



ODA Challenge Call - **FAQ**



1. Please explain the role of the local partner.

The local partner can be someone who represents the project's target group, and their role changes from case to case and is displayed through the project proposal and proof of partnership.

2. When are the results of applications and evaluation expected and what date is taken as the start of project activities?

The evaluation period that follows the conclusion of agreements for the selected applicants lasts roughly two months of the date of closing applications. The planned time for implementing the solution is up to 6 months. Certain deviations are allowed (in view of, for example, adaptation of the implementation plan, technical changes, etc.)

3. If the implementation starts later, can the final deadline for the project implementation be extended?

The deadline is proposed in advance and is calculated from the moment of signing the Agreement, so it is not foreseen to be extended during the implementation period. Under exceptional circumstances, the possibility of extension during the implementation period will be decided on a case-by-case basis.

4. The Application Form includes Attachment III which entails submitting an extract from the public register. In the case of universities and institutes, which document shall be submitted?

Each institution has its own register to which it belongs. The applicant should attach the relevant one. If it is a scientific-research institution whose documentation is not in the Business Registers Agency (BRA), it shall attach another relevant/equivalent proof of the institution's registration as a legal entity.

5. Can the excerpt created on the company's incorporation be enclosed as an extract from the BRA, or does it need to be a more recent extract?

It is necessary to submit the document version that reflects the business entity's current valid status.



6. Are applicants required to find potential partners themselves or does UNDP have an existing network of partners in the country/countries where the proposed project is implemented?

Each applicant from the Republic of Serbia (or in the case of a Consortium - the Lead Applicant) is responsible for finding their partner in the relevant country or countries, in accordance with where the implementation of the project solution is planned. The UNDP's role as an institution is to promote the call and goals in all countries through the channels and network of contacts it has.

7. Can a regional development agency from Serbia apply?

If the applicant is, for example, incorporated as a limited liability company, and is partly financed from the budget of the founding municipalities - that is one of the criteria that is acceptable.

8. Is it possible to conclude an agreement with 2 institutions in the country in which we want to implement the solution within one project application?

In the same way that a consortium is established by legal entities in the Republic of Serbia, a consortium can also be created in the case of local partners. There is no limit in that context. Therefore, the agreement can be concluded with several institutions, if it is expedient in the context of the implementation of a certain project concept.

9. Can the partner in the country where we want to implement the solution be a higher education institution or an NGO?

Regarding the local partner, there are no choice restrictions.

10. Is the signature of all institutions with a stamp sufficient in the document in which the consent of all institutions that are part of the consortium would be shown?

The consortium shall be documented in accordance with the legislation that prescribes its structure. That form also meets the needs of this Challenge Call.



11.If the local party with which cooperation would be achieved through UNDP is part of the consortium - is it enough to provide a Letter of Support from the local institution?

If any party is member of the consortium, whether it be a local partner in the country of implementation, or another entity from the Republic of Serbia is part of the consortium, the consortium shall be made official, in accordance with the law, i.e. notarised, and official documentation submitted with the application.

12.How are the services performed by the local partner from the country in which the solution is implemented reimbursed?

The issue of service reimbursement is a matter of relationship between you and partner institutions. It is recommended that it always be defined by a Letter of Support, a Memorandum of Understanding or an Agreement. The UNDP concludes an Agreement with the applicant that applies and that is a legal entity from the Republic of Serbia (the entity which enters into a contractual relationship with the UNDP) and the funds are paid to the entity who concludes the agreement. Further distribution and the manner in which the funds will be distributed is shown through the Project Proposal and through the budget. Any form of sub-contracting shall be clearly and transparently indicated and officially documented.

13.Can the costs of the local institution from the country in which the project is implemented be covered if they are not in the consortium and are they treated as a subcontractor in that case?

It is necessary to document the cooperation with the local partner, for the cost of subcontracting to be eligible. Any additional institution that is not targeted as a local partner but as a subcontractor needs to be highlighted, given that the UNDP reserves the right to subject the subcontractor to a screening process (which in some cases may lead to the exclusion of the subcontractor).

14.Are the costs of partners from the country in which we want to implement the project included in the budget?

The budget also includes the costs of the partners that you have foreseen.



