

## QUESTIONS AND ANSWERS

### OPEN CALL FOR PROJECT PROPOSALS

NO 2021TC16IPCB006 – 2025 – 4

#### SO1 “INCREASE THE COMPETITIVENESS OF THE LOCAL ECONOMY AND IMPROVE THE BUSINESS ENVIRONMENT” UNDER PRIORITY 3: “INTEGRATED DEVELOPMENT OF THE BORDER REGION”

No.	Question received	Answer provided
1	<p>Received on 9 June 2025 via e-mail:</p> <p>“Are expenditures made and PAID before signing a subsidy contract eligible for reimbursement?</p> <p>Like for example - Project preparation costs?”</p>	<p>As a general rule, expenditures are eligible for reimbursement only if they are incurred and paid during the implementation period of the project and in accordance with the provisions set out in the Annex C Draft of subsidy contract.</p> <p>However, an exception applies in accordance with Section 2.3.3 – Budget Category 7: Project Preparation Costs of the Guidelines for Applicants. The costs must be clearly linked to project preparation activities, such as:</p> <p>The following types of expenditures are eligible under the <b>Project Preparation Costs</b> category, provided they are properly documented, clearly linked to the preparation of the project, and comply with the applicable procurement and eligibility rules:</p> <ol style="list-style-type: none"><li>1. <b>Costs for development of project documentation</b>, including:<ul style="list-style-type: none"><li>○ Feasibility studies;</li><li>○ Market analyses;</li><li>○ Environmental assessments (if applicable);</li><li>○ Cost-benefit analyses;</li><li>○ Technical or architectural designs (if required by law);</li><li>○ Bill of quantities;</li></ul></li></ol>

		<ul style="list-style-type: none"> <li>○ Permits and legal clearances related to the investment.</li> </ul> <p>2. <b>Costs related to the preparation of the application</b>, such as:</p> <ul style="list-style-type: none"> <li>○ External consultancy services for drafting the project proposal;</li> <li>○ Translation of documents;</li> <li>○ Legal or financial expertise necessary for project preparation.</li> </ul> <p>3. <b>Costs for partnership building</b>, including:</p> <ul style="list-style-type: none"> <li>○ Meetings and travel related to the establishment of cross-border partnerships;</li> <li>○ Organization of preparatory workshops or coordination events.</li> </ul> <p>These costs must be incurred before the submission of the project but can only be reimbursed <b>after approval of the project and signing of the subsidy contract</b>, and <b>only if included in the approved project budget</b></p>
2	<p><b>Received on 10 June 2025 via e-mail:</b></p> <p>"In regards to the Open Call for Project Proposals for SME's under Priority3 - Integrated Development of the Border Region with the specific objective (SO) 1: "Increase the competitiveness of the local economy and improve the business environment" under the INTERREG VI-A IPA Bulgaria – North Macedonia Programme 2021-2027 I would like to ask the following questions regarding the application process and eligibility requirements of potential applicants:</p> <p>1. You require either a market analysis of similar equipment OR three official offers from different licensed/authorised providers that fully meet the technical specifications. Could you please specify:</p> <ul style="list-style-type: none"> <li>• What format and structure should the market analysis follow?</li> <li>• What specific content must be included in the market analysis?</li> <li>• What documentation standards are expected?</li> </ul>	<p>1. The marketing analysis should comply with the technical specifications of the equipment. In cases where the equipment is widely available – screenshots from supplier websites/online stores with prices, technical specifications, and access dates should be included. Data from previously completed similar activities by the enterprise, if available – is also a suitable approach to verify the realism of the values. When using data from previous deliveries/activities – official payment documents (e.g., invoices, payment orders, etc.) must be attached to confirm the value. All documents and photos must be dated, the source must be clear, and they must correspond to the specifications.</p> <p>Also, If a potential supplier submits an official offer during the application phase, are they permitted to participate in the subsequent tender procedure once the project is approved, or does this create a conflict of interest that would exclude them? A supplier could participate in the future tender only if their prior involvement did not give them an unfair advantage or create a conflict of interest that cannot be mitigated. In such cases, the information provided to the participants (potential suppliers) during the application phase shall be publicly available. This ensures transparency and equal access for all</p>

