**Open Call for Proposals**

**For Local Infrastructure Projects CFP 03-2019**

*This document serves as a record of clarifications provided to interested parties related to the Public Call CFP 03-2019 in response to their inquiries received verbally, though phone calls and on info sessions related to the Call, as well as clarifications provided in writing in response to emails received through channels defined by the Call. The answers to received questions are summarised in this document.*

**Questions and answers**

Q.1:   When is the technical documentation due date? Should technical documentation be submitted when the project proposal is submitted?

Based on the Call for Proposals when it comes to construction and re-construction projects the Applicant should provide a building permit or approval for construction works where applicable issued by relevant authority. The technical documentation will be required at later stages, and a revision of the technical documentation may be needed at that stage if required by law or requested by the donor. Therefore, we suggest for these types of projects to include the technical documentation revision in the budget proposal.

Q.2:   Is a project that has already received funding from the Government eligible?

The Call for Proposals does not exclude co-funding from the central government. However, according to the grant methodology, the municipalities that will be awarded grants should open a sub-account and within 30 days of awarding, the finances from the government should be transferred to this sub-account. The municipality is responsible for the project implementation, and compliance with the tendering procedure. Co-applicants are allowed, however the municipality is the lead and responsible for project implementation.

Q.3:   Can you clarify further the requirement related to the construction permit? Can you give us an example?

If you plan to submit a project for construction of a school, all legal property obligations for the construction site should be already settled with no constraints over its use. This permit guarantees this and proves that there will be no property related legal constraints that will delay or stop the project implementation.

Q.4:   To what extent should the budget be elaborated in the proposal? What level of budget lines are required for the proposal?

Budget lines can be more general and are not required to be too detailed. For example, when submitting construction of a school project, one of the general lines you can use is total cost for construction. Another example is a budget line for equipment without going into details such as price per computer, desk and other procured equipment.

Q.5:   Should the budget lines be accurate? Are corrections of budget lines allowed in later stages?

When making the budget assessment, try to be as precise as possible. Even though it is an estimate, those estimates should be as accurate as possible. Revision of the budget lines at later stages is allowed, but depending on the amount it can be complicated and time consuming.

Q.6:   Is monitoring required and can it be budgeted with the project? We already have a framework agreement for monitoring, can we use the same company?

Monitoring requirements should be in line with local legislation. They can be budgeted or can also be included in the co-financing.

Q.7:  Is the awarded project VAT exempt?

Yes, the awarded project will be exempt of VAT. In line with local legislation, the municipality with the awarded project will be required to open a sub-account and all project finances will be organized through the sub-account. All documents for VAT exemption will be provided once the grant is awarded.

Q.8:  In relation to project implementation and the procurement that will be conducted, will local or international rules apply?

All procurement will be conducted in line with national legislation. The municipality will be responsible for conducting the procurement and the compliance with the existing rules and procedures.

Q.9:  If the technical documents are larger than 50MB, can we send them by media share?

Downloadable links are permitted, however, technical documents are not needed at this point of application. Scanned signed copies of the documents in PDF format should be sent for the application to be eligible for consideration.

Q.10:  Is reconstruction of a green market an eligible application for this call?

These types of projects are important for economic development and are eligible for this call.

Q.11:  How long does the selection procedure last? When will be decision be made and successful applicants notified of the outcome?

The public notification of the awarded projects depends on the number of projects submitted, as well as the time needed for their review. Our initial plan is that we review and award the projects in July, however the exact timing will depend on numerous external factors.

Q.12:  Can you clarify the additional points awarded for the unit for Local Economic Development (the so-called LER), HR capacity and project personnel?

In order to be awarded points related to the Local Economic Development units, the submitted project proposal should elaborate on the unit and their role in the municipality. In some municipalities LER are stand-alone units and somewhere they are integrated within the system. If possible you can submit systematization, a link to an explanation of the LER or provide description of the LER. Additional points are awarded if the personnel that will be engaged on the project consists of municipal administration employees. When providing information related to project personnel, be as descriptive as possible with education, expertise and experience in past projects. For example provide information on the person that will manage the project, the person that will be responsible for procurement, the person responsible for the finance, an engineer etc. If proposed project personnel are already employed in the municipal administration additional points are awarded.

Q.13:  Can we apply with a regional project that has several municipalities as applicants and is of regional importance?