15. Can the establishment of cooperation with local partners imply a cost incurred only in those territories, i.e. in the countries for which the solution is foreseen?

The cost that applies exclusively to the territories in which the implementation is planned will be assessed on a case-by-case basis and on the basis of the specific applicability to that project. The point is that there are costs applicable in the local context that are incurred only in the local territory (costs that provide an answer to the question - what is needed to transfer and implement a certain solution in another country) and these are the costs that can be assessed as acceptable.

Example: If you need a freight forwarder who will do the export part of the procedure, this is a cost that remains in Serbia, but is oriented towards placing the product on the territory of the country for which the solution is intended. It is crucial that the funds that are placed as an expense are directed towards it; not towards the further development of production in Serbia - bearing in mind the goal of the specific call.

16. In case of expenses for partners, is there a percentage limit?

The percentage limit is a decision of the legal entity-applicant and a matter of agreement with the local partner, and is adopted in accordance with whether it is expedient for the project. We repeat that UNDP's contractual relationship is with the applicant (or lead applicant in the case of a consortium) and they are responsible for financial reporting. It is important to show the costs for the partners in the entire project budget, but the UNDP is in charge of assessing the possibility of implementing the solution.

17. In what form should the Co-financing Commitment be attached?

No specific form (template) has been defined for the Co-financing Commitment. It is important to submit it together with the budget, on the official letterhead of the applicant (that is, the lead applicant in the case of a consortium) in order to highlight the contribution you will make to this proposed solution. The Co-financing Commitment shall also be signed. The co-financing amount shall also be documented in the budget proposal (on the prescribed form).

Example: in the Budget Proposal Form (Excel file), use multiple colours, noting which colour represents which expense. The form is supported by the Co-financing Commitment, the aim of which is to show in the simplest way what your contributing is – if it is an in kind or a specific monetary contribution, and in what amount.



18. Is it necessary to submit the Agreement with the subcontractor together with the project proposal or is it possible to do it later?

The agreement with the subcontractor can be submitted later. The agreement serves for the verification of subcontractors in the evaluation period itself. However, keep in mind that the UNDP reserves the right to examine the activity of the subcontractor in any way, and that, if it is subsequently determined that the subcontractor for some reason does not comply with the UNDP's rules and procedures, the UNDP can reject that subcontractor, as well as the application itself. As a precautionary measure, it is our recommendation that the Subcontractor Agreement be submitted immediately, together with the application. Any other way of submission represents a risk to the acceptability of the application itself.

19. Do co-financing costs include the salaries of employees from the legal and financial sectors who will be engaged in the project?

Yes.

20. Activities listed in the budget are directly related to milestones/deliverables. Do they also include the costs of employees or are they additional costs per activity and how are the costs added up?

Employee costs are included in the activities, they are added up, and the budget proposal is viewed as the sum of costs.

It is important to desegregate the following:

- activities that are necessary for the actual implementation of the project and
- the activities you want to display in the context of the budget - and they are displayed in aggregate. To show co-financing, you have the possibility to use at least one, or both options for co-financing (in-kind and cash) depending on the type of co-financing in question. Co-financing is also added up in the budget itself, so it is important to mention which part of the budget the applicant finances from the funds provided by this call, and which part is co-financing, in accordance with the instructions and examples found in the Budget Table (Excel file).

For the items divided in this way, it is important that they are not duplicated, while the method of distribution of funds depends on your logic. The project budget is created so that it allows you to report more easily during the project implementation.

For example. In the case of employee expenses (we are talking about employees through an activity or divided by activity) - if the employee is engaged as an employee and through an activity on the project, you can display his/her presence so that a certain share of the percentage is displayed through the activity, and the other through their employment.

Another option is for one of the employees, in accordance with the needs of the project, to be shown as a Project Manager, i.e. as someone who works on activities and is an expert in some part, and their salary can be classified under activities.



21. What are the permitted methods of payment and engagement of members/associates in Serbia?

All legal forms of contracting are allowed, according to the laws of the Republic of Serbia. The hired person does not have to be an employee of your company, but they shall have an appropriate legal engagement.

Example: You want to hire an expert who is not employed in your company, but you identify him /her as necessary - you need to conclude an agreement with him/her and, accordingly, show his/her salary (e.g. through the Service Agreement).

