

CLARIFICATION SUMMARY

IPA SER 04 2025

Consolidating the democratization process in the security sector in the Republic of Serbia – Phase 6

Q1: *Is a representative office of a foreign organization, eligible to apply under this call?*

A1: Yes, Representative offices of foreign organizations registered by the Business registry agency in the Republic of Serbia are eligible to apply

Q2: *Is the project expected to be fully completed by the end of 2025? If so, does this deadline include final reporting, in which case the activities would need to conclude slightly earlier to allow time for report submission?*

A2: Regarding the project implementation timeframe, it may extend into 2026, depending on the start date. For example, if the project begins on 1 July 2025, it would conclude on 31 January 2026, with the final report typically due 15 days after project completion.

Q3: *What is the permissible project implementation period, including the earliest possible start date and the latest allowable end date?*

A3: The start date of the selected projects depends on the duration of the approval process within the OSCE Mission to Serbia. Ideally, the projects should commence in July 2025, with September 2025 being the latest possible start date. Depending on the start date, the selected projects are expected to conclude in the first quarter of 2026.

Q4: *Please provide clarification regarding the eligible costs by category:*

- ❖ **Staff Costs**
 - *Which staff categories are eligible?*
 - *Are there salary scales or ceilings?*
 - *Is a flat overhead or administrative rate allowed on staff costs, and if so, at what percentage?*
- ❖ **Consultants (natural persons only)**
 - *What maximum daily or monthly rates apply?*
 - *Is there a cap on the total percentage of the budget that may be allocated to consultants?*
- ❖ **Travel**
 - *Which classes of transport are eligible (e.g. economy, rail)?*
 - *Per diem or ticket receipt requirements?*
 - *Any limits on distance or number of trips?*
- ❖ **Accommodation and Meals**
 - *Applicable per diem rates or ceilings?*
 - *Supporting documentation required for lodging and subsistence?*
- ❖ **Other**
 - *Which specific expense types fall under "Other"?*
 - *Are there percentage ceilings or fixed limits for this category?*

A4: Clarification, per each category and question, are as follows:

- ❖ **Staff Costs**

- Staff costs are considered eligible if they are directly justified by the needs of the project and essential for its implementation. This includes positions specifically required to carry out the activities outlined in the project proposal.
- We leave it to the applicants to estimate the fees or salaries for the services required, based on the scope of work and the project's specific needs.
- No, this is not allowed.
- ❖ Consultants (natural persons only)
 - We leave it to the applicants to estimate the fees for the services required, based on the scope of work and the project's specific needs.
 - No.
- ❖ Travel
 - Depending on the type of project activities, the implementing partner is eligible for reimbursement for fuel expenses, as well as bus and train tickets.
 - Per diems are not allowed. All other eligible travel costs must be supported by original documentation, such as tickets or receipts for fuel, to be reimbursed.
 - The number of trips and travel distances must be fully justified and clearly aligned with the requirements of the relevant project activities.
- ❖ Accommodation and Meals
 - The implementing partner (selected organization) is required to cover any project-related accommodation and food expenses by directly paying invoices to the service provider. Per diems for individuals traveling are not permitted.
 - As per the above, no per diem rates are applied. Instead, the costs of accommodation and food must be justified as relevant to the project activities and supported by appropriate invoices or receipts.
- ❖ Other
 - Other" includes all project-related costs that do not fall under the categories of staff, consultants, travel, accommodation, or food-related expenses. Typically, these may include expenses for items such as stationery, notebooks, pens, and other materials needed for trainings, as well as costs related to bookkeeping, bank charges, and similar administrative expenses.
 - No.

Q5: Is VAT recoverable, or must it be declared as an eligible cost?

A5: All implementing partners' projects are registered on the national tax administration portal. As a result, costs related to accommodation, food, and other eligible expenses shall be tax-exempt, provided that the required procedures are followed. The implementing partner (selected organization) is responsible for following the necessary procedure to ensure tax exemption for all eligible services and goods related to the project.

Q6: Are indirect costs (e.g. office rent, utilities) eligible, and if so, at what maximum percentage?

A6: No.