



Schweizerische Eidgenossenschaft
Confédération suisse
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Confederaziun svizra

Federal Department of the Environment, Transport, Energy and
Communications (DETEC)

Federal Office of Civil Aviation (FOCA)
Aviation Policy and Strategy division

Guidelines

on applying for the funding of aviation measures

1 January 2017

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1 Introduction

1.1 Aim and purpose of financial aid

Swiss aviation is of great economic significance for the country. It is both an element of foreign trade policy and a key locational factor. Therefore, the competitiveness of Swiss aviation is to be promoted.

With the Special Financing of Civil Aviation (*Spezialfinanzierung Luftverkehr* – hereinafter referred to as the SFLV), a vehicle was created that enables the Confederation to provide financial support for measures in three specific areas of application and that helps to implement national aviation policy objectives.

By granting financial aid, the SFLV aims to (a) limit the environmental impact of aviation, (b) improve the prevention of illegal activities in aviation (security), and (c) promote a higher level of technical safety in aviation (safety).

1.2 Purpose of the guidelines

These guidelines regulate the procedure for submitting an application for SFLV financial aid. They describe the eligibility criteria (section 1), outline the application process (sections 2 and 3) and disclose the terms for funding (section 4). They also explain the ruling (section 5) and the applicable procedures for the implementation of the measure: payout (section 6), reporting (section 7) and reclaims (section 8). Lastly, they explain the procedural fees (section 9).

1.3 Addressees and acquisition

These guidelines are aimed at those applying for SFLV financial aid from the Confederation. They are provided to interested parties and published¹.

1.4 Legal foundations and resource allocation

Legal foundations

- The Swiss federal law on financial aid and subsidies of 5 October 1990 (Subsidies Act, SuG; SR 616.1);
- The Swiss federal law on the use of the earmarked mineral oil tax and national road tax of 22 March 1985 (MinVG; SR 725.116.2);
- The ordinance on the use of the earmarked mineral oil tax for aviation measures of 29 June 2011 (MinLV; SR 725.116.22).

Resource allocation: The Confederation allocates resources based on the following distribution formula: 25% for the environment, 25% for security and 50% for safety. In line with FOCA's proposal as part of revision 1+ of the law on aviation (LFG), starting from 2017 the distribution formula in the MinVG should be made more flexible by using bandwidths.² If the financial resources are required in

¹ Available from: spezialfinanzierung@bazl.admin.ch or <https://www.bazl.admin.ch/bazl/de/home/fachleute/regulation-und-grundlagen/spezialfinanzierung-luftverkehr--wofuer-es-gelder-gibt.html>

² The revision is expected to be approved at the start of 2017.

the relevant areas of application as per the original distribution formula, that formula shall take priority. In accordance with article 5 of the MinLV, grants are arranged on the basis of a programme spanning several years³.

Funding is generally granted as non-repayable financial aid upon application and within the limits of the available resources. The special financing instrument is not a fund: credits are newly applied for and approved yearly. Credit is subject to the approval of the Federal Councillors. There is no legal entitlement to funding being granted.

1.5 Funding areas

In accordance with articles 37d, 37e and 37f of the MinVG, the Confederation only supports measures within specifically defined areas of application for the environment, security and safety. Examples can be found in the programme for the relevant period.

1.6 Eligibility of measures

The following basic requirements must be met for a measure to be eligible:

- The measure must fall within the scope of articles 37d–37f of the MinVG.
- The measure must be appropriate⁴ and effective⁵.
- The measure must have an effect or benefit in Switzerland.
- The measure must be cost-efficient⁶.
- The measure cannot be adequately fulfilled without financial aid from the Confederation.

Pursuant to the Subsidies Act, funding is granted for tasks chosen by the recipient themselves (prerequisite of voluntary action). The only exceptions are the subsidy to Skyguide for the financing of approach and take-off control services at regional airports (the subsidies are expected to be paid to the airfields from 2017) and the financial aid provided to regional airports with scheduled airline traffic for recurring non-state safety measures. A prospective recipient of financial aid is legally free to decide whether or not they wish to carry out the subsidised activity. Measures exceeding a minimum obligation prescribed by law fulfil the criterion of voluntary action.⁷

³ The current programme covers the period from 2016 to 2019.

