

## **Explanatory Note Related with the Request for Applications for the Assessment of Impact of Quasi-Fiscal Charges on Businesses in Serbia**

### **Which fees and charges are expected to be assessed?**

BEP expects to receive proposals that will entail analyses of fees and charges imposed on both central and local government level. As far as local government fees and charges are concerned, BEP would like the successful applicant to examine practices of at least five local governments, making sure that different groups based on size, status (city or municipality) and geographic location are represented. All Republic level fees and charges are expected to be inventoried.

BEP does not expect the grantee to analyze costs that public authorities incur in administering fees and charges, though any reference in this regard would certainly be welcome. However, analysis should show whether public authority in question provides services or grants rights of value that corresponds with amounts of imposed fees and charges.

BEP expects utility prices charged differently to physical and legal persons to be examined. Given the fact that most utility prices are controlled by local governments, the successful bidder does not need to expand the sample of local governments for utility prices beyond those selected for analysis of other local fees and charges.

Payments such as court fees/charges, fines and similar are not expected to be included in this project.

### **What types of businesses are to be included?**

The expression “at least five representative types of businesses” referred to in the Expected Deliverables section of the RFA does include entrepreneurs.

Efforts should be made to define the sample in a way to cover business of different types of incorporation, size, sector and location. BEP would like to see such a selection of representative businesses that will entail inclusion of more important charges that are not applicable on all businesses (such as water, roads, environmental and similar fees/charges). Furthermore, the BEP would encourage inclusion of the minimal list of fees and charges that will be subject of analysis and impact assessment described in the points B.2 and B.3 of the RFA, in addition to those that will be included based on the more than 0.1% of their annual turnover rule.

BEP does not encourage inclusion of public enterprises in the representative sample of businesses.

### **How should the Recommendations be developed?**

The successful applicant is not required to conduct comparative researches for the purpose of developing recommendations as described in B4.4 of the RFA.

BEP does not expect successful applicant to develop comprehensive recommendations including proposals for new calculation system for each type of analyzed fee and charge. Instead BEP requires that the grantee provide recommendations for groups of fees and charges indicating if a reform is needed and general direction of the reforms, such as simplification of criteria, changes in the base for calculation, limits for public authorities in setting them or even elimination where warranted.

**Which form of budget breakdown is applicable for this project?**

Applicants are required to use the Budget Form annexed to the Full Grant Application Form, available at BEP's website.

**Which final deliverables are expected to be in English? Is it needed to have the English version of the web site as well?**

The Survey Report should be in Serbian language only. However, the Grant Reports should be in English language. The website may be in Serbian language.