

Call for Investment Project Proposals

**Priority 1. Greener border region**

No 2021TC16IPCB006 – 2023 – 3

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## LIST OF ACRONYMS

<b>AA</b>	<i>Audit Authority</i>
<b>AB</b>	<i>Accounting body</i>
<b>AF</b>	<i>Application Form</i>
<b>CBC</b>	<i>Cross-border cooperation</i>
<b>CfP</b>	<i>Call for Proposals</i>
<b>EC</b>	<i>European Commission</i>
<b>ETC</b>	<i>European Territorial Cooperation</i>
<b>FPPR</b>	<i>Final Project Progress Report</i>
<b>NC</b>	<i>National Control</i>
<b>IPA</b>	<i>Instrument for Pre-Accession Assistance</i>
<b>IA</b>	<i>Implementing Agreement</i>
<b>MC</b>	<i>Monitoring Committee</i>
<b>JS</b>	<i>Joint Secretariat</i>
<b>LP</b>	<i>Lead Partner</i>
<b>MA</b>	<i>Managing Authority</i>
<b>MRDPW</b>	<i>Ministry of Regional Development and Public Works of Bulgaria</i>
<b>NA</b>	<i>National Authority</i>
<b>OJEU</b>	<i>Official Journal of the European Union</i>
<b>PA</b>	<i>Partnership Agreement</i>
<b>PIM</b>	<i>Project Implementation Manual</i>

<b>PP</b>	<i>Project partner</i>
<b>PPR</b>	<i>Project Progress Report</i>
<b>PRAG</b>	<i>Practical Guide for Procurement and Grants for European Union external actions</i>
<b>SC</b>	<i>Subsidy Contract</i>
<b>TA</b>	<i>Technical Assistance</i>
<b>ToR</b>	<i>Terms of Reference</i>
<b>VAT</b>	<i>Value Added Tax</i>

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The purpose of the Project Implementation Manual (PIM) is **to provide detailed guidance to Lead Partner (LP) and Project Partners (PPs)** of the approved projects **within Open Call for investment project proposals under P1.Greener Border Region** under the INTERREG VI-A IPA Bulgaria – North Macedonia Programme (hereinafter the Programme) on the full project life cycle, starting from contracting to closure, including reporting obligations, public procurement procedures, payments, publicity measures etc.

**The PIM and its annexes can be amended during the project implementation period.** Any change of the PIM will be announced at the Programme's website: <https://ipa-bgmk.mrrb.bg> and the newest version will be uploaded.

The Lead Partner/s should ensure that the project is implemented according to the actual version of the PIM and the latest versions of Annexes are used. In case of specific problems related to particular operations, the Joint Secretariat and the Managing Authority should be contacted for advice.

The language of the Programme is English. All official communication, including the reporting has to be done in English. Exceptionally, in some cases, communication within the project and between the project and Programme bodies may take place in national languages.

The Territorial Cooperation Management Directorate at Ministry of Regional Development and Public Works of the Republic of Bulgaria is designated to perform the functions of the **Managing Authority (MA)** under the Programme. The MA is responsible for managing and implementing the programme in accordance with the principle of sound financial management and for coordinating the other Programme Bodies.

Ministry of Local Self-Government of the Republic of North Macedonia, as the **National Authority (NA)**, cooperates in the joint programming, management and implementation of the Programme and provides assistance to the Managing Authority and Audit Authority in their respective duties.

The **Monitoring Committee (MC)** consists of representatives appointed by the partnering countries, according to the partnership principle. Representatives of the European Commission, the Audit Authority or other relevant bodies participate in the work of the MC in advisory capacity. The main competencies and responsibilities of the MC are as follow:

- ✓ review the overall effectiveness, quality and coherence of the implementation of all actions towards meeting the objectives set out in Programme, the financing agreements and the



relevant strategy paper(s). It may make recommendations for corrective actions whenever needed;

- ✓ monitoring by reference to indicators laid down in the Programme, in accordance with Article 34 of Regulation (EU) No 2021/1059.

Detailed information on composition, chairmanship and decision taken by the MC is available on the Programme's website: <https://ipa-bgmk.mrrb.bg>

The **Joint Secretariat (JS)** of the Programme assists the MA/ NA and the MC of the Programme and where appropriate the Audit Authority in carrying out their duties. The JS is set up under the legal responsibility of the MA. The JS also takes part in the preparation and implementation of the decisions of the MC and carry out usual duties as MC secretariat. The JS shall also provide information to potential beneficiaries about funding opportunities under the Programme and shall assist beneficiaries in the implementation of operations. The JS is in charge of the technical implementation of the Programme and takes part in all phases of the programme's lifecycle including launching of Call for proposals, evaluation and contracting of the approved projects, monitoring and control of the subsidy contracts, communication activities, etc.

The main office of the JS is placed in Kyustendil, Republic of Bulgaria. The JS has a branch office in the partnering country, placed in Strumica, Republic of North Macedonia.

**The Accounting Body (AB)** of the Programme is the "National Fund" Directorate at the Ministry of Finance of the Republic of Bulgaria and it is responsible for receiving payments from the EC.

The **Audit Authority (AA)** for the Programme is the "Audit of European Union Funds" Executive Agency at the Minister of Finance of the Republic of Bulgaria. In compliance with Article 48(1) of Regulation (EU) No 2021/1059 the AA shall be assisted by a Group of Auditors, comprising representatives of Bulgaria and North Macedonia. The Group of Auditors will assist the AA in setting up and implementing the audit strategy. The audit strategy will also indicate which measures have been put in place by the AA and the Group of Auditors, in order to ensure that the same audit methodology, in accordance with internationally accepted audit standards, has been applied by all members of the Group of Auditors. The AA is functionally independent of the MA and is responsible for:

- verifying the effective functioning of the management and control system of the Programme;
- ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared;
- shall draw up an audit opinion and a control report setting out the main findings of the audits carried out in accordance with Article 77(3) of Regulation (EU) No 2021/1060;
- ensuring that the audit work takes account of internationally accepted audit standards;

The "Audit of European Union Funds" Executive Agency is responsible for assessment of the management and control systems of the Programme and provides an opinion of their compliance.

Once a project has been selected for funding, a subsidy contract between the Programme's MA and the Project's LP will be concluded. The Subsidy Contract establishes the rights and responsibilities of the Lead Partner and the MA.

The Lead Partner is to assign "Project Privileges" in Jems.

Formal project implementation starts once the Subsidy Contract is signed. The project implementation period starts on the day following the date the Subsidy Contract enters into force (the date of registration in the administrative system of the MA).

**Example:** If the Subsidy contract is registered on 22.05.2023 (Contract No RD-02-xx-xxx/22.05.2023), the first day of project implementation should be the day after - 23.05.2023.

The first phase of project implementation is tremendously important since it may influence the whole implementation process - delays incurred in this phase may be difficult to be caught up later.

### **3.1. Project management staff and internal control system**

The appointment of the project staff is to be carried out by all project partners as soon as the project starts. The proper appointment of the project team members is sole responsibility of the project partners, and should be carried out in accordance with the applicable European and national legislation.

Within 10 (ten) days from the beginning of the project implementation period the Lead Partner has to send to the Joint Secretariat:

- Declarations in free format signed by the legal representative of each project partner that the necessary and qualified project staff for the successful implementation of the project activities will be kept throughout the whole implementation period;
- Copy of an administrative order or a letter for nomination of the project team members by each project partner and a short job description;
- Statement that Staff costs shall be reimbursed as a flat rate of up to 20 % of the eligible costs under BC 4, BC 5 and BC 6 of the operation. The exact percentage of the flat rate for each project partner is indicated in the Application form (PART B, partner budget) and will remain unchanged for the entire project implementation period.

After appointment/establishment of the project management team and submission of the above mentioned documents, it is not necessary to provide any other documents as employment/work contract / order, time sheets or proofs of payment of salaries. An administrative order/a letter for nomination of the project team members shall be provided to the NControllers/MA/NA/Auditors on request.

### **3.2. Advance payment**

The advance payment is at the rate of 20% of the total contract amount. The MA transfers advance payment in two tranches. In order to receive an advance payment, the LP must send a request for an advance payment (see section 7.3 “Submission of Request for payment”).

The LP must send first request for advance payment to the MA no later than 45 days after the Subsidy contract enters into force.

### **3.3. Procurement plan**

The LP has the obligation after signing of the Subsidy Contract to collect information about the procurement procedures to be carried out by all PPs, and to summarize the information in the Project Procurement Plan (PPP) (Annex 2), to be filled in in the JeMS, and in ways described in the JeMS User Manual.

In the process of preparation of the PPP, the LP should take into consideration the following documents:

- Public procurement act of the Republic of Bulgaria (Закон за обществените поръчки);
- Chapter 3, Title VII, Part I of Regulation (EU, Euratom) 2018/1046 and Chapter III of Annex I of the same regulation;
- Practical Guide to Contract Procedures for EU External Actions (PRAG);
- “Procurement procedures” section of this Manual, as well as JeMS User Manual.

Project partners are advised to consult the preparation of the PPP with the JS.

**The LP has an obligation to prepare and submit to the JS a PPP within 10 (ten) working days after the Subsidy Contract enters into force. The plan is to be filled in and sent to the JS through the Jems.**

The tender procedures for Bulgarian beneficiaries have to be planned in accordance with the requirements of the Public procurement act of the Republic of Bulgaria (Закон за обществените поръчки). All Bulgarian beneficiaries have the obligation to amend their annual plans of public procurements and to include the expenditures under the project within 10 (ten) working days after the Subsidy Contract enters into force. Certified copy of the amended annual plan for public procurements of each Bulgarian partner should be provided to the JS.

When planning their procurement procedures, the Bulgarian beneficiaries should respect the following:

- In case of expenditures that could be included in the procurement procedures not launched by the date of signature of the Subsidy contract, the respective procedures should be amended and all relevant expenditures from the CBC project should be included;

- In case of expenditures that could be included in the procurement procedures already launched by the date of signature of the Subsidy contract, new procurement procedures should be planned, based on the respective expenditures from the CBC project;

- In case of expenditures that could not be included in the procurement procedures already launched by the date of signature of the Subsidy contract, new procurement procedures should be planned, based on the respective expenditures from the CBC project;

For beneficiaries from North Macedonia, except for requirements related to procurement rules for European Union External Actions, in the process of preparation of the Procurement plan and implementation of procurement procedures the partners should respect the following:

- In case of two or more single tender procedures for which Project partner intends to invite and award contracts to one and the same company/expert, the procedures shall be planned as one. In case during the project implementation Project partner decides to award two or more contracts to one and the same company/expert, and if the combined amounts of these procedures reaches the threshold of Simplified procedure, an amendment of the PPP should be requested.

- In case Project partner implements simultaneously more than one project under the Instrument for Pre-accession Assistance, i.e. other contracts will be awarded under the provisions for EU external actions, they are obliged to plan and implement the respective tender procedures so that the applicable procurement rules and thresholds to be respected. Failure to comply with this obligation on the part of the beneficiary is linked to an irregularity.

All expenditures which could be grouped together in procurement procedures, because of similarity of their nature, should be included in the Procurement plan. Expenditures under BC 1, 2 and budget categories 3.2, as well as all expenditures below the minimal thresholds, which could not be grouped together with other similar expenditures, could be done without procurement procedures. There is no need to include the expenditures which will be treated as expenses not to be procured (others) in the Procurement plan.

Within 5 (five) working days after receiving the PPP the JS shall review and comment or approve the submitted plan. In case of comments by the JS, the Beneficiary has to submit the revised PPP up to 3 (three) working days after receiving the comments. The deadline for approval of the respective PPP by JS starts running again on the date the required information is received.

Within 3 (three) working days of the PPP's approval, the JS will notify the LP on the approval of the PPP.

**NB!**

**The Beneficiary can proceed with the preparation and launching of the procurement procedures only after the PPP has been approved by the JS.**

If there is a necessity for future amendment of the already approved PPP, the LP has to consult the amendment procedure with the JS in advance.

The projects partners bear sole responsibility for the implementation of the procurement procedures in conformity with the Programme rules, their project, the Public procurement act of the Republic of Bulgaria, Decree of the Council of Ministers No 4/2024 and the Practical Guide for Procurement and Grants for European Union external actions. Within Annex 2.1 Declaration for Project Procurement Plan official representatives of registered in the Republic of Bulgaria Beneficiaries declare that procedures listed in the PPP are in line with the annual procurement plan of the organisations and are not subject to artificial splitting of tenders.

**JS / MA / NA are not going to provide ex-ante control on the preparation and launching of procurement procedures. The projects partners bear the whole responsibility for the implementation of the procurement procedures in conformity with the Programme rules, their project and the Practical Guide on Contract Procedures for EU External Actions.**

### 3.4. Initial online monitoring/ meeting

In order to receive a realistic view of the readiness of the project teams for implementations of their part of the project, the JS performs initial meetings with all project partners, within two months after signature of the Subsidy contract.

During the initial meeting following issues have to be checked and discussed with the project team:

- **Beneficiary's capacity and resources** - the JS expert checks whether the project team is aware of the terms and conditions of the Subsidy contract - procurement rules, visualization requirements, reporting and audit trail, state aid rules, etc., whether there are sufficient resources for the project implementation as well as financial resources.
- **Project management and coordination** - the purpose of the check is to ascertain the level of management skills of the Project manager and LP's team for implementation of CBC projects, to assess if the LP is aware of its role and to assess the partnership relations between the PPs. The JS experts check whether the roles and responsibilities between the PPs are clearly defined, whether the coordination/communication between the PPs is good, and whether the PPs has enforced common monitoring and coordination rules/ reporting system, including the mandatory environmental protective measures listed into Annex 16 „Mandatory environmental requirements for monitoring and controlling the implementation and sustainability of the investment projects “ in support of smooth project management. During the visit/meeting the documents for appointment of the project team will be checked as well.
- **Record keeping** - the purpose of the check is to verify that project documentation is kept separately from the other documentation of the organisation, in a properly filed and organized project dossier containing all relevant documents, providing sufficient information on the project activities.
- **Time schedule and progress of activities** - the purpose of the check is to verify the progress of the project activities in comparison with project time schedule and if the implemented activities correspond to these in the subsidy contract. The JS experts will check the project progress

and the measures undertaken by the PPs concerning the planned services, supplies and construction works.

- **Public procurement** - the purpose of the check is to verify that the public procurement procedures are implemented in accordance with the approved Project Procurement Plan and the specified types of procedures, deadlines, maximum available budgets, etc.

- **Information and publicity** - The purpose of the check is to verify whether the information and publicity activities are carried out in accordance with subsidy contract and whether the programme Communication and Visibility rules are properly respected.

Additionally, the meeting gives the opportunity to the project partners to consult the JS experts with some matters of the project implementation.

Where the implementation of an operation requires procurement of service, supply or works contracts by a beneficiary, the procurement rules set in Article 58 of Regulation (EU) No 2021/1059 shall be applied.

**1) When the project partner is located in Bulgaria and is a contracting authority within the meaning of the Public Procurement Act (PPA), must apply one of the following procurement procedures:**

- open procedure;
- restricted procedure;
- competition procedure with agreement;
- agreement with preliminary calls for participation;
- negotiation with publication of call for procurement;
- competition dialogue;
- partnership for innovations;
- agreement without preliminary call of proposals;
- agreements without preliminary call for participation;
- agreement without publication of call for procurement;
- competition for a project;
- public competition;
- direct agreement.

**is not a contracting authority within the meaning of the PPA, must necessarily apply the implementation of Chapter Four of Act on management of EU funds under shared management and the relevant Council of Ministers Decree or other procurement according to the national laws, regulations and administrative provisions into force.**



For all project partners located in Bulgaria - contracting authority or contracting entity within the meaning of the Union law shall apply the public procurement procedures according with the national laws, regulations and administrative provisions.

- 2) When the project partner is located in the Republic of North Macedonia and is a public authority under IPA III whose co-financing is transferred to the managing authority they shall refer to the national laws, regulations and administrative provisions, provided that the financing agreement allows it and that the contract is awarded to the tender offering best value for money, or as appropriate, to the tender offering the lowest price, while avoiding any conflict of interests.**

For the award of goods, works or services in all cases other than those described above, the procurement procedures provided for in Articles 178 and 179 of the Regulation (EU, EURATOM) 2018\1046 and points 36 to 41 of Chapter 3 of Annex I to that Regulation shall apply. In such cases the beneficiaries, located in the Republic of North Macedonia, shall refer **to the Practical guide on contract procedures for European Union external action (PRAG)** <https://wikis.ec.europa.eu/display/ExactExternalWiki/ePRAG>

<b>NB!</b>	In case of modification of PRAG rules/annexes, the procedures launched before the new version was officially published shall be procured and contracted following the previous version of the Guide.
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The basic principle governing the awarding of the contracts is competitive tendering. The purpose is twofold:

- to ensure the transparency of operations, proportionality, equal treatment and non-discrimination; and
- to obtain the desired quality of services, supplies or works at the best possible price.

There are several different procurement procedures, each allowing for a different degree of competition. The basic principles, types of procedures and rules apply to the procurement of all project partners.

**In the event of failure to comply with the procurement rules, expenditure relating to the operations in question is not eligible for EU financing or might be subject to irregularity proceeding.**

In order to facilitate efficient management and control of the procurement process carried-out by the Beneficiaries under the Programme, the MA requires the Beneficiaries to duly prepare and submit for approval the Project Procurement Plan immediately upon signing of the Subsidy Contracts (see section 3.3 “Procurement Plan”).

### Modifying sub-contracts

The contracts, concluded in result of a procurement procedure, may need to be modified during their execution period. The procedure for modification has to be launched in exceptional cases. Contract modifications must be formalized through:

- **an administrative order** to the contract; or
- **an addendum** to the contract.

Substantial modifications to the contract must be made by means of an addendum. Such an addendum must be signed by the contracting parties. The purpose of the addendum or administrative order must be closely connected with the nature of the project covered by the initial contract.

In the table below are given some examples of changes:

Type of changes		
Changes with addendum	Changes with administrative order	Inadmissible changes
Changes of the contract duration	Changes of address	Changes post factum
Amendment in project team (experts in service contracts)	Changes of bank account	Changes (extending) in the implementation period of the contract over the maximum period for completion of the project.

<b>NB!</b>	Modifications, which will lead to <b>substantial changes</b> of the scope of works (for works contracts), delivered supply/equipment (for supply contracts) and project scope and objectives (for service contracts) <b>are not allowed. Addenda with retroactive effect are not allowed.</b>
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A request for contract modifications should not automatically be accepted by the Contracting Authority (Beneficiary). There must be a justified reason for modifying a contract. The Contracting Authority (Beneficiary) must examine the reasons given and reject requests which have little or no substantiation. Contracts can only be modified within the execution period of the project.

**In the event of failure to comply with the applicable legislation, the expenditures related to the operation might be considered ineligible for EU financing or subject to irregularity proceedings.**

Where the implementation of an operation requires procurement of service, supply or works contracts by a beneficiary, the procurement rules set in Article 58 of Regulation (EU) No 2021/1059 shall be applied.

The basic principle governing the awarding of the contracts is competitive tendering. The purpose is twofold:



- to ensure the transparency of operations, proportionality, equal treatment and non-discrimination; and
- to obtain the desired quality of services, supplies or works at the best possible price.

There are several different procurement procedures, each allowing for a different degree of competition. The basic principles, types of procedures and rules apply to the procurement of all project partners.

**In the event of failure to comply with the procurement rules, the expenditures related to the operation in question, might be considered ineligible for EU financing or subject to irregularity proceedings.**

In order to facilitate efficient management and control of the procurement process carried-out by the Beneficiaries under the Programme, the MA requires the Beneficiaries to duly prepare and submit for approval the Project Procurement Plan immediately upon signing of the Subsidy Contracts (see section 3.3 “Procurement Plan”).

## 4.1. Basic rules

### **Nationality (Annex A2a of PRAG)**

Participation in the award of procurement procedures, for the benefit of third parties, is open to all natural persons who are nationals of, and legal persons who are effectively established in, one of the following eligible countries/ territories / Beneficiaries:

- EU Member States;
- Beneficiaries listed in the Annex I of the IPA III;
- European Economic Area;
- Partner countries and territories covered by ENI Instrument;
- Countries for which the Commission has adopted a decision approving the request for reciprocal access to external assistance.

### **How to verify compliance with the nationality rules?**

The nationality of experts and other natural persons employed or legally contracted does not have to follow the nationality rules. Therefore, experts recruited or otherwise legally contracted by an eligible contractor/sub-contractor may be of any nationality.

For the purpose of verifying compliance with the nationality rules, the tender dossier requires the following from candidates and tenderers:

- natural persons must state the country of which they are nationals;
- legal persons must state the country in which they are established and provide evidence of such establishment by presenting the documents required under that country's law.

If the contracting authority (or evaluation committee) suspects that a candidate, tenderer or applicant does not comply with the nationality rules, it must ask the candidate/tenderer/applicant to provide evidence demonstrating actual compliance with the applicable rules.

To demonstrate their actual compliance with the 'establishment' criterion, legal persons have to

demonstrate that:

The legal person is established under the law of an eligible State, and

Its real seat is within an eligible State. 'Real seat' must be understood as the place where its managing board and central administration, or its principal place of business, are located.

**NB!**

The decision on whether or not candidates/tenderers/applicants are eligible is taken by the Contracting authority (usually on the basis of the information and evidence provided during the evaluation).

### **Origin of goods**

Goods and materials supplied under a procurement or a grant contract, financed **under the new Multiannual Financial Framework for the years 2021-2027** are fully untied and can originate in any country, with the exception of procurement and grant contracts financed by the INSC Regulation 2021/948 of 27 May 2021 where goods and materials must originate from an eligible country as designated by the financing instrument.

### **Grounds for exclusion**

The exclusion criteria aim at excluding from receiving European Union funds or participating in grant or procurement procedures the entities or persons found in specific exclusion situations (also called 'exclusion grounds').

The contracting authority must reject from a given award procedure a candidate, tenderer or applicant who:

- a) is in one of the exclusion situations established under Section 2.6.10.1.1 of PRAG;
- b) has misrepresented the information required by the contracting authority as a condition for participating in the procedure or has failed to supply that information;
- c) was previously involved in the preparation of procurement documents used in the award procedure where this entails a breach of the principle of equality of treatment, including distortion of competition that cannot be remedied otherwise.

All candidates, tenderers and applicants should declare the circumstances related to these criteria in relevant annexes, parts of the tendering documentation, or through documentary evidence, when specifically requested.

In connection with the restrictive measures introduced pursuant to Art. 5k of Council Regulation (EU) No. 833/2014 of July 31, 2014, amended by Council Regulation (EU) No. 2022/576 of April 8, 2022, it is necessary to ensure adequate control for their compliance in the implementation of projects, the beneficiary has to apply a Declaration from the legal representative of the chosen contractor, with which he confirms that the circumstances limited by Art. 5k of Regulation (EU) No. 833/2014 of July 31, 2014 on restrictive measures in view of Russia's actions destabilizing the situation in Ukraine (Annex 14).

For more details, please refer to points 2.6.10, as well as 2.5.4 and 2.5.7 of the PRAG.

## Visibility

All Beneficiaries and contractors, managing EU funds, must ensure the visibility of EU financing. The visibility requirements and guidelines are provided in the Communication and Visibility Manual for EU External Actions, published at: [https://ec.europa.eu/international-partnerships/comm-visibility-requirements\\_en](https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en)

All of these requirements are explained and illustrated with practical examples, included in the Chapter 10 Information and Publicity at the present PIM.

## Other essential points

**“Irregularity”** means any breach of applicable law, resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the budget of the Union by charging unjustified expenditure to that budget;

*Detailed definitions are lay down in: Article 2 (31) of Commission Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy.*

Every action which was not performed in line with above definition could be considered an irregularity irrespective of whether it is related to losses or potential losses of resources.

**“Suspected fraud”** is an irregularity giving rise to instituting administrative or judicial proceedings against national level in order to determine the existence of a certain intentional conduct, in particular fraud, as referred to in Article 1 (1) of the Convention for the Protection of Financial Services interests of the European Communities, on the basis of K.3 of the Treaty on European Communities .

The European Union is 'deliberate in terms of costs' action or inaction related to: use or presentation of false, false or incomplete reports or documents, leading to abuse or misappropriation of funds from the general budget of the European communities or budgets managed directly by or on behalf of The European Communities; concealment of information in violation of certain liabilities with the same effect; spending such funds for purposes other than those for which they were originally provided.

Everyone has the right to report fraud arising in connection with the implementation of projects and programs, funded by EU funds, and signals can be written or oral, and to be submitted anonymously.

Fraud shall consist of any intentional act or omission relating to:

1. the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by, or on behalf of, the European Communities;
2. non-disclosure of information in violation of a specific obligation, with the same effect;

3. the misapplication of such funds for purposes other than those for which they were originally granted.

*Relevant legislation: Article 2, point 19 and Article 61 of Commission Regulation (EU) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012.*

### **Conflicts of interest**

A conflict of interest occurs when the impartial and objective exercise of the functions of the contracting authority, or observance of the principles of competition, non-discrimination against or equality of treatment of candidates, tenderers, applicants and contractors, is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with a Beneficiary of EU-funded programmes. A conflict of interest may arise where, for instance, a member of the evaluation committee or someone in the contracting authority or others involved in the procedure grant themselves, or others, unjustified direct or indirect advantages by influencing the outcome, or allow an expert or company to obtain information leading to an unfair advantage in subsequent or related procedures.

