



Montenegro

Ministry of Finance

Directorate for Finance, Contracting and Implementation of the EU Assistance Funds

Address: Stanka Dragojevića 2

81000 Podgorica, Montenegro

tel: +382 20 242 835

1st Set of the Contracting Authority's Clarifications

1th Call for Proposals for the Cross-Border Cooperation Programme Montenegro-Kosovo for years 2022 and 2024, Reference: EuropeAid/182608/ID/ACT/Multi

The answers on questions raised by the potential grant applicants during the Information Sessions held in: Peja and Gjakova (2nd and 4th October 2024) and Tuzi and Berane (23rd September 2024 and 1st October 2024)

Also, the table contains the answers to questions received to the e-mail address cfpmne.kos@mif.gov.me until 4th October, 15:00h.

Q1	How much in percentage the applicants are obliged to provide for co-financing?
A1	<p>As regards the co-financing, according to the article 1.3. of the Guidelines for grant applicants, any grant requested under this call for proposals must fall between the following minimum and maximum percentages of total eligible costs of the action:</p> <ul style="list-style-type: none">• <i>Minimum percentage: 50% of the total eligible costs of the action.</i>• <i>Maximum percentage: 85% of the total eligible costs of the action (see also Section 2.1.5.).</i> <p><i>The balance (i.e. the difference between the total cost of the action and the amount requested from the contracting authority) must be financed from sources other than the general budget of the Union.</i></p> <p>Therefore, the applicants are obliged to provide co-financing of minimum 15% and maximum of 50% of the total eligible costs of the action.</p>
Q2	Are works considered eligible under the Call for Proposals in question?
A2	<p>According to the article 2.2.4. of the Guidelines for grant applicants “<i>To ensure equal treatment of applicants, the contracting authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, affiliated entity(ies), an action or specific activities.</i>”</p> <p>However, guidelines for applicants do not establish any restriction to the implementation of works under a grant contract, please bear in mind that according to the section 2.4 Submission of supporting documents the applicants are obliged to submit the following:</p> <p><i>“3. Please bear in mind when an operation contains the execution of works, the following supporting documents, submitted along with the full application form, will be necessary:</i></p>

	<p>a. <i>Proof of ownership or long-term lease (at least for 10 years after the signature of the contract) of the land/assets where the works are to be executed;</i></p> <p>b. <i>A positive decision on environmental impact assessment or otherwise a statement from the relevant public authority(ies) that the latter assessment(s) are/is not needed for the specific project activities;</i></p> <p>4. <i>Furthermore, when an operation contains the execution of works, the following supporting documents shall be submitted before the contract signature:</i></p> <p>a. <i>All necessary legal authorisations (e.g.: location and construction permits).</i></p> <p>b. <i>Approved/certified detailed work design or otherwise a statement by the relevant national institution(s) confirming that the national legislation(s) do/does not require the design's approval for this type of works;</i></p> <p>c. <i>An indicative priced bill of quantities drawn not earlier than 2 years prior to the deadline for submission of full applications – calculated in euro.”</i></p> <p>Also, please note that according to section 2.1.4 Eligible actions: actions for which an application may be made, actions that are considered ineligible are <i>“actions containing preparatory studies or the preparation of preliminary design for <u>works to be carried out as part of the operation</u>”</i></p>
Q3	Is there a rule about percentage of costs for each budget category?
A3	<p>The Guidelines for grant applicants do not establish any restriction regarding the distribution of percentage of costs for each budget heading.</p> <p>In addition, please see section 2.1.5. <i>Eligibility of costs: costs that can be included</i> for restrictions regarding the contingency reserve and indirect costs:</p> <p><u>Contingency reserve</u></p> <p><i>The budget may include a contingency reserve not exceeding 5% of the estimated direct eligible costs. It can only be used with the prior written authorisation of the contracting authority.</i></p> <p><u>Eligible indirect costs</u></p> <p><i>The indirect costs incurred in carrying out the action may be eligible for flat rate funding, but the total must not exceed 7% of the estimated total eligible direct costs. Indirect costs are eligible provided that they do not include costs assigned to another budget heading in the standard grant contract. The lead applicant may be asked to justify the percentage requested before the grant contract is signed. However, once the flat rate has been fixed in the special conditions of the grant contract, no supporting documents need to be provided.</i></p> <p><i>If any of the applicants or affiliated entity(ies) is in receipt of an operating grant financed by the EU, it may not claim indirect costs on its incurred costs within the proposed budget for the action.</i></p>

