

IPA Component IIIC - Regional Competitiveness Operational Programme 2007-2009 for Community Assistance under the IPA Regional Development Component in Croatia

### Science and Innovation Investment Fund (SIIF) Grant Scheme

Reference: EuropeAid/128624/M/ACT/HR

Tender type: Grant

### QUESTIONS AND ANSWERS

Date: 23 April 2010

**NOTE: In line with Corrigendum to Guidelines for Applicants published on the CFCA web-page on 12 February 2010, the second deadline was postponed to 14 May 2010 (originally envisaged on 05 March 2010) and merged with third deadline (originally envisaged on 02 July 2010)!**

**NOTE:** The final 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 ex-ante control of the CFCA and EC Delegation).

**NOTE:** Questions may be sent by e-mail or by fax no later than **21 days before the second deadline for the submission of applications.**

Final version of Q&A will be published no later than **11 days before the second deadline for the submission of applications.**

List of Abbreviations:

**CFCA** – Central Finance and Contracting Agency

**GfA** – Guidelines for Applicants

no.	QUESTIONS	ANSWERS
1.	Does the applicant institution have to be located in the Area of Special State Concern?	No. Eligibility criteria for applicants under this Call for Proposals are defined under point 2.1.1 of the Guidelines for Applicants.

2.	In case the applicant is a Higher Education Institution located in the Area of Special State Concern, will this be regarded as an advantage during evaluation procedure of project proposal with regard to applicants that are not located in any of the Areas of Special State Concern?	Under this Call for Proposals, it is envisaged that the sum of EUR 1.500.000,00 (or 30% of the allocation for this Grant Scheme) will be reserved for actions <b>to be performed</b> in the 10 Croatian Counties designated as the Lagging Behind Regions - as defined under point 1.3 (Financial allocation) and point 2.3 (Evaluation and Selection of Applications, Step 3). For that purpose a separate ranking list for actions <b>to be performed</b> in the 10 Croatian Counties designated as Lagging Behind Regions will be made. However, the evaluation and selection of applications, as presented under point 2.3 of GfA will be done on equal basis for all Applicants no matter of their location or location of action within Croatia.
3.	Is it eligible that one of partner organizations is a non government organization?	As stated under point 2.2.4. of the Guidelines for 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. Final recommendation on project proposal will be brought by the Evaluation Committee during the process of Evaluation of applications. The eligibility criteria for applicants are defined under point 2.1.1. of the Guidelines for Applicant, <i>Eligibility of applicants: who may apply?</i> As stated under point 2.1.2. of the Guidelines for Applicants, <i>Partnerships and eligibility of partners</i> , partners must satisfy the eligibility criteria as applicable on the grant beneficiary, i.e. applicant, himself (applicants have to be legal, non-profit making institutions, and be either public higher education institution or public research organization). However, other organisations may be involved in the action as <u>associates</u> ; they play a real role in the action but may not receive funding from the grant with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.1.
4.	If the applicant is a public higher education institution or public research organization, will Regional development agency and non-profit association be considered eligible as partners in the Project proposal?	
5.	Can a private Institute within the register of the research institutions of the Ministry of Science, Education and Sports be a partner within IPA IIIC?	
6.	What are the envisaged amounts of grants, i.e. are there any limits to these amounts?	As stated in the Corrigendum No 1 to Guidelines for Applicants, point 1.3. of the Guidelines for Applicants, <i>Financial allocation provided by the Contracting Authority</i> , any grant - i.e. Contracting Authority contribution consisting of IPA funds (75% of the total eligible costs of the action) and national co-financing provided by Ministry of Science, Education and Sports (25% of the total eligible costs of the action) - awarded under this Call for Proposals must fall between the following minimum and maximum amounts: <ul style="list-style-type: none"> <li>• Minimum amount € 66.666,67</li> <li>• Maximum amount € 1.000.000,00</li> </ul>

