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**Local and Regional Competitiveness Project
First call for expressions of interest**

Questions and Answers (part 2)

Info sessions for presentation of the grant scheme:

**Pelagonija Region and surroundings
Thursday, March 30th, 2017
Hotel Millennium, Bitola**

**Ohrid, Struga and Prespa Regions and their surroundings
Friday, March 31st, 2017
Hotel Inex Gorica, Ohrid**

**Skopje, Kumanovo and surroundings
Tuesday, April 4th, 2017
Hotel Solun, Skopje**

**Stip, Radovish and surroundings and Malesevo and surroundings
Thursday, April 6th, 2017
Hotel Oaza, Stip**

1. Is it possible the applicant, in an application to use the technical documentation that is not prepared or supplied by the applicant?

Answer: Yes, it is allowed to use technical documentation that is not prepared or supplied by the applicant, with written permit of the owner of the technical documentation.

2. Is it possible to apply with sub-project proposal in the subcomponent for tourism infrastructure that will include more than one tourist destinations?

Answer: Yes, such applications are eligible for this call.

3. Do the facilities and the land must be in the applicant ownership, or evidence that the land or the building is given to the use by the Government can be supplied in order to be eligible?

Answer: Yes, it is allowed to submit Expression of Interest for awarding of sub-grants for building or land for which the applicant has proof (evidence) for the right of use.

4. Technical documentation, decisions, permits should be submitted in the first phase (expression of interest)?

Answer: It is desirable to state and /or to provide documentation that the applicant has, but it is not an eliminatory requirement in the phase for expression of interest. In the second phase - submission of a complete sub-project proposal, complete documentation required to implement the planned activities within the sub-project must be submitted.

5. Are changes (certain adjustments) in the proposed (projected) budget in the first phase (expression of interest) permitted in the second phase?

Answer: Yes, certain correction of the budget is allowed, at this phase it is necessary to specify an indicative value of the sub-project proposal, which the second phase will be explained in detail.

6. The subproject proposals can include more activities that would include for example a package of infrastructure activities, then a package of activities for marketing and promotion, etc. i.e. whether the different types of activities can be combined into one sub-project proposal?

Answer: Yes, it is permitted to offer different types of activities within one sub-project proposal.

7. Does the project allow the applicant to have further financial benefit (income) of the activities envisaged under the sub-project proposal?

Answer: Yes, it is permitted and thus the applicant should show that the sub-project proposal is self-sustainable.

8. In item 5. (of the form for expression of interest) Proposed activities and results, the table lists only the proposed activities, whether the results should be stated in the part general and concrete goals?

Answer: Yes, the results should be stated in text of the item general and concrete objectives of the sub-project.

9. If public institution (municipality) and civil society organizations have similar ideas for subprojects proposals, they should apply individually or both applicants must apply in the partnership?

Answer: We as a project implementation unit cannot suggest the decisions regarding individual applications or application in partnership, however if proposals refer to the same destination and the same activities there is possibility that some of the proposals will not be supported. In terms of what types of legal entities would be preferred for awarding the sub-grant in case of similar proposed sub-project activities, Technical Committee at LRCP in the second stage (submission of full proposals subprojects) will review the proposed subprojects according to publicly disclosed criteria for evaluation (within the Grant Manual).

10. Is there eligibility criteria in terms of minimum years of the contract of concession in case where the facility for which sub-grant is required is given under concession by the state?

Answer: Subproject proposals should be sustainable, evaluation criteria for each type of sub-grant are presented in details in the Grant Manual. Minimum years of the concession agreement are not a criterion for eligibility of the sub-project proposal.

11. Is it allowed to be a partner in several applications, if applying in partnership, and can you modify the application in the second phase and change the proposed lead coordinator?

Answer: You can apply as a partner in several applications, but only one application by applicant can be awarded in this first call for proposals. In the second phase, you can make small modifications of the application but the proposed subproject idea/activity should remain the same. The proposed lead coordinator from the first

phase can be changed in the second phase, where you have to select carefully as him/her will be subject to Technical Committee evaluation.

12. Are activities related to wastewater treatment allowed?

Answer: No infrastructure sub-projects such as construction of general municipal water supply and sewage system are allowed. Infrastructure investments should be directly linked to tourism development as shown by examples. New construction is excluded. Purchase of equipment is allowed, for example for waste transfer stations.

13. Can we apply for the same activity, for which we have already applied for funds to other donors?

Answer: Funding on the same sub-project activities from two donors is not allowed. If an applicant has applied for the same activity to two different donors, in case sub-grant is awarded, it is up to the applicant to decide which sub-grant will be accepted.

14. Is procurement of medical and interventional equipment for prevention and safety in special hunting facility an eligible activity? Can individuals from rural communities apply as individual providers of tourist services and goods?