For instance, any firm or expert involved in preparing a project (e.g. drafting the terms of reference) must, as a rule, be excluded from being awarded a services contract that are based on those preparations, unless they can prove to the contracting authority that their initial involvement does not constitute unfair competition.

Candidates/tenderers/applicants that have a conflict of interest in relation to a particular contract are excluded from this contract award. The grounds for exclusion must be considered case by case. Any automatic exclusion deprives the candidate/tenderer/applicant of the right to present supporting evidence which might remove all suspicion of a conflict of interest.

*Detailed definitions are lay down in: Article 61 of Commission Regulation (EU) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012.*

Each project partner, before signing contract with the selected contractor, should check the selected contractor and his representatives, members or other persons involved in its management for presence of a conflict of interest, in the sense of Article 61 of the Financial Regulation (Regulation (EU, Euratom) No. 2018/1046 of the European Parliament and of the Council of July 18, 2018. In that relation, for all procedures carried out or directly assigned activities the project partner must provide to MA filled and signed Annex 10 Declaration of conflict of interest. with the first request for payment under the current contract.

<p><b>NB!</b></p>	<p>Where a conflict of interest might occur with regard to on-going contracts, measures must be adopted to prevent or to resolve such a conflict, including cancelling the contract if necessary.</p>
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## 4.2.Type of contracts

- **Service contracts**

IPA contracts in the context of EU External aid include specific support in form of studies or technical assistance.

**Study contracts** include studies for identification and preparation of projects, feasibility studies, economic and market studies, technical studies, evaluations and audits.

**Technical assistance contracts** are used where a service provider is called on to provide a service, such as organizing events, or to play advisory role, to manage or supervise a project, or to provide the experts specified in the contract.

Generally a service contract may be concluded in two different ways:

- **Global price** - where specified outputs are defined. The service will be paid on the basis of the delivery of the specified outputs. Examples for the global price contracts are service contracts for studies, evaluations, audits, organization of events such as conferences, trainings, etc. Global price always specifies the output, i.e. the consultant must provide a given product.
- **Fee-based** - where the output is unpredictable, or where the workload to achieve the specified output is impossible to quantify in advance. Therefore, it is economically more advantageous to pay the services on the basis of time actually worked. The examples for fee-based contracts are the service contracts for Project supervision, Resident Technical assistance, Facilitation in a multi-stakeholder process (depending of the complexity of the environment), etc.

- **Supply contracts**

Supply contracts cover the purchase, leasing, rental or hire purchase, with or without option to buy, of products. A contract for the supply of products and, incidentally, for sitting and installation shall be considered a supply contract. Generally, this includes supply of vehicles, IT equipment, furniture, audio visual equipment, promotional materials, etc.

Specific provisions and challenges in purchasing supplies depend on the type and scope of equipment.

- **Works Contracts**

Works contracts cover either the execution, or both the execution and design, of works or a work related activities, such as:

- Building site preparation;
- Building of complete constructions or parts thereof; civil engineering;
- Building installation;
- Building completion;
- Renting of construction and demolition equipment, etc.

The notion 'works' includes the outcome of building or civil engineering works taken as a whole that is sufficient of itself to fulfil an economic or technical function.

<p><b>NB!</b></p>	<p>Works Contracts implementation have to be in compliance with the mandatory environmental protective measures listed into Annex 16 „Mandatory environmental requirements for monitoring and controlling the implementation and sustainability of the investment projects“ of PIM.</p>
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### 4.3. Procurement procedures

As it was already stated above in point 4, the stipulated rules for awarding contracts for the Bulgarian beneficiaries are set in the following national legislation:

1. The Public Procurement Act and the normative acts on its application - when the Beneficiary is a contracting authority within the meaning of the PPA;
2. Chapter four "Special rules for determining an executor from Beneficiaries of grant-in-aid" of the LMFEFSM - when the Beneficiary is not a contracting authority within the meaning of the PPA.

The above rules do not apply when the contracting authority is beneficiary from North Macedonia, in this case applicable is the Practical Guide for Contractual Procedures for External Action of the European Union (PRAG) and the following procedures:

#### Which procurement procedure to apply?

Where the implementation of an operation requires procurement of service, supply or works contracts by a beneficiary, the procurement rules set in Article 58 of Regulation (EU) No 2021/1059 shall be applied.

In the definition of the type of procurement procedure, the following key elements are particularly important:

- **Financial thresholds** - the financial thresholds define which procedure needs to be applied.
- **Procedure** - depending on the type of the contract, different procedures are applied. Concerning tendering public procurements applicable are the national legislation into force, regulations and administrative provisions. The Practical Guide for Contractual Procedures



for External Action of the European Union (PRAG) is applicable to the Public Procurement Procedures provided for in Articles 178 and 179 of the Regulation (EU, EURATOM) 2018/1046 and points from 36 to 41 of Chapter 3 of Annex I of Regulation (EU) 2021/1059

- **Use of standard format of documents** - in order to enable comparison and control on the implementation of the public procurement, the PRAG provides a number of standardized documents, covering every step in the procedure. They are obligatory for use by all Beneficiaries, in order to simplify and unify tender dossiers under the Programme. The standardized documents are considered to provide sufficient basis for preparation of tender documentation in compliance to the rules and procedures of the PRAG.
- **Evaluation procedure** - evaluation procedure largely depends on the type of contract. In some cases, the price is the exclusive selection criteria and in other cases the selection is based on the combination of price and technical quality of offers.

Regardless of which procedure is used, the Beneficiaries must ensure that all the basic principles are respected (including eligibility, exclusion and selection criteria).

<b>NB!</b>	<p><b>Note that procedures must not be split artificially to circumvent the procurement thresholds. Services / supplies / works of the same / similar nature should be included in one procurement procedure.</b></p> <p><b>Example:</b> <i>In general, elaboration of web sites and web portals; supply of computer equipment and computer software; repairs and construction works; etc.). In accordance with this requirement the project partners should submit Annex 5.1 with the request for payment under the specific contract.</i></p>
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**Thresholds for public procurement procedures (SERVICES, SUPPLIES and WORKS) is provided in the applicable version of PRAG at the time of launch of the tender procedure**

The thresholds for public procurement procedures can be summarized as follows:

<b>SERVICES</b>	<b>≥ € 300,000</b> <i>International restricted or open tender procedure</i>	<b>≤ EUR 999 999</b> - Framework contract SIEA 2018, Events 2020 <b>&lt; € 300,000 but &gt; € 20,000</b> - Framework contracts (EVA 2020) - Simplified procedure		<b>≤ € 20,000</b> Single tender  A payment may be made against invoice without prior acceptance of a tender if the expenditure is  <b>≤ 2 500 €</b>
<b>SUPPLIES</b>	<b>≥ € 300,000</b> <i>International restricted or open tender procedure</i>	<b>&lt; € 300,000 but ≥ € 100,000</b> <i>Local open tender procedure</i>	<b>&lt; € 100,000 but &gt; € 20,000</b> <i>Simplified procedure</i>	

WORKS	$\geq \text{€ } 5,000,000$ <i>International open tender procedure</i> Or <i>International restricted tender procedure</i>	$< \text{€ } 5,000,000 \text{ but } \geq \text{€ } 300,000$ <i>Local open tender procedure</i>	$< \text{€ } 300,000 \text{ but } > \text{€ } 20,000$ <i>Simplified procedure</i>	
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The thresholds given in the table are based on the maximum budget for the contract in question, including any co-financing.

### SERVICES, SUPPLIES and WORKS $\leq$ EUR 2 500,00

<b>NB!</b>	Payments for services, supplies and works less than or equal to EUR 2 500 may be made against invoice without prior acceptance of a tender.
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This concerns only expenditures for services, supplies and works, with amount less than or equal to EUR 2 500, which cannot be merged with other similar expenditures. However, when the complexity or duration of the service/supply requires it, Beneficiaries are recommended to conclude simplified service/ works contracts with Terms of reference (ToR) / Technical specification (TS). The annexes for single tender procedures, are applicable in such cases.

### SINGLE TENDER

Under the single tender procedure, the Beneficiary (in its role of Contracting Authority) invites candidate/s to submit an offer (or more than one). The Contracting Authority checks whether the offers correspond to the requirements (Terms of references) in case of services, or whether they are technically compliant to the specifications, in case of supply and works tenders.

Even though one offer is formally enough, the Beneficiary, i.e. Contracting Authority, should prepare a detailed justification of the choice of contractor and to include it in the Negotiation report. Moreover, the Beneficiary **has the obligation to strictly observe the principle of best value for money** and to take all necessary measures (e.g. internet research of prices, comparison between similar contracts, etc.).

**Publication:** No publication is required.

**Submission of tenders:** The tenderer/s is/are normally given 15 days for submission of offers.

**Tender dossier:**

<b>NB!</b>	In order to ensure high level of competition, beneficiaries could invite more than one tenderer. In such case, the respective PRAG tender dossier for Simplified procedure (simplified tender dossier) is to be used.
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The Beneficiary in its role of Contracting Authority **shall prepare tender dossier, containing:**

### Single tender dossier for service:

For the single tender procedure the specific annexes for simplified tenders must be used (administrative compliance grid, contract, contract notice, invitation letter, instructions to tenderer, terms of reference and tender form) for this procedure. They can be adjusted to the procedure, including deleting non-relevant sections, without this requiring derogation.

One of two possible scenarios could be followed:

1. One tender invited:

Based on the complexity, amount and the nature of the tender, the Beneficiary may choose to invite **ONLY ONE TENDERER** under a single tender procedure..

2. More than one tenderer invited:

In case the Beneficiary, i.e. the Contracting Authority, decides to invite **MORE THAN ONE TENDERER/PUBLISHES THE TENDER DOSSIER**, the respective PRAG tender dossier for Simplified procedure (simplified dossier – B8o) is to be used.

Templates for single tender procedures for service(minimal set of documents recommended)			
One tenderer invited		More than one tenderer invited	
Tender dossier			
Invitation to Tender	PRAG, Annex b8o4_invit_simp_neg_en.doc	Invitation to Tender	PRAG, Annex b8o4_invit_simp_neg_en.doc
Instructions to tenderers	PRAG, Annex b8o5_itt_simp_neg_en.doc	Instructions to Tenderers	PRAG, Annex b8o5_itt_simp_neg_en.doc
	PRAG, Annex B8o3_Contractnotice_simp_neg+en.docx	Contract notice	PRAG, Annex B8o3_Contractnotice_simp_neg+en.docx
Terms of Reference	PRAG, Annex B8e - Draft contract: Terms of reference Fee-based (Annex II) or B8f Draft contract: Terms of reference Global (Annex II)	Terms of Reference	PRAG, Annex B8e - Draft contract: Terms of reference Fee-based (Annex II) or B8f Draft contract: Terms of reference Global (Annex II)

Templates for single tender procedures for service(minimal set of documents recommended)			
One tenderer invited		More than one tenderer invited	
Draft contract	PRAG, Annex b8o2_contract_simp_ne g_en.doc	Organisation and Methodology (to be submitted by the tenderer using the template provided)	PRAG, Annex B8g Draft contract: Organisation & methodology (Annex III)
		Key experts (including templates for the summary list of key experts and their CVs) (For contracts requiring key experts)	PRAG, Annex B8h Draft contract: List and CVs of key experts (Annex IV)
		Budget (to be submitted by the tenderer as the Financial offer using the template provided)	PRAG, Annex B8i1 Budget for a global-price contract or B8i2 Budget breakdown for a fee-based contract
		Forms and other supporting documents	PRAG, Annexes: B8j1 Bank account notification form B8j2 Financial guarantee template B8j3 Legal Entity File (individual) B8j4 Legal Entity File (private companies) B8j5 Legal Entity File (public bodies)
		Expenditure verification: Terms of Reference and Report of Factual Findings (to be deleted for global price contracts)	PRAG, Annex B8k1 Expenditure verification: Terms of Reference and Report of factual Findings (Annex VII)
Tender submission form	PRAG,	Service Contract Notice	PRAG,

Templates for single tender procedures for service(minimal set of documents recommended)			
One tenderer invited		More than one tenderer invited	
	<i>Annex b8o7_tenderform_simp_ neg_en.doc</i>		<i>Annex b8o3_contractnotice_simp_ neg_en.doc</i>
<b>Administrative Compliance Grid</b>	<i>PRAG, Annex b8o1_admingrid_simp_ neg_en.doc</i>	<b>Draft Contract</b>	<i>PRAG, Annex b8o2_contract_simp_neg_e n.doc</i>
		<b>General Conditions for service contracts</b>	<i>PRAG, Annex B8d Draft contract : General conditions (Annex I)</i>
		<b>Tender Submission Form</b>	<i>PRAG, Annex b8o7_tenderform_simp_ne g_en.doc</i>
		<b>Declaration of honour on exclusion and selection criteria</b>	<i>PRAG, Annex A14a Declaration of honour on exclusion and selection criteria for procurement</i>
		<b>Administrative Compliance Grid</b>	<i>PRAG, Annex b8o1_admingrid_simp_neg _en.doc</i>
		<b>Evaluation grid</b>	<i>PRAG, Annex B8m1 Evaluation grid (fee- based) or B8m2 Evaluation grid (global price)</i>

For single tender for supply the respective PRAG tender annexes should be used:

Templates for single tender procedures for service(minimal set of documents recommended)			
One tenderer invited		More than one tenderer invited	
Tender dossier			
Invitation to tender	PRAG, Annex c4a_invit_en.docx	Invitation to Tender	PRAG, Annex c4a_invit_en.docx
Instructions to tenderers	PRAG, Annex c4b_itt_en.docx	Instructions to Tenderers	PRAG, Annex c4b_itt_en.docx
		Contract notice	PRAG, Annex <a href="#">a5e_contractnotice_enotices_en.docx</a> A5f Additional information about the Contract Notice (e-notices)
Draft contract	c4c_contract_en.docx	Draft contract	c4c_contract_en.docx
Draft contract : special conditions	PRAG, Annex c4d_specialconditions_en.docx	Draft contract: special conditions	PRAG, Annex c4d_specialconditions_en.docx
Draft contract : general conditions (Annex I)	PRAG, Annex c4e_annexigc_en.pdf)	Draft contract: general conditions (Annex I)	PRAG, Annex c4e_annexigc_en.pdf)
Technical specifications (Annex II) & technical offer (Annex III)	PRAG, Annex c4f_annexiitechspeciitech offer_en.docx	Technical specifications (Annex II) & technical offer (Annex III)	PRAG, Annex c4f_annexiitechspeciitechoffer_en.docx
Financial offer (Annex IV)	PRAG, Annex C4g	Financial offer (Annex IV)	PRAG, Annex C4g
Tender submission form	<a href="#">c4l tenderform_en.docx</a>	Tender submission form	<a href="#">c4l tenderform_en.docx</a>
Legal entity file (individual)	PRAG, Annex c4o2_lefind_en.pdf	Legal entity file (individual)	PRAG, Annex c4o2_lefind_en.pdf

Templates for single tender procedures for service(minimal set of documents recommended)			
One tenderer invited		More than one tenderer invited	
Legal entity file (private companies)	PRAG, Annex c4o3_lefcompany_en.pdf	Legal entity file (private companies)	PRAG, Annex c4o3_lefcompany_en.pdf
Legal entity file (public bodies)	PRAG, Annex C4o4	Legal entity file (public bodies)	PRAG, Annex C4o4
		Award decision	PRAG, Annex <a href="#">c7b_awardecision_en.docx</a>
Notification letter to tenderers	PRAG, Annex <a href="#">c8a_notifletter_supply_en.docx</a>	Notification letter to tenderers	PRAG, Annex <a href="#">c8a_notifletter_supply_en.docx</a>
Letter to unsuccessful tenderers	PRAG, Annex C8b	Letter to unsuccessful tenderers	PRAG, Annex C8b
Administrative compliance grid	PRAG, Annex c4j_admingrid_en.docx	Administrative compliance grid	PRAG, Annex c4j_admingrid_en.docx
		Evaluation grid	PRAG, Annex C4k
		Tender opening checklist	PRAG, Annex c5_openchecklist_en.docx
		Tender opening report	PRAG, Annex c6_openrecord_en.docx
		Evaluation report	PRAG, Annex C7a

For single tender for works, the respective PRAG tender dossier for Simplified procedure (simplified dossier – DS1 “Tender dossier for simplified tender procedure”) is to be used. Additionally, Declaration of honour on exclusion and selection criteria (Annex A14a of PRAG) could be included in the tender dossier for Single tender (service, supply or works). For procurement contracts with a value of EUR 15 000 or less, the contracting authority may refrain from requiring a declaration depending on its risk assessment.

### ***Selection process on the basis of single tender procedure***

The selection process for single tender contracts is by definition not about comparison of different tenders, rather than assessment whether the received tender is in line with basic technical requirements as described in the tender dossier.

Single tender procedure evaluation is based on p. 2.6.8 of the PRAG.

**Establishment of Evaluation committee** is not required in case of single tender procedures. The Beneficiary shall describe the selection process in Annex A10b of the PRAG for all type of contracts, explaining the manner in which the participant(s) in the negotiations were identified and the price was established, and the grounds for the award decision. The Contracting Authority must follow the negotiation steps shown in the negotiation report template and ensure that basic principles relating to procurement procedures such as checking compliance with eligibility rules (nationality rules), capacity to carry out the contract and exclusion criteria are duly applied.

All documents, proving the declared circumstances by the tenderer should be requested and attached to the Annex A10b, in order to support the final decision of the Beneficiary. The additional documents should be requested at latest at the evaluation stage and before signature of the contract.

In case of single tender procedures for services one of two possible scenarios could be followed:

#### **1. One tenderer invited:**

The assessment of the tender should be carried out under the template for Negotiation report for single tenders, annex A10b of the PRAG. Following this scenario, the assessment procedure serves only for confirming the administrative and technical compliance of the tender to the requirements, set out in the Instruction to tenderers.

#### **2. More than one tenderer invited:**

The Contracting Authority has to evaluate all tenders according to the “best value for money” award criterion, by establishing best price-quality ratio, and weighing technical quality against price on an 80/20 basis. This evaluation must also be documented in the Negotiation Report for single tenders, annex A10b of the PRAG. This scenario is to be followed even though some of the invited candidates may not submit offers.

In all cases, the respective conclusions from the evaluation process must be justified in the Negotiation report for single tenders, Annex A10b of the PRAG.

<b>Forms for the selection process for service contracts</b>			
<b><i>One tenderer invited</i></b>		<b><i>More than one tenderer invited</i></b>	
<b>Negotiation report for single tenders</b>	<i>PRAG, Annex a10b_singletenderrep</i>	<b>Negotiation report for single tenders</b>	<i>PRAG, Annex a10b_singeltenderrepo</i>

Forms for the selection process for service contracts			
One tenderer invited		More than one tenderer invited	
	<i>ort_en.doc</i>		<i>rt_en.doc</i>
<b>Notification Letter to awarded tenderer</b>	<i>PRAG, Annex b13a_notification_letter_en.doc</i>	<b>Notification Letter to awarded tenderer</b>	<i>PRAG, Annex b13a_notification_letter_en.doc</i>
		<b>Letter to second best tenderer</b>	<i>PRAG, Annex b13b_lettersecond_best_en.doc</i>
		<b>Letter to unsuccessful tenderer</b>	<i>PRAG, Annex b13c_letterunsuccessful_en.doc</i>

The Contracting Authority should send notification letter to the awarded company, as well as to the unsuccessful tenderers. Models of such letters can be found in the PRAG (sections 3, 4 and 5). **Contract** with the successful tenderer could be drafted on the basis of the format provided in the tender documents.

## TENDER PROCEDURES > EUR 20 000,00

<b>NB!</b>	<b>For all tender procedures above EUR 20 000,00, the Beneficiary (i.e. Contracting Authority) must invite JS to observe the evaluation process by nominating observers.</b>
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Invitations for the opening session of the tenders have to be sent to JS within 10 days before the relevant date of opening. After receiving of the invitation, the members of the programme structure may appoint its representative to observe all or part of the evaluation process.

## SIMPLIFIED PROCEDURE

Under the Simplified procedure, the Beneficiary (in its role of Contracting Authority) invites candidates of its choice to submit tenders. The Contracting Authority draws up a list of at least three candidates with a justification for its choice.

Simplified procedure applies to **service, supply and works contracts**. The procedures for supplies and works should be minimum those described in the relevant PRAG chapter, and tender



dossiers should contain at least those documents listed in the table below. The Beneficiary, in its capacity of Contracting Authority should prepare the tender dossier which describes in sufficient details procedures and expectations from the tenderer.

**Publication:** The tender dossier has to be published on the Programme website and the beneficiary's website (in its role of Contracting authority). More details are available below in section Procurement publications.

**Submission of tenders:** The invited tenderers must be allowed minimum 30 days from the dispatch of the letter of invitation to tender to submit their offers.

The Beneficiary in its role of Contracting Authority **shall prepare tender dossier, containing:**

Simplified procedure for service (for the simplified procedure and for the single tender procedure)	Simplified procedure for supply	Simplified procedure for works
<p><b>- Invitation to tenderers</b></p> <p><b>A. Instructions to tenderers and Contract notice (including Additional information about the Contract Notice, where applicable);</b></p> <p><b>B. Draft contract and special conditions with annexes:</b></p> <p>General conditions for service contracts Terms of reference Organisation and methodology [Key experts (For contracts requiring key experts)] Budget Forms and other supporting documents If applicable - Expenditure verification: terms of reference and report of factual findings (delete for global price contracts)]</p> <p><b>C. Other information:</b> List of entities invited to submit a tender Administrative compliance grid Evaluation grid</p>	<p><b>- Invitation to tenderers</b></p> <p><b>A. Instructions to tenderers and Contract notice (including Additional information about the Contract Notice, where applicable);</b></p> <p><b>B. Draft contract and special conditions, including annexes</b></p> <p>Draft contract Special conditions Annex I: general conditions</p> <p>Annex II + III: technical specifications + technical offer (to be tailored to the specific project)</p> <p>Annex IV: budget breakdown (model financial offer)</p> <p>Annex V: forms</p> <p><b>C. Further information</b></p> <p>Administrative</p>	<p>Invitation to tenderers</p> <p>VOLUME 1</p> <p>SECTION 1: Instructions to tenderers, with Contract Notice (including Additional information about the Contract Notice, where applicable);</p> <p>SECTION 2: Tender Form and Declaration of honour on exclusion and selection criteria-Form a.14</p> <p>SECTION 3: Forms regarding selection criteria: Legal entity file (to be added in the document)</p> <p>SECTION 4: Technical Offer: Financial capacity m 4.4 Overview of the tenderer's staff Technical and professional capacity CVs of key staff Plant Work plan and programme Power of attorney Form 4.3 Financial identification form (to be added in the document)</p> <p>SECTION 5: Administrative compliance grid Evaluation grid</p>



Simplified procedure for service (for the simplified procedure and for the single tender procedure)	Simplified procedure for supply	Simplified procedure for works
D. Tender submission form and declaration of honour on exclusion and selection criteria - Form A14	compliance grid Evaluation grid D. Tender form for a supply contract and Declaration of honour on exclusion and selection criteria - Form A14	VOLUME 2 SECTION 1: Contract Form SECTION 2: General Conditions for works contracts SECTION 3: Special conditions VOLUME 3 Technical Specifications VOLUME 4 Financial offer VOLUME 5 Design documents, including drawings
All annexes included in the PRAG	All annexes included in the PRAG	All annexes included in the PRAG

### ***Selection process under Simplified procedure***

Tenders are opened and evaluated by an **Evaluation Committee** appointed timely and formally by the Contracting Authority comprising:

- a **non-voting Chairperson**;
- a non-voting Secretary;
- **an odd number of voting members (minimum of three)**.

The Evaluation Committee members should be appointed by official nomination (Administrative order of composition) of the Beneficiary in its role of a Contracting Authority, **based on their qualifications and skills**. Each member must have a reasonable command of the language in which the applications are submitted (English).

**All members of the Evaluation Committee are obliged to sign a Declaration of Impartiality and Confidentiality.** The format of the declaration is available under **Annex A4 of the PRAG: Declaration of Impartiality and Confidentiality**.

The process of evaluation includes assessment of the candidates/tenders and tenderers under four types of criteria:

Type of criteria	Description
Eligibility criteria	Assessment whether the candidates/tenderers and tenders comply with the basic rules (nationality, origin, other essentials). For more information, refer to p. 2.3 of the PRAG.

Type of criteria	Description
<b>Exclusion criteria</b>	Assessment whether the candidates/tenderers fall under one or any exclusion criteria. For more information, refer to p. 2.6.10. of the PRAG.
<b>Selection criteria</b>	Regardless of the type of procurement procedure used, the capacity of the candidate or tenderer to implement the contract is always assessed on the basis of objective criteria set out in the tender dossier. This includes assessment of the financial and economic capacity of candidates or tenderers and of their technical and professional capacity. For more information, refer to p. 2.6.11 of the PRAG.
<b>Award criteria</b>	<p>In case of service contract the award criterion is “best value for money”. The selection is based on comparison of the price and the technical quality of the received offers. The offer which provides the best value for money is awarded with the contract. Normally the ratio 20% price and 80% technical quality is used.</p> <p>In case of supply and works contracts, usually, the selection is based on the criterion “lowest price”. The contract is awarded to the tender which, while being in order and satisfying the conditions laid down in the tender dossier, quotes the lowest price.</p> <p>For more information, please refer to p.2.6.11.4 of the PRAG.</p>

### The selection process under Simplified procedure includes the following steps:

#### *I. Receipt and registration of tenders*

The Contracting Authority must register the receiving of tenders, marking the date and time of reception, and provide a receipt for those delivered by hand. The envelopes containing the tenders must remain sealed and be kept in a safe place until they are opened. The outer envelopes of tenders must be numbered in order of receipt.