<p>Also, If a potential supplier submits an official offer during the application phase, are they permitted to participate in the subsequent tender procedure once the project is approved, or does this create a conflict of interest that would exclude them?</p> <p>2. Will there be restrictions on the country of origin for the equipment being procured? Specifically, I would like you to clarify if suppliers from non-EU countries (such as Turkey, China, Israel, Serbia, etc.) will be excluded from participating in the tender process due to rule of origin requirements or other regulations/sanctions, etc.</p> <p>3. In reference to the general eligibility criteria stating that applicants must qualify as micro, small, or medium-sized enterprises (SMEs) in line with EU Recommendation 2003/361 and the respective national legislation, we would appreciate your clarification on the following: In case there are differences between the SME thresholds defined by EU law and those set by national legislation (e.g. number of employees, turnover, or balance sheet total), which set of criteria should be used for verifying eligibility under this call?"</p>	<p>potential bidders in the subsequent tender procedure. By disclosing the information submitted at the earlier stage, the contracting authority can prevent any undue advantage and respect the principles of fair competition and equal treatment.</p> <p>2. Under the (Interreg VI-A) IPA Bulgaria – North Macedonia Programme, procurement must follow the rules set out in <b>Decree No. 4 of 11 January 2024 (PMS No. 4/2024)</b> and EU external action regulations, <b>particularly where IPA (Instrument for Pre-Accession Assistance) funding is involved.</b></p> <p>According to the applicable procurement rules:</p> <p><b>Suppliers are generally eligible if they are established in:</b></p> <ul style="list-style-type: none"> <li>○ EU Member States, <b>or</b></li> <li>○ IPA III beneficiary countries (including North Macedonia, Serbia, Turkey, etc.), <b>or</b></li> <li>○ Countries covered by the EU's Instrument for Pre-accession or Neighbourhood policy, <b>or</b></li> <li>○ Countries having reciprocal access under international agreements with the EU.</li> </ul> <p>Furthermore, the following <b>restrictions and conditions must be observed:</b></p> <ul style="list-style-type: none"> <li>• Suppliers must not be subject to <b>EU sanctions</b> (e.g. under Council Regulation (EU) No 2022/576, which prohibits support to entities linked to the Russian state).</li> <li>• Contractors must comply with the <b>rules of origin and nationality</b> as per <b>PRAG (Practical Guide to contract procedures for EU external actions)</b>, unless a waiver is granted.</li> </ul> <p>The 2021–2027 programme framework does not set a specific requirements regarding the origin of goods and materials. When awarding contracts and</p>
--	--

		<p>implementing activities under the project, all beneficiaries must comply with the Programme rules and relevant</p> <p>3. In accordance with the general eligibility criteria outlined in the <b>Guidelines for Applicants</b>, all applicants must qualify as <b>micro, small, or medium-sized enterprises (SMEs)</b> based on:</p> <ul style="list-style-type: none"> <li>• <b>EU Recommendation 2003/361</b>, and</li> <li>• The <b>respective national legislation</b> of the applicant's country of registration.</li> </ul> <p>Where there are differences between the thresholds defined by EU law and those in national legislation (e.g. regarding the number of employees, annual turnover, or balance sheet total), the <b>criteria set out in the applicable national legislation shall prevail</b> for the purposes of verifying SME status under this call.</p> <p>The <b>Attachment 4: SME Definition User Guide</b> is available as a reference tool to support this assessment, particularly with regard to the EU-level criteria.</p>
3	<p><b>Received on 12 June 2025 via e-mail:</b></p> <p>"In relation to the published call for cross-border cooperation, we would like to kindly ask whether it is acceptable for a company to apply if it is registered with its headquarters in Kavadarci, Republic of North Macedonia, but its entire production process takes place in Valandovo, Republic of North Macedonia, which is duly recorded in the property deed.</p>	<p>According GfA, Section 2.1 Eligibility of SMEs, Partners must meet all the following conditions:</p> <ol style="list-style-type: none"> <li>1. Be legally established entities under the national laws of their country.</li> <li>2. Be registered and operational by December 31, 2022, within the Bulgaria–North Macedonia program area.</li> <li>3. Qualify as micro, small, or medium-sized enterprises (SMEs) according to EU Recommendation 2003/361 and respective national legislation, with at least 51% private capital.</li> <li>4. Have their <b>main economic activity</b> in one of the following sectors as per NACE rev. 2.1:</li> </ol>

