



PUBLIC AGENCY OF THE REPUBLIC OF SLOVENIA FOR ENTREPRENEURSHIP AND
FOREIGN INVESTMENTS

**PUBLIC TENDER FOR APPLICATIONS UNDER THE CO-FINANCING GRANT SCHEME
FOR THE PROMOTION OF FOREIGN DIRECT INVESTMENT IN THE REPUBLIC OF
SLOVENIA FOR 2010 AND 2011 no. JR 4/2010-446**

TENDER DOCUMENTATION

I.	SUBJECT-MATTER OF THE TENDER	2
I.1	Subject-matter of the Public Tender.....	2
I.2	Purpose of the Public Tender	4
I.3	Objective of the Public Tender.....	4
I.4	Applicants	4
I.5	Eligible recipients of co-financing	4
I.6	Eligible costs/expenses.....	6
I.7	Formal responsiveness of applications.....	7
I.8	Amendment to applications.....	7
I.9	Fulfilment of the terms and conditions for the award of co-financing	8
I.10	Criteria for the evaluation of applications	9
I.11	Amount of co-financing	9
I.12	Urgency condition.....	11
I.13	Period for drawing down the awarded funds.....	11
I.14	Submission of applications and the time frame.....	11
I.15	Opening of applications	12
I.16	Notification of award.....	12
I.17	Tender Documentation.....	12
I.18	Additional information.....	13
II.	DETAILED DESCRIPTION OF THE AWARD CRITERIA AND THE METHOD FOR AWARDING CO-FINANCING	14
III.	INSTRUCTIONS TO APPLICANTS FOR THE PREPARATION OF APPLICATIONS.....	24
IV.	FORMS and DECLARATIONS.....	26
IV.1	Declaration on the acceptance with the terms and conditions of the public tender	26
IV.2	Application form for the foreign investor.....	28
IV.3	Information referring to the type of the investment project.....	29
IV.4	General information on the foreign investor.....	31
IV.5	Brief corporate history of the foreign investor	32
IV.6	Description of the investment project (not subject to amendment!).....	33
IV.7	Declaration the recipient of the co-financing on compliance with terms and conditions under the public tender	41
IV.8	Declaration of the recipient of the co-financing on the award of state aid	43
IV.9	Information on the recipient of the co-financing incorporated/ registered in the Republic of Slovenia	45
IV.10	Brief corporate history of the recipient of the co-financing	46
IV.11	Declaration on commitment to set up the research and development activity as a separate organisational unit.....	47
IV.12	Mandatory documents to be submitted by the foreign investor.....	48
IV.13	Contract agreement - draft.....	49

I. SUBJECT-MATTER OF THE TENDER

Pursuant to the Public Finance Act (Official Gazette of the Republic of Slovenia, Nos. 79/1999, 124/2000, 79/2001, 30/2002, 56/2002-ZJU, 127/2006-ZJZP, 14/2007-ZSPDPO, 109/2008, 49/2009), Promotion of Foreign Direct Investment and Internationalisation of Enterprises Act (Official Gazette of the Republic of Slovenia, No. 107/06 - UPB1), the Budget of the Republic of Slovenia for 2010 (Official Gazette of the Republic of Slovenia, No. 99/2009), the Budget of the Republic of Slovenia for 2011 (Official Gazette of the Republic of Slovenia, No. 99/2009), Republic of Slovenia Budget 2010 and 2011 Implementation Act (Official Gazette of the Republic of Slovenia, No. 99/2009), Rules on procedures for implementing the budget of the Republic of Slovenia (Official Gazette of the Republic of Slovenia, Nos. 50/2007, 61/2008, 99/2009), Articles 16 and 30 of the Public Administration Act (Official Gazette of the Republic of Slovenia, Nos. ZDU-1-UPB3, 24/2005, 48/2009), the Decree on Financial Incentives for Foreign Direct Investments (Official Gazette of the Republic of Slovenia, Nos. 11/07, 19/2009), the Programme of Work of the Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments for 2010 and 2011 and the Financial Plan of the Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign investments for 2010 and 2011 (Decision adopted by the Government of the Republic of Slovenia, No. 47601-2/2010/3 as of 21 January 2010), the Contract Agreement No. JAPTI – 2010/2011 –5343 -MV on the Funding for the Public Tender for Applications under the co-financing grant scheme for the promotion of foreign direct investment in the Republic of Slovenia in 2010 and 2011 as of 2 February 2010 and the State Aid Schemes (Schemes Number: BE03-5715334-2007, BE03-5715334-2007/1, BE04-5715334-2007, BE04-5715334-2007/1),

the Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments, Verovškova 60, 1000 Ljubljana, hereby publishes

PUBLIC TENDER

FOR APPLICATIONS UNDER THE CO-FINANCING GRANT SCHEME FOR THE PROMOTION OF FOREIGN DIRECT INVESTMENT IN 2010 AND 2011

I.1 SUBJECT-MATTER OF THE PUBLIC TENDER

The subject-matter of the Public Tender is **the award of co-financing for initial (greenfield) investments** to be executed by applicants – foreign persons governed by private law – non-residents (hereinafter referred to as the foreign investor) in the territory of the Republic of Slovenia.

An **initial (greenfield) investment** shall be deemed to be the investment in tangible assets (property, plant and equipment) and/or intangible assets when a new enterprise is established, when expanding an already existing enterprise, when diversifying the range of products manufactured by the enterprise by adding new products or when making significant changes to the manufacturing process in an existing enterprise that already operates in the Republic of Slovenia in manufacturing sector, in the service sector whose services are sold in the international market or in the research and development (R & D) activity.

Neither the increase in the existing output of products already produced by the recipient /beneficiary of co-financing (hereinafter referred to as the recipient of co-financing, i.e. the enterprise in charge of the investment project) or by their connected legal persons in the Republic of Slovenia nor the increase in the volume of the services already provided by the beneficiary/recipient of the co-financing or his connected legal persons in the Republic of Slovenia, shall be treated as an initial (greenfield) investment.

No activities listed below shall be deemed eligible for the co-financing under the Public Tender for Applications:

- primary production (agriculture) on the list in Appendix I to the Treaty Establishing the European Community and for the production and distribution of products, which imitate or replace milk and milk products, and products falling under CN codes 4502, 4503 and 4504 (cork products);
- processing and putting on market of agricultural products when the amount of the co-financing is determined by taking into account the price, i.e. the quantity of such products purchased from primary processors or placed on the market by the respective company, or when the co-financing is conditional on whether it is partly or completely passed on to primary processors;
- fishing and fisheries;
- coal-mining;
- steelworks;
- transport;
- shipbuilding;
- man-made fibres industry;
- manufacturing of arms and ammunition.

The co-financing shall not be allocated to investment projects that fall within the scope of the following economic activities: trade, tourism, construction, education and health and social security.

Furthermore, the co-financing shall not be allocated to the business activities associated with exports directly connected with the exported quantities, with setting up and operating a distribution network or with other operating costs in relation to the exporting activity. Moreover, the co-financing shall not be awarded in the cases where the use of domestic goods would be given advantage over the use of imported goods.

The co-financing shall not be awarded to an enterprise in the procedure of paying back any amount paid incorrectly of State aid pursuant to the Commission Decision (EC), declaring State aid granted unlawful and incompatible with the common market of the Community.

The co-financing shall not be awarded for investments proposing eligible costs in excess of 50 million euros (a large investment project).

I.2 PURPOSE OF THE PUBLIC TENDER

The purpose of the Public Tender is to **attract foreign investors to invest within the territory of the Republic of Slovenia** and make investments that meet the following requirements:

- in accordance with the supply on the labour market in the Republic of Slovenia provide for the creation of new employment, and in particular in the industries with higher value added;
- contribute towards the transfer of knowledge and technology and to the co-operation of scientific and/or research enterprises and establishments within the territory of the Republic of Slovenia with foreign investors;
- contribute towards more balanced regional development;
- contribute towards the increase in synergic effects of linking foreign investors with the Slovenian companies, mainly in the field of supplies for foreign investors and the exchange of knowledge and technology.

I.3 OBJECTIVE OF THE PUBLIC TENDER

The objective of the Public Tender is the creation of **500 new posts - jobs** (on the annual level) within the period of three years following the completion of the respective investment project.

I.4 APPLICANTS

The invitation to submit applications under this Public Tender is open to foreign investors, subject to the condition that the **foreign investors or their foreign associates have track record in taking up and the pursuit of the business of the recipient of co-financing**, which must be demonstrated in the application submitted in response to the Public Tender for Applications for the award of the co-financing.

Relationships between enterprises are assessed by applying the provisions laid down in the Companies Act – ZGD-1 (Official Gazette of the Republic of Slovenia, No. 65/2009 – UPB3).

I.5 ELIGIBLE RECIPIENTS OF CO-FINANCING

Only **the enterprises incorporated in the Republic of Slovenia not later than on the application submission day** in which the foreign investors that file an application have **directly at least a 10 per cent interest (equity holding)**, shall be eligible recipients of co-financing.

The enterprises deemed eligible to compete for the award of co-financing as potential recipients are those:

- with investment projects in **the manufacturing sector** that within the period of three years following the completion of the respective investment project will open at least **25 new posts (jobs)**. The minimum value of the investment project eligible for the co-financing is **1 (one) million euros**;
- with investment projects in the sector whose **services are internationally traded** that envisage the opening of a minimum of **10 new posts (jobs)** within the period of three years following the completion of the investment project. The minimum value of the investment project eligible for the co-financing is **0.5 million euros**. The sector whose services are internationally traded mainly refers to the following:
 - Customer Contact Centres,

- Shared Services Centres,
 - Logistics and Distribution, and
 - Regional Headquarters;
- with investment projects in the **research and development activity** pencilling in the opening of **at least 5 new posts** within the period of three years following the completion of the investment project. The minimum value of the investment project eligible for the co-financing is **0.5 million euros**. An activity classified as research and development is the activity carried out by an enterprise/company or a self-contained/spun-off organisational unit whose core activity is research and experimental development in the area of technology. A portion of the research project must fall within the category of base research subjects, industrial research or experimental development. The companies whose core activity is not research and development must run the research and development unit as a separate/spun-off organisational unit. Research and development tasks must also be stated in the job classification, as far as it is legally required, as well as in the internal enactments of such undertakings;

The minimum value of investment is deemed to include only the investment in **fixed tangible assets** (property, plant and equipment-PPE) (land, buildings and equipment, service connections and infrastructure facilities for the plot/site, the purchase, construction and modernisation of buildings, the purchase of new machines and equipment) **and/or investments in intangible assets** (the purchase of patents, licences, know-how or technical knowledge not protected by intellectual or industry property rights). In the case of small and medium-sized enterprises (SMEs), the purchase of second-hand machinery and equipment shall also be deemed to constitute investments in property, plant and equipment (PPE).

The recipient of co-financing must provide funding in the amount of at least **25 per cent of eligible costs of material/tangible and intangible/immaterial investments** from own sources of funds or by arranging financing from external creditors (leverage) and in the form that has no connection with public funding.

The creation of new employment shall mean the **net increase in the number of employees**, directly employed in an enterprise **in comparison with the average number of employees for the 12 month-period before the signing of the contract agreement to award co-financing**, taking into account *pro rata* full-time and part-time employees. Consequently, each post (job) lost during the 12-month period shall be deducted from the total number of posts (jobs) created during the same period. **The new employment created** shall be opened no later than within three years from the date of the investment's completion and maintained in region for a minimum of five years, in the case of small and medium-sized enterprises, the employment created shall be maintained during a minimum period of three years following the day on which a post (job) was filled for the first time.

The **date of the completion of the investment project** shall be **the completion of the works under the investment project** that must be completed within the period of **three years of the signing of the contract agreement**.

No co-financing shall be made available if:

- it is the investment project for the same purpose, which contains elements of State aid, already co-financed from other public funds (from the government budget, the local budget, the EU funding and other sources of funding), i.e. if the aggregate amount of the funding received from the aforementioned sources exceeds the maximum allowable amount of co-financing determined under the rules governing the area of State aid;
- the foreign investor or the beneficiary/recipient of the co-financing is insolvent;
- the foreign investor or the beneficiary/recipient of the co-financing does not have the capital adequacy ratio in accordance with paragraph 3 of Article 11 of the Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act (Official Gazette of

the Republic of Slovenia, No 126/2007); an enterprise is deemed to have adequate capital if its long-term sources of financing are sufficient with regard to the scale and nature of its business and the risks it is exposed to in the course of pursuing its business;

- bankruptcy proceedings, compulsory composition proceedings or liquidation proceedings/winding up have been initiated against the foreign investor or against the /recipient of the co-financing by the court's final judgement;
- is the recipient of the co-financing or the foreign investor is on the list of corporate entities as stipulated in the decision to publish such a list of entities deemed ineligible on the basis of the provisions laid down in the Prevention of Corruption Act as contractors, i.e. providers of services under contracts with contracting authorities referred to in the first, second and third paragraph of Article 28 of the Prevention of Corruption Act (Official Gazette of the Republic of Slovenia No. 43/2007, 68/207, 29/2008, 55/2008 and 91/2008);
- the foreign investor or recipient of co-financing has outstanding obligations to the Republic of Slovenia;
- at the time of the submission of the application for the award of the co-financing, the recipient of the co-financing is in difficulties in accordance with the Community guidelines on State aid for rescuing and restructuring firms in difficulty (UL C 244 as of 1 October 2004, page 2) and the Act Governing the Rescue and Restructuring Aid for Companies in Difficulty (ZPRPGDT-UPB2) (Official Gazette of the Republic of Slovenia, No. 44/2007). Small and medium-sized enterprises, which have been in operation for less than three years after registration, shall not be deemed to constitute companies in difficulty within the meaning of the Community guidelines on State aid for rescuing and restructuring firms in difficulties, save in the case that they meet the criteria for instigating the bankruptcy proceedings in accordance with the regulations governing financial operations of enterprises.

The cumulation rule applying to State aids means that every State aid received is cumulated with other State aid. Consequently, the purpose of the cumulation rule is to ensure that the intensity of State aid is not higher than the maximum aid allowed. If the recipient of the co-financing has already received funding from the budget of the central government, the local government or from the EU budget, i.e. if the aggregate amount of the funding received under State aid exceeds the ceiling State aid measure determined by the rules governing the area of State aid measures, or such funding has been approved, the contract agreement shall be terminated and the Agency shall request the refund of all wrongly received sums including statutory penalty interest accrued to the day on which the payment is actually made.

