

## Clarification No. 2

### REQUEST FOR FULL PROPOSALS

**Publication reference: EuropeAid /165321/Indirect Management/ACT/UG**

**Subject:** Coffee and Cocoa value chains development in Uganda.

**Location: UGANDA**

1) Co-Financing

a. Can you provide a reference for documentation requirements and presentation of allowable co-financing under this award?

***Answer: For a reference for documentation, please see the Annexes list attached to the applicant guidelines. The allowable co-financing under this award is monetarily (cash) contributions.***

***The guidelines note, "as contributions in kind do not involve any expenditure for beneficiaries or affiliated entities, they are normally not eligible costs. For that matter, Contributions in kind may not be treated as co-financing".***

b. Can the Lead Applicant's direct purchase of specialty coffee processed by farmers a part of the Action be considered as co-financing, as these are documented expenses that are directly contributing to the project objectives of improved market linkages under the Action?

***Answer: No, because direct purchases are considered operational expenditures not eligible for co-financing under matching grant scheme.***

c. Can co-financing be contributed by an Associate of the project?

***Answer: Yes, but to the extent that the Associates are aware they may not receive funding from the grant, with the exception of per diem or travel costs. Note that only the lead applicant and co-applicants will become parties to the grant contract.***

d. Given that land has a value and that farmers can use their land to enhance their economic well-being, if a farmer donates a portion of their land for project related activities, such as setting up a storage facility or erecting a micro-washing station, can this contribution be counted as co-financing?

***Answer: The donation of land must be legalised with a formal transfer and certificate of ownership in the name of the project and a certified land evaluation report to support the stated value***

e. If land is purchased with money raised from co-financing and is thus non-EU money, can this be counted toward the co-financing requirements?

***Answer: In the full proposal, all the items required for project implementation are listed and costed in a detail activity budget including land if required. Approval of the activity budget tantamount to endorsement of co-financing for all items therein.***

f. As per the guidelines, 50% of the co-financing can be from volunteers. Can you define applicable sources of volunteering? For example, if 10% of the project director's time is volunteered and not directly billed to the EU, can that count towards co-financing? Additionally, if farmers support the building of a micro-coffee washing station and are not compensated for their labour can that be viewed as volunteer based co-financing?

***Answer: In the context of the guidelines, applicable sources of volunteering mean "provision..... of services to beneficiaries or affiliated entities free of charge by a third party." The guidelines hasten to add, "As contributions in kind do not involve any expenditure for beneficiaries or affiliated entities, they are normally not eligible costs."***

***In specific circumstances, the contracting authority using its discretion and based on prior estimates provided by the applicant, may co-opt volunteering as co-financing.***

***Please also see reference, <http://ec.europa.eu/europeaid/prag/document.do?nodeNumber=6.3.9> under the PRAG***

2) If equipment is purchased with money raised from co-financing, at the conclusion of the project can these equipment remain with the Lead Applicant?

***Answer: Section 2.1.5 -Annex G - We refer to Article 7.5 of the General Conditions applicable to European Union-financed grant contracts for external actions, copied here in its entirety for clarity:***

***"Unless otherwise clearly specified in the description of the action in Annex I, the equipment, vehicles and supplies paid for by the budget for the action shall be transferred to the final beneficiaries of the action, at the latest when submitting the final report.***

***If there are no final beneficiaries of the action to whom the equipment, vehicles and supplies can be transferred, the beneficiary(ies) may transfer these items to:***

- ***local authorities***
- ***local beneficiary(ies)***
- ***local affiliated entity(ies)***
- ***another action funded by the European Union***
- ***or, exceptionally, retain ownership of these items.***

***In such cases, the coordinator shall submit a justified written request for authorization to the contracting authority, with an inventory listing the items concerned and a proposal concerning their use, in due time and at the latest with the submission of the final report.***

***In no event may the end use jeopardize the sustainability of the action or result in a profit for the beneficiary(ies)."***

***Where applicable, we therefore encourage applicants to include an exit strategy with their description of the action in their application that details how any assets built, developed or otherwise supported by***

*the requested grant are intended to be transferred or retained at the end of the implementation period in line with Article 7.5. These will be duly evaluated.*

*Please note, however, that as a basic principle, the use of EU public grants cannot generate a profits for any private operator unless a commensurate benefit is passed on to the final beneficiaries as public good in line with the programme's objectives.*

3) Please confirm that this is a restricted procedure, and not an open procedure. If this is a restricted procedure please confirm that the following is the allocated proposal number for AFRIPORT International that will be used in the general information table: FED/2017/040-657.

*Answer: Yes – this is a restricted procedure and FED/2017/040-657 is a project reference number used for this action but not specific to AFRIPORT International.*

4) The guidelines state that Annex A, B and C need to be submitted as a part of the Full Application, as well as “With the full application the lead applicant also has to submit completed organisation data forms (Annex F).” Kindly confirm if Annex D and E also need to be submitted as a part of the Full Application?

*Answer: Yes. Annexes D and E also have to be filled and submitted as part of the full Application.*

## **IMPORTANT NOTICE**

**All pre-selected applicants planning on submitting a full proposal under the call for proposals of the coffee and cocoa value chains development project are reminded too carefully review the objectives of project and ensure that their responses are aligned to especially the requirement to demonstrate ability to export to the niche markets in the European Union and other ACP countries.**