

Support for Increasing the Competitiveness of Croatian SMEs

IPA IIIc

Questions and Answers

EuropeAid/132357/M/ACT/HR

IPA Component IIIc - Regional Competitiveness Operational Programme 2007-2011 for Community Assistance under the IPA Regional Development Component in Croatia

Support for Increasing the Competitiveness of Croatian SMEs

Reference: **EuropeAid/132357/M/ACT/HR**

QUESTIONS AND ANSWERS #1

Date: 29 February 2012

NOTE: The decision concerning eligibility of an applicant, a partner, an action or specific activities will be brought by the Evaluation Committee during the process of Evaluation of applications (subject to approval of the CFCA and ex-ante control of EU Delegation).

NOTE: Owing to the fact some of the questions submitted to the Contracting Authority are rather lengthy and include project specific information, they have not been included in the table in their entirety, i.e. only the segments that may be considered relevant for other applicants have been included.

List of Abbreviations:

CFCA – Central Finance and Contracting Agency

CA – Contracting Authority

GfA – Guidelines for Applicants

General Conditions - ANNEX II General Conditions applicable to European Union-financed grant contracts for external actions

PRAG – Practical Guide to Contract procedure for EU external actions

| no. | QUESTIONS | ANSWERS |
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| 1. | Do you have documents translated into Croatian for EuropeAid/132357/M/ACT/HR? | No, the language of the procedure is English. Potential applicants are reminded about provision of the <i>Section 2.2.1 Concept Note Content</i> of the Guidelines for Applicants which states that "Applicants must apply in English." |

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| 2. | Reading from the tender documentation – page 7/25, article 2.1.1: as one of the proofs of eligibility, one is required to demonstrate profit after taxation in the fiscal year 2010. Please confirm that the year for which the profit demonstration is required is indeed 2010, and NOT 2011 | <p>Please refer to the Corrigendum no. 1 published on 9 February 2012. The Corrigendum corrects the mistake in section 2.1.1. <i>Eligibility of applicants: who may apply?</i> of the GfA published on 19 December 2011. In particular, according to the information provided in the footnote, the requirement is to “demonstrate profit after taxation for the fiscal year preceding the date of grant application (full application).” As it is foreseen in section 2.5.2. <i>Indicative Timetable</i>, that the full applications will be submitted in 2012, the relevant year for which “profit after taxation” is a requirement is fiscal year 2011. Consequently, companies which can demonstrate profit after taxation for the fiscal year 2011, fulfil this eligibility requirement, regardless of financial performance in previous years.</p> |
| 3. | In fiscal year 2010 our company had reported a loss after tax, while in 2011 we finished the year with a positive balance. Are we eligible to participate in the competition? | |
| 4. | In Section 2.1.1 of the Guidelines for applicants you prescribe that applicant must “demonstrate profit after taxation in the fiscal year (2010) preceding the date of grant application”. As far as we can predict fiscal year preceding taxation will be 2011. Could you please clarify? What if the company had profit in 2011, but not in 2010? | |
| 5. | According to Guidelines for grant applicants the Applicant must „Be able to demonstrate a profit after taxation in the fiscal year (2010) preceding the date of grant application“(2.1.1 Eligibility of applicants: who may apply?). Since the year 2012 is the year in which the applications must be submitted, does the above criteria refers to the fiscal year 2010 or to the fiscal year 2011 ? | |
| 6. | My question is related to the ELIGIBILITY CRITERIA (page 7 of Guidelines_for_Applicants_5.pdf): “Be able to demonstrate a profit after taxation (13) in the fiscal year (2010) preceding the date of grant application” According to other related explanations (please see below, page 7 explanation 13, and page 21 explanation 7) in Guidelines_for_Applicants_5.pdf, the profit after taxation should be checked for the year 2011, and not for the year 2010 (as it is written in the parenthesis in the page 7 of Guidelines_for_Applicants_5.pdf) | |

