



EUROPEAN UNION

EUROPEAN UNION OFFICE IN KOSOVO

Pristina, Nov 2024

Cross-border programme Kosovo* – North Macedonia under IPA III (2023 allocation)

EuropeAid/182814/DD/ACT/XK

Clarification No. 1

Clarifications received by e-mail

GENERAL REMARK: According to the provisions made in the Section 2.2.4 of the Guidelines for 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 proposed under the grant scheme referred. Therefore, all the clarifications provided below regard general aspects brought into discussion and applicable to more potential applicants, and not strictly applicable to a specific lead applicant, co-applicant, affiliated entity, action or activity.

Question 1:

I am reaching out to request clarification regarding the Cross-Border Program Kosovo-North Macedonia under IPA III, with the reference number: EuropeAid/182814/DD/ACT/XK.

Specifically, I would like to confirm whether the Emergency Management Agency is eligible to apply for this program, particularly as a Lead Applicant. This agency was established by the Ministry of Internal Affairs in [REDACTED] but operates with a distinct organizational structure. Given this unique status, it is important for us to understand if the agency meets the eligibility criteria for this call.

Additionally, please consider that the Emergency Management Agency provides critical emergency services, a key focus in the guidelines for this program. Any information you can provide regarding eligibility would be greatly appreciated.

Answer 1:

As highlighted under the general remarks above the contracting authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, affiliated entity(ies), an action or specific activities proposed under the grant scheme referred.

You are kindly advised to check Guidelines for grant applicants Section 2.1.1. Eligibility of applicants (i.e. lead applicant and co-applicant(s)) for LOT 1/Thematic Priority 2: Environmental protection, climate change adaptation and mitigation, risk prevention and management, which reads:

(1) In order to be eligible for a grant, the lead applicant must:

- be a legal person, and
- be non-profit-making, and
- be effectively established in either Kosovo or North Macedonia and
- 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

- be one of the following institutions or organisations:
 - o Local authorities (municipalities);
 - o National and regional centres for disaster management, emergency services (e.g.: firefighting brigades), national parks and monitoring structures and other public organizations for nature protection;
 - o Formal education and training institutions (e.g. primary schools, VET schools, Universities, etc.) including research, development and innovation centres. If education and training institutions do not have statutes as legal persons, the local government unit upon which they depend should be the applicant or co-applicant;
 - o Central and local cultural institutions such as museums, libraries, institutions for protection of cultural heritage, etc. If these institutions do not have statutes as legal persons, the local government unit upon which they depend should be the applicant or co-applicant.

In addition to this, under the same section it was highlighted that:

Ministries from both countries are not allowed to apply for this call as lead applicants, co-applicants nor as affiliated entities.

Question 2:

We are interested in whether the list of eligible applicants for the two thematic priorities, described in the Guideline for grant applicants for the ongoing Call for proposals under the Cross-border Cooperation Programme Kosovo - North Macedonia under IPA III, is explicit.

Answer 2:

List of eligibility of applicants under section 2.1.1. of the Guidelines for both lots is explicit and in order to be considered eligible under this call all pre-selected applicant should fulfil all criteria listed under this section.

Question 3:

I am reaching out regarding the Cross-border programme Kosovo* – North Macedonia under IPA III (2023 allocation). I wanted to confirm whether it is mandatory to allocate a minimum of 50% of subtotal eligible costs to investments, as indicated in the instructions for LOT 1 (specifically mentioning fixed assets, works, and equipment including design and supervision). Could you please clarify if this 50% allocation is a strict requirement, or if there is any flexibility on this percentage?

Answer 3:

Please note that minimum of 50% of subtotal eligible costs **must** be dedicated to investments (fixed assets, works and equipment including design and supervision), for both lots.

Question 4:

I am interested in this project and would like to know:

- Do we need a non-governmental organization (NGO) to apply for this project?
- If so, do we need two NGOs (one in each of the mentioned countries), or is one NGO sufficient to apply for both?
- If one NGO is required, which country should it be from?

Answer 4:

In line with the Guidelines for grant applicants, the lead applicant must act with at **least one co-applicant** as specified hereafter.

If the lead applicant is established in Kosovo, at least one co-applicant must be **established in North Macedonia and vice versa**.

The maximum number of co-applicants that could be involved in the action is three (3). However, CBC partners must carefully bear in mind the most appropriate conditions to ensure an intra-project efficient coordination when deciding on this. The number of partners and the composition of the partnership should be coherent with the envisaged objectives and activities of the action (see Section 2.1.4 in the guidelines).

