



**Contracting Authority: Central Finance and Contracting  
Agency, Republic of Croatia**

**CORRIGENDUM No. 1**

**Science and Innovation Investment Fund Grant Scheme  
(Second Call)**

Budget line: IPA 2007 HR 16 I PO 001 Regional Competitiveness  
Operational programme 2007 - 2011 for Community Assistance under  
the IPA Regional Development Component in Croatia

**Reference: EuropeAid/131920/M/ACT/HR**

In the Call for Proposals published on the EuropeAid on 24/08/2011, the provisions under:

- (1) Article 3 – Financing the Action;
- (2) Article 7 – Other specific conditions applying to the Action;

of the Special Conditions, and

- (1) 1.3 Financial allocation provided by the Contracting Authority;
- (2) 2.1.2 Partnerships and eligibility of partners;
- (3) 2.1.4 Eligibility of costs: costs which may be taken into consideration for the grant;
- (4) 2.4 Submission of supporting documents for provisionally selected applications;

of the Guidelines for Applicants, and:

- (1) 6. Checklist for the Full Application Form;

of the Grant Application Form, and

- (1) Sheet 1 Budget;
- (2) Sheet 2 Justification;
- (3) Sheet 3 Expected sources of funding;

of the Budget for the Action, and

- (1) Forecast budget & Follow-up;
- (2) Addenda or use of contingencies;
- (3) Interim report;
- (4) Final report;
- (5) Individual payments table;

of the Model financial report, and

- (1) Article 1 Legal framework;

of the Annex J Information on tax regime applicable to grant contracts signed under EuropeAid/131920/M/ACT/HR,

have been modified as described further in the document.

All modifications have been marked grey.

**! Please note modified Guidelines for Applicants and above listed templates, integrating all the modifications described in this document, have been published as supporting documents to the Corrigendum No.1.**

**In case of any discrepancies between the documents published on 24 August 2011 and the documents modified under the Corrigendum no. 1, apart from those specifically described in the Corrigendum No. 1, the provisions of the documents published on 24 August 2011 shall take precedence.**

**Modifications in the Guidelines for Applicants have been marked grey.**

**Furthermore, please note the modifications included in the Corrigendum No. 1 do not affect the preparation of the Concept Notes to be submitted by potential applicants.**

**The Contracting Authority will provide all necessary clarifications concerning the modifications introduced to all shortlisted applicants invited to submit a full application form.**

## **SPECIAL CONDITIONS**

*Instead of:*

(1)

### **Article 3 - Financing the Action**

3.1 The total accepted cost of the Action is estimated at <.....EURO >, as set out in Annex III. The total eligible cost is estimated at <..... EURO >, as set out in Annex III.

3.2 The Contracting Authority undertakes to finance a maximum of <... ..EURO >, equivalent to <enter applicable percentage> of the estimated total eligible cost of the Action specified in paragraph 1.

The Contracting Authority's contribution is further limited to < enter applicable percentage > % of the estimated total accepted costs of the Action.

The final amount of the Contracting Authority's contribution shall be established in accordance with Articles 14 and 17 of Annex II. Moreover the percentages laid down with regard to the total eligible costs and total accepted costs shall apply cumulatively so that the Contracting Authority's contribution shall be limited to the lowest amount obtained by respectively applying the percentages to the final total eligible and accepted costs approved by the Contracting Authority.

(2)

### **Article 7 - Other specific conditions applying to the Action**

7.1 The General Conditions are supplemented by the following:

7.1.1.

By derogation from Article 14.6 of the General Conditions and in accordance with provisions of Article 34 (3) and Article 148 (2) of IPA Implementing Regulation<sup>1</sup>, and section 46 (amending Article 148 (2)) of the Amendment to IPA Implementing Regulation<sup>2</sup> the following expenditure shall not be eligible for funding:

- taxes, including value added taxes; nevertheless, these may be considered as part of the estimated total accepted costs of the action for the purpose of co-financing where the Beneficiary (or the Beneficiary's partners) can prove it cannot reclaim them. In such cases, the cost should be included in the Budget under the heading "taxes". Please note however that for the purpose of co- financing, taxes are the only ineligible costs that will be considered within the total accepted costs of the action. Information on taxes can be found in Annex J to these Guidelines;
- (...)