7.	<p>We are a private company, interested in applying for the call. However, according to Guidelines for grant applicants, we are not able to apply for this call as applicants or partners.</p> <p>The Guidelines for Applicants state that Associates can be private companies; however, if they take part in the project, only their travel and per diem costs can be financed. Therefore, the only possibility a private company has to participate in the project is to become an Associate and be only paid to travel to Croatia and receive per diem costs?</p>	<p>As stated under point 2.1.1. of the GfA, Eligibility of applicants: who may apply?, applicants have to be legal, non-profit making institutions, and be either a public higher education institution or a public research organization.</p> <p>Also, as stated under same point, other (private) organisations may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.1. (they can, thus, be private organisations). The associates have to be mentioned in Part B section IV - "Associates of the Applicant participating in the Action" of the Grant Application Form.</p> <p>However, it should be noted that associates are desirable in the achievement of the objectives of the grant scheme, which relates particularly to the commercial associates (e.g. SMEs). Level of their involvement in the action will be evaluated in the scoring grids.</p>
8.	<p>If an Institute is founded by a private person as a non-profit scientific organisation, can it apply for a grant under this Call?</p>	<p>With respect to provisions of the Guidelines for Applicants stating: <i>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</i>, the CFCA cannot provide direct answer concerning eligibility of applicants since this will be a matter to be concluded by the Evaluation Committee.</p> <p>However, as stated under point 2.1.1. of the GfA, Eligibility of applicants: who may apply?, applicants have to be legal, non-profit making institutions, and be either a public higher education institution or a public research organization. Further definition (in the footnote 4, Corrigendum No 1 to Guidelines for Applicants) stipulates the following: <i>...they are founded as a Public Body according to relevant legal Act of the Country involved and that majority of their budget is continuously financed from the public sources (where terms "majority of budget" and "continuously financed" are defined as 50,01% of their annual budget, estimated as average percentage over a period of three successive years (2007, 2008, 2009)). If Croatian, Higher Education Institutions (HEI) and Public Research Organizations (PRO) are founded by the Republic of Croatia, according to Scientific Activity and Higher Education Act of the Republic of Croatia - Official Gazette 123/03, as covered by Article 25 and Article 49 (2).</i></p>
9.	<p>Can a public institution under the authority of the Ministry of Agriculture, Fisheries and Rural Development apply for a grant under this Call?</p>	
10.	<p>Can a Polytechnic School founded by Istrian region (and not Croatian Government) apply for a grant under this Call?</p>	
11.	<p>Is it possible for an applicant to be a company that is registered as Ltd. owned by the university who set up that company. The company is a Scientific - Technological Park and some of its activities are scientific research.</p>	
12.	<p>Can a privately owned company apply for a grant?</p>	
13.	<p>If the applicant is Clinical University Hospital Zagreb and people working on the project are not on Ministry of Science, Education and Sport payment list, would it be possible to apply for a grant?</p>	
14.	<p>Can the State Archive of the Republic of Croatia be considered "publicly financed research organisation"?</p>	

15.	Can you please explain why the information on evaluation steps has not been provided in due time to the applicants who submitted they project proposals for the 1st deadline of this Call for Proposals?	<p>In line with point 2.5.2. <i>Indicative time table</i>, dates envisaged for administrative check (step 1), evaluation of concept notes (step 2) and evaluation of full application forms (step 3) provided are only provisional, since it is not possible to envisage fixed time table owing to elaborated evaluation procedure, i.e. it is not possible to envisage the number and complexity of submitted application forms, as well as problems that may arise during evaluation procedure. Furthermore, evaluation reports for each step of evaluation are subject to ex-ante approval by the Delegation of the European Union. Therefore, the dates provided in the time table (on the basis of the established practice and previous experience CFCA has had with evaluations of project proposal) serve primarily as indication of possible dates leading to contract signature.</p> <p>All steps in the evaluation procedure are confidential, i.e. it is not possible to provide any information about the evaluation of particular projects before reports of the Evaluation Committee for each of the evaluation steps has been completed and approved by CFCA, and ex-ante approved by the Delegation of the European Union, and all applicants who submitted their proposals are informed in writing of the Contracting Authority's decision concerning their application and, in case of rejections, the reasons for the negative decision. In case the date the information is provided to applicants does not correspond to a particular date in the Indicative time table, this will not be considered indication the deadlines have not been met.</p> <p>Specifically, administrative check (step 1) of the application forms submitted for the for the 1st deadline under this Call for proposals took more time than envisaged in the Indicative time table owing to numerous clarifications concerning project co-financing, which resulted in the publication of the Corrigendum to Guidelines for Applicants. At the time of publication of this document the evaluation of the full application forms (step 3) submitted for the 1st deadline is ongoing.</p>
16.	Can you please provide information about the evaluation of the project proposal I have submitted?	
17.	How much of the requested amount in the project proposal can be allocated to obtaining equipment, i.e. is there a specific percentage, or recommendation?	<p>Guidelines for Applicants do not define any limit on the number of persons to be employed for the purpose of the project or percentage of requested amount that can be allocated to obtaining equipment or subcontracting; nor do they define any preferences in relation to geographical position of partners.</p>
18.	Is it recommended that the partners come from the same region?	<p>However, during the evaluation of project proposals, the Evaluation Committee will take into consideration all relevant segments of project proposals (objectives, activities, results, budget) on the basis of which it will determine the financial and operational capacity, relevance, methodology, sustainability, (cost)effectiveness and feasibility of the proposal in relation to objectives of this Call for Proposals, as well as relevance of each of the segments of a particular project proposal in relation to its objectives, before coming to a decision about project proposals to be financed under this Call (in line with</p>
19.	In percentage of approved grant, how much can it be subcontracted?	