Co-applicant(s) must satisfy the eligibility criteria as applicable to the lead applicant himself, with the following exemptions:

Lot 1: Non-governmental organisations (NGOs) are eligible as co-applicants;

Lot 2: Non-governmental organisations (NGOs), such as: Business Support Centres, Chambers of Commerce; Sectorial business organizations/associations, Vocational Education and Training Centres in the targeted sector (tourism and/or agriculture), Professional tourism and/or agriculture associations are eligible as co-applicants;

Clarification questions from the Info Sessions

Question 1:

Are Executive Agencies and/or Public Enterprises in Kosovo eligible applicants in this call for proposals? What about agencies that are part of the relevant Ministries especially in Kosovo?

Answer 1:

The contracting authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, affiliated entity(ies), an action or specific activities proposed under the grant scheme referred'.

Please refer to the Guidelines section LOT 1, 2.1.1 Eligibility of applicants (i.e., lead applicant and co-applicant(s));

Additionally, under the same section it is specified that *'Ministries from both countries are not eligible to apply for this call as lead applicants, co-applicants, or affiliated entities'*.

Question 2:

Can regional public enterprises with main offices in cities outside the regional eligible area and local (branch) offices in eligible area apply for this call for proposals?

Answer 2:

Address of registration of the main office of the applicants is not the determining factor as long as they are effectively established in either Kosovo or North Macedonia.

However, actions or operations must have as final beneficiaries the population of the programme area. They must take place in one or more of the following territorial units:

Kosovo:

- East Economic Region, composed of the municipalities of Gjilan/Gnjilane, Kamenicë/Kamenica, Viti/Vitina, Novo Bërdë/Novo Brdo, Ferizaj/Uroševac, Kaçanik/Kaçanik, Shtërpcë/Štrpce, Hani i Elezit/Elez Han, Ranillug/Ranilug, Partesh/Parteš and Kllkot/Klokot .
- South Economic Region, composed of the municipalities of Prizren, Suharekë/Suva Reka, Malishevë/Mališevo, Dragash/Dragaš, Rahovec/Orahovac, and Mamusha/Mamuša.

North Macedonia:

- Polog Region, includes nine municipalities: Bogovinje, Brvenitsa, Gostivar, Jegunovtse, Mavrovo and Rostusha Teartse, Tetovo, Vrapchishte, and Zhelino.
- Northeast Region, includes six municipalities: Kratovo, Kriva Palanka, Kumanovo, Lipkovo, Rankovtse and Staro Nagorichane.
- Skopje Region, includes 17 municipalities: Arachinovo, Chucher-Sandev, Iliden, Petrovets, Sopsishte, Studenichani, and Zelenikovo. The City of Skopje is an administrative unit and includes 10 municipalities: Aerodrom, Butel, Chair, Centar, Gazi Baba, Gjorche Petrov, Karposh, Kisela Voda, Saraj and Shuto Orizari.

Question 3:

Is the sub-granting component allowed under the LOT 2?

Answer 3:

As indicated in the Guidelines for grant applicants, applicants may not propose financial support to third parties. In other words, sub-granting **is not allowed** under this call for proposals.

Question 4:

Is the University [REDACTED], based in [REDACTED], eligible to apply for this call? Are they eligible to serve as lead applicants for LOT 1?

Answers 4:

As indicated under the general remarks above the Contracting Authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, affiliated entity(ies), an action or specific activities proposed under the grant scheme referred.

You are kindly advised to refer to the Guidelines for grant applicants, Section 2.1.1 Eligibility of applicants (i.e., lead applicant and co-applicant(s)) under LOT 1/Thematic Priority 2: Environmental protection, climate change adaptation and mitigation, risk prevention and management.

In addition to this, please see Answer 2 above, which may complement your inquiry.

Question 5:

Under LOT 1 and LOT 2 WORKS are to be up to 50% for applicants, with work does that mean engagement in work?

Answer 5:

The Practical Guide on Contract Procedures for European Union External Action (PRAG) serves as a comprehensive resource for both contracting authorities and all involved parties, including tenderers, candidates, applicants, and contractors. It provides detailed guidance on preparing and managing procurement and grant contracts in the context of external action.

In particular, works under PRAG refer to contracts that cover the execution, and in some cases the design and execution, of works related to infrastructure and capital investments. These types of contracts typically involve substantial projects aimed at improving or building physical infrastructure, such as roads, bridges, energy systems, water treatment facilities, and other large-scale development initiatives.

Question 6:

Is it mandatory to have two public institutions in both of the countries under LOT 1?

Answer 6:

Lead applicant must fulfil the eligibility criteria as indicated in the Guidelines section 2.1.1 Eligibility of applicants (i.e. lead applicant and co-applicant(s)). In addition to this, co-applicant(s) must satisfy the eligibility criteria as applicable to the lead applicant himself, with the following exemptions:

Lot 1: Non-governmental organisations (NGOs) are eligible as co-applicants;

Lot 2: Non-governmental organisations (NGOs), such as: Business Support Centres, Chambers of Commerce; Sectorial business organizations/associations, Vocational Education and Training Centres in the targeted sector (tourism and/or agriculture), Professional tourism and/or agriculture associations are eligible as co-applicants;

Therefore, based on the above it is not mandatory that co-applicant is a public institution.

