



Public Call for Proposals for the Procurement of Equipment and Provision of Services for Entrepreneurs, Micro and Small Enterprises (CFP 10 – 2019)

Frequently Asked Questions, 1 November 2019

Application deadline: Sunday, 10 November 2019 24:00

This document serves as a record of clarifications provided to potential CFP 10-2019 applicants in response to the questions they asked orally, over the phone or at the CFP Info Sessions, as well as all clarifications provided to them in writing, in response to their e-mails received via channels specified in the Call. The replies to the posed questions are outlined in this document.

I. General Eligibility Criteria

No.	Question	Answer
Q1	Where can I obtain information about the CFP and what documents do I need to submit to apply to the CFP?	All application documents are available and can be downloaded at the bottom of the CFP webpage: https://www.eupro.org.rs/ktext/drugi-javni-poziv-za-podnosenje-predloga-projekata-za-nabavku-opreme-i-uvodjenje-usluga-za-preduzetnike-mikro-i-mala-preduzeca
Q2	Is the registration date an elimination criterion, i.e. can enterprises registered before 2014 or after 2018 apply to this CFP?	Yes, the registration date is an elimination criterion. Only enterprises registered in the 2014-2018 period are eligible to apply to this CFP.
Q3	Are enterprises registered for “mechanical metal processing” and de facto engaged in production eligible to apply to this CFP?	Yes. Activity under code “2562 – Mechanical metal processing” falls in the category of “Manufacturing of Metal Products” and entrepreneurs and enterprises registered for this activity are eligible to apply to this CFP.
Q4	Is a company engaged in the services industry eligible to apply to this CFP?	No. Only enterprises and entrepreneurs engaged in production are eligible to apply to this CFP.
Q5	Is an enterprise registered in one of the 99 local self-governments that also has production facilities in other parts of Serbia eligible to apply to this CFP?	Yes, provided it uses the investment to open new jobs and install the equipment in the territory of one of the 99 local self-governments in the Programme’s Area of Responsibility. Enterprises planning on installing the new equipment outside the territory in EU PRO’s Area of Responsibility are not eligible to apply.



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| Q6 | Is a company that was dormant throughout 2018 eligible to apply to this CfP? | No. Under the CfP criteria, economic entities must have ended 2018 with a profit and employed at least one worker at the end of 2018. |
| Q7 | Is a company whose core activity is registered under “other trade”, which has in the meantime registered a branch under a production activity code, eligible to apply to this CfP? | Economic entities with registered branches under activity codes eligible under the CfP criteria are eligible to apply provided they had registered such activities before 31 December 2018. |
| Q8 | Does the CfP also cover launch of a new business? | No. Only production enterprises registered between 2014 and 2018 are eligible to apply to this CfP. Support for launching a new business is not envisaged under this CfP. |
| Q9 | Are agricultural cooperatives and agricultural holdings eligible to apply to this CfP? | No. This CfP is open exclusively to entrepreneurs, micro and small enterprises registered between 2014 and 2018. Agricultural cooperatives and holdings are not covered by this CfP. |
| Q10 | Are entrepreneurs who do not employ any workers eligible to apply to this CfP? | Entrepreneurs and enterprises must have at least one full-time worker on staff at the end of 2018. This requirement is fulfilled also by entrepreneurs who work alone, i.e. are not employed by another employer. |
| Q11 | What requirements do business premises providing adequate working conditions need to fulfil? | The business premises need to fulfil the legal and technical requirements for the performance of the activity at issue. |
| Q12 | How does the amount of sought funding correlate to the number of new jobs to be opened, i.e. is employment of two new workers sufficient to apply for €30,000? | The need to open new jobs has to emanate from the planned investment. The number of new jobs is assessed under the evaluation criteria: Opening of new jobs and cost-effectiveness. |
| Q13 | Do I have to have a registered enterprise to apply? | Yes, only enterprises founded between 2014 and 2018 are eligible to apply to this CfP. |



