

**Call for proposals 2015**

**<2015CE16BGT001>**

**"Multi-region assistance for the assessment of the potential use of financial instruments supported by the ERDF, CF, ESF and EAFRD in accordance with Title IV of Regulation (EU) 1303/2013 CPR"**

**Questions and Answers:**

**Questions received after the publication of the call and during the information session held on 26 May in Brussels**

*Updated on 14 July*

*Final version*

**Deadline for submission of applications:**

**31 July 2015**

## Notice

This document provides practical information to potential applicants in preparing and submitting their grant application in line with the legal and financial rules contained in the Financial Regulation (FR)<sup>1</sup> applicable to the general budget of the Union and its Rules of Application (RAP)<sup>2</sup>. The information given is not exhaustive and applicants are therefore asked to carefully read the call for proposals and the model grant agreement annexed to the call, as it will constitute the legal basis for the grant.

---

<sup>1</sup> Regulation (EU, Euratom) No. 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council regulation (EC, Euratom) No 1605/2002, OJ L 298, 26.10.2012, p.1

<sup>2</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to general budget of European Union, OJ L 362, 23.12.2012, p.1

**1. Which status and category can IFIs or national financial institutions have in the action?**

Under the call only managing authorities/intermediate bodies are eligible applicants as specified in point 6.1 of the call for proposals. They must involve in the action at least one IFIs or one or more national financial institutions covering with their, cumulated if applicable, activities all the regions included in the geographical scope of programmes under the responsibility of the applying managing authorities/intermediate bodies.

Under the call, the financial institution(s) can be involved in the action EITHER as 1) affiliated entities OR 2) sub-contractors. Please see questions 2.6 to 2.10 of the Q&A Guide for Applicants accompanying the call for the features and rules applying to affiliated entities and sub-contractors, in line with the Financial Regulation. In the two options, the costs related to the involvement of the financial institution(s), if they fulfil all other eligibility requirements, will be reimbursed.

For any given action, depending on the national law and individual situation, e.g. taking into account the ownership and the legal structure of the relevant financial institution(s), the managing authorities/intermediate bodies and the financial institution(s) will decide on the best-suited way of cooperation and thus define the status of the financial institution(s) in the action. Especially, the choice whether a financial institution can be involved in the action as affiliated entity will be determined by its legal and/or capital links with the managing authority/intermediate body.

*This clarification is in line with the call for proposals and is prevailing over the statement done during the information session on 26 May 2015.*

**2. Are Local Action Groups eligible applicants in this call (like the intermediate bodies)?**

The eligible applicants under the call are exclusively managing authorities and intermediate bodies as specified in point 6.1 of the call for proposals. The eligible applicants may cooperate with further entities as non-beneficiaries parties, either affiliated entities or subcontractors. Please see questions 2.6 to 2.10 of the Q&A Guide for Applicants accompanying the call for the features and rules applying to affiliated entities and subcontractors.

Therefore, as far as LAGs are not managing authorities or intermediate bodies, they are not eligible applicants. However, they could be involved in the grant action as e.g. subcontracting parties.

**3. Would it be possible to design an interregional instrument – e.g. a joint financial instrument co-managed by the participating managing authorities and funded by several OPs?**

The CPR provides for the possibility that a financial instrument can be set up at national, regional, transnational and cross-border level. The CPR does not exclude that e.g. a fund

providing loans to SMEs may benefit from contributions from different thematic objectives of an ESIF programme, from different categories of regions or even from different ESIF programmes. According to Article 2(9) CPR, in this case such fund would consist of several "FI operations", each one for one source of funding. Separate records and audit trail for each stream of funding need to be kept. An action assessing the rationale and feasibility of such a financial instrument in the specific context of the applying regions would be eligible under the call.

**4. Could a proposal be submitted by regions "under the umbrella" of a macro-regional strategy? What would be the consequence for the application form? Will it be obligatory that it is submitted by the Managing Authority of the macro-region?**

Macro-region strategies represent a policy framework and set development objectives under which financial instruments could be developed (please also see question 1.2 of the Q&A Guide for Applicants accompanying the call). Taking into account that the application must be submitted by eligible applicants as specified in point 6.1 of the call for proposals and to ensure that the macro-region strategy being referred to in the proposal is relevant to the applying managing authorities/intermediate bodies, the application should be submitted by managing authorities/intermediate bodies from the region(s) falling in the scope of the this macro-region strategy.