	Please note that it is in the applicants' interest to provide a realistic and cost-effective budget, namely as General Conditions of the grant contracts state <i>“the beneficiary(ies) shall implement the action with the requisite care, efficiency, transparency and diligence, in line with the principle of sound financial management and with the best practices in the field;”</i>
Q4	How to differentiate execution of works and implementation of services and supply contracts under procurements?
A4	Please make sure to tick the right answer under the grant applications form PART A, question: <i>Does the operation include the execution of works?</i> Namely, if the planned activities consider obtaining documentation as described under A2, the applicant should tick yes and plan activities and budget accordingly. On the other side, if the procurement procedures consider supply of the certain equipment or implementation of soft skill activities the applicant should tick no and execute applicable procedure.
Q5	Is there limitation of budget, i.e. percentage of the budget that can be dedicated to works?
A5	The Guidelines for grant applicants do not establish any restriction regarding the costs related to execution of works. Please see also A3.
Q6	Is there limitation of budget, i.e. percentage of the budget that can be dedicated to equipment?
A6	The Guidelines for grant applicants do not establish any restriction regarding the costs related to procurement of equipment. Please see also A3.
Q7	Is the VAT acceptable?
A7	According to the sub article 7.1.2 <i>“VAT/ taxes, duties and charges are not eligible activities as described in Annex I”</i> of the special conditions (application package-documents for information).
Q8	Are investments in private properties used during the project considered eligible?
A8	According to the article 2.2.4. of the Guidelines for grant applicants <i>“To ensure equal treatment of applicants, the contracting authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, affiliated entity(ies), an action or specific activities.”</i> Please see A2. However, since the natural person is not recognized as the eligible applicant under this Call, but he/she can be linked with the applicants' institutions (employment contracts, long-term lease etc.), the applicants have to ensure in written form that the action will benefit from the executed

	works establishing the provisions which ensure the ownership/long-term lease of the project results and its sustainability. Please note that according to section 2.1.4. Eligible actions: actions for which an application may be made of the Guidelines for applicants the actions that are considered ineligible are “ <i>actions concerned only or mainly with commercial and profit-making activities</i> ”, for both legal or natural persons. The entities cannot generate the profit from the action. By its nature grant contracts are non-profitable.
Q9	What is meant under eligible activities related to works, reconstruction or new utilities?
A9	According to the article 2.2.4. of the Guidelines for grant applicants “ <i>To ensure equal treatment of applicants, the contracting authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, affiliated entity(ies), an action or specific activities.</i> ” However, guidelines for grant applicants do not establish any restriction regarding the costs related to the type of actions and activities as long as those are in accordance with the set overall objective of the Call for Proposals and set thematic priorities i.e. specific objectives and results of the Call for Proposals.
Q10	Is IPA considered as state aid that is being secured for the institution?
A10	No, guidelines for grant applicants do not recognize the funds allocated under this call and consequently awarded grants as a state aid.
Q11	How many projects will be contracted?
A11	No exact number of projects can be determined at this stage. Please refer to Section 1.3. Financial allocation provided by the Contracting Authority of the Guidelines or applicants: “ <i>The applications will compete for the financial resources available within each thematic priority/specific objective or lot separately. Please note that the terms ‘thematic priority/specific objective’ and ‘lot’ are interchangeable.</i> ” Furthermore, please refer to Section 2.3. Evaluation and selection of applications (STEP 2: opening & administrative checks and evaluation of the full application) of the Guidelines or applicants: “ <i>After the evaluation, a table will be drawn up listing the applications ranked according to their score. The highest scoring applications will be provisionally selected until the available budget for this call for proposals is reached. In addition, a reserve list will be drawn up following the same criteria. This list will be used if more funds become available during the validity period of the reserve list.</i> ”
Q12	Should the applicant provide proof for the funds for co-financing?
A12	No proof should be submitted by the potential applicants in terms of the allocation funds for the co-financing. However, please refer to Section 2.3. Evaluation and selection of applications (STEP 2: opening & administrative checks and evaluation of the full application) of the Guidelines or applicants: <i>The selection criteria help to evaluate the applicant(s)'s and affiliated entity(ies)'s operational</i>