Question 7:

Is PADOR mandatory to have for the LOT 2/Thematic Priority 8: Competitiveness, business and SME development, trade and investment and for the owned small or medium sized enterprise that will apply? Do they need to declare the income, and self-declare?

Answer 7:

As indicated in the Guidelines for grant applicants under section 2.2. HOW TO APPLY AND THE PROCEDURES TO FOLLOW, registration in PADOR is obligatory for all applicants (lead applicants, co-applicants and affiliated entities) and for both lots.

With registration, you have to upload all required documents under the profile section like Legal Entity Form (LEF), registration certificates, VAT certificate, statues etc. The same applies to the financial statement where you need to upload the Financial Identification Form (FIF), financial accounts, audit reports where applicable, etc.

For the applicants that are already registered in PADOR, you have to ensure that your profiles are updated.

Question 8:

For LOT 2, will the evaluation assess the current number of employees or the number from previous years?

Answers 8:

In order to be eligible under this call for proposal applying under lot 2, the applicants have to be 100% privately owned small and medium sized enterprise (according to the Kosovo¹ and North Macedonia² definition and law).

In addition to this, and as indicated in the Guidelines for grant applicants under section 2.2.5. Full applications, by the submission deadline besides your application you have to submit the applicant's latest accounts (the profit and loss account and the balance sheet for the last financial year for which the accounts have been closed), among other documents.

¹ <https://gzk.rks-gov.net/ActDetail.aspx?ActID=8982>

<https://gzk.rks-gov.net/ActDetail.aspx?ActID=16268&langid=2>

² http://www.economy.gov.mk/Upload/Documents/Company_Law.pdf

Furthermore, for applicants that will be pre-selected for award and those on the reserve list, among other documents as requested under section 2.4. SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS, you need to submit proof of documents that you are a small or medium sized enterprise (according to the Kosovo and North Macedonia definition and law), for lot 2 applicants, only.

Question 9:

Why are businesses not eligible to apply under LOT 1?

Answers 9:

The eligible applicants for each thematic priority are defined by the CBC Kosovo-North Macedonia 2021-2027 programme strategy. This strategy has been developed by the key stakeholders from both countries, with oversight and approval from the Joint Monitoring Committee, the programme's decision-making body.

Question 10:

Why is the MLGA (Ministry of Local Government Administration) not providing the 15% co-financing, unlike the Ministry of Local Self-Government from North Macedonia?

Answers 10:

While in North Macedonia there are national funds available to cover 15% of the co-financing for projects, such funds have not yet been established in Kosovo.

Question 11:

Can you provide more information about LOT 2? Does it focus on tourism, agritourism, or agriculture, or can all of these be integrated into the proposal?

Answers 11:

Please refer to the Guidelines for grant applicants, Section 2.1.4. Eligible actions: actions for which an application may be made - Types of activities LOT 2/Thematic Priority 8: Competitiveness, business environment and SME development, trade and investment, for more information.

Question 12:

Are start-ups eligible to apply under LOT 2? If so, what is the maximum age of companies that can apply? If start-ups are not eligible, how can they be supported instead?

Answers 12:

In order to be eligible for this call for proposals you have to be a 100% privately owned small and medium sized enterprise (according to the Kosovo³ and North Macedonia⁴ definition and law).

Small and medium-sized enterprises (SMEs) are a category of business that is defined by the number of staff employed and total annual turnover and it varies in Kosovo and North Macedonia. Please refer to the below footnotes for more information.

Start-ups have been previously supported by a dedicated call for proposals; the projects are still in implementation.

³ <https://gzk.rks-gov.net/ActDetail.aspx?ActID=8982>

<https://gzk.rks-gov.net/ActDetail.aspx?ActID=16268&langid=2>

⁴ http://www.economy.gov.mk/Upload/Documents/Company_Law.pdf

Question 13:

In the guidelines, it is specified that a minimum of 50% of the subtotal eligible costs **may** be allocated to investments (fixed assets, works, and equipment, including design and supervision). Is this a requirement (must), or is it optional (may)?

Answers 13:

With these clarifications issued we are clarifying that the 50% allocation dedicated to investments (fixed assets, works and equipment including design and supervision) is a **MUST** for LOT 1 and LOT 2.

Question 14:

Can faculties within universities, in this case within Kosovo but also in North Macedonia apply under LOT 1?