⁴ See section 4.3 (b1).

⁵ See section 4.3 (b2).

⁶ See section 4.3 (e).

⁷ See communication on Special Financing of Civil Aviation of 17 September 2010, clause 5.4.1.

2 Process of submission, assessment and implementation of the application

FOCA processes applications for SFLV financial aid within twelve months after the annual submission deadline. As of the end of 2016, the submission deadline each year is 30 November.⁸ The process is completed upon delivery of the approval ruling or through rejection (where applicable at the end of the complaints procedure), or withdrawal of the application.

The most important steps in the process of submission, assessment and implementation of the application are shown below:

Preparation and submission of the application			
<i>Process</i>	<i>Description</i>	<i>Responsibility</i>	<i>Deadlines</i>
Assessing eligibility → Section 4.3	The applicant must assess the eligibility of the measure (and any factors influencing the amount of financial aid). FOCA informs about the modalities (legal foundations and guidelines).	Applicant FOCA	Continuous
Preliminary review (optional) → Section 3.3	The applicant defines the measure to be supported and submits an application to FOCA for preliminary review. FOCA comments on the preliminary review within approx. two months.	Applicant FOCA	Continuous
Application → Section 3	The applicant defines the measure to be supported and submits an application to FOCA for SFLV financial aid. FOCA records the application for funding and the applicant receives confirmation of receipt.	Applicant FOCA	30 November

⁸ For more information, visit FOCA's website: <https://www.bazl.admin.ch/bazl/de/home/fachleute/regulation-und-grundlagen/spezialfinanzierung-luftverkehr--wofuer-es-gelder-gibt.html>

Assessment of the application			
<i>Process</i>	<i>Description</i>	<i>Responsibility</i>	<i>Deadlines</i>
Completeness of the documents → Section 4.1	FOCA reviews the application for completeness. In the event of incomplete applications, FOCA informs the applicant of which information is missing. Incomplete applications must be completed within four weeks.	FOCA Applicant	Usually within six weeks of receipt of the application
Review of the application → Section 4	The review of the application involves the assessment of: <ul style="list-style-type: none"> - eligibility, - eligible costs, - the amount of financial aid as well as - the availability of funds and potentially the creation of an order of priority. 	FOCA Involvement of the Swiss Federal Finance Administration for funding applications >5 million CHF	January–July of the following year
Ruling → Section 5	The application is accepted or rejected by means of a ruling.	FOCA	Usually in August/September of the following year
Acceptance or appeal → Section 5.3	The applicant informs FOCA of their acceptance of the ruling in writing or takes legal action if necessary.	Applicant	30 days after the ruling

Implementation of the application			
<i>Process</i>	<i>Description</i>	<i>Responsibility</i>	<i>Deadlines</i>
Reporting and payout → Sections 6 and 7	Every payment requires reporting. This is done in accordance with the ruling. FOCA will arrange payment of the final instalment following review of the final report and the final-account invoice.	Applicant FOCA	Payment within six months after receipt of the report
Monitoring and reclaims → Sections 7 and 8	At any time during the implementation and upon completion of the project, FOCA can check compliance with the terms as set out in the ruling and review repayment claims if necessary.	FOCA	Continuous

3 Application

Financial aid is only granted upon application. The applicant planning an appropriate measure shall address their application for financial aid to FOCA's Special Financing of Civil Aviation department:

Bundesamt für Zivilluftfahrt (BAZL)
Spezialfinanzierung Luftverkehr
3003 Bern
Email: spezialfinanzierung@bazl.admin.ch

As per section 3.2, all applications are to be submitted *electronically*. In addition, the application form and the master data sheet are to be submitted as a *hard copy* with a valid signature.

- If any documents are missing or incomplete, FOCA reserves the right to reject the application without reviewing it.
- Before an application is submitted, the applicant must check whether their measure fulfils the conditions and minimum requirements as set out in section 4.3.
- The applicant has the option to apply for a non-binding preliminary review⁹.
- The application documents must be prepared truthfully. False information may result in the application being rejected or the subsidies being reclaimed at a later time.