20.	Is the number of persons to be employed only for the purpose and duration of the project limited?	the Evaluation grids in the Guidelines for Applicants for Step 2 Evaluation of the Concept Note and Step 3 Evaluation of the Full Application).
21.	Since the number of grants which an Applicant can receive under this Call for Proposals is defined per organisation unit within a HEI (Guidelines for Applicants 2.1.3), should Part II. of the grant Application Form give data on the organisation unit which will implement the project or on the whole faculty?	Regarding Part II of the Application Form, information on the HEI (i.e. the whole Faculty) should be provided, since it will (most probably) not be possible to provide the required information only for organisation unit within HEI. However, to be in line with the provisions of Guidelines for Applicants (2.1.3, Number of applications and grants per applicant), it is suggested to provide information on the organisation unit that will directly be responsible for implementation of the project where possible (for example: table 1. Identity, Name of the organisation – provide both the name of the HEI and the organisation unit).
22.	According to Guidelines, does a partner institution have to be from a Member State, or can it be from Croatia?	<p>In line with Guidelines for Applicants, point 2.1.1, the applicants are defined as: <i>public higher education institutions and public research organisations</i>, and they should be <i>nationals of a Member State of the European Union, 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) No1085/2006 of 31 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA).</i></p> <p><i>In case an applicant is not a national of Croatia, the Guidelines (and Corrigendum to Guidelines for Applicants), point 2.1.2, stipulate its potential partner must be a national of Croatia: In case an applicant is not a Public Higher Education Institution or a Public Research Organization founded by the Republic of Croatia, according to Scientific Activity and Higher Education Act of the Republic of Croatia - Official Gazette 123/03, as covered by Article 25 and Article 49 (2), but founded by a Country other than Croatia (as per section 2.1.1, bullet 4), one of the partners must be a Higher Education Institution (HEI) or a Public Research Organisation (PRO) founded by the Republic of Croatia according to aforementioned Act.</i></p> <p>Therefore, a partner does not have to be a national of a country other than Croatia (i.e. a partner can be from Croatia); however, at least one partner must be from Croatia if the applicant is not a national of Croatia.</p>

23.	Could you please inform us about the date for the 3rd deadline under this Call? Has the 3rd deadline been cancelled?	In line with Corrigendum to Guidelines for Applicants published on the CFCA webpage on 12 February 2010, the second deadline was postponed to 14 May 2010 (originally envisaged on 05 March 2010) and merged with third deadline (originally envisaged on 02 July 2010).
24.	Is an individual department of faculty valid candidate for this grant?	Point 2.1.1 "Eligibility of Applicants: who may apply?" defines "eligible applicants" as <u>legal persons</u> . Therefore, please make sure the applicant (individual department or faculty) is indeed a legal person, i. e. that it can act as a legal person, since this varies significantly at the level of different Universities (generally, it is the faculty that can act as a legal person for the benefit of its department/s; however, consider this a general comment since this can vary at the level of different Institutions). Also, please take into consideration the following paragraph from the Guidelines: <i>An applicant may be awarded more than one grant under this call for proposals but only under condition that same organisation unit (unit at the first lower level of applicant's organisation, e.g. institute, department, division, section) within eligible institution does not receive more than one grant.</i>
25.	Is a Department from the same university valid partner for a project?	
26.	Is the own faculty valid partner for a project?	
27.	Are faculties in Zagreb considered as individual institutions or only as constituent members of one institution - the University of Zagreb?	
28.	Can one Faculty department submit two different applications under this grant scheme?	
29.	Are the applicants obliged to send the application form for technical assistance to Ministry of Science, Education and Sports (MSES) before submitting their application form to CFCA?	Concerning partners, the Guidelines state the following: <i>Applicants' partners participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the grant beneficiary. They must therefore satisfy the eligibility criteria as applicable on the grant beneficiary himself.</i>  In line with Guidelines for Applicants, point 2.1.3, <i>Number of applications and grants per applicant</i> : An applicant may submit more than one application under this call for proposals. An applicant may be awarded more than one grant under this call for proposals but only under condition that same organisation unit (unit at the first lower level of applicant's organisation, e.g. institute, department, division, section) within eligible institution does not receive more than one grant. An applicant may at the same time be partner in another application. In case two applications from the same Department are submitted (and accepted to be financed under this Call), the applicant will receive a grant for the action of better rank.  Science and Innovation Investment Fund is an Operation defined within the Regional Competitiveness Operational Programme and it consists of two activities: a grant scheme and a service contract. The purpose of the call for submission of project concepts launched by the Ministry of Science, Education and Sports and published on its website is to provide the interested organizations with technical assistance (within the framework of above mentioned service contract) in project preparation.

