

DATE: 26 September 2008

ANSWERS TO FREQUENTLY ASKED QUESTIONS OF APPLICANTS IN THE FRAMEWORK OF THE FIRST PUBLIC CALL FOR PROPOSALS FOR THE OPERATIONAL PROGRAMME SLOVENIA–AUSTRIA 2007–2013

1. QUESTION: *Are there any limitations regarding the project size or the requested amount?*

ANSWER: Projects with the requested amount of ERDF funds exceeding 30.000€ are eligible for the programme. The recommended amount of requested ERDF funds is maximum 3 million EUR.

2. QUESTION: *Which area is eligible for cooperation?*

ANSWER: The programme area of the Operational Programme Slovenia–Austria 2007–2013 includes the following territorial units at the NUTS 3 level:

- in the Republic of Slovenia: Gorenjska statistical region, Savinjska statistical region, Koroška statistical region, Podravska statistical region, Pomurska statistical region and Osrednjeslovenska statistical region;
- in the Republic of Austria: Oststeiermark, West- and Südsteiermark, Graz, Obersteiermark Ost, Obersteiermark West, Unterkärnten, Klagenfurt-Villach, Oberkärnten, Südburgenland – see Guide for Applicants, Point 2.2.

3. QUESTION: *Which areas are regarded as extended programme areas? How much co-financing of the eligible costs may partners from the extended programme area expect?*

ANSWER: The following areas are included in the extended programme area: Graz, Upper Styria – West, Upper Styria – East, Upper Carinthia and Osrednjeslovenska statistical region. The same rules apply for partners from the extended programme area as for partners from the main programme area; however, it should be noted that the share of ERDF funds for co-financing activities and partners from the extended programme area amount to a maximum 20% of the Community contribution for the Operational Programme SI-AT 2007-2013. Thus, limit of 20% of ERDF co-funding shall be understood at the programme and not at the project level.

4. QUESTION: *What is the envisaged payment dynamics for the approved projects?*

ANSWER: For each reporting period, each Project Partner submits to their competent controller a report for verification comprised of the activity report and the financial report (i.e. Progress report). The controller verifies the eligibility of expenditure submitted by the Project Partner and issues a *verified statement on expenditure*. Project Partners submit their *verified statements on expenditure* to the Lead Partner, who is responsible for collecting all statements for a joint progress report. The Lead Partner compiles a joint progress report in the Slovenian and German language. Progress reports and payment claims are submitted to the Joint Technical Secretariat by the Lead Partner. Preparation of the final report and of the final payment claim are conducted in identical way.



After verification of progress/final report, the Managing Authority issues an Application form for payment which is submitted to the Certifying Authority. When the Certifying Authority submits a payment claim to the European Commission, the Commission verifies it and makes payment to the Certifying Authority. The sector of the Certifying Authority, which makes the payment, transfers ERDF funds to the Lead Partner. It should be pointed out that payments from the Programme are made as reimbursements for eligible costs (already paid expenses) made during project implementation. Therefore, it is important that all Project Partners are financially sound in order to pre-finance project activities. Namely, progress reports usually cover a 6-month implementation period, to which an additional 3 months should be added as required for report verification by the controllers, 1 month for the preparation of the progress report by the Lead Partner, 1 month for the check and supplements by the Joint Technical Secretariat and one additional month for payments by the Certifying Authority if ERDF funds are available. The deadlines can be substantially shorter if reports are well prepared.

5. QUESTION: *What does a project in the field of RTD (Annex 2 – Indicators) mean?*

ANSWER: Project in the field of RTD means a project in the field of Research and Technology Development.

6. QUESTION: *How do applicants proceed if there is not enough space in Annex 1, Budget, to enter the data?*

ANSWER: *If there is not enough space to enter the data and additional rows in Annex 1– Budget are needed, contact the Joint Technical Secretariat, which will then provide an expanded table of Annex1 – Budget (blank).*

7. QUESTION: *May the project refer to several priorities?*

ANSWER: No. Only one priority shall be selected.

8. QUESTION: *May the project refer to several activity fields within one priority?*

ANSWER: Yes. The project may refer to several activity fields within one priority.