3.1 Applicant

Potential applicants include parties from aviation, research/educational institutions, associations, interest groups etc. The applicant is the party who makes decisions regarding the implementation of a specific measure, carries the financial risk and is responsible for its successful implementation.

3.2 Contents of the application

The following documents must be submitted to FOCA for the application for financial aid to be processed:

- Application form (AF) 'Einreichung von Gesuchen zur Finanzierung von Massnahmen im Luftverkehr' (submitting applications for the funding of aviation measures), consisting of:
 - financial and administrative information about the applicant (AF, section 1);
 - information about the measure (AF, section 2);
 - project planning (AF, section 3);
 - additional information (AF, section 4).
- Applicant's master data sheet
- Additional mandatory documents, consisting of:
 - The company's audited balance sheet and profit and loss account from the last two years, tax return for private individuals. For subsidiaries, financial information about the controlling companies must also be included (AF, section 1);
 - The completed Excel sheet 'Bilanz- und Erfolgsrechnung' (balance sheet and profit and loss account), electronically submitted to FOCA as an Excel file (AF, section 1);
 - Statutes for clubs (AF, section 1);
 - Certificate from the debt enforcement office (AF, section 1);

⁹ See section 3.3.

- Documents that provide evidence for or support the effectiveness of the measure (AF, section 2.6);
 - Proposals and justification of the declared personal contribution (AF, section 2.7);
 - Financial forecast: breakdown of the costs regarding the applied-for funding, and the expected income (AF, section 3.5);
 - Documents which enable the measure's success to be monitored (AF, section 3.6).
- Additional documents, if required, consisting of:
 - Appropriate documents providing a detailed description and background of the measure (AF, section 2.5);
 - Appropriate documents on the implementation of the measure (AF, section 3.1);
 - Funding plan (AF, section 3.2.1);
 - Confirmations of other subsidies and grants (AF, section 3.3);
 - Official statements and approvals (AF, section 4.1);
 - Reports (AF, section 4.1).

The desired effect (or result) of the measure is key and binding information. It has to be *quantified as precisely as possible* and determines the amount of financial aid and any reclaims, should the desired effect (or result) not be achieved. The desired effect (or result) is normally agreed in the approval ruling.

3.3 Preliminary review (optional)

With a short application ('Vorprüfungsantrag')¹⁰, the applicant is free to have FOCA carry out a preliminary assessment of the eligibility of the measure. This should make it less time-consuming for the applicant to receive an indication of the eligibility of their measure.

As the preliminary review is carried out based on summary information, the result of the preliminary review is not legally binding. The result of the preliminary review is shared with the applicant in the form of a written statement. Processing takes approx. two months.

The following documents must be submitted to FOCA for short applications to be processed:

- Form 'Einreichung von Vorprüfungsanträgen zur Finanzierung von Massnahmen im Luftverkehr' (submitting requests for the preliminary review of applications for the funding of aviation measures), consisting of:
 - Information about the applicant (form K-A);
 - Information about the measure (form K-B);
 - Information about the effects of the measure (form K-C);
 - Additional information (form K-D).
- Additional documents, consisting of¹¹:
 - The company's latest audited balance sheet and profit and loss account (K-A3);
 - Appropriate documents describing the measure (K-B1);
 - Documents that provide evidence for or support the effectiveness of the measure (K-C1).

¹⁰ Available from: spezialfinanzierung@bazl.admin.ch or <https://www.bazl.admin.ch/bazl/de/home/fachleute/regulation-und-grundlagen/spezialfinanzierung-luftverkehr--wofuer-es-gelder-gibt/gesuch-um-finanzhilfe-hlmi>

¹¹ If available

4 Application review

The processing and assessment of an application submitted within the time stipulated is dependent on the number and complexity of other applications as well as other incidental political business. The applicant cannot be guaranteed a processing time.

The application is reviewed and assessed based on FOCA's internal funding guidelines. These ensure the standardised assessment of applications. In accordance with article 10, paragraph 2 of the MinLV, FOCA will rule on the allocation of subsidies in consultation with the Federal Finance Administration (FFA) if the applied-for funding exceeds five million Swiss Francs.

When assessing applications, the following guidelines regarding individual points must be observed.

4.1 Completeness check

The completeness check is ordinarily carried out within six weeks of receiving the application. The application is regarded as complete if the documents required as per section 3.2 are present.

