

Business-Related Infrastructure Grant Scheme

IPA IIIc

Questions and Answers

EuropeAid/134244/M/ACT/HR

IPA Component IIIc - Regional Competitiveness Operational Programme 2007-2013 for Community Assistance under the IPA Regional Development Component in Croatia

Business-Related Infrastructure Grant Scheme, Call 3

Reference: EuropeAid/134244/M/ACT/HR

Call for Proposals (CfP)

QUESTIONS AND ANSWERS

Date: 31 May 2013

NOTE: In the interest of equal treatment of applicants, the CFCA as Contracting Authority cannot give a prior opinion on the eligibility of an applicant, a co-applicant and affiliated entities, an action or specific activities. The final decision concerning eligibility will be made by the Evaluation Committee during the process of evaluation of applications.

! In line with the provisions of the Treaty of Croatia's Accession to the European Union which is to be ratified by all Member States, certain modifications with respect to reporting requirements of the grant beneficiaries may be introduced under the grant scheme, of which they shall be duly informed.

List of Abbreviations:

CFCA – Central Finance and Contracting Agency

GfA – Guidelines for Applicants

no.

QUESTIONS

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| <p>1.</p> | <p>1.1. Can for Grant IPA III C (business infrastructure) compete privately owned health facility for the project in the domain of health tourism?</p> <p>1.2. Regarding guidelines on Business related infrastructure grant scheme, section 2.1.1, we kindly ask you to confirm whether a newly established NGOs (non-profit associations) can participate as co-applicants</p> <p>1.3. Is a non-profit voluntary and transnational association of the Chambers of Commerce, regulated by the laws of EU country that is not Croatia fulfil this ELIGIBILITY CRITERIA of the call for proposal, as applicant:</p> <ul style="list-style-type: none"> • be regional or local self-government units; or regional/local owned public institutions or associations; or public companies owned by regional/local self-government units; or regional/local tourism boards; <p>Public and private bodies and institutions, including Mixed Chambers, may also join it, provided that they share the same prerequisites and activities.</p> <p>Can it be classified in one of the categories above so to be eligible?</p> <p>1.4. Eligibility of applicants and partners: is Local Action Group (LAG) eligible to apply, considering the Point 2.1.1 of the Guidelines for Applicants and stipulation that legal, non-profit persons established in MS/EEA/IPA country are eligible, providing they are "regional or local self-government units; OR regional/local owned public institutions or</p> | <p>1.1., 1.2., 1.3, 14. In line with section 2.1.1. Eligibility of applicants (i.e. applicant and co-applicant(s)) of the GfA, in order for the applicant to be eligible, applicant must:</p> <ul style="list-style-type: none"> - be legal persons and - be non-profit-making with the exception of public institutions/ organizations/ agencies registered as Ltd. Company (d.o.o.) whose surplus income is used for financing own activities of the institution/ organization/ agency and not distributed to the shareholders or directors as profit/ income and - be regional or local self-government units; or regional/local owned public institutions or associations; or public companies owned by regional/local self-government units; or regional/local tourism boards; <p>1.2. There are no restrictions regarding this issue in the Guidelines for Applicants (GfA), and GfA do not define for how long the applicant has to be established in order to be eligible.</p> <p>1.3, 1.4. According to the Guidelines for Applicants, point 2.1.1. Eligibility of applicants only regional/local owned public institutions or associations may apply.</p> <p>Regional/local owned means that majority of ownership is in regionally or locally established bodies, institutions or companies. If not regulated by local act, associations demonstrate regional or local jurisdiction and scope of operation by the seat of Association.</p> <p>Please note that the decision concerning eligibility of applicant and/or co-applicant and/or affiliated entity will be made by the Evaluation Committee during the process of Evaluation of applications (subject to approval of the CFCA)</p> |
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| | <p>associations; OR public companies owned by regional/local self-government units; OR regional/local tourism boards".</p> | |
| <p>2.</p> | <p>2.1. Can you please give us the answer if is acceptable to invest in a golf course as a public tourist infrastructure?</p> | <p>2.1. Please note that according to the Guidelines for Applicants section 2.1.4. Eligible actions: actions for which an application may be made, eligible type of actions are:</p> <ol style="list-style-type: none"> 1. development of new and existing business-related infrastructure of existing business zones and new and existing business incubators and other business support entities grouping and servicing SMEs, 2. development of and upgrading public tourism-related infrastructure appropriate to the health, culture and activity tourism which those areas specialise in. <p>The section further defines types of activities eligible for financing under this Call, as well as further requirements concerning confirmed demand for planned investment, adherence to all relevant laws and regulations and county development strategies/regional operational programmes.</p> <p>Please note that the Contracting Authority, cannot provide the answer regarding the eligibility of the particular action and activities and that the decision will be made by the Evaluation Committee during the process of Evaluation of applications (subject to approval of the CFCA)</p> |
| <p>3.</p> | <p>3.1. On the informative workshop for Business Related Infrastructure was said that the feasibility study, cost-benefit analysis and the main project can be written in Croatian. I would like a written confirmation for that.</p> <p>3.2. Please provide us with the information whether it is possible to participate in the tender for the funds intended for business infrastructure IPA IIIC, for feasibility study and cost-benefit analysis to be in the</p> | <p>3.1., 3.2. Feasibility study, cost-benefit analysis and the main project can be written in Croatian, but it is recommended (not mandatory) to be written in English.</p> |