30.	Is the call for submission of project concepts published on the MSES web pages related to the 1st deadline of Call for Proposals for the Science and Innovation Investment Fund Grant Scheme in September 2009, i.e. is this the 2nd deadline under SIIF Call for Proposals?	<p>The potential applicants were not obliged to send the application form to the Ministry. Therefore, the call published by the Ministry should not be confused with the Call published by the CFCA. Each of these two calls has different deadlines and application forms.</p> <p>The applicable deadlines for this Call for Proposals are published in the Corrigendum No 1 to Guidelines for Applicants published on the following web page:  <a href="http://www.safu.hr/datastore/filestore/279/Corrigendum_to_the_Guidelines_for_Applicants.pdf">http://www.safu.hr/datastore/filestore/279/Corrigendum_to_the_Guidelines_for_Applicants.pdf</a>.</p>
31.	Do we need to submit the proposal through electronic system or by regular mail, or both?	In line with the point 2.2.2 "Where and how to send the Applications" of the Guidelines for Applicants, the Application Form must be submitted in a sealed envelope by registered mail, private courier service or by handdelivery. Applications sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses will be rejected.
32.	Do we need to have Europe Aid ID for each partner institution before submitting the proposal and how much time does it take for the institution to get the EuroaidID?	In line with point 2.2 HOW TO APPLY AND PROCEDURES TO FOLLOW of the Guidelines for Applicants, the prior registration in PADOR for applicants and their partners for this Call for proposal is not obligatory. Thus there is no need for each partner institution to have EuropeAid ID before submitting the proposal. For all the details on this matter please consult the europeaid webpages at: <a href="http://ec.europa.eu/europeaid/work/onlineservices/pador/index_en.htm">http://ec.europa.eu/europeaid/work/onlineservices/pador/index_en.htm</a> .
33.	Is the salary from the project just added to the regular salary from the institutions where project team work, and is it the salary from the project subject to various taxes?	<p>The salaries of the members of the project team engaged on the project are actually salaries they receive as employees of their respective institutions. Please refer to General conditions of contract, article 14.2, which stipulates, amongst other, that the following direct cost is eligible: the cost of staff assigned to the Action, corresponding to actual gross salaries including social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the Beneficiary or its partners, as the case may be, unless it is justified by showing that it is essential to carry out the action.</p>
34.	Will the employees who will be engaged on the project receive increase of 25% on existing salaries?	Please note that according to the Corrigendum No 1 to Guidelines for Applicants, point 2.1.4. Eligibility of costs: costs which may be taken into consideration for the grant, footnote 7, salaries/fees of current employees that will be engaged on the project by the applicant or partner, in case where any part of the salaries of those employees is financed from the local/state level budget of the beneficiary country, can only be accepted as eligible as national co-financing, up to the amount of that co-financing (which is fixed at 25% of the grant), and, if applicable, up to the amount of co-financing by applicant (which is up to 10% of the total eligible costs of the action). Therefore, no percentage will be added to those salaries since the 25% refers to the amount of national co-financing.

