

SME Support Grant Scheme for Job Creation
ICMPD/2021/4/ENHANCER/SME/TUR
Clarification No 5 / Questions and Answers

Following the receipt of a high number of questions, ICMPD would like to announce that Q&A will be published on a regular basis until the deadline for asking clarifications (06/09/2021 – 17:00h Vienna Time)

Note 1: Most of the questions that have been received concerning this call for proposals can be answered by **carefully reading** the Guidelines for Grant Applicants (Guidelines).

Note 2: Please note that in the interest of equal treatment of applicants, the Contracting Authority does not give a prior opinion on the eligibility of a lead applicant, a co-applicant, an action or specific activities (Please see section 2.1 of the Guidelines for Applicants).

General Considerations

Question 1: Is it only the Syrians who can benefit from the grant or is it only the Turkish citizens?

Question 2: Does the SME Support Grant Scheme for Job Creation support only the Syrians or are the Turkish citizens eligible to benefit from the grant scheme as well?

Answer 1-2: SMEs registered in provinces of Istanbul, İzmir, Bursa, Konya, Mersin and Kayseri are eligible to benefit from the grant scheme. For other eligibility criteria which should be fulfilled by applicants, please check the Guidelines for Applicants, section 2.1.1, `Eligibility of Applicants`.

Question 3: Do you have a pool of CVs which we can use to employ Syrian employees?

Question 4: Do you have any activity to find qualified personnel for actions? How can we find the personnel that we may need? Do you have a protocol with ISKUR concerning this issue?

Answer 3-4: We do not have a pool of CVs. As the contracting authority, ICMPD does not have such a service or discretion. We do not have a protocol concerning this issue with ISKUR as well.

Question 5: How many people should we employ for our action to be accepted?

Question 6: It is aimed to employ 225 people in the scope of the Project. The maximum or minimum number of people to be employed is not indicated per project for project proposals. Would you consider it as adequate if we aimed to employ 3 people?

Answer 5-6: The number of people to be employed may differ from one project to another. The number of people to be employed will be scored at the evaluation phase. Please check the 5th headline `Expected Results` of the scoring table under section 2.3.8, `Financial and Operational Capacity Check and Technical Evaluation` of the Guidelines for Grant Applicants.

Question 7: The SME Grant Scheme informs that the duration of an action may not be less than 8 months nor exceed 12 months. Are we supposed to employ personnel on a contractual basis within this duration?

Answer 7: This grant scheme expects to achieve sustainable employment and aims to ensure that the personnel continue to be employed after the project as well.

Question 8: We would like to learn if the salaries to be paid to refugees who are placed in jobs are covered by the grant scheme.

Answer 8: In order to learn about the eligible costs in the scope of SME Support Grant Scheme for Job Creation, please check Guidelines for Grant Applicants, section 2.1.4. *‘Eligibility of costs: costs that can be included’*.

Question 9: If we employ a person who is both Syrian and Turkish citizen (double citizenship), which nationality of this person will be taken into account?

Question 10: We have two Syrian personnel in our company. However, these people also have Turkish citizenship. Would this prevent us from applying for the project and the support we receive include these people or is it valid for the new employee?

Answer 9-10: If a person is granted Turkish citizenship, then that person no longer holds the status of a Syrian under Temporary Protection. Having a Syrian employee does not prevent a company from applying to the Grant Scheme. Actions should aim to create jobs, which may mean either making an unregistered employee a registered one or employing a new person.

Question 11: Would you consider 5 personnel (4 males, 1 female) in compliance with the requirement on “at least 25% women’s employment”? In such a case, it is 20% women’s employment. Would this cause for our action to receive a negative score or to be considered ineligible? (We ask this question to learn about the potential impact of such a situation on our activities or to make better planning for our activities considering the fact that many companies find it hard to find female personnel).

Question 12: Is it obligatory to employ at least 25% women as indicated in the Guidelines for Applicants?

Answer 11-12: As indicated in the section 1.2 of the Guidelines for Applicants, this percentage is the objective of the Grant Scheme. In other words, the percentage of women’s employment in the total employment created by all actions (projects) supported by this Grant Scheme is foreseen to be 25%. It is not expected from each and every one of the actions (projects) to meet this 25% target. However, employing Syrians under Temporary Protection, women or young people will ensure obtaining bonus scores at the evaluation phase. Please check the “Relevance” part in section 2 of the scoring table under section 2.3.8, *‘Financial and Operational Capacity Check and Technical Evaluation’*, of the Guidelines for Applicants.

