

Questions and Answers regarding the call for proposals Promotion and development of world-class clusters in Europe –

Strand 1: Promoting international cluster activities in the CIP participating countries (3/G/ENT/CIP/11/C/N04C011) - Stage 2 of the submission process

(Version 5 of 26.09.2011)

Question 1: Most of the participants are Non for profit Business Associations.

- Do we have to fill the Legal Entity form as 'Private organization'?
- Selecting the NGO box?
- Do we all have to fill A5 form?

Answer to Question 1:

Normally, you should know whether your legal status refer to your organisation as a private or public organisation. Non for profit Business Associations are often considered as 'Private organisation' and could be identified as an NGO. All private entities, member of the consortium, have to fill-in the A5 form.

Question 2:

If we are asking for a total of 600.000€ EU funding and 122.000€ maximum per partner, do we have to submit External Audit Reports. If yes,

- Is this audit compulsory at the stage of Phase II proposal submission, or only once it is awarded?
- Only the coordinator has to submit it, or all the partners?
- In the local language?

Answer to Question 2:

In your case, you do not need to submit external audit reports, as indicated in the section IV.5 on p. 12 and 13 of the guide for submission: *"For actions where the cost to be financed exceeds EUR 500 000 and for operating grants of over EUR 100 000, the application shall be accompanied by an external audit report produced by an approved auditor. (...) Those thresholds shall apply to each partner in the case of a consortium".*

Question 3:

Regarding the Visibility criteria: *"To what extent the proposal describes the awareness activities related, notably, to the Call for proposals that will be organised by the project?"*, we have not been able to identify in the call text that in Strand 1 a Call for proposals of any kind has to be organised. Does this text mean that the awareness activities have to be in line with Strand 1 indications?

Answer to Question 3:

This is indeed a mistake in the text of this criterion. The correct text is: *"To what extent the proposal describes the awareness activities to mobilise cluster organisations and SME members in the development and implementation of the project."*

Question 4:

Is 'office rent' an eligible cost? Which is the most relevant chapter for including it?

Answer to Question 4:

Yes, office rent can be considered as eligible cost as indicated on p. 25 of the Guide for submission. The most relevant chapter would be 31/2B Equipment.

Question 5:

I have a question concerning FORM A4 of the Partner Profile: There is the last sentence saying:

I declare that I am aware that, except in cases of force majeure, I shall make good any damage sustained by the Commission as a result of the execution or faulty execution of my obligations.

What is the meaning behind it? Does it mean that my responsibilities are limited to my own debt or is there any case of jointly and severally liability for me, if another partner of the project may be responsible for some damage? Do I have to pay for damages made by other partners?

Answer to Question 5:

Form A4 is not creating any new obligations on your behalf. The goal of this sentence is to make you aware of the existence of art II.1.3 of the Grant Agreement, that makes you liable towards the Commission of any damage caused by the execution of the agreement.

The reply of your question regarding liability and responsibility is to be found in articles I.3, II.1 and II.18 of the draft Grant Agreement.

Question 6:

About the financial aspect, I would like to know what can be exactly considered as eligible contributions in-kind? (I already know that rent is strictly forbidden as an in-kind contribution), is there a specific list or some recommendations?

Answer to Question 6:

The Guide for Submission in Section VI.16 explains the notion of contributions in-kind in detail. It provides examples of what can be considered as a contribution in-kind and what cannot. Please, refer to the Guide for further information. In all cases, contributions in-kind are not eligible for funding. But when they are allowed they can be part of total costs, but not of total eligible costs.

Question 7:

Is it possible to give to accounts documents (balance sheet and profit and loss) in local languages (French, German, Italian and Spanish)?

Answer to Question 7:

Yes.

Question 8:

Within the financial capacity to complete the action and especially the accounts 2010 documents, you ask for a financial statement relating to cash-flow. What kind of document do you need?

Answer to Question 8:

We need a statement of cash flows for 2010 and 2009

Question 9:

Staff costs: you ask for actual costs incurred by the beneficiaries : Is it possible to base our staff costs on a yearly basis (2010)?

Answer to Question 9:

Anticipation of staff costs that will be actually incurred by the beneficiaries in course of the action needs to be as precise as possible. As such, you may use the 2010 base as reference.

Question 10:

Equipment: you precised that office rent is eligible. Is it the case even if we used this working space before the beginning of the project? In this case, can we consider the option (2) The working space is not used exclusively for the project (p. 25 of GoS)?

Answer to Question 10:

Only costs incurred during the action and specifically on the action are eligible. Thus, costs related to the rent even if related to the project but before the project start date, will not be eligible (p. 26 of GoS). In addition these kind of costs are indirect costs, which are already paid as a lump sum. For this reason, they could not be eligible.