Answers 14:

In line with the Guidelines for grant applicants Section 2.1.1. Eligibility of applicants (i.e. lead applicant and co-applicant(s)), among other criteria, it reads:

- o Formal education and training institutions (e.g. primary schools, VET schools, Universities, etc.) including research, development and innovation centres. If education and training institutions do not have statutes as legal persons, the local government unit upon which they depend should be the applicant or co-applicant;

Question 15:

Are there any restrictions for LOT 2 regarding the types of products (such as alcohol, wine, etc.)? If such products are included, will the proposal still be considered eligible?

Answer 15:

There are no restrictions in the guidelines regarding the types of products under LOT 2 (ref: page 19 of the guidelines)

Question 16:

Can a project involving livestock be exempted by the Contracting Authority?

Answer 16:

The guidelines do not impose any restrictions on the types of products under LOT 2 (see page 19 of the guidelines). However, there are strict EU regulations in regard to livestock that must be adhered to, and these need to be clearly detailed in the project proposal.

Question 17:

Why is the role of NGOs in tourism not more clearly defined in the guidelines? How can an NGO be recognized as a co-applicant in agro tourism projects?

Answer 17:

Non-governmental organisations (NGOs), such as: Business Support Centres, Chambers of Commerce; sectorial business organizations/associations, Vocational Education and Training Centres in the targeted sector (tourism and/or agriculture), professional tourism and/or agriculture associations are eligible as co-applicants under Lot 2.

Role and involvement of the NGOs shall be defined by the applicant in their application.

Question 18:

At the concept note stage, is it necessary to include co-applicants?

Answer 18:

In line with the Guidelines for grant applicants Section 2.1.1. Eligibility of applicants (i.e. lead applicant and co-applicant(s)) it reads 'The lead applicant must act with co-applicant(s) as specified hereafter'.

It is a must that co-applicants are introduced in the concept note stage.

Question 19:

We are currently implementing a CBC project funded under the 5th Call for Proposals of IPA II. Are we eligible to apply for this new call?

Answers 19:

There are no restrictions in the guidelines on this matter.

Question 20:

Is it prohibited to propose IT tools and equipment for agritourism under LOT 2?

Answers 20:

There are no restrictions on this matter.

Question 21:

Can the budget be divided 80% for the lead applicant, and 20% for the co-applicant?

Answer 21:

There are no such restrictions in the guidelines regarding the budget allocation between lead applicant and co-applicants. However, in the genuine cross-border operations, the applicant and co-applicant(s) shall cooperate in the development and implementation of the action. In addition, they shall cooperate in either the staffing or the financing of the operation, or both (see Section 2.1.4 below).

Question 22:

Are there any instructions on what financial capacities should the institution have? In what amount of funds the municipalities need to have had previous projects?

Answer 22:

Please note that the financial and operational capacities of applicants are assessed during the Step 2 of the evaluation (for more details please see Guidelines for grant applicants STEP 2: ADMINISTRATIVE CHECK AND EVALUATION OF THE FULL APPLICATION page 35, 36 & 37).

This assessment of financial capacities is done based on the information provided in your application and financial statements uploaded in PADOR.

Question 23:

Under LOT 2 under the important instruction, it is stated: Maximum 30% of eligible cost may be dedicated for activities such as supporting cross border joint activities (fairs, new joint tourist products/services, tourist offers and new itineraries etc.). Does the same applies for LOT 1?

Answer 23:

The only restriction under Lot 1 in terms of percentage is regarding the 50% investments (fixed assets, works and equipment including design and supervision); no other restrictions are imposed. For more details please see **HIGHLY IMPORTANT INSTRUCTIONS FOR LOT 1** (page 10).

Question 24:

What applicant we could include as affiliated in our project proposal?

Question 24:

Affiliated entities are explained in the Guidelines for grant applicants under Section 2.1.2. Affiliated entities. These are entities having a structural link with the applicants (i.e. the lead applicant or a co-applicant), in particular a legal or capital link.

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.

Question 25:

Under the LOT 1 the instruction says: Minimum of 50 % of subtotal eligible costs may be dedicated to investments (fixed assets, works and equipment including design and supervision). What is the maximum?

Answer 25:

The maximum percentage dedicated to investment shall be determined by the applicants in the proposal to be submitted.

Question 26:

If the minimum requirement for investments is 50% in LOT 1, does this mean that the remaining 50% can be allocated for project staff?

Answer 26:

The allocation of the budget shall be presented by the applicants that will be invited to submit the full application, budget and logframe. There are no restrictions in regard to the percentage of how much shall be allocated for project staff in particular. In any case, activities proposed should be appropriately reflected in the budget and expenses well justified. In addition to this, the ratio between the estimated costs and the expected results should be satisfactory and the costs estimated based on real market prices.

Question 27:

Can volunteers be included, and would their participation be eligible?

Answer 27:

In line with the Guidelines for grant applicants Section 2.1.5. Eligibility of costs: costs that can be included - Contributions in kind, the work carried out by volunteers under an action is considered as eligible costs.
