

Programme for Environment and Climate Co-operation (PECC) – Nordic programme for co-operation projects in North-West Russia, PECC-2

Questions & Answers

13 February 2020

Note: The listed questions (Q) below are compiled and edited only to ensure anonymity based on all questions submitted by interested PECC-2 Applicants through the on-line application system by the stipulated deadline on 10 February 2020. NEFCO's answers (A) aim to provide a clarification to the asking part as well as corresponding guidance to all Applicants in addition to the Guidelines.

- 1 Q: When reading the guidelines for the Nordic application programme for projects in NW-Russia, I see that commercial organizations cannot be partners in a project. You may or may not be aware that after the law on foreign agents came into force, many NGOs in Russia have re-registered as commercial organizations to avoid being labelled as "foreign agents". How does NEFCO handle this? Can NGOs who are formally commercial organizations be partners?

A: This is an issue that the NCM has had similar concerns about from previous calls concerning Nordic-Russian co-operation projects. It is obvious for some Russian organizations to consider which legislative regime they would prefer to register under, given the unfavourable conditions for those registered as NGO (Russian: HKO). The NCM has accepted such organizations registered under the "business legislation" as partners and contracting partner given that their engagement in the project was as an administrator for the benefit of the entire project's objectives and/or if they had a consultant like function; hence not commercial in the sense that they would capitalize directly of the project's results in their other private businesses. It may be noted that under PECC-2 the Main Nordic Partner is supposed to be the main project administrator (as Applicant and Grant Beneficiary), and the Russian partners are supposed to be precisely partners and not "consultants" in the project. However, if a Russian entity that is registered as a commercial organization still would fulfil the intended role as an "NGO-like" partner in the project, this may be accepted but will need to be adequately justified in the Application.

- 2 Q: Question on de minimis interpretations for PECC-2 call: Are all the projects automatically considered to be included under de minimis funding? Or only such projects, which have de minimis features? We are planning a project with no recognized activities related to de minimis-rules. And since our de minimis budget might be almost full in year 2021, we can only apply if de minimis interpretation is not applied.

A: Specific guidance on these issues cannot be provided without an individual assessment in each case of the proposed project, its funding and the state aid received by the Applicant. Please consider this in the Application and when making the statement on de minimis.

NEFCO will cooperate with NCM, as the donor of the PECC-2 funds, in making such assessments.

- 3 Q: There is no requirement to submit official letters of commitment from partners in the project? We should only list partner organisations in the application? There is no budget scheme which should be attached? We should only include budget framework in the application in a free format?

	<p><i>A: All relevant information concerning all Partners must be filled in in the Application system. No other documentation is needed at this stage, but Agreement(s) between the Applicant and Partner(s) will be required at contracting stage if the project gets selected.</i></p> <p><i>The budget format is free at this stage. It should indicate the main costs items for the main activities and who is incurring those costs. It should indicate that the budget is balanced as per the PECC-2 Guidelines.</i></p>
4	<p>Q: [XXX] is intending to apply for funding from NEFCO together with a Russian partner. We have read the instructions, but it is still unclear whether the following are eligible costs: -In addition to the hourly wage the share of paid vacation and absences during the project. As we use the annual wage in defining the hourly wage, the share of absences will be included. Is this method valid? We are using [XXX] which is calculating the wage by project including the absences (added by a coefficient). Is it possible to use this system as we report our expenses (i.e. no fixed hourly salary, it varies depending on the amount of days in a month, but becomes even on an annual basis compared to a manual calculation). Overheads. Our coefficient for overhead calculated from the previous accounting year is 66%. It covers rents, use of office equipment, postal and administrative services. According to the instructions it seems that the overhead is maybe not fully eligible, but a reasonable overhead is possible. What could we include in the overhead? And finally, about signatures. According to the instructions the timesheets should have a signature from the employee, manager and the project manager. Is it possible to have these electronically? (we have an electronic system for entering and approving working time).</p>
	<p><i>A: PECC utilizes daily fees for personnel costs. Daily fee = (Gross actual salaries + social security charges + all statutory costs)/Total workable days per year. Average figures can be used for budgeting, but reporting shall be based on the actual time spent on the action as recorded on a regular basis using timesheets or an equivalent time registration system established, dated and signed by the individual concerned and validated by the employer.</i></p> <p><i>Electronic signatures can be acceptable.</i></p> <p><i>Possible overheads could be budgeted separately, and up to 25% justified overheads may be eligible subject to NEFCO's approval.</i></p>
5	<p>Q: Are salary costs eligible for funding? Can salary costs include social security costs and overheads? Are there any limitations or % of maximum overheads and administrative costs? Should partners provide commitment letters or any other documents requiring signature? "Previously approved funds from the Nordic Council of Ministers" is related to the whole organisation or particular participants of the project proposal?</p>
	<p><i>A. Please see the reply #4 concerning the salary costs, and #2 concerning commitment letters or any other documents requiring signature.</i></p> <p><i>The previously approved funds from the Nordic Council of Ministers is voluntary information and concerns the Applicant and all Partners, as the case may be.</i></p>
6	<p>Q: Is a national level organisation/institute eligible as a lead partner if the organisation/institute has a regional office in an eligible region and the project manager would come from that regional office? If yes, how this "regionality" should be indicated in the online application form (the official address of the organisation/institute being in [XXX]).</p>
	<p><i>A: If such an organisation/institution can act as a project partner on a regional or local level, it may qualify as such. It must clearly argued in the Application that this is the case in the institutional sense as well as that the project and intended co-operation in question is to take place on a strictly sub-national level as national level activities are not allowed under PECC-2. Precisely how this "regionality"</i></p>

is to be demonstrated may vary from case to case, so it is up to the Applicant to justify that in an adequate way for that particular partner to NEFCO's satisfaction.

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Q: Does minimum funding amount of 30 000 EUR include Russian co-financing share? What is the correct way of calculation? a) 30 000 (requested from NCM) + 9 000 (30 000*30%) = 39 000 (total budget); b) 23 000 (requested from NCM) + 9 000 (30000*30%) = 30 000 (total budget); c) 30 000 (requested from NCM) + 12 857 (total budget 42 857*30%) = 42 857 (total budget)?

A: Option b) is correct

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Q: What are the eligibility criteria for the Partners and Team Experts: e.g. are experts from the national level organizations eligible?

A: Organizations/institutions on the national or federal levels are not eligible as partners. However, experts from such organisations may be engaged in the project but may not be remunerated by grant funds as far as they perform their expected duties in their roles as representatives of those institutions. If grant funds are expected to cover their contributions it must be clearly demonstrated that they are performing as relevant experts for the project as such, outside of any other obligations, and that they are not remunerated in any other way for the contributions to the PECC project.

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Q: Could you explain the Application time 2020-01-29 15:30 +02:00 — 2020-02-27 16:00 +02:00 on my Applications page.

A: This corresponds to 16:00hrs (4pm) on that day in Finland as the deadline for Application submission. The offset shows the difference from UTC time.