conditions).</p> <p>When it comes to the eligibility of the salary costs, the following is stated: "<i>Salary costs of the personnel of national administrations 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 were not undertaken.</i>"</p> <p>Contracting Authority cannot give a prior opinion on the eligibility of the specific activity you have stated (i.e. engaging persons to undergo the training in the area of property valuation, receive the certificates and conduct the value assessment/determination of property defined as priority for valuation) pursuant to section 2.2.4. of the Guidelines for Applicants.</p> <p>c) For the eligibility of the costs, please see section 2.1.5. Eligibility of costs: costs that can be included (pages from 12 to 14) of the Guidelines for Applicants and related to that, the Article 14 – Eligible costs of the Annex GII to this Guidelines for Applicants. These stipulate under which terms the direct costs pertaining, <i>inter alia</i>, to service contracts, etc. are eligible (please refer to Article 14.2, paragraph 1, point f) of the General Conditions).</p> <p><i>"To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, or affiliated entity(ies), an action or specific activities"</i> (section 2.2.4. Guidelines for Applicants).</p>

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No.	Question	Answer
20.	<p>Is there any limitation in creation of project activities if some of project partners (applicants/partners) had previously within the EU Exchange 4 Programme planned implementation of activities related to establishment of municipal organizational structure for property management, but have not completely realized such activities due to the veto on new employment in the public sector? Is there any formal limitation for partners in Exchange 5 Programme to somehow repeat the activity from the previous EU Exchange 4 Programme?</p>	<p>In the documentation for the present Call for Proposals there are no such formulations on limitations as suggested in the question.</p> <p>For the eligibility of lead applicants, co-applicants, actions and activities please see section 2.1.4. Eligible actions (pages from 9 to 11) of the Guidelines for Applicants.</p> <p>Likewise, when filing in the concept note in the format as presented in Annex A – Grant Application Form, please follow closely the instructions provided in particular for section 1.3 – Relevance of the action. Under sub-section 1.3.2. it is required that among else the following should be filled –in:</p> <p>“... iv. <i>Where the action is the continuation of a previous action, clearly indicate how it is intended to build on the activities/results of this previous action; refer to the main conclusions and recommendations of any evaluations carried out. ...</i>”</p> <p><i>“To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, or affiliated entity(ies), an action or specific activities”</i> (section 2.2.4. Guidelines for Applicants).</p>