<sup>1</sup>The COMMISSION REGULATION (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA)

<sup>2</sup>The COMMISSION REGULATION (EU) No 80/2010 of 28 January 2010 amending Regulation (EC) No 718/2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA)

*Read:*

(1)

### Article 3 - Financing the Action<sup>1</sup>

- 3.1 The total eligible cost of the Action is estimated at < enter the amount of heading 11 of Annex III.....EURO >, as set out in Annex III.
- 3.2 The Contracting Authority undertakes to finance a maximum of <... ..EURO >, equivalent to <enter applicable percentage > of the estimated total eligible cost of the Action specified in paragraph 1. The final amount of the Contracting Authority's contribution shall be established in accordance with Articles 14 and 17 of Annex II.

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<sup>1</sup> Note that the awarded amount and percentages indicated in this article must also be updated in annex III Budget of the action, worksheet "expected sources of funding and summary of estimated costs"

(2)

### Article 7 - Other specific conditions applying to the Action

- 7.1 The General Conditions are supplemented by the following:
- 7.1.1. The following shall complement Article 9.2: The method may not be used to amend heading 12 "Taxes" of Annex III.  
By derogation from Article 14.6 of the General Conditions and in accordance with provisions of Article 34 (3) and Article 148 (2) of IPA Implementing Regulation<sup>2</sup>, and section 46 (amending Article 148 (2)) of the Amendment to IPA Implementing Regulation<sup>3</sup> the following expenditure shall not be eligible for funding:
- taxes, including value added taxes;
  - (...)
- 7.2 The following derogations from the General Conditions shall apply:
- 7.2.1 By derogation from Article 15.4 of Annex II, once the deadline laid down in Article 15.1 has expired, the Beneficiary shall upon demand submitted within two months of receiving late payment be entitled to late-payment interest in accordance with article 15.4.  
Article 1.5 of Annex II shall not apply.

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<sup>2</sup> The COMMISSION REGULATION (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA)

<sup>3</sup> The COMMISSION REGULATION (EU) No 80/2010 of 28 January 2010 amending Regulation (EC) No 718/2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA)

## **GUIDELINES FOR APPLICANTS**

General overview concerning modifications with respect to numbering of footnotes in the Guidelines for Applicants:

As published on 24/08/2011:

As modified:

Footnotes no. 1 and 2	are now	deleted
Footnotes no. 3, 4, 5, 6 and 7	are now	Footnotes no. 1, 2, 3, 4 and 5
Footnote no. 8	is now	Footnote no. 6
Footnote no. 9	is now	Footnote no. 7
Footnotes no. 10, 11 and 12	are now	Footnotes no. 8, 9 and 10
Footnote no. 13	is now	Footnote no. 11
Footnotes no. 14, 15, 16 and 17	are now	Footnotes no. 12, 13, 14 and 15
Footnote no. 18	is now	Footnote no. 16
Footnotes no. 19 and 20	are now	Footnotes no. 17 and 18

*Instead of:*

(1)

### **1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY**

(...)

#### Size of grants

Any grant requested under this Call for Proposals must fall between the following minimum and maximum amounts:

- minimum amount: EUR 50.000
- maximum amount: EUR 750.000

Any grant requested under this Call for Proposals must fall between the following minimum and maximum percentages of total eligible costs of the action

- Minimum percentage: 50 % of the total estimated eligible costs of the action.
- Maximum percentage: 100% of the total estimated eligible costs of the action (see also section 2.1.4).

**Any grant requested under this Call for Proposal must be limited to 85% of the estimated total accepted costs<sup>1,2</sup>.**

The balance (i.e. the difference between the total cost of the action and the amount requested from the Contracting Authority) must be financed from applicant's or partner's own resources, or from sources other than the European Community budget.

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<sup>1</sup> Estimated total accepted costs = estimated total eligible costs + taxes, including VAT, where the beneficiary can show it cannot reclaim it

<sup>2</sup> For more information on the new approach for co-financing, please see [http://ec.europa.eu/europeaid/work/procedures/faq/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/faq/index_en.htm)

(2)

*2.1.2. Partnership and eligibility of partners*

(...)

In case an applicant is not Public Higher Education Institution or a Public Research Organisation founded by the Republic of Croatia (as defined under footnote 2 and 3 of these Guidelines) but founded by a country other than Croatia (as per section 2.1.1, bullet 4) one of the partners must be a Public Higher Education Institution (HEI) or a Public Research Organisation (PRO) founded by the Republic of Croatia (as defined under footnote 6 and 7 of these Guidelines), i.e. one of the partners must be from the Republic of Croatia.

(...)

(3)

*2.1.4. Eligibility of costs: costs which may be taken into consideration for the grant*

(...)