	<p><i>capacity and the lead applicant's financial capacity and are used to verify that they:</i></p> <ul style="list-style-type: none"> - <i>have stable and sufficient sources of finance to maintain their activity throughout the proposed action and, where appropriate, to participate in its funding (this only applies to lead applicants);</i> <p>The above stated is evaluated through the supporting documentation submitted as per the Section 2.2.5 Full Application of the Guidelines for applicants <i>“For action grants not exceeding EUR 750 000 and for operating grants below EUR 100 000, a copy of the lead applicant’s profit and loss account and the balance sheet for up to the last three financial years for which the accounts were closed. A copy of the latest account is neither required from the co-applicant(s) (if any) nor from affiliated entity(ies)(if any).”</i></p>
Q13	Is engagement of new staff within the institutions possible?
A13	<p>In accordance with the General Conditions for grant contracts, the applicants are required to demonstrate sufficient institutional capacity for the effective implementation of the project. This includes ensuring that the organization has the necessary staff to manage and carry out the activities outlined in the project proposal.</p> <p>While it is permissible to engage new staff within the institutions in cases where the organization lacks specific expertise or capacity, the preferred approach is to rely on in-house personnel. The engagement of new staff within the institution should be structured in a way that integrates them into the organizational framework to support long-term capacity building.</p> <p>The project budget and staffing must reflect the organization’s capability to carry out the project efficiently and effectively, which includes having qualified employees or staff within the institution whenever possible.</p>
Q14	How salaries for project staff are determined?
A14	<p>Please refer to Section 2.1.5 of Guidelines for grant applicants - Eligibility of costs: costs that can be included Eligible direct costs: <i>“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).</i></p> <p><i>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.</i></p> <p><i>These personnel shall not receive for the engagement in the project activities any other remuneration than their standard, regular salaries in their respective institutions.</i></p> <p><i>The total sum of the salaries of these personnel shall not exceed the amount of co-financing provided by the applicant, co-applicant(s) and affiliated entity(-ies).</i></p>

	<p><i>Prior to the signature of a grant contract, the contracting authority may require from the relevant beneficiaries the appointment of these staffers by their authorised representative in writing (indicating their names, project function and gross salaries).</i></p> <p><i>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 the project resulting from the grant award”.</i></p>
Q15	Please explain the dynamic of the payment of pre-financing?
A15	<p>According to the General Conditions applicable to grant contracts, pre-financing is possible and stipulated in the contract to provide the beneficiary with initial working capital to begin project activities.</p> <p>The contract itself serves as the legal document that triggers the payment procedure. Once the contract is signed by all parties, it initiates the process for pre-financing and subsequent payments as specified in the financial provisions of the contract.</p> <p>Therefore, the signed contract is the legal basis on which the Contracting authority processes and disburses pre-financing, following the terms agreed in the contract.</p> <p>Dynamic of payment is explained under Article 15 — Payment and interest on late payment, General conditions applicable to grant contracts (application package-documents for information).</p>
Q16	Procedures for exemption from VAT?
A16	<p>The VAT exemption is carried out in accordance with the dynamics of the implementation of contract activities. In this regard, the contractor/beneficiary may submit a VAT Exemption Request for each individual invoice.</p> <p>VAT exemption is carried out when the contractor/beneficiary submits a pro-forma invoice (or an invoice in situations where the value cannot be previously determined due to the nature of the service provided) along with the Request for VAT exemption.</p> <p>The pro-forma invoice must include the amount of costs for the performed service without VAT, the amount of VAT and the total amount.</p> <p>Based on the submitted VAT exemption Request, the Contracting Authority prepares a VAT exemption Certificate.</p> <p>Also, please see Annex J available under the application package – documents for information.</p>
Q17	Can the procedure for exemption from VAT be initiated with pro-invoice?
A17	The beneficiary can initiate the procedure for VAT exemption with pro-forma invoice.