Question 13: What kind of support is provided on the employment side and what conditions are required?

Answer 13: Creating new jobs in an action (project) is required to obtain grants. In order to see the costs which are related to job creation, please check Guidelines for Applicants, section 2.1.4, *‘Eligibility of Costs’*.

Question 14: Our companies operating in the steel door sector want to participate in the project. Even though there is no sector restriction, do the sectors given in the guide have priority? Does the project of our steel door company get negative points compared to other sectors?

Answer 14: Information related to sectors is found in sections 1.2 and 2.1.3 of the Guidelines for Applicants. The sectors mentioned in section 1.2, *Objectives of the Programme and Priority Areas* have been identified as those which are eligible for support. However, eligible sectors are not limited to those mentioned in that section, actions (projects) covered by other sectors are eligible as well if they aim to create jobs. These priority sectors may be awarded high scores; however, the evaluation is not limited to sectors, it rather focuses on the goals of an action and how it is relevant to priorities (please see: Guidelines for Applicants, section 2.3.8, Financial and Operational Capacity Check and Technical Evaluation, “Relevance” part in section 2 of the scoring table.)

Question 15: Our company is based in Kırşehir, but the manufacturing site is located in Kayseri. Can we apply to this grant scheme?

Answer 15: As indicated in the Guidelines, section 2.1.1, *Eligibility of Applicants (i.e. Lead Applicant and Co-Applicants)*, the applicant must be a legal person (properly registered) and have their headquarters and operational production facilities in the targeted provinces: İstanbul, İzmir, Bursa, Konya, Mersin and Kayseri.

Question 16: Is there a limit concerning the number of people to be employed? Is there a limit concerning the ratio of employment costs to the amount of requested funds? Do you need any proof regarding the amount of salary to be paid to a qualified staff? What are your expectations concerning the nationality and gender of people to be employed?

Answer 16: You have to indicate a justification for any amount that you give under the costs of human resources which are part of costs indicated in the budget. You are not supposed to upload any document other than those which are requested under supporting documents (please see: section 2.3.2 Supporting Documents to be Submitted in the Guidelines for Applicants). However, one should always bear in mind that the contracting authority reserves the right to suspend or cancel the procedure, where the award procedure proves to have been subject to breach of obligations, irregularities or fraud. As creating jobs is a main condition to be met by actions, actions which do not create jobs will not be deemed eligible. The number of jobs to be created will be scored in proportion to the number of people employed by the company. Please check, Guidelines for Applicants, 2.3.8, Financial and Operational Capacity Check and Technical Evaluation, section 5 “Expected Results” of the scoring table.

The total cost of human resources should not exceed the 50% of the total eligible direct costs (please check Guidelines for Applicants, section 2.1.4, *Eligibility of Costs: costs that can be included*). The salaries to be paid must comply with market standards. Employing Syrians under Temporary Protection, women, or young people will ensure obtaining bonus scores at the evaluation phase. Please check the Guidelines for Applicants, section 2.3.8, Financial and Operational Capacity Check and Technical Evaluation, the second headline “Relevance” of the scoring table.

Question 17: Is it possible for the employment to be created by an action (project) to cover the existing personnel or is it an obligation to recruit new people?

Question 18: Is it an obligation for the staff to be employed in an action (project) to be newly recruited people? Instead, would you consider promoting existing staff who are Syrians under Temporary Protection or who belong to the host community or assigning them in the action as eligible?

Answer 17-18: Each project proposal has to foresee employment. As indicated in the Guidelines for Applicants, actions (projects) which do not create jobs will not be considered as eligible. The Grant Scheme aims to create jobs, which may mean either making an unregistered employee a registered one or employing a new person. You may promote or reward an existing staff in an action (project), however it will not be considered as new employment which is a goal of this Grant Scheme.

Question 19: As it is the case for some other schemes, can we alter the range of minimum wage based on the education background of the person to be employed? Do you have any restrictions concerning this coefficient?