#### *II. Preparatory meeting*

First meeting of the Evaluation Committee has to be held before the Tender opening session. The tender dossier should have been distributed in advance to the members of the Evaluation Committee. The Chairperson presents the purpose of the tender, the procedures to be followed by the Evaluation Committee including the evaluation grid and selection and award criteria specified in the tender dossier.

#### *III. Tender opening session*

The Tender opening session is a formal process, which for supply and works tenders is also public. Although it is public, participation in the tender opening session is restricted to representatives of the companies which are tendering for the contract. The Evaluation Committee opens the tenders in public at the place and time fixed in the tender dossier.

During the tender opening session, the **tender opening checklist** has to be filled in by the

Chairperson with the assistance of the Secretary of the Evaluation Committee.

The Chairperson must check that no member of the Evaluation Committee has a potential conflict of interest with any of the tenderers (on the basis of the tenders received, consortium members and any identified subcontractor).

The Evaluation Committee must check that the tenders are complete and to decide whether or not tenders comply with the formal requirements of the tender dossier. The summary of tenders received, which is attached to the **Tender opening report** must be used to record the compliance of each of the tenders with the formal submission requirements. The minutes of this meeting are included in the Tender Opening Report and it must be made available to the tenderers on request.

#### **IV. Evaluation of offers**

As part of the technical evaluation, the Evaluation Committee analyses the commercial aspects and, where applicable, the service component of the tenders to determine whether they satisfy the requirements set in the tender dossier. The results are recorded in a YES/NO grid for all elements specified in the tender dossier. No scoring method should be used. If the tender is divided into lots, the evaluation should be carried out lot-by-lot.

With the agreement of the other Evaluation Committee members, the Chairperson may communicate in writing with tenderers whose submissions require clarification, offering them the possibility to respond within a reasonable time limit to be fixed by the Committee.

#### **In case of Simplified procedure for service contract:**

##### ***Part 1: Checking of administrative compliance***

The Evaluation Committee checks the compliance of tenders with the instructions given in the tender dossier and in particular the administrative compliance grid. Any major formal errors or restrictions affecting performance of the contract or distorting competition result in the rejection of the tender concerned.

**Nationality of sub-contractors:** the Evaluation Committee must check at this stage that the nationalities of any sub-contractors identified in the technical offers satisfy the Interreg - IPA CBC programme nationality rule. If the service provider is required by the terms of reference to provide supplies in accordance with detailed technical specifications laid down in the terms of reference, the Evaluation Committee must verify that the proposed supplies satisfy the rule of origin where applicable.

The tenderers could be requested to provide proof documents for the key experts proposed. This can include copies of the diplomas mentioned in the CV and employers' certificates or references proving the professional experience indicated in the CV. If missing proofs are requested, it should only be for the relevant experience and diplomas which are among the requirements in the Terms of Reference.

The Administrative compliance grid included in the Tender Dossier must be used to record the administrative compliance of each of the tenders.

## Part 2: Technical evaluation

The Evaluation Committee then examines the technical offers; the financial offers must remain sealed at this stage. When evaluating technical offers, each member awards each offer a score out of a maximum 100 points in accordance with the technical evaluation grid laid down in the tender dossier. Under no circumstances may the evaluation grid be changed.

In practice, it is recommended that tenders be scored for a given criterion one after another, rather than scoring each tender for all criteria before moving on to the next. Where the content of a tender is incomplete or deviates substantially from one or more of the technical award criteria laid down in the tender dossier (e.g. the required profile of a certain expert), the tender should be automatically rejected, without being given a score, but this should be justified in the evaluation report.

For experts the scores should be given in comparison to the requirements stated in the Terms of Reference.

Each voting member of the Evaluation Committee completes an **Evaluation grid** to record his/her assessment of each technical offer in order to establish a general appreciation of strengths and weaknesses of the individual technical offers.

On completion of the technical evaluation, the points awarded by each member are compared at the Committee's session. Besides the numerical score, a member must explain the reasons for his/her choice and defend his/her scores before the Committee.

The Evaluation Committee discusses each technical offer and each member awards it a final score. The Committee members may modify their individual evaluation grids as a result of the general discussion on the merits of each offer.

Once discussed, each Evaluation Committee member finalizes his/her evaluation grid on each of the technical offers and signs it before handing it over to the Secretary of the Evaluation Committee. The Secretary must then compile a summary of the comments of the Committee members as part of the Evaluation Report.

In the case of major discrepancies, a full justification has to be provided by dissenting members during a meeting of the Evaluation Committee.

The Secretary calculates the aggregate final score, which is the arithmetical average of the individual final scores.

The Evaluation Committee might decide to implement interviews with proposed key experts to assess their competences, either by telephone or personally. *Depending on the type of service and the size of the contract this can be strongly recommended.*

Once the Evaluation Committee has established each technical offer's average score (the mathematical average of the final scores awarded by each voting member), any tender falling short of the 75-point threshold is automatically rejected. If no tender achieves 75 points or more, the tender procedure will be cancelled.

Out of the tenders reaching the 75-point threshold, the best technical offer is awarded 100 points. The others receive points calculated using the following formula:

Technical score = (final score of the technical offer in question/final score of the best technical offer) x 100.

	Maximum possible	Tenderer 1	Tenderer 2	Tenderer 3
Evaluator A	100	55	88	84
Evaluator B	100	60	84	82
Evaluator C	100	59	82	90
Total	300	174	254	256
Average score (mathematical average)		174/3=58,00	254/3=84.67	256/3=85.33
Technical score (actual final score/highest final score)		Eliminated*	84.67/85.33x100 = <b>99.22</b>	<b>100.00</b>

*\* Only tenderers with average score of at least 75 points qualify for the financial evaluation.*

### Part 3: Financial evaluation

Upon completion of the technical evaluation, the envelopes containing the financial offers for tenders who were not eliminated during the technical evaluation (i.e., those which have achieved an average score of 75 points or more) are opened and all originals of these financial offers are initialed by the Chairperson and the Secretary of the Evaluation Committee.

The Evaluation Committee has to ensure that the financial offer satisfies all formal requirements. A financial offer not meeting these requirements may be rejected. Any rejection on these grounds will have to be fully justified in the Evaluation Report.

The Evaluation Committee checks that the financial offers contain no arithmetical errors. Any arithmetical errors are corrected without penalty to the tenderer. The envelopes containing the financial offers of rejected tenderers following the technical evaluation must remain unopened and retained. They must be archived by the Contracting Authority together with the other tender procedure documents.

In the case of fee-based contracts, the total contract value comprises the fees (including employment- related overheads), the incidental expenditure and the provision for expenditure verification, which are specified in the tender dossier. In the case of lump-sum contracts only total contract value is provided. The total contract value is compared with the maximum budget available for the contract. Tenders exceeding the maximum budget allocated for the contract are eliminated. For the project partners from North Macedonia: exchange rate for conversion of financial offers to

euro should be specified in Instructions to tenderers. Otherwise, InforEuro exchange rate from month of launching the tender procedure must be applied.

The Evaluation Committee then proceeds with the financial comparison of the fees between the different financial offers. The provision for incidental expenditure, as well as the provision for expenditure verification is excluded from the comparison of the financial offers as it was specified in the tender dossier. In case of lump-sum contract the total contract value is used as basis for financial evaluation.

The tender with the lowest total fees + lump sums receives 100 points. The others are awarded points by means of the following formula:

Financial score = (lowest total fees + lump sums / total fees + lump sums of the tender being considered) x 100.

When evaluating financial offers, the evaluation committee compares only the total fees and lumpsums.

Specimen Tender Evaluation Summary: Financial Evaluation \*

	Maximum possible	Tenderer 1	Tenderer 2	Tenderer 3
<b>Total fees</b>		Eliminated following technical evaluation	€ 951.322	€ 1.060.452
<b>Financial score (lowest total fees/ actual total fees x 100)</b>			100	951.322/1.060.452 x100 = <b>89.71</b>

\* Only tenderers with average scores of at least 75 points in the technical evaluation qualify for the financial evaluation

#### **Part 4: Choice of contractor**

The best value for money is established by weighing technical quality against price on an 80/20 basis. This is done by multiplying:

- the scores awarded to the technical offers by 0,80,
- the scores awarded to the financial offers by 0,20.

### Specimen Tender Evaluation Summary: Composite Evaluation

	Tenderer 1	Tenderer 2	Tenderer 3
Technical score x0.80	Eliminated following technicalevaluation	$99,22 \times 0.80 = 79.38$	$100.00 \times 0.80 = 80.00$
Financial score x0.20		$100.00 \times 0.20 = 20.00$	$89.71 \times 0.20 = 17.94$
Overall score		$79.38 + 20.00 = 99.38$	$80.00 + 17.94 = 97.94$
Final ranking		1	2

The resulting, weighted technical and financial scores are then added together to find the tender with the highest score, i.e. the best value for money. It is essential to make the calculations strictly according to the above instructions. The Evaluation Committee's recommendation shall be to award the contract to the tender achieving the highest overall score on the condition that the documentary evidence submitted by the tenderer for the exclusion and selection criteria are verified and accepted.

#### In case of simplified procedure for supply and works contracts:

##### *Part 1: Administrative compliance*

Before conducting a detailed evaluation of the tenders, the Evaluation Committee checks that they comply with the essential requirements of the tender dossier (i.e. the **Administrative compliance grid**). A tender is deemed to comply if it satisfies all the conditions, procedures and specifications in the tender dossier without substantially departing from or attaching restrictions to them. Substantial departures or restrictions are those which affect the scope, quality or performance of the contract, differ widely from the terms of the tender dossier, limit the rights of the Contracting Authority or the tenderer's obligations under the contract or distort competition for tenderers whose tenders do comply.

The administrative compliance of each of the tenders must be recorded in the **Evaluation Report**.

##### *Part 2: Technical compliance of tenders*

The detailed technical evaluation of the tenders takes place after the administrative compliance check and should be formalized with the **Evaluation grid**. The criteria to be applied are those published in the tender dossier and, accordingly, the evaluation grid included in the tender dossier must be used. **Under no circumstances may the Evaluation Committee or its members change the evaluation grid communicated to the tenderers in the tender dossier.**

The purpose of this evaluation is to assess whether or not the competing tenders meet the selection criteria and the minimum technical requirements. Tenders which do not meet the selection criteria and the minimum technical requirements must be rejected.



**Rule of origin:** All tenders must satisfy the rule that **the goods to be supplied and the materials to be used for the construction** fulfil the requirements, set in section 2.3.7 of the PRAG. In case of any doubt as to the origin of goods, additional information must be requested. The tenderer will be required to provide, if possible prior to the signature of the contract, proof of origin in the form of a Certificate of Origin or other official documentation. To establish origin, one must determine where the product in question has been obtained or produced. Tenders which clearly fail to satisfy the rule of origin **must be rejected**. The rule of origin does not apply to the contractor's equipment which will be used during the construction.

**Nationality of sub-contractors:** The Evaluation Committee must check at this stage that the nationalities of any sub-contractors identified in the technical offers satisfy the nationality rule, also describe in section 2.3.1 of the PRAG.

The Evaluation Committee rules on the technical compliance of each tender, classifying it as technically compliant or not technically compliant.

### **Part 3: Evaluation of financial offers**

Once the technical evaluation has been completed, the Evaluation Committee checks that the financial offers contain no arithmetical errors. Any arithmetical errors are corrected without penalty to the tenderer.

If the tender is in one lot, the contract is awarded to the cheapest technically compliant offer.

If the tender procedure contains several lots, financial offers are compared for each lot. The financial evaluation will have to identify the best financial offer for each lot, taking into consideration any eventual discounts granted by the tenderers.

Specimen of application of discounts: Company A offers a discount of 20% if awarded Lots 1 and 3, Company B offers a discount of 10% if awarded all three Lots, Company C offers NO discount.

	Company A	Company B	Company C	Ranking without discount
<b>LOT 1</b>	90	80	70	Company C
<b>LOT 2</b>	Not bidding	40	50	Company B
<b>LOT 3</b>	60	70	55	Company C

After applying the discount:

	Company A (20% discount)	Company B (10% discount)	Company C (no discount)
<b>LOT 1</b>	72	72	70



	Company A (20% discount)	Company B (10% discount)	Company C (no discount)
<b>LOT 2</b>	Not bidding	36	50
<b>LOT3</b>	48	63	55

The 3 combinations possible:

*Combination 1:*  $72 + 40 + 48 = 160$

*Combination 2:*  $72 + 36 + 63 = 171$

*Combination 3:*  $70 + 50 + 55$ , but since for Lot 2 there is a cheaper price offered, the sum becomes:  $70 + 40 + 55 = 165$

The Contracting Authority must choose combination 1, awarding contracts for Lots 1 and 3 to company A and Lot 2 to company B for the initial price offered.

#### **Part 4: Choice of contractor**

The successful tenderer is the one submitting the cheapest tender classified as "technically compliant" during the technical evaluation. It must be declared the successful tender if it is equal to or lower than the maximum budget available for the contract. For the project partners from North Macedonia: exchange rate for conversion of financial offers to euro should be specified in Instructions to tenderers. Otherwise, InforEuro exchange rate from month of launching the tender procedure must be applied [https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-infoeuro\\_en](https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en)

In the case of abnormally low tenders, the Evaluation Committee must request any relevant information concerning the composition of the tender. If, for a given contract, tenders appear to be abnormally low, the Contracting Authority must, before rejecting such tenders on that ground alone, request in writing details of the constituent elements of the tender which it considers relevant and verify those constituent elements, after due hearing of the parties, taking account of the explanations received.

The justification for accepting or rejecting an abnormally low offer must be recorded in the Evaluation Report.

#### **V. Conclusions of the Evaluation Committee**

As a result of its deliberations, the Evaluation Committee may make any of the following recommendations:

Tender procedure for:	Award the contract to the tenderer which has submitted a tender	Cancel <sup>1</sup> the tender procedure in exceptional circumstances, such as:
<b>Service contract</b>	<ul style="list-style-type: none"> <li>- which complies with the formal requirements and the eligibility rules;</li> <li>- whose total budget is within the maximum budget available for the project;</li> <li>- which meets the minimum technical requirements specified in the tender dossier; and</li> <li>- which is the best value for money (satisfying all of the above conditions).</li> </ul>	<ul style="list-style-type: none"> <li>- none of the tenders satisfies the selection/award criteria of the tender procedure;</li> <li>- no tenders achieved the minimum threshold during the technical evaluation;</li> <li>- total price (comprising both the fees, the incidental expenditure and the provision for expenditure verification) of all tenders received exceed the maximum amount available for the contract.</li> </ul>
<b>Supply and Works contract</b>	<ul style="list-style-type: none"> <li>- which complies with the formal requirements and the eligibility rules;</li> <li>- whose total budget is within the maximum budget available for the project;</li> <li>- which meets the minimum technical requirements specified in the tender dossier; and</li> <li>- which is the least expensive tender (satisfying all of the above conditions).</li> </ul>	<ul style="list-style-type: none"> <li>- none of the tenders satisfies the selection/award criteria of the tender procedure;</li> <li>- all tenders received exceed the maximum budget available for the contract.</li> </ul>

The entire procedure (technical and financial evaluation) is recorded in the **Evaluation Report**. The report has to be signed by the Chairperson, the Secretary and all voting members of the Evaluation Committee.

## VI. **Notifications and signature of the contract**

The successful and unsuccessful tenderers are informed on the results of the evaluation (format letters available at the web-page of PRAG). The successful tenderer is invited to the signature of the **Contract**. Format of the contract is provided in the tender documents.

## RESTRICTED PROCEDURES

Calls for tender are restricted where all economic operators may ask to take part but only candidates satisfying the selection criteria may submit a tender. Under the restricted procedure, the Contracting Authority invites a limited number of candidates to tender.

Restricted procedure applies only in case of **service contracts** and in exceptional cases restricted tender procedure may be used in works contracts. The procedure follows two-step process: In the first step a public invitation for submission of expression of interest is issued. In the second step the initial offers are reviewed and a short-list of candidates is formed. The short-

listed candidates are invited to submit full proposals.

For more information, please refer to points 3.4 (in case of service contracts) and 5.4 (in case of works contracts) of the PRAG.

## OPEN PROCEDURES

Calls for tender are open where all interested economic operators may submit a tender. The procedure follows one step process where open invitation for submission of tenders is issued either on national and international level. The contract is given maximum publicity through the publication of a notice. Depending on whether it is a local or international open procedure the procurement notice is to be published in all appropriate media. **The open procedure is applicable to supply and works contract.**

The successful and unsuccessful tenderers should be informed on the results of the evaluation (format letters available at the web-page of PRAG). There must be a “standstill period” for the supply contracts with a value of more than EUR 300,000 between notification of the tenderers and signature of the Contract. For more information, please refer to article 2.10.1 of PRAG.

For more information, please refer to points 4.3, and 4.4 (in case of supply contracts), and 5.3 and 5.5 (in case of works contracts) of the PRAG.

## PROCUREMENT PUBLICATIONS

Having regard to the Art. 163 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and

Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 and Art. 264 of Commission Delegated Regulation (EU) No 1268/2012, and considering p. 2.4.2 “Open procedures” of the PRAG, the Beneficiaries are obliged to ensure widest possible participation in competitive tendering and the requisite transparency.

Depending on the type of tender procedure, the following documents should be published:

- For **Simplified procedures**: Completed tender dossier and Contract notice (including Additional information about the Contract Notice, where applicable) should be published on the Programme’s web site and the grant Beneficiary’s website (in its role of Contracting authority).
- For **Local open tender procedures for supply / works**: Complete tender dossier, *Contract notice* ((including Additional information about the Contract Notice, where applicable) (Annexes A5e and A5f of the PRAG ), *Summary Contract notice* (annexes

C3 or D3 of the PRAG) and *Contract award notice* (Annex A5g of the PRAG) should be published in all appropriate media, in particular on the Programme's web site and the grant Beneficiary's website (in its role of Contracting authority). Additionally, *Summary Contract notice* should be published in official journal of the partner country or any equivalent media in which the action is being carried out.

- For **International open tender for supply / works or International restricted tender procedure for service**: Complete Tender dossier; *Prior information notice* (Annex A5d of the PRAG); *Contract notice* (including Additional information about the Contract Notice, where applicable) (Annexes A5e and A5f of the PRAG); Shortlist notice<sup>1</sup> (Annex B6 of the PRAG); Contract award notice for international calls (annexes B14a, C9a or D9a of PRAG) should be published in all appropriate media, in particular on the Programme's web site and on the grant Beneficiary's website (in its role of Contracting authority). Additionally, *Prior information notice*; *Shortlist notice*; *Contract notice* and *Contract award notice* should be published in the **Official journal of the European Union (OJEU)**<sup>2</sup>;
- To ensure the maximum compliance with the article 160, para.1 of the Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012, the beneficiary should use several instruments, observing of the principles of transparency:
- All relevant notices should be published in official journal of the partner country or any equivalent media and on the Programme's web site and the grant Beneficiary's website (in its role of Contracting authority).
- *FAQ/Clarifications*; *Cancellation notice* (Annex A5a of the PRAG), *Corrigendum* (Annex A5b of the PRAG) and Notice for modification of contract (Annex A5c of the PRAG), if any, should be published in all appropriate media, in particular on the Programme's web site and on the grant Beneficiary's website (in its role of Contracting authority). Additionally, for International open tenders the forms of documents required by the administration of the web site of the OJEU should be used.

The requirements for procurement publications can be summarized as follows:

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<sup>1</sup> Related to International restricted tender procedures.

<sup>2</sup> Please have in mind that the templates available on the web site of the OJEU may differ from the templates of PRAG. Please use the respective templates, when making a publication to the web site of the OJEU. In all other publications (Programme's web site, grant Beneficiary's website and national press), please use the templates of the PRAG.

Type of procedure	Document	Published on/in:		
		Beneficiary's website	Official journal of the partner country or any equivalent media	Programme's web site
Simplified procedure	Contract notice (Annex A5e and A5f/ b8o3/ds2 of the PRAG)	✓		✓
Local open tender for supply	Contract notice (including Additional information about the Contract Notice, where applicable) (Annexes A5e and A5f of the PRAG)	✓	✓	✓
	Summary Contract notice (Annex C3 of the PRAG)	✓		✓
	Contract award notice (Annex A5g of the PRAG)	✓		✓
	Notice for modification of contract (Annex A5c of the PRAG)	✓		✓
Local open tender for works	Contract notice (including Additional information about the Contract Notice, where applicable) (Annexes A5e and A5f of the PRAG)	✓	✓	✓
	Summary Contract notice (Annex D3 of the PRAG)	✓		✓
	Contract award notice (Annex A5g of the PRAG)	✓		✓
	Notice for modification of contract (Annex A5c of the PRAG)	✓	✓	✓

Type of procedure	Document	Published on/in:		
		Beneficiary's website	Official journal of the partner country or any equivalent media	Programme's web site
International open tender for supply	Prior information notice (Annex C1 of the PRAG)	✓	✓	✓
	Contract notice (including Additional information about the Contract Notice, where applicable) (Annexes A5e and A5f of the PRAG)	✓	✓	✓
	Contract award notice (Annex A5g of the PRAG)	✓		✓
	Notice for modification of contract (Annex A5c of the PRAG)	✓	✓	✓
International open tender for works	Prior information notice (Annex D1 of the PRAG)	✓	✓	✓
	Contract notice (including Additional information about the Contract Notice, where applicable) (Annexes A5e and A5f of the PRAG)	✓	✓	✓
	Contract award notice (Annex A5g of the PRAG)	✓	✓	✓
	Notice for modification of contract (Annex A5c of the PRAG)	✓	✓	✓
International restricted tender for service	Prior information notice (Annex B1 of the PRAG)	✓	✓	✓
	Contract notice (including Additional information about the Contract Notice, where applicable) (Annexes A5e and A5f of the PRAG)	✓	✓	✓

Type of procedure	Document	Published on/in:		
		Beneficiary's website	Official journal of the partner country or any equivalent media	Programme's web site
	Shortlist notice (Annex B6 of the PRAG)	✓	✓	✓
	Contract award notice (Annex A5g of the PRAG)	✓	✓	✓
	Notice for modification of contract (Annex A5c of the PRAG)	✓	✓	✓
For all procedures	Tender dossier	✓	✓	✓
	FAQ/Clarifications—if applicable	✓		✓
	Corrigendum – if applicable (Annex A5b of the PRAG)	✓	✓	✓
	Cancellation notice – if applicable (Annex A5a of the PRAG)	✓	✓	✓

For more information regarding the deadlines for publications, refer to Annex A11e “Guidelines publication” of the PRAG.

All documents for publication, depending on the type of the respective procurement procedure, should be accompanied by scanned official cover letter and sent to the JS Communication officer, via the Beneficiary portal. The electronic documents and the cover letter should be sent by an official representative of the Contracting authority (Lead partner or Project partner) under each procurement procedure. The documents should reach the JS at least 5 days before the date of publication needed. In order to ensure the simultaneous publication to the Programme's web site and other media, Beneficiaries should note in the cover letter the date of publication needed, e-mail for contacts and any other specific information. Beneficiaries will receive confirmation for the date of publication to the Programme's web site on the contact e-mail, mentioned in the cover letter.

The JS will not issue publication reference numbers, but will apply the reference numbers proposed by the Beneficiaries (in free format). Since for international tenders the reference numbers issued by the OJEU are provided after publication, the JS recommends the use of both numbers (issued by the Beneficiaries and by the OJEU) in the process of evaluation, contracting and reporting.

The publication to the Programme's web site is carried out by the JS. All publications will be available in the “Public tenders” section of the site: <https://ipa-bgmk.mrrb.bg>



<b>NB!</b>	<p>The Beneficiaries bear sole responsibility for the content and the quality of tender documents, published on the Programme's website, as well as for the simultaneous publication to all other media (web site of the OJEU, Beneficiary's website and/or official journal of the partner country or any equivalent media).</p>
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The Beneficiaries should respect all other requirements for publication, stipulated in the PRAG and the present Manual, particularly related to templates of documents and deadlines for publications.

#### 4.4. Modifying sub-contracts

The contracts, concluded in result of procurement procedure, may need to be modified during their execution period. The procedure for modification has to be launched in exceptional cases.

**Contract modifications must be formalized through:**

- **an administrative order** to the contract; or
- **an addendum** to the contract.

Substantial modifications to the contract must be made by means of an addendum. Such an addendum must be signed by the contracting parties. The purpose of the addendum or administrative order must be closely connected with the nature of the project covered by the initial contract.

Type of changes		
Changes with addendum	Changes with administrative order	Inadmissible changes
Changes of the contract duration	Changes of address	Changes post factum
Amendment in project team (experts in service contracts)	Changes of bank account	Changes (extending) in the implementation period of the contract over the maximum period for completion of the project.

<b>NB!</b>	<p>Modifications, which will lead to substantial changes of the scope of works (for works contracts), delivered supply/equipment (for supply contracts) and project scope and objectives (for service contracts) <b>are not allowed. Addenda with retroactive effect are not allowed.</b></p>
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A request for contract modifications should not automatically be accepted by the Contracting Authority (Beneficiary). There must be justified reasons for modifying a contract. The Contracting Authority (Beneficiary) must examine the reasons given and reject requests which have little or no substantiation. Contracts can only be modified within the execution period of the project. For

more details, see point 2.11 of the PRAG.