	Also, please see A16.
Q18	Shall the budget be presented in net amount?
A18	All budget lines must be presented in net amounts, excluding VAT. The only exception is Budget heading 1 “Human resources” where salaries should be presented as gross amounts. Also, please see A7.
Q19	How are the indirect costs proved?
A19	<p>Please refer to Section 2.1.5 of Guidelines for applicants Eligibility of costs: Eligible indirect costs</p> <p><i>“The indirect costs incurred in carrying out the action may be eligible for flat rate funding, but the total must not exceed 7% of the estimated total eligible direct costs. Indirect costs are eligible provided that they do not include costs assigned to another budget heading in the standard grant contract. The lead applicant may be asked to justify the percentage requested before the grant contract is signed. However, once the flat rate has been fixed in the special conditions of the grant contract, no supporting documents need to be provided.</i></p> <p><i>If any of the applicants or affiliated entity(ies) is in receipt of an operating grant financed by the EU, it may not claim indirect costs on its incurred costs within the proposed budget for the action.”</i></p> <p>Indirect costs are general administrative expenses that cannot be directly attributed to a specific project activity but are essential for the overall implementation of the project. According to EU grant rules, indirect costs are calculated as a flat-rate percentage of the total eligible direct costs and no specific financial documentation is required to justify these costs to the Contracting Authority.</p> <p>However, indirect costs must be used exclusively for project-related purposes, covering costs that are not already budgeted under other budget headings. This means that indirect costs cannot overlap with any costs directly itemized in the project budget (e.g., salaries, travel, or equipment).</p> <p>Although the Contracting Authority does not typically verify these costs during regular financial checks, it reserves the right to request an audit or review of the indirect costs at any point during or after the project. Therefore, organizations must ensure that these funds are managed responsibly and only allocated to legitimate project-related expenses to comply with EU rules.</p>
Q20	Is the in-kind contribution allowed?
A20	Please refer to Section 2.1.5 of Guidelines for grant applicants - Eligibility of costs: costs that are considered ineligible <i>“in kind contributions (except for volunteers' work)”</i> .

Q21	Are there limitations in regards to salaries?
A21	Please see A3.
Q22	Is inclusion of small organizations with limited financial capacities eligible, in order to increase their capacities?
A22	<p>Please refer to Section 2.1.1. Eligibility of applicants (i.e., lead applicant and co-applicant(s)):</p> <p>“Lead applicant</p> <p>(1) <i>In order to be eligible for a grant, the lead applicant must:</i></p> <ul style="list-style-type: none"> • <i>be a legal person, and</i> • <i>be non-profit-making, and</i> • <i>be effectively established in¹ either Montenegro or Kosovo, and</i> • <i>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, and</i> • <i>be one of the following institutions or organisations:</i> <p><u>Priority 1: Employment, labour mobility and social and cultural inclusion across borders</u></p> <ul style="list-style-type: none"> • <i>National authorities/institutions overseeing employment policies and social welfare policies</i> • <i>Institutions and organisations responsible for providing social services</i> • <i>Local governments represented in the programme area</i> • <i>Local and regional development organisations/agencies</i> • <i>Civil society organisations (CSOs)</i> • <i>Youth organisations,</i> • <i>Educational and research institutions and organisations</i> • <i>Professional associations</i> • <i>Social partners</i> • <i>Business support organisations, self-employment promotion institutions</i> <p><u>Priority 2: Tourism and cultural and natural heritage</u></p> <ul style="list-style-type: none"> • <i>Local governments represented in the programme area</i> • <i>National authorities and institutions overseeing tourism, environmental, cultural policies</i> • <i>Development organisations/agencies</i> • <i>Business associations</i>

¹ 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. The effective establishment of applicants should be proved not only with the statutes but with the registration certificate. 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.