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| | Croatian language. | |
| 4. | <p>4.1. Regarding Call for proposals IPA3C Business Related Infrastructure Grant Scheme, in Guidelines is specified that together with other needed documents also a MAIN DESIGN need to be attached. Could you please clarify if we need to annex all volumes of MAIN DESIGN or not?</p> <p>4.2. Please could you provide us with answer: what exact parts (books) of the Main design do we need to send annexed to AF? All parts (books) or just some sort of summary of the Main design? Also please clarify: in GfA is not defined do we have to send Main design in printed version or in electronic format (CD-Rom)?</p> <p>4.3. Please explain what do you mean under term "main design" because according to Act on Spatial Planning and Construction, the main design consists of 5 different designs (architectural, structural, electrical, mechanical design and bill of designs), which of these designs do we have to send like annexe to the Application Form?</p> <p>4.4. Is it necessary to deliver the overall main design (containing multiple files in several folders) when submitting the application in June or is it fine to deliver this whole package at a later date on request of the contracting authority? In case it is fine to submit only a part of the overall main design right now, which is the relevant part of the overall main design to be provided? Must these documents be submitted in original or copy?</p> | <p>4.1., 4.2., 4.3., 4.4. When submitting main design it is necessary to attach at least following parts of main design: architectural design, landscape design and traffic area design. Beside that the cover page/first page of the main design which contains signature and stamp of the licenced architect or engineer, as well as the table of content of the main design is to be attached with other required documents. The requested documents should be provided in electronic format (on CD-Rom) if it is possible, if not they can be submitted in printed version.</p> |

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| 5. | <p>5.1. Page 10 of Guidelines for applicants: „preparatory architectural and engineering design “are eligible in combination with other above mentioned activities. Q: What is to be understood under „preparatory architectural and engineering design“? Does this mean that a project applicant/co-applicant can under the allocated grant also finance a preparation of main or detailed design for the project which is the subject of implementation?</p> | <p>5.1. This means that under the allocated grant, the project applicant can also finance detailed design (izvedbeni projekt).</p> |
| 6. | <p>6.1. Page 15 of Guidelines for applicants: Please note that only the application form and the published annexes which have to be filled in (budget, logical framework) Feasibility Study - FS including Cost Benefit Analysis – CBA will be evaluated. The FS, which must include CBA (FS/CBA), must prove the demand for the planned investment and all direct and indirect effects of a project with emphasis on job creation cost efficiency. Q: If a specific project proposal is just a phase of a larger project, is it necessary to have the FS/CBA just for this phase/project proposal, or the FS/CBA for the whole („larger“) project can be enclosed?</p> | <p>6.1. In case an applicant decides to apply with a project that is a part of a larger project - which is within the financial limits stipulated under point 1.3 of the Guidelines for Applicants – and is designated as a stand-alone project, the whole FS/CBA may be presented, however it should be visible from the FS and CBA which costs apply specifically to the part of the project for which the funds under this Call are requested. The amount requested in the Application form must be within the limits set up in the Guidelines for Applicants, point 1.3.</p> |
| 7. | <p>7.1. Are eligible projects which at the time of sending Application form have made only a preliminary design and cost estimate of the project? 7.2. If our action contains construction works, is it acceptable to send conceptual design of project with cost estimation along with other parts of application form instead of main design with Bill of Quantities? Can conceptual design be submitted in Croatian or must be translated in</p> | <p>7.1., 7.2., 7.3., 7.4. Please note that according to the Guidelines for Applicants section 2.2.1. the following documents will have to be submitted for evaluation: application form and the published annexes which have to be filled in (budget, logical framework) and Feasibility Study - FS including Cost Benefit Analysis – CBA . Furthermore, those actions that contain works which will be procured by grant beneficiaries will have to have the following documents as annexes to the Application Form: Bill of Quantities (BoQ), Technical Specifications (TS), main design and 2-5</p> |