### **Basic rules**

According to Article 107 (ex. Article 87) of the Treaty on the Functioning of the European Union, state aid is any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favoring certain undertakings or the production of certain goods, therefore affecting trade between Member States.

It is not the legal aspect (public or private) but the nature of the activities that the applicant intends to implement that determines whether the state aid discipline has to be respected or not.

The recipient of the aid is an “undertaking”.

The aid comes from the State, which is always the case for Interreg programmes.

The aid gives an economic advantage (a benefit) which an undertaking would not have obtained under normal market conditions.

The aid is selectively favouring certain undertakings or the production of certain goods.

The grant affects trade between Member States.

The Programme Provisions regarding the state aid are laid down in the Attachment 2 to the Guidelines for Applicants and in Article 6 of the Subsidy contract.

### **Provision of aid by a public body**

Due to the fact the funds granted by the (INTERREG VI-A IPA) PROGRAMME BULGARIA-Republic of North Macedonia are of a public nature, all the projects financed under the current call Programme shall be subject to state aid assessment.

### **Definition of undertaking**

An entity which exercises an activity of an economic nature and which offers goods and services in competition (actual or potential) with other operators active in the market, carrying out activities of an economic nature, devoted to the production and marketing of goods and services in the market, regardless of its legal status and whether its aim is to make profit or not. An undertaking can be a public body, a NGO, an association, a university, a private firm, etc. In many cases local public or administrative bodies may be considered to be similar to undertakings.

### **Distortion of the market**

Distortion of the market exists when competition is distorted and this affects trade among Member States. When identifying possible distortion of the market, it is important to consider not the size of the enterprise, but the activities carried out.

### Single undertaking

“Single undertaking” includes, for the purposes of art. 2, p. 2 of Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, all enterprises having at least one of the following relationships with each other:

- a) one enterprise has a majority of the shareholders’ or members’ voting rights in another enterprise;
- b) one enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
- c) one enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;
- d) one enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders’ or members’ voting rights in that enterprise.

Enterprises having any of the relationships referred to in points (a) to (d) of the first subparagraph through one or more other enterprises shall also be considered to be a single undertaking.

Public support given by the programme to undertakings will be granted under the de minimis rule. This implies that undertakings will receive grants under the (INTERREG VI-A) IPA Bulgaria - Republic of North Macedonia Programme only if they have not received public aid under the de minimis rule totalling to more than EUR300.000 within three fiscal years from the date of granting the aid. This ceiling is reduced to EUR 100.000 in the road transport sectors. The public aid considered for the applicable de minimis ceiling comprises all aids granted by the national, regional or local authorities, regardless of whether the resources are provided from domestic sources or are partly financed by the European Union.

During the life-cycle of the project the project partners located in Bulgaria have to ensure that all activities are implemented in compliance with the respective national legislation related to competition and state aid. To this end, the Lead partner and the project partners shall ensure publicity and transparency of the activities and project outputs and results, which can create an economic advantage to an economic operator.

<b>NB!</b>	<b>In view of the project activities, all beneficiaries are reminded that recipient of state aid can be any undertaking (individual or legal person) receiving an advantage through the project that it would not have received under normal market conditions. This means that the rules for state aid apply to all</b>
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**undertakings – either participating as project partners, or third parties (indirect aid) receiving benefits from the project (such as participants in project activities like trainings, seminars, workshops etc.).**

In case a situation of distorting competition by favouring certain undertakings arises during the implementation period of the operation, the Lead partner shall immediately notify the MA.

The observance of the above mentioned conditions is closely verified / monitored by the Programme bodies at all levels (national controllers, JS and MA) not only during the pre-contracting phase, but also during the whole implementation period of the projects. The aim of the control during the implementation period of the projects is to identify any potential situation of state aid at the current stage of the project development. The checks are to be made by the national controllers and JS and if such situation is identified it should be reflected in the respective checklists issued by them and immediately reported to the MA.

In case the Programme bodies find that the Lead partner or any project partner made false declarations regarding state aid, the MA is entitled to terminate the subsidy contract, in whole or in part, and to demand repayment of the amounts already paid.

The partners located on the territory of Republic of North Macedonia shall follow the applicable national regulations regarding state aid.

### ***De minimis aid***

The de minimis principle allows project partners to receive comparatively small amounts of support without being caught by the State aid rules. This is because the European Commission assumes that small amounts of support do not have a significant impact on competition and trade in the European Economic Area (EEA). In general, a single undertaking can receive de minimis support of up to EUR 300,000 per Member State in a three-year period.

## **LEGAL BASIS**

Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid:

<https://eur-lex.europa.eu/eli/reg/2023/2831/oj>

[http://ec.europa.eu/competition/state\\_aid/legislation/de\\_minimis\\_regulation\\_en.pdf](http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf)

Please note

This factsheet is a summary of the key points of Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid and hereinafter referred to as "the Regulation" but is not a substitute for the full text of the Regulation, to which reference should be made.

## GEOGRAPHICAL COVERAGE

The provisions of this document are applicable to the partner/s legally established on the territory of the Republic of Bulgaria. The applicants from North Macedonia should follow the applicable national regulations and regulations regarding State aid outside EU.

## AMOUNTS OF SUPPORT

The total amount of de minimis aid to a single undertaking is:

- EUR 300,000 over a period of three years
- EUR 100,000 over a period of three years for single undertakings performing road freight transport for hire or reward (as noted above, the aid must not be used to acquire road freight transport vehicles)

De minimis aid is deemed to be granted when the legal right to receive the aid is conferred, irrespective of the date of payment. In as INTERREG VI-A IPA PROGRAMME BULGARIA-REPUBLIC OF NORTH MACEDONIA this is understood as the date when the last contracting party signs the subsidy contract. The period of three fiscal years is determined with reference to the fiscal year of the undertaking.

Where the relevant ceiling would be exceeded by the grant of new de minimis aid, none of the new aid may benefit from the de minimis Regulation. This means that if an application is received which would result in the ceiling being exceeded, de minimis support cannot be awarded in whole or in part, even if a partial award would not result in the ceiling being exceeded.

## SINGLE UNDERTAKINGS

The ceiling on de minimis aid is calculated per single undertaking per Member State. Conversely subsidiaries of the same enterprises could not each receive de minimis support from the same Member State.

The de minimis threshold counts per “single undertaking”. In case a project partner is part of a group, the entire group is considered as one single undertaking and the de minimis threshold applies to the entire group.

The notion of single undertaking includes all enterprises having at least one of the following relationships with each other, as provided for in Article 2(2) of Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid:

- a) One enterprise has a majority of the shareholders’ or members’ voting rights in another enterprise;
- b) One enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
- c) One enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum

or articles of association;

- d) One enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders' or members' voting rights in that enterprise.

Enterprises having any of the relationships referred to in the above points through one or more other enterprises shall also be considered to be a single undertaking.

It is to be noted that in the framework of State aid, an "enterprise" is to be understood as any entity engaged in an economic activity irrespective to its legal status

Although the Regulation refers to 'enterprises', in practice, this encompasses any entity engaged in an economic activity. The above criteria are intended to ensure that a group of linked entities is treated as a single undertaking for the purposes of the de minimis rule. On the other hand, it is intended to ensure that entities which have no relationship with each other except for the fact that each of them has a direct link to the same public body or bodies are not treated as being linked to each other.

In calculating the amount of aid, special care must be taken where the recipient has been the subject of a merger or a split from another organization. In the case of mergers and acquisitions, all prior de minimis aid is considered in determining whether new de minimis support can be paid. De minimis aid lawfully granted before a merger or acquisition shall remain lawful.

If an undertaking splits into two or more separate undertakings, de minimis support granted before the split shall be allocated to the undertaking that benefitted from it. This is in principle the undertaking taking on the activities for which de minimis support was used. If this split is not possible, de minimis support will be allocated proportionately on the basis of the book value of the equity capital of the new undertaking at the date of the split.

Should be considered that De minimis aid granted in accordance with art. 5, para. 1 of Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid may be cumulated with de minimis aid granted in accordance with Commission Regulation (EU) 2023/2832.

In addition, art. 5, para 2 of the Regulation(EU) 2023/2831 indicates that De minimis aid granted in accordance with this Regulation may be cumulated with de minimis aid granted in accordance with Commission Regulations (EU) No 1408/2013 and (EU) No 717/2014 up to the relevant ceiling laid down in Article 3(2) of Commission Regulation (EU) 2023/2831.

De minimis aid granted in accordance with Commission Regulation (EU) 2023/2831 shall not be cumulated with State aid in relation to the same eligible costs or with State aid for the same risk finance measure if such cumulation would exceed the highest relevant aid intensity or aid amount fixed in the specific circumstances of each case by a block exemption regulation or a decision adopted by the Commission. De minimis aid that is not granted for or attributable to specific eligible costs may be cumulated with other State aid granted under a block exemption regulation or a decision adopted by the Commission..



## EXCLUSIONS

(INTERREG VI-A) IPA PROGRAMME BULGARIA- REPUBLIC OF NORTH MACEDONIA is not allowed to grant the following types of aid under the de minimis Regulation:

Aid to undertakings active in the fishery and aquaculture sector, as covered by Regulation (EU) No. 1379/2013 of the European Parliament and of the Council on the common organisation of the markets in fishery and aquaculture products, amending Council Regulations (EC) No. 1184/2006 and (EC) No. 1224/2009 and repealing Council Regulation (EC) No. 104/2000;

Aid to undertakings active in the primary agricultural production;

Aid granted to undertakings active in the sector of processing and marketing of agricultural products in the following cases:

- where the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned;
- where the aid is conditional on being partly or entirely passed on to primary producers.

Support for acquiring road freight transport vehicles by undertakings in the road haulage business;

Aid to export-related activities and aid contingent upon the use of domestic over imported good cannot be granted under the de minimis rule.

For the purposes of De minimis Regulation the following definitions shall apply:

Agricultural products mean products listed in Annex I to the Treaty, with the exception of fishery and aquaculture products covered by Regulation (EU) No. 1379/2013 of the European Parliament and of the Council on the common organisation of the markets in fishery and aquaculture products, amending Council Regulations (EC) No. 1184/2006 and (EC) No. 1224/2009 and repealing Council Regulation (EC) No. 104/2000..

Processing of agricultural products means any operation on an agricultural product resulting in a product which is also an agricultural product, except on-farm activities necessary for preparing an animal or plant product for the first sale.

Marketing of agricultural products means holding or display with a view to sale, offering for sale, delivery or any other manner of placing on the market, except the first sale by a primary producer to resellers or processors and any activity preparing a product for such first sale; a sale by a primary producer to final consumers shall be considered as marketing if it takes place in separate premises reserved for that purpose.

Additionally, the Programme ensures that partners do not receive the other types of aid that are excluded by the de minimis Regulation in addition to the ones listed above.

## ENSURING COMPLIANCE



In order to ensure strict observation of the set maximum thresholds, in accordance to Art. 6(1) of Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid Member States shall ensure that, from 1 January 2026, information on de minimis aid granted is registered in a central register at national or Union level. In this relation,

the Managing Authority shall request from the Bulgarian partners to declare any de minimis aid received in three fiscal years by argument of art.3, p.2 of the Regulation (EU) 2023/2831. The provided information shall be verified through the public Register of the de minimis aids, available on the webpage of the Bulgarian Ministry of Finance (<http://minimis.minfin.bg/>).

In case with planned project activities a Bulgarian partner exceed the maximum thresholds, the Managing Authority has the right to reduce the requested grant amount before signature of the subsidy contract.

The Programme bodies at all levels (national controllers, JS and MA) will closely monitor the adherence of the state aid rules not only during the pre-contracting phase, but also during the whole implementation period of the project.

In case with already implemented project activities a Bulgarian partner exceed the maximum thresholds, the Managing Authority has the right to terminate the subsidy contract and to demand repayment of the amounts already paid in accordance with the provisions of the subsidy contract and the applicable state/de minimis aid regime.

## ADMINISTRATIVE ARRANGEMENTS

In case of a positive plausibility check, the Programme can grant de minimis support.

The Managing Authority ensures compliance with the monitoring and administrative arrangements of the de minimis Regulation. Project partners receiving de minimis aid have to maintain relevant documentation as outlined in the Programme Guidelines. The Lead partner and the project partners have to ensure that all planned activities are set up and implemented in compliance with the national legislation related to competition and state aid. In addition to this they shall ensure publicity and transparency of these activities and project outputs and results, which can create an economic advantage to an economic operator.

In case the Programme bodies find out that the Lead partner or any project partner has infringed the state aid rules, including false declarations regarding state aid, the MA is entitled to terminate the subsidy contract and to demand repayment of the amounts already paid in accordance with the provisions of the subsidy contract and the applicable state/de minimis aid regime.



The Lead partner shall report electronically the progress of the project implementation on quarterly basis (three-month) with the exception of the last reporting period, which may be shorter/ longer than 3 months depending on the time schedule of the project. The first reporting period starts with the start date of the project implementation period, defined in Article 2 of the Subsidy Contract. The last reporting period always ends by the end date of the project.

**Example:** *If the Subsidy Contract is signed on 22.07.2023, and the first day of project implementation period of a 22 months project is 23.07.2023, the first quarter of project implementation should be: 23.07.2023 – 22.10.2023 and the last reporting period (which in this case is less than 3 months) should be 23.04.2025 – 22.05.2025.*

There are two levels in the reporting stage:

1) The Project partners (PPs) should submit to the Lead partner (LP) a Partner project report (PR) including information on the realization of the work packages (WPs) on their behalf. The report is submitted via the Joint Electronic Monitoring System (JeMS) and its purpose is to inform the LP on the progress made by all PPs. Partner report provides an overview to the Lead Partner about the overall project progress at work packages and activity level, including information on achievements, indicator progress, and communication, involvement of target groups, project management, as well as possible problems and deviations. The Partner Report is not subject to checks by the JS. The use of the partner report is compulsory. Once a Partner has filled-in all applicable sections, the file should be exported – printed, signed, scanned and attached to section “Report annexes”/ “Partner report” and then “Submit”-ed.

2) The LP shall summarize the information received from all PPs and prepare a joint Project progress report (PPR) which represents information about the progress of the project work packages and their activities as they are implemented by all PPs within the respective reporting period and the level of achievement of the outcomes and the extent to which they are in line with the relevant objectives. Additionally, brief description of the procurement procedures, visibility measures and project modifications shall be also provided in the PPR.

The PPR is also submitted via the JeMS signed by the authorized representative of LP. The submission of PPR by the LP on quarterly basis (three month) is obligatory with the exception of the last reporting period, which may be shorter/longer than 3 months.

The electronic format of the PPR in JeMS is to be filled-in online by the LP (using the information from the PRs). The report has to be exported, printed, signed, scanned, attached to the system and submitted to JS for approval. The progress of the activities indicated shall cover only the respective reporting period. JS assesses and approves only a printed and signed version of the PPR, created in JeMS.

The project time plan is always based on the last approved Application Form, section C6. It displays the reporting deadlines corresponding to the reporting period filled in the project reporting schedule. The Lead partner completes the Project reporting schedule in advance, within 10 working days after the Subsidy Contract enters into force, and it is then approved by the programme user (i.e., JS project officer).

At the beginning of the project the LP shall fill in and submit to JS an Initial Compatibility Check Sheet of the project with the Strategic Environmental Assessment of the Programme (Annex 9). The information provided in the Compatibility Check Sheet shall indicate for the presence/absence of environmental consequences of the envisaged project work packages. The document should be dated, stamped and signed by the legal representative of the LP. The Compatibility check sheet shall also be submitted by the LP annually, for every calendar year of the project implementation. Final Compatibility Check Sheet is to be provided together with the final PPR, aiming to assess the overall impact of the implementation of the project on the environment.

The **Project Progress Report (PPR)** (*Annex 3*) should include information about the implementation of the procurement procedures and contracts under the project and the relevant documentation should be uploaded in the respective sections in JEMS. Supporting documentation to verify the implementation of activities under the work packages during the reporting period (see sources for verification) should be attached in section “Report annexes” in JeMS. The PPR is to be filled in by the LP (in electronic) using the information provided by the PPs and sent to JS through the JeMS. For more information, please follow the link: <https://jems.interact-eu.net/manual/> . The progress in realization of the work packages covers only the respective reporting period. For each previous reporting period, the information (reported by the LP and approved by the JS) will be included automatically. The attached supporting documentation have to be related only to the current reporting period.

<b>NB!</b>	<p><b>The reporting of the realization of the work packages resulted from the achievement of the project deliverables in the PPR differs from the achievement of Output and Result Indicator/s (ORIs).</b></p> <p><b>The Lead partner has to submit the PPR with the relevant supporting documentation to the Joint Secretariat through the JeMS. The deadline for submission of the PPR is no later than 10 (ten) working days after the end date of the respective reporting period. In case of delay in the reporting, a reminder will be sent by the JS to the Lead Partner. The Lead partners are reminded that the failure to submit the required reports will be qualified as a basis for termination of the Subsidy Contract.</b></p>
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The corresponding checks and approval procedures on the PPR shall be done within 20 (twenty) working days after submission of the PPR by the LP to JS. The deadline for response/submission of the necessary documents or clarifications related PPR by the LP to the JS is 5 (five) working

days. The LP shall be duly notified for the PPRs' approval within 3 (three) working days after the approval).

<b>NB!</b>	<p><b>The Final Project Progress Report (FPPR) has to be submitted within 15 (fifteen) working days after the end of the project implementation. The information about the project's contribution to the cross-border character, horizontal issues, etc. shall be reported by the LP only in the FPPR.</b></p> <p><b>The preparation, submission, corresponding checks and approval procedures for the FPPR are identical to those for the Project Progress Reports.</b></p>
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Together with the FPPR, the LP is required to submit brief overview of the objectives reached, work packages implemented, pictures and results achieved by the project in the Final Project Summary (Annex 3.1). The information shall be used by the MA / NA / JS for promotion of the project.

<b>NB!</b>	<p><b>The language of reporting is English. The PPR (FPPR) and the Final Project Summary have to be prepared in English.</b></p>
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### **6.1. Content of the PPR**

In addition to its importance as a tool for presenting the projects achievements, the activity report allows also for the verification of the progress of the project in implementing the work plan as described in the approved Application Form and consists of the following sections:

#### **1. Main Identification Data**

This section contains administrative information for the project: reference number, title, reporting period, name of LP, contact details, etc. The PPR contains a statement of the LP, declaring that the information in the respective progress report and its attachments give a correct description of the implementation and the present status of the project.

#### **2. Highlights of main achievements**

LP is requested to provide an overview of the activities carried out during the reporting period and of the degree of achievement of the specific objectives reached and main outputs delivered by highlighting also the added-value of the cooperation. The summary should highlight main achievements and to be presented in a clear and comprehensible manner.

#### **3. Overview of the outputs and results indicators achievement**

The information provided in this section is generated automatically from the information fulfilled in the other sections of the PPR. It represents a common table, which provides a summarized picture of the value of achievement of each project deliverable, Output and Result indicators during the respective reporting period, as well as an automatically calculation of the cumulated values from previous and recent reporting period displayed as a percentage.

#### **4. Project problems and deviations**

In the relevant section should be provided information on the main problems faced during the reporting period and deviations, including delays from the work plan presented in the Application form, problems that might impact the delivery of the investment, problems with procurement procedures, etc. as well as the solutions found. LP has to compare the summarized data, concerning the implemented activities with the original information from the Application form. In case of deviations and/or differences, justification for the reasons has to be provided. Please, note that the information in this section has to be detailed in order the assessment of the PPR to be maximum comprehensive and prompt. All deviations and/or differences, in comparison to the Action plan set in the Application Form schedule, should be reported, as well as their impact on the implementation of other project activities. (Example: If the procedure for supply of promotional materials is not finalized, explain if and how this could affect the correlated project activities such as the planned public events, and suggest possible ways of remediation).

#### **5. Target groups reached**

The LP is requested to provide information on each target group which is involved in the project in the reporting period, as well as brief description of the target group involvement.

#### **6. Work plan progress**

This section is divided by Work Packages. For each work package the LP should indicate whether is completed, or not LP should provide explanation about:

**1)** the progress towards the objectives for each of the work packages, as defined in the Application form. The LP should choose from the drop-down list the current status of the relevant objective (“fully achieved”, “partly achieved” or “not achieved”) and to provide written explanation in the respective text box.

**2)** additional explanations should be provided on the degree of involvement of each of the Project partners in the realization of the work packages.

**3)** on the progress made under each activity and deliverable per each Work package. The data for the realized WP in the current reporting period, as well as the percentage of the relevant expenditure reported up to the moment, is generated automatically by extracting it from the most recent invoice reports. The LP should provide brief description of the progress achieved under each Activity in the current reporting period and to indicate its status (“in progress”, “not started” or “finalized”), as well as to include information on the contributed deliverables indicating the units achieved in the reporting period, providing contribution description and uploading evidences (if applicable). The descriptions of each WP should offer clear evidence that the implemented activities and reported associated costs are in line with the planned ones, as defined in the

approved AF. The LP should attach the evidence documents to deliverables and outputs.

## **7. Project output and results indicators**

This section provides information about achievement of the project's Output and Results Indicators (ORIs) during the reporting period as well as justification on how it was achieved and a link to the uploaded evidences, if any.

The project/programme output and result indicator (ORIs) should be filled in the Final PPR with the achieved value from the start till the end of the project together with a justification.

ORIs allow measuring the achievement of the quantitative targets presented in the Application Form, by the provision of indicators in aggregated form, since the beginning of the project. Please, note that the list from the initial PPR should be complemented with information for each reporting period.

## **8. Horizontal principles**

This section of the Project progress report provides information on the compliance with the horizontal principles during the project's implementation and is obligatory only for the Final PPR. LP should provide concrete examples of project activities, which besides their aim related to the objectives of the project, clearly promote these principles, thus producing positive effects in real life.

### **8.1. Assessment of the PPR**

JS is responsible for checking and approval of the project reports. The main objectives of assessment of the PPR include verification of the progress of the project, timely implementation of the work packages and activities and extent of the realization of the WPs, the achievement of project's deliverables and ORIs and their correspondence to the Application form. Final Project Summary (attached to the final PPR) contains short information about the objectives, implemented work packages, pictures and results achieved.

The JS perform documentary check of the electronically submitted PPRs and the attached supporting documentation. If some information related to the PPR is not correctly/clearly described or the (initial, annual or final) Compatibility Check Sheet is missing, the JS may return the PPR for correction/clarification. JS will send an email to the LP explaining which information needs to be added to the report and may reopen (unlock) the PPR for correction/clarification. The LP must complement the report and give clarifications.

In case of identified risk during the reported period, the JS officers may proceed with on-the-spot visit.

**NB!**

**The Lead partner should take into account, that the MA will reimburse the requested funds only in case the respective PPR is accepted and approved by the JS.**



**Costs for project implementation are eligible, if the project partner submits together with PPR supporting documents, giving evidence for implementation of activities. Required documentation depends on nature of activities.**

Generally, the required documents for specified activities are presented below:

TYPE OF ACTIVITIES	SOURCE OF VERIFICATION
<b>Seminar, conference, trainings, workshops, working meetings, etc. (organization)</b>	<ul style="list-style-type: none"> <li>- Concluded service contract with the TOR and General and Special conditions;</li> <li>-Public announcement or invitations for participation;</li> <li>- Agenda/ training programme for each separate day of the event with visible date, venue, duration of the modules, name of lectures/ trainers/ moderators and whether coffee breaks/ catering/ interpretation are provided from the project, when applicable;</li> <li>- Registration List signed by the participants for each separate day of the event, containing full names, city/state, contact (phone, e-mail) of the participants and name of the organization/ institution they represent;</li> <li>- Good quality photos in jpeg format for each separate day of the event, as well as of the rented hall and equipment and provided coffee breaks/ catering, when applicable; lectors/trainers/moderators/interpreters (the presentation screen, etc.); Programme/project visualization; participants (their total number to be visible on the pictures), of the dissemination of materials to the participants, etc. Photos should possess date, printed on them preferably automatically by the camera;</li> <li>- Presentations/training materials (with the name, title and signature of the lectors/ trainers, etc.) and translated materials, when applicable;</li> <li>- Copies of materials given to participants according to the planned in the application form;</li> <li>- Feed-back for response with recommendations and assessment from participants;</li> <li>- Report from the event and summary of the feedback;</li> <li>- Press releases with Programme/project visualization, when applicable;</li> <li>- Financial documentation, related to the above;</li> </ul>



TYPE OF ACTIVITIES	SOURCE OF VERIFICATION
	<ul style="list-style-type: none"> <li>- Uploaded information for the event on project's/ beneficiaries' web site/s;</li> <li>- Certificates/ gifts/ awards for participation, if applicable;</li> <li>- Service acceptance documents.</li> </ul>
<b>Seminar, conference, trainings, workshops, work meetings, exhibitions, etc. (participation)</b>	<ul style="list-style-type: none"> <li>- Invitations for participation;</li> <li>- Copy of the lists of participants;</li> <li>- Report from the PP's representative about the participation;</li> <li>- Good quality photos in jpeg format of the PP's representatives (in front of the agenda or other space of the seminar which gives sufficient information on the participation, Programme/ project visualization) for each separate day of the event. Photos should possess date, printed on them preferably automatically by the camera;</li> <li>- Travel evidences;</li> <li>- Uploaded information for the event on project's/ beneficiaries web site/s;</li> <li>- Certificates for participation, if applicable;</li> <li>- Financial documentation, related to the above;</li> </ul> <p>In case of participation in exhibition following to be presented in addition to the documentation listed above:</p> <ul style="list-style-type: none"> <li>- Plan of the hall;</li> <li>- Plan of the stand;</li> <li>- Good quality photos in jpeg format of the stand (on which the visibility plaque to be visible) and of the participants from the project for each separate day of the event. Photos should possess date, printed on them preferably automatically by the camera;</li> <li>- Service contract, including ToR and Organization and methodology (if execution of tender procedure is required);</li> <li>- Service acceptance documents.</li> </ul>
<b>Seminars, conferences, trainings, meetings, etc.)</b>	<ul style="list-style-type: none"> <li>- E-mail invitations and received confirmations;</li> <li>- Data for access to the virtual event (meeting ID, access link, etc.);</li> <li>- Software log of the event;</li> <li>- Screenshots taken during the event, indicating clearly date and</li> </ul>

TYPE OF ACTIVITIES	SOURCE OF VERIFICATION
<b>(On-line events - organisation or participation)</b>	number of participants; - Audio/video recording (if possible); - List of participants (names and e-mails); - Feedback from participants (in case of participation of target groups); - Any other suitable for the purpose evidences.
<b>Application for trade mark or patent</b>	- Copy of the registration form; - Certificate; - Acceptance documentation, related to the above.
<b>Tests</b>	- Report on tests results; - Certificate; - Contract for the tests with explicitly stated expected tests procedures; - Acceptance documentation, related to the above.
<b>Web-site</b>	- Contracting documentation; - Screenshot; - Web site counter results, including launch of the site; - Service acceptance documents (if execution of tender procedure is required); - Acceptance documentation, related to the above.
<b>Publications, advertisement</b>	- Contracting documentation; - Copy (sample), screenshots of the publication with Programme/ project visualization, including the first page of the newspaper/ magazine/ website and the header of the page and the page itself, where the publication is located; - Link to the publication, if it is in an online media; - Acceptance documentation, related to the above; In case of advertisement which is non-publication, in addition to the contracting and financial documentation to be presented: - Photos of the advertisement; - Video/ audio materials with Programme/ project visualization; - Uploaded information on project's/ beneficiaries' web site/s, if applicable.

