

Interreg



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IPA Bulgaria – Serbia

**(INTERREG VI-
A) IPA BULGARIA SERBIA PROGRAMME
2021-2027
CCI 2021TC16IPCB007**

GUIDELINES FOR APPLICANTS

OPEN CALL FOR PROJECT PROPOSALS

No 2021TC16IPCB007 – 2025 – 7

**RSO1.3. “ENHANCING SUSTAINABLE GROWTH AND
COMPETITIVENESS OF SMEs AND JOB CREATION IN
SMEs, INCLUDING BY PRODUCTIVE INVESTMENTS”**

UNDER PRIORITY 1: COMPETITIVE BORDER REGION

SUBMISSION DEADLINE: MARCH 31, 2026

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Glossary of Acronyms

AA	Audit Authority
AB	Accounting Body
AF	Application Form
AWG	Assessment Working Group
CBC	Cross-border Cooperation
EIA/AA	Environmental Impact Assessment/ Appropriate Assessment
EC	European Commission
ERDF	European Regional Development Fund
EU	European Union
GD	Government Decision
ICT	Information and Communication Technology
IPA	Instrument for Pre-accession assistance
IT	Information Technology
JEMS	Joint Electronic Information System
JS	Joint Secretariat
LP	Lead Partner
MA	Managing Authority
MC	Monitoring Committee
MS	Member State
NA	National Authority
NACE	Statistical classification of economic activities in the European Community
NUTS	Nomenclature of Territorial Units for Statistics
PRAG	Practical Guide for Procurement and Grants for European Union External Actions
SMEs	Small and Medium sized Enterprises
SCO	Simplified Cost Options
SWOT	Strengths, Weakness, Opportunities, Threats
VAT	Value Added Tax
CR	Commercial register

Preface

These Guidelines for Applicants serve as an essential reference document for applicants applying for funding under the Call for Project Proposal within the framework of the (Interreg VI-A) IPA Bulgaria – Serbia Programme.

The Guidelines for Applicants include the following integral parts, which must be considered in their entirety by the Applicant:

- Attachments:
 - Attachment 1 “De minimis FactSheet” – contains important information about the rules for financing of state aid relevant activities;
 - Attachment 2 “Complaint Procedure” – contains important information about the stages, requirements, steps and deadlines which the applicant must observe in case it decides to launch a complaint against the decisions of the Monitoring Committee regarding project selection and financing;
 - Attachment 3 “Indicators”- target setting for Priority 1 Competitive border region;
 - Attachment 4 “SME Definition User Guide”;
 - Attachment 5 SO 1.3 “Assessment and selections of Applicants”;
 - Attachment 6 “NACE rev.2” - Statistical classification of economic activities in the European Community.
- Annexes A to the Application form – contain templates of all declarations that must be submitted by the project partners together with DNSH assessment Project Proposal;
- Annex C - Subsidy contract – draft version (for information purposes only).

It is recommended that the applicant submitting the proposal under the current call should examine carefully, besides the present Guidelines for Applicants, the adopted Programme Document, which is available on the website of the Programme: <https://ipa-bgrs.mrrb.bg/>

Explanation of text-box

Across the following pages you will find a highlighted text boxes – marked “**Important**”:

👉 **IMPORTANT** - highlights the most important elements to be taken into account when preparing a project.

Legal Basis

In the elaboration of these Guidelines for Applicants the following legal provisions have been observed:

Basic EU legal acts:

- Regulation (EU) 2021/1529 of the European Parliament and of the Council of 15 September 2021 establishing the Instrument for Pre-Accession assistance (IPA III);
- Commission Implementing Regulation (EU) 2021/2236 of 15 December 2021 on the specific rules for implementing Regulation (EU) 2021/1529 of the European Parliament and of the Council establishing an Instrument for Pre-Accession Assistance (IPA III);
- 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;
- Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union
- Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund.
- Regulation (EU) 2023/2831 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

Basic programme documents:

- INTERREG VI-A IPA Bulgaria – Serbia Programme approved by European Commission of 23.11.2022 by Decision C/2022/8660, with programme reference number CCI 2021TC16IPCB007, including Appendix 3;

National legislation

Besides EU rules and rules of the Programme, national legislation in force ruling specific fields such as environmental interventions, natural and cultural heritage, construction, human resources, etc. has to be respected.