35.	Should applicant find some additional sources of financing if salaries/fees of current employees are not up to 25% of total budget (is the total budget limited with actual incomings/salaries presented in application)?	<p>An applicant needs to co-finance the action with up to 10% (0 - 10%) of the total eligible cost.</p> <p>The salaries/fees of current employees that will be engaged on the project by the applicant or partner, in case where any part of the salaries of those employees is financed from the local/state level budget of the beneficiary country, can only be accepted as eligible as national co-financing, <u>up to the amount of that co-financing (which is fixed at 25% of the grant), and, if applicable, up to the amount of co-financing by applicant (which is up to 10% of the total eligible costs of the action).</u></p> <p>Please note that the percentage of national contribution, which, in case of beneficiary country, can be provided through salaries (in line with paragraph above), is limited to 25% of the grant. Out of total amount of resources requested by the applicant in the budget of the project proposal, salaries of employees who will be engaged on the project may not go over the 25% of the national co-financing and amount of co-financing by applicant (up to 10%). Therefore, the budget is not limited with respect to salaries presented in the budget, whereas the national co-financing and co-financing by applicant are limited with respect to total eligible cost of the action.</p>
36.	Can some of the members of the project team be paid for their contribution to the project? If it is so, who is eligible to be paid?	<p>Yes.</p> <p>All staff of the project team are eligible to a certain percentage (please see above). Newly employed staff, that is, the staff that has been employed only for the purpose of the project is eligible to have their salaries covered without the above limitation.</p>
37.	Can young researchers be employed for the purpose of project and paid entire salary from the project?	<p>Yes.</p> <p>In that case they will be members of the project team (budget line 1 Human resources).</p>
38.	Can the researchers (important and relevant for the project) be paid for their additional work on the project even though they receive their regular salary at their institutions?	<p>On an exceptional basis and in case specific expertise is required those researchers can provide, then they can be engaged as experts (for specific tasks) and paid for their work from the project (budget line 5 Other costs, services). These experts will have to be pre-approved by Contracting Authority and will have to make arrangements in the institution where they are employed regarding their engagement in Science and Innovation Investment Fund project and the way it reflects on their other tasks in the institution. If their regular salary in their institutions is financed by the public funds (national, regional, local) they can receive fees only if they work in their free time, and provided this is not against any national law.</p>

39.	<p>Please explain the apparent contradiction between the following:</p> <p>1. In case where any part of salaries of employees that will be engaged on the project by the applicant or partner is financed from the local/state level budget of the beneficiary country, those salaries can only be accepted as eligible as national co-financing, up to the amount of that co-financing (which is fixed at 25% of the grant), and, if applicable, up to the amount of co-financing by applicant (which is up to 10% of the total eligible costs of the action).</p> <p>2. Fees for Civil Servants (Civil Servants or other officials of the public administration of the beneficiary country, regardless of their administrative situation, must not be engaged as experts by tenderers unless the prior approval of the Contracting Authority has been obtained).</p> <p>To whom do the points 1. and 2. apply? Does point 1. apply to the applicant institution and the partners and point 2. to the subcontracted and procured agents?</p>	<p>Point 1. from the question refers to both applicant and partners, since partners must satisfy the eligibility criteria as applicable on the applicant himself.</p> <p>Point 2. from the question refers to subcontractors. Subcontractors are neither partners nor associates. They do not play a real role in the action nor do they have to meet eligibility criteria; however, they are subject to the procurement rules set out in Annex IV to the standard grant contract (i.e. they are subcontracted specifically for the purpose of providing goods and services necessary for implementation of project).</p>
40.	<p>What does it mean "% of total eligible cost of action (B/Ax100)"?</p>	<p>The percentage of total eligible cost of the action is the percentage indicating the requested grant contribution, which according to Corrigendum to Guideline for Applicants is between 90 and 100% of the total eligible cost of the action.</p> <p>The term "total eligible cost of the action" refers to all direct and indirect costs of the action, as specified in the Budget for the Action. Total eligible costs include Contracting Authority contribution and applicant contribution (if any). Contracting Authority contribution under this Call consists of IPA co-financing and national (MSES) co-financing.</p> <p>The balance up to 10%, if applicable, must be financed from the applicant's or partner's own resources; i.e. the EU contribution + national co-financing contribution can total between 90% and 100% of the total eligible cost of the action.</p>
41.	<p>Do the potential applicants absolutely need to finance 10% of project from own resources?</p>	<p>No, potential applicants do not need to finance the balance up to 10% - they may ask for a "full grant", that is, for 100% Contracting Authority contribution.</p>

