

# **EUROPEAN UNION FUNDS**

**HOW TO CO-FINANCE A PROJECT WITH  
EUROPEAN DEVELOPMENT FUND (EDF)?**

Dear Users,

The EU Desk of RBA has been intensively developing activities that would allow RBA clients a more substantial use of the opportunities offered by the EU financial assistance. The activities cover the following three areas:

- financial support to clients acting as suppliers in the public procurement process;
- counselling activities related to education, providing information and advice in applying for non-refundable funds;
- financing projects that meet the criteria for granting non-refundable funds.

This presentation aims at providing you with more information about the assistance system of the European Development Funds, so as to make the utilization of the fund assets efficient to the highest degree.

## EUROPEAN STRUCTURAL AND INVESTMENTS FUNDS (ESI)

Large national projects  
(transport, environment  
protection, energy  
efficiency)

Infrastructure investments,  
manufacture investments to  
enhance new employment,  
local development and  
development of **small &  
medium entrepreneurs**

HR investments (employment,  
education, international  
training, social involvement,  
etc.)

### STRUCTURAL FUNDS

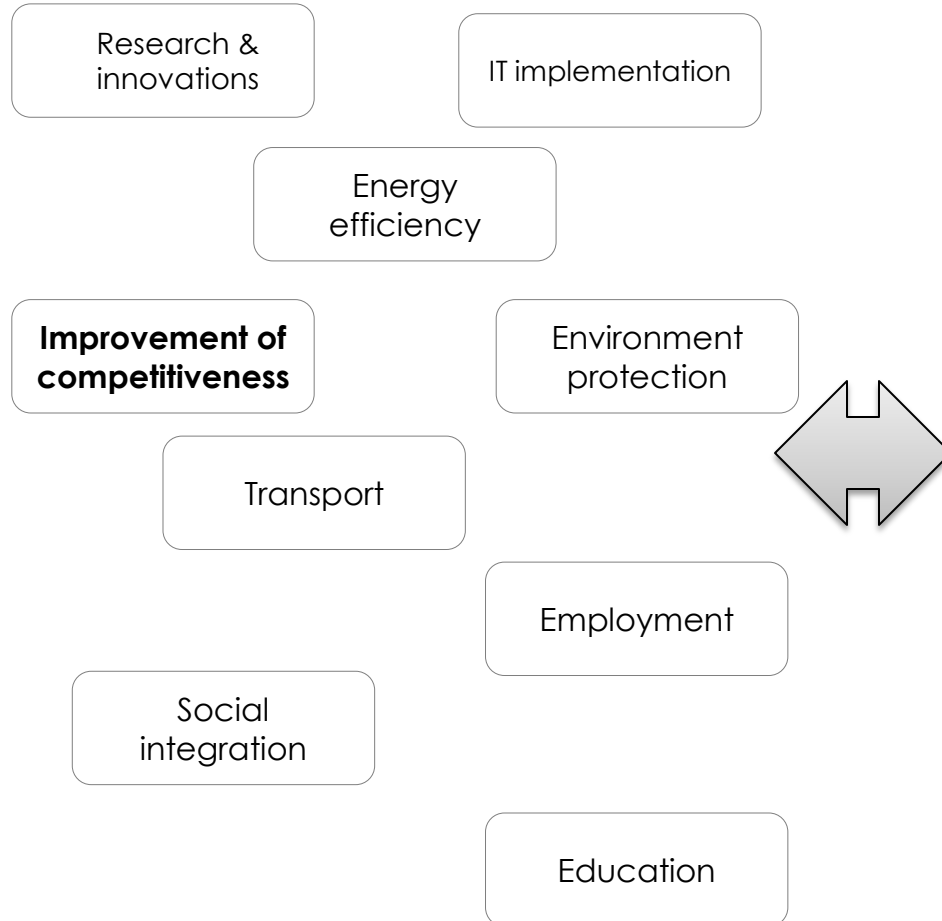
**COHESION  
FUND (CF)**

**EUROPEAN REGIONAL  
DEVELOPMENT FUND  
(ERDF)**

**EUROPEAN SOCIAL  
FUND (ESF)**

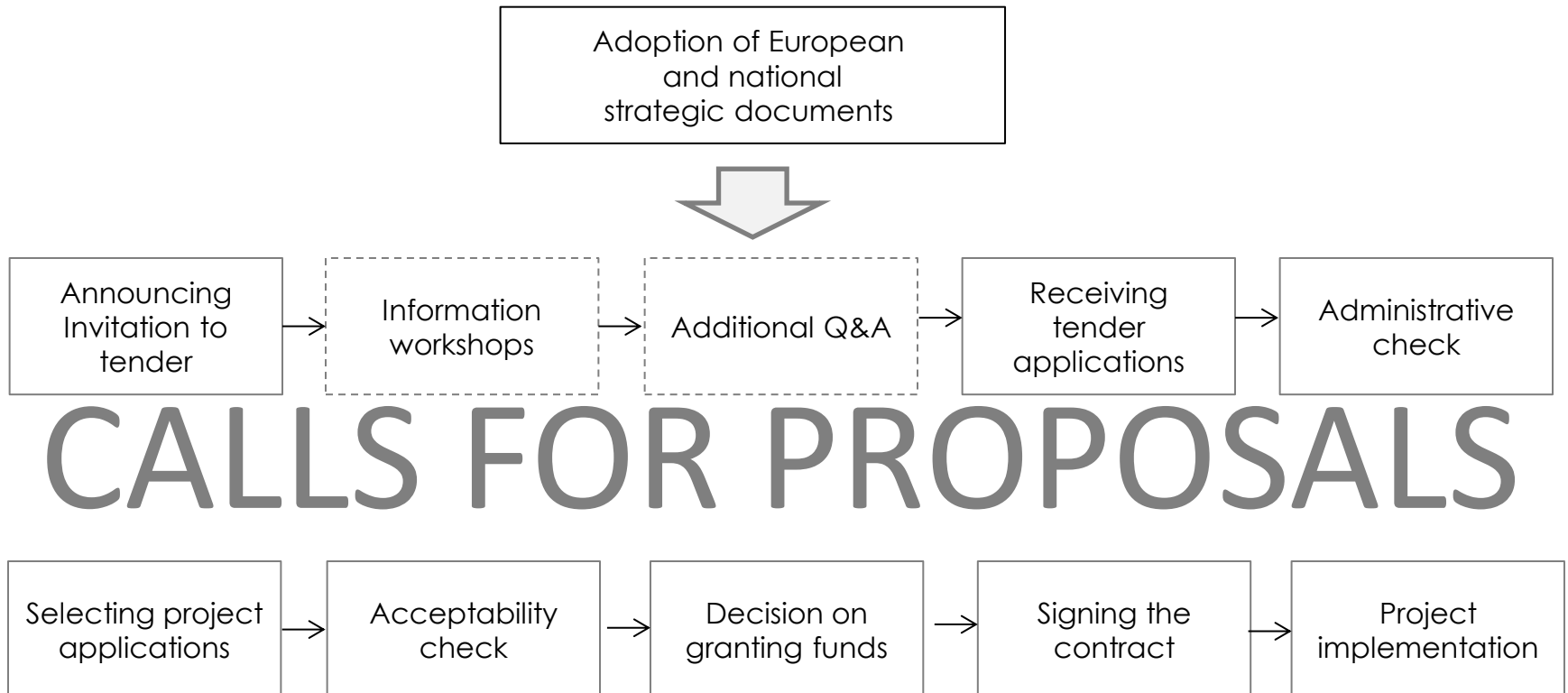
**EUROPEAN MARITIME AND FISHERIES  
FUND (EMFF)**

**EUROPEAN AGRICULTURAL FUND FOR RURAL  
DEVELOPMENT (EAFRD)**



## 11 goals of EUROPE2020 strategy

1. Strengthening research, technology development and innovation;
2. Expanding access, utilization and qualities of IT and communication technologies;
3. Boosting competitiveness of small & middle businesses;
4. Supporting transition to low-carbon economy in all sectors;
5. Promoting climate change adjustments, risk prevention and management;
6. Environment protection and promoting resource effectiveness;
7. Promoting sustainable transport;
8. Promoting employment and supporting workforce mobility;
9. Promoting social inclusion and poverty reduction;
10. Investing in education, skills and life-long learning;
11. Strengthening institutional capacities and efficient public administration.