22. In order to draw up the budget as adequately as possible: is it sufficient to justify the travel for the purposes of project implementation by travel expenses (with an order), how is the transport (fuel, depreciation...) specified and how are per diems to be determined?

As for the amount of expenses, that is up to you, as the applicant, to determine. It is preferable to be guided by market value and realistic costs for our area. The specified values should be neither too high nor too low.

The way in which transport is stated, that is, the breakdown of any activity by items, should preferably be shown in as much detail as possible. In this way, it is easier for us to estimate any cost, as well as the budget itself. No amount is predetermined, but a more detailed description certainly helps us evaluate the project itself.

Certainly, travel within the framework of a legal entity is carried out in accordance with the rules of operation of the legal entity and in accordance with its legal obligations.

23. When we talk about percentages of distribution of costs in the budget (6 categories), are there any percentages i.e. maximum amounts that may not be exceeded?

There are no percentage limits for the categories, since everything depends on the applicants and the nature of the proposed solution. This can be related to - the need to hire more people in order to implement the solution in local conditions (so that most of the percentage goes to salaries or travel expenses) or it is a software solution where the percentages are structurally distributed differently. The only percentage that exists is a minimum of 20% co-financing (cash or in-kind) by the applicant in relation to the total proposed budget.

24. Are the costs of raw materials included in the eligible costs?

Yes, material is defined as one of the costs. As an eligible cost, it entails that the goal is to deliver the contingent of the product on which the material was used to the country of application, and not that it is intended for distribution in Serbia or a third country. In the budget itself, it is necessary to clearly see that the specified amount of raw materials is needed and that it is intended for export.



25. Please explain co-financing opportunities that are not directly monetary; can these be the activities that we will show in the Application Form?

Co-financing through in-kind contribution, as an activity, shall be noted in the budget proposal form itself. It refers to the various costs that you bring to this project and cover in some other way. Examples include, but are not limited to, administrative costs, space rent (that is, the cost of space as a cost incurred during the implementation period), a certain licence that you pay as part of the implementation, the cost of consulting experts (*pro bono* engagement), laboratories that you use, etc.

26. Does the call envisage serial production (if the concept implies the production of a product prototype)?

The funds from this project are targeted towards something that has already been tested, at least in Serbia, and is, as such, suitable to be implemented in other countries (that is, those where the implementation of the project solution is planned). It can be a feasibility study and it can be the implementation of the solution itself. If something has been tried and tested in Serbia and can already be implemented, what the UNDP covers is the part that refers to another country - will it then be a feasibility study that helps testing, but in the country of application, or the actual implementation of that solution, the decision is up to the applicant.

Serial production, in this context, may exceed the budget of the call, but you can always show a part, because production, in itself, is a cost that we can cover - that is, an eligible cost. It is important to look back at the question - what is covered by this call.

27. Do we show the cost of salaries in the budget as a GROSS2 amount?

Yes, the cost of salaries is expressed as a GROSS2 amount, i.e. as a total cost of salaries (gross amount of salaries increased by contributions borne by the employer).

28. How is VAT treated through the project?

The applicant bears the costs in the same way as it bears and settles them in its regular business operations. Therefore, if the applicant acquires, for example, production material, which is directly related to the proposed project, it settles its obligation against the invoice to the supplier in the same way as it does in its regular business operations.

Funds that the UNDP allocates to the Project applicant, however, will be VAT exempt. These funds are paid by the UNDP to the applicant after the "Deliverable/Milestone" has been completed, and following verification through "Means of verification" by the UNDP. See the application documentation for the explanation of these terms.



29. Is it necessary to allocate funds for the audit of the project?

The audit is not mandatory, but it is a possible and eligible cost and the decision whether to include it in the budget is up to the applicant. The UNDP reserves the right to perform project monitoring, i.e. audit of projects, and for this reason it is necessary to have all materials documented - indicators, confidential evidence, invoices, agreements with suppliers, consulting services, etc. The auditor must be independent.

30. During the evaluation, will it be more appreciated if someone covers several countries through the project, or is it enough that the project proposal covers only one?

It is not an evaluation condition, it is enough that the project proposal covers one country.