- Q14** Is an entrepreneurial business eligible to apply if its headquarters are registered in one of the municipalities covered by the Programme, but its production unit is registered as a separate business unit in a municipality not covered by the Programme?
- No, the equipment for which the grant is provided must be installed in the business unit that is registered for production and is located in one of the 99 local self-governments within the Programme Area of Responsibility. The successful applicants must also fulfil their obligation to open new jobs in their business units in one of the 99 local self-governments within the Programme Area of Responsibility.
- Q15** Can companies that applied to the 2018 CfP successfully and were invited to sign contracts apply to this CfP?
- Under the CfP, enterprises that received grants or equipment in UNOPS-led programmes or projects over the past 24 months are not eligible to apply to this CfP.
- Q16** Can an enterprise apply to this CfP if 51% of its stake is owned by a foreign company, which is owned by a natural person with Serbian citizenship?
- No, at least 51% of the company's stake must be domestically owned.
- Q17** Can companies that are dormant at the moment apply to the CfP?
- No, one of the CfP criteria is that the enterprises and entrepreneurs must have an active business status.
- Q18** Does this CfP apply only to the municipalities listed in the CfP?
- Yes. Only economic entities registered in the territory of one of the 99 local self-governments listed in the CfP are eligible to apply.
- Q19** Is an entrepreneur who is in the process of registration eligible to apply to this CfP?
- No. Only micro and small enterprises and entrepreneurs engaged in production and registered in the 2014-2018 period are eligible to apply to this CfP.
- Q20** Can enterprises registered under Activity Code 6201- Computer Programming apply?
- No. Only micro and small enterprises and entrepreneurs engaged in production and registered in the 2014-2018 period are eligible to apply to this CfP. Enterprises in the services industry are ineligible.
- Q21** Does an entrepreneur, who registered his business as an additional activity and who has no other workers, qualify as a worker (at the end of 2018)?
- No. An entrepreneur who has no other workers qualifies as a worker at the end of 2018 provided s/he is not employed by another employer.
- Q22** Is a dental office eligible to apply to this CfP?
- No. Only enterprises engaged in production and registered in the 2014-2018 period are eligible to apply to this CfP.



- Q23** Is opening new jobs mandatory? Yes. Entrepreneurs and micro enterprises are under the obligation to open at least one and small enterprises at least two new jobs. Applicants envisaging the opening of more new jobs are awarded additional points during the evaluation of the project proposals.
- Q24** Does an entrepreneur employed by another employer qualify as a worker under the CfP criteria? No.
- Q25** How does one determine whether an enterprise is micro or small? On the basis of its 2018 financial reports.
- Q26** Do I qualify if I have pending obligations vis-à-vis the Development Agency of Serbia (RAS)? You are eligible to apply to the EU PRO CfP if you are implementing a project supported via RAS.
- Q27** Is an enterprise developing software and manufacturing hardware eligible to apply to the CfP? Yes, provided it is registered as a production enterprise.
- Q28** Is an enterprise established in 2017 or 2018 eligible to apply for Lot 2 if it earned over 30% of its 2018 income from exporting its products? No. An enterprise that had at least 4 workers in 2016 is eligible to apply for Lot 2.
- Q29** Is the purchase of beehives covered by this CfP? No. this CfP does not extend to primary agricultural production, including the beekeeping industry.
- Q30** Where can I obtain the documentation to apply to the CfP? All the requisite forms are publicly available at the bottom of the CfP webpage: <https://www.eupro.org.rs/ktext/drugi-javni-poziv-za-podnosenje-predloga-projekata-za-nabavku-opreme-i-uvodjenje-usluga-za-preduzetnike-mikro-i-mala-preduzeca>
- Q31** Is a company registered under Activity Code 1813 – Pre-Press Design Services eligible to apply to this CfP? No. This CfP is intended solely for production enterprises.
- Q32** Is an enterprise, which did not have a net profit at the end of 2018 because it was founded in the last quarter of 2018 and did not make any income until the No. It does not fulfil the CfP criteria if it did not have a net profit in 2018.



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end of 2018, eligible to apply to this CfP?