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| 7. | Do we have your help in applying for a grant? | The Central Finance and Contracting Agency as the Contracting Authority (CA) is responsible for preparation and contracting of the grant scheme, and as such any direct support to potential applicants would result in a conflict of interest. Also, according to section 2.2.4 <i>Further information for Concept Note</i> of the GfA, the CA is required to provide equal treatment to all applicants. With this principle in mind, information workshops were held throughout the country, and these questions and answers are posted as an aid to all applicants. |
| 8. | I'm interested what are the definitions of small and medium-sized enterprises? | As stated in section 2.1.1. <i>Eligibility of applicants: who may apply?</i> of the GfA, the relevant definition of small enterprises for this grant scheme is as defined in Article 2 and 3 in the SME Encouragement Act (Official Gazette, 29/02), and Article 1 and 2 of the Law on Amendments to the SME Encouragement Act (Official Gazette, 63/07) . The primary criteria according to this definition relate to: Maximum number of employees, maximum annual turnover and independence in operations. |
| 9. | I am curious whether more types of activities according to NACE 2007 will be added to the list specified in the GfA? | The list of eligible sectors according to the NACE (NKD) provided in the GfA is exhaustive and will not be modified. Hence, support only relates to SMEs in the sectors stated in section 2.1.3 <i>Eligible Actions: actions for which an application may be made</i> of the GfA. |
| 10. | We are engaged in the manufacture and installation of various structures of iron and stainless steel, we have adequate office space, but we lack the machinery. Is the purchase of machinery (presses, shears, benders, forklift, etc.) eligible for receiving grant funds from the EU this tender? | |
| 11. | Can doctors of dental medicine (health sector) apply for a grant? I have a private practice and contract with HZZO (Croatian national health insurance) and the funds would be invested in the purchase of modern equipment or can the funds can be used in another manner? | |
| 12. | A medium size company, producer of olive oil and wine, is interested in applying for funding under the grant scheme "Support for Increasing the Competitiveness of Croatian SMEs" specifically for the development of the waste water treatment plant technical specifications and concept design (not for the actual building of the WWTP). Although in our view this activity can be | |

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| | <p>considered as stage one under Type of action #2 Strengthening environmental protection at production sites, please advise whether it is acceptable to offer for funding only preparatory activities for waste water treatment plant investment.</p> | |
| <p>13.</p> | <p>Is there a possibility to apply a project where the products available to end-users have a significant environmental impact while the production itself does not require material investment that will enhance the ecological value (as indicated in the list of activities). Of course, within these products innovation is expressed, and standardization is essential in accordance with EU criteria for market regulation, and at this level this meets the criteria of the tender.</p> | <p>In accordance with 2.2.4 of the Guidelines for Grant Applicants “In the interest of equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of an applicant, a partner, an action or specific activities.”</p> <p>In the course of evaluation, eligibility of project activities will be assessed by the Evaluation Committee in line with published criteria in the GfA.</p> <p>However, we refer you to section 2.1.3 <i>Eligible Actions: actions for which an application may be made</i> of the GfA, which states the types of actions and activities that are eligible for financing through this grant scheme. Further, <i>Article 14 Eligible Costs</i> of the General Conditions states that costs “must be necessary for the implementation of the action.”</p> |
| <p>14.</p> | <p>We have developed software for project management and various engineering calculations. As part of the software we would add additional modules for the calculation of heating / cooling system with heat pump. We would develop the module ourselves, ie the primary cost of development would be the salary of the developing engineer. Does a project like this come into consideration for financing?</p> | |
| <p>15.</p> | <p>I am interested in whether a company has a production bar chair, using an old paint shop, and whether they now be based on the modernization project, paint shops use this type of competition from the component "Activities to strengthen environmental protection and manufacturing plants?"</p> | |

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| 16. | <p>I own a craft for organic wine production on an island. The vineyard, which produces organic wine, has approximately 2200 vines and annual production is about 1,200 bottles of 0.75 L of superior red wine.</p> <p>Also I have a contract with another organic producer of grapes for the purchase of grapes, and I am curious whether I can apply to this call with a request for organizing space for organic grape processing, storage and sale of wine and acquiring the necessary equipment.</p> <p>Namely, according to the law on organic production organic products must be separated from the conventional products in all stages from production to sales.</p> | |
| 17. | <p>HBOR recently approved a loan for small and medium enterprises for the purchase of a new tourist ship with which we would transport travellers from Dubrovnik to Korcula.</p> <p>The guidelines state that the following sectors are acceptable: Economic activities in accordance with the National activities classification NKD:</p> <p>30 Manufacture of other transport equipment: except 30.11 Building of ships and boats,</p> <p>Does that mean that we do not fit into this activity because our core business passengers by sea and coastal 50.10 per NACE?</p> | |
| 18. | <p>I am interested whether the activities listed in the Concept Note and subsequently the Full Application form can be executed only after signing the grant contract, or they can they be implemented in the period after submission of the application i.e. 20.2 and/or 29.6.2012?</p> | <p><i>Article 14 Eligible Costs</i> of the General Conditions state that eligible costs are those costs which “are incurred during the implementation of the Action as specified in Article 2 of the Special Conditions,” while Article 2.1. of the Special Conditions states that “This Contract shall enter into force on the date when the last of the two Parties signs.”</p> <p>Consequently no costs incurred prior to the start of the implementation period are eligible. Conclusively, it is possible to execute project activities before signing grant contract but related costs would not be eligible for financing under the contract.</p> |
| 19. | <p>One of our members asked is it possible to retroactively finance the purchase of the machine from last year (2011) through this project</p> | |