Answer 19: As indicated in the Guidelines for Applicants, section 2.1.4, '*Eligibility of Costs: costs that can be included*', it is in the applicants' interest to provide a realistic and cost-effective budget.

Question 20: The part on eligible direct costs explains that the total cost of human resources should not exceed the 50% of the total eligible direct costs and total costs of equipment and supplies should not exceed the 50% of the total eligible direct costs. Would this rule be still applicable if we submit a project proposal which is only limited to establishing a foreign trade unit?

Answer 20: This rule is applicable to all project proposals. Please see Guidelines for Applicants, section 2.1.4, '*Eligibility of Costs: costs that can be included*'.

Question 21: The staff may choose to quit jobs. Therefore, what is the minimum duration requirement for sustaining the employment of people in an action?

Answer 21: The Guidelines for Grant Applicants do not specify criteria on this topic. This issue will be clarified in the Special Conditions part if your project is deemed eligible and awarded a contract (Annex G- Standard Grant Contract and Special Conditions). Since personnel may choose to quit jobs, it would not be proper to specify such criteria at the application phase.

Question 22: If our project proposal is accepted and if we employ 1 person instead of 3, what kind of consequences would we face?

Answer 22: This is a possibility which may occur due to various reasons. However, you are supposed to create the employment that you have indicated in your project proposals. If your proposal is accepted, this situation will be clarified in the scope of special conditions.

Question 23: You refer to local host communities. Should we understand that it refers to Turkish citizens?

Answer 23: Host communities refer to Turkish citizens.

Question 24: Employment requirements cover both Turkish citizens and SuTP. I believe that it is not possible to employ only Turkish citizens. Is there a requirement for a ratio and distribution of SuTP and LHCs when we employ these two groups of beneficiaries?

Question 25: Is it allowed for the employment to be created in an action (project) to be only composed of SuTP?

Answer 24-25: Grant Scheme aims to prioritize employment of Syrians under Temporary Protection (SuTP), women and young people and such actions (projects) are given priority as you can see in the scoring table (Section 2.3.8 of the Guidelines). The total employment to be achieved by all projects is expected to be at least 225 and 60% of this number should be composed of SuTP whereas 40% should be local host communities. However, not each and every one of the action (project) is expected to meet these percentages. The employment to be created may only involve SuTP.

Question 26: Following the acceptance of our project, if the temporary status of SuTP ends or if the employment contract is terminated during the course of the action, would ICMPD revoke the amount of funds? Or what would be the liabilities of the relevant SME in such a case?

Answer 26: This grant scheme is expected to achieve sustainable employment, i.e. the employed personnel are expected to continue to be employed after the project as well. ICMPD may ask for clarification or justification and decide accordingly at the phase of project evaluation if the employment contract is terminated for various reasons. The budget item concerning the human resources may be revised if the employment is terminated.

Question 27: Are we going to get feedback regarding any potential correction for the project documents after we upload them or is there no way to introduce corrections into them after we upload them to the system?

Answer 27: Please pay attention to carrying out all the checks before you upload application documents to ICMPD electronic application platform. When you sign the checklist which is included in the application package, you declare that your application is complete. As indicated in the section 2.1.4 of the Guidelines on `Eligibility of Costs`: Costs that can be included, you may only receive feedback for minor errors.

“Recommendations to award a grant are always subject to the condition that the checks preceding the signing of the grant contract do not reveal problems that require changes to the budget (such as arithmetical errors, inaccuracies, unrealistic and inflated costs and ineligible costs). The checks may give rise to requests for clarification and may lead the contracting authority to impose modifications or reductions to address such mistakes or inaccuracies. It is not possible to increase the grant as a result of these corrections.”

Please read carefully section 2.3.7, `Opening & Administrative Checks and Eligibility Check` of the Guideline for Applicants.

Question 28: It is indicated that questions are not allowed after 23.08.2021, could we receive replies for our questions after this date via a contact point?

Answer 28: As announced on the ICMPD website and on the In-Tend application platform, the deadline for project application has been updated as 27.09.2021. The deadline for you to submit your questions is identified as 06.09.2021, 17.00 h (Vienne time). The deadline for ICMPD to reply your questions is identified as 13.09.2021, 17.00 h (Vienna local time). (Please see: Guidelines for Grant Applicants, section 2.4.2, `Indicative Timetable`). We will not be able to reply your questions after 06.09.2021.

