

EUROPEAN UNION

Delegation of the European Union to Bosnia and Herzegovina

## Clarification No. 2

**Project Title:** EU Support to Local Economic Development in BiH  
**Publication reference:** EuropeaAid/134-688/L/ACT/BA  
**Call for Proposal No:** EC/BiH/CfP/13/004

### **Question 1:**

The applicant- *Ministry of FBiH* can be intended as a “local authority” partner?

### **Answer 1:**

Please note that according to the existing legislation in BiH related to the local governance (FBiH law on principles of local self governance and RS Law on local self governance) "local authority" refers to the administration of municipalities and cities.

Please also refer to:

- Section 2.1 *Eligibility criteria* of the Guidelines for Grant Applicants;
- Section 2.2.4. *Further information about Applications* of the Guidelines for Applicants which states: "To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of an applicant, affiliated entity(ies), an action or specific activities."

### **Question 2:**

The co-applicant n° 1- *FBiH Foundation for sustainable development* can be intended as a “regional development agency” partner?

### **Answer 2:**

Please refer to Section 2.1 *Eligibility criteria* of the Guidelines for Grant Applicants.

Please note that under "development agency", we refer to specialised organisation founded by the national/ and/or local authorities, and/or other legal bodies with an aim to define, promote and implement socio-economic development of specific region in accordance with its development plans and programmes.

Please also refer to Section 2.2.4. *Further information about Applications* of the Guidelines for Applicants which states: "To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of an applicant, affiliated entity(ies), an action or specific activities."

### **Question 3:**

The co-applicant n° 2- an Italian Cooperative being “no profit private association” would be the third partner (association-other actors) - Is it sufficient to submit, when required, the ID registration number and the Statute so as to confirm its legal personality? All other supporting documents indicated in the Guidelines will be provided as well.

### **Answer 3:**

Only applicants that have been provisionally selected or placed on the reserve list will be requested to supply the documents (listed in Section 2.4 of the Guidelines for grant applicants) in order to allow the Contracting Authority to verify the eligibility of the applicants and their affiliated entity(ies). Supporting documents must be provided through PADOR. Please note that prior registration in PADOR is obligatory for all applicants, co-applicants and affiliated entity(ies).



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**Question 4:**

The co-financing amount should be documented in some way? If yes, what document is needed?

**Answer 4:**

Please refer to Annex B- Budget, Sheet number 3 - Expected sources of funding, where you need to state EU contribution sought in this application and other contributions (Applicant, other Donors, etc). At the stage of the application, the co-financing (other contributions) does not need to be documented, however, at the stage of implementation, in order to be considered eligible, all costs (covered by the EU grant and own contribution) must be documented and will be subject of verification.

Please also refer to Article 14 Eligible cost of the General Conditions applicable to European Union-financed grant contracts for external actions.

**Question 5:**

The final deadline for submitting the Application Form indicated in the Guidelines is 20.09 2013 and on the first page of the Application form model is 06.09.2013., which one is correct?

**Answer 5:**

Please see Corrigendum no 1 published on 12th August 2013.

**Question 6:**

Regarding the minimum co-financing amount of 15%: We know that in-kind contributions are not eligible but could you please precise if the Staff costs are considered as contributions in kind or, on the contrary, these could be considered as the co-financing source?

**Answer 6:**

Please refer to Annex II, General Conditions, Article 14 Eligible cost, stating that the cost of staff assigned to the action falls under eligible direct cost. Also, for explanation on co-financing, please refer to the answer on question number 11 in the Clarification number 1.

**Question 7:**

All the supporting documents required should be submitted within the deadline for Application Form or we should attend the request by the Contracting authority?

**Answer 7:**

Please refer to Section 2.4 Submission of supporting documents, of the Guidelines for grant applicants. Only applicants that have been provisionally selected or placed on the reserve list will be requested to supply the documents (listed in Section 2.4) in order to allow the Contracting Authority to verify the eligibility of the applicants and their affiliated entity(ies).

**Question 8:**

Could you please clarify what is intended by the “the simplified cost options not exceeding 60.000 EUR”?

**Answer 8:**

Please refer to Item 2.1.5 of the Guidelines for Applicants which provide explanation of simplified cost option which states:

"The total amount of financing on the basis of simplified cost options that can be authorised by the Contracting Authority for any of the applicants individually (including simplified cost option proposed by their own affiliated entities) cannot exceed EUR 60,000 (the indirect costs are not taken into account).

Please also refer to Article 14 of the General conditions Eligible cost (Simplified cost options).



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**Question 9:**

No Declaration by the applicant for the Concept Note and Check list for the Concept Note should be submitted within this call for proposals, therefore we should eliminate these pages?

**Answer 9:**

Please note that this is an open Call for Proposals, so please follow the instruction given of page 8 of the Application form (Delete Sections 2, 3 and 4 for open procedures).

**Question 10:**

a) If no affiliated entities are foreseen, should we delete those parts of the Application Form?

**Answer 10 a:** yes.

b) On the front page of the Application form file EuropeAid/XXXX/L/ACT/BA is written. Should it be substituted by EuropeAid/134-688/L/ACT/BA?