TYPE OF ACTIVITIES	SOURCE OF VERIFICATION
<b>Internal carried tasks</b>	<ul style="list-style-type: none"> <li>- Reports on progress and related physical outputs;</li> <li>- Drafts;</li> <li>- Elaborated strategies, plans, researches, analyses and etc.;</li> <li>- Technical documentations (test results, photos from tests, etc.);</li> <li>- Uploaded results on project's/ beneficiaries web site/s, if applicable.</li> </ul>
<b>Working meetings</b>	<ul style="list-style-type: none"> <li>- List of participants, full name, address, contact (phone, e-mail) name of the organization they represent;</li> <li>- Detailed agenda;</li> <li>- Photos;</li> <li>- Report from meeting.</li> </ul>
<b>External experts</b>	<ul style="list-style-type: none"> <li>- Service acceptance documents (if execution of tender procedure is required); Document for tasks assignment (contract, etc.);</li> <li>- Report for tasks completed;</li> <li>- Copies of elaborated materials;</li> <li>- Protocol for put-in-work;</li> </ul> <p>Acceptance documentation, related to the above.</p>
<b>Supply of equipment, furniture, promotion materials, etc.</b>	<ul style="list-style-type: none"> <li>- Documents from tender procedure, technical specification (when applicable), signed contracts;</li> <li>- Document for procurement, including Acceptance Certificate incl. type, number, quantities of the items, etc., signed by the contracting parties;</li> <li>- Declaration/ Certificate of origin for equipment/ supplies;</li> <li>- Available equipment with Programme visualization and copies from the elaborated promotional materials (with printed necessary Programme visual elements);</li> <li>- Warranty cards, instruction manuals, licenses, passports, other documents depending on the type of the equipment;</li> <li>- Documents proving training of the staff to work with the supplied equipment, if applicable;</li> <li>- Documents for conducted tests and sample stars of the supplied equipment – protocols for tests, certificates for commissioning, etc., if applicable;</li> </ul>

TYPE OF ACTIVITIES	SOURCE OF VERIFICATION
	<ul style="list-style-type: none"> <li>- Inventory lists;</li> <li>- Good quality photos in jpeg format of the equipment with visible serial/ inventory numbers, producer, country of origin and visualization according to the Programme rules and photos of the promotional materials made during their acceptance, on which to be clearly visible the numbers and quantity of the items, etc.;</li> <li>- Acceptance documentation, related to the above.</li> </ul>
<b>Construction and repair works</b>	<ul style="list-style-type: none"> <li>- Works contract incl. all annexes (bill of quantities, price offer, work schedule, analysis of unit prices, technical specifications, etc.). Addenda to the works contract, if applicable;</li> <li>- Correspondence between involved parties;</li> <li>- Construction permit/ Permit for placement, Environmental Impact Assessment, if applicable or statement from the relevant authority that permits are not necessary;</li> <li>- Acceptance protocols for implemented works, substitute tables, if applicable, signed by duly authorized representatives of the contracting parties;</li> <li>- Documents supporting the execution of construction/ repair activities – Acts and Protocols in accordance with Ordinance 3/2003 for issuing acts and protocols during construction and according to the relevant national legislation from North Macedonia, certificates and declarations for conformity of incorporated materials, construction work dairies, detailed payrolls for the quantities of implemented construction/ repair works, etc.;</li> <li>- Final report from the supervisor, if applicable according to Article 168 from Bulgarian Spatial Planning Act and according to the relevant national legislation from North Macedonia, if applicable in accordance with the construction site category;</li> <li>- Technical passport of the construction site, if applicable;</li> <li>- Other statements or reports, if specially contracted or required by the national legislation depending on the type of construction/ repair;</li> </ul>

TYPE OF ACTIVITIES	SOURCE OF VERIFICATION
	<ul style="list-style-type: none"> <li>- Certificate for commissioning of the construction site/ Use permit/ other relevant documents, certifying the acceptability of the construction site/ repair works according to the relevant national legislation;</li> <li>- Publicity and visibility measures;</li> <li>- Photos of the objects of intervention with good quality – showing the state before, during and after the execution of construction/ repair activities, indoor and outdoor, when applicable.</li> </ul>
<b>Construction and repair works in case of engineering</b>	<p>In case of engineering, including development of a detailed works design in connection with the envisaged construction, renovation and modernization of existing buildings, author supervision and implementation of the construction works, in addition to the above documents during monitoring phase the beneficiaries should provide:</p> <ul style="list-style-type: none"> <li>- Approved detailed work design in the "technical" and "working" phases, required according national legislation in Bulgaria and North Macedonia – (for BG partners also according to the scope regulated in the Spatial Planning Act and Ordinance № 4 of 21.05.2001 on the scope and content of investment projects);</li> <li>- New detailed bill of quantities prepared and signed by the designers;</li> <li>- Issued construction permit / permit for placement or statement from the relevant authority that permits are not necessary, if applicable;</li> <li>- All documentation regarding the implementation of construction, technological equipment and putting into operation of the object (cited above under Construction and repair works);</li> <li>- Documentation, related to author's supervision - it has to comply with the below sources mentioned about Authors' supervision;</li> </ul> <p>The sources of verification have to apply accordingly upon completion of individual phases of engineering.</p> <p>Important note: Contingencies in engineering contracts are not allowed!</p> <ul style="list-style-type: none"> <li>- After assigning the works procedure to the sub-contractor, in case the total sum of the engineering/construction works exceeds the total sum of the corresponding subline set in the application</li> </ul>

TYPE OF ACTIVITIES	SOURCE OF VERIFICATION
	<p>form, the beneficiaries have to consider the possibilities to include co-financing as an option. The maximum amount of funding awarded cannot be changed and the major issues of the operation should not be affected. (see point 8.5. Budget changes).</p>
<b>Construction supervision</b>	<ul style="list-style-type: none"> <li>- Supervision contract incl. all annexes (price offer, work schedule, analysis of offer prices, etc.). Addenda to the supervision contract, if applicable;</li> <li>- Final report from the supervisor according to Article 168 from Bulgarian Spatial Planning Act and according to the relevant National legislation in North Macedonia;</li> <li>- Technical passport of the construction site, if applicable;</li> <li>- Other statements or reports from the supervisor if such are specially included in the supervision contract;</li> <li>- Documents for payment of supervision service – copies of invoices, payment orders, bank transfer excerpts, etc.;</li> </ul>
<b>Authors' supervision</b>	<ul style="list-style-type: none"> <li>- Documents for assigning the authors' supervision;</li> <li>- Authors' supervision contract incl. all annexes (price offer, work schedule, analysis of offer prices, etc.). Addenda to the authors' supervision contract, if applicable;</li> <li>- Documents certifying the implementation and the reporting of authors' supervision – time sheets, reports, protocols for put-in-work, forms for site visits, copies of orders/ instructions/ details/ other documents elaborated by the author during the construction;</li> <li>- Documents for payment of authors' supervision – copies of invoices, payment orders, bank transfer excerpts, cash receipts, etc.;</li> <li>- In case of engineering the author's supervision is not eligible as separate activities and expenditures.</li> </ul>

This section provides information and guidelines for the Beneficiaries about the requirements for financial management and control of project expenditures. The financial management of the project is based on the Lead partner principle.

### **The “Lead partner” principle**

The Lead partner (LP) is responsible for sharing out the tasks among partners and it is entirely their responsibility to ensure that these tasks are completed as stated in subsidy contract and the partnership agreement. Therefore, the financial control responsibility of the LP is restricted to:

- control that the implementation of the project and the expenditures made are in accordance with the activities in the Subsidy Contract and the Partnership Agreement;
- control that the expenditures made by the PPs are verified by a NC.

Project partners must be aware that in case of an appeal procedure, the reimbursement of funds for the total project is to stop for further clarifications and taking a final decision by the MA.

### **7.1. Organization of Bank Account and Bank Statement**

The Lead partner must have a separate EUR bank account for the operation, according to the national legislation.

The details of the bank account and the obligatory requirements towards the bank accounts under the Programme are the following:

- Holder of the project account is the LP, who signed the respective Subsidy Contract;
- The account must be denominated in the currency, required by the MA in the Guidelines for Applicants, namely in EUR;
- The respective Bank Office should be mentioned;
- The IBAN;
- The Bank Identification Code (BIC/SWIFT).
- Address of the Bank and the bank account holder.

**The interest accrued under the bank account(s) of the project should be reported in the financial report with the Request for final payment.** A Certificate or Reference from the bank regarding the interest accrued under the account for the contract implementation period has to be attached to the Request for final payment.

In case that under a project more than one bank account has been used, the LP must report all the interest accumulated under all the accounts by submitting the respective documents.

In case of change of the bank account under the project, the LP must inform immediately the MA with a copy to JS and justify the need of this change as well as submit all the necessary account details for the new account (Annex 1).



The Programme does not require that the Lead partners perform all payments from the project's account in Euro (they can perform payments from a different account, denominated in BGN for example). **The Programme requires that there is traceability of the performed operations and organizing of analytical accounting for the purposes of the project.**

## **7.2. Validation of expenditure by national controllers**

The reimbursement of the expenditures for the execution of the contract is based on verifications by National Controllers (NC).

The reported expenditures by the PPs will be checked and validated by the controllers designated by the MA or NA.

**The National Controller will not be assigned for the project partners, which expenditures for the reporting period are below 2 500 euro.** The respective expenditures will be declared in a subsequent Request for NC, which complies with this requirement for minimum spending requested for verification as well as provisions of the Subsidy Contract, including the fixed term of 10 days for submitting the request after each reporting period.

Expenditure will be validated by Controllers from Bulgaria/North Macedonia within a period of 45 days from the date of submission of the Request for National Control (Annex 5) However, the LPs are accountable to the MA for all the project costs. Therefore, the LPs are responsible for the project financial management and the operation of the control systems. The LP must check all the documents of the requests for payment, ensure that the expenditure of each partner is directly linked to activities as agreed in the Application Form/Subsidy Contract and verify that the expenditure of each partner has been validated by the controller.

The process of National Control is as follows:

### **Step 1**

Each Project Partner (including the Lead Partners) should fill in information concerning the expenditures during the reporting period in the Jems. All relevant documents as: invoices, other accounting documents, technical documentation for delivery of the products, services and works, sub-tender procedures dossiers, in case there are expenditures related to sub-contracting, i.e. tender dossier, information for all the participants in the conducted sub-tendering procedures as well as the chosen sub-contractors, should be uploaded in Jems by respective PP. After the end of the reporting period LP/PP submits Request for National Control (Annex 5) to the MA within the deadline specified in the Subsidy contract. The request could be sent by the respective Project Partner, if such rights are delegated by the LP.

**NB!**

**When reporting expenditures on a contract (with external contractor) for the first time, the project partner is obliged to submit:**

	<ul style="list-style-type: none"> <li>- <b>A declaration of conflict of interests check;</b></li> <li>- <b>A reference for similar activities (annex 5.1);</b></li> <li>- <b>A declaration for the absence of the circumstances under Art. 5k of Council Regulation (EU) No. 2022/576 of April 8, 2022</b></li> </ul>
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The LP/PP may request verification of expenditures **on a six months** basis after the starting date of the project implementation period. As an exception the LP/PP may request verification of expenditures **on a quarterly basis** after the starting date of the project implementation period, provided that:

- the total amount of the expenditures made during the quarter by the project partners is at least 15 % of the total amount of the budget of the respective project partner.

Submission of the Request for NC and the related documents should be done through the Jems by filling all relevant information in the partner report, attaching the relevant files in the attachment section of the relevant expenditure and the general documents - to the Partner report, including declarations and the signed Request for NC (Annex 5). The day of submission is considered the day of properly submitting the partner report with the request for NC attached in the system.

All annexes and supporting documents (invoices, technical documentation for delivery of the products, services and works, tender procedures dossier, pictures etc.) should be the original documents scanned in pdf format. If the originals are electronic documents, those shall be attached. The documents have to be structured in folders according to the corresponding expenditures, incl. the tender dossiers (if applicable), structured in sub-folders - tender dossier, offers, evaluation, contract, etc. and attached in one archive (e.g. “.rar”) file.

In case there are no expenditures incurred within the specified period, the respective PP prepares and submits to the LP a declaration for lack of expenditures. The declarations are part of the documents submitted by the LP to MA via Jems on the Request for payment phase. The preparation and submission of the declaration concerns the LP as well if applicable.

## Step 2

The national controllers (Bulgaria/ North Macedonia) perform a check of the expenditures reported by the PP/LP on the basis of an risk-based methodology approved by the MA. The National Controller verifies the delivery of the products and services co-financed, the soundness of the expenditure declared, and the compliance of such expenditure with EU rules, Programme rules and relevant national rules.

The check is performed “on desk” and “on-the spot” (if applicable).

If in the process of validation a lack of documents, shortage in the documents submitted or necessity of presenting additional documents concerning the relevant request for national control

is found by the controller, he/she sends a request to the beneficiary to present the necessary documents within a period of 5 days. The requests for additional information and the relevant answers are submitted via JEMS and are noted in the “Control Certificate” (CC).

### **Step 3**

After verification, the Controller issues the Control Certificate (CC) to the project partner (via Jems). The NC sends to the beneficiary a electronically signed Control Certificate, Report and Checklist for validation of expenditures.

### **Step 4**

In due time after the verification of the National Controller, each project partner has to inform the LP that verification procedure is finished and the CC, the Copy of the National Control Designation Certificate(s) – only for partners from North Macedonia, signed declarations for VAT status (only for Bulgarian partners) and lack of double financing and revenue (“Verification package”) are present at JEMS. The LP is responsible for checking whether the expenditures, presented by the partners, are verified by the controllers and whether the verification, received from them, gives the necessary confidence for it to verify before the MA that the expenditures, declared for reimbursement, are eligible and lawful.

### **Step 5**

After receiving the information and documents by other PPs for executed NC the Lead partner has to summarise the information from all partners and to prepare an aggregated Request for Payment (Annex 6) for the respective reporting period (one request for the entire project). The aggregated Request for payment must include the expenditures for all project partners for the respective reporting period. If some of the project partners have not made any expenditure during the respective reporting period he/she should declare that to the LP in writing. The LP submits this declaration to the MA together with the Request for payment. The request for payment is filled in on-line in the electronic fields available on JEMS and is to be sent by the LP to the MA through the system. The procedure is described in p. 7.3

### **Step 6**

During the verification process the controller may identify some problems, which could be classified as irregularity or infringement of the applicable law and to provide the partner with recommendations for correction. The project partner has to consider the findings and recommendations by the NC and to undertake measures to correct the gaps identified. “Corrective measures” do not concern already verified documents or results which have to be done on the

previous stage, but it concerns the future implementation of the project. Where the recommendations are not clear or abstractive, the project partner should contact the MA for consultation.

In case of disagreement with the findings of the NC during the verification process, the LP/PP may send to the MA an “Appeal Declaration” (Annex 7) together with the Request for Payment (RP - Annex 6). Each “Appeal Declaration” must be accompanied by detailed justification and additional supporting documents (if needed). During the verification process the MA may request additional documents and clarifications by LP and may initiate on the spot check, if necessary.

In case the controller identifies suspicion of irregularity or fraud in the validation process a corresponding signal to the MA is submitted.

### **7.3. Submission of Request for payment**

Specific types and schedule of payments to LP are determined in terms of the Subsidy Contract. Three types of payments are foreseen:

- Advance payment;
- Interim payments;
- Final payment.

The MA transfers advance payment in two tranches, as follows:

- 10% of the total amount of the Subsidy Contract after receiving a request for advance payment no later than 45 days after the Subsidy Contract enters into force;
- and 10% of the total amount of the Subsidy Contract after one of the project partners awarded a sub-contract for investment activity and receiving a request for advance payment and a copy of the notification letter to the successful tenderer or a copy of contract for investment activity.

The MA transfers the amount of advance payment to the LP within 20 (twenty) calendar days after receiving request for advance payment.

Interim/final payments are to be executed by the MA within 45 (fourty-five) calendar days after receiving request for interim/final payment.

As a general rule the advance payment is deducted from the verified expenditures reported in the Request for final payment. Interim and final payments are based on costs actually incurred by the beneficiaries. In case the balance between the verified eligible costs and the amount of advance payment is positive, the MA will initiate final payment. In case the advance payment exceeds the verified total eligible costs, the MA will send to the Lead partner “Request for recovery of funds” in accordance with the terms and conditions of the Subsidy Contract.

The total amount of the advance and interim payments of an operation cannot exceed 80% of the total value of the subsidy. Nevertheless, the total amount of the advance payment and interim payments per project partner cannot exceed 100 % of the project partner`s total budget amount

stipulated in the Application form. After the payments reached the 80 % of the subsidy, starts the covering of the advance payment with the verified expenditures (partially or entirely) and the MA informs the LP that the verified expenditures are paid with the advance payment. When the advance payment is fully covered with the verified expenditures the MA continues with the payment of the verified expenditures.

Unlike the advance payment, where validation of expenditure is not applicable, interim and final payments are based on costs actually incurred by the beneficiaries. The Request for payment should be submitted to the MA not later than 5 (five) working days from the date of receipt of the documents proving verification of expenditures by the National Controller/s for all project partners with performed NC check for the reporting period.

Before submitting the Request for Payment, in compliance with the Article 26 of the Regulation (EC) No. 2021/1059 the LP shall verify the following:

- the project activities are implemented in accordance with the principles of sound financial management;
- the payment request includes only expenditure, which is verified by the controllers, which is eligible and which is actually incurred by the partners for the implementation of the operation approved, in accordance with the Subsidy Contract, signed with the MA;
- the progress of the operation (financial and physical) complies with the provisions of the Subsidy Contract;
- the activities under the operation are duly documented. All accompanying documents, referring to the expenditure and the audits of the operation, shall be and will remain at the disposal of the European and the respective national controlling authorities, including the Audit and other Authorities under the respective programme for a period of three years after the programme's closure;
- the audits and/or inspections performed do not establish any weaknesses or omissions in the management of the operation approved, or, if such are established, there is a commitment for their rectification, including an approved timeline of corrective measures;
- the expenditure declared in the present Request for payment is not subject to double funding from other funding sources and has not been included in any other previous requests;
- the sum total, accumulating the expenditure, declared for reimbursement, does not exceed the respective operation budget category;
- all certificates on validation of expenditures presenting the expenditure of the Project Partners in this Request for payment are attached in original paper version officially signed by the designated controllers;
- the information included in the Request for payment and its Annexes are true and correct.

All partners are obliged to submit to the LP information for the validated expenditures for each reporting period. In 5 (five) working days period of receiving the documents from the partners the

LP fills in on-line the electronic fields of the Request for advance/interim/final payment in the JEMS and sends it to the MA.

Only the Lead partner has the right to prepare requests for payment and to submit them to the MA.

For an Advance payment only Financial Identification Form (FIF) for the LP (Annex 1) has to be attached to the request for advance payment. FIF should be in original (if there is a change in the Bank account) or copy signed and certified with "True copy". The Request for advance payment has to be submitted to the MA through JEMS.

In 5 (five) days period of receiving the documents from the partners the LP fills in on-line the electronic fields of the Request for interim/final payment in JeMs and sends it to the MA. Together with the Request for interim/final payment, LP has to submit through the JeMs the following annexes (collected from all project partners):

- Control Certificate(s) by the National Controllers;
- Financial Identification Form for the LP (bank account details) (Annex 1);
- Declaration VAT status (Annex 11) – only for Bulgarian partners;
- Declarations for lack of double funding and revenue of the project (Annex 12) by each of the partners who reports expenditures. The Declaration has to be included in the respective request for payment;
- Appeal Declaration (against the NA Control Certificate, if applicable (Annex 7).

Before submission of the request for payment to the MA, the LP can request consultation from JS on correctness and completeness of the documents.

The request for a final payment should be submitted by the LP within 15 days following the date of the final CC, issued by National Controller but not later than 110 days after the project completion.

Additional requirements concerning the preparation and completion of the Request for payment:

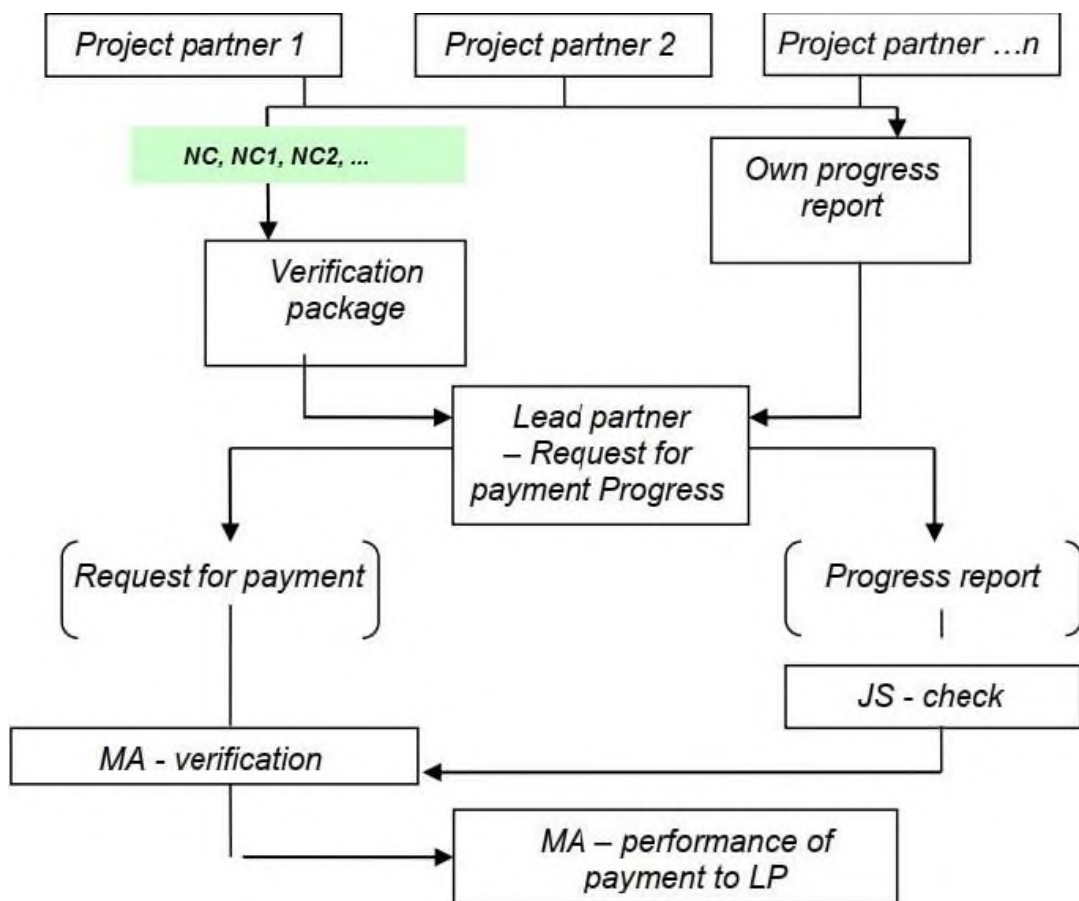
1. The amounts for each partner of the Request for payment (Validated eligible expenditures per project partner) must comply with the verified costs by the National Controllers. Accordingly, the total amount requested of the Request for payment must include the sum of all verified costs of the partners minus 15% co-financing for the partners from the Republic of North Macedonia. The amounts in each field of this document should be carefully calculated and indicated;
2. The Reporting period inspected by the Controllers as well as the Project duration period should comply with the dates specified in all relevant documents. Project duration and reporting period should be filled in correctly;
3. Aggregate amounts of each budget category written in the Invoice report and Financial report must be comparable and correctly calculated;
4. The Staff cost (BC1), Office and administrative costs (BC2) and travel and accommodation costs (BC3) must be included in the Partner report of each project



partner as a global sum on the basis of the flat rate percentage, indicated in the respective budget;

- When reporting the costs associated with currency exchange and completing cost amounts in the electronic fields of the Invoice report, the official exchange rate of the currencies of the European Commission must be used (see section 7.7 “Exchange rates”).