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| <p>20.</p> | <p>According to the GfA any grant awarded under this Call for Proposals must fall between the following minimum and maximum percentages of total eligible costs of the action</p> <ul style="list-style-type: none"> • Minimum percentage: 50% of the total estimated eligible costs of the action. • Maximum percentage: 85% of the total eligible costs of the action (see also section 2.1.4) <p>Could you please explain how it is decided which percentage of financing will be provided, whether a project will receive 50% or 85% financing?</p> | <p>It is up to applicant to decide on the percentage of requested financing. Applicants are free to choose any rate of financing as long as they remain within the required minimum of 50% and maximum of 85%, while also assuring that the amount requested from the CA remains within the defined minimum of EUR 50.000 and maximum of EUR 200.000. As the amount requested from the CA can be a minimum of EUR 50.000, with a maximum financing rate of 85%, the minimum value of total eligible costs of the action can be approx. EUR 58.824. As the amount requested from the CA can be a maximum of EUR 200.000, with a minimum financing rate of 50%, the maximum value of total eligible costs of the action can be EUR 400.000. If a project application is recommended for financing, the percentage of requested financing is fixed and cannot change during the process of contract preparation.</p> |
| <p>21.</p> | <p>Since the Guidelines state: Any grant awarded under this Call for Proposals must fall between the following minimum and maximum Percentages of total Eligible Costs of the action</p> <ul style="list-style-type: none"> • Minimum percentage: 50% of the total estimated Eligible Costs of the action. • Maximum percentage: 85% of the total Eligible Costs of the action (see also section 2.1.4). <p>Does this mean that the maximum total project cost can be € 400,000?</p> | |
| <p>22.</p> | <p>If the entire project is accepted and evaluated and approved - will we get the full amount of requested grant funds, or there is an opportunity to approve less than 85% of funds. Simplified, project is accepted in the requisite financial grant or project is rejected. Is this correct? So is there any possibility to reduce the required % of the grant?</p> | |

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| 23. | <p>A company would like to apply for a grant under above mentioned call for proposals. Total eligible costs of the action would be 400.000 EUR and the entrepreneur would apply for the grant in the amount of EU contribution of 200.000 EUR. 50% of the remaining eligible costs will be his own contribution.</p> <p>According to the point 1.3 of the guidelines for applicants, minimum percentage of the total eligible costs of the action must be 50%, and maximum amount of the awarded grant 200.000 EUR.</p> <p>Could a project with the amount of 400.000 EUR total eligible costs be applied under this call for proposals?</p> | |
| 24. | <p>We have applied for financing of our project in the Fund for Environmental Protection. The project was positively evaluated and approved. We are now awaiting the signing of the contract. Are we allowed to apply for financing of this project to both the tenders?</p> | <p>In accordance with section 2.1.3 <i>Eligible Actions: actions for which an application may be made</i> of the GfA, “projects already receiving funds from any other sources for the same activity” are ineligible. Namely, double funding is strictly prohibited.</p> <p>However, applicants can have other sources of financing (other than the EU), so if the funds from other sources are used as co-financing, and % of EU contribution and other sources combined do not go above 100% of project expenditures (i.e. if there is no double financing), this can be possible.</p> |
| 25. | <p>Can a company that has already received de minimis aid for a project to be realized in 2012 apply the same project to IPA component IIIc for financing?</p> | <p>Furthermore, the applicant shall immediately inform the authorising officer („Contracting Authority“) of any multiple applications and multiple grants relating to the same action or to the same work programme.</p> |
| 26. | <p>Is there a possibility that a start-up applies?</p> | <p>Existing criteria in GfA do not exclude recently established enterprises However, it is important to take into consideration criteria provided under section 2.3 <i>Evaluation and Selection of Applications</i> of the GfA concerning financial and operational capacity of the applicant/partner.</p> |
| 27. | <p>My question is related to business' technical and financial capacity. If the company did not operated in 2010 can also participate in the contest?</p> | <p>The financial capacity of the applicant is assessed based on the information provided within section 3.3.3 of the Full Application form (<i>Resources</i>). As a result applicants who cannot provide financial data for the 3 years prior to submission of the Full Application will find it difficult to achieve a score high for these criteria.</p> |
| 28. | <p>If a company did not operate in 2010 can they participate in the tender?</p> | <p>It is also important to consider that these criteria have a minimum required score (e.g. if the</p> |
| 29. | <p>I am interested whether a company can apply a project if the company, at the time of signing the contract, meets all criteria except the criterion of age? I got the impression that perhaps is</p> | <p>It is also important to consider that these criteria have a minimum required score (e.g. if the</p> |