Question 11:

In form B/1.3, you ask for name of subcontractors. Is it possible to mention only the field of competencies and wait for the beginning of the project before starting a tendering procedure?

Answer to Question 11:

Yes, however, subcontractors have to be selected before they start working on the project's tasks. Their names will have to be made known once selected.

Question 12:

How and where do we have to show the 10% of project management costs (page 17 in Call)? Do we have to split the total budget into project management and the other different workpackages; or is the amount/percentage mentioned in the total budget form sufficient? Is V.5. DURATION AND PLAN OF ACTION the right place to do so?

Answer to Question 12:

It is sufficient to mention the amount and percentage of the management costs in the Budget Summary Form and more precisely in the Summary Forward Budget form B/1 "Expenditure".

Question 13:

Are conference costs (participation fees etc.) part of travel costs? Where should be included if not?

Answer to Question 13:

Subscription fees to conferences or events, where relevant, should be charged under "Miscellaneous" (Form B/1.2d). See Guidelines for Submission pages 24 and 29 for details on this.

Question 14:

Do we have to submit e.g. form D again, even if the EC already received these documents in Stage 1?

Answer to Question 14:

You need to re-submit the Exclusion form D signed only if there are any changes introduced since the submission of the concept note at stage 1 of the submission process.

Question 15:

After reading the call guide for submission and your previous answer, it is still not clear if in-kind contributions from external companies can be incorporated into the budget and if the EC will consider it for funding. Our financial model is to compute all costs from the participants, and then add in kind contribution from EU companies interested in actively getting involved in the project via person-hours. It is based on the 'need to involve in the implementation of the action a certain type of beneficiaries who would have difficulties in making financial contributions'. Our companies cannot make financial contributions, but are willing to devote personnel hours to work on the project objectives. They will sign form C.

Adding these 2 contributions, we will be within the 750k€ limit. We would expect that the together budget would be co-financed by the EU by 80% (not reaching 600k€). The in-kind contribution will be less than 20% of total budget, so there will be a net contribution from partners. Is this model valid? If not, what would be the motivation for clusters to incorporate in kind contribution? Under which evaluation criteria is going to be assessed?

Answer to Question 15:

First of all we would like to recall what a contribution in-kind is: this is costs financed to a third party not signatory of the grant and not participating to the action. These costs are not in the accountancy of the beneficiaries of the grants and can be only financed by co-financing in kind. Those costs are never eligible for EC funding. This means that they might never be in the 20% to be financed by the beneficiaries themselves as the 20% relate to ELIGIBLE costs. The only way the costs of those third party might become eligible is that they are beneficiaries of the grant and sign the grant agreement in consortium with other partners. The 20% not financed by the EC can only be financed in cash (from beneficiaries or from a third party) or by own resources (for example staff of a beneficiary but never from a third party). This aspect will be assessed under the evaluation criteria related to Budget and cost-effectiveness.

Question 16:

How will the EC assess the in-kind contribution from companies, i.e. which documentation will be needed from the companies or organizations when reporting costs?

Answer to Question 16:

When reporting costs the in-kind costs have to be evidenced by accounting documents that prove the existence of this in-kind. This depends on the nature of the costs, for example if it relates to staff, it might be salary slips, time sheets, etc.

Question 17:

Concerning the evaluation criteria for “budget and Cost effectiveness”, the second point says that “the budget allocation justified per activities” will be evaluated. But in the budget form B1, it is asked to present the budget per partner, but it is never asked to present the budget per activity. Does this mean that we have to justify the budget per activities in the part “description of the project” and not in the budget part?

Answer to Question 17:

Yes, please, present the allocation of funds to each activity (Work Package) in the "description of the project".

Question 18:

This question is about the budgetary and financial aspect related to the calculation of the person/day rate. The calculation for each expert involved in the project as it's proposed in the form B.1.1b (working days) is based on individual annual gross salary to which social security charges are deducted. For some of our consortium partners, it appears that it will be very difficult for them to obtain this information given its sensitivity. In addition, some of us are used to respond to others EC Calls and in these cases, the calculation of the person/day rate is based on an average salary allocated for a class of equivalent function. Is this calculation based on a annual gross salary is compulsory or is there any possibility [under conditions] to use an other calculation method ?

Answer to Question 18:

Anticipation of staff costs that will be actually incurred by the beneficiaries in course of the action needs to be as precise as possible. Please note that, at the end of the project, the Commission may ask supporting documents (a copy of a salary slip or other social document of each staff member involved in the project, declaration of social security, employer costs to the national authorities, etc.) in order to verify the person/day rate. Beneficiaries may be requested to provide this information no matter its sensitivity (see the model grant agreement article II.20 "Checks and audits").