# Before deciding to apply, the following needs to be checked:



- **GOAL** – Which goal is supported through the Programme? The goal of every programme / invitation to tender is given in the very invitation. Every applicant will assess whether the project is relevant, whether the project goals correspond to the goals of the invitation to tender, whether the project goals contribute to achieving the goals of the invitation to tender?
- **PLANNED OUTCOME** – What results will be achieved from project implementation? It is important to define also result measurability, to ensure adequate realization monitoring.
- **ACTIVITIES** - Which activities, and how, contribute to achieving the results leading to the realization of goals? Are the activities acceptable according to the requirements of the invitation to tender?
- **PROJECT BUDGET** – Every activity requires particular costs, and it is important to plan the project budget thoroughly. The project budget should be clear, explained and supporting the costs.

The invitation for tender for non-refundable funding opens by publishing the call for delivery of project proposals.

The call for proposal documentation includes the Guidelines for Applicants, and other documents and forms required for application.

Before deciding on preparing a project for a call for proposal, it is necessary to check all the conditions of the call for proposal, the primary ones being as follows:

- Grant amounts – the minimum and maximum amount of funding and the % of EU participation in proportion to the overall eligible costs are defined in the call for proposal;
- Application deadlines – deadlines define the timeline for preparing the required documents, and set the date after which it is possible to begin project implementation activities;
- Project implementation deadlines – project implementation deadlines are also defined in the conditions of the call for proposal, and it needs to be assessed whether a project can be implemented within the set timeline, and also assess the possibility of exceeding particular deadlines in the case of unforeseen events in the implementation;
- Required documentation – the Guidelines for Applicants and the accompanying annexes define the documentation to be supplied with the application, and it is necessary to assess the bodies competent for a particular document and the time required to obtain it.