In the case of missing or incomplete documents, FOCA reserves the right to reject the application without reviewing it. Alternatively, FOCA will relay to the applicant which information is missing. The application must then be completed within four weeks, otherwise it cannot be considered under any circumstances.

4.2 Overview of the application reviewing process

The actual application review consists of assessing an application's eligibility, determining eligible costs and the amount of financial aid as well as checking the availability of funds (and, if necessary, creating an order of priority).

In order to check whether the necessary permissions and contracts exist, the applicant should submit these or provide information on the status of the development of these documents.

The applicant's creditworthiness will be checked based on their annual financial statement. Furthermore, the applicant has to declare in the form that the company is not undergoing any debt collection, bankruptcy or similar processes.

As a matter of principle, the applicant is expected to provide all of the information necessary for the assessment. Individual pieces of information will be inspected by FOCA specialists and/or neutral experts (guaranteeing confidentiality).

4.3 Assessing eligibility

When checking if a measure is eligible for support, it is assessed whether (a) the measure falls within the scope of articles 37d–37f of the MinVG, (b) the measure is (b1) appropriate and (b2) effective, (c) the measure has an effect or benefit in Switzerland, (d) the measure – or potentially parts of it – is a task chosen by the recipient of funding themselves (voluntary action) and (e) the measure is cost-efficient.

Should the measure be assessed as eligible, it can in principle be considered for financial aid. If the measure fails to fulfil any one of the elements (a) to (e) during its assessment, the application is rejected.

(a) Criterion of the area of application

In accordance with articles 37d, 37e and 37f of the MinVG, the Confederation only supports measures within specifically defined areas of application for the environment, security and safety.

The final assessment of whether a measure falls within an area of application is either positive (if deemed applicable) or negative (if deemed inapplicable).

(b1) Criterion of appropriateness

Measures are appropriate if they are deemed suitable to achieve the overarching aim of the relevant area of application (limiting the effects of aviation on the environment, improving the prevention of illegal activities in aviation, promoting a higher level of technical safety in aviation) in a cost-efficient manner (see criterion (e)). The assessment may also consider any negative effects the relevant measure may have on other areas of application (e.g. a safety-oriented measure can have a negative effect on the environment or security).

The final assessment of appropriateness is either positive (if deemed appropriate) or negative (if deemed not appropriate enough or inappropriate).

(b2) Criterion of effectiveness

Measures are effective if they achieve a concrete, desired result. A comparison between the achieved result and the desired result determines the extent to which the measure achieved its objective and acts as means to monitor its success¹². The effectiveness of measures can be assessed and roughly scaled by comparing the desired results of various measures with each other as well as with general empirical values. The more transparently the effectiveness of a measure can be demonstrated by an applicant, the greater the chances of the application's success.

The final assessment of effectiveness is either positive (if deemed to be highly, moderately or slightly effective) or negative (if deemed not effective enough or ineffective).

The assessment of effectiveness of the inspected measure is used when determining the amount of financial aid¹³ and, furthermore, can be consulted as a deciding factor when creating an order of priority (checking the availability of funds¹⁴).

¹² See section 6.1.

¹³ See section 4.5.

¹⁴ See section 4.6.

(c) Criterion of an effect or benefit in Switzerland

The measure must have a positive effect or benefit in Switzerland. FOCA gauges the impact on Switzerland based on the submitted documents, expert opinions and empirical values (etc.).

The final assessment of the local benefit in Switzerland is either positive (if deemed to only or partially have a local impact) or negative (if deemed to have a marginal or no local impact). If desirable from an aviation policy perspective, a measure with a marginal impact in Switzerland may still be assessed positively.

(d) Criterion of voluntary action

As a matter of principle, the only measures to be supported are those an applicant is not legally obliged to implement (e.g. by law, a regulation, a ruling or a judicial decision). The prospective recipient of the financial aid must be legally free to decide whether or not they wish to carry out the promoted activity (a task chosen by the recipient themselves).

Measures exceeding a minimum obligation prescribed by law essentially fulfil the criterion of voluntary action. This means that the measure contains a *mandatory part* (e.g. protecting the perimeter of airport grounds with a fence) and a *voluntary part* (e.g. electrical protection of the fence). The mandatory part cannot be supported with financial aid, whereas the voluntary part can.