Clarifications to your questions are regularly being published on the ICMPD electronic application platform and on the ENHANCER project website. You can find the replies to your questions in these documents.

Question 29: Is it possible for you to use the terminology such as Q&A or Confirmation instead of using the term 'Clarification' in your documents?

Answer 29: All the expressions and explanations concerning our system are clearly defined. Clarification is a common administrative term that we use to name all of our explanations. Clarifications include detailed information about the topics covered. All the documents issued with the name of clarifications can be found both on ICMPD website and the ICMPD electronic application platform.

<https://in-tendhost.co.uk/icmpd/aspx/ProjectManage/18>

Clarifications on frequently asked questions that are being published on the ENHANCER project website are available in English and Turkish.

<https://enhancerproject.com/istihdam-yaratma-odakli-kobi-hibe-programi-dokumanlari-.html>

In case of discrepancy between documents uploaded to this website and the original documents uploaded to the ICMPD electronic application platform, those uploaded to the ICMPD electronic application platform shall prevail legally.

Question 30: Is there a defined number of projects to be implemented in each of the provinces, which can be found by dividing the total amount of 3.000.000 Euros by 6?

Answer 30: There is no such distribution of 3.000.000 Euros on the basis of dividing it by 6. The Guidelines for Applicants contains a scoring table and there is a relevant section in the Guidelines which explains the minimum number of applications in a province that may be approved among the applications meeting the requirements (Please check section 2.3.8, *'Financial and Operational Capacity Check and Technical Evaluation'*).

Question 31: Eligibility criteria inform that the number of employees must be between 10 and 250. Should we have this number of employees at the time of the foundation of the company or should our company currently have this number of employees?

Answer 31: Please review the SME Status Declaration Form (Annex F - Supporting Documents - SME Status Declaration Form) regarding the SME criterion. When you download that form, you will see that there is a section on this issue which is also mentioned among the criteria to be met to be considered as an SME. The requirement for having at least 10 employees is a grant requirement that is separate from SME-related criteria. The number of employees should be submitted based on current data and an updated version of statement submitted to Social Security Institution shall be taken as basis to understand the current number of employees.

Question 32: The budget is indicated in Euros. Shall we draft the budget in TRY or Euro? Shall we take the exchange rate specified in the turnover section of the Guidelines?

Answer 32: The exchange rate included in the Guidelines for Applicants, section 2.1.1, *'Eligibility of Applicants (i.e. Lead Applicant and Co-Applicants)'* is supposed to be used to calculate the turnover or balance sheet. When drafting the project budget, the current exchange ratio with justification sheet shall be taken as basis.

Question 33: Which institution should we address to submit supporting documents such as up-to-date evidence on the fulfilment (including restructuring etc.) of obligations related to social security contributions or up-to-date evidence on the fulfilment (including restructuring etc.) of the fiscal/tax obligations?

Answer 33: You may produce these documents addressing to the International Centre for Migration Policy Development.

Question 34: Do you accept any language other than English in the application phase?

Answer 34: As it is mentioned in Guidelines for Applicants, section 2.3.1, '*Application Forms*', the applicants shall submit their applications in English. It is only the original copies of documents obtained from official institutions which can be submitted in the language that they are produced or in Turkish.

Question 35: What is the reason for giving such a short time for application?

Answer 35: This call for proposals was published on 01.07.2021. Therefore, the time given for application is not limited to one month considering the deadline. The deadline for application was updated as 27.09.2021.

Question 36: If we have a project which is supported by another EU scheme, can we still be eligible for grants in this grant scheme?

Answer 36: As explained in Important Note 5 in the Guidelines for Grant Applicants, please note that lead and co-applicants, if any, who will be granted under this call for proposals, will be excluded from applying (both as lead applicant and co-applicant) from future Grant Scheme Programs of ICMPD's ENHANCER Project and other funding opportunities provided under the FRIT second tranche operations and IPARD programme in Turkey channelled through other international partner organisations. A project which is supported by EU funds will not be refinanced in the scope of this grant scheme. As indicated in Section 2.1.3 on Eligible Actions: Actions for which an Application may be made, actions already financed or in a process of being financed from state budget or other EU programmes, or other funds are ineligible.