42.	<p>The equipment we need for the project is not produced in EU, and there aren't any makers of similar equipment in EU. Can you please provide us with additional information about documents (evidence) we have to present to commission to justify the need to buy equipment outside EU states?</p>	<p>In case the equipment is not produced in one of the eligible countries (i.e. Member State of the European Union, 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 Council Regulation (EC) No 1085/2006 of 31st July 2006 establishing an Instrument for Pre-Accession Assistance - IPA), derogation from the rule of origin will be required. However, to be granted this derogation, following conditions will have to be met:</p> <ul style="list-style-type: none"> <li>- potential applicant will have to provide evidence that only this particular product, produced by a manufacturer outside eligible countries is required, and not a similar product which is produced in one of the eligible countries;</li> <li>- potential applicant will have to submit reliable and comprehensive market study providing evidence that such a product (or a similar product, if applicable) is not produced anywhere in the eligible countries (including statements from manufacturers).</li> </ul> <p>Furthermore, in line with point 2.2. of the Annex IV: Procurement by the grant beneficiaries in the context of European Community External Actions: <i>Contractors must present proof of origin to the Beneficiary no later than when the first invoice is presented, for equipments and vehicles of a unit cost on purchase of more than € 5 000. The certificate of origin must be made out by the competent authorities of the country of origin of the supplies and must comply with the rules laid down by the relevant Community legislation.</i></p> <p>Concerning the above mentioned, please note you are not required to submit the requested documentation while submitting the application form, but during project implementation. However, in case the equipment is essential for the action CFCA would strongly advise applicants to prepare the market study and, if required, apply for derogation from the rule of origin before a contract with the Contracting Authority is signed in order to ensure smooth implementation of the project.</p>
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43.	When presenting equipment list and prices, do we need to present equipment offers received from manufactures and suppliers?	The offers received from manufacturers and suppliers will not be required systematically for each budget item. However, considering the provision of GfA, article 2.1.4 "Eligibility of costs: costs which may be taken into consideration for the grant", which stipulates: "Recommendations to award a grant are always subject to the condition that the checking process which precedes the signing of the contract does not reveal problems requiring changes to the budget (for instance arithmetical errors, inaccuracies or <b>unrealistic costs</b> and other ineligible costs). <b>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.</b> The amount of the grant and the percentage of co-financing as a result of these corrections may not be increased. <b>It is therefore in the applicant's interest to provide a realistic and cost-effective budget</b> ". In order to check the costs that appear to be unrealistic, the Contracting Authority might ask the applicants to provide offers in order to justify the cost estimate.
44.	Who is eligible to make such a market study?	In line with point 1.1 of General Conditions, The Beneficiary shall implement the Action under its own responsibility and in accordance with the Description of the Action in Annex I with a view to achieving the objectives laid down therein. It is in the interest of an applicant to provide market study as evidence, thus ensuring the costs of the project are considered eligible.
45.	Is a letter from manufacturer providing information on final assembly acceptable by commission?	A paragraph under point 2.3.1. <i>The rule on nationality and origin</i> in the Practical guide to contract procedures (PRAG) reads: <i>Furthermore, the country of origin is not necessarily the country from which the goods have been shipped and supplied. Where there is only one country of production, the origin of the finished product is easily established. However, in cases where more than one country is involved in the production of goods it is necessary to determine which of those countries confers origin on the finished goods. The country of origin is deemed to be the country in which the goods have undergone their last, economically justified, substantial transformation and the provisions of Article 24 of the Community Customs Code must therefore be applied on a case by case basis to those goods. If the last substantial transformation has not taken place in a Member State of the European Union or one of the eligible recipient countries, the goods cannot be tendered for the project.</i> In practice, the certificate of origin is normally issued by Chamber of Commerce of a country of origin.
46.	Regarding the section III Partners of the applicant, do we need to submit signed partnership statement together with application form?	Yes. Signed partnership statements should be submitted with the application form (please see V. Checklist of the Grant application Form).

47.	Do Partnership statements need to be originally signed or they can be scanned or faxed?	The partnership statements should be signed by all partners involved and submitted as originals with your application form.
48.	In case the Applicant is not a Croatian Public Research Body but an Italian Public Research Body, will the 25% financing of the total eligible costs of the action still be financed from the national public contribution of the Beneficiary Country provided by the MOSES of the Republic of Croatia?	Yes, provided that at least one of the partners is a Higher Education Institution (HEI) or a Public Research Organisation (PRO) founded by the Republic of Croatia, and that all other conditions of the Call are met.
49.	Is it possible to know the financial allocation for Science and Innovation Investment Fund call for proposals already engaged after the first deadline of September 8th 2009, also with reference to the amount specifically reserved for actions to be performed in the Croatian Lagging Behind Regions?	<p>The evaluation process of the proposals submitted for the 1<sup>st</sup> deadline is, at the time of publication of this document, still underway, therefore the information on financial allocation for the 1st (and 2nd) deadline is still not available.</p> <p>However, please note that in line with point 1.3 (Financial allocation provided by the Contracting Authority) of the Guidelines for Applicants, it is envisaged that the sum of EUR 1.500.000,00 (or 30% of the allocation for this Grant Scheme) will be reserved for actions to be performed in the 10 Croatian Counties designated as The Lagging Behind Regions. In case this allocation is not used (smaller number of applications are received, no applications are received in which action is to be performed in the Lagging Behind Regions, or no project of adequate quality or relevance is received to be performed in any of those areas), the leftover from designated EUR 1.500.000,00 will be disbursed as a part of general fund.</p>
50.	In case the Applicant to the call is an Italian Public Research Organization partly financed at regional and national level, and in case some of the Applicant's current employees will be engaged in the actions to be performed in response to the call, will the cost of the Italian PRO's current employees be 100% financed by the grant provided by the Contracting Authority?	<p>In case where any part of salaries of employees that will be engaged on the project by the applicant or partner is financed from the local/state level budget of the beneficiary country, those salaries can only be accepted as eligible as national co-financing, up to the amount of that co-financing (which is fixed at 25% of the grant), and, if applicable, up to the amount of co-financing by applicant (which is up to 10% of the total eligible costs of the action).</p> <p>In case the applicant or partner is a public institution from a country other than Croatia, the salaries of employees that will be engaged on the project will not be accepted as national co-financing. If the employees that will be working on the project are employees of the applicant or partner institution (i.e. prior, during and after implementation of the project) and receive their regular salary by the applicant or</p>

