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## Local and Regional Competitiveness Project

### First Call for Expressions of Interest (second stage)

#### Questions and Answers

1. Will the co-financing part be evaluated only from the lead applicant or the partner's part as well?

**Answer:** The co-financing part will be evaluated as a total percentage from the proposed budget, not individually by the lead applicant and the partners.

2. Is the personal tax an eligible cost?

**Answer:** Yes, the personal tax will be recognized as an eligible cost and will be considered for financing by LRCP funds.

3. Are university professors allowed to be engaged as consultants within the subproject implementation?

**Answer:** The university professors can participate in the selection process of individual consultants i.e. they are eligible to apply to a call for expression of interest.

4. Does the subproject team have to be composed from the applicant's current employees, or they can be engaged on contract basis?

**Answer:** The sub-project team composition is proposed by the applicant and the applicant is responsible for defining the type of their engagement.

5. Who will be engaging the auditing company and how many times will the audit be required during the sub-project implementation?

**Answer:** The subprojects that will be financed through LRCP will have to do an audit only once during the lifetime of the sub-project implementation and the beneficiaries are responsible for engaging the audit company.

6. What is considered as in-kind contribution?

**Answer:** In-kind contribution is defined within the Grant Manual in Financial Management section.

7. Are the visibility costs compulsory?

**Answer:** All subprojects that will be financed by LRCP funds will have to follow the visibility guidelines described in the Grant Manual and will have to associate those costs within the budget.

8. Can the technical equipment needed for sub-project implementation be reported as in-kind contribution?

**Answer:** Yes, if the equipment is necessary for implementation of sub-project activities and the organization has accounting evidence for its value.

9. Is direct shopping possible with the subproject's partner, ex. procurement of consulting services?

**Answer:** Direct shopping, in this case the "Single Source Supplier" for consulting services can be used as a procurement method, but as such it will be allowed in exceptional circumstances and subject to justification in accordance with the applicable Consultant Guidelines.

10. If the procurement is needed for copyrights, specific set of needed expertise, can Single Source Selection procurement method be used?

**Answer:** Section V. SELECTION OF INDIVIDUAL CONSULTANTS

Paragraph. 5.6 Individual consultants may be selected on a single-source basis with due justification in exceptional cases such as: (a) tasks that are a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively; (b) assignments with a total expected duration of less than 6 (six) months; (c) urgent situations; and (d) when the individual is the only consultant qualified for the assignment. The Borrower shall submit to the Bank for its review and no objection the TOR of the assignment, a sufficiently detailed justification, including the rationale for single-source selection instead of a competitive selection process, and the basis for recommending a particular individual consultant in all such cases, except for contracts below a threshold defined on the basis of risks and the scope of the project, and set forth in the Procurement Plan.

11. Who will define the procurement criteria (conditions, requirements, qualifications etc)?

**Answer:** Sub-grant beneficiaries, regardless whether they decide to do the procurement by themselves or PIU to do it in their name, are completely responsible for preparation of complete technical documentation for the planned activities.

12. Is procurement needed for smaller amounts?

**Answer:** Shopping is procedure that is in accordance with the requirements set forth in the World Bank's "Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by the World Bank Borrowers" dated January 2011, Revised July 2014 and "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by the World Bank Borrower" dated January 2011, Revised 2014 and its envisions:

Shopping (Clause 3.5)

- Appropriate when:

Readily available off-the-shelf goods or standard specification commodities and for simple civil works.

- No public bid opening required:

Obtain quotations (proforma invoice) from several suppliers or contractors but at least 3 to assure competitive prices.

13. If the applicants decide to conduct the procurement on their own, will the documentation be subject to a prior review by the PIU?

**Answer:** According to the Grant Manual, prior review by the PIU will be needed for: Sub-grants procurement plan, every step of the procurement process, all agreements.

14. Is it allowed to make changes to the proposed co-financing part?

**Answer:** The proposed budget from the first phase is allowed to be changed in the second phase in maximum limit of 10%. Therefore, the co-financing amount can be changed within that limit.

15. Is there an established maximum value for consultant agreements?

**Answer:** In relation to the appropriate procurement methods, the beneficiaries will have to pay attention to the procurement methods table and thresholds for choosing the appropriate method.

16. How often the beneficiaries will have to provide financial reports?

**Answer:** The financial reporting procedure is described in the Grant Manual.

17. How will the grant payment occur, in tranches, in advance?

**Answer:** Details regarding the transfer of tranches for each type of sub-grants can be found in the Grant Manual, in the Financial Management Section.

18. In the second stage, if the planned activity cannot be implemented, is there a possibility to propose a new activity?

**Answer:** It's not allowed to change activities, however if a certain activity cannot be implemented an adjustment could be made by proposing a new activity if the impact of this change is less than 10% of the total proposed budget.

19. Is there an obligation the sub-project coordinator to be fully employed with full working time?

**Answer:** The sub-project coordinator will have daily responsibilities related to the implementation of the sub-project including regular reports to the PIU, so we request his/her full dedication to the sub-project implementation.