I.6 ELIGIBLE COSTS/EXPENSES

Costs/expenses eligible for co-financing are:

- costs/expenses of **material/tangible** investments (**investments in property, plant and equipment-fixed assets**) (**buildings and equipment, service connections and infrastructure facilities for the site/location, the purchase, construction and modernisation of buildings, the purchase of new machinery and equipment, i.e. in the case of SMEs also the purchase of second-hand machinery and equipment**));
- costs/expenses of **non-material/intangible** investments (**investments in intangible assets (purchase of patents, know-how or technical knowledge not protected by intellectual or industry property rights)**); in case of investments in large enterprises, cost support cannot exceed 50 per cent of eligible costs/expenses of the entire investment);
- in the case of investments in **small and medium-sized enterprises (SMEs)**, costs/expenses eligible for co-financing are also **costs/expenses of feasibility studies and consultancy services related to the investment, in the amount of 50 per cent of costs/expenses actually incurred**. Only those costs/expenses incurred by engaging external consultants shall be

deemed consultant services eligible for co-financing. In the case that the amount of the co-financing for the consultant services rendered to small and medium-sized enterprises from all sources exceeds 2 (two) million euros per enterprise and per investment, a prior individual notification of co-financing is required;

- **costs/expenses of creating new employments** arising directly from the investment project, calculated for the period of two years and being the amounts actually disbursed by the recipient of the co-financing in relation to the respective employment (i.e. costs/expenses of gross salaries before taxes and compulsory contributions for social security (contributed by the employer)).

Value-added tax (VAT) is not deemed an eligible cost/expense.

When calculating the **maximum State aid ceiling**, the **higher amount** of the eligible costs/expenses shall be taken into account: either the aggregate amount of eligible costs/expenses of tangible and intangible investments (and in the case of SMEs also the costs/expenses of feasibility studies in the amount of 50 per cent of the costs/expenses actually incurred) or the amount of costs/expenses to creating new employment.

I.7 FORMAL RESPONSIVENESS OF APPLICATIONS

An application shall be deemed **formally responsive**, if it comprises, in accordance with the instructions laid down in the Tender Documentation, all forms and appendices duly filled out and accompanied by supporting documents.

I.8 AMENDMENT TO APPLICATIONS

In the case that an application is found to be **formally incomplete**, the evaluation committee will invite the applicant within 8 days from opening applications to amend it by the set deadline in accordance with the Rules on the procedures of implementing the budget of the Republic of Slovenia, Nos. 50/2007, 61/2008, 99/2009-ZIPRS1011) within 8 days after receiving the invitation to amend the application. **Incomplete applications** not amended by the applicant within 8 days, will **be rejected as non-responsive** by adopting a decision to that effect.

The contracting authority that has published the Public Tender may at any time during the period of from the opening of tenders to the selection of the most successful applicant **summon the applicant to clarify the information contained in the application**. The applicant invited to clarify his application must do so within 5 days of the receipt of the invitation. In the event that the applicant should fail to provide a clarification, the contracting authority under the Public Tender will decide as to the relevance of the information in question based on the available documentation.

The contracting authority of the Public Tender may at any time during the period from the opening of applications to the selection of a successful applicant **invite the applicant to submit proof** attesting to the authenticity and correctness of the statements made in the application in relation to which no official records are kept. The applicant invited to submit such proof must do so within 5 days of the receipt of the invitation. In the case that the applicant should fail to submit the requested documents by the set date, the contracting authority of the Public Tender will not take into account those statements made in the application.

The content of the project description shall not be the subject-matter of amendments to applications.

I.9 FULFILMENT OF THE TERMS AND CONDITIONS FOR THE AWARD OF CO-FINANCING

For the purpose of evaluation of the applications received, the applicants must fulfil the following **terms and conditions**:

- the applicant is a **foreign person governed by private law**;
- the recipient of the co-financing is **an enterprise/company incorporated/registered in the Republic of Slovenia as of the day on which the application is submitted**;
- the applicant has **directly at least a 10 per cent interest (equity holding)** in the recipient of the co-financing ;
- the **urgency criterion is met**;
- the applicant must have **experience in the business taken up and pursued** by the recipient of co-financing;
- the investment is made in an activity eligible for co-financing to be awarded under the Public Tender: it is investment in the **manufacturing** sector or in the **internationally traded services** or in the **research and development** activity;
- the value of the investment made in **the manufacturing sector** (in tangible assets and/ or in intangible assets) must be **1 million euros as a minimum** and it must create **at least 25** new net posts (jobs);
- the value of the investment made in **internationally traded services** (in tangible assets and/ or in intangible assets) must be **0.5 million euros as a minimum** and it must create **at least 10** new net posts (jobs);
- the value of the investment in the **research and development** activity (in tangible assets and/ or in intangible assets) must be **0.5 million euros as a minimum** and it must create **at least 5** new net posts (jobs);
- the recipient of the co-financing must provide funding in the amount of **at least 25 per cent of eligible costs of tangible and intangible investments** from own sources of funds or by arranging financing from external creditors (leverage) and in the form that has no connection with public funds.
- **initial (greenfield) investment** (as initial (greenfield) investment shall be deemed to be the investment in tangible assets (property, plant and equipment) and/or intangible assets when a new company is established, when expanding existing operations, when diversifying the operating company's production by adding new additional products or when significant modifications to the manufacturing process of the company that already operates in the Republic of Slovenia are made in the manufacturing industry, in the service sector whose services are sold in the international market or in the research and development activity).

In the case that the application **does not contain the data/information** to shown that a particular condition is complied with, it shall be deemed that the application **does not fulfil that particular condition** and it will be rejected **by passing a decision to that effect**.

I.10 CRITERIA FOR THE EVALUATION OF APPLICATIONS

All formally responsive applications that meet the mandatory terms and conditions will be evaluated by the evaluation committee appointed by the Director of the Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign investments by applying the following award **criteria**:

	Criterion	Number of points
1.	The position of the foreign investor in the market	15
2.	The equity holding of the foreign investor in the enterprise incorporated in Slovenia	5
3.	The share of local suppliers and the impact of the proposed investment on the productivity of other local enterprises that operate in the same industry	10
4.	The sustainable nature of the proposed investment project	5
5.	The impact of the investment on research and development activity	25
6.	The impact of the proposed investment on human capital	10
7.	Environmental impact assessment where the investment is made in the manufacturing sector / the extent of the international distribution of the internationally traded service where the investment is to be made in the service sector and the number markets where the service will be offered	15
8.	The impact of the investment on development in the case that the region is classified as underdeveloped in economic terms	10
9.	The value of the investment project	5
	TOTAL	100

JAPTI will co-finance those enterprises with investment projects whose applications will score the number of points considered as the threshold for co-financing, i.e. **at least 60 points**. A detailed description of the award criteria and the model for awarding (allocating) co-financing is on page 14 of the Tender documentation.

I.11 AMOUNT OF CO-FINANCING

The aggregate amount of co-financing under the cost-sharing grant scheme for 2010 and 2011 is **14,496,470,00 euros** and specifically **in 2010** allocated funds total **6,496,470.00 euros** and **in 2011** this amount is **8,000,000.00 euros**.

The funding has been allocated under the budgetary item 5343 of the Ministry of the Republic of Slovenia for the Economy.

The amount of co-financing will be determined on the basis of the award criteria, the number of newly created employment (jobs), the value of the investment project (based on the amount of eligible costs/expenses for investments in tangible and intangible assets) and within the framework of available funding allocated to the co-financing under the Public Tender.

The amount of the co-financing awarded must not exceed **30 per cent** of the amount of eligible costs/expenses incurred under the investment or costs/expenses incurred associated with creating new

employment within the framework of investments **in a large enterprise**. In the case of **medium-sized enterprises**, the amount of the co-financing awarded must not exceed **40 per cent**, while in the case of **small enterprises, the ceiling is 50 per cent** of eligible costs/expenses under a single project.

For the purpose of determining **the size of the recipient of the co-financing** the criteria specified in Appendix I of the Commission Regulation (EC) No. 800/2008 as of 6 August 2008 declaring certain categories of aid compatible with the common market in application of articles 87 and 88 of the Treaty (General Block Exemption Regulation) (OJ L No. 800/2008 as of 9.8.2008, page 3).

As regards awarding co-financing **in excess of 2 (two) million euros** shall be subject to a prior authorisation of the Government of the Republic of Slovenia. In the event that the amount of the co-financing for the consultant services rendered to small and medium-sized enterprises from all sources exceed 2 (two) million euros per company and per project, a prior individual notification of the co-financing is required.

When a company shall be awarded **aid in the form of venture capital**, and in the period of the first three years following the receipt of the venture capital it submits its application for the co-financing under the Public Tender, the maximum allowable aid intensity rate shall be 24 per cent of eligible costs incurred under the investment project or of the costs incurred under new employment in relation to the investment project for large enterprises. In the case of medium-sized enterprises, the amount of the granted co-financing shall not exceed 32 per cent, while in the case of small enterprises this amount can be 40 per cent of eligible costs/expenses incurred under the specified project. As regards consultant services rendered to small and medium-sized enterprises, the maximum allowable aid intensity rate can be up to 40 per cent of the eligible consultancy costs.

In the case that the difference between the highest allowable rates of aid intensity (30, 40 or 50 per cent), and the highest intensities in the case of venture capital (24, 32 or 40 per cent), should exceed the amount of the invested venture capital, the maximum allowable value of aid allocated under this Public Tender shall be decreased only by the amount of the invested venture capital.

Should it happen that having completed the scoring phase the **aggregate value of the expected co-financing** of the eligible costs/expenses incurred under the investment projects that have reached the threshold for the co-financing under the Public Tender exceeds the amount allocated to the co-financing scheme, funding shall be distributed on the basis of the score, i.e. achieved points – so that the investment projects with a higher score (more awarded points) come ahead of those with lower scores for the allocation of funding.

In the case that several proposed investment projects end up by having the same score, the project that envisages a higher number of newly created jobs shall be given precedence; in so far as those investment projects comply with the same criterion, the number of points awarded to the applicant, i.e. prospective beneficiary/recipient during the project evaluation phase under Criterion No. 5 - Research and development effects of the investment project-shall be given precedence.

In the case that the value of the awarded co-financing under the project exceeds the amount available for co-financing, the Agency will not sign the contract agreement with the applicant.

I.12 URGENCY CONDITION

In the case that the co-financing is awarded to **small and medium-sized** enterprises, the applicant must file the application for the award of co-financing **before** enterprises commences the investment project.

In the case that co-financing is awarded to **large enterprises**, the applicant must comply with the condition laid down in the first paragraph hereof, and at the same time also comply with one or more of the following criteria:

- A significant extension of the size of the project companies or activity as a result of the co-financing;
- A significant extension of the scale of the project or activity as a result of the co-financing;
- A significant increase of the aggregate amount disbursed by the beneficiary/recipient for the investment project or activity as a result of contribution, i.e. aid;
- A significant increase in the speed at which the investment project or activity in question can be completed;
- In the case that no co-financing is made available, the investment project as such could not be carried out in the designated region as proposed.

I.13 PERIOD FOR DRAWING DOWN THE AWARDED FUNDS

The costs/expenses deemed **eligible for co-financing** are the costs/expenses **incurred during the period between the date of the signing of the contract on co-financing and the date on which the request for co-financing is submitted, namely not later than on 20 October 2010 for the contracts concluded in 2010 and not later than on 20 October 2011 for the contracts concluded in 2011** and the costs/expenses **have already been paid prior to the submission of the request**. The recipient of the co-financing can include in the request for co-financing also the **eligible costs/expenses to be incurred during the period of three years from the date of signing of the contract on co-financing**, subject to the submission of a **bank guarantee** issued for that amount with which an investment-grade bank guarantees that the funding will be used for the specified purpose. A sample security form (a bank guarantee) is Appendix 5 on page 63 and it is the integral part of the Tender Documentation.

I.14 SUBMISSION OF APPLICATIONS AND THE TIME FRAME

The Public Tender will remain in force until **09 September 2011, i.e. until the budgetary funds allocated to co-financing** of FDI projects have not been fully drawn down. Applications considered to be complete (responsive) in accordance with these instructions specified in the Tender Documentation must be delivered to the following address: **Javna agencija Republike Slovenije za podjetništvo in tuje investicije** (Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments), **Verovškova 60, SI-1000 Ljubljana in a sealed envelope marked with »Ne odpiraj – prijava za razpis - spodbujanje TNI 2010/2011«** (Do not open – Public Tender – FDI incentives) and the full address of the recipient of the co-financing). Applicants have to submit their duly filled out applications in paper form as original documents and the entire text shall be in the Slovenian or in the English language, i.e. certified translation, in accordance with the instructions and the forms included in the Tender Documentation.

All information contained in the applications opened by the evaluation committee will be treated as public, with the exception of those clearly designated by the foreign investor designate as being confidential (a business secret). Only particular information i.e. a part of the application may be designated as a business secret. No business secrecy obligation may apply to the entire application.

I.15 OPENING OF APPLICATIONS

Since a high number of applications can be expected, the opening of the applications submitted in response to the Public Tender will not be public. Opening of tenders will take place on the following business day after the closing date for the submission of applications scheduled to start at 10.00 CET in the premises of the Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments (the Agency).

The applications to be examined shall be those delivered at the main office of the Agency, Verovškova 60, 1000 Ljubljana, irrespective of the way of delivery **on the day designated as the closing date for the submission of applications and namely not later than at 12.00 CET.**

The closing dates for the delivery of applications in 2010 and 2011:

for the first opening of applications: 14 April 2010 at 12:00 (noon) CET,

for the second opening of applications: 9 June 2010 at 12:00 (noon) CET,

for the third opening of applications: 10 September 2010 at 12:00 (noon) CET,

for the fourth opening of applications: 17 November 2010 at 12:00 (noon) CET.

for the fifth opening of applications: 9 February 2011 at 12:00 (noon) CET,

for the sixth opening of applications: 12 April 2011 at 12:00 (noon) CET,

for the seventh opening of applications: 7 June 2011 at 12:00 (noon) CET,

for the eighth opening of applications: 9 September 2011 at 12:00 (noon) CET.