**Answer 10 b:**

Yes.

**Question 11:**

a) A scanned version of Checklist, of Declaration by the applicant and of Mandate for Co-Applicants should be inserted on the CD rom?

b) Application form, budget and logical framework files should be supplied in electronic version too. In Word/Excel format or the scanned version of the documents?

**Answer 11:**

Please refer to Section 2.2.2 of the Guidelines for grant applicants for information on where and how to send Applications, in particular: "The complete application form (Part A: concept note and Part B: full application form), budget and logical framework must also be supplied in electronic format (CD-Rom) **in a separate and single file** (i.e. the application form must not be split into several different files). The electronic file must contain **exactly the same** application as the paper version enclosed.

**Question 12:**

Application form, budget and logical framework don't have to be signed or stamped in no place?

**Answer 12:**

Please refer to the templates of the application form, budget and logical framework that are part of the Call for proposals dossier published for this call.

**Question 13:**

Are there any limits in the budget division among the partners?

**Answer 13:**

No.

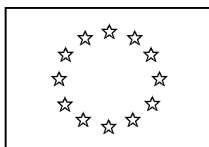
**Question 14:**

The activities of the effective implementation and certification of some agro-food companies (selected by the public tender on the local territory) as a pilot project are eligible?

**Answer 14:**

*Please refer to paragraphs which describe types of actions and types of activities in Item 2.1.4 Eligible actions: actions for which an application may be made.*

Please also refer to Section 2.2.4. Further information about Applications of the Guidelines for Applicants which states: "To ensure equal treatment of applicants, the Contracting Authority cannot



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give a prior opinion on the eligibility of an applicant, affiliated entity(ies), an action or specific activities.

**Question 15:**

The outer envelope must bear the reference number and the title of the Call for Proposals. These are correct? EU Support to Local Economic Development in Bosnia and Herzegovina- Reference: Call for Proposals Number: EC/BIH/CFP/13/004.

**Answer 15:**

Yes this is correct; in addition please also state the publication reference for this Call EuropeAid/134-688/L/ACT/BA.

For more details, please refer to Section 2.2.2 of the Guidelines for grant applicants for information on where and how to send Applications.

**Question 16:**

Could you please tell us which is the deadline for submission of applications for the Call "EU Support to Local Economic Development in Bosnia and Herzegovina" because in the Guidelines it is said that the Deadline for submission of proposals is 20/09/2013 at 14:00 hours, but the in the Application form there is a different deadline for submission of concept notes and applications, which is 06/09/2013.

**Answer 16:**

Please see Corrigendum no 1 published on 12th August 2013.

**Question 17:**

For the composition of the project partnership, we have two **affiliated entities** participating in various activities. These two entities are affiliated to one EU co-applicant. The participation / representation of the co-applicant in the affiliated entities is at the level of sharing capital and its board, with a minority representation (<50%), In addition, in one of these affiliated entities, one board member of the Co-applicant is the President of the affiliated entity. The question is the way to include these entities (affiliated entities). We would like to know if these two ways are both correct and eligible:

1. As Sub-contracted: The co-applicant subcontracts the provision of services to affiliated entities (invoice). - In this case, there is any limited amount of subcontracting?- The background of affiliates (acting as subcontracted) may be added as the project experience?

2. As Affiliated entities: The services performed by Affiliates are budgeted as a co-applicant: Does it include all expenses of personnel, travel, per diems, purchase of equipment?

- In this case, there is any limited amount / %?

- In this case there is any additional administrative/legal requirement?

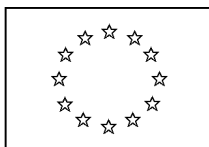
**Answer 17:**

Please refer to Guidelines for grant applicants:

- *Section 2.1.2 Affiliated entity(ies):*

*If the applicants are awarded a contract, their affiliated entity(ies) will not be become Beneficiary(ies) of the Action and signatory(ies) of the 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) may be accepted as eligible costs, provided they comply with all the relevant rules already applicable to the Beneficiary(ies) under the Grant Contract.*

- *Section 2.1.3 Associates and Contractors.*



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*The grant beneficiaries and their affiliated entities are permitted to award contracts. Associates or affiliated entity(ies) cannot be also contractors in the project. Contractors are subject to the procurement rules set out in Annex IV to the standard grant contract.*

**Question 18:**

In this Call Proposal, non deductible taxes (VAT and others):

- Can be charged as an expense in the budget?
- If yes, how should this expense be included in the budget: in each budget item of eligible direct costs, or, they must be included in the specific section "12 - Taxes", only as a part of the co-financing amount?

**Answer 18:**

Please note that taxes, including value added taxes, are not eligible costs. For instructions on VAT exemption please refer to Annex X of the Guidelines for grant applicants.

**Question 19:**

Will you please provide us with an answer to the following question regarding EuropeaAid/134-688/L/ACT/BA "EU Support to Local Economic Development in BiH": Can a Development Agency be an agency from abroad?

**Answer 19:**

In order to determine the **eligibility of applicants** (i.e. applicant and co-applicants), please refer to *Item 2.1.1* of the Guidelines for grant applicants, which provide a **list of the countries** in which applicants must be established.