9. QUESTION: *Where and how should applications be submitted? What is the deadline?*

ANSWER: The first deadline for submitting applications within the 1st Open Call is 30 September 2008 by 16:00. The applications can be submitted to the following address only: Government Office for Local Self-Government and Regional Policy, Unit for Managing Cross-border Programmes Maribor, Joint Technical Secretariat Slovenia – Austria 2007-2013, Svetozarevska 6, SI-2000 Maribor. The application form should be submitted by the Lead partner in paper and in electronic form (on CD) which should be identical. A **Label for the Envelope** has been prepared for the submitted projects to be labelled correctly. The label is published on the web page www.si-at.eu.

Applications can be submitted during the entire project duration period until all the funds are committed. All subsequent deadlines will be published on the web page www.si-at.eu.

10. QUESTION: *What is a Project Outline?*

ANSWER: Potential applicants may prepare and submit a Project Outline in order to obtain feedback information on the project idea prior to submitting the completed application form. It



is not necessary to submit the Project Outline, although it is recommended. The purpose is to help applicants develop appropriate and quality cross-border projects, and to obtain public co-financing.

11. QUESTION: *What is the first possible date of the beginning of the project, and by when should the project be concluded?*

ANSWER: *In the case of submitting the Project Outline, the first possible date is the date when the Technical Secretariat acknowledges receipt of the completed form of the Project Outline. If the Project Outline has not been submitted, the date of receipt of an Application is deemed to be the first possible beginning of a project. The date of a project's closure is the date when the partners make the final payment. In any case, all projects have to be ended no later than 31 March 2015. The administrative project closure should also be included in the project duration.*

12. QUESTION: *What does "administrative project closure" mean?*

ANSWER: Administrative project closure is the time needed to pay invoices - as it is no longer possible to claim paid invoices after the project closure date, therefore the time needed for the administrative project closure should be included in the project duration. Therefore the administrative project closure can include also the time required for the preparation of the final report (in case the refunding of the expenses for report preparation shall be included).

13. QUESTION: *What has to be noted in relation to separate accounting records?*

ANSWER: For separate financial accounts, it is important that the accounting of financial data on the project is performed on separate accounts (revenues, expenditures). Simple and transparent computer printouts shall be provided.

14. QUESTION: *What is the minimum requirement for partnership? Are there any limitations regarding the number of partners?*

ANSWER: The minimum requirement for partnership is that there is at least one Project Partner from Austria and one from Slovenia. The number of Project Partners is unlimited. All Project Partners should have an active role in the project, which relates both to the financing and tasks. Partnership should be reasonable and manageable. The Lead Partner or Project Partners should not act as mediators or as contractors selected by public procurement law. It is important to establish a firm cross-border partnership and jointly develop a project idea. Each of the partners should be adequately trained and should have the resources to perform the agreed role and tasks. It should also be stated how the partners agreed on the management of the project and on expanding the indirect effects (outputs) of the project. In terms of measures of cross-border cooperation, the rule applies that at least two out of four measures should be fulfilled (joint planning, joint implementation, joint staffing and joint funding) in order for the project to be eligible for co-financing.

15. QUESTION: *How is national co-financing in Slovenia carried out?*

ANSWER: In Slovenia, national public co-financing at the state level will be provided to Slovenian partners for the approved projects by the Government Office for Local Self-Government and Regional Policy. Each Project Partner from Slovenia should provide at least 5% of their own contribution to funding of their total eligible costs.



16. QUESTION: *How will co-financing for the Austrian partners be carried out?*

ANSWER: For national/regional co-financing, Austrian partners should contact Austrian Regional Bodies. Share of resources that should be provided by the Austrian partners depends on the share of national co-financing. For each concerned partner, Appendix 5 –Co-Financing Statement – should be enclosed with the Application.

17. QUESTION: *Who is an external project expert?*

ANSWER: An external expert is an employee performing work under the service contract (work contract), regulated with External expert employment agreement or via a student employment brokerage service or generally, every employee who is not in a working relationship with the Project Partner, but performs work under a work contract.

