

**IPA Component II - Cross-Border Programme Croatia - Montenegro 2007- 2013**  
**3<sup>rd</sup> Call for Proposals (IPA allocations for 2012 and 2013)**  
**Publication reference: EuropeAid/134665/L/ACT/ME**  
**Tender type: Grant**

**Q&A**

**Date of publication: 02 December 2013**

**NOTE: The final decision concerning eligibility of applicants, co-applicant(s), affiliated entity(ies), an action, costs or specific activities will be brought by the Evaluation Committee during the process of Evaluation of applications (subject to final approval by Contracting Authorities).**

Abbreviations:

AF – Application Form

CfP – Call for Proposals

GfA – Guidelines for Applicants

No	Question	Answer
1.	<p>1.1. Could applicants from both sides of the programme area be organizations of the same type?</p> <p>1.2. Is the amount for a given measure predetermined or there is some flexibility involved?</p> <p>1.3. If the amount for a given measure is predetermined, please refer me to corresponding chapter in GfAs?</p>	<p>1.1. As stated under point 2.2.4 of the GfA, in the interest of equal treatment of Applicants, the Contracting Authorities cannot give a prior opinion on the eligibility of an applicant, affiliated entity(ies), an action or specific activities. Relevant information related to the eligibility of applicants is provided in Section 2.1.1 <i>Eligibility of applicants (i.e. applicant and co-applicant(s))</i> of the GfA. Please note that the categories specified under Section 2.1.1 of the GfA apply for both sides of the programme area.</p> <p>1.2 Please note that section 1.3 <i>Financial allocation provided by the Contracting Authorities</i> of the Guidelines for Applicants has not envisaged splitting of the financial allocations regarding all 3 measures; thus, there are no predetermined amounts per measure within this Call for Proposals.</p> <p>1.3. Please see answer 1.2 above.</p> <p>1.4 As stated in section 2.5.2 <i>Indicative timetable</i> of the Guidelines for Applicants, the indicative date for contract signature is August 2014.</p>

	<p>1.4. What is the deadline for signing grant contracts for this Call?</p> <p>1.5. What is an expected time frame for the evaluation process?</p> <p>1.6. Could target groups originate mainly or exclusively in adjacent areas while the activities are conducted in the eligible area itself? If so, are these activities classified as activities in the adjacent area?</p>	<p>1.5 As stated in section 2.5.2 <i>Indicative timetable</i> of the Guidelines for Applicants, the indicative date for information to applicants on opening, administrative and eligibility checks and concept note evaluation (Step 1) is March 2014 and information to applicants on the evaluation of the full application form (Step 2) and notification of award is June 2014.</p> <p>1.6 As stated under point 2.2.4 of the GfA, in the interest of equal treatment of Applicants, the Contracting Authorities cannot give a prior opinion on the eligibility of an applicant, affiliated entity (ies), an action or specific activities.</p> <p>In line with Annex A: <i>Grant Application Form</i> (to be found in the folder "<i>Documents to be completed_3<sup>rd</sup> CfP HR-MNE</i>", section 1.1 <i>Summary of the Action</i>, footnote 8: "<i>Target groups are the groups/entities who will directly benefit from the action at the action purpose level</i>".</p> <p>In section 2.1.4 <i>Eligible actions: actions for which an application may be made</i> of the Guidelines for Applicants it is stated that actions taking place in adjacent areas can amount up to 20% of the allocation provided for each of the participating countries.</p> <p>For any further information, please refer to mentioned point of the GfA.</p>
2.	<p>I would like to obtain a very important piece of information in regard of VAT in CBC Croatia - Montenegro projects contracted after 1st July 2013.</p> <p>Namely, during the workshop held in Dubrovnik on 3rd October 2013, it was mentioned that VAT exemption will be in place for all projects no matter if they are contracted after 1st July. However, Croatian legislation in regard of VAT has changed after the accession and is preventing VAT exemptions for all contracts signed after 1st July.</p> <p>Since this is a very important piece of information for Croatian applicants in this particular call and all other calls, could you please be so kind to let me know through which provision of what document this VAT exemption in CBC Hr-Mn is in place, since it is obviously not in line with the existing national legislation of Croatia.</p>	<p>In line with the official letter received from the Tax administration within the Ministry of Finance of the Republic of Croatia, IPA Components I (TAIB) and II (Cross-border Cooperation) will continue to be implemented under IPA Regulation. Consequently, VAT exemption as per article 198 of the Rulebook on VAT (OG 79/13 and 85/13) relates to all procurement procedures which will be initiated until the end of implementation period of the respective programmes. This relates to the implementation of the Cross Border Programmes within the perspective 2007-2013.</p>
3.	<p>Having gone through the Guidelines for Applicants for the IPA Cross Border Cooperation between Croatia and Montenegro have a question regarding the possibility of sub-granting. The guidelines for applicants states that "Applicants may not propose financial support to third parties". Does it mean that we can't apply for any type of sub-granting as a part of this project?</p>	<p>As stated in section 2.1.4 <i>Eligible actions: actions for which an application may be made</i> in subsection <i>Financial support to third parties</i> of the Guidelines for Applicants "<i>Applicants may not propose financial support to third parties</i>".</p> <p>Therefore, subgranting is not eligible under this Call for Proposal.</p>