**5. Is the engagement of more than two MSs possible?**

The eligibility criteria of the call require that a proposal is submitted by at least two managing authorities/intermediate bodies (from at least 2 distinct Member States, with the exception if one of the applying managing authorities/intermediate bodies is the managing authority/intermediate body of a cross-border or a transnational cooperation programme). This means that involvement of more than two MSs is possible. In addition, since the purpose of this call is the promotion of projects with the highest possible impact, the geographical coverage of the action, as well as the level of the involvement of a broader scope of expertise sources, are included in the award criteria.

**6. Can a managing authority take part in the call if its OP does not mention the use of FIs?**

If the OP does not mention the FIs as a delivery tool yet, this does not preclude that financial instruments may be implemented at a later stage, once the ex-ante assessment has proven that there is such need. Therefore, the call does not exclude managing authorities/intermediate bodies of OPs in which FIs are not foreseen yet. In fact, this call may be an opportunity in particular for such managing authorities/intermediate bodies to start the analytical work assessing the possible use of new FIs.

**7. Could you provide a definition of 'multi-region assistance', what exactly does it refer to – geographical coverage and operability?**

One of the main characteristics of the MRA is the involvement of regions from more than one Member States. The purpose is to facilitate the exchange and mutual learning between regions from different Member States as far as the use of financial instruments under ESIF policies is concerned. For instance, regarding Roma inclusion there are at least five MSs that could

collaborate. Under the call it is not required to set up a financial instrument as the result of the actions (however, the Commission expects that in most cases it will be the case), including a transnational or a cross-border financial instrument.

**8. Is it possible for one managing authority/intermediate body to apply for more than one proposal? Is it possible for one financial institution to participate in more than one proposal?**

Yes, it is possible. However, the Commission will verify whether the beneficiaries provide solid operational and financial capacity. If one managing authority/intermediate body applies for two distinct actions, the Commission will assess each of the proposals against the selection criteria in order to ensure that the managing authority/intermediate body has in particular the operational capacity to implement two distinct actions. Financial institutions are not eligible applicants but may be involved as non-beneficiary parties, such as affiliated entities or sub-contractors. It is in the discretion of the applying managing authorities/intermediate bodies to assess the capacity of the financial institution(s) to take part in the proposed action.

**9. Regarding the involvement of financial institutions, can each region bring in its national financial institution that is active on its own territory, i.e. not active in a different Member State?**

Yes. The call does not require that any single financial institution which is involved in the action must have cross-border or transnational activity. However, in such a case it would be necessary that another financial institution or other financial institutions are involved in the action to fulfil the eligibility criterion requiring that the (cumulated) activities of financial institution(s) must cover all the regions included in the geographical scope of programmes under the responsibility of the applying managing authorities/intermediate bodies.

**10. What rules are applicable for the selection of IFIs as sub-contractors?**

The rules are provided in points II.9 and II.10 of the model grant agreement accompanying the call.

**11. SMEs were not mentioned as examples of actions in the Q&A Guide for Applicants. Does this mean that SMEs are excluded?**

Under the call actions assessing the potential use of financial instruments under all Thematic Objectives of ESIF policies are eligible. The examples given in the Q&A Guide for Applicants are only **indicative**. The Commission would like to facilitate the use financial instruments in new/innovative areas and the innovative nature of the action is included in the award criteria. Currently, around 90% of financial instruments focus on SMEs. However, even for this target group an innovative approach is possible and could be explored.

**12. Six areas of support were mentioned, among which Roma inclusion. Could you be more specific on how FIs could be used for this type of action?**

With regard to Roma inclusion, microcredit could be a relevant example of use of FIs.

**13. Would an application from an Interreg programme be considered?**

Managing authorities/intermediate bodies of cross-border and transnational cooperation programmes are eligible. If the consortium involves at least one of such programmes, the requirement for the managing authorities/intermediate bodies to be from two different Member States does not apply since by the definition the scope of a cross-border or a transnational cooperation programme extends over at least 2 Member States.

**14. Should each co-beneficiary use the same advisory service from the same provider?**

No, it is up to the consortium members to decide what advisory services are used by which co-beneficiary. The only requirement imposed by the call is that expertise of financial institution(s) needs to be included in the action and that the selected financial institution(s) should cover with their, cumulated if applicable, activities all the regions included in the geographical scope of the programmes under the responsibility of the applying managing authorities/intermediate bodies.