Question 37: Who is going to undertake the responsibility of monitoring and evaluation and supervision of actions?

Answer 37: Beneficiaries with approved projects have to report to ICMPD on a periodical basis. Evaluation officials will be employed in each province, who will occasionally conduct on the spot checks as well. The reporting timeline may change depending on the implementation timeline of projects, however it is now supposed that reporting will be required for every 6 months.

Question 38: Who will take part in the commission in charge of approving projects? Whose opinion will you take when you assess the applications?

Answer 38: You may find the answer to this question in the Guidelines for Applicants. The deadline for project applications is 27.09.2021. Our evaluation process will start after this date, an evaluation committee will take part in the evaluation process. In addition to the evaluation committee members, independent assessors will be identified under the coordination of our headquarters in Vienna and then the evaluation process will proceed. The sections 2.3.6, 2.3.7 and 2.3.8 of the relevant Guidelines explain the evaluation process.

Question 39: Can 2 companies with the same shareholders' structure be lead applicants separately in two different applications?

Answer 39: As you may read from the Guidelines, companies with the same shareholders' structure or companies with the same business partners will be considered as the same applicant. Therefore, one company can only make one application. Please read Important Note 5 in the Guidelines for Applicants.

Question 40: Can a lead applicant and co-applicant of an action be applicants in more than one action (project)?

Answer 40: It is not possible for a company which is a lead applicant in an action (project) to be a co-applicant in another action (project). Please check section 2.3.3 and Important Note 5 in the Guidelines for Grant Applicants.

Question 41: As the supporting documents include some documents which will need to be obtained from the chamber of commerce, should we conclude that the applicants have to be a limited or joint-stock company?

Answer 41: Sole proprietorship companies are also eligible applicants in this grant scheme. As explained in Guidelines for Applicants, section 2.3.2, '*Supporting Documents to be Submitted*', sole proprietorship companies may obtain documents from Chamber of Artisans and Craftsmen (ESOB) that they are registered to.

Question 42: How will the payment schedule of the approved grant amount be defined for the applicants who are awarded a contract?

Question 43: Will the payment be made on the basis of periodical reports? Or will the payment of all of the requested funds be made after all the costs of an action are incurred and declared?

Question 44: Is it possible for the amount financed by the EU grant scheme to be paid in advance? Or, will the payment be made after the submission of the invoice and abstract of bank accounts as proof of expenditure?

Answer 42-44: When your total budget and the requested amount of funds are available, you may request a pre-financing payment. However, you may be requested to submit a financial guarantee depending on the requested amount of pre-financing. The remaining payment shall be made on a periodical basis, as explained in the special conditions. The payment schedule shall be decided based on discussions at the contracting phase. Following the declaration of costs incurred, the amount of the grant which is found eligible and indicated in the budget shall be paid.

Eligibility of Applicants (E.g. lead and co-applicants)

(Guidelines for Grant Applicants, Section 2.1.1 and 2.1.2)

Question 45: It is stated that an enterprise should have 10 employees and more, should they be registered? Because there are many companies that have this number of employees, but not all of them are able to register employees due to legal procedures, but this grant can help in that.

Answer 45: The number (10 employee) stated in section 2.1.1, '*Eligibility of applicants (i.e. lead applicant and co-applicant(s)) (including shareholders)*' of the Guideline for Applicants, refers to registered employee number.

Question 46: Should an enterprise be registered in province which is specified by you, or could be in other province and the activity will be in province which specified by you?

Answer 46: As stated in section 2.1.1, *'Eligibility of Applicants (i.e. lead applicant and co-applicant(s))'* of the grant guideline, a legal person (be properly registered) and have their headquarters and operational production facilities in the targeted provinces: İstanbul, İzmir, Bursa, Konya, Mersin and Kayseri are eligible applicants. Also, as per section. 2.1.3 of the Guidelines for Applicants, *'actions must take place in one or more of the following targeted provinces, namely İstanbul, İzmir, Bursa, Konya, Mersin, and Kayseri.'*

Question 47: If we decide to make an application, our co-applicant who will jointly apply with us meets eligibility criteria. Their annual turnover is 3 million TRY, the number of their employees is at least 10 and they have been operational for at least 2 years. If the total amount of turnovers of the 2 co-applicants goes over the limit, could they be considered as eligible applicant?