18. QUESTION: *What are ineligible costs?*

ANSWER: Ineligible costs are any costs paid prior to the beginning of project eligibility or after its closure as defined by the Subsidy contract; costs for activities performed outside the programme area unless they are necessary for the project execution and if approved by MA or JMC; costs billed to a third person not being LP nor PP; items such as gifts, flowers, greeting cards; employees' pay (e.g. of public servants) financed by state/regional or municipal budgets for exercising regular business operations. Ineligible costs are also: membership and attendance fees, recoverable value-added tax, sponsorships, mandated and financial penalties, special awards and supplements for employees. More information on ineligible costs can be found in the Guide for Applicants, Point 4.3, page 22.

19. QUESTION: *What are the rules for information and publicity?*

ANSWER: All projects implemented with the aid of the Community should observe the rules for information and publicity defined in EC Regulation No 1828/2006. Each document should include the statement that the project has been chosen in the framework of the Operational Programme Slovenia–Austria 2007-2013 and is co-financed by ERDF. Measures of information and publicity should include the EU logo in accordance with graphic standards and the statement that the operation is co-financed by the European Union from the European Regional Development Fund. The “Investment in Your Future” slogan shall be included. For projects including the purchase of physical items or the funding of infrastructure and in cases when the total public contribution (share of public resources) exceeds 500,000 €, permanent information boards should be erected. Instructions for Information and Publicity should also be observed; these will be published by the Managing Authority on the programme web page.

20. QUESTION: *May organisations operating outside the programme area take part in the programme?*

ANSWER: Primarily, legal entities and private entrepreneurs located within the eligible area of the programme may take part in the programme. If a Project Partnership includes a partner from outside the programme area, it should be explained why their contribution is of essential importance for achieving the project objectives and why the activity cannot be performed by another partner located within the programme area.

21. QUESTION: *Are there any limitations on covering expenditure for public servants working on the project?*

ANSWER: Expenditures for public servants working on the project are eligible if they relate to project activities and not to the daily tasks of public servants in business operations and their legal obligations. Therefore, double financing must not occur. For public servants



working on a concrete project, an appropriate employment contract is required which states the following:

- role, tasks and scale of work on the project,
- period of employment on the project,
- amount of payment for project engagement, including a statement that work on the project is not financed by state/regional/municipal budget.

The basis for determining eligible expenditures is the number of hours completed on a project and hourly rate. Formulas for calculating hourly fees and all additional instructions regarding expenditures for personnel are clarified in detail in [Guide for Applicants](#), Chapter 4.4.1.

22. QUESTION: *In Point 3.1 of Guide for Applicants, enterprises (Unternehmen in German) are stated as subjects eligible for cooperation in the programme. In Austria, an enterprise or entrepreneur is anyone who exercises an economic activity, thus private entrepreneurs as well. Is it possible for the Project Partner in Slovenia to be a private entrepreneur registered in the Business Register?*

ANSWER: Primarily, legal entities and private entrepreneurs located in the eligible area of the programme may take part in the programme. A private entrepreneur registered as such in the territory of the Republic of Slovenia may be a Project Partner.

23. QUESTION: *What does 85% of public co-financing from ERDF mean? Are the total eligible costs of a project co-financed by the ERDF, or what part of eligible costs can be co-financed by ERDF?*

ANSWER: Co-financing of the Community from ERDF resources amounts up to 85% of public funding, and 15% should be provided from other national/ regional/ local public resources. Together, these two resources represent 100% of **public resources**.

Each Project Partner from Slovenia should contribute at least 5% of its own resources for funding **its joint eligible costs**. In the case of private partners, this implies that each partner (Slovenian) should contribute 5% of 100% total costs, and the remaining 95% of costs should be financed in the proportions 85% of ERDF and 15% of national public funding. In cases when these 5% are public (in the case of public institutions), ERDF amounts to 85% and national resources 10%; therefore, the remaining public resources in total amount to 15% (5% + 10%). National public funding for Slovenian partners is provided by the Government Office for Local Self-Government and Regional Policy; in Austria, partners should refer to national/regional co-funding bodies and provide the Application with Appendix 5–Co-financing Statement.