51.	How will the employees of public institutions in EU countries be financed if their institution applies as a partner with specific task of transferring know-how in technology transfer?	<p>partner institution, please note their salaries will not be covered by the project in order to avoid double financing, which is considered ineligible. Only in case the evidence is provided the employees of applicant or partner institution from a country other than Croatia will not be receiving their salaries from sources other than the project, those costs could be considered eligible.</p> <p>Also, please note that salaries of all employees recruited by the applicant or partner institution from either Croatia or any other of the eligible countries (as per section 2.1.1, bullet 4 of the GfA) only for the purpose of the project implementation will be considered eligible cost to be covered by the project.</p>
52.	University in Croatia and University in Germany plan to transfer two experiments from Germany to Croatia. Are there other partners required besides University in Croatia and University in Germany?	In line with point 2.1.2 of the Guidelines for Applicants, besides applicant there is a minimum of <b>one</b> partner required under this Call for Proposals.
53.	We plan the transfer of two experiments from Germany to Croatia. Because of special components and know-how this work should be done in Germany. The workers and students from Croatia would come to Germany and participate in the building process. In Croatia will be done the necessary adaptations to finally fit the needs. At the end of transfer process the experimental objects will be in Croatia and will be used in education of students. Can we under these circumstances apply for a project?	<p>The Guidelines for Applicants, under point 2.1.3, define the following:  <i>An action (or project) is composed of a set of activities</i>  (...) <i>Location</i>  <i>Actions must take place in Croatia.</i>  (...) <i>Since all the actions should take place in Croatia and should contribute to the specific objective of this Call for Proposals, i.e. should contribute to creation of a productive environment where innovation capacity can grow and develop, thus strengthening the overall competitiveness of Croatia, it is especially required that all the results/outputs remain at disposal of the target groups and that the final beneficiaries in Croatia benefit from them.</i></p> <p>Therefore, the activities presented for a particular action (project) should be in line with the paragraphs above.</p> <p>However, the final decision concerning project proposals to be financed under this Call will be made by the Evaluation Committee taking into consideration the financial and operational capacity of the applicant and partner(s), as well as relevance, methodology, sustainability, (cost)effectiveness and feasibility of the proposal in line with the Evaluation grids in the Guidelines for Applicants for Step 2 Evaluation of the Concept Note and Step 3 Evaluation of the Full Application.</p>