The evaluation committee will not take into account any **applications not properly marked** (it is not clearly shown that it is an application submitted in response to the invitation for applications under the Public Tender) and such applications will be returned to respective senders unopened.

Applications that arrive **after the deadline fixed for the submission of applications** will be included in the following opening of applications. Applications that arrive after the last deadline for the submission of applications in 2011 shall be rejected as late applications by virtue of the decision passed.

I.16 NOTIFICATION OF AWARD

The recipients of the co-financing will be notified of the award of co-financing in **the decision on the award of co-financing** adopted on the basis of the proposal made by the evaluation committee within 60 days of the day of the opening of the received applications

I.17 TENDER DOCUMENTATION

The Tender Documentation in the Slovenian and in the English language will be available at the **main office of the Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign investments**, Verovškova 60, Ljubljana, every working day between 9.00 and 10.00 CET or on the **websites**: www.japti.si and www.investslovenia.si. The Tender Documentation may also be forwarded by e-mail in reply to request sent by a company to the electronic mail address: matej.skocir@japti.si. Prospective applicants should send a request for sending the Tender Documentation by ordinary mail or by electronic mail 5 days at the latest before the closing date for the submission of applications.

I.18 ADDITIONAL INFORMATION

Additional information with regard to the preparation of applications and clarifications of the tender Documentation will be provided to prospective applicants who send a request in writing to the address of Javna agencija Republike Slovenije za podjetništvo in tuje investicije (Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments), Verovškova ulica 60, 1000 Ljubljana (marked with: Javni razpis TNI 2010/2011/Public Tender FDI 2010/2011) or to the electronic mail address: matej.skocir@japti.si (subject: javni razpis TNI 2010/2011/Public Tender FDI 2010/2011), provided that any and all such requests are received at the latest 8 days before the respective closing date for the submission of applications. All questions of prospective applicants and the answers given by the contracting authority of the Public Tender will be published at the least 3 days before the respective closing date for the submission of applications on the website: www.japti.si. The answers and clarifications provided by the contracting authority of the Public Tender shall be an integral part of the Tender Documentation.

Further information can be obtained by phoning the contact person Mr. Matej Skočir at the phone number +386 1 5891 889 or by phoning the person responsible for the Public Tender Ms. Simona Novak, M.Sc. at the phone number +386 1 5309 805. For further clarifications you may also send your electronic mail to the electronic mail address: matej.skocir@japti.si.

Igor Plestenjak,
Director

II. DETAILED DESCRIPTION OF THE AWARD CRITERIA AND THE METHOD FOR AWARDING CO-FINANCING

All formally complete (responsive) application assessed as compliant with the terms and conditions for the award of co-financing and in line with the purpose of the Public Tender will be scored by the members of the evaluation committee in accordance with the award criteria listed below:

	Criterion	Number of points
1.	The position of the foreign investor in the market	15
2.	The equity holding of the foreign investor in the enterprise incorporated in Slovenia	5
3.	The share of local suppliers and the impact of the proposed investment on the productivity of other local enterprises that operate in the same industry	10
4.	The sustainable nature of the proposed investment project	5
5.	The impact of the investment on research and development activity	25
6.	The impact of the proposed investment on human capital	10
7.	Environmental impact assessment where the investment is made in the manufacturing sector / the extent of the international distribution of the internationally traded service where the investment is to be made in the service sector and the number markets where the service will be offered	15
8.	The impact of the investment on development in the case that the region is classified as underdeveloped in economic terms	10
9.	The value of the investment project	5
	TOTAL	100

1. THE POSITION OF THE FOREIGN INVESTOR IN THE MARKET (THE MAXIMUM NUMBER OF POINTS IS 15)

The score is commensurate with the international reputation of the foreign investor i.e. his parent company (listing on international stock exchanges, a leading position in the industry...) and by taking into account successfully executed cross-border investments made by the foreign investor i.e. his parent company. The maximum number of points (15) will be awarded to the foreign investor listed on one of the international stock exchanges i.e. is among the leading companies in its industry at the world scale and it has carried out numerous successful cross-border investment projects. Nil (0) points will be awarded to the foreign investor without any successfully executed investment projects and not known in the local market in his line of business, i.e. industry.

The foreign investor is a multinational company (the company's shares are listed on the most important stock exchanges such as New York, London, Frankfurt, Tokyo, Zurich, etc.) and his track record includes cross-border investment projects of similar size and nature. 15 points

The foreign investor is a company with internationally gained reputation and his track record includes cross-border investment projects of similar size and nature. 13 points

The foreign investor is a company with internationally gained reputation but without cross-border investment projects of similar scope and nature. 10 points

The foreign investor has gained reputation in his local market where he has already executed with success investment projects of similar scope and 6 points

nature.

The foreign investor has gained reputation in his local market, but without executed significant cross-border investment projects. 3 points

The foreign investor is a company without reputation in his industry without any significant investment projects. 0 points

2. THE EQUITY HOLDING OF THE FOREIGN INVESTOR IN THE SLOVENIAN ENTERPRISE (THE MAXIMUM NUMBER OF POINTS IS 5)

The equity holding (interest) of the foreign investor in the Slovenian enterprise is:

More than 75 up to 100% 5 points

More than 50 up to 75% 4 points

More than 35 up to 50% 3 points

More than 20 up to 35% 1 point

Up to 20% 0 points

3. THE SHARE OF LOCAL SUPPLIERS AND THE IMPACT OF THE INVESTMENT ON THE PRODUCTIVITY OF OTHER LOCAL ENTERPRISES THAT OPERATE IN THE SAME INDUSTRY (THE MAXIMUM NUMBER OF POINTS IS 10)

The score is composed of two parts: in the first part we assess the share of domestic suppliers after the investment project has been completed (the maximum number of points is 5), in the second part we assess the impact of the investment on productivity of other local enterprises in his line of business, i.e. industry (the maximum number of points is 5).

The share of local suppliers (the maximum number of points is 5).

The score is commensurate with the envisaged share of domestic suppliers in running the investment and with the beneficial impact of the investment on the productivity of enterprises/companies that operate in the sector. The maximum number of points (5) will be awarded to the investment project where the share of domestic suppliers is above 75%. Nil (0) points will be awarded to the investment project where the share of local suppliers will be less than a 10 per cent share.

Local suppliers will have more than a 60 % share. 5 points

Local suppliers will have more than a 45 % share. 4 points

Local suppliers will have more than a 30 % share. 3 points

Local suppliers will have more than a 20 % share. 2 points

Local suppliers will have more than a 10 % share. 1 point

Local suppliers will have less than a 10 % share. 0 points

The impact of the investments on productivity of other local enterprises that operate in the same industry (the maximum number of points is 5). The evaluation takes into account mainly the potential horizontal and vertical »spill over« effects and the possibility of technology transfers.

The investment will contribute significantly to the productivity increase of other enterprises that operate in the same industry.	5 points
The investment will not contribute significantly to the productivity increase of other enterprises that operate in the same industry.	3 points
The investment will not contribute to the productivity increase of other enterprises that operate in the same industry.	0 points

4. THE SUSTAINABLE NATURE OF THE INVESTMENT (THE MAXIMUM NUMBER OF POINTS IS 5)

The score is in the reverse order to the possibility to transfer the investment from Slovenia to other countries at low costs and with minimum difficulty. The maximum number of points (5) will be awarded to the investment project whose nature is such that a transfer of the operations from Slovenia is highly unlikely and associated with very high costs. Nil (0) points will be awarded to the investment project where the operations could be transferred from Slovenia at very low costs. The evaluation takes into account mainly the type of investment in property, plant and equipment (PPE) (purchase/freehold, leasehold), costs of equipment, transport, the value of manufacturing facilities, the investor's investments in human resources, etc.

The nature of the investment project makes it practically impossible to relocate machinery and equipment from the Republic of Slovenia.	5 points
The equipment and machinery can be relocated from the Republic of Slovenia; however, it is associated with high costs and is time-consuming.	3 points
The equipment and machinery can be relocated from the Republic of Slovenia very quickly and at negligible costs.	0 points

5. THE IMPACT OF THE INVESTMENT ON THE RESEARCH AND DEVELOPMENT ACTIVITY (THE MAXIMUM NUMBER OF POINTS IS 25)

The score is composed of four parts: in the first part we assess the share of high technology in the investment project (the maximum number of points is 10), in the second part we assess the possibility for the transfer of technology to other Slovenian enterprises (the maximum number of points is 6), in the third part we assess input of the Slovenian scientific and research establishments in the investment project (the maximum number of points is 6), in the fourth part we assess the existing co-operation between the foreign investor and the scientific and research establishments (the maximum number of points is 3).

a) The share of high technology in the investment (the maximum number of points is 10)

The investment refers to the operations classified as new economy (telecommunications, microelectronics, information technology, biotechnology, new materials, etc.)	10 points
The investment involves mostly high technology (a high tech project).	7 points
The investment involves technology at a medium level (a middle tech project).	4 points

The investment does not involve new technology (a low-tech project). 0 points

b) The possibility for the transfer of technology to other Slovenian enterprise (the maximum number of points is 6)

The nature of the investment project enables technology transfer to other Slovenian enterprises. 6 points

The nature of the investment project enables partial technology transfer to other Slovenian enterprises. 3 points

The nature of the investment project does not enable technology transfer to other Slovenian enterprises. 0 points

c) The participation of the Slovenian scientific and research establishments in the investment project (the maximum number of points is 6)

The investment project envisages strong and continuous collaboration with the Slovenian scientific and research establishments and engaging external researchers for research groups within the investor's enterprise. 6 points

The investment project envisages limited co-operation with the Slovenian scientific and research establishments on the basis of outsourcing individual R&D separated from the development function of the enterprise. 3 points

The investment project does not deploy any Slovenian scientific and research institutions. 0 points

d) The existing co-operation between the foreign investor and the scientific research establishments (the maximum number of points is 3)

The application and supporting documents show that the foreign investor continually co-operates with the scientific research establishments and includes external researchers. 3 points

The application and supporting documents show that the foreign investor co-operates to a lesser extent with the scientific and research establishments on the basis of outsourcing individual research and development establishments separated from the development function of the enterprise. 1 point

The application and supporting documents do not show any co-operation between the foreign investor and the scientific and research institutions. 0 points

6. THE IMPACT OF THE PROPOSED INVESTMENT ON HUMAN CAPITAL (THE MAXIMUM NUMBER OF POINTS IS 10)

The score is commensurate with the possibility of the transfer of relevant knowledge and skills to other enterprises/companies in Slovenia. The maximum number of points (10) will be awarded to the investment project, which envisages occupational education and training for the majority of employees who will in turn obtain relevant knowledge and skills that could be used also in other enterprises that operate in that sector/industry. Nil (0) points will be awarded to the investment project, which does not envisage occupational education and training of employees.

The investment project envisages occupational education/training for the majority of employees, while education/training costs are mostly dedicated to the obtaining of transferable knowledge that could be used in other enterprises in the industry.	10 points
The investment project envisages occupational education/training only for one part of employees, while education/training costs are mostly dedicated to the obtaining of transferable knowledge that could be used in other enterprises in the industry.	7 points
The investment project envisages occupational education/training for the majority of employees, while education/training costs are mostly dedicated to the obtaining of intransferable knowledge regarded as company specific.	5 points
The investment project envisages occupational education/training only for one part of employees, while education/training costs are mostly dedicated to the obtaining of intransferable knowledge regarded as company specific.	3 points
The investment project does not envisage occupational education and training of employees.	0 points

7. THE ENVIRONMENTAL IMPACT OF THE INVESTMENT PROJECT IN THE MANUFACTURING INDUSTRY I.E. RESEARCH AND DEVELOPMENT ACTIVITY (A) (THE MAXIMUM NUMBER OF POINTS IS 15) / THE EXTENT TO WHICH THE SERVICES PROPOSED IN THE INVESTMENT PROJECT IN THE SERVICE SECTOR CAN BE MARKETED I.E. TRADED INTERNATIONALLY (B) (THE MAXIMUM NUMBER OF POINTS IS 15)

Provided that the investment project is in the manufacturing industry i.e. research and development activity, the criteria listed under point A.) shall be observed (the maximum number of points is 15). It is composed of two parts: in the first part we assess the impact of the investment on the utilization of natural resources (the maximum number of points is 8), while in the second part we assess the impact of the investment on waste(the maximum number of points is 7).

To the extent that it concerns the investment project in the service sector and the service can be traded i.e. marketed internationally, the criteria listed under point B) shall be observed (the maximum number of points is 15).

A) THE ENVIRONMENTAL IMPACT OF THE INVESTMENT PROJECT IN THE MANUFACTURING INDUSTRY / IN THE RESEARCH AND DEVELOPMENT ACTIVITY (THE MAXIMUM NUMBER OF POINTS IS 15)

The score is in the reverse order to the activities envisaged under the investment project affecting natural resources and the level of environmental load. The maximum number of points (15) will be awarded to the investment project, which does not envisage activities affecting natural resources and where there is only municipal waste. Nil (0) points will be awarded to the investment project, which envisages intensive utilisation of natural resources and which envisages the creation of hazardous waste.

a) Utilisation of natural resources envisaged under the investment project (the maximum number of points is 8)

The investment project does not envisage any activities affecting natural resources.	8 points
The investment project does envisage activities affecting natural resources, but does not threaten their rarity and regeneration i.e. reproduction capacity.	4 points

The investment project envisages highly intensive use of natural resources, which significantly decreases the level of their renewability. 0 points

b) The impact of the proposed investment project on waste (the maximum number of points is 7)

The investment project will not have any hazardous waste as a consequence but only municipal waste. 7 points

The investment project will have as a consequence in addition to municipal waste also a smaller quantity of special waste but the investment documentation shows that the investor will take care of its adequate storing and disposal. 5 points

The investment project will have as a consequence in addition to municipal waste also special waste, but the investment documentation shows that the investor will take care of its adequate storing and disposal. 3 points

The investment project envisages the creation of hazardous waste that unprocessed due to its characteristics will have harmful effect on the environment. 0 points

B) THE DEGREE OF THE INTERNATIONAL MARKETABILITY OF THE SERVICE FOR INVESTMENT PROJECTS IN THE SERVICE SECTOR THAT CAN BE MARKETED INTERNATIONALLY AND THE MARKETS WHERE THESE SERVICES ARE SOLD (THE MAXIMUM NUMBER OF POINTS IS 15)

a) The scope and scale of the services to be provided for buyers i.e. subscribers in the markets outside Slovenia (10 points)

The score is commensurate with the volume of service to be provided for buyers/subscribers in the markets outside Slovenia. The maximum number of points (10) will be awarded to the service, which will be entirely marketed internationally, the minimum number (5 points) will be awarded to the service where only a part of the service will be distributed internationally.