Please note that all these legal provisions must be observed by the applicant during both project preparation and implementation phases.

1. General Information

These Guidelines for Applicants aim at providing practical information under (INTERREG VI-A) IPA Bulgaria Serbia Programme. It is the most practical level of information needed for the successful submission of a project proposal under this programme. These Guidelines for Applicants provide information on how to develop of a project idea/proposal, to fill in the

application form, budget and related forms, the application procedure, the project selection criteria, the decision procedure.

📌 IMPORTANT

Please read carefully these Guidelines for Applicants in order to avoid confusion!

The present version of the document is only relevant in connection to the **Open Call for Proposal under the (Interreg VI-A) IPA Bulgaria Serbia 2021-2027:**

- RSO 1.3. Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments;

This Call for proposal only concerns **Priority 1: Competitive border region.**

1.1 Overview of (Interreg VI-A) IPA Bulgaria Serbia Programme

The Programme is co-financed by the EU through the Instrument for Pre-accession Assistance III (IPA III) and co-financed by Bulgaria and Serbia. The Bulgarian co-financing is provided from the state budget. The Serbian co-financing at the project level it is to be ensured by the beneficiaries.

The programme continues the evolution of the EU's cross-border initiatives, reflected in the Interreg - IPA Bulgaria – Serbia CBC Programme 2014-2020, Bulgaria – Serbia IPA Cross-border Programme 2007 – 2013 and Neighborhood Programme between Bulgaria and Serbia.

The programme document was approved by the European Commission on 23.11.2022, Decision C(2022)8660 and it is available on the following websites:

<https://ipa-bgrs.mrrb.bg/>

<http://www.mrrb.bg/>

<https://www.mei.gov.rs/>

The Programme is designed in the framework of the European Union (EU) policies such as green and digital transition, Territorial Agenda 2030, EU enlargement with the Western Balkans and the relevant national strategic documents.

The Programme contributes to and interacts with the European Strategy for the Danube Region (EUSDR) and the European Strategy for the Adriatic and Ionian Region (EUAIRS) devised for the countries and regions that share common needs and objectives in the region.

1.1.1 Programme area

The Programme area includes 13 administrative units: 6 districts in Bulgaria, which correspond to NUTS level III, and the equivalent NUTS III – 7 districts in Serbia.

NUTS III coverage:

Bulgaria – NUTS III level	Serbia – NUTS III equivalent
<p>Vidin District: 11 municipalities: Belogradchik, Boynitsa, Bregovo, Vidin, Gramada, Dimovo, Kula, Makresh, Novo Selo, Ruzhintsi, Chuprene</p>	<p>Bor District: 4 municipalities: Bor, Kladovo, Majdanpek, Negotin</p>
<p>Montana District: 11 municipalities: Berkovitsa, Boychinovtsi, Brusartsi, Valchedram, Varshets, Georgi Damyanovo, Lom, Medkovets, Montana, Chiprovtsi, Yakimovo</p>	<p>Zaječar District: 4 municipalities: Boljevac, Zaječar, Knjaževac, Sokobanja</p>
<p>Vratsa District: 10 municipalities: Borovan, Byala Slatina, Vratsa, Kozloduy, Krivodol, Mezdra, Mizia, Oryahovo, Roman, Hayredin</p>	<p>Toplica district: 4 municipalities: Prokuplje, Blace, Žitorađa, Kuršumlija</p>
<p>Sofia District 22 municipalities: Anton, Bojurishte, Botevgrad, Chavdar, Chelopech, Dolna banya, Dragoman, Elin Pelin, Etropole, Godech, Gorna Malina, Ihtiman, Koprivshitsa, Kostenets, Kostinbrod, Mirkovo, Pirdop, Pravets, Samokov, Slivnitsa, Svoege, Zlatitsa</p>	<p>Nišava District: 11 municipalities: City of Niš (Municipalities: Pantelej, Medijana, Crveni Krst, Palilula and Niška Banja), Aleksinac, Gadžin Han, Doljevac, Merošina, Ražani, Svrljig</p>
<p>Pernik District: 6 municipalities: Breznik, Zemen, Kovachevtsi, Pernik, Radomir, Tran</p>	<p>Pirot District: 4 municipalities: Babušnica, Bela Palanka, Dimitrovgrad, Pirot</p>
<p>Kyustendil District: 9 municipalities: Bobovdol, Boboshevo, Dupnitsa, Kocherinovo, Kyustendil, Nevestino, Rila, Sapareva Banya, Trekliano</p>	<p>Jablanica District: 6 municipalities: Bojnik, Vlasotince, Lebane, Leskovac, Medveđa, Crna Trava</p>
	<p>Pčinja District: 7 municipalities: Bosilegrad, Bujanovac, Vladičin Han, Vranje, Preševo, Surdulica, Trgovište</p>