54.	Are grant beneficiaries considered only applicants and their partners or could other/third institutions (SMEs for example) be considered beneficiaries as well?	<p>An applicant is one of the parties who will be signing a contract (the other party is CFCA - the Contracting Authority) and is referred to as "the Beneficiary". The applicant will sign partnership statements with its partners (partners participate in designing and implementing the action and the costs they incur are eligible in the same way as those incurred by the grant beneficiary - they must therefore satisfy the eligibility criteria as applicable on the grant beneficiary himself). Apart from applicant and partner/s, other organisations may be involved in the action as associates; they play a real role in the action but may not receive funding from the grant with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.1.</p> <p>However, please note that associates are desirable in the achievement of the objectives of the grant scheme, which relates particularly to the commercial associates (e.g. SMEs). Level of their involvement in the action will be evaluated in the scoring grids.</p>
55.	What is the difference between subcontracting company and associate organisation?	<p>Associates may be involved in the action. Such associates play a real role in the action but <u>may not receive funding from the grant with the exception of per diem or travel costs</u>. Associates do not have to meet the eligibility criteria referred to in section 2.1.1; they have to be mentioned in Part B section IV - "Associates of the Applicant participating in the Action" of the Grant Application Form.</p> <p>Subcontractors are neither partners nor associates. They do not play a real role in the implementation of the action nor do they have to meet eligibility criteria; however, they are subject to the procurement rules set out in Annex IV to the standard grant contract (i.e. they are subcontracted specifically for the purpose of providing goods and services necessary for implementation of project).</p>
56.	In the Guidelines for Applicants Annex D: Legal entity sheet is characterized as excel file. In the Guidelines for Applicants LEP Public is a pdf file. Please explain!	<p>Annex D Legal Entity Sheet is indeed available at <a href="http://www.safu.hr/en/tenders/view/235/science-and-innovation-investment-fund-grant-scheme">http://www.safu.hr/en/tenders/view/235/science-and-innovation-investment-fund-grant-scheme</a> as a pdf document, not an excel sheet as stated in the Guidelines for Applicants. The text in the Guidelines for Applicants is part of the template available at europeaid webpages: <a href="http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm">http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm</a>. Please, print out the pdf file and fill it out by hand.</p>
57.	In application form under V. CHECKLIST states:12. The requested contribution is equal to or lower than 750.000,00 EURO (the maximum allowed). Should this be corrected depending on the Corrigendum?	<p>According to Corrigendum to Guidelines for Applicants the requested contribution is equal to or lower than 1.000.000 EUR. The data should be corrected in the application forms submitted by applicants accordingly.</p>
58.	Do we need to use a predetermined template for Business plan and Feasibility study. Do we need to follow some specific form set by EC?	<p>No. As there is no obligatory template for CBA and the FS, the "Guide to cost-benefit analysis of investment projects" can be used, available at: <a href="http://ec.europa.eu/regional_policy/sources/docgener/guides/cost/guide2008_en.pdf">http://ec.europa.eu/regional_policy/sources/docgener/guides/cost/guide2008_en.pdf</a>.</p>

59.	<p>Can you clarify the following issue with respect to Guidelines for Applicants and Corrigendum regarding budget issues: The total budget can be up to 1 000 000€ (that means 750 000 € can be EC contribution and 250 000€ MSES)?</p>	<p>The Corrigendum to Guidelines for Applicants under point 1.3 Financial allocation provided by the Contracting Authority defines the term “grant” under this Call for Proposals (as Contracting Authority contribution consisting of IPA funds (75% of the total eligible costs of the action) and national co-financing provided by Ministry of Science, Education and Sports (25% of the total eligible costs of the action) and modifies the minimum and maximum amounts of a grant accordingly. Therefore, the minimum and maximum amounts from the Guidelines for Applicants have been modified to take into account both EU contribution and national contribution (whereas previously, in the Guidelines for Applicants, the amounts referred only to EU contribution).</p>
60.	<p>Since a grant may not be for less than 90% of the total eligible costs of the action, does this mean that our total budget can have max 10% of ineligible costs? For example, if we have a total budget of 900 000€, we can ask for a grant of 810 000€ and present 90 000€ of the budget as ineligible costs?</p>	<p>Total costs of the action (i.e. <u>total 100% costs of the action</u>) <u>must be eligible</u>. A grant may be 100% of the total eligible costs of the action, but may not be for less than 90% of the total eligible costs of the action. The balance (up to 10%) will be provided by the Beneficiary (as “own resources”). Therefore in case total eligible costs of the action are EUR 900.000 and the applicant provides 10% of own resources, a grant in the amount of EUR 810.000 (90%) may be requested from Contracting Authority. However, please note, in case the budget submitted by the applicant totals EUR 900.000, but the total eligible costs are lower than EUR 900.000, the amount of the grant to be provided by Contracting Authority will be reduced accordingly (totalling between 90% and 100% of the total eligible costs of the action).</p>
61.	<p>We would like to know whether, with reference to the foreseen budget items, it is mandatory to foresee expenditure verification costs and evaluation costs (we would also like to know what is specifically meant under “evaluation costs”), and whether there is any limitation in the amount which can be allocated to such costs.</p>	<p>Concerning expenditure verification costs, the General Conditions, article 15 Payment and Interest on late payment, reads: A report on the verification of the Action’s expenditure, produced by an approved auditor who meets the specific conditions of the Terms of Reference for the expenditure verification, shall be attached to: any request for pre-financing payments per financial year in case of grants of EUR 750 000 or more; any final report in the case of a grant of more than EUR 100 000; any request for payment of over EUR 100 000 for the financial year, in the case of an operating grant. Evaluation costs refer to costs of the experts who will be conducting evaluation of the project. It is not mandatory to envisage an external evaluation of the project in the budget; however, evaluations may be a very useful tool for objective presentation of project results.</p> <p>There is no defined limitation to expenditure verification costs and evaluation costs; however, it is recommended to keep these costs within reasonable limits with respect to other costs in the budget.</p>