The entire service will be internationally marketed, i.e. traded. 10 points

The service will be mostly marketed / traded internationally (more than 50 per cent). 6 points

The service will be partly marketed / traded internationally (to 50 per cent). 3 points

b) The number of markets in which the service will be marketed/traded (5 points)

The maximum number of points (5) shall be awarded to the service intended to be marketed in five or more foreign markets. The minimum number of points (1) will be awarded to the service intended to be internationally traded only in one foreign market.

The service will be marketed in five or more foreign markets. 5 points

The service will be mostly marketed in three or four markets. 4 points

The service will be marketed in two foreign markets. 2 points

The service will be marketed only in one foreign market. 1 point

8. THE IMPACT OF THE INVESTMENT PROJECT ON THE DEVELOPMENT OF ECONOMICALLY LESS DEVELOPED REGIONS I.E. MUNICIPALITIES AND THE IMPACT ON UNEMPLOYMENT (THE MAXIMUM NUMBER OF POINTS IS 10)

The score is in the reverse order to the development of the region in conformity with the Decision on the Classification of the Developing Regions by the Degree of Development for the Programme for the Period 2007-2013 (Official Gazette of the Republic of Slovenia, No. 23/2006). The maximum number of points is 10.

The score is related to the index assigned to the region where development is under threat:

The index assigned to the region where development is threatened is higher than 120 (Pomurska, Notranjsko Kraška).	10 points
The index assigned to the region where development is threatened is higher than 110 (Podravska, Spodnjeposavska, Zasavska).	8 points
The index assigned to the region where development is threatened is higher than 100 (Koroška, Jugovzhodna Slovenija).	6 points
The index assigned to the region where development is threatened is higher than 90 (Goriška, Savinjska).	4 points
The index assigned to the region where development is threatened is higher than 80 (Gorenjska, Obalno Kraška).	2 points
The index assigned to the region where development is threatened is below 80 (Osrednjeslovenska).	0 points

9. THE VALUE OF THE INVESTMENT (THE MAXIMUM NUMBER OF POINTS IS 5)

The score is related to the amount of the investment to be made in a specified sector/activity:

A) THE VALUE OF THE INVESTMENT IN MANUFACTURING SECTOR

More than 5.5 million euros	5 points
More than 4.5 million euros to 5.5 million euros	4 points
More than 3.5 million euros to 4.5 million euros	3 points
More than 2.5 million euros to 3.5 million euros	2 points
More than 1.5 million euros to 2.5 million euros	1 point
Up to 1.5 million euros	0 points

B) THE VALUE OF THE INVESTMENT IN SERVICE, I.E. RESEARCH AND DEVELOPMENT (R&D) ACTIVITY

More than 4.5 million euros	5 points
More than 3.5 million euros to 4.5 million euros	4 points
More than 2.5 million euros to 3.5 million euros	3 points
More than 1.5 million euros to 2.5 million euros	2 points
More than 0.75 million euros to 1.5 million euros	1 point
Up to 0.75 million euros	0 points

THE MODEL FOR AWARDING CO-FINANCING

The model for awarding co-financing under the cost-sharing grant scheme is composed of **two pillars** described below:

1. **The first pillar** is the product of the number of new posts (jobs) specified in the investment project, and the amount of co-financing (grant) for an individual newly opened post-job (please see the tables on pages 22 and 23), which is related to the number of points scored and on whether it is the investment in the manufacturing industry, the service sector or in research and development activity.

2. **The second pillar** is the percentage of co-financing in the total value of the investment project and namely the percentage of the value of eligible costs/expenses incurred under the investment project (only the eligible costs/expenses of tangible and intangible investments shall be taken into account) that depends on the number of points scored. The projects awarded number of points from 60 points to and including 74 points shall get 3 per cent on the value of the eligible costs/expenses incurred under the investment (eligible costs/expenses for investments in tangible and intangible assets), the investment projects awarded more than 74 points to and including 89 points get 5 per cent on the value of the eligible costs/expenses incurred under the investment project (eligible costs/expenses for investments in tangible and intangible assets), the projects awarded more than 89 points to and including 100 points get 7 per cent on the value of the eligible costs/expenses incurred under the investment project (eligible costs/expenses for investments in tangible and intangible assets). The investments projects having the costs/expenses for the opening of new posts (jobs) higher than the amount of eligible tangible and intangible costs/expenses (and in the case of SMEs also the costs/expenses of feasibility studies) shall not be eligible for co-financing under the second pillar.

<ul style="list-style-type: none"> • 60 – to 74 points 	<ul style="list-style-type: none"> • 3 per cent of the value of the eligible costs/expenses of the investment (eligible costs/expenses for investments in tangible and intangible assets)
<ul style="list-style-type: none"> • more than 74 up to 89 points 	<ul style="list-style-type: none"> • 5 per cent of the value of the eligible costs/expenses of the investment (eligible costs/expenses for investments in tangible and intangible assets)
<ul style="list-style-type: none"> • more than 89 up to 100 points 	<ul style="list-style-type: none"> • 7 per cent of the value of the eligible costs/expenses of the investment (eligible costs/expenses for investments in tangible and intangible assets)

The sum of both values shall be the amount of the awarded co-financing and this amount **must not be** higher than 30 per cent (for large enterprises), i.e. 40 per cent (for medium-sized enterprises) or 50 per cent (for small enterprises) of the eligible costs/expenses incurred under a single project.

In the case of **the first entry of a foreign investor in Slovenia**, the value of the awarded co-financing (the sum of both pillars) **shall increase by additional 50 per cent**, even though it shall not exceed 30 per cent (for large enterprises), i.e. 40 per cent (for medium-sized enterprises) or 50 per cent (for small enterprises) of eligible costs/expenses incurred under a single investment project.

The **first entry of a foreign investor** shall be the establishment of an enterprise in the Republic of Slovenia, i.e. the first time capital is invested in an enterprise incorporated/registered in the Republic

of Slovenia for the purpose of obtaining an equity holding in an enterprise/company, participating in the management/running of the enterprise and exercising corporate governance.

As regards the award of co-financing to investments **in excess of 2 million euros**, a prior consent shall be obtained from the Government of the Republic of Slovenia

The minimum number of points (threshold) for the award of co-financing is 60 points.

1. INVESTMENT PROJECT IN MANUFACTURING ACTIVITY:

<ul style="list-style-type: none"> • 60 to and including 64 points 	<ul style="list-style-type: none"> • 3,000 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 64 to and including 69 points 	<ul style="list-style-type: none"> • 3,600 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 69 to and including 74 points 	<ul style="list-style-type: none"> • 4,500 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 74 to and including 79 points 	<ul style="list-style-type: none"> • 5,400 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 79 to and including 84 points 	<ul style="list-style-type: none"> • 6,300 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 84 to and including 89 points 	<ul style="list-style-type: none"> • 7,200 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 89 to and including 94 points 	<ul style="list-style-type: none"> • 8,400 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 94 to and including 100 points 	<ul style="list-style-type: none"> • 9,600 euros • for a newly created employment over a three-year period

2. THE INVESTMENT IN INTERNATIONALLY TRADED SERVICE ACTIVITY:

<ul style="list-style-type: none"> • 60 to and including 64 points 	<ul style="list-style-type: none"> • 3,900 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 64 to and including 69 points 	<ul style="list-style-type: none"> • 5,200 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 69 to and including 74 points 	<ul style="list-style-type: none"> • 6,500 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 74 to and including 79 points 	<ul style="list-style-type: none"> • 7,800 euros • for a newly created employment over a three-year period

<ul style="list-style-type: none"> • more than 79 to and including 84 points 	<ul style="list-style-type: none"> • 9,100 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 84 to and including 89 points 	<ul style="list-style-type: none"> • 10,400 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 89 to and including 94 points 	<ul style="list-style-type: none"> • 11,700 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 94 to and including 100 points 	<ul style="list-style-type: none"> • 14,300 euros • for a newly created employment over a three-year period

3. THE INVESTMENT IN A RESEARCH AND DEVELOPMENT UNIT (R&D):

<ul style="list-style-type: none"> • 60 to and including 64 points 	<ul style="list-style-type: none"> • 10,500 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 64 to and including 69 points 	<ul style="list-style-type: none"> • 12,600 euros • or a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 69 to and including 74 points 	<ul style="list-style-type: none"> • 14,700 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 74 to 79 points 	<ul style="list-style-type: none"> • 16,800 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 79 to and including 84 points 	<ul style="list-style-type: none"> • 19,600 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 84 to and including 89 points 	<ul style="list-style-type: none"> • 22,400 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 89 to and including 94 points 	<ul style="list-style-type: none"> • 25,200 euros • for a newly created employment over a three-year period
<ul style="list-style-type: none"> • more than 94 to and including 100 points 	<ul style="list-style-type: none"> • 28,000 euros • for a newly created employment over a three-year period

III. INSTRUCTIONS TO APPLICANTS FOR THE PREPARATION OF APPLICATIONS

- **Applications** complete with all supporting documents must be **submitted by the foreign investor** (non-resident), **the recipient of the co-financing** under the cost-sharing grant scheme, however, is **an enterprise/company incorporated/registered in the Republic of Slovenia**.
- **Investment projects** should be presented so as to be **transparent and concrete with key facts** (should you wish to present certain segments in more detail, you are free to do so in the attached appendices) and in the format and using the forms included in the Tender Documentation. The Tender Documentation must not be altered, even though the size of tables can be adjusted.
- **The project description shall not be a subject-matter of amendment**, therefore the part of the application containing the project specification should be filled out carefully, since it contains the bulk of elements used for the evaluation of applications (if there is no data/information relevant to the elements to be evaluated, then the investment project will not score any points in that section). **Costs/expenses should be transparent, clearly defined and the values budgeted realistically** (the evaluation committee will not include any vaguely presented costs/expenses in the base for co-financing).
- **Eligible costs/expenses** are the costs/expenses to be **co-financed** by the Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments and they are consistent with the rules on awarding State aid and the EU competition rules. Funds within the framework of the awarded co-financing will be allocated to the eligible costs/expenses, **incurred and paid during the period from the date of signing of the contract on co-financing and for three years following the signing of the contract** (the dates of the invoices are taken into account for co-financing).
- As regards investments in SMEs, eligible costs/expenses may also be the **costs/expenses of feasibility studies and consultancy services associated with the investment** in the amount of 50 per cent of the costs/expenses actually incurred. If the applicant has budgeted these costs/expenses, then **50 per cent of the value of those budgeted costs/expenses** must be stated **in the application** (the table on page 35 of the Tender Documentation). Only the costs/expenses of the consultancy services provided by independent consultants shall be deemed eligible.
- **The decision on the award of co-financing** is taken by the director of the Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign investments. The recipient of the co-financing will be notified of the results of the Public Tender no later than within 60 days from opening applications. The applicant may complain against the decision by lodging an appeal with the Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments within the period of 15 days of the day on which the decision is served. The appeal will be reviewed by the Ministry of the Economy.
- The recipient of co-financing awarded by the Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments for the investment project will be invited to sign the **contract**. Before signing the contract, the recipient of the co-financing shall fill out also a declaration stating the average number of employees over the past 12 months.

- Following the signing of the contract, the recipient of the co-financing shall submit a signed and sealed **request for co-financing** (in two copies) complete with all mandatory appendices (in one copy) in accordance with the contract. The request is the **basis for the payment of co-financing (grant)**. **The deadline for the submission of the requests for payment** under the contracts concluded in 2010 is **20 October 2010**, and under the contracts concluded in 2011 the deadline for the submission of the requests for payment is **20 October 2011**.
- When the request for payment is submitted, i.e. before the awarded funds are paid out, the recipient of the co-financing **must furnish documents attesting that the funds drawn down have been used for the purpose for which co-financing was awarded**, i.e. present proof of incurred eligible costs/expenses (copies of invoices with proof that the payment was made) **from the date of the signing of the contract until the date on which the request for payment is submitted and paid until the submission of the request**. The recipient of co-financing may state in the request also the eligible costs/expenses that will be incurred during the period of three years from the date of signing of the contract, subject to the submission of a **bank guarantee** issued for that amount and valid **three years of the date of signing of the contract**. The bank guarantee must have the text identical to the text of the sample bank guarantee on page 63 of the Tender Documentation.
- The Agency will be running checks to verify **that the funds drawn down have been used for the purpose for which co-financing was awarded** by examining supporting documents and will co-finance eligible costs/expenses only up to the approved amount (per cent); the amount of value-added tax (VAT) shall not be included in the base for the award of co-financing. In the case that the **financial calculation for the investment project** (the price schedule of eligible costs/expenses project together with supporting documents proving that payments of eligible costs/expenses have been made enclosed as Appendix 3/1 to the contract agreement) **stated as aggregate eligible costs/expenses (the total amount for co-financing) are lower than** the amount of approved and paid out co-financing, the **amount of co-financing paid by the Agency will be reduced pro rata, i.e. the guarantee will be cashed in** .
- When filling out the form with information about the **initial year, the year in which the application was submitted** shall be the first/initial year.
- **Applications** can be drawn up in **the Slovenian or in the English language**. The amount stated in **the request** for the payment of co-financing under the cost-sharing grant scheme must be denominated **in euros (€)**.
- The Public Tender is conducted pursuant to the provisions laid down in the Decree on Financial Incentives for Foreign Direct Investments (Official Gazette of the Republic of Slovenia, No.11/07, 19/09).



PUBLIC AGENCY OF THE REPUBLIC OF SLOVENIA FOR ENTREPRENEURSHIP AND
FOREIGN INVESTMENTS

**IV.1 DECLARATION ON THE ACCEPTANCE WITH THE TERMS AND
CONDITIONS OF THE PUBLIC TENDER**

A foreign private law person (hereinafter referred to as the foreign investor):

.....