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| | <p>not imperative that a company must provide reports on operations in previous years, if established during the current year, but fulfils all other eligibility criteria (solvency, payment of all obligations to the state and suppliers and to employees).</p> | <p>score under section 1. <i>Financial and operational capacity</i> of the Evaluation grid is less than 12 point, the application will be rejected).</p> |
| 30. | <p>Can companies apply to this grant scheme if they were founded in late 2010 or early 2011, which have operating profit but because of their date of establishment cannot provide documentation for the financial data for the fiscal year 2010? Financial data and any accompanying documentation can be attached for the fiscal year 2011.</p> | <p>Further on, it is important to point out that section 2.1.1. <i>Eligibility of applicants: who may apply?</i> of the GfA, has cumulative eligibility requirements, i.e. each of the listed requirements is followed by the word “and.” Consequently, all eligibility criteria must be met in order for an Applicant to be considered eligible. Also, please refer to the Corrigendum no. 1 published on 9 February 2012, as well as the answer provided to question no. 2.</p> |
| 31. | <p>I have a question regarding eligibility of applicants. In your guidelines for applicants you state that the firm should be able to demonstrate a profit after taxation in the fiscal year (2010) preceding the date of grant application. Our firm was founded in 2010 and we only have documents for 2011. Can we apply if we don't have documents for 2010?</p> | |
| 32. | <p>We would like to apply for a grant from the Strengthening the Competitiveness of Croatian SMEs grant scheme, since one of our goals by the Croatian accession to the EU is to harmonize our standards of doing business with the applicable standards in the EU, and to carry out investments that will increase competitiveness in export markets. Having read the tender documentation it appears that we fulfil all the prerequisites for the application. However, as we have already received a decision on the approval of funds from the CSERP grant scheme, which at the last moment was prevented because of the subject of our production. Can you confirm to us that the activity of production of tobacco products is not an obstacle for the application to competition, i.e. it does not directly represent aggravating circumstance for reasons not specified in the tender.</p> | <p>Eligible activities are defined in section 2.1.3 <i>Eligible Actions: actions for which an application may be made</i> in the GfA.</p> <p>According to section 2.1.1 <i>Eligibility of applicants: who may apply?</i> Applicants must be registered for the activities envisaged by the proposed action. As support only relates to SMEs in the sectors stated in section 2.1.3 <i>Eligible Actions: actions for which an application may be made</i> of the GfA, applicants must bear in mind that they must have a NACE registered sector of activities in line with the section 2.1.3 <i>Eligible Actions</i>.</p> <p>However, Applicant's company registration is not limited exclusively to activities envisaged by the proposed action, and sectors in which actions are eligible. As an example, an applicant registered for production of soft drinks might be considered eligible regardless of other registered activities described as non-eligible under quoted section 2.1.3.</p> <p>Applicants can use the NACE 2007 With Explanations document (annexed to this Q&A) to</p> |

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| 33. | <p>One of the conditions set in the guide for applicants is that producers who produce alcoholic beverages, according to NACE cannot apply. Clause 2.1.3. <i>Eligible actions</i>: actions for which an application may be made Sector or themes <i>The support only relates to SMEs in the following sectors:</i> <i>C11 Manufacture of beverages: EXCEPT 11.0.1 - Distilling, rectifying, and blending of spirits</i></p> <p>We are interested whether this is an exclusionary criterion in the case of a company that produces both soft drinks and juices, and produces raw materials for juice (permanent crops cherry), and nectar. But also as part of its production products and liqueurs and other alcoholic beverages, etc.</p> | <p>compare their company classifications according to the “NKD 2002” with the “NKD 2007” which is relevant for this grant scheme</p> <p>In accordance with 2.2.4 of the Guidelines for Grant Applicants “In the interest of equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of an applicant, a partner, an action or specific activities.”</p> |
| 34. | <p>Could the project be financed by EU funds if it has any connection with the alcohol production, even indirectly?</p> | |
| 35. | <p>Does a veterinary clinic fall into the category of companies that may seek grants. The veterinary station would go into the project of building a shelter for stray dogs and the hotel for dogs, and eventual certification of the company.</p> | |
| 36. | <p>The list of sectors in the Guidelines does not explicitly include cosmetics manufacturing and / or dietetics (not food but food supplements). Please identify the recommendations for the sector.</p> | |