**15. At the moment of the application, should the financial institution(s) be already selected?**

No, the Commission is aware that the selection may need some time and therefore does not require that it is finalised before the submission of the proposal. In point III.1.b of the application form the applicants need to explain their approach regarding the involvement of the financial institution(s), in particular the scope and the timing.

**16. Do intermediate bodies have to provide an assignment letter from the managing authorities?**

As stipulated in point 6.1 of the call for proposals, in order to prove applicant's eligibility, intermediate bodies have to submit as a supporting document a copy of the decision designating the public/private body as intermediate body.

**17. What is the role of the coordinator?**

The general obligations and roles of beneficiaries and the coordinator are provided for in Article II.1.1, II.1.2 and II.1.3 of the model grant agreement accompanying the call for proposals. Please also see the question 2.5 of the Q&A Guide for Applicants accompanying the call for proposals.

**18. What does it mean that “activities of the project are expected to be completed within one year” (section 6.3 of the call)? What could be the maximum duration, taking into account that 1 year is very short for a cooperation and exchange of experience project?**

The Commission expects that the action is completed within one year to allow for the action to result in a new financial instrument or new financial instruments to be meaningfully implemented under the current programming period. This is however not a strict requirement, i.e. if an action requires a longer duration it is eligible for application. The call does not define the maximum duration. The Commission will consider the proposed duration in evaluation procedure in the light of the award criteria and in the context of other proposals received.

**19. With regard to the 7% flat-rate for indirect costs, does this percentage apply to each co-beneficiary?**

Yes, the 7% flat rate for indirect costs applies to each of the co-beneficiaries. In the budget form to be submitted together with the application form, applicants must indicate the estimated consolidated budget for the action and estimated budgets per co-beneficiary.

**20. Does each co-beneficiary have to provide the 5% co-financing from their own sources? Can this 5% be provided from the OP TA? Could the 5% be provided e.g. by the IFIs?**

The 5% co-financing rate is set at the level of the action. The co-financing cannot be covered from the OP TA budget as it has to be non-EU money. The co-financing may come from own resources of the beneficiaries or contributions by third parties.

**21. It was mentioned that budget should be balanced. What does this mean? The budget has to be balanced between the beneficiaries as well?**

Budget should be balanced in the sense that the expenses need to match the revenues. In the budget form to be submitted together with the application form, applicants must indicate the estimated consolidated budget for the action and estimated budgets per co-beneficiary. Each of them must be balanced, i.e. the expenses must match the revenues.

**22. If the action involves two beneficiaries, do they have to contribute 50%-50% or a different contribution is also possible?**

There are no restrictions on the share of the costs between the beneficiaries. However, as specified in point 6.2 of the call for proposals, an eligible action must, *inter alia*, include an appropriate proportion of cross-border and/or transnational activities, i.e. involving significant interaction among the applicants and aiming at common results.

**23. What is the liability regime between the co-beneficiaries?**

As indicated in Article I. 9 of the model grant agreement accompanying the call for proposals, 'The financial responsibility of each beneficiary shall be limited to its own debt, including any amount unduly paid by the Commission as a contribution towards the costs incurred by its affiliated entities.'

**24. How can private companies participate in the grant action?**

As specified in point 6.1 of the call for proposals, only managing authorities/intermediate bodies are eligible applicants and can become members of beneficiaries' consortium.

Other entities may be involved in the action EITHER as 1) affiliated entities OR 2) contractors / sub-contractors. Please see questions 2.6 to 2.10 of the Q&A Guide for Applicants accompanying the call for the features and rules applying to affiliated entities and contractors / sub-contractors, in line with the Financial Regulation.

For any given action, depending on the national law and individual situation, e.g. taking into account the legal structure of the private company, as well as the nature of the tasks to be carried out by it under the grant action, the managing authorities/intermediate bodies and the private company will decide on the best-suited way of cooperation and thus define the status of this private company in the action.

**25. Will a subcontractor be directly chosen by the managing authority and therefore have to be mentioned in the proposal or will there be a tender at later stage for the selection?**

The subcontractor will be selected by the applying managing authorities/intermediate bodies, according to the rules provided in points II.9 and II.10 of the model grant agreement accompanying the call: The organisation of the procurement of goods and/or services, including compliance with national public procurement rules, is the responsibility of the managing authorities/intermediate bodies. The only requirements imposed by the Commission are compliance with principles of best value for money and avoiding conflict of interests.