- *Tourism organisations*
- *Chambers of commerce and crafts*
- *Cooperatives/Associations of farmers*
- *Institutions in the fields of natural and cultural heritage, and environmental protection*
- *Educational, science and research institutions and organisations*
- *Civil society organisations (CSOs).*

(2) *Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the situations listed in Section 2.6.10.1 of the practical guide;*"

(...)

*"Co-applicants must satisfy the eligibility criteria as applicable to the lead applicant himself."*²

Furthermore, please refer to section 2.1.2 Affiliated entities of the Guidelines for applicants *"Affiliated entity(ies) must satisfy the same eligibility criteria as the lead applicant and the co-applicant(s). They must sign the affiliated entity(ies) statement in Part B Section 5.2 of the grant application form."*

Additionally, according to point Section 2.3. Evaluation and selection of applications (2) Step 2 – evaluation of the full application of the Guidelines for grant applicants:

...

*"The selection criteria help to evaluate the applicant(s)'s and affiliated entity(ies)'s operational capacity and **the lead applicant's financial capacity and are used to verify that they:***

- *have stable and sufficient sources of finance to maintain their activity throughout the proposed action and, where appropriate, to participate in its funding (this only applies to lead applicants);"*

Please note that, if the total score for Section 1 (financial and operational capacity) is less than 12 points, the application will be rejected. If the score for at least one of the subsections under Section 1 is 1, the application will also be rejected.

Furthermore, footnote for the Section 1.4 of the full application evaluation grid states following: *This section will be scored from 1 to 5 as follows: 1 = very poor, if the lead applicant had an average turnover or equivalent for last three years for which accounts have been closed below the 30 % of the requested grant amount under this call; 2 = poor, if the lead applicant had an average turnover or equivalent during latest year for which account has been closed above 30 % but below the 50 % of the requested grant amount under this call; 3 = adequate, if the lead applicant had an average turnover or equivalent during latest year for which account has been*

² In line with the cross-border nature of the programme, please note that the nationality of the lead applicant (either country X or Y) automatically determines the nationality of at least one co-applicant (country Y if the lead applicant is effectively established in country X or country X if the lead applicant is effectively established in country Y).

	<p><i>closed above 50 % but below the 70 % of the requested grant amount under this call; 4 = good, if the lead applicant had an average turnover or equivalent during latest year for which account has been closed above 70 % but below the 90 % of the requested grant amount under this call; 5 = very good, if the lead applicant had an average turnover or equivalent during latest year for which account has been closed amounting to at least 100 % of the requested grant amount under this call.</i></p> <p>To conclude, you should carefully consider roles under the partnership.</p>
Q23	<p>How are the payments of the tranches during the projects executed?</p>
A23	<p>Please refer to Article 15 of General Conditions – Payment and interest on late payment 15.1. <i>“The contracting authority must pay the grant to the coordinator following one of the payment procedures below, as set out in Article 4 of the special conditions.</i></p> <p><u><i>Option 1: Actions with an implementation period of 12 months or less or grant of EUR 100 000 or less</i></u></p> <p><i>(i) an initial pre-financing payment of 80% of the maximum amount referred to in Article 3.2 of the special conditions (excluding contingencies);</i></p> <p><i>(ii) the balance of the final amount of the grant.</i></p> <p><u><i>Option 2: Actions with an implementation period of more than 12 months and grant of more than EUR 100 000</i></u></p> <p><i>(i) an initial pre-financing payment of 100 % of the part of the estimated budget financed by the contracting authority for the first reporting period (excluding contingencies). The part of the budget financed by the contracting authority is calculated by applying the percentage set out in Article 3.2 of the special conditions;</i></p> <p><i>(ii) further pre-financing payments of 100 % of the part of the estimated budget financed by the contracting authority for the following reporting period (excluding not authorised contingencies):</i></p> <ul style="list-style-type: none"> <i>- the reporting period is intended as a twelve-month period unless otherwise provided for in the special conditions. When the remaining period to the end of the action is up to 18 months, the reporting period shall cover it entirely;</i> <i>- within 60 days following the end of the reporting period, the coordinator shall present an interim report or, if unable to do so, it shall inform the contracting authority of the reasons and provide a summary of progress of the action;</i> <i>- if at the end of the reporting period the part of the expenditure actually incurred which is financed by the contracting authority is less than 70 % of the previous payment (and 100 % of any previous payments), the further pre-financing payment shall be reduced by the amount corresponding to the difference between the 70 % of the previous pre financing payment and</i>