Please note: When assessing applications, only the portion of a measure whose implementation is not mandatory ('voluntary delta') can be considered. It is of paramount importance that the application presents the voluntary delta separately.

The final assessment of voluntary action is either positive (if deemed to be a task entirely or partially chosen by the recipient of funding themselves) or negative (if deemed to be a task not chosen by the recipient of funding themselves).

(e) Criterion of cost-efficiency

When assessed, the measure must exhibit a favourable level of cost-efficiency. Measures are cost-efficient if they exhibit a favourable relationship between input (finances) and output (concrete results of the measure), i.e. a great result for a small amount of financial aid. The cost-efficiency of measures can be assessed and roughly scaled by comparing various measures with each other as well as with general empirical values. If a measure does not fulfil the criterion of cost-efficiency, the application may be rejected even if the available financial means have not been exhausted. This requirement ensures that the financial means of the SFLV are only used for measures that exhibit a favourable relationship between input and output.

The final assessment of cost-efficiency is either positive (if deemed to be highly, moderately or slightly cost-efficient) or negative (if deemed not cost-efficient enough).

Furthermore, the assessment of the cost-efficiency of measures can be consulted as a deciding factor when creating an order of priority (checking the availability of funds¹⁵).

¹⁵ See section 4.6.

4.4 Checking and defining eligible costs

The SFLV does not pay the total cost for the measure, but instead an individually specified portion of the eligible costs. FOCA determines the eligible costs on a case-by-case basis.

As a rule, eligible costs are only those that are directly and absolutely required for the appropriate creation or implementation of the measure and are actually incurred. Should the total cost or costs for individual parts exceed the usual extent for comparable initiatives, the eligible costs can be reduced accordingly. Should recurring measures each accrue approximately equal costs, the eligible costs can be determined based upon empirical values.

Should a measure consist of both a mandatory part and a voluntary part, the applicant must present the costs of the voluntary part ('voluntary delta') separately, otherwise the application cannot be assessed¹⁶.

Costs are categorised as eligible, non-eligible and partially eligible:

Eligible costs: Costs for the implementation of the measure are considered eligible. Costs are always assessed for eligibility based on their gross value (incl. 8% value added tax). The applicant must document the costs.

Partially eligible costs: If more cost-efficient alternatives exist for tangible assets, the eligible costs are reduced by the difference. The costs-by-cause principle applies, i.e. if a measure serves further purposes, the eligible costs are reduced on a percentage basis. The applicant must document the costs.

Non-eligible costs: The following are regarded as non-eligible costs (not an exhaustive list):

- fees and other dues paid to authorities;
- potential VAT reductions¹⁷;
- costs accrued for the acquisition of and return from capital;
- costs accrued due to exchange rate fluctuations;
- granted deductibles and discounts;
- general operating supplies;
- overhead costs;
- costs that were accrued prior to the date of the approval ruling.

New and replacement acquisitions: The acquisition of equipment and assets is eligible if they are absolutely required for the execution of the project and renting does not work out to be cheaper. The eligibility occurs in full, even if the equipment and assets can continue to be used by the applicant following the measure.

Should it concern an otherwise necessary new or replacement acquisition, the following delta approach should be taken:

For a necessary new or replacement acquisition, it is only the difference between the applied-for object and the plausible alternative acquisition (normally: cheaper with reduced effectiveness) that is eligible ('investment delta').

¹⁶ See section 4.3 (d).

¹⁷ See VAT info 05: Subsidies and Donations => www.estv.admin.ch (Webcode: d_03373_de).

In addition to the investment delta, the difference between the ongoing operational costs (as a rule: not including financing costs) of the applied-for object and of the alternative or replacement object (normally: cheaper) for half of the prospective operating life of the applied-for object – maximum of 10 years – is eligible ('operating delta').

Income, reduced expenditure: The applicant is obliged to declare the income associated with the project as well as any reduced expenditure in the financial forecast.

4.5 Determining the amount of financial aid

The amount of financial aid is determined taking maximum rates, the eligibility of costs, and any factors influencing the amount of funding into consideration.