Ineligible costs

The following costs are not eligible<sup>11</sup>:

- taxes, including value added taxes; nevertheless, these may be considered as part of the estimated total accepted costs of the action for the purpose of co-financing where the Beneficiary (or the Beneficiary's partners) can prove it cannot reclaim them. In such cases, the cost should be included in the Budget under the heading "taxes". Please note however that for the purpose of co-financing, taxes are the only ineligible costs that will be considered within the total accepted costs of the action. Information on taxes can be found in Annex J to these Guidelines;
- (...)

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<sup>11</sup> In line with the provisions of Article 34 (3) and Article 148 (2) of the COMMISSION REGULATION (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA), and section 46 (amending Article 148 (2)) of the COMMISSION REGULATION (EU) No 80/2010 of 28 January 2010 amending Regulation (EC) No 718/2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA)

(4)

## 2.4 SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS

Applicants who have been provisionally selected or listed under the reserve list will be informed in writing by the Contracting Authority. They will be requested to supply the following documents in order to allow the Contracting Authority to verify the eligibility of the applicants and their partners:

1. The statutes or articles of association of the applicant organisation<sup>14</sup> and of each partner organisation<sup>15</sup>. Where the Contracting Authority has recognized the applicant's eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, the applicant may submit, instead of its statutes, copy of the document proving the eligibility of the applicant in a former Call (e.g.: copy of the special conditions of a grant contract received during the reference period), unless a change in its legal status has occurred in the meantime.<sup>16</sup>

<sup>14</sup> Where the applicant and/or (a) partner(s) is a public body created by a law, a copy of the said law must be provided

<sup>15</sup> Where Council of Europe Convention n. 124 on the Recognition of the Legal Personality of International Non-Governmental Organisations is applied please refer to footnote n. 6.

<sup>16</sup> To be inserted only where the eligibility conditions have not changed from one call for proposals to the other.

***Read:***

**(1)**

### 1.3 FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

(...)

#### Size of grants

Any grant requested under this Call for Proposals must fall between the following minimum and maximum amounts:

- minimum amount: EUR 50.000
- maximum amount: EUR 750.000

Any grant requested under this Call for Proposals must fall between the following minimum and maximum percentages of total eligible costs of the action:

- 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).

The balance (i.e. the difference between the total cost of the action and the amount requested from the Contracting Authority) must be financed from applicant's or partner's own resources, or from sources other than the European Community budget.

(2)

*2.1.2. Partnership and eligibility of partners*

(...)

In case an applicant is not a Public Higher Education Institution or a Public Research Organisation founded by the Republic of Croatia (as defined under footnote 1 and 2 of these Guidelines) but founded by a country other than Croatia (as per section 2.1.1, bullet 4) one of the partners must be a Public Higher Education Institution (HEI) or a Public Research Organisation (PRO) founded by the Republic of Croatia (as defined under footnote 1 and 2 of these Guidelines), i.e. one of the partners must be from the Republic of Croatia.

(...)

(3)

*2.1.4. Eligibility of costs: costs which may be taken into consideration for the grant*

(...)

Ineligible costs

The following costs are not eligible<sup>9</sup>

- taxes, including value added taxes;
- (...)

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<sup>9</sup> In line with the provisions of Article 34 (3) and Article 148 (2) of the COMMISSION REGULATION (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA), and section 46 (amending Article 148 (2)) of the COMMISSION REGULATION (EU) No 80/2010 of 28 January 2010 amending Regulation (EC) No 718/2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA)

(4)

## **2.4 SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS**

Applicants who have been provisionally selected or listed under the reserve list will be informed in writing by the Contracting Authority. They will be requested to supply the following documents in order to allow the Contracting Authority to verify the eligibility of the applicants and their partners:

1. The statutes or articles of association of the applicant organisation<sup>12</sup> and of each partner organisation<sup>13</sup>. Where the Contracting Authority has recognized the applicant's eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, the applicant may submit, instead of its statutes, copy of the document proving the eligibility of the applicant in a former Call (e.g.: copy of the special conditions of

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<sup>12</sup> Where the applicant and/or (a) partner(s) is a public body created by a law, a copy of the said law must be provided

<sup>13</sup> Where Council of Europe Convention n. 124 on the Recognition of the Legal Personality of International Non-Governmental Organisations is applied please refer to footnote n. 4.



a grant contract received during the reference period), unless a change in its legal status has occurred in the the meantime.<sup>14</sup>

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<sup>14</sup> To be inserted only where the eligibility conditions have not changed from one call for proposals to the other.