1.1.2 Programme Strategy

The strategic and thematic scope of the (Interreg VI-A) IPA Bulgaria Serbia Programme fully corresponds with the IPA III programming framework. The programme is expected to contribute to the EU accession process and at the same time to the strengthening of the territorial cohesion. The identified tendencies and challenges are related to continuing and still unresolved territorial challenges (such as lack of diverse possibilities for work, high unemployment, low income, uneven economic and year-round tourism development across the CB area, etc.); sharp sectoral disparities in the CB area due to the number of opposite demographic and economic trends across the region; the need to provide equal access for the SMEs to programme resources and perceive the enterprises as change boosters addressing their specific needs, particularly in the field of

competitiveness and internationalization and the prospective of establishing cross-border added value chains in certain sectors.

1.1.3 The programme overall objective

The programme is expected to contribute to the EU accession process and at the same time to the strengthening of the territorial cohesion. Taking into account the need for preservation of cultural, social and economic links between the regions of both countries, the following overall objective of the Programme is identified:

To strengthen the territorial cohesion of the Bulgaria-Serbia cross-border region.

IMPORTANT

For further details on Programme strategy please refer to the Programme document available at: <https://ipa-bgrs.mrrb.bg/>

1.1.4 Programme Priorities

The focus of Programme priorities are: “Competitive border region”, “Integrated development of border region” and “A more resilient border region”.

The current call is under **PRIORITY 1: Competitive border region:**

Specific objective 1.3. “Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments”

The Priority is focused on the support to the enterprises productivity through direct investments with the aim to assist SMEs in the double transition and to provide them a favorable environment for internalization and participation in regional and international value chains.

1.1.5 Programme Indicators

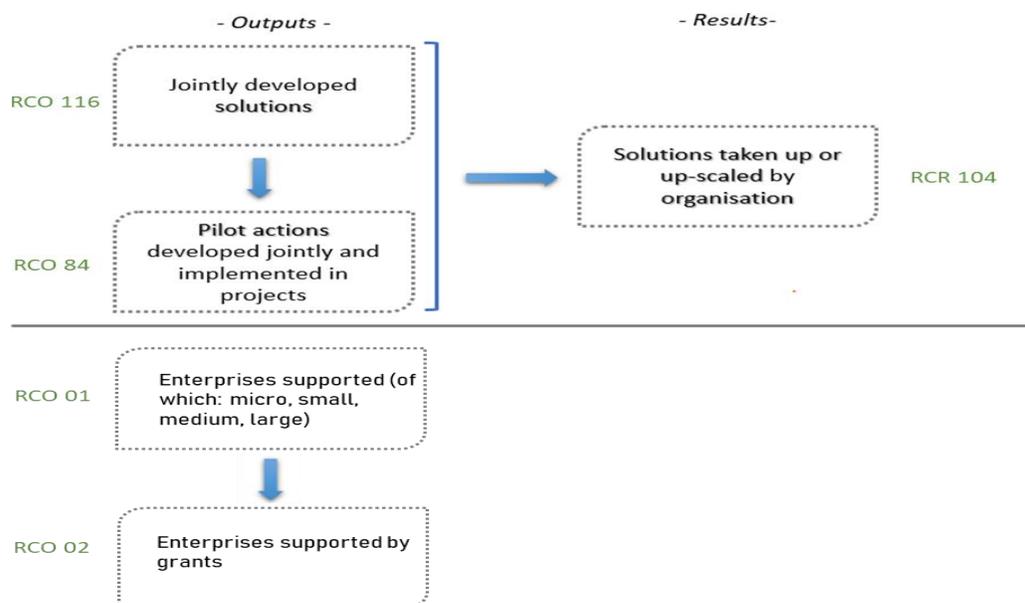
For the 2021-2027 period, a set of common indicators was defined in the ERDF Regulation, allowing easier and more consistent reporting across programmes. The indicators are used as a basis to provide information to the European Parliament and to the Council on performance of programmes.