Eligible costs and maximum rates: Maximum rates defined in the programme for the relevant period¹⁸ state the maximum amount of funding the Confederation is able to provide for the eligible costs in individual areas of application calculated on a percentage basis.

Factors influencing the amount of funding: The amount of individual funding is also ascertained on the basis of (a) the benefit of the measure with regards to the aim of the relevant area of application, (b) the economic capacity of the applicant, and (c) the applicant's own interests.

- *The effectiveness of the measure with regards to the aim of the relevant area of application:* The assessment of the effectiveness of a measure is referred to when assessing the benefit¹⁹. The greater the benefit of the measure, the more financial aid it can receive.
- *Economic capacity of the applicant:* The economic capacity is assessed based on the submitted financial documents and publicly available information. The greater the economic capacity, the less financial aid is received in principle.
- *Applicant's own interests:* The applicant's own operative and political interests are assessed based on the submitted documents and the separate appraisals of the auditor. The greater the level of the applicant's own interest in a measure, the less financial aid is received.

Reductions in financial aid: The Confederation reduces the amount of financial aid if, together with other public payments, it exceeds 80% of the eligible costs.

Duration: Funding is granted out of the available means for the respective calendar year, with the reservation that funds may not be available in future calendar years.

Inflation: The costs at the time of the application's submission are definitive for the applicant's invoicing. FOCA will not cover any increase in the costs of the measure brought on by inflation.

The applicant's own capital: The difference between the actual cost of the measure and the funding provided by the Confederation must essentially be financed by the applicant. Should this difference be financed by third parties, this must be declared to FOCA.

In order to check the availability of the applicant's own capital, FOCA may request that the applicant submits their audited annual financial statement at the time of invoicing.

¹⁸ Available from: spezialfinanzierung@bazl.admin.ch or <https://www.bazl.admin.ch/bazl/de/home/fachleute/regulation-und-grundlagen/spezialfinanzierung-luftverkehr--wofuer-es-gelder-gibt.html>

¹⁹ See section 4.3 (b2) and (c).

Securities: Should there be reasonable doubt regarding the applicant's ability to fulfil the terms, a surety or bank guarantee for the amount of financial aid is required.

4.6 Checking the availability of funds

Financial aid for eligible measures can only be approved when there are sufficient funds. The means available are dependent on the income from mineral oil tax, on the distribution formula and on the total amount of credit annually approved by parliament. The formula for distributing the means amongst the three areas of application is defined by law (see page 3 under resource allocation).

a) *Complete security of the availability of funds in the relevant area of application*

Should the available means for the corresponding year exceed the total of all funding for eligible measures in each area of application, the availability of funds is secured and the funding concerned can be approved without further assessment.

b) *Partial security of the availability of funds in the relevant area of application*

Should the total of all funding for eligible measures exceed the available means for the corresponding year, the availability of funds is only partially secured. The funding concerned can only be approved taking further assessments into account:

Option 1: Deviation from the legally stipulated distribution formula: Based on article 37a, paragraph 2 of the MinVG and article 3, paragraph 2 of the MinLV, FOCA can temporarily deviate from the distribution formula (a) in order to support important developments, especially legal and technological, within the three areas of application or (b) in case of extraordinary events which require immediate safety and environmental measures to be taken within aviation. However, adherence to the formula must be ensured over a twelve-year period.

Option 2: Priority ranking: Should the means for all three areas of application be exhausted or no more deviations from the distribution formula be possible, it is no longer possible for all applications to be approved. An order of priority must therefore be created. This is to be performed taking the following criteria into consideration:

1. *Focus areas of the programme for the relevant period:* Focus areas defined in the programme for the relevant period²⁰ state which areas of action should be preferentially considered in each planning period, should there be insufficient means available.
2. *Effectiveness of the measure:* Measures with a greater degree of effectiveness are preferred.
3. *Urgency:* In the case of a measure that is seen as highly urgent, appropriate and effective from an aviation policy perspective, the focus areas stated in the programme for the relevant period can be deviated from due to the overwhelming level of national interest. An overwhelming level of national interest can occur if achieving the overarching aim of the relevant area of application is of greater importance than the consideration of the measures within the focus areas. Potential reasons could include the supporting of important developments within the areas of the environment and/or security or the occurrence of extraordinary events which require immediate safety measures to be taken. Such deviations are determined by the head of office as part of the priority ranking.
4. *Cost-efficiency:* Should the availability of funds following adherence to the previous three criteria still not be ensured, the measures deemed to be less cost-efficient are to be discarded.