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| 37. | <p>As eligible sectors under the National Classification of Activities (Official Gazette 58/2007, 72/2007) you listed C13 Manufacture of textiles.</p> <p>We are registered for (exactly as it says in the excerpt from the register): 17.54 Prod. other textile products.</p> <p>The statement from the court states 'Manufacture of other textiles' does not exist in the national classification as such, word for word, and that is why we rejected from some past local competition, because competition is based on NACE.</p> <p>The NACE codes which resemble our registration are: 13.9 Manufacture of other textiles 13.92 Manufacture of made-up textile articles, except apparel</p> <p>So that is similar, but not the same (our registration actually does not exist in the NACE classification). Please double check that with our case, because before every competition we send such a request, we get an answer to this is the same / similar, textile the textile, and to be free to apply, and then we are still being rejected because of that, and we spent both time and money to prepare documentation.</p> <p>We do not produce textiles but textile products (upholstery for cars, carpets, bags ... and do not produce production materials).</p> |
| 38. | <p>In the Guidelines for grant applicants on page 9 & page 10 there is a list of sectors (economic activities according to National Activities Classification - NKD) for which this support is exclusively related to. This NKD is fully harmonized with Statistical Classification of Economic Activities in the European Community, Rev.2 (2008). If applicant has been established before 2007 his official registration of allowed economic activities has been made according to non-harmonized NKD. In order to apply for the support is it necessary to re-register SME according to harmonized NKD (Official Gazette 58/2008 and 72/2007) or it is enough if current registration can clearly show that SME is operating in allowed sector?</p> |

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| 39. | Please if you can help us in our doubt whether we as a company who intend to compete in the competition from the pre-accession funds IPA III fulfil the sectors inscribed in the register. In fact, one of our activities as can be seen from the court record, 26.2 Manufacture of ceramic products. We are interested in whether this could be classified as eligible sectors C32-manufacturing. | |
| 40. | Where can I see the conditions for obtaining grants for SMEs? | All the tender documentation is available at https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome and http://www.safu.hr/en/tenders/view/341/support-for-increasing-the-competitiveness-of-croatian-smes . The eligibility requirements, eligible actions and activities, as well as the evaluation grids are all part of the tender documentation. All conditions are provided in the tender documentation, i.e. there are no additional criteria which are not provided to the public. |
| 41. | I have question related to Annex K. In article 2 small enterprises employ an annual average of less than 250 employees and in Article 3 small enterprises have an annual average of less than 50 employees. My question is what is the difference between these two small enterprises? | Unofficial translation of Article 2 of the SME Encouragement Act (Official Gazette, 29/02) contains a typing error; Article 2 indeed refers to small entrepreneurship (SME sector) in general, while article 3 refers to small enterprises. Please note that the translation of the SME Encouragement Act (Official Gazette, 29/02), and Article 1 and 2 of the Law on Amendments to the SME Encouragement Act (Official Gazette, 63/07) provided in annex K is unofficial, and as such is only meant as a guide. The documents used for assessment of eligibility od SMEs are the actual SME Encouragement Act and Law on Amendments to the SME Encouragement Act in Croatian language. |
| 42. | Since we plan (and is advised during the implementation workshops) to create a logical matrix for our project, we are curious whether to include the matrix as part of the Concept Note or should the Concept Note only include the narrative section? Can the logical framework be part of the Concept Note (allowed?) And should it be (advisable?) | Section 2.2.1 <i>Concept Note content of the GfA</i> states “no additional annexes should be sent.” At the time of submission of the Concept Note, only the first two pages and Part A Concept Note of the Grant Application Form should be sent. The first two pages are foreseen for contact information of the Applicant and for general information regarding the submitted application. Part A is comprised of the Concept Note, Checklist for Concept Note, Declaration by the Applicant for Concept Note and Assessment Grid for Concept Note. |
| 43. | I have a question regarding the tender "Support for Increasing the Competitiveness of Croatian SMEs." I would like to know which documents should be submitted in addition to the project description and budget estimation when submitting the Concept Note. | The logical framework matrix, business plan and budget are to be submitted in the step 2: <i>Evaluation of the Full Application</i> , alongside the Full Application Form (<i>section 2.2.5 Full Application Form</i> of GfA). |
| 44. | Referring to Art. 14.1 of the General conditions of the grant | |