There are two types of indicators – output indicators and result indicators. The output indicators measure the specific deliverables from the action chosen for support, while the result indicators measuring the outcomes (the effects of the interventions supported, with particular reference to the direct addressees, population targeted or users of infrastructure).

IMPORTANT

Project proposals under **Priority 1: Competitive border region** must contribute to the achievement of the **target values of the programme output and result indicators** under Specific objectives “Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments”

Overview of indicators



[Detailed information related to the indicators is provided in Attachment 3. Indicators](#)

1.2 Programme Implementation Structures

According to the Interreg Regulations 2021/1059 from 24 June 2021, the two partnering countries have established the following main management and implementation bodies:

Managing Authority (MA) – Territorial Cooperation Management Directorate at Ministry of Regional Development and Public Works of the Republic of Bulgaria is designated to perform the functions of Managing Authority under (Interreg-VI-A) IPA Bulgaria- Serbia Programme (2021TC16IPCB007) as laid down in Articles 72, 74 and 75 of Regulation (EU) 2021/1060.

The Managing Authority is responsible for managing and implementing the cross-border cooperation programme in accordance with the principle of sound financial management.

National Authority (NA) – Department for European Territorial Cooperation Programmes within the Ministry of European Integration of Republic of Serbia is the counterpart for the Managing Authority and is in charge of the coordination of programme in Serbia. The National Authority supports the Managing Authority in the process of management and overall implementation of the programme.

Monitoring Committee (MC) is formed of representatives of MA, NA, the European Commission, as well as other relevant national, regional and local authorities and stakeholders. The MC shall supervise the overall effectiveness, quality and coherence of the implementation of all actions towards meeting the objectives set out in the Programme and the relevant strategy papers.

Joint Secretariat (JS) is a common structure that assists the programme management bodies

in carrying out their respective functions and it is the main contact point between the programme and the potential beneficiaries/project partners. JS-main office is based in Sofia (Republic of Bulgaria), and JS-branch office is based in Nis (Republic of Serbia).

👉 IMPORTANT

The **JS** is the main structure responsible for providing information and support to potential beneficiaries.

1.3 Programme Indicative Financial Allocation for the Open Call for Project Proposal

The indicative available budget for available for the present call:

Specific objective	EU contribution (EUR)	National contribution (EUR)	Total Amount (EUR)
RSO1.3.Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	3 592 523	633 975	4 226 498*
*In case of available funds under SO 1.3 the indicative budget will be increased accordingly			

1.4 No-profit principle

The meaning of a no-profit principle is in accordance with Article 195 of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union

The verification of the no-profit principle shall be applied as follows:

The grant amount representing the EU funds and national co-financing funds may not have the purpose or effect of producing a profit for the project partners. Profit is defined as a surplus of the grant amount received and the revenue generated by the operation over the total amount of eligible expenditures incurred by the project partner and verified by the Managing authority. If this calculation results in a profit for the project partner, the Managing authority will reduce the final amount of the grant with the profit generated.

The revenues may be but not only cash in-flows directly paid by users for the goods or services provided by the operation, such as charges borne directly by users for the use of infrastructure, sale or rent of land or buildings, or payments for services, payment received by the project partner arising from contractual penalties as a result of a breach of contract between the partner and a sub-contractor, interests accrued on the received pre-financing payment into the bank account using for the operation, etc.