4.	<p>Are health care institutions, as Primary Health Care Center Kotor and our potential cross-border partners Primary Health Care Center Dubrovnik and Institute for Public Health Dubrovnik, entitled to give opportunity to their employees, who would be partly involved in the projects, in the form of additional or overtime work (which is permitted in accordance to the Labor Law and Law on Health Care) to participate in project and receive a certain fee for that work, either for participation in coordination, management of the project, execution of project activities, or for performing logistical and administrative tasks of the project etc. We are aware that civil servants and employees, as well as employees in local government, do not have this right, but besides given documents and your quality lectures and presentations, it remained unclear whether that prohibition is applied also to the employees in health care institutions, which are mainly financed through health funds or its own resources that are realized through services that are not the part of the services provided at the expense of Funds for Health Insurance. The answer to the above mentioned question is very important to us, because it can crucially affect on our institution's, and especially on the potential cross-border partner's decision for application.</p>	<p>Please find at the end of the section 2.1.5 <i>Eligibility of costs: costs that can be included</i> of the Guidelines for Applicants following note: “<i>Civil servants or other public employees of central, regional or local administrations which participate under this Call for Proposals may not receive fees for their contribution to the action other than their standard, regular salaries in the respective institution. The salaries of the civil servants or other public employees of the central, regional and local administrations may be presented as co-financing contribution of the applicants</i>”.</p> <p>Please note that the eligibility criteria as stated under section 2.1.5 of the Guidelines for Applicants strictly apply both for Montenegrin and Croatian Applicants. Thus, the payment of overhead salary to all kind of public employees is not eligible. Additionally, please bear in mind that internal staff of applicant, co-applicant(s) and affiliated entity(ies) cannot be engaged as external experts and receive additional fees.</p>
5.	<p>5.1. How should Beneficiary (in CG and in HR) determine and show / justify that VAT is not recoverable by any means, in order to meet eligibility criteria for IPA financing?</p> <p>5.2. For contracts less than 60.000 euro (either service, or supply, or works contract), which procedure must be used by Beneficiaries, provided that Beneficiary is a local administration (in CG and in HR) without experience in using the IPA procurement rules? Can a Beneficiary (in CG and HR) sign a contract (either service, or supply, or works</p>	<p>5.1 In line with section 2.1.5 <i>Eligibility of costs: costs that can be eligible</i>, subsection <i>Eligible direct costs</i>, and in line with IPA IR art 89, VAT shall be eligible if the following conditions are fulfilled:</p> <ul style="list-style-type: none"> <li>(i) they are not recoverable by any means,</li> <li>(ii) it is established that they are borne by the final beneficiary</li> <li>(iii) they are clearly identified in the project proposal.</li> </ul> <p>Please note that grant beneficiaries will receive instructions on VAT exemption procedures and overall project implementation in due time.</p> <p>5.2 Please in the Application package folder “<i>Documents for information _3rd CfP HR-MNE</i>” for Annex G IV, <i>Contract award procedure</i>” and check thoroughly the following articles: Art. 4. <i>Specific rules for service contracts</i>, 5. <i>Specific rules for supply contracts</i> and 6. <i>Specific rules for works contracts</i>.</p>

	<p>contract) for less than 60.000 euro without any publication and without any negotiated procedure?  5.3. What is the exact definition of service contract (works, supply)?</p>	<p>5.3 Please find exact definitions of the service, supply and works contract in the sections 3. <i>Service contracts</i>, 4. <i>Supply contracts</i> and 5. <i>Works contracts</i> of the Practical Guide to contract procedures for European Union external actions PRAG (Applicable from 14/03/2013) on the following link:  <a href="http://ec.europa.eu/europeaid/prag/document.do?locale=en">http://ec.europa.eu/europeaid/prag/document.do?locale=en</a></p>
6.	<p>I am writing to you in order to receive clarification related to issue of adjacent areas. I would like to check whether a limit of 20% defined in section 2.1.4.of the Guidelines for Applicants (page 12) means that one NGO from Podgorica may not be the applicant or this limitation means that only 20% of the total value of all project activities (not of the whole action/project) can be implemented in Podgorica.</p>	<p>Please note that in section 2.1.4 <i>Eligible actions: actions for which an application may be made</i> in subsection <u><i>Actions in "Adjacent Areas" in Croatia and Montenegro</i></u> following is stated: <i>"In accordance with art. 97(1) of the IPA IR, in duly justified cases, expenditures incurred in implementing actions or part of actions in the adjacent areas may be financed up to a certain limit"</i>. This limit is set to 20 %. Furthermore, in the same section it is stated: <i>"The accumulated value of all the activities in the adjacent areas cannot exceed 20% of the total Croatian grant allocation, i.e. it cannot exceed € 180,000 and of the Montenegrin grant allocation, i.e. it cannot exceed € 180,000."</i> The eligibility of applicants and co-applicants is described under section 2.1.1 of the Guidelines for Applicants.</p>