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| | <p>contract, please clarify to what particularly do the “costs relating to final reports” refer to.</p> <p>In our opinion, this notion refers to the salaries in the 3 months after the project expiry, relating in particular to salaries of the core project team (for example project manager, assistant and financial officer that may be budgeted in Budget Heading 1) who are in practice preparing the final report?</p> | <p>Art 14.1. of General Conditions (GC) does not specify the duration after the end of implementation period in which this article is valid nor does it list the particular costs that are eligible in relation to the final report. However, input of staff is among the costs that may be considered eligible. The costs that can be proved to be related to the final report will be considered eligible.</p> |
| <p>45.</p> | <p>A production company operates in a rented a small space, which limits the possibility of expanding production capacity. Can the Concept Note show the intention to buy new production premises?</p> <p>From what could expect to recognize the partial refund, for example, 20-50% of property value, if it would significantly affect the subsequent results of the company - increasing competitiveness.</p> | <p>In accordance with section 2.1.4 <i>Eligibility of costs: costs which may be taken into consideration for the grant</i> of the GfA, the “purchases of land or buildings, except where necessary for the direct implementation of the action” are ineligible costs.</p> |
| <p>46.</p> | <p>What is the cost of additional staff members (net and gross salaries, per diems, travel costs)?</p> <p>Are these costs shown as gross amount of all planned newly employed workers, and at what point are they shown, only after signing the contract?</p> <p>Completion of the investment is expected in a period of 1-2 years from the signing of the contract.</p> <p>Are costs shown only for employees who work on project implementation?</p> | <p>In accordance with <i>Article 14 Eligible Costs</i>, of the General Conditions “actual gross salaries including social security charges and other remuneration-related costs” are eligible. For costs to be eligible they must be incurred during the implementation period and must be necessary for the implementation of the action.</p> <p>Salaries are calculated proportionally according to the actual input of the employee on the project.</p> <p>All costs related to the action must be presented in the budget worksheet and submitted with the full application.</p> |
| <p>47.</p> | <p>Is it possible to present the cost of the salary of the staff working on projects as our share in project (15%)?</p> <p>We would like to allocate the money for paying our current staff and also for hiring new staff (local and international), but we are not sure if those costs are eligible for the action.</p> | <p>In accordance with <i>Article 14 Eligible Costs</i>, of the General Conditions “actual gross salaries including social security charges and other remuneration-related” costs are eligible.</p> <p>All eligible costs are co- financed in the % determined by the contract.</p> <p>The Guidelines for Applicants do not restrict eligibility of costs only to current staff. For cost to be eligible they must be incurred during the implementation period and must be necessary for the implementation of the action.</p> <p>Salaries are calculated proportionally according to the actual input of the employee on the project.</p> |

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| 48. | <p>Can the grant be allocated for the purpose of developing software modules designed for:</p> <ul style="list-style-type: none"> - calculation of heating/cooling with heat pump for designers and equipment manufacturers and - creating and maintain a quality system documents, according to ISO 9001, ISO 14001 and OHSAS 18001. | <p>The Guidelines for Applicants in art 2.1.3 gives an exhaustive list of eligible actions and a non-exhaustive list of activities.</p> |
| 49. | <p>Should marketing costs, projected on the basis of media plan, show the full amount planned for the duration of the investment, or just one part of which is expected to be reimbursed through grants.</p> <p>Note: company marketing activities will be planned in such a way that will continually increase over the next five years and the question of costs (airing commercials on television, radio, posters, sponsored programs, making commercials) and for the same period shown in the summary?</p> | <p>Costs may be eligible if they are not excluded with respect to the list of types of actions and the list of costs considered ineligible under the particular Call, as indicated in the Guidelines for Applicants, art 2.1.4.</p> <p><i>Article 14 Eligible Costs</i> of the General Conditions states that costs “must be necessary for the implementation of the Action.”</p> <p>Additionally, in accordance with 2.2.4 of the Guidelines for Grant Applicants “In the interest of equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of an applicant, a partner, an action or specific activities.”</p> |
| 50. | <p>Is purchase of equipment such as transportation fleet - vans that serve the company for the transportation of raw materials and finished products eligible for funding?</p> | |
| 51. | <p>I would like to ask you if the cost of paying the specialists whose job would be producing the informatics service is eligible for the project?</p> | |
| 52. | <p>Are the costs of consulting services (preparation and development, implementation and subsequent monitoring of project implementation) eligible expenses in the Concept Note? Can costs of consulting services be shown as direct costs of staff on the project and travel expenses or otherwise (eg - indirect administrative costs)?</p> | <p>Preparation and development of the project to be financed by the grant are not eligible costs.</p> <p>Please bear in mind that, according to the Guidelines for Applicants, art 2.1.1, the Applicant must be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary. The implementation of the action and monitoring should therefore be carried out by the applicant and the partners.</p> <p>Costs of applicant’s and partner staff working on the project should be indicated under heading 1. <i>Human resources</i>.</p> <p>Costs of consulting services (sub-contracting) should be indicated under heading 5. <i>Other costs, services</i> of the Budget for the Action, not under heading 10. <i>Administrative costs</i>.</p> |