Person authorised for signing.....

We hereby declare that we agree and accept all terms and conditions laid down in the Tender Documentation.

Furthermore, we hereby declare that:

- all statements given in this application are correct representations of the actual situation,
- all copies attached to the application are true copies of the original documents,
- no bankruptcy, compulsory settlement or liquidation procedure has been instituted against the company,
- the company has no outstanding liabilities to the Republic of Slovenia,
- the company is not insolvent;
- the company has the capital adequacy ratio in accordance with paragraph 3 of Article 11 of the Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act (Official Gazette of the Republic of Slovenia, No 126/2007); a company is deemed to have adequate capital if its long-term sources of financing are sufficient with regard to the scale and nature of its business and the risks it is exposed to in the course of pursuing its business;
- the company is not on the list of corporate entities as stipulated in the decision to publish such a list of entities deemed ineligible on the basis of the provisions laid down in the Prevention of Corruption Act as contractors, i.e. providers of services under contracts with contracting authorities referred to in the first, second and third paragraph of Article 28 of the Prevention of Corruption Act (Official Gazette of the Republic of Slovenia Nos. 43/2007, 68/2007, 29/2008, 55/2008 and 91/2008)
- we are aware of the urgency condition, which stipulates that the applicant must submit the application for the award of the co-financing before the project company starts the investment project. In the case of awarding the co-financing to large enterprises, the documentation prepared by the applicant, shall also to comply with one or more of the following criteria:
 - a significant extension of the scale of the project companies or activity as a result of the co-financing;
 - a significant extension of the scale of the project or activity as a result of the co-financing;
 - a significant increase of the aggregate amount the beneficiary/recipient has disbursed for the investment project or activity as a result of aid;
 - a significant increase in the speed at which the investment project or activity in question can be completed;

- in the case that no co-financing is made available, the investment project as such could not be carried out in the designated region as proposed.

Place and date:

Signature of the person authorised for signing:



Public Agency of the Republic
of Slovenia for Entrepreneurship
and Foreign Investments



Republic of Slovenia

Ministry of the Economy

Form 2

PUBLIC AGENCIJA OF THE REPUBLIC OF SLOVENIA FOR ENTREPRENEURSHIP AND
FOREIGN INVESTMENTS

IV.2 APPLICATION FORM FOR THE FOREIGN INVESTOR

Foreign investor (full address):

.....

We, the undersigned, submit our application in response to the Public Tender for attracting foreign
direct investments in 2010 (2011)

with the investment project:

(Project title)

Place and date:

Signature of the person
authorised for signing:



Form 3

PUBLIC AGENCIJA OF THE REPUBLIC OF SLOVENIA FOR ENTREPRENEURSHIP AND
FOREIGN INVESTMENTS

**IV.3 INFORMATION REFERRING TO THE TYPE OF THE INVESTMENT
PROJECT**

Type of investment project	Tick the appropriate box	Registered business activity of the recipient of co-financing	Brief justification of the classification an individual project in a particular category
1) Investment project in manufacturing sector	<input type="checkbox"/>		
2) Investment project in internationally traded services	<input type="checkbox"/>		
3) Investment project in research and development activity *	<input type="checkbox"/>		

* To the extent that the beneficiary/recipient of the co-financing that will be executing the investment project in the field of research and development activity is not registered for pursuing the research and development activity (under the Standard Classification of Activities –SKD, activity code K73), he must run the research and development unit as a separate organisational unit (spun off). The research and development tasks must be determined also in the job classification, to the extent that is this is legally required, and in internal enactments of the enterprise. The beneficiary of the incentives must in that case when submitting the application also submit the statement in writing (Form 11) undertaking to run the research and development function as a separate organisational unit. The company must attach to the report it must file at the completion of the investment also the jobs classification, to the extent that it is legally required.

A part of the research project must fully fit the description of the basic research category, applied (industrial) research or experimental development, where the following terms shall mean as described below:

- **basic research** experimental or theoretical work performed basically for the purpose of the advancement of knowledge and science on basic phenomena and facts that can be observed, without any practical application in mind;
- **applied (industrial) research** carried out for the advancement of science through critical testing oriented toward acquiring new knowledge and skills with a specific application in mind such as the development of new products, processes or services or for material

improvement of the existing products, processes or services. This category of research comprises designing components of complex systems required for applied (industrial) research, particularly for valuating generic technology but excluding prototypes within the meaning of experimental development;

- **experimental development** obtaining, combining, designing and using the existing scientific, technological, business or other appropriate knowledge and skills for the purpose of producing plans and making arrangements or designs for new, modified or improved products, processes or services. They can include, for instance, also other activities, directed toward making concepts, plans and documentation for new products, processes and service. The activities may include models, blueprints, drawings or other documentation, in so far as they are not intended for market use. The development of prototypes for market use and pilot projects also fall within the framework of this category, with a prototype being necessarily a final market product and its production being so expensive that it would be used only for the purpose of displaying and evaluating it. In the case that market use of such display or pilot projects is envisaged, all revenue generated by means of such use must be deducted from eligible costs. Furthermore, experimental production and testing of products, processes or services shall be eligible provided that they cannot be used or transformed to be used in industry or for market use. Experimental development does not include regular or periodical changes of a product, production lines, production processes, existing service and other current activities, even though such changes present improvement;

IV.4 GENERAL INFORMATION ON THE FOREIGN INVESTOR

1.	Company name (firm)				
2.	The date of incorporation				
3.	Bank account number and the bank				
4.	Registered office				
5.	Postal/zip code				
6.	Telephone number				
7.	Fax				
8.	E-mail				
9.	Website				
10.	Managing director				
11.	Contact person				
12.	Position of the contact person in the company				
13.	Annual turnover in 2008 (i.e. in 2009) in euros				
14.	Annual turnover in 2009 (i.e. in 2010) in euros				
15.	Number of employees in 2008 (i.e. in 2009)				
16.	Number of employees in 2009 (i.e. in 2010)				
17.	The envisaged number of employees in 2010 (i.e. in 2011)				
18.	The average number of employees by line of business in 2009 (i.e. 2010)	R&D unit	Production/ manufacturing	Marketing	HR
19.	Size of the enterprise/company (small, medium-sized or large)*				
20.	Then sector/activity in which the beneficiary of the incentives is applying to the Public Tender				
21.	The region and the municipality in which the investment will be located				
22.	Value of the investment in euros				

* In accordance with Appendix I of the Commission Regulation (EC) No. 800/2008 as of 6 August 2008 declaring certain categories of aid compatible with the common market in application of articles 87 and 88 of the Treaty (General Block Exemption Regulation) (OJ L No. 800/2008 as of 9.8.2008, page 3).

APPENDICES:

- Entry (registration sheet) from a court or other official register of legal persons in which the foreign investor is registered (the register is kept in the country of incorporation of the foreign investor)

- The balance sheet and the income statement (profit and loss account) of the foreign investor for the financial years 2008 and 2009 (i.e. for the financial years 2009 and 2010 in the case that the application is submitted in 2011), i.e. for two previous financial years (if the financial year does not end on 31 December).

IV.5 BRIEF CORPORATE HISTORY OF THE FOREIGN INVESTOR

(taking up the business, the line of business, development, ownership, business network (main buyers, suppliers, brands/trade marks), operating results, capital investments complete with the organizational chart, present experience and track record in taking up and the pursuit of the business of the recipient of co-financing; listings on the most important world stock exchanges, the co-operation with scientific and research establishments so far, certificates awarded for quality standards, terms of references gained on the projects of similar scope and nature already executed in the home country and abroad, etc.)

VISION, STRATEGIC ORIENTATION AND BUSINESS OBJECTIVES

Pursued by the enterprise/company for the next 3-5-year period in relation with investment in the Republic of Slovenia.

THE MOST IMPORTANT PRODUCTS AND SERVICES

	Most important products/services	Share in total sales in 2009 (i.e.2010) in %	Share in total exports in 2009 (i.e. 2010) in %
1.			
2.			
3.			
4.			
5.			

SALES (in euros) AND MAIN MARKETS

		2008*	2009	2010 (plan/budget)	2011 (plan/budget)
A	Volume of sales				
B	Volume of exports				
	Export market 1: _____				
	Export market 2: _____				
	Export market 3: _____				
	Other markets: _____				

*Note: In the case that the application for the investment project is for 2011, the table shall start with 2009.



IV.6 DESCRIPTION OF THE INVESTMENT PROJECT (NOT SUBJECT TO AMENDMENT!)

1.) INVESTMENT PLAN AND THE OBJECTIVE OF THE INVESTMENT

Explain in detail the objective and the deliverables of the investment complete with a description of end products/services and an overview of the technological process. In addition, specify the nature of the initial (greenfield) investment and its expected impact on the operations of the enterprise.

2.) THE BUSINESS PART OF THE INVESTMENT PROJECT

a) Marketing strategy:

- price strategy
- product development strategy
- market positioning
- distribution, etc.

b) SWOT analysis of the company

c) An overview of competitors:

- the existing competitors in the market of the Republic of Slovenia and in foreign markets (advantages, size, free capacities, etc.);
- advantages/disadvantages of the product, i.e. service in comparison with products, i.e. services offered by competitors;
- an appraisal of purchase power of buyers and suppliers;
(an estimation of the share of the Slovenian suppliers in overall supplies is mandatory).

d) Market analysis:

- determine the size of the market (in Slovenia in export target countries);
- an appraisal of market growth potential;
- demand-related factors;
- success-related factors.

3.) FINANCIAL PART OF THE INVESTMENT

Specify the investment value by individual group of fixed assets:

Assets	2010*	2011	2012 (if the investment has not been completed yet)	Total
Tangible assets (property, plant and equipment –PPE) in euros				
Land (plot/site)				
Buildings				
Manufacturing equipment				
Other equipment				
Intangible assets in euros				
Concessions, patents, licences, trade and service brands, and similar intellectual and industrial property rights				
TOTAL in euros:				

*Note: In the case that the application for the investment project is for 2011, the table shall start with 2011

The date scheduled for the completion of the investment *:

.....

* The investment completion date is the date on which the works under the investment project that must be completed within three years from signing of the contract are completed.

4.) ELIGIBLE COSTS/EXPENSES INCURRED UNDER THE INVESTMENT PROJECT AND THE EXPECTED CO-FINANCING IN 2010 AND 2011

Costs/expenses eligible for co-financing are those incurred during the period of **from the date of signing of the contract on co-financing until the date on which the request** for co-financing is submitted, namely **not later than on 20 October 2010 for the contracts concluded in 2010 and not later than on 20 October 2011 for the contracts concluded in 2011**, provided that the costs/expenses **have been paid before the submission of the request**. In the request for co-financing the enterprise may also state the eligible costs/expenses to be **incurred over the period of three years from the date of signing of the contract on co-financing**, provided that a **bank guarantee** issued for that value is submitted. The date of the invoice shall be the date on which cost/expense is incurred.

Give realistic eligible costs/expenses under the proposed investment project that you intend to submit for co-financing:

Type of eligible cost/expense	Value in euros without VAT	Intensity of co-financing awarded by the Agency (30 %, i.e. 40 %, i.e. 50 %)
A. Service connections and infrastructure facilities for the plot/site:		
1.		
2.		
Total A		
B. Construction/modernisation/purchase of buildings:		
1.		
2.		
Total B		
C. Purchase of machinery and equipment (new, i.e. in the case of SMEs also second-hand machinery and equipment):		
1.		
2.		
Total C		
D. Purchase of patents/licences/know-how/technical knowledge not protected by intellectual or industry property rights		
1.		
2.		
Total D		
Total material/tangible and nonmaterial/intangible eligible costs/expenses A+B+C+D		
E. Costs/expenses feasibility studies and consultancy related to the investment (for SMEs in the amount of 50% costs/expenses actually incurred)		
1.		
2.		
Total E		
Total A+B+C+D+E:		
Type of eligible cost/expense	Value in euros	Intensity of co-financing by the Agency (30%, i.e. 40%, i.e. 50%)
Gross wages and salaries and compulsory contributions for social security for new employment created within the framework of the investment project (employer contribution)		
TOTAL (investment costs and gross salaries): in euros		

5.) SOURCES OF CO-FINANCING FOR THE INVESTMENT PROJECT

Sources of funding in euros	2010*	2011	2012 (if the investment has not been completed yet)	Total
Equity capital (foreign shareholders)				
Equity capital (Slovenian shareholders)				
Requested grant for investments (up to 30% i.e. 40% i.e. 50% of eligible costs)				
Bank loans (please state the expected interest rate)				
Company loans (please state the expected interest rate)				
Bonds (please state the expected interest rate)				
Other sources of funding (please state the type and percentage of interest rate)				
TOTAL in euros:				

*Note: In the case that the application is submitted for the investment project in 2011, the table shall start with 2011.

APPENDIX:

Forward-looking financial statements for the first 5 (five) years after the proposed investment project with financial justification of the project.

6.) NEW EMPLOYMENT FOR THE NEEDS OF THE INVESTMENT PROJECT

The need for NEW EMPLOYMENT (new jobs) separately for each year for the following six years of the commencement of the investments by taking into account the investment project:

	2010*	2011	2012	2013	2014	2015	Total
Management							
Research and development							
Administration							
Production/manufacturing							
Other							
EMPLOYMENT RELATIONSHIP (total)							

* Note: In the case that the application is submitted for the investment project in 2011, the table shall start with 2011.

THE COMPANY WILL MAKE A COMMITMENT IN THE CONTRACT AGREEMENT ON CO-FINANCING TO CREATE _____ NEW POSTS (JOBS) IN TOTAL UNDER THE INVESTMENT PROJECT PROPOSED FOR CO-FINANCING NO LATER THAN DURING THE PERIOD OF THREE YEARS OF THE DATE OF THE INVESTMENT COMPLETION (must be filled in as mandatory).

The creation of new employment shall mean a **net increase in the number of employees** directly employed in the enterprise **in comparison with the average number of employees during the previous 12-month period before signing the contract agreement on co-financing**, taking into account *pro rata* full-time and part-time employees. Consequently, each job lost during the 12-month period has to be deducted from the total number of posts (jobs) created during the same period. The new employment created shall be opened no later than within three years from the date of the investment's completion and maintained in region for a minimum of five years, in the case of small and medium-sized enterprises, the employment created shall be maintained during a minimum period of three years following the day on which a post (job) was filled for the first time.