	<p><i>the part of the expenditure actually incurred which is financed by the contracting authority;</i></p> <p><i>-the coordinator may submit a request for further pre-financing payment before the end of the reporting period, when the part of the expenditure actually incurred which is financed by the contracting authority is more than 70 % of the previous payment (and 100 % of any previous payments). In this case, the following reporting period starts anew from the end date of the period covered by this payment request;</i></p> <p><i>-in addition, for grants of more than EUR 5 000 000, a further pre financing payment may be made only if the part financed by the contracting authority of the eligible costs approved is at least equal to the total amount of all the previous payments excluding the last one;</i></p> <p><i>-the total sum of pre-financing payments may not exceed 90 % of the amount referred to in Article 3.2 of the special conditions, excluding not authorised contingencies;</i></p> <p><i>(iii) the balance of the final amount of the grant.</i></p> <p><u>Option 3: All actions</u></p> <p><i>(i) the final amount of the grant.”</i></p> <p>Also, please see A15.</p>
Q24	Are the accountant services part of human resources or shall be presented in heading 5 of the budgets?
A24	<p>Accountant services can be budgeted under two different headings, depending on how the organization handles its accounting needs.</p> <p>External Accountant Services: If the organization hires external accounting services, these costs should be presented under Budget Heading 5 (Other Costs and Services). This budget line is reserved for costs related to external services, such as accounting companies or consultants engaged specifically for project accounting.</p> <p>Internal Accountant: If the organization employs its own accountant, the costs associated with this position should be included under Budget Heading 1 (Human Resources). In this case, the salary for the accountant should be budgeted according to the percentage of time that the internal accountant is allocated to the project.</p>
Q25	<p>“I am [REDACTED], [REDACTED] that in Kosova is based in two cities, Prizren and Gjakove. We just wanted to ask if you have a portal that we can find partner NGOs in Montenegro for the CROSS-BORDER Program.”</p>
A25	<p>The Ministry of Finance of Montenegro does not have a portal with partnership proposal nor can it propose any partnership to potential applicants. The process of finding and building a partnership is the sole responsibility of the potential applicants. However, please feel free to ask for help on this matter by contacting the Joint Technical Secretariat of the Programme (JTS). The</p>