**GRANT APPLICATION FORM**

*Instead of:*

**(1) CHECKLIST FOR THE FULL APPLICATION FORM**

(...)

<b>BEFORE SENDING YOUR PROPOSAL, PLEASE CHECK THAT EACH OF THE FOLLOWING POINTS IS COMPLETE AND RESPECTS THE FOLLOWING CRITERIA:</b>	<b>To be filled in by the applicant</b>	
	<b>Yes</b>	<b>No</b>
<b>Title of the Proposal:</b> <indicate the title>		
<b>PART 1 (ADMINISTRATIVE)</b> (...)		
<b>PART 2 (ELIGIBILITY)</b>		
<b>9. The duration of the action is between 12 months and 24 months (the minimum and maximum allowed)</b>		
<b>10. The requested contribution is between 50.000 EURO and 750.000 EURO (the minimum and maximum allowed)</b>		
<b>11. The requested contribution is between 50% and 100% of the estimated total eligible costs (minimum and maximum percentage allowed)</b>		
<b>12. The requested contribution has not been modified by more than 20% compared to the amount requested at concept note stage.</b>		
<b>13. The requested contribution is equal or less than 85% of the estimated total accepted costs (maximum percentage allowed).</b>		

*Read:*

**(1) CHECKLIST FOR THE FULL APPLICATION FORM**

(...)

<b>BEFORE SENDING YOUR PROPOSAL, PLEASE CHECK THAT EACH OF THE FOLLOWING POINTS IS COMPLETE AND RESPECTS THE FOLLOWING CRITERIA:</b>	<b>To be filled in by the applicant</b>	
	<b>Yes</b>	<b>No</b>
<b>Title of the Proposal:</b> <indicate the title>		
<b>PART 1 (ADMINISTRATIVE)</b> (...)		
<b>PART 2 (ELIGIBILITY)</b>		
<b>9. The duration of the action is between 12 months and 24 months (the minimum and maximum allowed)</b>		
<b>10. The requested contribution is between 50.000 EURO and 750.000 EURO (the minimum and maximum allowed)</b>		
<b>11. The requested contribution is between 50% and 85% of the estimated total eligible costs (minimum and maximum percentage allowed)</b>		
<b>12. The requested contribution has not been modified by more than 20% compared to the amount requested at concept note stage.</b>		

## BUDGET FOR THE ACTION

*Instead of:*

(1)

### Budget for the Action<sup>1</sup>

(...)

<b>11. Total eligible costs (9+10)</b>
12. Taxes <sup>11</sup>
<b>13. Total accepted<sup>11</sup> costs of the Action (11+12)</b>

1. The description of items must be sufficiently detailed and all items broken down into their main components. The number of units and unit rate must be specified for each component depending on the indications provided. Unit rates may, where relevant, be based on average rates.

(...)

11. Only to be filled in where the applicable regulation/financing agreement excludes financing of taxes and the beneficiary (or where applicable, its partners) can show it cannot reclaim them. Please see glossary of terms (Annex A 1) of the Practical Guide to contract procedures for EU external actions for the definition of taxes. Please note that direct taxes are not included (such as taxes on salary of staff working for the action which are part of the gross salary). Taxes that can be reclaimed should not be indicated under this heading.

(2)

### Justification of the Budget for the Action

(...)

<b>11. Total eligible costs (9+10)</b>
12. Taxes
<b>13. Total accepted costs of the Action (11+12)</b>

(3)

### Expected sources of funding & summary of estimated costs<sup>1</sup>

Estimated Costs	
Estimated TOTAL ELIGIBLE COSTS <sup>2</sup> (B)	
EU/EDF contribution expressed as a percentage of total eligible costs <sup>4</sup> (A/B x 100)	
In case the Basic Act/financing agreement excludes financing of taxes and the Beneficiary or (partners) can show it cannot reclaim them:	

Estimated TOTAL ACCEPTED COSTS <sup>3</sup> (C)  
 EU/EDF contribution expressed as a percentage of total accepted costs<sup>4</sup>  
 (A/C x 100)


1. It is reminded that the figures introduced in the table shall respect all the points included in the checklist for the full application form (part 6 of the full application form)
2. as per heading 11 of the Budget of the Action
3. as per heading 13 of the Budget of the Action
4. do not round, enter percentage with 2 decimals (e.g. 74,38%)

*Read:*

(1)

### Budget for the Action<sup>1</sup>

(...)

#### 11. Total eligible costs (9+10)

1. The description of items must be sufficiently detailed and all items broken down into their main components. The number of units and unit rate must be specified for each component depending on the indications provided. Unit rates may, where relevant, be based on average rates.