7.) COSTS/EXPENSES OF EDUCATION/TRAINING

Estimate the COSTS/EXPENSES of EDUCATION/TRAINING for the above-mentioned profiles of employees over the following 6 years:

	2010*	2011	2012	2013	2014	2015	Total
Management							
Research and development							
Administration							
Production/manufacturing							
Other							

* Note: In the case that the application is submitted for the investment project in 2011, the table shall start with 2011.

Please provide details of envisaged education/training:

.....

8.) SHARE OF THE INVESTMENT IN TECHNOLOGY AND DEVELOPMENT

- a description of the activity carried out by the research and development unit (R&D);
- the volume and intensity of investments in equipment for the research and development unit (R & D).

9.) EXTERNAL IMPACT OF THE INVESTMENT ON SLOVENIA

Please give an estimate of potential external effects of the investment on the Republic of Slovenia by making the cost/benefit analysis:

In millions of euros	2010*	2011	2012	2013	2014	2015	TOTAL
Labour costs							
Sum of net salaries							
Sum of contributions for pension and disability insurance and for health insurance							
Sum of withheld personal income tax							
Corporate income tax							
SERVICES IN THE REPUBLIC OF SLOVENIA							
Electricity							
Telecommunication services							
Education/training							
Rents for premises							
Insurance premiums							
Fuel							
Other (please specify)							
PURCHASE OF SLOVENIAN PRODUCTS (please specify)							
TOTAL							

*Note: In the case that the application for the investment project is for 2011, the table shall start with 2011

10.) IMPACT OF THE INVESTMENT ON THE ENVIRONMENT

A tentative appraisal shall be given regarding the following:

- What impact will the investment have on the exploitation of natural resources (water, air, mineral resources, plants and animals)?
- Does the investment envisage any impact in terms of quantity on the substance of natural resources, but it does not threaten their rarity and regenerative and reproductive capability?
- Does the investment envisage intensive use of natural resources that would cause a significant reduction in their renewability?
- Does the execution of the investment project cause emissions, which are in excess of limit values for substance/matter and energy in water, air, soil and limit values of emissions?

11.) BRIEF EXPLANATION OF ELIGIBILITY AND THE SIGNIFICANCE OF THE CO-FINANCING RECEIVED UNDER THE COST-SHARING GRANT SCHEME FOR THE INVESTMENT

12.) OBJECTIVES OF THE INVESTMENT PROJECT

Elaborate on the objectives to be achieved by executing the investment project and the indicators for measuring the achieved objectives/benchmarks.

Strategic objectives for the period from 3 to 5 years	Indicators for measurement/benchmarking
Objectives of economic nature	
Marketing-related objectives	
Development, technological modernisation/upgrade	
Human resources	

13.) THE TIME SCHEDULE FOR THE INVESTMENT PROJECT (MILESTONES) OVER THE LIFE OF THE INVESTMENT PROJECT

A DETAILED PRESENTATION OF THE ACTIVITIES PLANNED WITHIN THE FRAMEWORK OF THE INVESTMENT PROJECT FROM START TO FINISH OF THE INVESTMENT (THE INVESTMENT SHALL BE COMPLETED NO LATER THAN IN A THREE YEAR PERIOD FROM SIGNING OF THE CONTRACT)

The name and the detailed description of the activities	Time frame for the activities	The contractor/service provider (full name of the person responsible in the company, external/outsourced advisers, etc.)	The envisaged results of the activities
1.			
2.			
3.			
4.			
5.			
6.			

The envisaged date for the completion of the investment *:

* The completion of the works under the investment project shall be considered as the investment project completion date and it shall be within three years from signing of the contract.

14.) PROFILE OF THE PROJECT TEAM MEMBERS

First name and surname	Enterprise/company	Area of professional responsibility

The project manager and his/her references:

First name and surname:	
Professional qualifications and job title:	
Area of work:	
Work experience:	
Years of service:	
- of which in the area covered by the Public Tender:	

APPENDIX: Project Manager's references.



IV.7 DECLARATION THE RECIPIENT OF THE CO-FINANCING ON COMPLIANCE WITH TERMS AND CONDITIONS UNDER THE PUBLIC TENDER

The enterprise/company duly incorporated/registered in the Republic of Slovenia (hereinafter referred to as the recipient of the co-financing)

.....

Person authorised to sign the application.....

We hereby declare under the criminal and substantive responsibility that we agree to abide by and accept all terms and conditions laid down in the Public Tender for Applications and the Tender Documentation.

Furthermore, we hereby declare that:

- the recipient of the co-financing will abide by the OECD Guidelines for Multinational Enterprises and the principles laid down in the Declaration on International Investments and Multinational Enterprises adopted at the Council of Ministers of the OECD member countries on 27 June 2000;
- no bankruptcy proceedings, compulsory composition proceedings or liquidation proceedings, i.e. winding up have been initiated against the recipient of the co-financing by the court's final judgement;
- the recipient of the co-financing is not insolvent;
- the recipient of co-financing has the capital adequacy ratio in accordance with paragraph 3 of Article 11 of the Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act (Official Gazette of the Republic of Slovenia, No 126/2007); a company is deemed to have adequate capital if its long-term sources of financing are sufficient with regard to the scale and nature of its business and the risks it is exposed to in the course of pursuing its business;
- the recipient of co-financing at the time of the submission of the application for the award of the co-financing is in difficulty within the meaning of the Community guidelines on State aid for rescuing and restructuring firms in difficulty (OJ C 244 as of 1 October 2004, page 2) and the Act Governing the Rescue and Restructuring Aid for Companies in Difficulty (ZPRPGDT-UPB2) (Official Gazette of the Republic of Slovenia, No. 44/07). Small and medium-sized enterprises, which have been in operation for less than three years after registration, shall not be deemed to constitute companies in difficulty within the meaning of the Community guidelines on State aid for rescuing and restructuring firms in difficulties, save in the case that they meet the criteria for instigating the bankruptcy proceedings in accordance with the regulations governing financial operations of companies;

- the recipient of co-financing is not on the list of corporate entities as stipulated in the decision to publish such a list of entities deemed ineligible on the basis of the provisions laid down in the Prevention of Corruption Act as contractors, i.e. providers of services under contracts with contracting authorities referred to in the first, second and third paragraph of Article 28 of the Prevention of Corruption Act (Official Gazette of the Republic of Slovenia Nos. 43/2007, 68/2007, 29/2008, 55/2008 and 91/2008);
- the recipient of co-financing has no outstanding obligations to the Republic of Slovenia;
- the product to be produced is not primary production (agriculture) on the list in Appendix I to the Treaty Establishing the European Community and for the production and distribution of products, which imitate or replace milk and milk products, and products falling under CN codes 4502, 4503 and 4504 (cork products), fishing and fisheries, coal-mining, steelworks, transport, shipbuilding, man-made fibres industry, manufacturing of arms and ammunition;
- furthermore, the product to be produced is not processing and putting on market of agricultural products when the amount of the co-financing is determined by taking into account the price, i.e. the quantity of such products purchased from primary processors or placed on the market by the respective company, or when the co-financing is conditional on whether it is partly or completely passed on to primary processors;
- the investment project is not associated with the business activities associated with exports directly connected with the exported quantities, with setting up and operating a distribution network or with other operating costs in relation to the exporting activity. Moreover, the co-financing shall not be awarded in the cases where the use of domestic goods would be given advantage over the use of imported goods;
- we are not in the procedure of paying back State aid sums paid incorrectly by virtue of the decisions passed by the Commission (EC) declaring the received State aid as unlawful and incompatible with the common market of the Community;
- we are aware of the condition of urgency, which stipulates that the applicant must file the application for the co-financing before the project company launches the investment project. In the case where the co-financing is granted to large enterprises, the documentation prepared by the applicant shall comply also with one or more criteria listed below:
 - a significant extension of the size of the project companies or activity as a result of the co-financing;
 - a significant extension of the scale of the project or activity as a result of the co-financing;
 - a significant increase of the aggregate amount disbursed by the beneficiary/recipient for the investment project or activity as a result of contribution, i.e. aid;
 - a significant increase in the speed at which the investment project or activity in question can be completed;
 - in the case that no co-financing is made available, the investment project as such could not be carried out in the designated region as proposed;
- all information stated in this application and in the accompanying documents is true and complete;
- all copies of the enclosed documents are true copies of the original documents.

Place and date:

Person authorised to sign the application:



Form 8

IV.8 DECLARATION OF THE RECIPIENT OF THE CO-FINANCING ON THE AWARD OF STATE AID

The recipient of the co-financing

Person authorised to sign the application.....

We, the undersigned, under criminal and material responsibility declare that:

- we are aware that the financial incentives awarded under this Public Tender represent a form of State aid;
- the enterprise/company has received for the eligible costs/expenses listed below from other forms of the state aid from the state, local or EU budget the financial incentives in the amount of _____ euros;
- we will notify the Agency on a regular basis of any funds awarded from that source;
- we are aware that the aggregate amount of the awarded State aid for the eligible costs/expenses listed below must not exceed 30% (for large enterprises), 40% (for medium-sized enterprises) i.e. 50% (for small enterprises) of eligible costs/expenses.

Eligible costs/expenses (in euros):

Type of eligible cost/expense	The amount of the co-financing (already received State aids)	Source of co-financing
Costs of service connections and infrastructure facilities for the plot/site		
Costs of construction/modernisation/purchase of buildings		
Costs of purchase of machinery and equipment		
Costs of feasibility studies and professional consultancy in relation to the proposed investment (for SMEs)		
Costs on non-material/intangible investments (investment in intangible assets (purchase of patents, licences, knowledge and know-how or technical knowledge not protected by intellectual or industry property rights);		
Costs of gross wages and salaries and compulsory contributions for social security for newly employment within the framework of project		

The cumulation rule applying to State aids means that every State aid received is cumulated with other State aid. Consequently, the purpose of the cumulation rule is to ensure that the intensity of State aid is not higher than the maximum aid allowed. Enterprises/companies, which have already received State aid for an investment, may receive aid for the eligible costs/expenses incurred under the same investment provided that the ceiling set for State aid is not exceeded.

Place and date:

Person authorised to sign the application:



IV.9 INFORMATION ON THE RECIPIENT OF THE CO-FINANCING INCORPORATED/ REGISTERED IN THE REPUBLIC OF SLOVENIA

GENERAL INFORMATION ON THE RECIPIENT OF THE CO-FINANCING

1.	Company name/firm				
2.	The date of incorporation				
3.	Company registration number				
4.	Tax registration number				
5.	Main activity (under the General Classification of Activities - SKD)				
6.	Bank account number and the name of the bank				
7.	Address and postal/zip code				
8.	Municipality				
9.	Telephone and fax number				
10.	E-mail				
11.	Website				
12.	Managing director				
13.	Contact person				
14.	Position the contact person in the enterprise/company				
15.	Net earnings from sales in 2008 (i.e. 2009)				
16.	Revenues in 2008 (i.e. 2009)				
17.	Net earnings from sales in 2009 (i.e. 2010)				
18.	Revenues in 2009 (i.e. 2010)				
19.	Number of employees in 2008 (i.e. 2009)				
20.	Number of employees in 2009 (i.e. 2010)				
21.	The envisaged number of employees in 2010				
22.	Number of employees by organisational unit/activity in 2009 (i.e. 2010)	R & D unit	Production/ manufacturing	Marketing	HR unit
23.	Size of the enterprise (small, medium-sized or large)*				
24.	The name of the principal foreign shareholder with a direct holding of at least 10% (in the case of higher share the exact share should be stated)				
25.	The region and the municipality where the investment project will be implemented				

* In accordance with Appendix I of the Commission Regulation (EC) No. 800/2008 as of 6 August 2008 declaring certain categories of aid compatible with the common market in application of articles 87 and 88 of the Treaty (General Block Exemption Regulation) (OJ L No. 800/2008 as of 9.8.2008, p. 3).

IV.10 BRIEF CORPORATE HISTORY OF THE RECIPIENT OF THE CO-FINANCING

(taking up the business, the line of business, development, ownership, capital investments, business network (main buyers, suppliers, brands/trade marks), operating results, co-operation with scientific and research institutions, certificates awarded for quality standards, business plans, co-operation with foreign investors in public tenders, etc.)

THE MOST IMPORTANT PRODUCTS AND SERVICES OF THE RECIPIENT OF THE CO-FINANCING

	The most important products/services	Share in total sales in 2009 (in %) , i.e. in 2010	Share in total exports in 2009 (in %) , i.e. in 2010
1.			
2.			
3.			
4.			
5.			

SALES AND MAIN EXPORT MARKETS OF THE RECIPIENT OF THE CO-FINANCING

	In thousands of euros	2007*	2008	2009	2010 (plan/budget)	2011 (plan/budget)
A	Volume of sales					
B	Volume of exports					
	Export market 1: _____					
	Export market 2: _____					
	Export market 3: _____					
	Export market 4: _____					
	Export market 5: _____					
	Other markets					

* Note: In the case that the application for the investment project is for 2011, the table shall start with 2008.



Form 11

IV.11 DECLARATION ON COMMITMENT TO SET UP THE RESEARCH AND DEVELOPMENT ACTIVITY AS A SEPARATE ORGANISATIONAL UNIT

Name/firm: _____

(full name of the investor as specified in the memorandum of association)

Address: _____

(street and house number of the registered seat of office of the investor)

(Zip code/postal number and place in which the investor's registered office is situated)

Person authorised to sign the application – director/rector:

(first name and surname, as entered in the court register, job title / position)

I, the undersigned responsible person – director:

(first name and surname as entered in the court register and job title)

Declare that:

1. the research and development activity will be set up and run as a separately organisational unit as shown in the enclosed organisational scheme, i.e. the organigramme of the beneficiary/recipient of the co-financing,
2. the research and development tasks shall be specified in internal enactments of the company and in the job classifications, provided that it is a statutory requirement.