Regional projects are allowed with this call for proposal. However, due to the complexity of VAT exemption and project monitoring, one municipality should be nominated as the lead applicant. This means that all payments will be conducted through the sub-account of this municipality.

Q.14:  Is co-funding permitted?

Co-funding is permitted. However, since the project is VAT exempt, the co-funding from the municipality in the budget should be stated as gross value. Banking costs cannot be covered by the awarded grant and can be stated as co-financing as well. A statement from the Municipality stating that it will transfer the amount to the sub-account will be required for co-funding projects.

Q.15:  Can public enterprises that are established by the municipality or national institutions partner in a proposal?

The lead applicant of the project proposal should be one municipality. Other entities that benefit from the proposal, or are crucial for its implementation, will be nominated as partners of the project.

Q.16:  Can an application be submitted for a project that has already started and needs additional finances to be finalized?

Applications can be submitted for projects that have already started, however the project needs to be completed if awarded this grant. The funds received with this grant cannot be used retroactively to fund work that have already be completed. In order to inspect the stage and the progress of the project proposal, the committee may also conduct a field inspection.

Q.17:  Can a municipality apply with several projects?

According to the call for proposals, only one application per municipality is permitted.

Q.18:  Is the available funding flexible?

The maximum amount that will be awarded to a project is 90,000 USD.

Q.19:  How should we prove that the submitted project is of national importance?

If your municipality has an adopted development strategy that includes this project it will be considered sufficient. Even if the strategy is in draft form it will be sufficient evidence that the project is of national importance.

Q.20:  Can the project proposal include procurement of equipment?

According to the Call for Proposals, procurement of equipment is permitted, however it may not exceed 30% of the total project budget.

Q.21:  Should all permits and documents be translated and submitted in English?

No, accompanying documents can be submitted in original local languages.

Q.22:  Can solar system installation of photovoltaic projects be funded?

These projects are in principle considered to be energy efficiency projects. If they are in line with other requirements of the call and can be implemented locally they will be eligible.

Q.23:  Can several schools be grouped into one project proposal?

The project should be submitted by one lead applicant and may include several beneficiaries, however it would be better if the beneficiary is one school with several premises.

Q.24:  Can the project proposals be segments or part of a larger project? For instance a branch of water supply system?

Construction of branches of larger infrastructure projects (sewage, water supply, buildings etc.) or even finalization of already started projects is permitted with this Call for Proposals, however the project proposal should envisage the full completion of the projects with this funding. This means that all project proposals should be functional at the day of project completion.

Q.25:  Does co-financing of the project receive additional points and is the co-financing amount considered when evaluating?

Co-financing is awarded with additional points, however the amount is not taken into consideration in the evaluation. The deciding factor when awarding the grants will be the quality and sustainability of the project proposals.

Q.26:  Can we hire external experts for the project implementation?

The Call for Proposals allows for external expertise in the amount of 5% of the project budget, however this will deduct points from the overall evaluation. Using already existing municipal staff for the implementation of the project brings additional points in the evaluation.

Q.27:  Is construction of biking and pedestrian lines eligible for funding?

This Call for Proposals does not permit funding to be awarded for road infrastructure.

Q.27:  Are wells and water pumps for existing water-supply systems eligible for funding?

As described with the Call for Proposals, infrastructure projects that are part of a bigger, already started or more complex project can be funded as long as the submitted project proposal is functional at the end of the project implementation.

Q.28:  According to Guidelines for grant applicants is it eligible to participate with a tourism project that will contribute to environmental protection, improvement of living conditions of vulnerable groups and improvement of the economic situation of the population of the Sharа mountain region?

According to Call for Proposal part 2.1.2 eligible actions are following:

All public infrastructure that will contribute to better living conditions (schools, hospitals or health facilities, kindergartens, water supply systems, other public buildings), excluding local roads. All public infrastructure that contributes to environment protection, improvement of solid waste management, communal infrastructure, reduction of pollution and enhancement of energy efficiency. All public infrastructure that contributes to improvement of living conditions of vulnerable groups, through advancing and upgrading the existing social and communal infrastructure.

Q.29:  Can the external team member be a person that would be assisting in the preparation of the application in English, since the human resources in our municipality are not able to prepare the application in English language?

As mentioned in the Call for Proposal, all applications must be submitted in English. According to point 2.1.2 of the Call for proposal, Eligible actions under Human resources, a maximum of 5% of the total grant budget can cover the costs for outsource members of the project teams.

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