²⁰ Available from: spezialfinanzierung@bazl.admin.ch or <https://www.bazl.admin.ch/bazl/de/home/fachleute/regulation-und-grundlagen/spezialfinanzierung-luftverkehr--wofuer-es-gelder-gibt.html>

4.7 Duty of disclosure, on-site inspection

The applicant must provide all information required for the assessment. FOCA may consult neutral experts and request additional documents in order to carry out a plausibility check on individual pieces of information. This applies in particular when appraising the applicant's creditworthiness and when checking the plausibility of information regarding the level of appropriateness, effectiveness and cost-efficiency of the measure.

In accordance with article 11 of the SuG, the applicant must allow FOCA to inspect records and to access premises. This obligation also exists after financial aid or subsidies have been granted so that FOCA can perform the necessary checks regarding the implementation of the measure and assess potential repayment claims.

5 Ruling

The decision regarding an application for funding is made based on the application review and assessment process described and by means of a ruling.

5.1 Positive decision

In the event of a positive decision on the partial funding of a measure, FOCA issues an approval ruling free of charge. The ruling regulates the formal and material conditions under which financial aid will be provided by the Confederation (e.g. legal basis, the measure to be fulfilled, time frame, type and amount of financial aid and/or eligible costs, percentage and maximum amount of financial aid, due date).

In addition to the confirmation of financial means, the ruling contains, amongst other things, terms (e.g. deadlines, reporting, conditions for payout, necessary securities, monitoring of success with regards to effectiveness, and the possibility of reclaim).

The applicant is to agree to the ruling within 30 days.

5.2 Negative decision

If an application is rejected, a ruling is issued free of charge.

5.3 Appeal

The applicant has the option to lodge a written complaint against the ruling in line with the notice on the right to appeal.

5.4 Validity period

The approval ruling is valid for a limited period of time. This period is set based upon the schedule for the execution of the measure and the payment period. As a general rule, this is from one to three years after the ruling has been issued. In justified cases, FOCA can extend the period by a maximum of two years.

5.5 Terms of the approval ruling

The following conditions are generally contained in the approval ruling:

Reporting: Reporting is defined on a case-by-case basis and, as a matter of principle, must occur following the implementation of the measure (monitoring of success) or, in exceptions, also during the preparation stage and/or during the scheduled period of the measure (progress)²¹.

²¹ See section 6.

Changes to the measure: Any substantial changes to the measure compared to the initiative submitted in the application for financial aid that change the intended effect or the information in the cost estimate must be immediately reported to FOCA for approval. A substantial change to the effectiveness of a measure may lead to the rate of funding being amended. An increase in costs that was not applied for in advance cannot be considered (SuG, articles 15 and 27).

Information obligation: Upon request from FOCA, the applicant must provide information and documents relating to the measure at any time.

Reclaim: Funding provided by the Confederation may be fully or partially reclaimed if the measure is prematurely terminated within the scheduled period, an object receiving a subsidy no longer fulfils its original purpose, the ruling is not complied with or stipulated terms are not fulfilled, and the desired effect is not or is only partially achieved. Other reasons are reserved.

For reclaims, an interest rate of 5% per year since the initial payout is owed (SuG, article 30, paragraph 3).

Alienation (special case): With regards to the alienation of assets, FOCA may fully or partially waive reclaims if the acquiring party fulfils all of the requirements for the financial aid and assumes all of the obligations of the recipient (SuG, article 29). Should the acquiring party refuse to assume the obligations, FOCA can reclaim the funding from the original recipient of the financial aid²².

Proof of the applicant's own capital: The applicant must contribute their own capital to the financing of the measure. The capital must be available at the time of invoicing. This should thereby ensure that the applicant bears a risk in the financing of the measure themselves. FOCA may request that the applicant submit their audited annual financial statement (or another appropriate document) at the time of invoicing.