# Eligibility criteria – who, and for what kind of a project, can apply?



The conditions of an invitation to tender set the eligibility criteria applicable to the eligibility of the respective:

- A. Applicant;**
- B. Project;**
- C. Project activities;**
- D. Project expenses.**

Criteria details are included in the Guidelines for Applicants (the type of organization/ ownership/ size, domicile, age, performance, exemption criterion, location, investment type, investment expense type, etc.).

The Applicant is required to have an adequate financial status – required to prove that the project can be implemented, that they can provide the financing sources and that the project is sustainable (later financing and operating).

The Applicant is required to have capacities adequate for project management – staff, technical know-how, experience, etc.

Example: Investment of a small entrepreneur (who meets also the other applicant criteria) is eligible (A) in the amount of XY HRK that they will implement in RH (B), the investment includes an eligible activity introduction of a new product (C), where the eligible expenses cover equipment purchase (D).



# Criteria concerning small and middle businesses

The basic criteria are:

- Number of employed persons
- Income
- Assets

	Br. zaposlenih		Ukupan prihod		Aktiva
Srednje	≤250	i	≤ 50	iii	≤ 43
Malo	≤ 50		≤ 10		≤ 10
Mikro	≤ 10		≤ 2		≤ 2

and

- Autonomy (if the ownership share of another or in another subject >25% or 50%, these are considered partner or connected subjects, and in that case the key indicators of the subjects are summed up according to the % of ownership).

# What does every project include?

The European Committee defines project evaluation as the assessment of **relevance, efficiency, effectiveness, impact** and **sustainability** of a project, from which it can be concluded what every project is required to have :

- The project must be relevant for achieving program goals i.e. resolving a problem or achieving objectives of a target group; besides the core targets, achieving additional values in a project increases the project relevance (added value can be any other goal of the cohesion policy).
- The project also includes eligible activities and justified costs.
- Project activities lead to achieving the target, measurable results.
- The applicant must be able to execute the project – the applicant has and can present financial stability as well as technical and management capacities.
- Analyzed and amortized risks – every project contains corresponding risks that must be analyzed, and the possible impact elimination or mitigation method, if any risks arise, must be foreseen.
- The project is sustainable – project implementation is not an end in itself, and it must be ensured that the project yields the planned effects also in the future.

Financial elements must be prepared and analysed carefully :

- What is the total **amount available** – the overall amount made available under a call for proposals, together with the data on the minimum and maximum grant amount, indicates the potential number of projects that can be awarded a grant.
- What is the **project value** – total investment value, and within the investment the amount of costs eligible for being taken into account for a grant, should correspond to the conditions of the call for proposals.
- **Which costs are eligible** according to the conditions of the call for proposals – the conditions define the eligible costs that can be taken into account for a grant. The amount of eligible costs must be checked, as well as the grant amount that can be applied for.
- What is the **grant amount** – grant amounts are defined under individual calls for proposals concerning non-refundable funds.
- What is the **minimum co-financing amount for eligible costs** – the portion of the investment that needs to be co-financed by funds other than those coming from a public source needs to be assessed.
- **Time from a call for proposals until funding** – this analysis will help in determining the required financial funding from other sources, to provide for project implementation.
- What is the amount of **advance payment** available from the non-refundable funds – the amount and method of advance payment use is defined under individual calls for proposals concerning non-refundable funds.
- The method for acquiring the **co-financing amount** (own assets, loan) – when planning required project implementation funds, the financing sources are to be defined, and the payment method concerning non-refundable funds (retroactively), and accordingly, ensure financial bridging until the non-refundable funds are received.
- What are the **reporting categories** and how are the costs and purposeful use justified.

RBA provides its customers support concerning the EU funds through several segments :

- I. **Planning** – RBA provides information on calls for proposals, news of project funding, and customer education so the customers could learn as much as possible about the possibilities and make the most efficient use of the funding.
- II. **Financing** - RBA finances projects by providing loans for :
  - a) Project co-financing – financing the portion of the investment for which the non-refundable funds application is not submitted;
  - b) Financing ineligible project costs (costs for which funding application cannot be submitted)

The documentation prepared for a call for proposals (feasibility studies, business plans) is used also for the loan applications, and no separate studies are required to be submitted to the Bank.

**III. Project implementation** - RBA also provides services concerning opening of special accounts, issuance of certificates, certificates for supporting the paid costs, etc. In case the advance payment of the non-refundable funds is paid, RBA issues advance payment guarantees.

**IV. Public procurement** – Besides project financing, where customers are direct beneficiaries of the funds, RBA also provides services to customers when they act as suppliers in projects of other beneficiaries. Letters of intent, bid bonds or performance guarantees are the most often used products in this segment.

# Contact information



We remain available for additional information at:

INFO E-mail: [eudesk@rba.hr](mailto:eudesk@rba.hr)

INFO TELEPHONE: 072 92 92 92

Or you can reach us via our web site [www.rba.hr](http://www.rba.hr)