Answer: Procurement of equipment is allowed if it's necessary for successful realization of sub-project and it has to fill at least one of the six gaps identified in Development Plans. Individual providers of tourist services and goods are not eligible candidates on LRCP. Revitalization of old houses, villages, old sites can be supported if application is from existing association, micro and small company or a public entity.

15. Is it possible to apply for sub-grant for studies on infrastructure projects?

Answer: Preparation of studies for infrastructure projects will not be supported.

16. 1) Question regarding ineligible costs (page 24 of the manual grant) and regarding the rule that sub-project cannot include payments (wages) to employees in public institutions?

2) How will we finance operating costs that will occur during the implementation of the sub-project? (Such as telecommunication costs, transport etc?)

3) Is it construction of sightseeing platform (observation deck) eligible activity, and do they fall into the category of new constructions?

4) Who will be responsible for subproject categorization, whether it belongs to category A, B, C?

5) Regarding the technical documentation, will the same rules apply for LRCP subprojects as it is the case with World Bank projects in the past - revision of technical documentation should be not more than 6 months old etc.?

Answer:

1) Direct payments to employees of public institutions are not permitted. However if a public institution employee is included in subproject implementation, this costs can be presented as applicants' in kind contribution.

2) Operating expenses will be considered during Phase 2 when LRCP financial specialist will explain what types of costs are eligible and how they will be accounted.

3) Construction of sightseeing platform (observation deck), hiking paths - in terms of their revitalization would be acceptable i.e. infrastructure related to tourism development.

4) An environmental screening report is prepared by environmental specialists, who further delivers the report to the supervision screening team for revision and recommendation and then Report with proposal of environmental categorization is submitted for approval to the World Bank and the Cabinet of the Vice Prime Minister in charge of economic affairs.

5) Yes, the same rules apply to technical documentation.

17. Total budget of your call is five million Euros. You have presented your minimum and maximum amounts per types of sub-project proposals. Is there a ratio (percents) of the allocated budget for smaller subprojects? Why there is no partition of the budget by components 3.1 and 3.2?

Answer: Since this is first LRCP call for proposals, PIU did not want to limit and restrict any of the applicants, because we still do not know what type of sub-projects proposals will be received. Therefore an indicative amount of EUR 5 million was allocated, however there will be equal distribution of the grants awarded. The tentative date for the second LRCP call is October 2017.

18. Is partnership permitted when partners are from two different destinations? Can we include a partner from another country during subproject implementation for transfer of knowledge etc.. What if public administration officials participate in other sub-project proposals, can they be engaged as consultants and receive fees for such consulting services?

Answer: Partnership between partners from different destinations is eligible, partners from other countries can be included if needed for successful implementation of subproject proposal. For partners we support partnerships with domestic entities. Regarding the third question, engagement of public administration as consultants, through LRCP funds is not possible.

19. Can Ministry of Culture apply to this call?

Answer: Ministry of Culture is not eligible to apply as it is a member of LRCP Steering Committee but all other related institutions are eligible applicants.

20. Question regarding facilities upgrade and renovation. Is upgrading of a museum an eligible activity?

Answer: If this is an upgrade of an existing facility, then it is eligible.

21. Can we engage external consultants for preparation of the application form?

Answer: Yes, but LRCP will not finance such costs. It is an expense of the applicant.

22. Can the Agency for Promotion and Support of Tourism be a partner in the sub-project proposal?

Answer: The APST is a member of the Steering Committee therefore it is not eligible to apply as a partner in a sub-project proposal.

23. Can a government agency apply for sub-grant in partnership with municipalities?

Answer: Yes, as long as this agency is not member on LRCP Steering Committee.

24. Can we apply as non-profit organization under component 1 for implementation of a small infrastructure project, or we must apply in the partnership? And what in case of sub-project proposal which includes a wider region (two destinations), such as hiking trail connecting two destinations?

Answer: You can apply for sub-grant which includes small infrastructure works under the grant associations, or in partnership with other entities, such as public enterprise, but every entity applies for the amount in its category. You can apply for a sub-grant for hiking trail connecting two destinations, but you should ask and provide permission from the institutions responsible for the site, such as Macedonian Forests, National Parks, other public entities (Macedonian Pastures), etc.

25. Will you be able to clarify the roles of lead partner or support partner in applications for sub-projects? If we as an organization receive sub-grant as single applicant, we cannot be awarded for other sub-grant applications as a partner? And one question for PIU's Environmental Specialist: in terms of international waters, whether river Drim can be treated as international waters?

Answer: One applicant can be awarded one sub-grant either as a partner or lead applicant, at least in this call, but you can also apply again in the second call, even if you are awarded in the first call. In case where you as applicant are awarded, you cannot be partner in other awarded sub-grant. Crn Drim River is international water, and building a new infrastructure is an ineligible activity, organisation of activities like sailing, kayaking, etc. are allowed.

26. In this phase of your project we can come up only with ideas? If we pass EOI phase, in the second phase, it will be necessary to submit all of the documentation as well as permits such as construction permit?