The Commission is aware that the selection may need some time and therefore does not require that it is finalised before the submission of the proposal and that the selected subcontractor is identified in the application form.

The following information must be indicated in the application: In line with point 6.2 of the call for proposals, in the description of the action (point III.1.b of the application form) the envisaged scope of sub-contracted activities (in particular in the case of financial institutions), and in the annexed budget form the estimated costs of subcontractors.

**26. Can a subcontractor act as a coordinator of a proposal? If a managing authority is the coordinator of the proposal, can it transfer some of its coordination tasks to an affiliated entity?**

Only one of the applying managing authorities/intermediate bodies can be the coordinator and act as such vis-à-vis the Commission. For the scope of the tasks of the coordinator, please see Article II.1.3 of the model grant agreement accompanying the call for proposals. In line with this Article, any part of these tasks must not be subcontracted to other beneficiaries or any other party.



**27. In section 6.1 of the call for proposals also private entities are mentioned as eligible applicants. Do they refer only to the status of managing authorities or intermediate bodies?**

Section 6.1 of the call for proposals refers only to eligible applicants, i.e. managing authorities/intermediate bodies. These may have the status of public or private bodies as provided for in Article 125 CPR. For the involvement of private companies please see question 24.

**28. Can a managing authority participate in a proposal that develops a thematic objective and a priority investment that is not foreseen in its 2014-2020 OP but that can be foreseen in the next regional/national OP (2020-2027)?**

The eligibility criteria do not require that the possible use of FI(s) assessed by the grant action under this call for proposals is linked to a thematic objective and a priority investment that is already included or that could be included in the future in the 2014-2020 programme(s) of the applying managing authorities/intermediate bodies. However, the objective and thus expected outcome of the call is the increased use of financial instruments, also in the context of the Investment Plan for Europe. Therefore, proposals aiming at the implementation of FI(s) in a shorter term may be considered as contributing thus more relevant to the objectives of the call. The assessment will be done by the evaluation committee based on this particular but also other award criteria as set out in point 9 of the call for proposals.

**29. The call for proposals mentions as a supporting document proving the eligibility of an applicant a copy of decision designating the applicant as a managing authority/intermediate body. Since in many cases the process of formal designation is currently ongoing and the formal decision may not be concluded by 31 July 2015, could the applicant provide with its application a declaration that such procedure has started and the formal decision only before or after the grant agreement is signed?**

The Commission confirms that at the moment of submitting the application, the applicant may provide a declaration that the relevant designation procedure has started, accompanied where available by supporting documents. The formal decision designating the applicant as a managing authority/intermediate body (including its notification to the Commission) must be provided before the grant agreement is signed.

**30. In case of an application by a consortium of two managing authorities, which includes one managing authority of a transnational cooperation programme lasting between 2007-2013, could you confirm that the requirement for the managing authorities to be from at least two distinct Member States does not apply?**

The eligibility criteria of the call require that the applicants, i.e. at least two managing authorities/intermediate bodies, are managing authorities/intermediate bodies as defined in the legal framework for 2014-2020 programmes. This is in line with the objective of the call to contribute to and increased use of financial instruments in future.

If one of such eligible applicants is a managing authorities/intermediate body of a transnational cooperation programme, indeed the requirement for the applying managing authorities/intermediate bodies to be from at least two distinct Member States does not apply.

**31. In a proposal covering more than one theme of the call, can a managing authority representing only one of the ESI Fund concerned be eligible? Within the maximum grant amount of € 2,5 million for such combined proposal, must also the maximum amount per theme be respected (for instance in a combined ERDF + ESF the ESF threshold must not exceed € 500,000)?**

A managing authority/intermediate body which represents only one of the ESI Funds concerned by the proposal is an eligible applicant. However, for the application to be eligible further conditions must be respected, including that the applications must be submitted by at least two managing authorities. In practice it would mean that in such a proposal at least another managing authority/intermediate body representing another ESI Fund concerned by the proposal would need to participate.

The maximum amounts per theme as indicated in point 3 of the call for proposals must be respected for each of the theme. For instance, in a combined ERDF+ESF action the requested grant for the ESF part should not exceed € 500,000, and the grant requested for the whole action must not exceed € 2.5 million.