Answer 47: As explained in the Guidelines for Applicants, section 2.1.1, *'Eligible Applicants'*, each applicant must fulfil these criteria separately.

Question 48: We were established in April 2019 as a sole proprietorship and then converted into a limited company in April 2021, the kind of our corporation has been changed. Is this situation an obstacle before us to become an eligible applicant?

Question 49: The applicant company is supposed to have been established at least 2 years before the date of application. If there were partial transfers among companies and if such partial demerger/division took place less than 2 years ago, would this situation meet eligibility criteria?

Answer 48-49: We take the date which appears on the Turkish Trade Registry Gazette showing the founding date of the company as the basis. The companies must be founded on 01.07.2019 at the latest (which corresponds to 2 years before the date of the call for proposals). (Please check Guidelines for Applicants, section 2.1.1, *'Eligibility of Applicants (i.e. lead applicant and co-applicant(s))'*). If there is a division and if this division can be attested with a source document such as an official gazette etc., the establishment date of the company before the division can be taken as a basis. However, the relevant supporting documents must be uploaded to the application system.

Question 50: We are a company established 3 years ago and although the Ministry of Trade has approved to award us an incentive, we did not undertake it. However, our turnover does not meet eligibility criteria. We have fewer than 10 staff, however, there are Syrian enterprises among the legal entities which are partners in our organization. Are we eligible to benefit from this Grant Scheme? Or should the companies, which are partners in our organization as separate legal entities, apply separately?

Question 51: I own a company operating in the food sector, however, I have a business idea about entrepreneurship in the culinary tourism sector. Is this business idea eligible for application?

Answer 50-51: Due to the need to obey the principle of equal treatment to all applicants, the Contracting Authority cannot provide an opinion on whether an organization can be an eligible applicant or co-applicant. Please read carefully the Guidelines for Applicants, section 2.1.1, *'Eligibility of Applicants (i.e. Lead Applicant and Co-Applicants)'*. In order to get information on eligible actions, please also check section 2.1.3, *'Eligible Actions: actions for which an application may be made'*.

Question 52: It is written in the documents that the application must involve co-applicants. Is this mandatory? In case of the presence of the co-applicants, will the amount of the grant to be provided to an action change depending on the number of co-applicants? Can the ratio of requested funds to the amount provided by ICMPD change according to the number of co-applicants?

Answer 52: There is no requirement to have a co-applicant. You may have a co-applicant/it is possible to have a co-applicant if you think that co-applicants will increase the efficiency of an action. As indicated in section 2.1.1 of the Guidelines on Eligibility of Applicants (i.e. Lead Applicant and Co-Applicants), *applicants may act individually or with co-applicant(s)*. The co-applicant must also fulfil eligibility criteria of the Grant Scheme. The inclusion of co-applicants does not change the amount of grants to be provided. The amount of grants to be provided to an action can be between 20.000 and 55.000 Euros.

Question 53: Is there a requirement for sectors that the eligible applicants have to comply with?

Answer 53: Sections 1.2 and 2.1.3 of the Grant Guidelines provide information on sectors. The sectors indicated in section 1.2. on Objectives of the Programme and Priority Areas have been identified as targeted sectors. However, these targeted sectors are not limited to those indicated in this section, actions covered by other sectors which aim to create jobs are also eligible for grants.

Eligibility of Costs and Financial Aspects (Guidelines for Grant Applicants, Section 2.1.4)

Question 54: The call for proposals requires that requested grants must be between 75% and 90% of the eligible costs. How are we going to identify the ratio of eligible costs?

Question 55: It is written in the call for proposals that the requested grants must be between 20.000 and 55.000 Euros. Can we understand the following from this statement: *If the grant ratio is 75%, then 75% of the total amount of eligible costs should be between 20.000 and 50.000 Euros?*

Question 56: How do you determine if the grant will be provided as 75% or 90%? For example, the grant would be 450.000 TRY in case of 75% or 540.000 TRY in case of 90% for a project with a budget of 600.000 TRY. Which percentage should we take as a basis when we draft the project budget? This aspect should be clarified so that our project would not be adversely affected because of this uncertainty.