Date: _____ Person authorised to sign the application

Appendix:

- the organisational scheme, i.e. the organigramme of the recipient of the co-financing

IV.12 MANDATORY DOCUMENTS TO BE SUBMITTED BY THE FOREIGN INVESTOR

Applications shall be deemed as complete, provided that the foreign investor - the submitter of the application, by the deadline stipulated for the submission of applications under the Public Tender presents duly sealed forms in the following order and Appendix:

	Documents for foreign investor (applicant)	Yes/No
1	Declaration on compliance with terms and conditions of the Public Tender (Form 1)	
2	Application Form submitted by the foreign investor (Form 2)	
3	Information regarding the type of the investment project (Form 3)	
4	General information on the foreign investor (Form 4)	
5	Brief corporate history of the foreign investor (Form 5)	
6	The description of the project (Form 6)	
7	APPENDIX: Balance sheets and income statements (profit & loss statements) prepared by the foreign investor for the last 2 years	
8	APPENDIX: Forward-looking financial statements for first 5 years of the investment project with financial justification of the investment project	
9	APPENDIX: Copy of entry into the corporate persons register kept in the home country of the foreign investor (kept in the foreign investor's country of residence of)	
10.	APPENDIX: The project manager references	

	Documents to be submitted by the recipient of co-financing (Slovenian enterprise/company)	Yes/No
1	Declaration made by the recipient of co-financing on compliance with terms and conditions of the Public Tender (Form 7)	
2	Declaration the recipient of co-financing on the award of State aid (Form 8)	
3	General information on the recipient of co-financing incorporated/registered in the Republic of Slovenia (Form 9)	
4	Brief corporate history the recipient of co-financing (Form 10)	
5	Declaration on commitment to set up the research and development activity as a separate unit (for development and research projects) (Form 11)	

IV.13 CONTRACT AGREEMENT - DRAFT

In the event that a decision on the award of the grant has been taken, the enterprise/company will be invited to sign the contract agreement with the Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments. Before signing the contract, the recipient of the co-financing shall fill out also a declaration stating the average number of employees over the past 12 months. The Agency and the recipient shall specify in the contract agreement the way in which the co-financing will be made available, the manner and the format of the recipient's reporting on the progress made during the execution of the investment project for which the co-financing has been awarded, and oversight conducted by the Agency to verify that funds have been utilised for the purpose specified.

PUBLIC AGENCY OF THE REPUBLIC OF SLOVENIA FOR ENTREPRENEURSHIP AND FOREIGN INVESTMENTS, Verovškova 60, Ljubljana, represented by Mr. Igor Plestenjak, Director (hereinafter referred to as the Agency),

Tax number:

Company registration number :....., of the one part,
and

....., represented by
Mr/Ms....., Managing Director (hereinafter referred to as the recipient)

Tax number:

Company registration number:

Bank account number:

Name of the bank:, of the other part,

have made and entered into the following

CONTRACT AGREEMENT No. ON CO-FINANCING OF PART OF ELIGIBLE COSTS/EXPENSES OF THE INVESTMENT

Article 1

The Contract Agreement is concluded pursuant to the Public Tender for the promotion of foreign direct investment in the Republic of Slovenia in 2010 and 2011 (Official Gazette of the Republic of Slovenia, No., hereinafter referred to as: the Public Tender), the applications for the award of co-financing, submitted by the applicant,..... received on and the decision passed by the Agency to award the co-financing No. as of.... . The application submitted by the applicant shall be deemed constituent parts of the contract.

Article 2

The Contracting Parties hereby establish that the recipient of co-financing has been selected on the basis of the Public Tender and the decision passed by the Agency.

Article 3

The subject matter of the Contract Agreement is the co-financing of a part of eligible costs, i.e. expenses incurred under the activities in the course of the execution of the investment project ».....«, whose objective is, alongside the transfer of knowledge, transfer of technologies, fostering partnership between foreign investors and the Slovenian companies and the encouragement of a balance regional development, also the creation of new employment (new jobs).

Pursuant to this Contract, the activities under the execution of initial (greenfield) investments to be carried out by the beneficiary in the territory of the Republic of Slovenia will be co-financed. Within the framework of the aforementioned activities, the costs/expenses deemed eligible for the co-financing include the cost/expenses incurred by the establishment of a new enterprise/company, the extension of an existing establishment, the diversification output of an establishment into new additional products, or a fundamental change in the overall production process of an existing establishment in the manufacturing industry, the service sector for internationally traded services, and the research and development activity, *viz.:*

- costs/expenses of material/tangible investments (investments in tangible fixed assets - property, plant and equipment (buildings and equipment, service connections and infrastructure facilities for the plot/site, the acquisition, construction and modernisation of buildings, the acquisition of new plant and/or machinery and equipment, i.e. in the case of SMEs also the acquisition of second-hand plant and/or machinery and equipment));
- costs/expenses of non-material/intangible investments (investments in intangible assets (the purchase of patents, licences, knowledge and experience (know-how) or technical knowledge not protected by intellectual or industry property rights)); where investments are made in large enterprises, co-financing cannot exceed 50 per cent of eligible costs/expenses of the whole investment;
- costs/expenses of feasibility studies and consultancy services in relation to the investment, in the amount of 50 per cent of actually incurred costs/expenses (only for SMEs).
- costs/expenses of creating new posts (jobs), which arise directly from the investment project, calculated for a two-year period (costs of gross wages and salaries and compulsory contributions for social security (employer contributions));

The co-financing of the investment project shall not exceed the agreed contractual value, which shall not account for more than 30 per cent (for a large enterprise), 40 per cent (for a medium-sized enterprise) or 50 per cent (for a small enterprise) of the eligible costs/expenses accounted for.

The investment project shall be co-financed in the aggregate amount of up to the agreed value, which does not account for more than 24 per cent, 32 per cent, i.e. 40 per cent of the presented eligible costs/expenses (by taking into account the size of enterprises), if the company/enterprise has received aid in the form of venture capital three years before submitting the application in response to this Public Tender.

Article 4

The contractual value totals up to euros. The Agency will transfer the amount under the Contract Agreement in 2010 (i.e. in 2011).

The recipient of co-financing can use the funding only for the purposes referred to in Article 3 of this Contract Agreement and in accordance with the terms and conditions laid down in the Public Tender, the Tender Documentation, the application in the Contract Agreement.

The credit transfer is the grant awarded to the recipient and it is a form of State aid.

The Agency shall monitor the use of the awarded funding by having the person responsible for the execution of the Contract first examine the grounds for effecting the requested payment on the basis of the reports and statements (Appendices to the Contract Nos. 1, 2, 3 and 4, Forms M1-M2, duly sealed/stamped by the Employment Service of the Republic of Slovenia).

Article 5

The funds awarded under the cost-sharing grant scheme shall be disbursed on the basis of the request for co-financing filled out by the recipient and approved by the the person responsible for the execution of the contract on behalf of the Agency. The mandatory format and the content of the request for payment are specified in Appendix 1 to this Contract Agreement. The documents listed below must accompany the request for payment, *viz.*:

- the report on the progress made under the investment project in line with the content specification laid down in appendix 2 to this Contract,
- the financial Declaration for the project, complete with supporting documents proving that eligible costs/expenses have been settled (net value excluding VAT) as specified in Appendices 3/1 and 3/2 to the contract agreement,
- supporting documents for already hired employees in relation with the investment project (forms M1-M2, sealed/stamped by the Employment Service of the Republic of Slovenia),
- photocopies of invoices and bank statements separately for each eligible cost/expense with the stamp reading » kopija je enaka originalu« (it is a true copy of the original), duly signed by the person responsible for the execution of the Contract Agreement, i.e. a copy of the bank guarantee.

The Recipient must submit the request for payment to be made under the cost-sharing grant scheme complete with the mandatory appendices, including the progress report referring to the investment project following the completion of the relative activities, but in no case later than on 20 October 2010 for the payments to be made in 2010 and no later than on 20 October 2011 for the payments to be made in 2011.

The costs/expenses eligible for the co-financing are the costs/expenses incurred during the period from the date of the signing of the Contract Agreement on the co-financing until the date when the request for payment is submitted, and namely not later than on 20 October 2010 for the contract concluded in 2010 and not later than on 20 October 2011 for the contract concluded in 2011 and the costs/expenses incurred and paid before the submission of the request for payment, shall be deemed eligible for the co-financing. The company may also attach the supporting documents to the request for payment under the cost-sharing grant scheme related with eligible costs/expenses incurred over the three-year period after the date of the signing of the Contract Agreement on the co-financing, but it must be accompanied by a bank guarantee in the relevant amount valid for three years after the date signing the Contract Agreement on the co-financing. Within the period of 10 business days prior to the expiry of the validity of the bank guarantee at the latest, the Beneficiary/Recipient shall submit all mandatory supporting documents in conformity with the second indent of paragraph 1 of this Article of the Contract Agreement.

The person responsible for the Contract Agreement on behalf of the Agency shall approve the request for payment and the supporting documents attached thereto within 8 business days at the latest after the request for payment has been received. In the event that the request for payment and the supporting

documents attached thereto are rejected, the company shall have 5 business days of the receipt of the notification rejecting the request for payment to amend the request.

The recipient shall submit the entire documentation on paper and by electronic mail to the persons responsible for the execution of the Contract Agreement.

Article 6

The Agency undertakes to transfer to the agreed amount after the date on which the request for payment and the mandatory supporting documents have been approved by the person responsible for the execution of the Contract Agreement within the period of 60 days, i.e. on the following working day after receiving funds from the Ministry of the Republic of Slovenia of the Economy by making a credit transfer to the beneficiary's bank account No....., opened with..... bank.

The funding for the co-financing shall be debited against the budgetary item 5343, SM 015, SN 1509.

Article 7

In the case that the recipient should fail to comply with the obligations laid down in Articles 4 and 5 of this Contract Agreement, the Agency may cash in the bank guarantee and terminate the Contract and demand a refund of the funds paid out as co-financing complete with statutory penalty interest accrued from the day on which the funds were paid until the day of the refund.

Article 8

The recipient hereby undertakes to terminate the investment project within the period of three years following the signing of the Contract Agreement and to present the final report on the completion of the investment. The completion of the works under the investment project shall be considered as the investment project completion date.

Article 9

The recipient hereby undertakes to create new net jobs no later than within three years from the date of the completion of the investment project. The increase in the number of new jobs shall be determined as the net increase in the number of employees in comparison with the average for the last twelve months before the signing of the Contract Agreement on the co-financing, which shall mean that the Beneficiary/Recipient of the co-financing will have at least _____ employees no later than within the three years from the date of the completion of the investment.

Until the completion of his contractual obligations referred to in the preceding paragraph, the recipient is obliged to submit to the Agency semi-annual progress reports on the results of the investment project, on the results of the utilised funding during the implementation of the project, as well as on his operations, complete with the up-to-date description of the situation regarding employment, mainly in connection with the new employment (Appendices No. 2 and No. 4 to the Contract Agreement (together with the declaration attesting to the current number of employees in the enterprise/company deemed to be the constituent part of Appendix 4), forms M1-M2 duly sealed/stamped by the Employment Service of the Republic of Slovenia), which are the subject matter of this Contract Agreement. The recipient shall present the first half-year report within the period of 6 months of date of the signing of the Contract Agreement on co-financing.

The recipient must submit the final report on the creation of _____ new jobs no later than within three years from the date of the completion of the investment. The final report shall be accompanied also with a list of all employees in the enterprise/company from which it will be clear that at least _____ employees listed were employed within three years following the completion of the investment. The Agency reserves the right to verify the number of employees by looking into the documentation kept by the employer/the recipient of the co-financing.

The recipient of the co-financing for the investment project in the area of research and development must enclose to the report on the completion of the investment project also the job classification, as far as it is requested.

Article 10

The recipient hereby undertakes to maintain the jobs created under the investment project in the region at least 3 years, i.e. for at least 5 years following the day on which a particular post (job) was filled for the first time.

The recipient hereby undertakes to use the intangible investments only in the enterprise - the recipient of co-financing. Such assets will be treated as assets to be amortised. They must be purchased from a third party at arms-length. They must be carried under the assets of the enterprise and they must remain in the undertaking – the recipient of co-financing for at least 5 years, i.e. for at least 3 years.

The recipient is obliged for further 3 years, i.e. 5 years following the day on which a particular post (job) was filled for the first time and following the submission of the final report on the creation of the new employment, to submit annual reports from which it should be clear that the posts (jobs) were created (Appendix to the Contract Agreement No. 4 together with the declaration attesting to the current number of employees in the enterprise/company considered to be the constituent part of Appendix 4) and the investment maintained in the region.

Article 11

In the case that the discovery of the recipient's failure to meet the condition for the creation of new net employment referred to in Article 10 of this Contract Agreement, he shall be obliged within the period of 5 business days of receiving the notification sent by the Agency to reimburse the received funding including statutory penalty interest accrued from the day on which the funds were transferred until the day on which the reimbursement is made, *viz.*:

- the entire amount of the paid co-financing, if the number of new net jobs is below 50 per cent of the contractual commitment,
- the correspondent share of the paid co-financing, if the number of new net jobs is 50 per cent or more of the contractual commitment.

The recipient is obliged to reimburse the received co-financing including statutory penalty interest accrued from the day on which the funds were received until the reimbursement is made within the period of 5 business days of receiving the notification sent by the Agency to reimburse the received funding also in the case that the commitment to maintain the jobs in the region for 3, i.e. for 5 years following the day on which a particular post (job) was filled for the first time as laid down in Article 10 of this Contract Agreement and namely:

- the entire awarded co-financing, if the number new net jobs following the completion of the investment project has dropped below 50 per cent of the contractual commitment,

- the correspondent share of the paid co-financing, if the number of new net jobs has declined to 50 per cent of the contractual commitment.

In order to maintain the Contract Agreement in full force and effect, the minimum number of newly created posts shall not fall below 5 in research and development, 10 in a service activity and 25 in a manufacturing activity.

Article 12

The recipient of co-financing is obliged to enable the Agency and the Ministry of the Economy for the purpose of monitoring the use of the awarded funding/grant to verify the execution of the project and to grant access rights to examine the project documents at any point of the project execution, as well as to oversee the enterprise/company.

In the event that the recipient of co-financing has received the funding/grant and later when monitoring the use of budgetary funds awarded to the project it is revealed that the funding has been unjustifiably received i.e. the funds have not been used as stipulated, he is obliged to reimburse within the period of 5 business days of the receipt of the request to reimburse the wrongly received funding, i.e. incorrectly used funds including statutory penalty interest accrued from the day on which the funds have been transferred until the day on which the funds have been reimbursed .