(...)

(2)

### Justification of the Budget for the Action

(...)

#### 11. Total eligible costs (9+10)

(3)

### Expected sources of funding & summary of estimated costs<sup>1</sup>

Estimated Costs	
Estimated TOTAL ELIGIBLE COSTS <sup>2</sup> (B)	
EU/EDF contribution expressed as a percentage of total eligible costs <sup>3</sup> (A/B x 100)	

1. It is reminded that the figures introduced in the table shall respect all the points included in the checklist for the full application form (part 6 of the full application form)
2. as per heading 11 of the Budget of the Action
3. do not round, enter percentage with 2 decimals (e.g. 74,38%)

**MODEL FINANCIAL REPORT**

*Instead of:*

(1)

**Forecast Budget & follow-up**

(...)

<b>11. Total eligible costs (9+10)</b>	
12. Taxes	
<b>13. Total accepted costs of the action (11+12)</b>	

(2)

**Addenda or use of contingencies**

(...)

<b>11. Total eligible costs (9+10)</b>	
12. Taxes	
<b>13. Total accepted costs of the Action (11+12)</b>	

(3)

**Interim financial report:**

(...)

<b>11. Total eligible costs (9+10)</b>	
12. Taxes	
<b>13. Total accepted costs of the action (11+12)</b>	

(4)

**Final financial report:**

(...)

<b>11. Total eligible costs (9+10)</b>	
12. Taxes	
<b>13. Total accepted costs of the action (11+12)</b>	

(5)

**Individual payments table**

(...)

<b>11. Total eligible costs (9+10)</b>				0,00			
<b>12. Taxes</b>							
<b>13. Total accepted costs of the action (11+12)</b>				0,00			

*Read:*

(1)

**Forecast Budget & follow-up**

(...)

<b>11. Total eligible costs (9+10)</b>
--

(2)

**Addenda or use of contingencies**

(...)

<b>11. Total eligible costs (9+10)</b>
--

(3)

**Interim financial report:**

(...)

<b>11. Total eligible costs (9+10)</b>
--

(4)

**Final financial report:**

(...)

<b>11. Total eligible costs (9+10)</b>
--

(5)

**Individual payments table**

(...)

<b>11. Total eligible costs (9+10)</b>				0,00			
--	--	--	--	------	--	--	--

**ANNEX J INFORMATION ON TAX REGIME APPLICABLE TO GRANT CONTRACTS  
SIGNED UNDER EUROPEAID/131920/M/ACT/HR**

*Instead of:*

(1)

**1. Legal Framework**

Taxes concerned by this Annex are indirect taxes such as value added taxes, customs and import duties, other fiscal charges and duties in beneficiary countries.

Taxes, including VAT are not eligible, therefore, they will be considered as part of the estimated total accepted costs of the action for the purpose of co-financing provided the Beneficiary (or, where applicable, its partners) can prove it cannot reclaim them.

There is no agreement between the European Commission and the Republic of Croatia by which taxes are partially or fully exonerated.

It is the grant applicant's obligation to familiarise itself with the generally applicable tax regime, for example by addressing the competent authorities of the relevant administration in the country in which the applicant is established and/or of the beneficiary country or countries.

*Read:*

**1. Legal Framework**

Taxes concerned by this Annex are indirect taxes such as value added taxes, customs and import duties, other fiscal charges and duties in beneficiary countries.

Taxes, including VAT are not eligible, therefore, they will be considered as part of the estimated total accepted costs of the action for the purpose of co-financing provided the Beneficiary (or, where applicable, its partners) can prove it cannot reclaim them.

The European Commission and the Republic of Croatia have agreed in the Framework Agreement between the Government of the Republic of Croatia and the Commission of the European Communities to fully exonerate the following taxes: VAT for services rendered, goods supplied and/or works executed by them under EC contracts with the right of the contractors to offset or deduct input VAT paid in connection with the services rendered, the goods supplied and/or the works executed against any VAT collected by them for any of their other transactions. Should EC contractors not be able to make use of this possibility, they shall be entitled to obtain VAT refund for VAT paid in the Republic of Croatia directly from the tax authorities upon submission of a written request accompanied by the necessary documentation required under the national/local law for refund and by a certified copy of the underlying EC contract.

It is the grant applicant's obligation to familiarise itself with the generally applicable tax regime, for example by addressing the competent authorities of the relevant administration in the country in which the applicant is established and/or of the beneficiary country or countries.