LP submits to the NC/MA all documents listed in the flowchart through the JeMs



In order to receive funds from MA the LP, before preparation of the Request for payment, should send a Progress report to JS, as described in section 6 “Reporting”. The reimbursement of funds under the respective Request for payment shall be carried out only after approval of the respective Project progress report by the JS.



The LP should take into account that the Programme will reimburse requested funds only if its corresponding PPR is accepted and approved by the JS.

## 7.4. Reimbursement of Funds to the Lead Partners

When submitting the Request for Payment, the LP has to be aware of the steps and the estimated timeframe of the reimbursement of Funds. The following procedure applies for the reimbursement of funds to the LP:

- The LP submits the Request for Payment to the MA within the deadlines given in the Subsidy Contract;
- The reimbursement of funds to the LP will be initiated by the MA within the deadlines given in the Subsidy Contract;
- The LP may be requested to clarify/revise Request for Payment during the verification process. If the Request for Payment is rejected by MA the expenditures can be included in the Request for payment for the next reporting period;
- The reimbursement of funds will be performed by the MA after the verification process. In case the EU balance of the programme single bank account handled by the Accounting Authority does not cover the amount to be reimbursed, the reimbursement process will be suspended till the transfer of the EU contribution from the EC is credited to the Programme single bank account. In this case, the MA notifies the LPs for the amount of the verified expenditures. The MA transfer the amounts subject of payments after the necessary funds are ensured in the programme bank account;
- The verified expenditures subject of payment will be transferred by MA in bank account of the LP opened exclusively for the project. The LP is responsible to transfer the respective funds to each project partner according to the approved request for payment and within the deadline given in the Partnership Agreement.

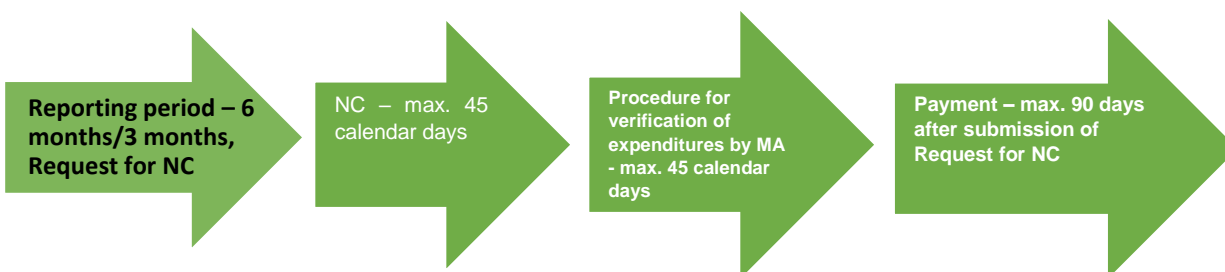
The lead partner assumes responsibility for ensuring the implementation of the entire project. When submitting a joint progress report, the lead partner must:

- “ensure that the expenditure reported by the partners has been paid in implementing the project and corresponds to the activities agreed between all the partners”, i.e., it is in line with the application form and subsidy contract
- check that any deviations from the application form, should they exist, have been properly described and justified in the progress report
- check that amounts and activities reported are correctly included in the joint progress report and that they give a correct description of the implementation and present status of the project This does not imply re-performing the checks already carried out at partner level, given the fact that financial control is a Partner State responsibility. However, it is still up to the LP, due to its role and understanding of the whole project, to satisfy themselves that partners are reporting correctly by

looking through the information available to them (partner report and outputs, control report (including control checklist), list of expenditure). Where there is any doubt, the lead partner must clarify the matter with the partner (and the relevant controller) before the cost item is included in the joint progress report that is submitted to the joint secretariat

## 7.5. Timeframe of reimbursement of Funds to LP

LP and the PPs have to consider the timeframe of the reimbursement of Funds when preparing the time plan of their project activities. The following flowchart presents the procedures described in the following section with the indicative timeframe:



Balance payment shall be made after the approval of final PPR.

## 7.6. Eligibility of expenditure

### ➤ No double funding in the declared expenditures is allowed

With every Request for payment (Annex 6) it is necessary for all project partners that have declared expenditures to ensure that these expenditures have not been funded by other national or community source (Annex 12).

All the primary accounting documents should possess the obligatory requisites according to the respective legislation.

<b>NB!</b>	<b>Every invoice or similar accounting document subject to verification must contain obligatory text, identifying the specific project: the number and name of the project (for the expenditures related to the project preparation – the project name and/or the number of the call for proposals) and detailed information regarding the supplied products or services – quantity, type and unit prices.</b>
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If a single invoice is used for claiming expenditures on more than one budget line as per the Subsidy Contract, then the invoice or its attachments should have the expenditures divided as per the division in the budget (for example: hall rent, equipment rent, coffee breaks, etc.).

If this information cannot be mentioned in the document, one of the following can be done:

- The document is glued to a white sheet of paper and the above attributes are written afterwards;
- A protocol can be prepared to accompany the invoice, which states the number, date and amount from the invoice while pointing out the event for which the expenditure is relevant and all the attributes described above.
- **Payments by the project partners to the sub-contractors and suppliers**

<b>NB!</b>	<p><b>All payments of the project expenditures should be made by the project partners in a period of 45 days after completion of the project implementation period at the latest. For payments made after 45 days period mentioned above the respective expenditures shall be considered ineligible and shall not be reimbursed by the MA to the project partner</b></p>
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➤ **Non-eligible expenditures**

The following costs shall not be eligible for a contribution from the Funds:

- Interest on debt;
- The purchase of land and existing buildings;
- Second hand equipment;
- Fines, financial penalties and expenditure on legal disputes and litigation;
- Costs of gifts;
- Costs related to fluctuation of foreign exchange rate.
- In-kind contributions (including unpaid voluntary work);
- Shared costs;
- Subcontracting between partners and/or associated partners of the same project for services, expertise, equipment and works carried out within the project;
- Charges for national financial transactions;
- Consultant fees between partners for services and work carried out within the project;
- Contracting of employees of the partner organizations as external experts, e.g. as freelancers;
- Other non-eligible expenditures according to EU and national legislation.

## ➤ Eligible expenditures for VAT

### For Bulgarian partners:

The expenditures for VAT is eligible for operation the total cost of which is at least EUR 5 000 000 (including VAT) and where the VAT is non-recoverable under national VAT legislation. In the implementation phase of the project the project partners should be requested to provide the necessary documentation proving the VAT requested for reimbursement is non-recoverable under national VAT legislation.

### For partners from North Macedonia:

According to Article 36 of the Financing Agreement for the Interreg programme “(Interreg VI-A) IPA Bulgaria-North Macedonia”, Value added tax (“VAT) excise duties, customs duties and any other indirect taxes shall not be eligible for Union support, except for operations, investments and small projects funds listed under Article 64(1)(c) of Regulation (EU) 2021/1060.

Each project partner must take the respective national VAT legislation into consideration.

## 7.7. Exchange rates (EU and local)

The amount in the Invoice report shall be converted into Euro:

All sums in the Invoice report should be converted into Euro **using the monthly accounting exchange rate of the European Commission of the month, in which the expenditures were submitted for verification to the NC.**

The approved EU exchange rate for EUR into local currency is determined on a monthly basis at the beginning of each month. During the course of the project, funds held in the project EUR account will be exchanged and transferred to the local currency account. When buying goods/services for the grant project, you should be aware that exchange rates differences will occur. This is because banks use a rate based on the daily exchange rates as set by the country’s national bank for conversion of EUR in local currency.

However, the EU uses a different exchange rate than your bank is using. The EU exchange rate is determined on a monthly basis and is on average slightly higher than the local rate at the beginning and slightly below the local at the end of the month. **The currency exchange differences are not eligible project costs.**

You can find the EUR currency exchange rate at:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/index\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_en.cfm)

Information on the exchange rate is updated every first day in the month to come

## 7.8. Audit trail and accounting system of the partners

<b>NB!</b>	<p><b>The Bulgarian partners follow all the rules and regulations in accordance with the EU regulations and the applicable legislation of the Republic of Bulgaria.</b></p> <p><b>The partners from the partnering country follow all the rules and regulations in accordance with the EU regulations and the applicable legislation of the partnering country.</b></p>
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### ➤ Audit Trail

Partners must ensure that all accounting documents linked to the project are available and that they are filed separately in order to be easily identified as relating to the project. It is the LP's responsibility to ensure an adequate audit trail which implies that the Lead partner has an overview of:

- Who was paid;
- What was paid;
- The date on which payment was made;
- The person who carried out the verifications;
- The location where the relevant documents are stored.

The LP must ensure that all project partners keep the documents linked to the project in an ordered and safe manner at least five years after the date of the notification by the MA for verified amounts under the request for final payment. The filed documents can be either the originals or the certified as original copies. For the purpose PPs may create a flow chart/short description of control system in their organization.

The following list gives an overview of the documents that should be available for financial control and audit purposes:

- Approved Application Form;
- Subsidy Contract;
- Partnership Agreement;
- Relevant project correspondence (financial and contractual);
- Documents attesting the NCs' validations on partners' expenditure;
- Partner Reports;
- Bank account statements/proof of payment for each invoice;
- Declaration of each partner to keep up the necessary and qualified project staff for the successful implementation of the project activities;
- Nomination of the project team members - administrative order or letter;

- Copies of all contracts with external experts and/or service providers;
- Documents relating to procurement, information and publicity (including photos);
- Proof for delivery of services and goods: studies, brochures, newsletters, minutes of meetings, translated letters, participants' lists, travel tickets, etc.

## ➤ Accounting System

The LP and PP must maintain regular and exact analytical accounts for the project implementation using an appropriate accounting system with double-entry book-keeping. These systems can be either an integrated part of the ordinary accounting system of the Beneficiary or an addition to this system.

This system must function in accordance with the accounting policy and rules, in force in both countries, respectively. The accounts and the expenditures, related to the project must be easy to identify and check. This could be done either through the use of separate analytic accounts for the project or through guarantees that the expenditures for the project activities can be easily identified and traced to and inside the regular accounting systems of the Beneficiary. The accounts must show detailed information related to project expenditures as well as the interest rates, paid on the granted funds.

## 7.9. Financial and accounting documentation of the project

- **Budget** - the budget of each project is part of the signed Subsidy Contract. The MA defines in the Applicant's Guide and the Application Form the format and the structure of the budget. The Beneficiary shows the percentage of own contribution (if any) in the budget form. The own contribution is regulated in the Applicant's Guide. The controller should check the adherence to this percentage as well. The documentation of the own contributions respects the same requirements as described in this Manual.
- **Accounting documentation** - all expenditure is recorded at the accounting system of the beneficiary, in order to be recognizable either in a separate accounting system or there is sufficient accounting coding subject to national accounting rules. All the financial and accounting documentation must be prepared /issued in accordance with the stipulations of the respective state accounting and VAT regulations. The list below presents the basic documents for respective reporting costs:

***Financial and accounting documentation (non-exhaustive list) to be provided by the Beneficiaries to the controllers***

BC 1	STAFF COSTS	
Accounting and Financial documents		Other documents/conditions for eligibility of expenditure
<p><b>Flat rate</b></p> <p>The flat rate percentage remains the same for the entire project implementation. No check of the documentary evidences related to the staff costs will be performed by the national controller. The amount of the staff costs to be reimbursed will depend on the amount of the direct costs spent and verified by the NC. An administrative order/a letter for nomination of the project team members shall be provided to the Controller on request.</p>		<p>Staff costs include costs related to the organisation's own staff to be involved in project management (project team) and/or tasks related to the project content. Staff costs are related to activities which the partner organization would not carry out if the project was not undertaken. The staff costs include salary payments fixed in the employment/work contract, an appointment decision (in the case of natural persons working for the partner organization under a contract other than an employment/work contact), or by law relating to the responsibilities specified in the job description of the staff member concerned.</p> <p>Any other costs directly linked to the salary such as employment taxes and social security including pensions as long as they are fixed in the employment document or by law and they are in accordance with the legislation and standard practices in the country and/or organization and are not recoverable by the employer.</p> <p>The appointment of the staff by the project partners has to be done in accordance with the European and national legislation. The proper appointment of the project team is the sole responsibility of the project partners themselves.</p> <p>In the beginning of the project implementation each project partner must present:</p> <ul style="list-style-type: none"> <li>- a declaration that in the project implementation period he will keep up the necessary and qualified project staff for successful implementation of the project activities;</li> <li>- a nomination of the project team members – internal order, a letter, etc.</li> </ul>



	<ul style="list-style-type: none"> <li>- In case staff costs are not eligible for financing for the given project partner according to national eligibility rules, staff costs shall not be declared on flat rate basis to the project (i.e. the eligibility of expenditure does not depend on the form of reimbursement)</li> </ul>
<b>BC 2</b>	<b>OFFICE AND ADMINISTRATIVE COSTS</b>
Accounting and Financial documents	Other documents/conditions for eligibility of expenditure
<p>The Office and administrative costs must be reported as a flat rate on the basis of the concrete percentage of the staff costs, envisaged in the budget of the respective project partner. This percentage remains the same for the entire project implementation. The amount of the office and administrative costs, which could be reported, depends on the amount of the staff costs spent during the reporting period. No check of the documentary evidences related to the office and administrative costs will be performed by the National controller. The amount of the office and administrative costs to be reimbursed will depend on the amount of the direct costs spent and verified by the National controller (NC).</p>	<p>The eligible expenditures under Budget category 2 include expenditures for rent of office (specifically for the purpose of the project), overheads (expenses covering electricity, heating, water, telephone, internet, other utilities), consumables (expenses covering paper, pens, CDs, folders, toners etc.), bank charges - expenses for opening and administrating the bank account where the implementation of the project requires a separate account to be opened (only for the Lead beneficiary) and charges for transnational financial transactions (for all beneficiaries), and maintenance costs (expenses for postal services, cleaning, security, insurances, business cards, coffee/biscuits for small project meetings).</p>
<b>BC 3</b>	<b>TRAVEL AND ACCOMMODATION COSTS</b>
Accounting and Financial documents	Other documents/conditions for eligibility of expenditure
<p>The Travel and accommodation costs must be reported as a flat rate on the basis of the fixed percentage of the staff costs, envisaged in the budget of the respective project partner. This percentage remains the same for the entire</p>	<p>The category of expenditures covers travel and accommodation costs of project staff and shall be limited to the following costs – travel costs (tickets, travel and car insurance, fuel, car mileage, toll and parking fees); the costs of meals; accommodation</p>

<p>project implementation. The amount of the travel and accommodation costs, which could be reported, depends on the amount of the staff costs spent during the reporting period. No check of the documentary evidences related to the travel and accommodation costs will be performed by the National controller. The amount of the office and administrative costs to be reimbursed will depend on the amount of the direct costs spent and verified by the National controller (NC).</p>	<p>costs; visa costs; daily allowance. The proper spent of the travel and accommodation costs is the sole responsibility of the project partners themselves.</p>
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## BC 4 EXTERNAL EXPERTISE AND SERVICES COSTS

Accounting and Financial documents	Other documents/conditions for eligibility of expenditure
<p>1) Rent of hall for events:</p> <ul style="list-style-type: none"> <li>- Tender documentation (if applicable);</li> <li>- Contract;</li> <li>- List of participants, agenda, pictures and other documents proving realization of activity – to be provided for each day of the event;</li> <li>- Invoices and cash receipt notes/ payment order/bank statements;</li> <li>- Accounting records.</li> </ul>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and PRAG rules for the NA, if required.</p>
<p>2) Rent of audio/video equipment for events:</p> <ul style="list-style-type: none"> <li>- Tender documentation (if applicable);</li> <li>- Contract;</li> <li>- List of participants, agenda, pictures and other documents proving realization of activity – to be provided for each day of the event;</li> <li>- Invoices and cash receipt notes/payment order/bank statements;</li> <li>- Accounting records.</li> </ul>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and PRAG rules for the NA.</p>

<p>3) Travel for events:</p> <p>3.1) Rent of vehicle (car, van, minibus, bus, etc.):</p> <ul style="list-style-type: none"> <li>- Tender documentation (if applicable);</li> <li>- Contract;</li> <li>- Protocol and other documents proving realization of activity;</li> <li>- Invoices and cash receipt notes/payment order/bank statements;</li> <li>- Accounting records.</li> </ul> <p>3.2) Ticket costs (bus, train, airplane):</p> <ul style="list-style-type: none"> <li>- Airplane boarding cards;</li> <li>- Tickets;</li> <li>- List of participants, agenda, pictures and other documents proving realization of activity;</li> <li>- Invoice / protocol issued by the travel agency for the value of the Airplane ticket;</li> <li>- Bank statements;</li> <li>- Accounting records.</li> </ul>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and PRAG rules for the NA.</p>
<p>4) Catering for events (coffee breaks, refreshments, lunches and dinners for participants in the events):</p> <ul style="list-style-type: none"> <li>- Tender documentation (if applicable);</li> <li>- Contract;</li> <li>- Agenda where must be indicated that coffee breaks/refreshment/ lunches and dinners for participants in the event have been provided;</li> <li>- List of participants, pictures and other documents proving realization of activity – to be provided for each day of the event and for each expenditure (e.g. lunch, dinner) – separate pack of pictures &amp; proofs;</li> <li>- Acceptance protocol;</li> <li>- Invoice, payment documents, bank statements;</li> </ul>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and PRAG rules for the NA.</p> <p>Expenditure for alcoholic beverages and cigarettes cannot be paid under the project. In case such expenditure is made by the project partners, it will be considered ineligible and will not be reimbursed to the partner.</p>

<ul style="list-style-type: none"> <li>- Accounting records.</li> </ul>	
<p>5) Accommodation for participants in the events:</p> <ul style="list-style-type: none"> <li>- Tender documentation (if applicable);</li> <li>- Contract;</li> <li>- Agenda; list of participants, pictures and other documents proving realization of activity;</li> <li>- Invoice, payment documents, bank statements;</li> <li>- Accounting records.</li> </ul>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and PRAG rules for the NA.</p> <p>The accommodation expenditures cannot exceed the limits determined in the Guidelines for Applicants.</p>
<p>6) Preparation of materials for events – invitations, agenda, presentations etc.:</p> <ul style="list-style-type: none"> <li>- Tender documentation (if applicable);</li> <li>- Contract;</li> <li>- Acceptance protocol;</li> <li>- Invoices and cash receipt notes/payment order/bank statements;</li> <li>- Copy of the prepared materials;</li> <li>- Accounting records.</li> </ul> <p>A copy of each delivered item and a picture of all delivered materials, clearly showing their quantity.</p>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and PRAG rules for the NA.</p> <p>Elaborated materials should contain visibility elements, according the Programme rules.</p>
<p>7) Consumables for events – paper, files,</p> <ul style="list-style-type: none"> <li>- folders, cases, CDs, etc.:</li> <li>- Tender documentation (if applicable);</li> <li>- Contract;</li> <li>- Acceptance protocol;</li> <li>- Invoices, cash receipt notes, payment orders, banks statements;</li> <li>- Accounting records;</li> <li>- A copy of each delivered item and a picture of all delivered materials, clearly showing their quantity.</li> </ul>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and PRAG rules for the NA.</p>

<p>8) Purchase of advertising materials – pens, key chains, CDs, USBs, hats, bags, note books, folders, etc.:</p> <ul style="list-style-type: none"> <li>- Tender documentation (if applicable);</li> <li>- Contract;</li> <li>- Acceptance protocol;</li> <li>- Invoices, cash receipt notes, payment orders, bank statements;</li> <li>- Accounting records.</li> <li>- A copy of each delivered item and a picture of all delivered materials, clearly showing their quantity.</li> </ul>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and PRAG rules for the NA.</p> <p>Copies of the respective materials should be kept by the project partner.</p> <p>All advertising materials must comply with the Programme visibility rules in order the respective expenditures to be considered eligible.</p>
<p>9) Elaboration, design, translation of advertising materials:</p> <p>9.1) Information materials concerning project documents, project events, meetings, implementation provisions, etc.;</p> <p>9.2) Brochures, leaflets informing about the project implementation and results;</p> <p>9.3) Manuals and guidelines related to the project;</p> <p>9.4) Design of project logo;</p> <p>9.5) Design and printing of advertising items with logo of the project or with logo of the Programme (pens, key chains, CDs, USBs, hats, bags, note books, folders etc.).</p> <ul style="list-style-type: none"> <li>- Tender documentation (if applicable);</li> <li>- Contract;</li> <li>- Acceptance protocol/ report by the Contractor;</li> <li>- Invoices, cash receipt notes/payment order/bank statements;</li> </ul> <p>Accounting records.</p>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and PRAG rules for the NA.</p> <p>Copies of the elaborated/ designed/translated materials should be kept by the project partner.</p> <p>All advertising materials must comply with the Programme visibility rules in order the respective expenditures to be considered eligible.</p>
<p>10) Publications in mass media – press, radio, TV:</p>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and</p>

<ul style="list-style-type: none"> <li>- Tender documentation (if applicable);</li> <li>- Contract;</li> <li>- Acceptance protocol/ certificate/ report by the Contractor;</li> <li>- Invoices, cash receipt notes/payment order/bank statements;</li> <li>- Accounting records.</li> </ul>	<p>PRAG rules for the NA.</p> <p>Copies of the publications in print/electronic media and broadcasting in radio/TV should be kept by the project partner.</p> <p>All publications must comply with the Programme visibility rules in order the respective expenditures to be considered eligible</p>
<p>11) Consultancy, studies, designs, website development, etc.:</p> <ul style="list-style-type: none"> <li>- Tender documentation (if applicable);</li> <li>- Contract;</li> <li>- Acceptance protocol/ report by the Contractor;</li> <li>- Invoices, cash receipt notes/payment order/bank statements;</li> <li>- Accounting records.</li> </ul>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and PRAG rules for the NA.</p> <p>Reports on methodology applied and on the results of the researches/studies conducted.</p> <p>Reports, research, analysis, studies and other written documents must be in accordance to the EU requirements for visualization and should have information for the author and year of issue.</p> <p>The web site developed under the project must also comply with the Programme visibility rules.</p>
<p>12) Interpreters, lecturers, trainers, moderators, etc.:</p> <ul style="list-style-type: none"> <li>- Tender documentation (if applicable);</li> <li>- Contract;</li> <li>- List of participants, agenda, pictures and other documents proving realization of activity – to be provided for each day of the event, clearly showing the involvement of each expert hired;</li> <li>- Acceptance protocol/ report by the Contractor;</li> <li>- Invoices, cash receipt notes/payment order/bank statements;</li> <li>- Accounting records.</li> </ul>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and PRAG rules for the NA .</p>

<p>13) Others, including organisation or participation in online events (seminars, conferences, trainings, workshops, working meetings, etc.):</p> <ul style="list-style-type: none"> <li>- Tender documentation (if applicable);</li> <li>- Contract;</li> <li>- Invoices, cash receipt notes/payment order/bank statements;</li> <li>- Accounting records.</li> <li>- Software subscription / license (if applicable for online events)</li> </ul>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and PRAG rules for the NA.</p> <p>For expenditures related to online events, additionally document and provide in the Partner report:</p> <ul style="list-style-type: none"> <li>- e-mail invitations and received confirmations;</li> <li>- data for access to the virtual event (meeting ID, access link, etc.);</li> <li>- software log of the event;</li> <li>- screenshots taken during the event;</li> <li>- audio (if possible);</li> <li>- video recording (to be kept by the beneficiary and/or uploaded in cloud service with provided link in the beneficiary's report).</li> <li>- any other suitable for the purpose evidences.</li> </ul>
<b>BC 5</b>	<b>EQUIPMENT COSTS</b>
Accounting and Financial documents	Other documents/conditions for eligibility of expenditure
<ul style="list-style-type: none"> <li>- Tender documentation (if applicable)</li> <li>- Contract;</li> <li>- Acceptance protocol, containing the type of the supplied equipment, exact number of the delivered items, their trademarks, models and serial numbers;</li> <li>- Warranty card for the purchased equipment;</li> <li>- Declaration/ certificate of origin containing the type of the supplied equipment, exact number of the delivered items, their trademarks, models and serial numbers;</li> <li>- Invoices, cash receipt note, payment orders, bank statements;</li> <li>- Accounting records;</li> </ul>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and PRAG rules for the NA. Detailed and exhaustive documentation of the implemented tender procedure should be kept by the project partner – invitation letter and/or other documents related to publication of the tender, tender dossier, evaluation report and other evaluation documents, offers submitted by the participants in the tender procedure, etc.</p> <p>Equipment that will not be used by the project partners or the project target group after the project completion and if the economic lifetime of the equipment (respectively the period of depreciation) is longer than the project duration, only the depreciation costs for the period of project duration are eligible. The depreciation</p>



<ul style="list-style-type: none"> <li>- Document which certifies the posting of all assets purchased under the project, and their existence into in the organization's balance sheets, where they remain after the finalization of the project.</li> </ul>	<p>rate has to be in line with national rules. Depreciation is charged proportionally for each relevant period for which a periodical report is required and prepared. The full value of depreciated costs on equipment in relation to the total project duration cannot be charged as total amount for one particular period.</p> <p>Only the proportionate sum of the depreciations costs according to the use of equipment for the project is eligible. The amount (percentage used and time duration) has to be properly clarified (auditable).</p> <p>The depreciation costs of equipment can never exceed the purchase price of the equipment.</p> <p>If project partners declare that the equipment will be used after the project completion full invoice amount will be eligible for verification. The LP/ PP must provide Statement/ Declaration regarding purchased equipment, stating that the equipment shall be used by LP/PP for the same purpose for at least 5 years after project closure.</p>
<b>BC 6</b>	<b>COSTS FOR INFRASTRUCTURE AND WORKS</b>
Accounting and Financial documents	Other documents/conditions for eligibility of expenditure
<ul style="list-style-type: none"> <li>- Tender documentation (if applicable)</li> <li>- Contract, Bill of Quantity (BoQ);</li> <li>- All guarantees provided for in the special conditions of the works contract;</li> <li>- Certificates/ protocols for the implemented works according to the national legislation;</li> <li>- Invoices, payment order, bank statements;</li> <li>- Accounting records;</li> </ul>	<p>Tender procedure has to be conducted according to the National legislation for Bulgarian beneficiaries and PRAG rules for the NA. Detailed and exhaustive documentation of the implemented tender procedure should be kept by the project partner – invitation letter and/or other documents related to publication of the tender, tender dossier, evaluation report and other evaluation documents, offers submitted by the participants in the tender procedure, etc.</p> <p>Local Act – permission for use of the construction according to the National legislation for construction works.</p>

<p>Document which certifies the posting of all assets purchased under the project, and their existence into in the organization's balance sheets, where they remain after the finalization of the project.</p>	<p>Statement of the beneficiary confirming the existence of the performed construction works, their consistency with the provisions of the contract and the measures taken regarding the provisions of the contract and the measures taken regarding the requirements for publicity and transparency of all activities financially supported by the EU;</p> <p>All guarantees provided for in the special conditions of the construction and supervision contracts;</p> <p>Copy of the final report of the Construction supervisors according to the relevant national legislation (for BG LP/PP - according to art. 168, par.6 of the Bulgarian Territory Structure Act).</p>
<b>BC 7</b>	<b>PROJECT PREPARATION COSTS</b>
Accounting and Financial documents	Other documents/conditions for eligibility of expenditure
<p>Project preparation - meetings between partners, consultancy, elaboration of technical documentation (incl. feasibility studies, detailed design, technical drawings, etc.), elaboration of project proposal and application form, translation of documents, taxes and other charges:</p> <ul style="list-style-type: none"> <li>- Tender documentation (is applicable);</li> <li>- Contracts;</li> <li>- Acceptance protocols;</li> <li>- Invoice and cash receipt notes/payment order/bank statements;</li> <li>- Accounting records;</li> </ul> <p>Insurance policies (for insurance transactions involving members of the project team).</p>	<p>.</p> <p>The expenditures for project preparation shall be reimbursed as a lump sum and must be requested for reimbursement only in the first reporting period of the respective project partner.</p> <p>In case of sub-contracting project preparation activities, National (MA) or PRAG (for the NA) rules must be observed in order for the costs to be eligible for reimbursement under the Programme.</p>

The Subsidy Contract determines the rights and obligations of the Lead Partner and the Managing Authority. The approved Application Form and the Partnership Agreement signed between the Project Partners are integral part of the Subsidy Contract. The Subsidy Contract explicitly provides information concerning project implementation period. During the project lifecycle, due to certain reasons, some modifications/changes might be necessary concerning the project implementation bases and the conditions, defined in the Subsidy Contract, as well as in the approved Application Form and other annexes that are integral part of the Subsidy Contract.