	<p>Additionally, the company is registered under an activity code for the cultivation of agricultural crops but is also engaged in the processing of agricultural products into final food products.”</p>	<ul style="list-style-type: none"> <li>○ <b>Manufacturing (C):</b> Includes food products, beverages, textiles, apparel, leather, wood products, paper, printing, rubber/plastic products, metals, fabricated metal products, electronics, electrical equipment, machinery, vehicles, furniture, repair and maintenance.</li> <li>○ <b>Water supply, sewerage, waste management and remediation (E):</b> Non-hazardous waste collection, materials recovery, landfilling, remediation services.</li> <li>○ <b>Accommodation and foodservices (I):</b> Hotels, holiday and short-stay accommodations.</li> <li>○ <b>Transportation and storage (H):</b> Warehousing and storage.</li> <li>○ <b>Human health and social work activities (R):</b> All related codes.</li> <li>○ <b>Arts, sports and recreation (S):</b> All related codes.</li> </ul> <p>5. Be directly responsible for preparing and managing the project, not acting as intermediaries</p>
4	<p><b>Received on 13 June 2025 via e-mail:</b></p> <p>“I would like to request clarification regarding the eligibility of applicants under the current call for proposals.</p> <p>If a company is legally registered in a NACE sector that is not among the eligible ones (e.g., 46.39, trade), but it operates a registered branch office located in the eligible programme region and operating under an eligible NACE code (e.g., 22.22 – manufacture of plastic packaging), and the proposed investment will be fully implemented within this branch – is such an applicant considered eligible?”</p>	<p>The requirement according to the GfA is that applicants must “<i>be <b>legally established entities</b> according to the national legislation of the state on whose territory they are located;</i>”</p> <p>‘Legal entity’ means a natural person or an entity created and recognized by law as a legal person. It must have legal personality and, acting on its own account and in its own name, be able to exercise rights and be subject to obligations.</p> <p>‘Branches’ — Are not regarded as legal entities, since they do not have legal personality distinct from that of their mother-company. The fact that they are registered in national official registers is not relevant. It will be their mother-company that will be considered as legal entity for the purposes of the legal entity validation. (as per Rules for legal entity validation, LEAR appointment and financial capacity assessment <a href="https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/rules-lev-lear-fca_en.pdf">https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/rules-lev-lear-fca_en.pdf</a> Meaning that a branch is</p>

		<p>not considered as a separate legal entity, rather it is considered as the same entity as its parent.</p> <p>A branch of a SME, which is registered at Chambers of Commerce in eligible area and operate in eligible area, even tax registration is done, remains part of the main organization but <b>does not have legal independence/is not a legal entity</b>. It can be concluded that the branch of a SME is not eligible according the p. 2.1. from the Guidelines for Application.</p>
5	<p><b>Received on 20 June 2025 via e-mail:</b></p> <p>“Please answer to us following questions:</p> <ol style="list-style-type: none"> <li>1. The facility in which my company operates is owned by me (as founder and manager) and my wife. Can I pay rent for this facility if I conclude a 10-year contract for the use of the business facility for the company's needs?</li> <li>2. Does the SME have to participate in the financing of project activities? If so, what percentage and what part of the budget is recommended?</li> <li>3. Can a state university, as a scientific institution, be a partner in the project or not”</li> </ol>	<p>1. <i>In case the project proposal envisages rental costs:</i></p> <p>The described contracting practice—whereby a company pays rent to its own founder, manager, or other related persons—is strongly discouraged. Such arrangements pose a clear potential conflict of interest and undermine the principles of transparency, objectivity, and fair competition. These concerns are especially critical in the context of public procurement or projects financed by the European Union, where strict compliance with ethical and financial integrity standards is required. Failure to adhere to these principles may lead to financial corrections and recovery of funds.</p> <p><i>In case the project proposal envisages the performance of investment activities:</i></p> <p>According to the Guidelines for applicants all investment activities have to be performed on respective partner-owned property or secured through a long-term lease agreement with minimum duration of 10 years as of the date of submission of the project proposal. The Guidelines do not impose any restrictions regarding the contracting parties between whom the lease agreement is concluded.</p> <p>2. The public support provided under the (Interreg VI-A) IPA Bulgaria – North Macedonia Programme is granted at 100% intensity, and no co-financing is required. However, each SME may choose to contribute additional own co-financing to support the project’s implementation. Any such own contribution will be subject to verification.</p> <p>3. Only SMEs are eligible as partners under this specific call.</p>