**32. Within a proposal is it already necessary to identify the possible investment priorities?**

It is for the consideration of the applicants how specific the description of the area should be in which a possible financial instrument could be used. More specific information may provide the Commission with a useful basis to evaluate the proposal.

**33. Must the application be signed only by the coordinator and that the only signature requested by the coordinator is the one contained in the "Declaration of Honor" in Section V of the Application Form?**

Yes. With his signature the coordinator guarantees that the information included in the application is correct, including the budgetary annex and the supporting documents. It is

up to the coordinator to put arrangement in place vis-à-vis the other members of the consortium which would give him the necessary reassurance to certify that the information provided by them is correct.

**34. Must a declaration of honour be produced and signed also by each partner and submitted with the application form?**

No, the application must be signed only by the coordinator on behalf of the consortium. Please see also the reply to question 33 above.

**35. Does each page of the budget correspond to the budget of each partner?**

Yes, the estimated budget needs to be provided per each of the applicants (members of the consortium) and aggregated for the whole consortium.

**36. If the budget of each applicant/consortium partner is lower than € 750,000, is it necessary for partners to carry out a final audit at the end of the action?**

Please see point 4.3, second bullet point, of the Q&A guide for applicants. In the case of a grant action carried out by a consortium, the thresholds apply per applicant/consortium partner.

**37. If the budget of each partner is lower than € 750,000, is it necessary for any partner to sign a declaration of honour?**

The declaration of honour is signed by the coordinator on behalf of the consortium – please see the reply to question 33 above. Please also note that point 8.1 a) of the call for proposals applies if grant amount per applicant is lower than € 60,000. Point 8.1 b) of the call for proposals applies if it is above €60,000 but lower than € 750,000.

**38. Can you please confirm that no documentation/data/declaration have to be produced by public bodies to prove their financial capacity?**

The information requested in section 2 should be provided for private bodies only, per applicant. No further documentation is required for public bodies. The declaration of honour is signed by the coordinator on behalf of the consortium – please see the reply to question 33 above.

**39. Can you confirm that declaration of honor regarding the financial capacity should be produced only by private organization?**

The information requested in section II.2 of the application form must be provided for private bodies only, per applicant. If the requested grant amount, per applicant that is a private body, is higher than € 750,000, an audit report by an approved external auditor on the accounts of the last financial year available must be provided together with the application. The declaration of honour is signed by the coordinator on behalf of the consortium – please see the reply to question 33 above.

**40. Is a signed declaration on honor regarding the operational capacity required by each partner (public and private) in addition to CV to be enclosed to the application?**

The information requested in section II.1 of the application form and the relevant CVs must be provided for each applicant/consortium partner (public and private). The declaration of honour is signed by the coordinator on behalf of the consortium – please see the reply to question 33 above

**41. Can national and international financial institutions, academia and centres of expertise be involved as project partner if they are not managing authorities nor intermediate bodies? Or they only can take part as subcontractors and providers of external services?**

Please see the replies to questions 1 and 2 above which apply *mutatis mutandis*.

**42. Can a financial institution affiliated to a Region and fully owned by it (in-house), holding fund manager of several financial instruments in the 2007-2013 Operational Programmes (ERDF e ESF) and in charge of the current 2014-2020 financial instruments in the OPs, be eligible as applicant in this proposal, under a mandate of its MA without being an official intermediate body?**

Under this call for proposals, only managing authorities/intermediate bodies are eligible applicants. Please see the reply to question 1 above.

**43. If an applicant of a submitted proposal is assessed by the Commission as not eligible, will the entire proposal be rejected, or can the proposal be accepted without the ineligible applicant?**

The Commission considers that the rules concerning the eligibility of applicants are clearly set out in the call for proposals. Only eligible applicants are invited to submit their proposals. Nevertheless, the ineligibility of one of the consortium members should lead to the rejection of the entire consortium only if the collective criteria (for example geographical coverage or the minimum number of applying managing authorities/intermediate bodies etc.) are no longer respected. If these criteria are fulfilled, the evaluation can go on by excluding the financial and operational capacity of the non-eligible entity together with the tasks assigned to it.

**44. Can the Commission tell which other proposals and by whom are in process to indicate contacts which may be useful to cooperate on a common proposal?**

The Commission is not authorised to give any information about the progress of the procedure and applications.