Modifications/changes can be related to changes in the partnership, modifications concerning the project's content, budget changes, extension of the implementation period, administrative changes.

According to their nature modifications/changes are a subject of:

- 1) **Approval by the Monitoring Committee** - this type of modification requires signature of an addendum. The Addendum enters into force on the day of its registration in the Registry system of MA, following the signing by both parties, except the case the addendum confirms modifications in the national/European applicable legislation with impact on the implementation of the contract - when the modifications become effective from the date the respective legal acts become effective.
- 2) **Approval by the Managing Authority;**
- 3) **Notification to the Joint Secretariat.**

**NB!**

**Only the Lead Partner may initiate a contract modification by sending respective request for modification or notification to the Joint Secretariat. The Request for contract modification must be accompanied by the required supporting documents listed below according to the type of the modification.**

The LP fills in the electronic form of the Request for modification/ or prepares Notification letter and submits it via e-mail to the JS. The Request for Contract Modification must clearly describe and justify the reasons for requested modification. If it is needed, the supporting documents may be attached to the Request according to the type of the modification. In one working day after receiving the request for modification, the JS assess the request and unlock the Application Form (AF) in Jems in case the requested modification imposes amendment of the AF. In 5 working days the Lead partner make respective amendments in the AF in Jems. In case the request for modification requires amendment of the AF, it is consider submitted at the day the revised AF is submitted in Jems.

<b>NB!</b>	<p>The Request for modification of the Subsidy Contract can be submitted at least 30 days before the Addendum is intended to enter into force. This will give the MA the sufficient time for launching the procedures for MC approval of the Request for modification.</p> <p>Additionally, the LP should strive to submit the Request for contract modification at least 60 days before expiration of the project implementation period. Otherwise the request may be rejected.</p>
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## 8.1. Modifications concerning the project's content

In case a modification of project's content is required, the partners have to assure that all the objectives and outputs defined in the Application form will be achieved and delivered by the project. The procedure to be followed in case of content change depends on the significance of the modification.

### 8.1.1. Modifications requesting approval by MC and signature of addendum

Modifications in the project **altering the approved objectives or outputs**, or concerning inclusion of additional activities and/or outputs **need the approval of the MC, as well as signature of an Addendum to the Subsidy Contract**.

Modifications/changes in the project altering the approved objectives or outputs are possible only in "force majeure" circumstances or in case of existence of objective circumstances, which make it impossible to achieve the project's objectives or outputs.

The LP should immediately contact the JS in case of problems, which would affect the project's activities, objectives and/or outputs. The LP is obliged to inform the MA in written form about planned significant changes with clear justifications of the reasons for such changes before their implementation. The modification may not lead to the increase of the budget of the project.

The official procedure of request for modification includes the following documents to be submitted by the LP to the JS by e-mail:

- *"Request for Contract Modification" (Annex 8), clearly describing and well justifying the reasons for such a modification - scanned document signed by the LP legal representative send by e-mail;*
- *Other documents annexed to the Subsidy contract that should be revised in accordance with the proposed modification (if applicable) – scanned documents send by e-mail.*

After unlocking the AF in Jems the LP has to submit the following documents in 5 working days:

- *"Revised Application Form" - filled in on-line in the Jems.*

The Managing Authority may request additional documents proving existence of "force majeure"

circumstances or objective circumstances, which make it impossible to achieve the project's objectives or outputs, or justifying the need of implementation of additional activities.

The submitted request will be evaluated by the MA and, if acceptable - will be put forward for decision to the MC. In case of approval, an Addendum to the Subsidy Contract will be signed by the contracting parties. The Addendum enters into force on the day of its registration in the registry system of the MA, following the signing by the both parties. The expenditures related to the activities and outputs of the modified contract are eligible from the date of the MC decision but those costs can be validated only after the Addendum of the Subsidy Contract enters into force.

In case the project cannot be fully implemented by carrying out the planned activities, the planned outputs and results the MA is entitled to withdraw from the Subsidy Contract and reclaim the contribution already transferred.

### 8.1.2. Modifications requesting notification to the JS

In case of modifications of the approved project which will not affect the project's objectives and outputs and will not jeopardize the successful completion of the project, a written notification to the JS is required to be sent by e-mail. The LP is obliged to clearly describe and justify each of such changes in the notification.

The official procedure of request for such modification includes the following documents to be submitted by the LP to the JS by e-mail:

- *“Notification letter” containing explanation of requested modification/s - scanned document stamped and signed by the LP legal representative send by e-mail;*
- *Other supporting documents (if applicable) – scanned documents send by e-mail.*

In case the amendment of the Application form is needed, after unlocking the AF in Jems the LP has to submit the following documents in 5 working days:

- *“Revised Application Form” - filled in on-line in the Jems, including all requested changes filled in on-line in the Jems.*

The LP will be informed by the JS whether the respective change is acceptable.

**Examples:** Small changes of project activities (time, place or content); changes in technical specifications changes in the positions of the project team, etc.

#### NB!

The conceptual investment designs, which during the implementation of the Subsidy Contract are developed in the Technical and/or Working designs phases, should be coordinated and approved in accordance with the National Legislation, including a mandatory opinion/confirmation of previous position of the competent authority for EIA trough:

- A positive environmental impact assessment or
- Statement that an environmental impact assessment is not required,

including a statement that no invasive alien species are anticipated.

In the planned activities for the development of green areas under Priority 1, Specific objective 1.1 of the Programme, invasive alien species should not be used.

All developed and approved project design documentation for construction, including Statements/Opinions/Decisions of competent authorities and Construction permits, should be submitted through the electronic system JEMS with a Notification for a small type of modification concerning the project's content to the subsidy contract (Annex 5). The Notification/ Request for modification, should be send to the attention of Head of Joint Secretariat with attached scanned copies of the originals and English translation of the official letters, opinions and permits. Investment designs have to be submitted as scanned originals, with all approvals (stamps and signatures). English translation is required only for the Summary Explanatory Notes and the BoQ of the investment projects.

## 8.2. Administrative changes

Modifications concerning the administrative part of the project (change of bank account, contact details, address for communication, legal representative, changes in the persons, part of the project team, etc.) require only notification to the MA/JS within 15 (fifteen) days following the change.

## 8.3. Modifications concerning the Partnership

Modifications concerning the partnership **need the approval of the MC** and signature of an **Addendum to the Subsidy Contract**.

The LP has to assure that following the change (s) in the partnership the project still fulfils the requirement for partnership set in the Guidelines for Applicants and in the Programme and the general character (objectives and outputs) of the original project is not altered.

**NB!**

**The maximum number of partners in the project cannot exceed 4 (four) including the Lead Partner.**

In case of inclusion of new partner in the project, the new partner takes part of the responsibilities under the project of one or more of the project partners or undertakes additional responsibilities related with inclusion of additional activities and/or outputs that will bring added value to the project.

A project partner with investment activities of construction and installation of equipment cannot be replaced during the project implementation period. The withdrawal of such a project partner leads to the withdrawal and termination of the project.

**NB!**

**Amendment of partnership by replacing the partner with another partner / taking**



**over of the partner's activities by the other partners within the investment projects, in which the investment object is ownership / lease of the withdrawn partner, is not allowed.**

Amendment of partnership may be requested while having in mind the following conditions:

- By including the partners, the cross-border character of the project must not be altered;
- The new partner must be relevant for the partnership according to the objectives of the project;
- All partners have to consent on the proposed modification;
- All partners have to consent to continue the project implementation;
- The new proposed partner/s and the new partnership must meet the eligibility criteria stipulated in the Guidelines for Applicants;
- The newly proposed partner(s) must have financial, technical and administrative capacity, as well as human resources in order to fulfil the activities under the project;
- The new partnership must meet eligibility conditions set in the Guidelines for Applicants.

**The official procedure of request for modification includes the following documents to be submitted by the LP to the JS by e-mail:**

- *“Request for Contract Modification” (Annex 8), clearly describing and well justifying the reasons for such a modification - scanned document signed by the LP legal representative and send by e-mail;*
- *“Written Decision of the Partnership” - scanned document signed by the legal representatives of all PPs send by e-mail for inclusion of new project partner send by e-mail;*
- *New “Partnership Agreement” - scanned document signed by the legal representatives of LP and all other project partners send by e-mail;*
- *New “Co-financing Statement(s)” of the affected partner/s - scanned document per each affected PP signed by the legal representative of the respective PP send by e-mail;*
- *Documents proving eligibility and financial, technical and administrative capacity of the new partner/s as required in the Guidelines for Applicants - scanned documents per each new PP send by e-mail.*

After unlocking the AF in Jems the LP has to submit the following documents in 5 working days:

- *Revised “Application Form”, defining the new division of work by the modification of the work plan and the budget accordingly - filled in on-line in the Jems.*

The modification concerning the partnership is a subject of MC decision.

**In case of approval of the request by the MC, an Addendum to the Subsidy Contract will be**



**signed by the contracting parties.** The Addendum enters into force on the day of its registration in the Registry system of the MA, following the signing by both parties. The expenditures related to the activities and outputs of the modified contract are eligible from the date of the MC decision but those costs can be validated only after the Addendum of the Subsidy Contract enters into force.

**In case the project will not fulfil the requirement for the partnership of the Programme due to change in the partnership the MA is entitled to withdraw from the Subsidy Contract and reclaim the contribution already transferred.**

## 8.4. Extension of implementation period

Modifications concerning the extension of the implementation period **need the approval of the MC and signature of an Addendum to the Subsidy Contract.**

**NB!**

**Extension of the project implementation period can be granted only if not affecting the achievement of the target set by the n+3 rule.**

The LP should request this modification in case the project implementation is in such delay that the main project activities **cannot** be accomplished during the project implementation period of the Subsidy Contract and the achievement of the project objectives could be precarious.

**To request a modification concerning extension of the implementation period the LP has to submit the following documents to the JS by e-mail:**

- *“Request for Contract Modification” (Annex 8), clearly describing and well justifying the reasons for such a modification - scanned document signed by the LP legal representative and send by e-mail;*

After unlocking the AF in Jems the LP has to submit the following documents in 5 working days:

- *“Revised Application Form” reflecting the changes in the project implementation period including the rearrangement of section C.4 Project work plan (concerning necessary amendment of C.6 Project Time Plan) - filled in on-line in the Jems.*

The submitted request will be evaluated by the MA and **submitted** for decision to the MC. In case of approval of the Request for contract modification, an **Addendum to the Subsidy Contract** will be signed by the contracting parties before the original end date of the project.

## 8.5. Budget changes

Modifications related to budget changes can be budget reallocation between budget categories, reallocation inside a budget categories and increasing of the amount of the subsidy by increasing of existing budget sub-category/ies or creating of new budget sub- category/ies.

### 8.5.1. Budget reallocation between project partners

Modifications concerning budget reallocation between project partners' budgets need the approval

of the MC, and signature of an Addendum to the Subsidy Contract. The changes have to be agreed upon by all partners. The maximum amount of funding awarded cannot be changed and the major issues of the operation should not be affected.

To request a modification concerning budget reallocation between project partners the LP has to submit the following documents to the JS by e-mail:

- *“Request for Contract Modification” (Annex 8), clearly describing and well justifying the reasons for such a modification – scanned document signed by the LP legal representative.*
- *“Budget modification table” (Annex 8.1) – sent by e-mail;*
- *New “Co-financing Statement” of the affected partner/s - scanned document per each affected PP signed by the PP’s legal representative sent by e-mail.*
- *After unlocking the AF in JEMS the LP has to submit the following documents in 5 working days:*
- *“Revised Application Form” with modified budget - filled in on-line in the JEMS;*

In case of approval of the request by the MC, an Addendum to the Subsidy Contract will be signed by the contracting parties. The Addendum enters into force on the day of its registration in the Registry system of the MA, following the signing by both parties. The expenditures related to the activities and outputs of the modified contract are eligible from the date of the MC decision but those costs can be validated only after the Addendum of the Subsidy Contract enters into force.

### 8.5.2. Budget reallocation between budget categories up to 20 %

The budget reallocation(s) between budget categories in a limit of 20% of the smaller budget line can be made after an approval of the Managing Authority before the referring expenditures are carried out. The budget of the respective partner cannot be changed and the major issues of the operation should not be affected.

**NB!**

**The 20% limits shall not be considered separately for each single budget change of the respective budget category. The amount of each new requested reallocation between budget lines is cumulated to the total amounts of previous reallocations until the cumulated amounts of such reallocations reach 20% of the original amount of the respective budget category.**

**Reallocation between budget categories is applicable only for budget categories which shall be reimbursed on the basis of real cost.**

The reallocation between budget categories should comply with the rules for the minimum and the maximum thresholds of the amount of eligible expenditures for the specific budget categories.

**To request a modification concerning budget reallocation between budget categories within 20% of the smaller budget line the LP has to submit the following documents to the JS by e-mail:**

- “Request for Contract Modification” (Annex 8), clearly describing and well justifying the reasons for such a modification – scanned document signed by the LP legal representative send by e-mail;
- “Budget modification table” (Annex 8.1) - **send by e-mail**;

After unlocking the AF in Jems the LP has to submit the following documents in 5 working days:

- “Revised Application Form” with modified budget - filled in on-line in the **JEMS**.

The request for modification will be evaluated by the MA. A notification letter for approving/rejection of the request for modification will be send by the MA to the beneficiary. The modification will become effective **only after the written approval of the MA**.

### 8.5.3. Budget reallocation between budget categories over 20%

The budget reallocation(s) between budgets categories over 20% of the smaller budget category **need the approval of the MC, and signature of an Addendum to the Subsidy Contract** before the referring expenditures are carried out. The budget of the respective partner cannot be changed and the major issues of the operation should not be affected.

**NB!**

**Budget reallocation between budget categories over 20% of the total budget may occur only if the requested change does not alter the minimum requirements, the planned action, outputs and results and does not endanger the general project principle of co-operation. In addition to the above it is crucial for a project to keep constant those categories that are of crucial importance for the project implementation and the beneficiaries’ cooperation.**

**Reallocation between budget categories is applicable only for budget categories which shall be reimbursed on the basis of real cost.**

The reallocation between budget categories should comply with the rules for the minimum and the maximum thresholds of the amount of eligible expenditures for the specific budget categories

**To request a modification concerning budget reallocation between budget categories over 20% of the smaller budget category the LP has to submit the following documents to the JS by e-mail:**

- “Request for Contract Modification” (Annex 8), clearly describing and well justifying the reasons for such a modification – scanned document signed by the LP legal representative

*send by e-mail;*

- *“Budget modification table” (Annex 8.1) - send by e-mail.*

After unlocking the AF in Jems the LP has to submit the following documents in 5 working days:

- *“Revised Application Form” with modified budget - filled in on-line in the JEMS.*

The submitted request will be evaluated by the MA and submitted for **decision to the MC**. In case of approval of the request by the MC, an **Addendum to the Subsidy Contract** will be signed by the contracting parties. The expenditures related to the activities and outputs of the modified contract are eligible from the date of the MC decision but those costs can be validated only after the Addendum of the Subsidy Contract enters into force.

#### 8.5.4. Budget reallocation inside a budget category

Changes inside a budget category, between budget sub-lines, can be made after approval of the MA prior the referring expenditures are carried out. The total amount of the budget category cannot be changed and the major issues of the operation should not be affected.

**Reallocation inside the budget categories is applicable only for budget categories which shall be reimbursed on the basis of real cost.**

**To request a modification concerning budget reallocation inside a budget category the LP has to submit the following documents to the JS by e-mail:**

- *“Request for Contract Modification” (Annex 8), clearly describing and well justifying the reasons for such a modification – scanned document signed by the LP legal representative send by e-mail;*
- *“Budget modification table” (Annex 8.1) - send by e-mail.*

After unlocking the AF in Jems the LP has to submit the following documents in 5 working days:

- *“Revised Application Form” with modified budget - filled in on-line in the JEMS.*

The request for modification will be evaluated by the MA. A notification letter for approving/rejection of the request for modification will be send by the MA to the beneficiary. The modification will become effective **only after the written approval of the MA**.

#### 8.5.5. Inclusion of own co-financing

Due to unforeseen circumstances, any project partner may include own co-financing for any of the envisaged activities in order to reach their successful implementation, as long as the maximum amount of funding awarded remains unchanged and the major issues of the operation are not affected.

The LP has to submit the following documents to the JS by e-mail:

- *“Request for Contract Modification” (Annex 8), clearly describing and well justifying the reasons for such a modification - scanned document signed by the LP legal representative send by e-mail;*

- “Budget modification table” (Annex 8.1) - send by e-mail;
- New “Co-financing Statement” of the affected partner/s - scanned document per each affected PP signed by the PP’s legal representative send by e-mail.
- Other relevant documents - send by e-mail.

After unlocking the AF in Jems the LP has to submit the following documents in 5 working days:

- “Revised Application Form” with modified budget - filled in on-line in JEMS

In case of approval of the request, an Addendum to the Subsidy Contract will be signed by the contracting parties.

The modification requested can be implemented only after it is approved by the MC. Although the expenditures related to the modified partners’ budgets are eligible already from the date of the MC decision, those costs can be validated only after the Addendum of the Subsidy Contract enters into force.

The overall monitoring at project level will be carried out by the JS. The major source to monitor the implementation and progress of the contracted projects is the progress reports and on the spot visits.

In order to assess progress in implementation of activities, their impact, quality and compliance with prescribed rules and procedures (including the expenditures) the JS will perform **at least initial online meeting and final visits** to all contracted projects during their implementation period. In cases of serious problems occurred during the project implementation, or in case of construction activities, an annual **ad hoc visit** may also be performed by experts of the MA, NA and the JS.

### Initial online meeting

The initial online meeting has an introductory and advisory function. The participation of all partners is mandatory.

The aim of the **monitoring visits** is to assess the progress in implementation of activities, their quality and compliance with applicable programme and national rules and procedures, as well as monitoring of ORIs. Monitoring visits can take place either at the premises of the LP/PP, or at the places of construction works.

- During the visits two main instruments of monitoring are always applied – documentation check and interviews.

The minimum set of documentation for different types of activities to be checked includes:

Type of	Sources of verification
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activities	
<b>Service activities</b>	Service contract and its annexes, correspondence, reports/deliverables, publications, invitations, agenda, list of participants, minutes of meeting/s. In addition, for 'training' services - contracts with trainers (if applicable), training programme, attendance lists (for each day of training), training materials/presentations, questionnaires to the participants, issued certificates (if applicable), photos.
<b>Supply activities</b>	Supply contract and its annexes, correspondence, delivery and acceptance protocols, certificates of origin, guarantee cards, publicity measures, photos of the equipment delivered, inventory lists (if applicable).
<b>Works activities</b>	Works contract and its annexes, correspondence, protocols for works completed, copy of the supervision report, copy of the required protocols in construction, permission/certification for right of use, other permits, Environmental Impact Assessment (if applicable), publicity measures, photos.

<b>Important!</b>	<b>For all main project events (press conferences, seminars, exhibitions, concerts, official opening of constructed/renovated sites, technical acceptance of the object and etc.) the beneficiaries should invite JS to participate in the project implementation phases on observer - in writing 10 days before the events.</b>
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## Ad hoc visit

The ad hoc visit shall be performed in cases of serious problems occurred during the project implementation or performed risk assessment. It requires detailed analysis of the situation and proposing of adequate corrective measures to be undertaken. On the visit JS/MA/NA check:

- actual progress of the project related to the implementation of the activities and their compliance with the provisions under Subsidy contract, Programme rules and terms and conditions set out in the Application form (in case of unclear or misleading reporting);
- physical check of the investment activities and services provided, relevant documents, certificates, etc.

## Final visit

The final visit aims to verify the actual state of the project results as compared to the activities approved within the Subsidy contract. The following checks should be made during the final visit:



- physical check of the investments activities (works and supply);
- check of the delivered services (products of services);
- verification on the compliance of all promotional materials/measures with the visualization requirements;
- verification on the achievement of the project objectives and outputs;
- check of the achievement of the project output and result indicators;
- identification of any situation of state aid arisen after signature of the Subsidy contract.

## Ex-post on the spot visits after contracts' completion

Ex-post on-the spot visit control could be carried out **in 5 (five) years after completion of each individual contract** and achievement of the results, aiming the establishment of compliance and functionality of the gained assets as well as secured sustainability of project's results.

Depending on the type of project activities, the JS may initiate an ex-post check (including documentary and on-line check) and/or an ex-post visit (including on-the-spot visit).

According to the specific circumstances the JS/MA may formally inform the Beneficiary, by letter in appropriate term, for the upcoming monitoring visit in order to ensure his presence and assistance. In some cases, the monitoring visit may be carried out ad hoc. During the monitoring visit a comparison must be made, based on the following issues (which are not limited):

- Description (location) of the object, scope of the constructed/reconstructed facilities, number of rooms/premises and surrounding places renovated; maintenance of the executed construction objects, etc.;
- Verification of the executed construction works for compliance with the approved drawings and related technical documentation;
- Verification if the constructed/reconstructed facilities are being used for the purposes of the project as it has been described in the Application form of the contract;
- Description of the office and other equipment purchased under the project; check if the equipment is used for the purposes of the project as it has been described in the Application form of the contract;
- Description of the trade mark, model, registration number, serial number of the electronic equipment purchased;
- Verification of all original documentation related to the project implementation;
- Verification of the availability and maintenance of information labels/boards/plaques/signs (if applicable), operational web site/s, information, services and any other publicity and visibility products and facilities.

## 9.1 Audit of the project

The audits performed by the Audit Authority or by external auditors on behalf of the Audit Authority are the so called "second level audits". In general, these audits include sample checking of the



Control Certificate already issued by the controllers against the supporting documents and other relevant information at the premises of the Lead Partner and/or Project Partners in order to verify the accuracy and validity of the Control Certificates, checking of the project documentation and audit trail, the accounting of project expenditure. In the interest of a successful auditing the LP has to make available all documents required, to provide necessary information and to give access to its business premises.

## 10.1. Overall information

This section has been developed with the purpose of clarifying and streamlining the requirements in the field of information and publicity, which need to be fulfilled by the project partners during the implementation stage of the Projects under the Programme for the 2021 – 2027 programming period.