	official website of the JTS is https://cbc-mne-kos.org/contact-us-3/ .
Q26	<p>I would kindly ask you to provide me with a notice on the difference between the two calls related to the Cross-Border Cooperation Programme Montenegro-Kosovo for 2021-2027 (Budget lines IPA 2022 and 2024) because the guidelines, budgets and other are identical for both calls, except for the application deadlines (for one is October 25 and for the other November 14) and the reference number (for one EuropeAid/182608/ID/ACT/Multi, and for others EuropeAid/182533/IH/ACT/Multi).</p> <p>Since the situation is a bit confusing, and we are almost done with the concept notes, it would be very helpful if you could provide precise information so that my team knows which of these two calls to apply. Links are the following:</p> <p>Call 1: https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/prospect-details/182608PROSPECTSEN?order=DESC&pageNumber=1&pageSize=50&sortBy=relevance&keywords=montenegro&isExactMatch=true&status=31094501,31094502</p> <p>Call 2: https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/prospect-details/182533PROSPECTSEN?order=DESC&pageNumber=1&pageSize=50&sortBy=relevance&keywords=montenegro&isExactMatch=true&status=31094501,31094502</p>
A26	<p>The originally published Call for proposals is published on all relevant sites on 10th September 2024, under the reference number: EuropeAid/182608/ID/ACT/Multi with the set deadline for submission of Concept Notes on 25th October 2024.</p> <p>Namely the link provided under “Call 1” reference EuropeAid/182608/ID/ACT/Multi is the only one correct.</p> <p>EU Funding & Tenders Portal (europa.eu)</p>
Q27	It is stated in the rules for this Call for proposals that for grants above 100.000EUR EVR is needed. Is it needed for EVR to be licenced?
A27	<p>Please refer to Article 15 of General Conditions Sub-article 15.7 - Expenditure verification report:</p> <p><i>“The coordinator must provide an expenditure verification report for:</i></p> <p><i>a) any request for further pre-financing payment in case of grants of more than EUR 5 000 000;</i></p> <p><i>b) any final report in the case of a grant of more than EUR100000.</i></p> <p><i>The expenditure verification report shall conform to the model in Annex VII and shall be produced by an auditor approved or chosen by the contracting authority. <u>The auditor shall meet the requirements set out in the terms of reference for expenditure verification in Annex VII.</u>”</i></p>

	<p>Mentioned Annex VII, available under application package-documents for information under point 4. states Requirements for the Expenditure Verifier: “By agreeing these ToR, the Expenditure Verifier confirms meeting at least one of the following conditions:</p> <ul style="list-style-type: none"> - <i>The Expenditure Verifier is a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC).</i> - <i>The Expenditure Verifier is a member of a national accounting or auditing body or institution. Although this organisation is not member of the IFAC, the Expenditure Verifier commits to undertake this expenditure verification in accordance with the IFAC standards and ethics set out in these ToR.</i> - <i>The Expenditure Verifier is registered as a statutory auditor in the public register of a public oversight body in an EU member state in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council (this applies to auditors and audit firms based in an EU member state) .</i> - <i>The Expenditure Verifier is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).”</i>
Q28	<p>Proof of ownership of the land is mentioned as document that needs to be submitted if we have any works envisaged in our action. Does it mean that organization needs a proof of ownership or individual from the organization?</p>
A28	<p>Please see A8.</p>
Q29	<p>Is Municipality eligible to be affiliated entity?</p>
A29	<p>According to the article 2.2.4. of the Guidelines for grant applicants <i>“To ensure equal treatment of applicants, the contracting authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, affiliated entity(ies), an action or specific activities.”</i></p> <p>However, please refer to section 2.1.2. Affiliated entities: <i>“The lead applicant and its co-applicant(s) may act with affiliated entity(ies). Only the following entities may</i></p> <p><i>be considered as affiliated entities to the lead applicant and/or to co-applicant(s):</i></p> <p><i>Only entities having a structural link with the applicants (i.e. the lead applicant or a co-applicant), in particular a legal or capital link.</i></p> <p><i>This structural link encompasses mainly two notions:</i></p> <p><i>(i) Control, as defined in Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings:</i></p>

Entities affiliated to an applicant may hence be:

- *Entities directly or indirectly controlled by the applicant (daughter companies or first-tier subsidiaries). They may also be entities controlled by an entity controlled by the applicant (granddaughter companies or second-tier subsidiaries) and the same applies to further tiers of control;*
- *Entities directly or indirectly controlling the applicant (parent companies). Likewise, they may be entities controlling an entity controlling the applicant;*
- *Entities under the same direct or indirect control as the applicant (sister companies).*

(ii) Membership, i.e., the applicant is legally defined as a e.g.: network, federation, association in which the proposed affiliated entities also participate, or the applicant participates in the same entity (e.g. network, federation, association...) as the proposed affiliated entities.