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| <p>English?</p> <p>7.3. Page 22 of Guidelines for applicants: Location permit, Main design approval or any other legal document approving building related to the works component of the actions according to the Act on Spatial Planning and Construction. In case a permit has not been issued yet, the applicant has to present to the CFCA the confirmation of its request to the authority responsible for issuing the permit. In any case, the permit(s) will have to be presented at the latest 3 days after the applicant has been notified by the CFCA on the positive outcome of the verification of the eligibility.</p> <p>Q: According to this statement, is it possible to submit a project proposal to this Call for proposals with conceptual design and, if the project proposal will be provisionally accepted, to submit stated permits and approvals or request for issuing the permit when we receive notification on provisional acceptance of the project proposal?</p> <p>7.4. Please clarify the documentation for the tender award grants for business infrastructure, whether are eligible projects that at the time of delivery applications have made only preliminary design and/ or bill of quantities, and did not start to make the main project and obtaining permits?</p> <p>7.5. Since the project is in the status of the preliminary design and bill of quantities, and the cost of preparation of other documentation and expected works we intend to apply for funding as an eligible cost of the project.</p> | <p>major drawings. Therefore, submission of only preliminary/ conceptual design cannot be considered in line with the provisions of GfA.</p> <p>7.1., 7.2. The costs of the whole Action should be presented in the Annex III: Budget and have to be linked to the project activities, verifiable, and real and necessary for the implementation of the Action. Recommendations to award a grant are always subject to the condition that the checks preceding the signing of the contract do not reveal problems requiring changes to the budget (such as arithmetical errors, inaccuracies, unrealistic 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 or the percentage of EU co-financing as a result of these corrections.</p> <p>7.3. It is not possible to submit a project proposal with conceptual design, as according to the GfA, the project main design is to be annexed to the Application Form. The approval of the main design, if not issued by the time of sending the Application, will need to be presented at the latest 3 days after the applicant has been notified by the CFCA on the positive outcome.</p> <p>7.5. Please refer to answers 7.1., 7.2., 7.3., and 7.4. which relate to the submission of annexes to the Application Form. The decision concerning eligibility of project costs that are not listed under point 2.1.5 of Guidelines for Applicants will be brought by the Evaluation Committee during the process of Evaluation of applications (subject to approval of the CFCA).</p> |
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| 8. | <p>8.1. Our project aims to reconstruct an old building. Most of the costs represent reconstruction works. Do we have to include in Total investment costs in cost benefit analysis also the costs that do not represent reconstruction works or purchase of equipment such as costs for project management team's salary, visibility costs, audit costs, seminar costs etc.?</p> | <p>8.1. Cost Benefit analysis should include all sound investment/decision and it involves comparing the total expected investment cost of each option against the total expected benefits.</p> |
| 9. | <p>9.1. The question is: "If Applicant is co-financing the project, are Co-Applicants and/or Affiliated entities also obligated to participate in co-financing of the project?"</p> | <p>9.1. Please note that according to the Guidelines for Applicants, point 1.3, at least 15% of the total eligible costs of the action must be co-financed from national public contribution of the Beneficiary country (Croatia). Applicant's and/or co-applicant's and/or affiliated entity's contribution represents national public contribution when the applicant and/or co-applicant and/or affiliated entity are financed from national, regional or local budget of the Beneficiary country. Therefore at least 15% of the total eligible costs of the action have to be co-financed by applicant and/or Co-Applicants and/or Affiliated entities.</p> |
| 10. | <p>10.1. Eligibility of costs (project budget): if project activity foresees organisation of public competition, which is necessary for implementation of the Action and attainment of the goals, is it allowed to foresee small 'reward fund' (up to 10.000 EUR) which would be used to reward winner, 2nd and 3rd best competitor.</p> | <p>10.1. Eligibility of the costs defined under point 2.1.5 of Guidelines for Applicants. Furthermore, eligible direct costs must comply with the provisions of Article 14 of the General Conditions to the Standard Grant Contract (see Annex G of the Guidelines).</p> |
| 11. | <p>11.1. In part 2.1.1 of the Guidelines for Applicants is defined who can be an applicant and co-applicant. At the end of this part of the Guidelines is added a paragraph that defined additional categories referred in section 2.1.1: "In addition to the categories referred to in section 2.1.1, the following are however also eligible: regional business support organisations and institutions representing the business community, industries, professional</p> | <p>11.1. Please note that additional categories as they stated in Guidelines under point 2.1.1. on page 7 are applicable only for co-applicants.</p> |