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| 53. | Can the indirect administrative costs be displayed as a lump sum instead of individually specifying each cost, up to a maximum amount of 7% of total investments? | Yes. In accordance with <i>Article 14 Eligible Costs</i> of the General Conditions a fixed percentage of Administrative costs can be “claimed as indirect costs to cover the administrative overheads incurred by the Beneficiary for the Action,” and this “flat-rate funding in respect of indirect costs does not need to be supported by accounting documents.” As such, the administrative costs can be shown as a lump sum in the budget for the action. |
| 54. | <p>Are the approved grant funds paid directly for the planned and specified expenses according to the proposed schedule, or is expected that this is done by the beneficiary and subsequently the approved funds are reimbursed on the basis of proof of payment?</p> <p>If the payments are made directly, are they made based on the ratio of the proposed rate of cofinancing (eg 85% / 15%) or is it agreed which expenses will be paid directly from the grant and which will be paid in full by the grant beneficiary?</p> | <p>Payments are made directly to the beneficiaries’ bank account specified in Annex E Financial Identification Form. The beneficiary then makes individual payments for costs that incur during the implementation.</p> <p>Final payment (20% of the value of the total eligible costs) is made only after the approval of the final report.</p> <p>The grant will cover the % of total eligible costs of the action, as specified in the Special Conditions art 3.2.</p> <p>The total amount to be paid by the Contracting Authority to the Beneficiary may not exceed the maximum grant laid down in Article 3.2 of the Special Conditions neither in terms of absolute amount nor in percentage</p> <p>If the total costs of the Action at the end of the Action are less than the estimated total eligible costs as referred to in Article 3.1 of the Special Conditions, the Contracting Authority's contribution shall be limited to the amount obtained by applying the percentage laid down in Article 3.2 of the Special Conditions to the total eligible costs of the Action approved by the Contracting Authority.</p> |
| 55. | <p>The applicant who intends to apply to this tender must not have a blocked bank account, must not have outstanding obligations to state institutions and submit the required documentation which will confirm this.</p> <p>When it is expected that the company should submit the documents? Is it during submission of the full application or when signing the contract?</p> | All supporting documents must be submitted in the third step of the application process. In accordance with section 2.3 <i>Evaluation and Selection of Applications</i> , eligibility verification “will only be performed for the applications that have been provisionally selected according to their score and within the available financial envelope” (<i>Step 3, Verification of Eligibility of Applicant and Partners</i>). Thus it is in the third step that applicants will be invited to provide supporting documents proving their eligibility. |

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| 56. | Does it mean that the company has no obligation towards the Ministry of Finance if he has agreed to pay the obligation in instalments? | Please refer to the Corrigendum no. 1 published on 9 February 2012. |
| 57. | Can a company apply that does not have fully settled obligations to the tax administration, but rather has an agreement with them to payment in instalments? | <p>Section 2.1.1. <i>Eligibility of applicants: who may apply?</i> states that applicants must “be able to demonstrate that all contributions and taxes have been settled.” Section 2.4 <i>SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS</i> point 8. requires documentary proof to show that it does not fall into any of the exclusion situations listed in section 2.3.3 of the PRAG.</p> <p>For this specific requirement applicants must have fulfilled obligations relating to payment of social security contributions and taxes as evidenced in accordance with the law of the country in which the company is established.</p> <p>In case of an agreement with Tax Administration (Ministry of Finance) authorising payment in instalments, corresponding certificate issued by the competent authority should explicitly state that there are no outstanding obligations.</p> |
| 58. | Is there a financial limit to the amount which can be assigned to either Associates or Contractors within the Grant? A percentage of the Grant funding received? Even if there is no limit – would a proposer be rated poorer if a considerable amount of Grant is dispersed to Associates and/or Contractors? | <p>The GfA does not stipulate any limits on disbursement of funds, i.e. there are no limits on types of costs, amount for procurement of supplies, services or works, amount which can be allocated for salaries, ration of costs for Applicant, Partner or Associate.</p> <p>Bear in mind that associates, following provision of the section 2.1.2 (Partnerships and eligibility of partners), “<i>may not receive funding from the grant with the exception of per diem or travel costs</i>”.</p> |
| 59. | What percentage of equipment is allowed to be procured in the concept note? The only information that we got at the training is that procurement of the equipment should not be only and main activity of the Project. | <p>According to <i>Article 14 Eligible Costs</i>, of the General Conditions states that costs “must be necessary for the implementation of the action.”</p> <p>Additionally, salaries must be calculated proportionally according to the actual input of the employee on the project.</p> <p>Therefore, it is up to the applicant to prepare an accurate budget for the action to be implemented in order to be awarded high scores by the Evaluation Committee. The quality of the planned activities and corresponding budget will be assessed by the evaluation committee during the evaluation process.</p> |
| 60. | Regarding the programme I would like to ask you if the projects which focus on energy efficiency, eco standards and renewable sources of energy are preferred by you as far as allocation of the grants in concerned or project focused on new technologies and taking into account "existing green standards" are eligible too? | Please note that the evaluation of proposed projects will be conducted solely based on criteria stipulated in the evaluation grids provided under section 2.3 <i>Evaluation and Selection of Applications</i> , of the Guidelines for Applicants. There are no specific criteria or preferences other than published in the GfA. |