Answer: In the second phase you have to develop the full project proposals with full technical documentation in period of 75 days, which means that for infrastructure projects, all of the necessary documentation has to be completed in this period. In the second stage (full project proposal), construction permits are mandatory. LRCP will again have a call in September / October 2017.

27. Can we, as public institution be a partner in two different applications? We work with non-governmental organizations, which are designed to work on country joining the European Union. In these non-governmental organizations, municipalities are included as founders and members. Will these organizations be considered non-profit, or will be treated as municipal organizations?

Answer: Yes you can apply with more than one expression of interest, but one applicant can be awarded one sub-grant either as a partner or lead applicant. If this organisation is registered as non-profit, you are qualified for the second type of sub-grants.

28. One of our partners is training centre and its for-profit institution, and we are non-profit organization. In case where application is submitted by these two partners, what rate of co-financing will be needed? 50% cash contribution or the 10% cash or cash and in-kind or in-kind contribution?

Answer: One of the partners (for-profit institution) must provide 50% financing. You as a non-profit will contribute with 10%. Anyone is applying under its category.

29. What documentation exactly should be included in sub-project proposal application when funding is 50%?

Answer: We will organize workshops on these topics in second phase. Co-financing applies to all resources for successful implementation of the project, which have to be purchased, and you have them are available, as well as technical documentation.

30. In case where municipality or public institution is applying, you said that PIU will conduct public procurement. These apply only to material (goods) procurement or hiring consultants or both.

Answer: The whole procurement is conducted by LRCP PIU, but each of the applicants is obliged to appoint a coordinator who will take part in the process, and procurement will be conducted by the PIU in accordance with the requirements of the World Bank procurement procedures.

31. If municipality engage participant who is not a municipal employee, he could be included as part of the project team?

Answer: If that person is necessary for successful implementation of the sub-project, that would be a legitimate expense, i.e. contribution or non-cash contribution

32. More detailed explanation regarding a person to be designated as the coordinator?

Answer: If the person is available to you within the your institution in phase 1, he/she may be accepted as a proposal, but Phase 2 you will need to carefully choose, because that person will be subject to assessment according to evaluation criteria for its assessment as shown in Grant Manual.

33. Can infrastructure sub-project proposals be combined with soft measures?

Answer: Yes, it is eligible to propose a different type of activities within a sub-project proposal.

34. Is it eligible for the partners to submit sub-project proposal related to completely different activities?

Answer: In case of compatible activities that represent a whole project - yes, if the proposed activities do not represent the complete proposal package, partners should apply individually.

35. Can the technical expertise be part of in-kind co-financing?

Answer: Yes, in-kind contribution covers the cost of preparation of technical documentation.

36. Does the project support the construction of a new ski lift?

Answer: No, construction of new buildings/facilities is not supported within this project.

37. Does the project support the renovation and reconstruction of pedestrian/hiking paths?

Answer: Yes, the project supports this type of infrastructure activities.

38. Can the vacuum period from 18 April to 24 July, be used to obtain a decision for contribution in sub-project proposal by the Council of the Municipality? Does the date of the decision would cause problems?

Answer: Yes, you can obtain the decision for contribution. Date of adoption of the decision by the Municipal Council is not a issue.

39. If the project design according to technical documentation exceeds the value of EUR 1 million, public institution has to have a partner? For example: if reconstruction of the ski lift is 3 million, do you need to have a partner?

Answer: Any expense beyond the approved grant will be financed by the applicant. You do not necessary have to go in a partnership.

40. Construction of ski lift in Kalin Kamen is eligible activity? What about pedestrian/hiking path from the downtown area to the monastery?

Answer: Construction/upgrade of pedestrian/hiking path is eligible activity, if there is no cutting of trees and there is already existing route; Construction of ski lift is not eligible, it is new construction and probably category A sub-project.

41. Do we need a translation of the Current Situation and Partnership Agreement?

Answer: Translation is not required.

42. Should we submit The Elaborates for Environmental protection, together with Expression of Interest? Do we need a translation of approvals and permits?

Answer: At this stage there is no need The Elaborates for Environmental protection to be submitted together with EoI. Translation of approvals and permits is not needed at this point, if in the meantime the WB asks for translation of approvals and permits PIU will notify you timely.

43. Does the project support the construction of a biking path in the riverbeds?

Answer: No, sub-project proposals for construction of biking paths in riverbeds are not eligible, otherwise bike paths are eligible.

44. Does the Municipality in partnership with other public institution may apply for 3 million EUR and what if two companies are in mother – daughter relation?

Answer: Yes, if those two institutions are public they can apply in partnership. Mother – daughter relation between firms is also eligible.

45. Conservation works are eligible?

Answer: Yes, sub-project proposal would be eligible, LRCP support this type of activities, but all envisaged activities have to be implemented within sub-project duration (up to 18 months).