Please also refer to *Item 2.2.4. Further information about Applications* of the Guidelines for Applicants which states: "To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of an applicant, affiliated entity(ies), an action or specific activities."

**Question 20:**

We would like to ask a question regarding EuropeaAid/134-688/L/ACT/BA "EU Support to Local Economic Development in BiH" which is as follows: Is the meaning/role of a "Co-Applicant" the same as the meaning/role of a "Partner" or does it mean that Partners do not have to be Co-Applicants?

**Answer 20:**

The meaning/role of a "Co-Applicant" is the same as the meaning/role of a "Partner". Please also refer to answer number 4 in Clarification number 1.

**Question 21:**

We need clarification in regard to usage of "Partnership" term under the Co-applicants subtitle of the Guidelines for this Call. Specifically, it is written that grant applicant must have at least two co-applicants. Additionally, it is noted that project must be based on **PARTNERSHIP** between (at least one from each category)

- local authorities
- development agencies
- other actors.

However, it is not clear is that PARTNERSHIP related to co-applicants requirements. Namely, do the required partners (at least one from each listed category) in the same time represent the co-applicants. Or co-applicants can be different organisations apart from project partners involved in the partnership.

**Answer 21:**

Please refer to answer number 20.



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**Question 22:**

We need clarification in relation to maximum amount to be given as financial support to third parties. It is written in the guidelines that maximum amount of financial support per third party is EUR 60.000. However, it is not mentioned what is maximum amount of the EU grant that can be used for financial support to third parties. Hence, please, advice us what is maximum level of grant that can be given to third parties as financial support.

**Answer 22:**

Although there is no prescribed maximum level of grant that can be given to third parties as financial support, please be guided by the following provisions of *Item 2.1.4. of the Guidelines for Grant Applicants* describing conditions for provision **of support to third parties** as :

- "to help achieve the objectives of the action" and that
- "may not be the main purpose of the action"

**Question 23:**

In our case the applicant is a non-governmental organization, co-applicants are Development Agency and the Government, and we are interested in whether it is mandatory for us to have an Affiliated entity and when yes, can you please explain who is eligible for such role in our case i.e. who can be an Affiliated entity?

**Answer 23:**

The applicant and its co-applicant(s) **may** act with affiliated entity (ies).

*Additionally*, please refer to:

- *Section 2.1.2 of the Guidelines for grant applicants Affiliated entities* for more details; and
- *2.2.4 Further information about Applications* of the Guidelines for Applicants which states: "To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of an applicant, affiliated entity(ies), an action or specific activities."

**Question 24:**

2.1.4. Eligible actions: actions for which an application may be made

We would like to have a clarification on *Third Parties*. Who concretely may the Third Party be?

**Answer 24:**

In order to determine who may be proposed as Third Party, please be guided by the following provisions of the *Guidelines for Grant Applicants*:

- *Item 2.1.3. Associates and Contractors* of the Guidelines for Applicants, sub-heading Redistribution of grant, which states: "The grant beneficiaries may award financial support to **third entities**. These entities **are neither affiliated entity(ies) nor associates nor contractors**. However, they are subject to the nationality and origin rules set out in Annex IV to the standard grant contract."
- *Item 2.1.4* describing conditions for provision of support to **third parties** as "to help achieve the objectives of the action".

Please also note that it is for the applicants to define in section 2.1.1 of the grant application form, among other elements, the types of persons or categories of persons which may receive financial support and the criteria for selecting these entities and giving the financial support



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**Question 25:**

2.1.5. Eligibility of costs: costs that can be included

The reimbursement of eligible costs may be based **on any or a combination** of the following forms:

- actual costs incurred by the Beneficiary(ies) and affiliated entity(ies)
- one or more simplified cost options.

The total amount of financing on the basis of simplified cost options that can be authorised by the Contracting Authority for any of the applicants individually (including simplified cost options proposed by their own affiliated entities) **cannot exceed EUR 60 000** (the indirect costs are not taken into account).

We would like to have a clarification on EUR 60 000:

- If the reimbursement of eligible costs would base only on simplified cost options, than the maximum amount of financing would be limited with EUR 60 000? Per application or per partner?

**Answer 25:**

Please refer to Section 2.1.5 *Eligibility of costs: costs that can be included*, which states:

- "The total amount of financing on the basis of simplified cost options that can be authorised by the Contracting Authority **for any of the applicants individually** (including simplified cost options proposed by their own affiliated entities) cannot exceed EUR 60 000 (the indirect costs are not taken into account). For more guidance please refer to Annex K: Guidelines and Checklist for assessing Budget and Simplified cost options.

**Question 26:**

If the reimbursement of eligible costs would base on both, actual costs and simplified cost options, than the maximum amount of simplified costs would be limited with EUR 60 000, but total eligible costs (actual costs + simplified cost options) would be limited with EUR 500 000 (max amount of EU contribution per action)?

**Answer 26:**

Please refer to Section 1.3 of Guidelines for grant applicants, in particular Size of grants.

For more guidance please refer to Annex K: Guidelines and Checklist for assessing Budget and Simplified cost options.