24. QUESTION: *What is the proportion of project co-financing from the programme (ERDF resources)?*

ANSWER: Only eligible costs may be co-financed by the programme, whereby co-financing of the Community from ERDF resources is up to 85% of public funding; at least 15% should be provided from other national public resources.

25. QUESTION: *How will revenue be monitored after the closure of the project, and what will be the basis for monitoring?*

ANSWER: The basis for income monitoring will be the Subsidy contract. Point 3 of Article 7 determines that all incomes within 5 years after the conclusion of the operation which were not accounted for in the original calculation of eligible costs will be recorded and reimbursed to MA/JTS.



26. QUESTION: *When do applicants ask for verification as to whether it is State Aid or not?*

ANSWER: In compliance with conditions for administrative conformity and eligibility, it should be verified whether the regulations on State Aid apply to any of the Project Partners. Applicants do not ask for confirmation of State Aid eligibility; this is the responsibility of Regional Bodies.

27. QUESTION: *Should applicants submit the final report on the last payment?*

ANSWER: The time to submit the final report is within 4 months after concluding the project.

28. QUESTION: *Should project audit be performed by the authorised auditors during the administrative conclusion and the service be paid during the project period as well? Should the audit costs be included into the cost plan?*

ANSWER: According to the instructions on application pack, audit is not required for a project; therefore these costs are not eligible.

29. QUESTION: *Is it possible to establish a cross-border structure during the project period, or is it a long-term objective/ vision (after the completion of the project)?*

ANSWER: A cross-border structure may be established already during the project period; however, the measure of cross-border cooperation—joint staffing will only be achieved if this joint institution with personnel from both countries exists after the conclusion of the project (long-term vision).

30. QUESTION: *Are translations of progress and final reports of the partners and the Lead Partner considered eligible?*

ANSWER: Yes, in compliance with the requirements and instructions for submitting the progress and the final reports, which will be published subsequently, translations of the progress and of the final reports are considered eligible.

31. QUESTION: *We chose English as the working language of the Project Partnership. Is it possible to prepare and submit reports in English language, or is this at least the partnership's option to choose?*

ANSWER: You should comply with the Guide for Applicants. The forms are bilingual and should be prepared in the Slovenian and German language.

32. QUESTION: *What does 20% change of cost plan mentioned in the draft contract mean?*

ANSWER: It means that the reallocation of resources among cost categories up to 20% of the total eligible costs of the project is possible.

33. QUESTION: *Is it necessary to state investments and equipment in the Application Form precisely?*

ANSWER: Investments should be stated individually and according to the instructions in the Application form (point 2.10). For example, if 5 identical advertisement boards will be used within the project, this represents one investment.

34. QUESTION: *May VAT be included in the cost plan as an eligible cost?*

ANSWER: VAT may be included in the financial plan as an eligible cost, provided that VAT is not recoverable to the applicant in compliance with national regulations. If VAT is completely



recoverable by the State, you may not include it in the planned eligible costs. If VAT is partially recoverable, you may include it in eligible costs using appropriate deduction rates.

35. QUESTION: *Why is it not possible to enter data into the green fields in Appendix 1, Cost plan?*

ANSWER: Amounts in green fields are calculated automatically, and therefore it is not possible to enter the data.

36. QUESTION: *Who will be responsible for project control in Slovenia and in Austria?*

ANSWER: For all Slovenian Project Partners or Lead Partners, the Government Office for Local Self-Government and Regional Policy, Financial Control Department, will provide financial control of the first level. In Austria, financial control will be organised by Regional Bodies.

37. QUESTION: *In Annex 3 (Lead Partner Statement) and Annex 4 (Partnership Statement), a Project Partner's own co-financing should be stated. Does this amount include resources received by the co-funding authorities or is it only the amount provided by the Project Partners as their own resources?*

ANSWER: In Annex 3 (Lead Partner Statement) and Annex 4 (Partnership Statement) own co-financing is the amount of Project Partner's own contribution to the project provided by the Project Partners from their own funds (their own co-funding).