		<p>Under Section 2.1, the Guidelines explicitly state that eligible applicants must:</p> <ol style="list-style-type: none"> <li>1. Be legally established entities under the national laws of their country.</li> <li>2. Be registered and operational by December 31, 2022, within the Bulgaria–North Macedonia program area.</li> <li>3. Qualify as micro, small, or medium-sized enterprises (SMEs) according to EU Recommendation 2003/361 and respective national legislation, with at least 51% private capital.</li> <li>4. Have their main economic activity in one of the following sectors as per NACE rev. 2.1: <ul style="list-style-type: none"> <li>-Manufacturing (C): Includes food products, beverages, textiles, apparel, leather, wood products, paper, printing, rubber/plastic products, metals, fabricated metal products, electronics, electrical equipment, machinery, vehicles, furniture, repair and maintenance.</li> <li>- Water supply, sewerage, waste management and remediation (E): Non-hazardous waste collection, materials recovery, landfilling, remediation services.</li> <li>- Accommodation and foodservices (I): Hotels, holiday and short-stay accommodations.</li> <li>- Transportation and storage (H): Warehousing and storage.</li> <li>- Human health and social work activities (R): All related codes.</li> <li>- Arts, sports and recreation (S): All related codes.</li> </ul> </li> <li>5. Be directly responsible for preparing and managing the project, not acting as intermediaries.</li> </ol> <p>State universities or research institutions are not eligible partners under this call.</p> <p>However, they may provide external expertise or services (e.g. training, analysis, R&amp;D) through subcontracting (Budget Category 4: External Expertise).</p>
--	--	---

6	<p><b>Received on 26 June 2025 via e-mail:</b></p> <p>“Can I submit a food processing project with the main code 15.500 - Mixed farming? (Of course, I would also open an additional activity)”</p>	Please refer to the answer provided for Question 3
7	<p><b>Received on 27 June 2025 via e-mail:</b></p> <p>“We plan to submit a project proposal for two topics. The first topic should be "Integrated technological line for sustainable drying and smart packaging of agro-products" , and the second topic should be Digitization of Air-based Solar Heating and AIR purification. Two companies from Macedonia and two from Bulgaria will participate. The lead partner from Macedonia produces dryers and air collectors, the first partner produces packaging equipment in Bulgaria, the second Macedonian partner assembles IT equipment, the third partner produces controllers for solar systems, and other hardware equipment.</p> <p>Is the proposal in accordance with the project rules?”</p>	<p>Based on the Guidelines for Applicants for the Interreg VI-A IPA Bulgaria – North Macedonia Programme (Priority 3, SO1), your proposed project appears <b>to be in line</b> with the programme rules.</p> <p>Moreover, both topics described “Integrated technological line for sustainable drying and smart packaging of agro-products,” and, “Digitization of Air-based Solar Heating and AIR purification,” both align well with the Specific Objective 1 (SO1): Increase the competitiveness of the local economy and improve the business environment.</p> <p>The described company activities (manufacture of dryers, air collectors, packaging, IT, and solar controllers) appear to fall within the eligible sectors. However, please observe the following criteria’s as well:</p> <ul style="list-style-type: none"> <li>- Verify SME registration, legal status, ownership and eligibility under NACE codes.</li> <li>- Ensure project duration is between 12–24 months.</li> <li>- Relevant technical designs, environmental assessments, and investment justifications, especially for works or equipment.</li> <li>- Clearly demonstrate cross-border benefits and integration in the application and inclusion of “soft measures”.</li> </ul>
8	<p><b>Received on 30 June 2025 via e-mail:</b></p> <p>“I would like to kindly ask for clarification regarding the eligibility of certain types of projects for the upcoming call:</p> <p>Hotel:</p> <p>Is it possible to apply with a hotel that is currently under construction? The support that we will ask covers only the interior furnishing of the hotel.</p>	Please refer to the answer provided for Question 3



	<p>Given that the hotel is still in development, the applicant does not currently generate revenue from this business code. Would such a candidate be considered eligible for application?</p> <p>Olive Oil Production:</p> <p>The registered business activity code is "Olive Cultivation", however, the olives are cultivated exclusively for the production of olive oil and not for direct sale. Total revenue of the company is from olive oil sale. The production facility has already been built, and the project would involve the installation of a production line. Would this type of project be considered acceptable?"</p>	
9	<p><b>Received on 30 June 2025 via e-mail:</b></p> <p>"We were reviewing the Interreg OPEN CALL FOR PROJECT PROPOSALS for SME's (Bulgaria – North Macedonia) and were wondering if non-profits are eligible to be co-applicants/partners on this call? We did not find that option in the guidelines (it seems as they are not) but considering that also capacity building is foreseen in this call, it was not quite clear to us"</p>	<p>Please refer to the answer provided for Question 3</p>