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| 61. | <p>Our company is owned by the municipality. We are interested if this is possible to create a program of green and energy efficient technologies through the through a small or medium business grant scheme.</p> <p>Please explain to us given the ownership whether we are eligible applicants for this grant scheme.</p> | <p>Please note that the SME Encouragement Act (Official Gazette, 29/02), and Article 1 and 2 of the Law on Amendments to the SME Encouragement Act (Official Gazette, 63/07), provides the relevant definition of eligible small and medium enterprises for the purpose of this grant scheme.</p> <p>Therefore, it is important to carefully read the relevant laws in order to make an informed decision regarding the eligibility of your company.</p> |
| 62. | Can co-operatives participate in the "Support for Increasing the Competitiveness of Croatian SMEs" grant scheme? | <p>In accordance with section 2.2.4 <i>Further information for Concept Notes</i> of the GfA "In the interest of equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of an applicant, a partner, an action or specific activities."</p> |
| 63. | Is it possible for firm's that are micro business by Croatian definition to compete under this procurement? | |
| 64. | <p>Does support for the development and manufacture of equipment for the use of renewable energy resources assigned by the Ministry of Economy, Labour and Entrepreneurship, in particular those from fiscal year 2010, through a public tender fall under the de minimis rule, since the tender documentation did not state that it is de minimis aid?</p> <p>Further, does the de minimis aid rule apply to state support from the Ministry of Science, Education and Sports in terms of reduction of taxes on profits from investments in research and development in accordance with the Law on Scientific Activity and Higher Education, Article 111C</p> | <p>In accordance with the Government Decree on "de-minimis" rules (Official Gazette, 45/2007) the Institution providing the financial support is required to inform the beneficiary that the support is de-minimis aid, as well as the Croatian Competition Agency.</p> <p>If the Institution which provided the aid did not inform you regarding the type of aid provided, you should first contact the institution to confirm which category of aid was provided.</p> <p>For information concerning de-minimis aid please consult the Government Decree on "de-minimis" rules (Official Gazzette, 45/2007) and the Croatian Competition Agency as the competent body.</p> |
| 65. | <p>Our question is: which of the following financial contributions received both nationally and internationally is to be accounted per "de minimis" rule:</p> <ol style="list-style-type: none"> 1. Croatian Agency for SME (HAMAG) 2. Ministry of Economy, Labor and Entrepreneurship (MINGORP) 3. Ministry of Sciences, Education and Sport (MZOŠ) 4. Unit Through Knowledge (UKF) Fund 5. European Commission Frame Project (FP7) | |
| 66. | A company would like to apply for a grant under above mentioned | Only the Applicant will sign a grant contract with the CA, thus taking on the role of the grant |

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| | <p>call for proposals. Can you please explain how you treat de minimis rule when it comes to affiliates? Is the total amount of de minimis aid calculated like the sum of aid received by both companies or is it calculated separately?</p> | <p>Beneficiary, as a result, only the Applicant/Beneficiary is responsible for the de-minimis aid received. Section 2.4 <i>SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS</i> point 11, requires a “statement by the applicant declaring the type and the amount of “de-minimis” aid received.” Unlike the other supporting documents required, the statement pertaining the de-minimis aid is only required from the Applicant, and not from the partners.</p> |
| 67. | <p>If the companies are related (the applicant company owns another company in a certain percentage, and the owner is also director of another company) can these companies be partners in this project together to develop the product?</p> | <p>Yes, under condition that both companies are compliant with the SME Encouragement Act (Official Gazette, 29/02), and Article 1 and 2 of the Law on Amendments to the SME Encouragement Act (Official Gazette, 63/07), which provides the relevant definition of eligible small and medium enterprises for the purpose of this grant scheme, as well as all eligibility criteria set in the GfA.</p> |
| 68. | <p>Can a company (Company X) based in Dubrovnik Neretva County apply for the above tender if the project implementation is to take place in the city of Zagreb at the location which is owned by Company Y, who is also the owner of Company X? Should Company X have an office / branch office or something registered in Zagreb?</p> | <p>The Guidelines for Applicants do not specify where actions are must take place or where Applicant companies must be registered apart from the requirement that “Actions must take place in Croatia” (section 2.1.3 <i>Eligible Actions: actions for which an application may be made</i>) the Applicant company is located in Croatia (section 2.1.1. <i>Eligibility of applicants: who may apply?</i>).</p> |