Question 57: How is the grant rate determined? How are the percentages stated as 75% and 90%, being determined?

Question 58: The action (project) that we have designed, amounts to 200.000 Euros but if our project is awarded a grant, only 55.000 euros will be paid. Or does the total amount of the budget have to be 55.000 Euros?

Answer 54-58: The percentage of the grant and requested amount can be identified by the applicant by calculating the amount of co-financing to be provided by the applicants. As explained in section 1.3 of the Guidelines on Financial Allocation Provided by the Contracting Authority, the amount of requested grant has to be between 75 and 90% of the total eligible costs. The

remaining 25-10% has to be considered as co-financing. The requested amount corresponding to 75 and 90% must be between 20.000 and 55.000 Euros.

Question 59: When we drafted the budget, we allocated 50% of the budget to employment and 50% to machinery and equipment. The maximum amount to be financed is defined as 90%. Should we draft the budget considering the remaining 10% or should we directly include this in the budget?

Answer 59: When you check Annex B-Budget file which is uploaded to the ICMPD electronic application platform (In-Tend), you will see that those cost items within a project budget are indicated separately. The last section of the budget form requires you to explain how much of the project budget you have drafted is requested from ICMPD. As explained in sections 1.3. and 2.1.4 of the Guidelines for Applicants, it is possible to request 75% and 90% of the project budget from the contracting authority.

Question 60: Eligible costs include training and consultancy costs. However, it was not clear in the budget excel file under which cost item we could insert the training and consultancy costs. Under which column or sub-column in the Excel file should we place this cost item?

Question 61: We checked the Budget form in English. Where can we insert the budget expenses such as consultancy, personnel training in the Excel form. We could not find a specific expense item.

Answer 60-61: Costs such as consultancy and training can be inserted in the “other” column of the document in Annex B-Budget.

Question 62: Is there a VAT exemption for procurement of machinery and equipment in the scope of this grant scheme?

Question 63: Is the procurement of machinery, equipment, hardware and software exempt from VAT?

Question 64: Is there a country-of-origin requirement for the procurement of machinery and equipment and is such procurement exempt from VAT? Are we supposed to draft the relevant budget as VAT exempt or VAT included?

Question 65: Is it necessary to submit a certificate of origin in the procurement of machinery and equipment? Is there a defined procedure to follow in the procurement process?

Answer 60-65: As indicated in Annex G- Standard Grant Contract and Article 7.1.14 of the Special Conditions, VAT and similar costs are not considered as eligible expenditures. A VAT exemption certificate will be issued for any expenditure to be incurred in the scope of action (project). (Please see: Annex H – Information on Tax Regime which can be found in the Documents for Information folder uploaded to the In-Tend platform). The budget shall be drafted as VAT exempt. There is no country-of-origin requirement for the procurement of machinery and equipment.

Grant beneficiaries have to follow the Annex IV Procurement Rules for Grant Beneficiaries which can be found in the Documents for Information uploaded to ICMPD electronic application platform (In-Tend).

Question 66: There are many expense items that we need to include in the identification of costs such as machinery, equipment and hardware. Do we have to get 3 quotes for such procurement?

Answer 66: Please see the Annex IV-Procurement Rules for Grant Beneficiaries which can be found in the Documents for Information uploaded to ICMPD electronic application platform (In-Tend). The procurement procedures should be conducted as indicated in these rules.

Question 67: The supporting documents include a statement that the lead applicant and (if any) co-applicants do not have any debt which may cause seizure and confiscation amounting to 3% or more of the Contracting Authority's financial support. Is this a statement that we can obtain from the authorized execution offices? Or will the company's statement on this issue be considered adequate?

Question 68: You require that existing liabilities of a company may not exceed 3% of the company's turnover. Would you consider a written statement on this issue produced by the company as sufficient or would you require a document to be issued by an official institution?

Answer 67-68: The statement that the lead applicant and (if any) co-applicants do not have any debt which may cause seizure and confiscation amounting to 3% or more of the Contracting Authority's financial support could be produced by the company itself. However, it should be remembered that, as indicated in the guidelines, the contracting authority reserves the right to suspend or cancel the procedure, where the award procedure proves to have been subject to breach of obligations, irregularities or fraud.

