

COMMISSION EUROPÉENNE

Tacis Cities Award Scheme (TCAS)

CLARIFICATIONS

TO

Guidelines
for grant applicants
responding to the call for proposals
for 2006

Open Call for Proposal

TACIS Cross Border Action Programme 2003

Reference: EuropeAid/122846/C/ACT/Multi

Deadline for receipt of applications: 30 June 2006

CLARIFICATIONS:

The following questions of general interest to the potential applicants have been put to the European Commission. The answers to these questions can be found hereafter.

1. Which document states the rules for sub-contracting and which portion of the project cost may be sub-contracted?

In the *Guidelines for Grant Applicants* (p. 10) it is stated that subcontracting expenditures are eligible costs as long as they are subject to the procurement rules set out in Annex IV to the Specific Conditions of the contract of the awarded grant.

(http://europa.eu.int/comm/europeaid/tender/practical_guide_2006/annexes_grants_en.htm)

In the General Conditions (Article 1.3) it is stated that a limited portion of the Action may be subcontracted. This means that less than 50 % of the Action can be subcontracted. The beneficiary alone shall be accountable to the Contracting Authority for the implementation of the Action. This implies that the ownership and responsibility of the Action are under the municipality's authority. Additionally, Article 17.3 of the General Conditions state that 'the grant can under no circumstances result in a profit'.

In the budget there is no specific budget line for subcontracting or works, it can be included under sub-heading n 6: "other"

2. Which portion of the project cost may be used for the purchase of equipment and supplies?

TCAS will not provide funds for the purchase of equipment and supplies alone, as TCAS grant programme is not a supply contract. TCAS intends to finance a complete package of activities that combined will result in a project with tangible environmental benefits (and therefore benefits to the local population) Therefore purchase of equipment and supplies is allowed but should be complementary to other activities.

3. If a municipality buys equipment and then plans to pass it on to the company-monopolist that processes waste, what is the procedure? Should it be leasing or rent?

It is not possible for the municipality to buy equipment and then pass it on to another organisation (company). This can also violate the rule of non-profit making with the grant (see article 17.3 of the general conditions).

4. Would the upgrade/rehabilitation of city drinking water intake facility or pollution control of the waters (both surface and underground) which feed that facility fall under this priority?

Drinking water is explicitly not a theme under TCAS. TCAS is aiming at environmental actions and not at health-related actions. This means that the rehabilitation of the intake and the protection of drinking water sources are not eligible.

5. Would the renovation of part of the water supply network to prevent leakage be an eligible action under TCAS? This Action would result in 'water saving'.

Yes, the Action falls under theme nr. 2 'water saving', as mentioned in the guidelines section 2.1.3.

6. From the terms of reference we understood that municipalities are encouraged to apply; what about local organizations e.g., NGOs in partnership with international organisations?

International organisations are not eligible as partners in the TCAS programme. Partners should fulfil the same eligibility criteria as the applicants and that means they should have their head quarters in the eligible regions. Organisations (NGOs) from the regions can join the municipalities for TCAS. International organisations are not eligible.

7. Can co-financing come from bilateral support from one of the EU member States?

Yes, that is possible.

8. On page 23 of the guidelines it is mentioned that the beneficiary will receive 80% pre-financing. Is a financial guarantee required for this pre-financing? In article 15.7 it is said that when the pre-financing is more than 80% it must be covered by a financial guarantee. Is a financial guarantee requested or not?

A financial guarantee is not requested.

9. On page 23 of the guidelines it is mentioned that the beneficiary will have to prepare an audit certificate. Public bodies from outside the EU will have to provide this certificate (see article 15.6 general conditions). When should this certificate be provided and which amount of the grant should it cover?

The certificate should be provided with the request for payment of the remaining 20%, when the final report is approved. The certificate should cover all costs that have been incurred under the TCAS grant.

10. The guidelines say clearly that in kind co-financing is not possible. The application form (page 7) asks for a list of in-kind contributions as expected sources for funding?

In the application form indeed it is requested to list the in-kind contribution to show the commitment of the applicant for the implementation of the Action. This in-kind contribution, however, is not regarded as co-financing.

11. How should the applicant prove the availability of their co-financing contribution?

By signing the Declaration (part VI of the Application Form) the applicant declares that it has the sources of financing needed for the co-financing contribution.

12. What is the maximum percentage of the total project that can be co-financed from other sources than TCAS and European Community funds?

There is no maximum percentage defined for co-financing. However, the Action, financed by TCAS, should be a completely independent Action, clearly visible as an EU funded Action. It can not be a relatively small Action within a bigger Action from another donor.

13. Is the maximum of 80% co-financing calculated from the total project budget or from the TCAS budget?

80 % co-financing is calculated from the total project budget. This means that with a TCAS grant of maximum 160,000 euro, the co-financing funds will be 40,000 euro and the total project budget 200,000 euro. With a TCAS grant of minimum of 120,000 euro, the co-financing grants will be 30,000 euro and the total project budget will be 150,000 euro.

14. Can a coalition of two ‘urban-type communities’ (as defined in the administrative structure in Ukraine) (one - has more than 10,000 inhabitants, the other has more than 12,000 inhabitants) with self-governance structure (or municipal councils) apply for TCAS?

The guidelines say that, in order to be eligible an applicant needs to: ' be a municipality with more than 20,000 inhabitants or a coalition of municipalities (together with a total of more than 20,000 inhabitants)'.
'Municipalities' should be 'urban' and have a 'municipal council' or 'self-governance'.
Therefore, a coalition of ‘urban-type communities’ are eligible for TCAS.

15. Does a municipality that is awarded a TCAS grant need to register the grant with the relevant national authorities (National Co-ordination Unit)?

The grants need to be registered according to the national regulations.

16. Does the applicant need to provide the supporting documents (section 2.4 of the guidelines) at the same time as the application?

It is advised to send the supporting documents together with the application. If the supporting documents are not attached to the application it is no reason for rejection of the application. If the first stage of the evaluation is successful, the EC will ask for the supporting documents in a letter and they will have to be provided within 10 working days.

17. Can municipalities apply from other countries or other regions than mentioned in the guidelines?

No, only municipalities from the countries and regions mentioned in the guidelines are eligible for TCAS. Applications from other countries or regions will not be considered.

18. Can a rayon council apply for TCAS?

TCAS is a cities Award Scheme and is meant for municipalities, so for local governments and not for regional governments, like rayons.

19. Are the grants going to be transferred to municipalities from Brussels in EURO or the funds will come in local currency equivalent from the Delegation of the European Commission in the country?

Grants will be paid in Euros

19. Associates: can they be private companies and governmental entities?

As said on page 8 of the guidelines associates can be any other organisation, but may not receive funding, except per diem and travel. There should be a clear role for this associate.

20. Could a municipal service company, like vodocanal (waterchannel), apply for TCAS? They are under local (city) government control, but, legally, officially they are under the oblast vodocanal department. This means that they have double subordination.

Only municipalities can submit applications for TCAS. However, if municipal companies are fully owned by the municipality and under their legal authority, the municipal company can implement the Action. In this case they fall under the responsibility of the municipal council and therefore the application should be submitted by the Municipality. In other cases the sub-contracting rules apply.