For the purpose of respecting the no-profit principle and for the proper verification of the revenues

generated each project partner should keep detailed, timely, adequate and traceable information and accounts concerning the generated revenues during the implementation period of the operation. A declaration for revenues generated with the relevant supporting documents shall be requested by each project partner at the stage of the last reporting of expenditures.

1.5 Cross-border impact

The challenges to the industrial sector from the CB area in the context of double transition objectives are significant, given the unsatisfactory starting points (low levels of digitalization and resource productivity, very high levels of carbon intensity). Furthermore, the regional SMEs have to be encourage to invest in technological modernization, adoption of circularity models, digitalization, internationalization, entrepreneurship, accessing and setting up regional value chains, facilitating cross-border enterprise networking.

The projects must deliver direct cross-border impact and benefits for the project partners, the target groups and the Programme area. The partners should clearly demonstrate that the cross-border approach has been respected in the project proposal.

A clear cross-border impact could be found in these cases where the implementation of the projects ensures tangible results in the cross-border area (in both countries); otherwise the effect would be at regional level.

Through implementation of the planned activities (which are designed for facing certain specific needs of the partners and the target groups), each project shall contribute to achievement of the overall objective of the Programme. This means that when formulating the project idea, all partners should think about the impact of the project not only for their own organisations and the target groups, but also for the Programme area. Establishment of a partnership among organizations from the two countries by definition brings a cross-border character to the project, but only by itself this is not enough to ensure the direct cross-border impact and added value to the Programme area – rather, it is necessary that the combination of all project activities demonstrate achievement of distinct results in the cross-border area.

1.5.1 Cooperation criteria

Direct cross-border impact is understood in terms of respecting the following cooperation criteria:

Joint development (mandatory) means that the project must be designed in close cooperation of the partners from both sides of the border. This means that project proposals must clearly integrate the ideas, needs, priorities and contributions of stakeholders on both sides of the border. The Lead Partner is the coordinator of this process but should include other partners from the beginning of the development process;

Joint implementation (mandatory) means that activities must be carried out and coordinated among partners from both sides of the border. It is not enough that activities run in parallel. There must be clear content-based links between what is happening on either side of the border and regular contact between the two sides. The Lead Partner is responsible for ensuring that activities are properly coordinated, that schedules are kept and that the right quality levels are

achieved;

Joint staffing means that there will be a single project team within the project. The project staff should not have duplicate functions on either side of the border and project team members should work together on the project. The partners should not merely carry out activities in parallel without mutual coordination and exchange of information, but the project team will be responsible for project activities on both sides of the border.

Joint financing means that there will be only one contract per project and there must therefore be one joint project budget. The budget should be divided between partners according to the activities carried out. There is also only one project bank account for the EU contribution (held by the Lead Beneficiary) and payments representing EU support are made from the programme to this account. The Lead Beneficiary is responsible for administration and distribution of these funds and for reporting on their use. Funding should come from both sides of the border and illustrates the commitment by each partner to the joint project. The distribution of financial resources should reflect tasks and responsibilities of the partners. The rights and obligations of each partner in view of project implementation (including transfer of funds and payments) are included in the Partnership agreement, and it can be expanded if partners deem it necessary.

IMPORTANT

The importance of the cross-border approach to the topic addressed should be clearly demonstrated. In this matter the project partners from the two participating countries have to cooperate mandatory in **at least both joint development and joint implementation and, additionally, one or both of the other two cooperation criteria: joint financing or joint staffing (as described above) as required of the Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021**.

1.6 Horizontal principles

The (Interreg VI-A) IPA Bulgaria Serbia Programme places an important role to the inclusion of horizontal principles in the planning, implementation, monitoring, reporting and evaluation of the project activities. During the whole life cycle of the projects, beneficiaries are requested to consider transversal actions to the projects' activities, taking into account the horizontal principles of the EU¹.