Security (exception): In order to mitigate the risks undertaken by the Confederation, FOCA may request guarantees. In order to secure non-repayable funding, prior to any payouts the applicant may be compelled to provide security collateral or a bank guarantee from a first-class bank for the full amount of financial aid with the Swiss Confederation as the primary beneficiary. Any proof of the security potentially required must be available prior to any invoices being paid.

²² See section 8.

6 Reporting

6.1 Reporting for the monitoring of success (all)

In approval rulings, information is requested from the applicant in order to be able to check the desired effect (or desired result) of the measure. Success may be monitored once (following the completion of the measure) or continually (for measures with milestones).

Furthermore, the applicant must inform FOCA about the final realisation or implementation of the measure.

6.2 Reporting for progress (selective)

In approval rulings, project status reports may be requested from the applicant (in addition to reporting for the monitoring of success). In particular, this affects the applicants for measures with a high amount of funding, with a degree of effectiveness that has not yet been fully clarified, as well as for measures with partial payments.

As a rule, the reports are to be compiled biannually. The project status report must cover the following areas:

- *Schedule*: A statement of the current project status. Any delays are to be justified and critical items are to be identified.
- *Milestones*: A substantive interim report with regards to the relevant milestones. It should explicitly mention achieved (interim) results as well as an assessment of the project's progression including any risks and unexpected changes that could have a negative impact on the aim of the measure.
- *Costs*: Costs accrued, divided as per the items listed in the cost estimate. A statement of whether it will be possible to adhere to the costs of the measure as stated in the application. Any cost overruns are to be accounted for in detail and to be justified.

7 Payout

Financial aid is paid out only following positively assessed reporting. Here it is checked whether the realised measure (or part of a measure) is in line with the original application and whether the terms were fulfilled (in particular with regards to the monitoring of success). For both final-account as well as partial invoicing, any costs are to be evidenced with the relevant documents (e.g. invoices, time sheets). The funding provided by the Confederation is arranged within the limits of the Confederation's annual payment authorisation. Credit is subject to the approval of the Federal Councillors.

7.1 Final-account invoicing

The definitive final-account invoice is to be provided to FOCA divided as per the items listed in the cost estimate of the application. For this purpose, the applicant receives a template for final-account/partial invoicing together with the ruling. The final deadline for final-account invoicing with subsequent final payment is the last day of the ruling's period of validity. FOCA reserves the right to request access to additional relevant documents in order to check the final-account invoice (SuG, article 11).

The financial aid will be payable by FOCA six months after the submission of the final-account invoice. If the financial aid is not paid within 60 days of the date payable, a default interest rate of 5% is owed (SuG, article 24).

7.2 Partial invoicing

Upon request, partial payments of up to a maximum of 80% of the financial aid may be made in line with the progress of the implementation and on the basis of invoices that have already been paid. Reporting (see section 6.2) must have taken place for partial payments.

8 Reclaims

Non-compliance or an inadequate level of compliance with the stipulated terms: FOCA may revoke the ruling and reclaim the financial aid on the grounds of a violation of the ruling(s) (including the terms contained therein) (SuG, article 28).

Premature termination of the measure or failure to achieve the intended effect: If a measure is terminated before the end of its scheduled period or the measure does not have the intended effect on the chosen area of application (result), FOCA can reclaim a proportion of the financial aid (SuG, article 28).

Misuse or alienation: If a subsidy is misused or alienated, FOCA can reclaim the payouts immediately. In the event of alienation, FOCA can wave all or part of the reclaim if the acquiring party fulfils all of the requirements for the financial aid and assumes all of the obligations of the recipient (SuG, article 29).

Revocation of rulings: FOCA revokes a ruling regarding financial aid or a subsidy if the ruling has wrongfully granted the funding by being in breach of any laws or based on incorrect or incomplete facts. Upon revocation, the authority reclaims the funding already provided.

Other reasons for reclaim: Other reasons for reclaim are reserved.

9 Procedural fees

FOCA generally does not charge a service fee for the processing of an application for funding.

A procedural fee can be invoiced to the applicant in full or in part upon withdrawal of the application or a negative application decision (GebV-FOCA). This occurs in the event of withdrawal in the context of a depreciation ruling.

10 Entry into effect

This guide is effective as of 1 February 2016.



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