- Q33** Is a company, which was registered in the hospitality industry before 2014 but changed its activity code to a production activity during 2014, eligible to apply to the CfP?
- No. The registration date is the elimination criterion. The enterprise had to be registered in the 2014-2018 period.
- Q34** Are entrepreneurs paying flat-rate tax eligible to apply to this CfP?
- Yes. Entrepreneurs paying flat-rate tax are eligible to apply to this CfP. They should reconstruct all the data to be filled in the application form based on their records. They should assess the value of their property vis-à-vis its market rate.
- Q35** Would it be acceptable to install the machines procured within this CfP in rented premises?
- Yes. Equipment may be installed in rented premises. You have to have a valid rent contract for the premises.
- Q36** Are all production activities supported within this CfP?
- This CfP envisages approval of grants to micro and small enterprises and entrepreneurs engaged in production. But not all production activities are supported. Details on which activities are excluded are specified in Section 8 of the CfP, available at the following link:
https://www.eupro.org.rs/uploads/files/153-416-epr_mses-2ncfp-10-2019_srb.pdf



II. Financial Allocation and Cost Share Contribution

No.	Question	Answer
Q37	Can a successful applicant spend his cost share contribution to adapt the premises and the entire grant to buy the equipment?	No. The cost share contribution (minimum 20% of project value for Lot 1 or minimum 30% of project value for Lot 2) and the grant awarded under this CfP may exclusively be spent on procuring new equipment and introducing complementary services. Any needed adaptation would have to be funded from other sources.
Q38	Is the equipment bought by the potential grantees exempted from VAT?	Part of the equipment funded from the grant is exempted from VAT. VAT is paid only on the part bought with the grantees' cost share contribution.
Q39	What is the minimum value of investment one can apply for within this CfP?	The investments under this CfP have to exceed €12,500 (minimum grant €10,000 + minimum cost share of the applicant – 20% of total eligible project costs).

III. Scope

Q40	Can the grant be used to build and adapt premises?	The CfP is intended for the purchase of new production equipment and introduction of complementary services. In that sense, funding of construction works is not within the scope of this CfP.
Q41	Can used equipment be procured under this CfP and, if so, under which conditions?	Only new equipment can be bought. This CfP does not provide for procurement of used equipment.
Q42	Can I apply for the procurement of a delivery vehicle?	Procurement of delivery vehicles is not covered by this CfP.
Q43	Is the procurement of metal processing equipment covered by this CfP?	Yes, the procurement of metal processing equipment is covered by this CfP, provided the other CfP requirements are fulfilled.
Q44	Can the grant be used to buy or build a facility?	No, the grant may exclusively be used to procure new equipment and introduce complementary services.



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- Q45** Can I apply for the procurement of a transportation vehicle to transport my products? No, procurement of vehicles is not in the scope of this CfP.
- Q46** Is there a minimum value of requested equipment per unit? The value of the requested equipment should be at least €1,000 per unit.
- Q47** Can the list of equipment to be procured be modified during the process? The type of equipment sought cannot be changed after you apply. Minor modifications are allowed, if, for instance, a new model of the equipment, with different features but used for the same purpose, has appeared.
- Q48** Does the CfP apply to the purchase of only one machine or can more machines be bought within the same project? The procurement of more than one machine is allowed. Please note that the value of the requested equipment should be at least €1,000 per unit.
- Q49** Can the investment cover the procurement of equipment for two production lines, e.g. a line for the production of cakes for bees and a line for the production of beeswax frames? Yes. You may apply for more than one production line. In the application form, you need to clearly describe the link between the achievement of the investment goals, new employment and procurement of equipment or introduction of services.
- Q50** Can I apply for the procurement of a freezer under this CfP? Yes. Equipment for freezers is eligible under this CfP. But any requisite construction work needs to be covered from other sources, not the project budget.
- Q51** Can I apply exclusively for the procurement of a software licence for the programme we use in production? Yes.



IV. Application Procedure

No.	Question	Answer
Q52	How can I apply to the CfP?	Go to the EU PRO website. You will find a document called Public Call CFP 10-2019. Open the document and read the criteria, then fill Annex A, Annex B and Annex C (all of them are available on EU PRO's website) by 10 November 2019 at the latest. To familiarise yourself with the application process, we urge you to watch a recording of an Info Session, available on the CfP webpage: https://www.eupro.org.rs/en/kttext/second-public-call-for-proposals-for-procurement-of-equipment-and-provision-of-services-for-entrepreneurs-micro-and-small-enterprises)
Q53	Is it possible to unlock the Excel file and edit the locked fields?	The application form file is locked to ensure that the applicants do not inadvertently change the parts of the form they should not change.
Q54	Should entrepreneurs not keeping dual books fill the financial data for the preceding period?	Entrepreneurs paying flat-rate tax should reconstruct their financial indicators in the preceding years based on available information. Financial indicators should be in keeping with the attached documentation (certificates of turnover in the economic entity's account, et al).
Q55	Which documents do I need to submit when I apply?	All the application documents are listed in Annex C – Checklist, which is available on the CfP webpage: https://www.eupro.org.rs/kttext/drugi-javni-poziv-za-podnosenje-predloga-projekata-za-nabavku-opreme-i-uvodjenje-usluga-za-preduzetnike-mikro-i-mala-preduzeca
Q56	Do I need to submit statements confirming that I have paid all my taxes together with all the documentation?	Such statements are unnecessary in the application stage but you will be asked to submit them if your project proposal is recommended for funding.
Q57	Do I specify only the increase in the workforce over the years in the application form or the decrease in the workforce as well?	Yes, specify also the decrease in the workforce and explain the reasons for it.