The general purpose of project communication is through the defined communication objectives and activities in the individual work packages to achieve the project's overall results and to ensure the transparency of the use of the EU funding. On each stage of the project implementation, project partners need to interact with target groups using communication activities, channels, instruments depending on the target groups' needs in order to contribute to a functional communication flow and to ensure an efficient exchange of information that enables the successful delivery of the project results.

In order to achieve the best project visibility partners must develop a Communication Strategy (Annex 15), where they should describe what kind of communication activities and instruments will be taken out, how their target groups will be involved in preparing, piloting and evaluating the solutions and how they will be encouraged to use these solutions in their daily work.

Three general notions are reflected in this section's provisions:

- ***Communication: a shared responsibility***

The responsibility for Programme information and publicity actions is shared by the Programme management bodies (which ensure the general communication at Programme level) and the Beneficiaries (project partners), who are responsible for popularizing and dissemination of project results. As a general principle the Managing Authority (MA), the Joint Secretariat (JS), being supported by the National Authority (NA) are responsible for delivering information and publicity at programme level, as project partners are responsible at project level.

**As a rule, each project partner must be involved in communicating and disseminating of project results.**

- **Visibility**

Full visibility must be ensured by the Managing Authority and each beneficiary with regard to the Programme support and the specific project activities.

The Managing Authority is responsible for taking the following actions in details:

- Maintaining a working website with information on Programme's objectives, activities, available funding opportunities and achievements within 6 months of Programme approval;
- Publishing a timetable of the planned calls for proposals, that is updated at least three times a year, with the following indicative data: geographical area covered by the call for proposal; policy objective or specific objective concerned; type of eligible applicants; total amount of support for the call; start and end date of the call;
- Publishing a list of operations (each operation needs a unique code) selected for support in at least one of the official languages of the EU institutions, updated at least every four months with the following data: the beneficiary's/the contractor's name/natural person - first name and surname; name, purpose, expected or actual achievements, start date, expected or actual date of completion, total cost, type of intervention of the operation; fund, specific objective, union co-financing rate, location indicator or geolocation (for mobile operations or operations covering several locations the location of the beneficiary where the beneficiary is a legal entity; or the NUTS 3 level region where the beneficiary is a natural person) concerned; and an opportunity the data to be sorted, searched, extracted, compared and reused;
- Ensuring that the communication and visibility materials reach upon request to institutions/organizations/beneficiaries etc.

More specifically, the project partners have the following duties in details:

- Providing on their official website/social media sites, a short description of the project with aims, results, and emphasis on the EU financial support;
- Providing a co-financing statement on documents and communication materials;
- Displaying durable plaques or billboards clearly visible to the public, as soon as the physical implementation of project involving physical investments starts or purchased equipment is installed;
- Organizing a communication event with the European Commission and the Managing Authority representatives.

- **Transparency**

- Recipients of the support should acknowledge its origin in all communication materials and especially when promoting actions and results;
- All agreements concluded with beneficiaries should include the visibility and communication principles, which they should fulfil;
- European Commission should carry out information and communication actions relating to the IPA III funds, support the strategic communication and public diplomacy, and gives publicly relevant information on all supported actions.

## 10.2. Legal framework

The section has been developed in accordance with the following documents:

- Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments;
- Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy, and specifically Annex IX, Communication and visibility – Articles 47, 49 and 50.

**More detailed practical guidelines concerning the visual guidelines, are available in “The use of the EU emblem in the context of EU programmes 2021-2027”, Operational guidelines for recipients of EU funding, March 2021, which could be downloaded here:**

[https://commission.europa.eu/funding-tenders/managing-your-project/communicating-and-raising-eu-visibility\\_en](https://commission.europa.eu/funding-tenders/managing-your-project/communicating-and-raising-eu-visibility_en)

In relation to the New Interreg branding for the 2021-2027 period, which highlights the unique spatial cross-border transnational and interregional nature of the projects and programs, the New Interreg Brand Design Manual, has been used for setting the rules regarding the use of the Programme logo. The document is available for downloading at the following website: <https://www.interact-eu.net/library#3636-interreg-brand-design-manual-2021-2027>

## 10.3. General requirements for the information and publicity measures

The communication and publicity measures for the interventions of the Strategic Importance Project are with key for raising the awareness of the positive impact of the EU funding, ensuring the visibility of the EU funding opportunities, providing information on thematic activities and contributing to the

capitalization of achieved project outputs and results. Additionally, they should emphasize the EU financial support as per Common Provisions Regulation (EU) 2021/1060.

**All information and publicity measures aiming at the general public must include the following elements:**

1. **The emblem of the Union ('the EU emblem')**, printed in accordance with the graphic standards established in Annex IX of Regulation (EU) 2021/1060;
2. **The statement** 'Funded by the European Union' or 'Co-funded by the European Union' shall be written in full and placed next to the emblem;
3. **The Programme logo** of the INTERREG IPA Bulgaria – North Macedonia Programme 2021 – 2027, which could be downloaded from here: <https://ipa-bgmk.mrrb.bg/en/node/134>

Each project partner has the responsibility to make the general public aware of the of the project impact and to promote the financial contribution from the EU.

**Failing to comply with the Programme Information and Publicity requirements by any project partner may impede NC verification process, lead to financial corrections from 2 to 3 % of the total amount of project budget and endanger overall project implementation.**

In order to avoid the risks related to the Information and Publicity non-compliance and subsequent financial corrections, the project partners are advised to consult with the Joint Secretariat, and specifically the JS Communication Officer before taking any project information and publicity measures. The Communication Officer reserves the right to give comments and recommendations to the project partners regarding the project information and publicity measures. However, the ultimate responsibility for project implementation according to the official Programme rules, including the Information and Publicity rules, is completely held by the project partners.

**NB!**

The project partners should take note of the fact that the project results have to be made available to the public free of charge.

The general reporting requirements included in the Subsidy contract are applicable to the information and publicity measures. All information and publicity measures should be coordinated between project partners in order full dissemination of project results and outcomes to be achieved as well as sharing of knowledge, expertise and collaboration.

Visibility requirements are applicable to all printed and digital products, publications, websites (including their mobile views), mobile applications, online, offline and on-site activities and events, physical investments and purchase of equipment.

## The EU emblem

### Symbolic description



**Co-funded by  
the European Union**

The EU emblem is a mandatory element for branding on all communication materials (printed or digital), websites, mobile applications, supplied equipment, as well as on all EU financed activities and is considered as the single most important visual brand for acknowledging the origin and ensuring the visibility of the EU funding.

The emblem is showing twelve golden stars, forming a circle (against a background of blue sky) as a symbol of the union of the peoples of Europe. The number of stars is invariable, being a symbol of perfection and unity.

The statement 'Funded by the European Union' or 'Co-funded by the European Union' must always be spelled out in full and placed next to the emblem. The positioning of the text in relation to the EU emblem must not interfere with the EU emblem in any way.

For detailed information about the geometry, the colours and other reproduction rules of the EU emblem, refer to Annex IX of Regulation (EU) 2021/1060 on the following EU web site: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32021R1060&from=EN#d1e37-479-1> and to the Operational guidelines for recipients of EU funding on the topic how to use the EU emblem in the context of EU Programmes for programming period 2021-2027 available here: [https://commission.europa.eu/system/files/2021-05/eu-emblem-rules\\_en.pdf](https://commission.europa.eu/system/files/2021-05/eu-emblem-rules_en.pdf)

### Utilization

It is not allowed the EU emblem, its measurements, colours and shape to be modified or merged with any other graphic elements or texts. The minimum height of the EU emblem must be 1 cm. It is recommended the EU emblem to be placed at a distance from the third-party organization's logos in order no confusion for a connection between beneficiaries and EU institutions to be made. When displayed in association with other logos, the emblem must be displayed at least as prominently and visibly as the other logos.

The communication measures of the project partners related to the project (including media relations, conferences, seminars and information material such as brochures, leaflets, posters, presentations, etc. in digital format via traditional or social media), as well as any infrastructure,

equipment, vehicles, supplies or major result funded by the grant, must acknowledge the EU support and display the EU emblem and the funding statement. Ready-to-use EU emblem including the funding statement can be downloaded in all EU languages here: [https://ec.europa.eu/regional\\_policy/en/information/logos\\_downloadcenter](https://ec.europa.eu/regional_policy/en/information/logos_downloadcenter)

If there are other flags, symbols or images, they must be presented separately (and should not be incorporated in the EU flag). The EU flag must be at least as big as any other flag/logo that is included in the document/item.

## **The Programme logo**

The INTERREG IPA Bulgaria – North Macedonia Programme 2021 – 2027 refers to financing from both ERDF and IPA funds and the new universal brand for Interreg programmes. For the 2021-2027 programming period the branding also includes Interreg IPA and NEXT programs. It highlights the unique spatial cross-border transnational and interregional nature of the projects and programs. The harmonised Interreg brand helps providing greater visibility for Interreg at all levels and towards the widest audience.

The three basic elements of the brand are as follows:

1. The logotype with the colored arch inside;
2. The EU emblem;
3. The statement,

surrounded by a clear space area that defines the minimum distance to other elements such as other logos, pictures, texts or any other design elements.

Under the logotype, Programme name is placed to the right of the IPA name written in lowercase with only the first letter of each country or region composing the name written in capital letter and separated by an en dash (with a space on both sides of the dash). It is important to be clarified that the name should be a part of the brand image and not be written separately. As a whole the brand of the Programme is made of the Programme's name together with the Interreg logotype made into one single image or document.





Project partners are advised to always use the digital brand files available on the Programme' website for downloading here: [period-2021-2027](#) and to not recreate or modify the brand in any way.

The brand should not be used in any size smaller than the smallest size specified on 38.1 mm in the Interreg Brand Manual 2021-2027.



## SIZE OF BRAND

Minimum width: 38.1 mm

Used for other promotional materials, the brand should not be used in any size smaller than the smallest size specified in the table below:

<b>MEDIA</b>	<b>SMALLEST BRAND WIDTH</b>
<b>PRINT A4 PORTRAIT (210x279 MM)</b>	38,1 mm
<b>PRINT A4 LANDSCAPE (279x210 MM)</b>	38,1 mm
<b>PRINT A4 PORTRAIT (148x210 MM)</b>	38,1 mm
<b>PRINT BUSINESS CARD (85x55 MM)</b>	35,1 mm
<b>PRINT SIGN (PLAQUE) PORTRAIT ANY LARGE FORMAT (A2+)</b>	short side 6 mm
<b>PRINT SIGN (PLAQUE) LANDSCAPE ANY LARGE FORMAT (A2+)</b>	long side 6 mm
<b>SCREEN SMARTPHONE (960x640 PX)</b>	240 px
<b>SCREEN TABLET (1024x768 PX)</b>	240 px
<b>SCREEN LAPTOP (1920x1080 PX)</b>	300 px



MEDIA	SMALLEST BRAND WIDTH
SCREEN DESKTOP (2560x1440 PX)	300 px
POWERPOINT 16:9 (254x142,88 MM)	32,6 mm
VIDEO FULLHD (1920x1080 PX)	300 px
VIDEO HD (1280x720 PX)	300 px
VIDEO SD (1050x576 PX)	240 px

The Reflex Blue and Light Blue define the Interreg brand's visual identity and should be used as main colours in all communication materials. The Yellow can be used sparsely as accent colour.

The Programme logo must always be displayed in its entirety, without any changes to the original proportions and colours. It is highly recommended that the Programme logo to be displayed **on a white background**.

When using a white background box is not possible, white and colour version of the brand could be used like on the examples below. The project partners have to take in mind that the size of the EU emblem border shall be 1/25 of the height of the emblem.

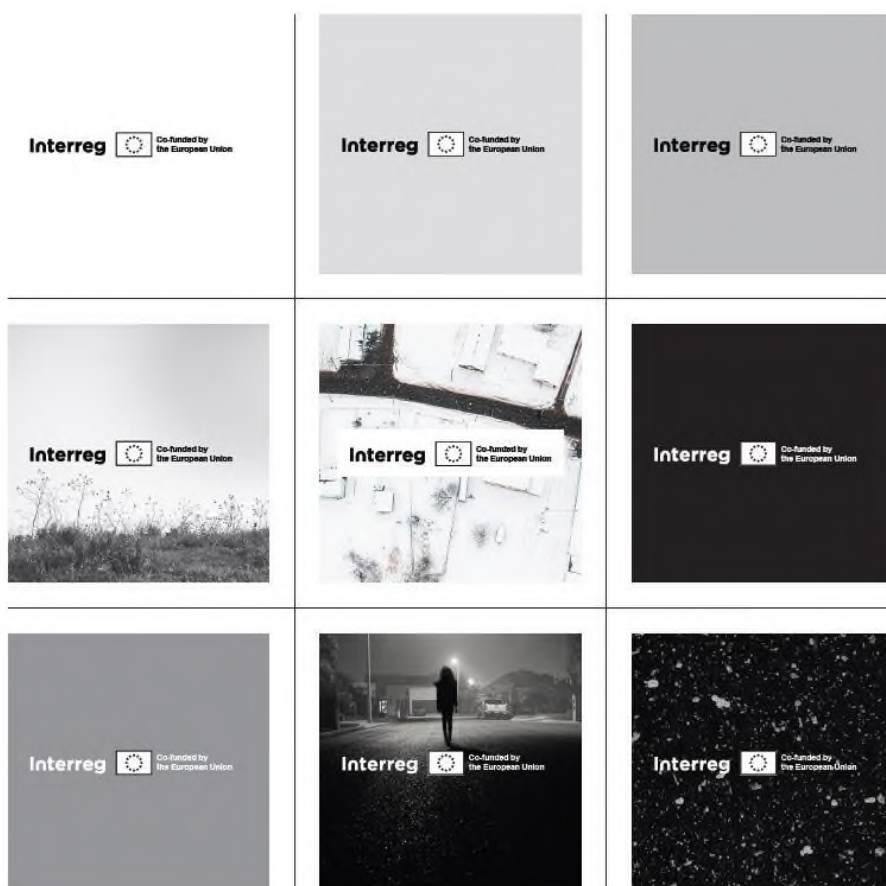


Whenever full colour is not available for printing or specific usage in a document a monochrome version of the brand should be used.

When applied on light or dark background the brand should preferably be placed in a white rectangle as it is shown on the examples below. The project partners have to take in mind that the EU emblem must be applied in white with a black border measuring 1/25 of the height of the rectangle.

In order to be further familiarised with the requirements and technical specification of the practical use of the brand, please check the following document here: <https://www.interact-eu.net/library#3636-interreg-brand-design-manual-2021-2027> .

## 10.4. Implementation of information and publicity activities



Each project partner plans the information and publicity activities according to the specific project goals and target groups using some of the following options mentioned below:

### Digital communication channels and instruments:

- Website;
- Social media (Facebook, Twitter, YouTube, etc.);
- E-events - meetings, workshops, conferences, seminars, trainings;
- Short videos.

### Standard communication channels and instruments:

- Photos;
- PR activities - press releases, publications, interviews, communication strategy;
- Signalling - plates with the obligatory visibility elements at the building entrance of the applicant, flying the EU flag, banners/posters on public events;
- Promotional materials – banners, small gifts, gadgets.

Public events:

- Awareness campaign, meetings, workshops, conferences, seminars, trainings, press events.

<p><b>NB!</b></p>	<p>According to the provisions of Article 36, Regulation (EU) 2021/1059, the following specific visibility actions are <b>mandatory</b>:</p> <p>Each project partner must envisage the purchase of durable plaques or billboards signalling the investment activities to the public.</p> <p>The partners must plan and organize a communication event with the European Commission and the Managing Authority/Joint Secretariat representatives during the lifespan of the project.</p>
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**It is strongly advisable that the beneficiaries keep a comprehensive photo archive of all project activities, especially public information and publicity activities. Regarding the photos from public events, project activities, already installed project equipment, the partners should fulfill the following requirements:**

- Using a Programme visualization as banner or poster when taking photos from conference/press conference/workshop or any other public events;
- Shooting people doing an activity or participating in an event for example when speaking, playing a game or practicing in a training;
- Avoiding taking photos on a dark lightening and on empty chairs/tables;
- Providing photos in a digital JPEG format, no smaller than 1 MB or 1200 pixels on the long side;
- Providing photos, on which they have copyrights, without being blocked by publishers, agencies, other persons and organizations and without any advertisements on them;
- Sending the best quality photos on a regular basis directly to the JS Communication Officer for promotional purposes.

## Communication Strategy

The Communication Strategy should be an integral part of the projects' development and implementation, setting in details the provisions for promotion of the project by all project partners, in relation to all project activities and prepared at the beginning of the project implementation cycle.

The main purpose of this strategy is to facilitate the project partners in executing their function of general coordination of the overall project implementation activities.

The Communication strategy should highlight the general objectives of the project, the respective target groups, the specific activities and tools that will be used during the implementation of the project, the expected indicators of achievement aimed, as well as the human and financial resources envisaged for the implementation of the above mentioned plan. For project partners' convenience the following template for a strategy could be used:

1. Overall communication objectives.
2. Target groups.
3. Specific objectives for each target group, related to the action's objectives and the phases of the project cycle:
  - Ensuring that the beneficiary population is aware of the role of the partners and of the EU financial support;
  - Raising public awareness about specific need/s, issue/s, impact/s.
4. Main communication activities that will be taken during the period:
  - The nature of the activities;
  - The responsibilities for delivering the activities.
5. Communication tools chosen (to be included details of advantages of particular tools in the local context).
6. Completion of the communication objectives (to be included indicators of achievement for the different tools proposed consistent with those set out in the logical framework for the action).
7. Provisions for feedback (to be given details of assessment forms or other means used to get feedback on the activity from participants, when applicable).
8. Human Resources:
  - Person/days required to implement the activities;
  - Members of the team responsible for implementing the activities.
9. Financial resources (to be given a budget for implementing the communication activities in absolute figures and as a percentage of the overall budget for the action).

## Promotional materials

General rules and recommendations for project partners:

- Use the key visibility elements: the EU emblem and the Programme logo on all produced promotional materials - publications and other printed materials such as newsletters, brochures, leaflets, press releases, advertisements, studies, researches, surveys, posters, banners, display panels, information boards, t-shirts, bags, pens, USBs, keychains, notepads, bookmarks, badges, as well as on audio-visual materials such as videos and audios, on vehicles, supplies and equipment, on websites, social media channels, etc. any other types;
- Use Disclaimers

The EU is not responsible for the contents of communication materials related to EU-funded or co-funded actions prepared by implementing partners, all of which must include a standard disclaimer, translated into (the) local language(s) where appropriate.

For publications in print or electronic format:

“This publication was funded/co-funded by the European Union. Its contents are the sole responsibility of <name of the author/partner> and do not necessarily reflect the views of the European Union.”

For websites and social media accounts:

“This <website/account> is funded/co-funded by the European Union. Its contents are the sole responsibility of <name of the author/ partner> and do not necessarily reflect the views of the European Union.”

For videos and other audio-visual material:

“This <video/film/recording> was funded/co-funded by the European Union. Its contents are the sole responsibility of <name of the author/partner > and do not necessarily reflect the views of the European Union.’

- Use the vector format images of the EU emblem and the Programme logo for professional design purposes without making any changes. They could be downloaded from here: [https://ec.europa.eu/regional\\_policy/en/information/logos\\_downloadcenter](https://ec.europa.eu/regional_policy/en/information/logos_downloadcenter) and here: <http://www.ipa-cbc-007.eu/2020-programme-documents/logo-interreg-ipa-bulgaria-north-macedonia-2021-2027>;
- Use local language whenever possible or produce bi-lingual promotional materials on both languages of partnering countries;
- Use the local language of the participants for all communication activities towards the public and the target groups;
- Use these typefaces - Calibri, Arial or Times New Roman. Preferably use one typeface per publication;
- Use good standard of paper quality for bags (150 gsm or better);
- Use engraving as a more permanent method for branding small promotional materials;
- Illustrate your materials with high quality photos suitable for promotional purposes;
- Consult the JS Communication Officer for any questions concerning the communication and visibility issues, including the design of promotional materials.

The project closing process starts with submission of the Final PPR and the Final Request for Payment. The LP has to include all expenditures related to the last reporting period, and if relevant

the expenditure of the project partners not submitted in the previous reporting periods.

**NB!**

**In case of final payment, the expenditures are eligible if they are carried out during the respective reporting period and are paid no later than 45 calendar days after the end date of the implementation period of the operation.**

While project closing, the JS conducts Final visit to the project, approves the Final PPR and checks if all the activities are fulfilled according to the approved Application form, and all the requirements arising of the Subsidy Contract (e.g. the project has been fully implemented by carrying out the planned activities and the planned outputs and the project is realized in due time, etc.)

In case the project is completed and the Final PPR is approved by the JS, the MA proceeds with the financial closing of the project in order to calculate the amount of the final IPA III and national co-financing contribution to be reimbursed to the LP. After approval of the final payment to the LP, the project is considered closed.

**Project closing cannot be initiated in case other processes related to the project are not closed such as irregularity and recovery procedures. In those cases, the final payment to the Project is suspended until the closing of other processes.**

## Retention of project documents

**NB!**

**The LP and all partners are obliged to retain for audit purposes all files, documents and data about the project for a period of 5 (five) years after the date of the notification by the MA for verified amounts under the request for final payment.**

The following documents have to be retained as the project's audit trail:

No.	Document	Lead Partner	Project Partner
1.	Approved Application Form	original	copy
2.	Partnership Agreement (and its amendments)	original	original
3.	Subsidy Contract	original	Not relevant
4.	Amendments of the Subsidy Contract	original	only if relevant
5.	Project Progress Reports	original	Not relevant
	Partner Reports	electronic version only	electronic version only



No.	Document	Lead Partner	Project Partner
6.	<i>Request for Payment</i>	<i>original</i>	<i>Not relevant</i>
7.	<i>Control Certificates</i>	<i>original (e.g. signed from the controller)</i>	<i>original (e.g. signed from the controller)</i>
8.	<i>Each invoice and accounting document of probative value related to project expenditure (originals to be retained at the premises of the project partner concerned)</i>	<i>only the LP's invoices in original</i>	<i>only PP's invoices in original</i>
9.	<i>All supporting documents related to project expenditure (e.g. bank statements, public procurement documents, etc.) to be retained at the premises of the project partner concerned</i>	<i>only the supporting documents of the LP in original</i>	<i>only the supporting documents of the PP in original</i>
	<i>All project deliverables (materials produced during the project period)</i>	<i>only the project deliverables of the LP in original</i>	<i>only the project deliverables of the PP in original</i>
11.	<i>If relevant, documentation related to on-the-spot checks of the controllers (to be retained at the premises of the project partner concerned)</i>	<i>only LP's on the spot check documentation in original</i>	<i>only PP's on the spot check documentation in original</i>
	<i>If relevant, documentation of monitoring visits of the JS</i>	<i>only LP's on-the-spot check documentation in original</i>	<i>only PP's on-the-spot check documentation in original</i>
	<i>If relevant, audit reports</i>	<i>all audit reports, LP audit report in original, all other reports - as a copy.</i>	<i>Not relevant</i>
	<i>Other official correspondence</i>	<i>original</i>	<i>only if relevant</i>

## Sustainability of the project

The LP and all project partners have the obligation to ensure the sustainability of the operation results in terms of preserving its conditions and ownership for not less than **5 (five) years after completion of the implementation period of the project.**

By conducting of ex-post visits the fulfillment of the requirement for ensuring of sustainability of the operation results by the Beneficiaries, is confirmed by the JS.

During the ex-post visits the JS expert checks the following:

- Check of the availability of project results (documentary and online checks for their usage after the implementation of the project);
- Check of the project reports and archive (check whether the project documentation is kept in archive premises/storage and contains all relevant documents, providing continuous and coherent project history and keeping audit trail);
- Check of the use of investments (check whether the assets/supplies/equipment are available and are used in accordance with the Subsidy contract conditions.);
- Other checks (check for the overall sustainability of the project and whether the project partners realize common initiatives, including preparation and implementation of common projects or joint participation in events; check for the compliance with the Programme Visibilities rules.

### **Ownership of project results**

Title, Industrial, and Intellectual Property Rights in the outputs of the project and the reports and other documents relating to it shall be ownership of the LP and PPs.

The LP should guarantee a widespread publicity of the results of the projects and make them available to the public.

The LP grants the MA the right to use the results of the operation as it deems fit, provided it does not breach their confidentiality obligations or intellectual and industrial property rights.



Annex 1	Financial Identification Form
Annex 2	Project Procurement Plan
Annex 2.1	Declaration Project Procurement plan
Annex 3	Project Progress Report
Annex 3.1	Final Project Summary
Annex 4	Declaration for virtual visit
Annex 5	Request for National Control
Annex 5.1	A reference for similar activities
Annex 6	Request for payment
Annex 7	Appeal Declaration
Annex 8	Request for contract modification
Annex 8.1	Budget modification table

Annex 9	Compatibility check sheet of the project with the Strategic Environmental Assessment
Annex 10	Declaration of conflict of interests check
Annex 11	Declaration on VAT status
Annex 12	Declaration for lack of double funding and revenue of the project
Annex 13	Request for derogation of the rule of origin
Annex 14	Declaration for the absence of the circumstances under Art. 5k of Council Regulation (EU) No. 2022/576 of April 8, 2022 amending Regulation (EU) No. 833/2014
Annex 15	Communication strategy - template
Annex 16	Mandatory environmental requirements for monitoring and controlling the implementation and sustainability of the investment projects