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| | <p>associations, chambers of economy, chamber of trade and crafts, association of cooperatives, Public Higher Education Institutions and Public Research Organizations located in one of the eligible countries referred in section 2.1.1. "This paragraph states additional eligible organizations and does not define whether they are applicant or co-applicant. At the information meeting these additional categories were added just for co-applicant and we would like to know if additional categories as they stated in Guidelines are applicable for both, applicant and co-applicant.</p> | |
| 12. | <p>12.1. In the Guidelines for Applicants is stated that: "Action must be prepared in line with partnership principle, and based on priorities and measures envisaged in county development strategies/regional operational programmes". This is explained in the footnote in way that it should be clearly stated in the Application Form, point 1.1.1 Relevance of the action, on which measure and priority of the county development strategy (CDS) is based. On the other side, at the information meeting this was explained in way that it should be stated in Application Form, point 1. 6 (which does not exist) at what meeting of Partnership the project was supported. Do we have to obtain formal support and where in the Application we should indicate this data?</p> | <p>12.1. Please note that in writing and submitting their Application forms, the applicants should follow the instructions provided in the Guidelines for Applicants. Therefore the applicants have to clearly state in the Application Form, point 1.1.1 Relevance of the action, on which measure and priority of the county development strategy (CDS) is based. There is no need to obtain formal support.</p> |

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| 13. | <p>13.1. In relation to point 2.1.3. of the Guidelines for Applicants, we would like to know if a local self - government can participate in the project as an Affiliated Entity if a legal entity, established by the local government, acts as Applicant or Co-Applicant? Or is it that Applicant/Co-Applicant must be a founder of an Affiliated Entity? In other words, does an Affiliated Entity necessarily has to be "dependent" on the Applicant/Co-applicant or is it allowed the other way around?</p> | <p>13.1. Guidelines for Applicants do not define whether Applicant/Co-Applicant must be a founder of an Affiliated Entity. But it defines in point 2.1.3. of the Guidelines of Applicants entities that can be considered as affiliated entities to the Applicant or to the Co-applicant. Furthermore, please note that the applicant and its co-applicant(s) <u>may</u> act with affiliated entity. The decision concerning eligibility of applicant and/or co-applicant and/or affiliated entity will be brought by the Evaluation Committee during the process of Evaluation of applications (subject to approval of the CFCA).</p> |
| 14. | <p>14.1. Could you please provide further clarification of point 2.1.4 Eligibility of actions, location: Actions must take place in one or more of the 10 counties designated within the RCOP as “lagging behind regions”: County of Virovitica-Podravina, County of Vukovar-Sirmium, County of Brod-Posavina, County of Sisak-Moslavina, County of Šibenik-Knin, County of Osijek-Baranja, County of Lika-Senj, County of Požega-Slavonia, County of Karlovac and County of Zadar Provided that it is necessary for attainment of desired objectives (e.g. economic development, networking, synergy effects), is it eligible to foresee in the project small share of activities that will take place outside 10 counties designated as lagging behind regions? For example, majority of project activities and investments are taking place in lagging behind region, but one small component – part of cycling route – is located in another county. In particular, will such intervention logic make the whole project ineligible or just this share of expenditure?</p> | <p>14.1. As it is stated in the point 2.1.4. Eligibility of actions, actions must take place in one or more of 10 counties designated within the RCOP as “lagging behind regions” and that refer to all activities envisaged under the project. Therefore, the project should not identify activities which are to take place in a county that is not defined as a lagging behind county under this Call. In line with the GfA eligible applicants are those which are established in a Member State of the European Union or a Member State of the European Economic Area, Croatia, The former Yugoslav Republic of Macedonia, Turkey, Albania, Bosnia and Herzegovina, Montenegro, Serbia, including Kosovo under UNSC Resolution 1244/99 as well as of other countries eligible under the Council Regulation (EC) No 1085/2006 of 31 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA). Nevertheless, the global objective of this Call for Proposals is to support the SMEs growth and job creation in Croatian’s lagging behind regions, therefore, all activities, as well as related results/outputs should remain at disposal and for the benefit of the target groups and final beneficiaries in the defined counties.</p> <p>14.2. As it is stated in the point 2.1.1. Eligibility of applicant, Co-applicant(s) and affiliated entity(ies) must satisfy the eligibility criteria as applicable to the applicant himself, however the location of all activities that are going to be implemented through the Action have to take place in</p> |

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| | <p>14.2. Is there any connection between requirements stipulated in the Guidelines for Applicants Point 2.1.1. (Eligibility of applicant) and Point 2.1.4 Eligibility of Action, Location – i.e. Providing that the majority of activities are implemented on the territory of one of 10 eligible counties, can project partner be an eligible institution from another county, non-lagging behind region? Is there any restriction in case small share of activities (i.e. part of a bike route which should be signposted) is running over the territory of a county which is not among 10 lagging behind regions?</p> | <p>one or more of 10 counties designated within the RCOP as “lagging behind regions”, because the global objective of this Call for Proposals is to support the SMEs growth and job creation in Croatian’s lagging behind regions. Please also note that the decision concerning eligibility of applicant and/or co-applicant and/or affiliated entity will be brought by the Evaluation Committee during the process of Evaluation of applications (subject to approval of the CFCA).</p> |
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