Question 69: In the context of "Investments in R&D within the scope of capacity building projects" stated in the grant guideline, can the expense related to the interior design and deconstruction of the area/space where research and development activities will be performed and office furniture/materials that are obtained for this area be considered as eligible direct cost?

Answer 69: Construction and refurbishment costs are ineligible costs within the context of this grant programme as stated in the Guidelines, section 2.1.4, *'Eligibility of costs: costs that can be included'*. However, there is an exception that expenses related to small renovations for installation of the necessary equipment/machinery which is required for the implementation of the action may be eligible cost.

Question 70: Which projects can be implemented in the scope of infrastructure projects within the extent of non-eligible costs specified in the grant guide? Are purchases such as machinery/equipment/ measuring instruments that can be used for the implementation of infrastructure project activities or Research & Development activities eligible costs?

Answer 70: Please read the section 2.1.4 of the Guideline for Applicants:

"Ineligible costs: Construction and refurbishment costs except for the small renovations for installation of the necessary equipment/machinery.

Eligible direct costs: Purchase costs for new (second hand purchase is not eligible) equipment, machinery and supplies specifically for the purpose of the Action. Please note that the total costs of equipment and supplies (excluding office supplies) should not exceed the 50% of the total eligible direct costs (2.1.4. Eligibility of costs: costs that can be included)."

Question 71: It is indicated that 1 Euro must be taken as 10.44 TRY. Shall we take this exchange rate as the basis when calculating financial statements/export figure for the years of 2019 and 2020? Or, should we take the relevant exchange rate issued by the Central Bank for the past years?

Answer 71: The exchange rate indicated in the Guidelines, section 2.1.1, *'Eligibility of Applicants (i.e. Lead Applicant and Co-Applicants)'* is supposed to be used to calculate turnover and balance sheet figures when deciding if the applicant is an SME. The same exchange rate should be used for financial data needed to fill out the Annex A-Grant Application Form.

Question 72: The following statement is included in the presentation: *"As part of capacity development projects, machinery and equipment procurement; software, hardware and licenses (although projects cannot be for procurement only. Procurement may be part of project activities broadly within the scope of project objectives)."* According to this article, how can we purchase machinery etc. in this project? Can we purchase items such as machine software and hardware in this project? If we can, is there a limit for it?

Answer 72: When procuring the machinery and equipment, grant beneficiaries have to obey Annex IV- Procurement Rules for Grant Beneficiaries which can be found in the Documents for Information uploaded to ICMPD electronic application platform (In-Tend). The procurement of machinery and equipment could be decided by the applicant depending on the requirements of actions (projects). As indicated in the Guidelines, section 2.1.4, *'Eligibility of costs: costs that can be included'*, the total costs of equipment and supplies (excluding office supplies) should not exceed 50% of the total eligible direct costs.

Question 73: Which items can we purchase within the scope of the project setup?

Answer 73: Please check the Guidelines for Applicants, section 2.1.4, *'Eligibility of costs: costs that can be included.'*

Question 74: Can we include the expenses of website update/ flyers/catalogue/digital advertisement to the Visibility expenses?

Answer 74: Promotional costs can be decided by the applicants depending on project requirements. As indicated in the Visibility section of the Guidelines, the beneficiary(ies) shall mention the title of the Action and the Contracting Authority as well as the European Union's financial contribution in information given to the final recipients of the Action, in its internal and annual reports, and in any dealings with the media. It shall display the Contracting Authority, Ministry of Industry and Technology and European Union logo wherever appropriate.

Question 75: What can be done with regard to profit or loss caused by currency exchange?

Answer 75: As indicated in the Guidelines for Applicants, section 2.1.4, under sub-section *'Ineligible Costs'*, currency exchange losses are not eligible costs.

Question 76: If we get support from consultancy companies during the implementation, do these companies have to hold a certificate of competence? Or can we get service from any consultancy company which has a legal status?

Answer 76: Please check the Annex IV-Procurement Rules for Grant Beneficiaries which can be found in the Documents for Information uploaded to ICMPD electronic application platform (In-Tend).