Article 13

In the event that the Agency for monitoring and oversight of the use of budgetary financing outsources this service, the recipient undertakes to enable that institution access to the project documentation at any point of the project execution.

Article 14

By signing the Contract Agreement the recipient warrants that he has not received any other funding in consideration of the costs/expenses, which are the subject matter of the grant, from the government, local or the EU budget (including any aid under *de minimis* rule) i.e. that the aggregate amount of the received funding/grant from that source does not exceed the maximum permitted amount for the co-financing determined under the rules governing state aid. Should it be proved that the beneficiary has already received also other funding from the government, local or the EU budget i.e. that the aggregate amount of the received funding/grant from that source exceeds the maximum permitted amount of co-financing determined under the rules governing state aid or that any such funding has been awarded to him and he has failed to notify the Agency in writing before signing this contract, the Agency shall terminate this Contract (i.e. reduce the contractual value to the amount in line with the aggregate value permitted under the co-financing intensity under the rules governing state aid) and shall demand any unjustifiably received funding complete with statutory penalty interest accrued on the payment from the day of the payment until the day of the reimbursement. The beneficiary must refund the grant within 5 (five) days following the invitation by the Agency.

By signing the Contract Agreement, the recipient of co-financing hereby declares that on the day of filing the application, the company was not in difficulty in accordance with the Community guidelines on State aid for rescuing and restructuring firms in difficulty (OJ C 244 as of 1 October 2004, page 2)) and the Act Governing the Rescue and Restructuring Aid for Companies in Difficulty (ZPRPGDT-UPB2) (Official Gazette of the Republic of Slovenia, No. 44/07).

In the case that after the signing of the Contract Agreement the recipient shall instigate the procedure for obtaining aid for companies in difficulty, the Agency may terminate the Contract Agreement. In so far as the obligation assumed by the Agency has already been fulfilled, the Beneficiary/Recipient must in that case reimburse the received funding including penalty interest accrued from the date of the payment until the date of the reimbursement within the period of 5 business days after receiving the notification, i.e. request sent by the Agency.

Article 15

By signing the Contract Agreement the recipient warrants that all information stated in the application for the co-financing under the Public Tender, as well as in the request for payment including all appendices, are true. In the event that the final beneficiary has deliberately presented incorrect information/data with regard to the purpose of the investment or compliance with the terms and conditions or has failed to disclose any such information that might in any way affect the evaluation of the investment, the Agency is entitled to terminate this contract and demand the reimbursement of any unjustifiably received funding/grant including statutory penalty interest accrued from the day of the credit transfer until the day of the reimbursement.

Article 16

In the case that during the effectiveness of the contract agreement the recipient becomes subject of proceedings for compulsory composition, is declared bankrupt or is wound up, he shall be obliged to notify the Agency immediately. The obligation assumed by the Agency toward the beneficiary arising from and in connection with this contract shall become null and void as of the day of the notification i.e. the order to institute such proceedings for compulsory composition, bankruptcy or winding up and the Agency shall have the right to request the refund of all funds already paid to the recipient under co-financing in real value together with statutory penalty interest accrued from the day of the payment until the day of the refund.

Article 17

The recipient of co-financing is obliged to keep the entire documentation referring to the connected company in accordance with effective legislation, i.e. for at least 10 years after fulfilling the contractual obligations for the needs of subsequent verifications. The Agency may extend that period prior to that date.

Article 18

The person responsible for the execution of the Contract Agreement on behalf of the Agency is, whereas the person responsible on behalf of the recipient is.....

Article 19

The Contracting Parties agree to solve amicably any open issues arising from or in connection with the Contract Agreement. Should that not be possible, the Contracting Parties agree to refer the dispute to the court of competent jurisdiction at Ljubljana.

This Contract Agreement can be modified as a result of objective circumstances by an annex to this Contract to be signed by both contracting parties.

Article 20

The Contract Agreement has been drawn up in 5 identical copies, of which the Agency shall receive 3 and the recipient of co-financing 2 copies.

Article 21

This contract shall enter into full force and effect when signed by both contracting parties and it shall remain in force until _____.

Place and date:

Place and date:

FOR THE RECIPIENT:

FOR THE AGENCY:

.....
.....
.....

Public Agency of the Republic of Slovenia for
Entrepreneurship and Foreign Investments

Director

MANDATORY FORMAT OF THE REQUEST FOR CO-FINANCING
(Submitted in two copies)

DATE:

COMPANY:

TAX NUMBER:

REGISTRATION NUMBER:

BANK ACCOUNT NUMBER:

BANK:

PERSON AUTHORISED TO SIGN THE APPLICATION:

DECISION NUMBER:

CONTRACT NUMBER:

SUBJECT: The request for the disbursement of the co-financing awarded to the investment project:

PROJECT TITLE:

In accordance with the contract agreement and the submitted documentation on the implementation of the investment project, we hereby submit the request for the disbursement of co-financing

in the amount of _____ euros.

COMPANY: COMPANY SEAL: SIGNATURE OF AUTHORISED PERSON:

Enclosures: copies of the invoices and bank statements separately for each eligible cost/expense stamped to read » this is a true copy of the original «, duly signed by the persons responsible for the execution of the contract, i.e. a copy of the bank guarantee stamped to read » this is a true copy of the original I«, initialled by the person responsible for the execution of the contract.

USE THE HEADED PAPER OF YOUR FIRM:

**MANDATORY FORMAT OF PROGRESS REPORTS REGARDING
THE WORKS CARRIED OUT WITHIN THE FRAMEWORK OF THE INVESTMENT
PROJECT and supporting documents**

The mandatory format of the project progress reports shall apply to the first report when the request for payment under the cost-sharing grant scheme is submitted, as well as to all half-year (interim) reports to follow. The breakdown of costs/expenses incurred under the project with supporting documents (Appendix 3/1 and 3/2) shall be submitted when sending the report for the first time when the request for payment under the cost-sharing grant scheme is presented, i.e. even later where a bank guarantee has been submitted until eligible costs/expenses are presented.

Describe the investment project (actual state) and the results obtained in the course of the project implementation up to the day of the presentation of the relevant reports, as well as other activities within the framework of proposed project on the basis of the achieved results.

Date:

Authorised person:

Signature:

Appendix 3/1

SCHEDULE OF ELIGIBLE COSTS/EXPENSES INCURRED UNDER THE INVESTMENT PROJECT WITH ENCLOSURES

Costs/expenses eligible for co-financing include expenditure incurred during the period of from the date of the signing of the contract on co-financing until the date on which the request for co-financing is submitted, namely not later than on 20 October 2010 (for the contracts concluded in 2010) and not later than on 20 October 2011 (for the contracts concluded in 2011), provided that the invoices have been paid before submitting the request for the disbursement of co-financing . The day on which cost/expenses are incurred shall be the date of the issuance of the invoice.

In the event that the recipient of co-financing has submitted the request for the disbursement of co-financing also such eligible costs/expenses to be incurred during the period of three years from the signing of the contract, then a bank guarantee issued for that amount has to be submitted. Eligible costs/expenses stated in the table must be in accordance with the application (table No. 4. Eligible costs/expenses incurred under the investment project and the expected co-financing in 2010 and 2011 on page 35 of the Tender Documentation).

The filled out table shall be accompanied by the relevant copies of the invoices and the statement of the bank account enclosed by respecting the order of the table separately for each eligible cost/expense.

SER. DOC. No.	ELIGIBLE COSTS/EXPENSES	PURPOSE (COST SPECIFICATION)	INVOICE (NUMBER, ISSUER)	DATE OF CREDIT TRANSFER (SWIFT, BANK STATEMENT)	AMOUNT WITH VAT	AMOUNT EXCLUDING VAT	AMOUNT FOR THE CO-FINANCING (30% / 40% / 50%)	
SERVICE CONNECTIONS AND INFRASTRUCTURE FACILITIES FOR LAND/SITE:								
1.								
2.								
Total								
CONSTRUCTION/MODERNISATION/ ACQUISITION OF BUILDINGS:								
1.								
2.								
Total								
PURCHASE OF NEW MACHINERY AND EQUIPMENT (FOR SMES ALSO PURCHASE OF SECOND-HAND MACHINERY AND EQUIPMENT)								
1.								
2.								
Total								

PURCHASE OF PATENTS/LICENCES/KNOW-HOW/ TECHNICAL KNOWLEDGE NOT PROTECTED BY INTELLECTUAL OR INDUSTRY PROPERTY RIGHTS (IN CASE OF LARGE ENTERPRISES EXPENDITURE CO-FINANCING CAN BE UP TO 50% OF ELIGIBLE COSTS/EXPENSES OF THE WHOLE INVESTMENT)								
1.								
2.								
Total								
COSTS/EXPENSES OF FEASIBILITY STUDIES AND CONSULTANCY SERVICES, POVEZANI WITH INVESTMENT (ONLY FOR SMEs, IN THE AMOUNT OF 50% OF COSTS/EXPENSES ACTUALLY INCURRED)								
1.								
2.								
Total								
COSTS OF GROSS WAGES AND SALARIES AND COMPULSORY CONTRIBUTIONS FOR SOCIAL SECURITY OF NEWLY EMPLOYED PERSONS (FROM APPENDIX 3/2)								
TOTAL AMOUNT OF ELIGIBLE COSTS/EXPENSES SUPPORTED BY DOCUMENTS:								

Date:

Authorised person:

Company Seal:

Signature:

USE THE HEADED PAPER OF YOUR FIRM:

OVERVIEW OF COSTS FOR GROSS WAGES AND SALARIES OF NEWLY EMPLOYED PERSONS

	GIVEN NAME AND SURNAME OF THE NEWLY EMPLOYED PERSON	DATE OF EMPLOYMENT	JOB TITLE, PROFESSIONAL QUALIFICATION	GROSS SALARY COSTS AND COMPULSORY SOCIAL SECURITY COSTS (EMPLOYER CONTRIBUTION) IN EUROS
1.				
2.				
3.				
4.				
5.				
6.				
7.				
....				
COSTS OF GROSS WAGES AND SALARIES FOR NEWLY EMPLOYEED PERSONS IN EUROS				

Date:

Authorised person:

Signature:

USE THE HEADED PAPER OF YOUR FIRM:

MONITORING NEW EMPLOYMENT

The creation of new employment (posts) under the investment project is calculated as the **net increase in the number of employees**, directly employed in the company, i.e. the recipient of the co-financing, in comparison with the average headcount for the period of 12 months preceding the date of the signing of the contract agreement on the co-financing, by taking into account *pro rata* both full-time and part-time employees. Therefore, every job lost during these 12 months has to be deducted from the total number of jobs created in the same period. **The new employment created shall be opened no later than within three years from the date of the investment's completion** and maintained in region for a minimum of five years, in the case of small and medium-sized enterprises, the employment created shall be maintained during a minimum period of three years following the day on which a post (job) was filled for the first time.

Please attach supporting documents for newly employed persons (forms M1-M2) for every new job, i.e. replacement employment. As regards further interim, i.e. annual reports where already existing jobs are monitored, it is necessary to attach the complete table, whereas the forms M1-M2 do not have to be submitted once again.

NEW EMPLOYMENT UNDER THE PROJECT AFTER THE DATE OF THE SIGNING OF THE CONTRACT			REPLACEMENT EMPLOYMENT (if an employee's employment relationship is terminated)		
SER. NO.	FIRST NAME AND SURNAME	DATE ON WHICH EMPLOYMENT RELATIONSHIP STARTED	DATE ON WHICH EMPLOYMENT RELATIONSHIP IS TERMINATED	FIRST NAME AND SURNAME	DATE ON WHICH EMPLOYMENT RELATIONSHIP STARTED
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
...					

The purpose of the table is to provide a transparent and straightforward tool for monitoring the opening and maintenance of jobs. If a particular post (job) is vacant, **the vacancy shall be filled with a new employee** – REPLACEMENT EMPLOYMENT – in order to arrive at the number of **new net employment** specified.

The declaration on the current total number of employees working in the enterprise/company as the integral part of this Appendix

For the purpose monitoring the **new net employment in the enterprise** (the recipient of the co-financing) the employer has to submit the declaration stating the total number of employees for the past six months to be enclosed to the half-yearly report and later on to be enclosed to the annual reports (after the date of the completion of the investment).

Date:

Authorised person:

Signature:

SAMPLE FORM: PERFORMANCE SECURITY

 Name of the bank:

Place and date:

The bank's client (the principal):

Beneficiary under the guarantee:

Performance Guarantee No.....

In accordance with the Contract Agreement..... (name of the Contract Agreement, number of the Contract Agreement, date), made by and between the beneficiary of the guarantee..... and the principal the guarantee for co-financing a portion of eligible costs/expenses incurred in the course of the execution of the investment project(name of the project), in the amount of EUR....., the principal of the guarantee is obliged to submit to the beneficiary a bank guarantee issued by an investment- grade bank in the amount of EUR to guarantee the faithful performance of the obligations under the Contract Agreement.

In consideration of the request made by the principal of the guarantee, we hereby undertake irrevocably and unconditionally to pay within the period of 15 days upon the receipt of your first demand in writing the sum of EUR....., if the principal of the guarantee fails to use the co-financing (grant) for the specified purpose, i.e. if he fails to present the supporting documents attesting to the payment of the eligible costs/expenses under the investment project within the deadlines stipulated in the Contract Agreement.

The demand for cashing in the guarantee must be presented to the bank and it shall include the following documents:

1. the original letter for cashing in the guarantee in accordance with the above paragraph, and
2. the original guarantee No./.....

This guarantee shall be reduced by every amount paid under this guarantee.

This guarantee shall remain in full force and virtue until at the latest. After the expiry of the specified deadline, the guarantee shall no longer be valid, and our obligation shall automatically cease, regardless of whether the guarantee has been returned.

Should the beneficiary of the guarantee agree at any time during the period of validity of this guarantee to extend the deadline under the Contract Agreement or in the event that the principal of the guarantee has failed to fulfil his contractual obligations, the principal of the guarantee and the bank can agree to extend the guarantee validity.

This guarantee is not transferable.

Any disputes that may arise between the beneficiary of the guarantee and the bank shall be referred to the court of competent jurisdiction at _____.

Bank
 (signed, sealed and delivered)