The structural link shall, as a general rule, be neither limited to the action nor established for the sole purpose of its implementation. This means that the link would exist independently of the award of the grant; it should exist before the call for proposals and remain valid after the end of the action.

By way of exception, an entity may be considered as affiliated to an applicant even if it has a structural link specifically established for the sole purpose of the implementation of the action in the case of so-called 'sole applicants' or 'sole beneficiaries'. A sole applicant or a sole beneficiary is a legal entity formed by several entities (a group of entities) which together comply with the criteria for being awarded the grant. For example, an association is formed by its members.

What is not an affiliated entity?

The following are not considered entities affiliated to an applicant:

- *Entities that have entered into a (procurement) contract or subcontract with an applicant, act as concessionaires or delegates for public services for an applicant,*
- *Entities that receive financial support from the applicant,*
- *Entities that cooperate on a regular basis with an applicant on the basis of a memorandum of understanding or share some assets,*
- *Entities that have signed a consortium agreement under the grant contract (unless this consortium agreement leads to the creation of a 'sole applicant' as described above).*

How to verify the existence of the required link with an applicant?

The affiliation resulting from control may in particular be proved on the basis of the consolidated accounts of the group of entities the applicant and its proposed affiliates belong to.

The affiliation resulting from membership may in particular be proved on the basis of the

	<p><i>statutes or equivalent act establishing the entity (network, federation, association) which the applicant constitutes or in which the applicant participates.</i></p> <p><i>If the applicants are awarded a grant contract, their affiliated entity(ies) will not become beneficiary(ies) of the action and signatory(ies) of the grant contract. However, they will participate in the design and in the implementation of the action and the costs they incur (including those incurred for implementation contracts and financial support to third parties and subcontractors) may be accepted as eligible costs, provided they comply with all the relevant rules already applicable to the beneficiary(ies) under the grant contract.</i></p> <p><i>Affiliated entity(ies) must satisfy the same eligibility criteria as the lead applicant and the co-applicant(s). They must sign the affiliated entity(ies) statement in Part B Section 5.2 of the grant application form.”</i></p>
<p>Q30</p>	<p>Is the internship considered to be subgrating or financial support to the third parties bearing in mind that both are not allowed under this Call for proposals?</p>
<p>A30</p>	<p>According to the article 2.2.4. of the Guidelines for grant applicants <i>“To ensure equal treatment of applicants, the contracting authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, affiliated entity(ies), an action or specific activities.”</i></p> <p>However, please note that according to the General Conditions applicable to grant contracts (application package-documents for information)</p> <p><i>Subcontracting</i></p> <p><i>10.4. Beneficiary(ies) may subcontract tasks forming part of the action. If it does so, it must ensure that, in addition to the conditions specified in Article 10.1, 10.2 and 10.3, the following conditions are also complied with:</i></p> <ul style="list-style-type: none"> - <i>subcontracting does not cover core tasks of the action;</i> - <i>recourse to subcontracting is justified because of the nature of the action and what is necessary for its implementation;</i> - <i>the estimated costs of the subcontracting are clearly identifiable in the estimated budget set out in Annex III;</i> - <i>any recourse to subcontracting, if not provided for in Annex I, is communicated by the beneficiary and approved by the contracting authority.”</i> <p>Furthermore, according to the section 2.1.4 Eligible actions: actions for which an application may be made: <u><i>Financial support to third parties</i></u>³ <i>Applicants may not propose financial support to third parties.</i> Additionally, you are invited to read the list of indicative types of activities which may be financed under this call for proposals under the same section where the internships are mentioned.</p>

³ These third parties are neither affiliated entity(ies) nor associates nor contractors.