Question 19:

For administrative reasons, one of the participant partners (one of the "Invited Cluster Organisation") cannot participate to the project. Could we replace this partner with another partner in this phase?

Answer to Question 19:

The proposed participants in the Concept note (stage 1) can not be changed at the stage 2 of the submission process. As stipulated in the section 8 'Submission of proposals' (p. 17) of the call for proposals, "The elements assessed on the basis of the concept note may not be modified by the applicant in the full proposal". However, if a partner can no longer participate, please, provide all possible justifications that could be considered in support of a proposed change of partner.

Question 20:

In question 2 of your document Q&A (version 2 of 01.09.2011), you confirm that we do not need to realize an external audit report. Is this confirmation available for stage 2 of the application or is it also true for the timeframe of the project?

In other words, does each partner need to get a first level control during the project time?

If yes, how many audits during the 2-years project?

Answer to Question 20:

We confirm that you do not need to submit external audit reports for stage 2 of the application. However, during the timeframe of the project, as specified in the section I.5.2. of the draft Grant agreement, *"any request for interim payment shall be accompanied by the interim technical implementation report and financial statement, (...) and by an audit certificate on the action's financial statements per beneficiary."* Therefore, audits certificate shall be submitted for each interim payment request and there should be two interim payments during the two-year project.

Question 21:

Please can you clarify the meaning of the delivery indications. We understand that a proposal sent by registered post (option a) can be in fact be posted in our region on the day the submissions are due ie 28 September. The postmark serving as evidence of timely delivery. Whereas option b, using courier services, the proposal needs to arrive in your offices on the 28th of September as the delivery evidence is the date on the deposit slip.

Answer to Question 21:

As indicated in the section 8 on Submission of proposals of the call for proposals and in our letter of 28 July 2011, the proposals can be sent by registered mail at the latest on 28/09/2011 with the date of postmark serving as evidence of timely delivery or by using courier services with the date of 28/09/2011 at the latest put on the deposit slip when depositing the documents to the courier service.

Question 22:

Unfortunately we couldn't apply to the call "Promotion and development of world-class clusters in Europe" but, if it is possible, we would like to know where we can find the awarded of this call? If they aren't published yet, when they will be notice? Could you please inform us also about who is the EU official of the DG Industry and Enterprises that follows the cluster policy and calls?

Answer to Question 22:

The projects resulting from this call have not yet been awarded but the award is expected by the end of this year (plans for Strand 1 in December, Strand 2 in October). Details of the award will be published on the DG Enterprise website. Several EU officials may be appointed to follow the resulting projects but names can not be communicated at this stage.

Question 23:

Are financial audits compulsory for each partner or only for the lead partner?

Answer to Question 23:

Financial audits understood as audit certificates need to be submitted per beneficiary every reporting period (please, refer to article I.5.2 of the grant agreement template placed on the call website).

Question 24:

Audits reports should be done by an external evaluator or internal evaluator?

Answer to Question 24:

Audit reports understood as audit certificates need to be done by an approved external auditor or in case of public bodies by a competent and independent public officer (please, refer to article II.15.3. of the grant agreement template placed on the call website)

Question 25:

How many audits reports should be done? One for the intermediary payment and one at the project end?

Answer to Question 25:

See answer to question 24 above.

Question 26:

Budget Summary Forms: Is it possible to change costs categories (staff/external expertise/travel and subsistence...) during project life or do we have to respect the 10% margin usually accepted?

Answer to Question 26:

A transfer of maximum 10% of eligible costs between headings is possible. However, the Commission should be notified of any planned transfer in advance (please, refer to article I.4.4 of the grant agreement template placed on the call website).

Question 27:

Is there a difference between subcontracting costs and external expertise costs are shall we put all these costs in the category: "Subcontracting to consultant/service providers"?

Answer to Question 27:

External expertise is a service, thus as such it is recommended to allocate the costs to the Subcontracting category.

Question 28:

Is there a threshold for the external services to respect?

Answer to Question 28:

There is no threshold for the award of the subcontracting. For further details on subcontracting, please, refer to section 4.2 of the call for proposals and p; 28 of the guide for submission.

Question 29:

In which category shall we range this kind of costs = renting a stand on a fair?

Answer to Question 29:

Such a kind of costs could be allocated under Miscellaneous (please, refer to the Guide for Submission page 28).

Question 30:

What does “Miscellaneous” mean exactly? Could you give examples of costs that are considered under this category?

Answer to Question 30:

See answer to question 29 above (please, refer to the Guide for Submission page 28).