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| Q58 | What is the UN Operational Rates of Exchange? | The UN Operational Rates of Exchange is the foreign exchange rate used by United Nations agencies. It is available at:
https://treasury.un.org/operationalrates/default.php |
| Q59 | Why can't we select options in the drop-down menu in the application form? | You need MS EXCEL 2013 or a later version to fill the application form. Problems with drop-down menus, like the one you mentioned, can appear in the earlier versions. |
| Q60 | The entire text I entered in the tables is not visible when I print the application form? | If the entire text is not visible, expand the rows in Excel before printing. |
| Q61 | Question 40, Profit tax (10% and 15%) – should I enter the amount in percentages or in money? | Enter the amount of money. Entrepreneurs are to specify 10% and enterprises 15% of their profit. |
| Q62 | Should entrepreneurs paying flat-rate tax submit certificates of turnover in their current accounts only for 2019 or for the preceding years as well? | You should submit individual certificates of turnover in your current accounts for each year, including 2019, as of the date when the certificate was issued. |

V. Project Implementation

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| Q63 | Can the equipment be supplied by a foreign company? | The procurement process will be implemented by the applicants awarded grants. Both domestic and foreign economic entities can be bidders and, subsequently, suppliers. |
| Q64 | Since all the documents have to be submitted in Serbian, at what moment should the applicants translate their application forms into English? | Only applicants whose project proposals are granted funding need to submit their application forms in English. At that point, they will receive the forms in English and they need to translate only their own entries in the application forms. |



- Q65** Is an enterprise under the obligation to fulfil all the goals in terms of projected balances after the funds are granted?
- No, the projections in the balance sheets need to be realistic, based on currently available information and market research. The beneficiaries' obligations once they receive the grants are described in the notes in Annex A and regard the procurement and non-alienation of the equipment, maintenance of introduced services, employment of new workers and implementation of corporate social responsibility activities.
- Q66** How many workers does the company need to employ and maintain if its grant application is approved?
- In 2020, you are to employ at least the number of workers you specified in the application form and the average number of workers in 2020 and 2011 should be larger by that number of workers compared with the average number of workers in 2019.
- Q67** Are imports of equipment allowed?
- Yes. Grantees will conduct the procurement procedure, at which suppliers from other countries can bid as well.
- Q68** As of which date is the period during which an entrepreneur is under the obligation to maintain the same number of workers reckoned?
- As of the moment the grant contract ends, which is expected to be in late 2020.
- Q69** How are equipment suppliers selected?
- All procurements will be part of project implementation and conducted by the grantees, in accordance with the Procurement manual, which will be part of the Grant Support Agreement they sign with the EU PRO Programme. The manual describes the procurement procedure and documentation supporting the process. In most cases, the beneficiaries would need at least three bids from the potential suppliers ensuring the best value for money. EU PRO will monitor the process and extend advice to the grantees, if necessary.
- Q70** When should the cost share contributions be paid?
- The grantees' payment of their cost share contributions is prerequisite for the transfer of EU PRO funds. After the Grant Support Agreements are signed, the grantees are to conduct the procurement procedures and, once they select a bid, send a request for the payment of EU PRO funds.



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Q71 Are there any restrictions regarding countries of origin of the equipment to be procured? Can the equipment be imported from China?

There are no limitations on countries of origin in the CfP but no advantage may be given to a bidder because of his origin. The procurement process described in the Procurement Manual focuses on the best value for money. Therefore, the beneficiaries should select the bidders offering the best prices, regardless of their country of origin.