More precisely, actions should be planned, implemented and reported considering the following horizontal principles:

1. Respect for fundamental rights and compliance with the Charter of Fundamental Rights of the European Union in the implementation of the Funds;
2. Equality between men and women, gender mainstreaming and the integration of a gender perspective are taken into account and promoted throughout the preparation, implementation, monitoring, reporting and evaluation of programmes;
3. Prevent any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, implementation, monitoring,

¹ Horizontal Principles as per Article 9 of the REGULATION (EU) 2021/1060 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 June 2021

reporting and evaluation of programmes. In particular, accessibility for persons with disabilities shall be taken into account throughout the preparation and implementation of projects;

4. Sustainable development as set out in Article 11 TFEU, taking into account the UN Sustainable Development Goals, the Paris Agreement and the **"do no significant harm"(DNSH)** principle and the Green public procurement (green public procurement criteria and social considerations as well as innovation incentives should be incorporated into public procurement procedures). To ensure maximum adherence to the principles and targets of the Green Deal, each project supported by the programme, should have gone a positive DNSH assessment during the selection process;
5. Projects are expected to contribute to climate change and biodiversity goals, in line with the EU Biodiversity Strategy 2030;

Applicants shall describe in the application how they particularly consider and promote the abovementioned horizontal principles in their activities and which specific actions are implemented in reference to them. Furthermore, applicants are advised to include measures in their proposals that will contribute to the diminishing of the environmental impact of their actions. During the assessment of applications, consideration is given to the project's adherence to the horizontal principles and the quality of the planned specific actions. Approved projects will report regularly to the Programme their achievements.

1.7 Applicable law and public procurement

The beneficiaries have the possibility to award service, supply and works contracts to contractors. Contractors are neither partners nor associates. The award of contracts to them is subject to the procurement rules in accordance with Article 58 of 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.

📌 IMPORTANT

When the project partners are located in Bulgaria they shall apply national laws, regulations and administrative provisions as Government decree no. 4/2024 (Постановление на Министерски съвет №4/ 11.01.2024 г. за определяне на правилата за разглеждане и оценяване на оферти и сключването на договорите в процедурата за избор с публична покана от бенефициенти на безвъзмездна финансова помощ от Европейските фондове при споделено управление).

📌 IMPORTANT

For the award of supply of goods, works or services, the procurement procedures provided in Articles 181 and 182, and points 37 to 42 of Chapter 3 of Annex I, of the Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union shall apply for Serbian partners.

In this case, the beneficiaries must refer to and use the guidelines and templates of the **"Procurement and Grants for European Union External Actions – a Practical Guide" document (PRAG)**.

To this end, the following provisions shall be fulfilled by the project beneficiaries:

- When sub-contracting the activities in order to achieve the project objectives, including activities for project preparation, the contracting must be done by a transparent tendering procedure, following the above rules.
- The project or any sub-contracting procedures must not create an economic advantage to an economic operator.
- All project results shall be made available for free to all interested individual or legal persons, in a non-discriminatory way. Making the project results available only for certain individual or legal persons is strictly forbidden.

1.8 Communication and Visibility

The information and publicity measures for the interventions of the (Interreg VI-A) IPA Bulgaria Serbia Programme funds are aimed at publicizing the actions of the European Union, increasing transparency and creating a uniform image of the interventions throughout participating countries.

Through implementation of the planned activities (which are designed for facing certain specific needs of the partners and the target groups), each project shall contribute to achievement of the overall objective of the Programme. This means that when formulating the project idea, all partners should think about the impact of the project not only for their own organisations and the target groups, but also for the Programme area. Establishment of a partnership among organizations from the two countries by definition brings a cross-border character to the project, but only by itself this is not enough to ensure the direct cross-border impact and added value to the Programme area – rather, it is necessary that the combination of all project activities demonstrate achievement of distinct results in the cross-border area. be properly planned and should focus on the achievements and impact of the project actions.

In order to maximize the impact of communication efforts:

- Communication activities need to be timely;
- Communication activities should be appropriate in terms of resources spent and expected impact;
- Information used must be accurate;
- The right audience(s) should be targeted, etc.

The following communication and visibility activities might be foreseen by the applicants in their Application forms (a nonexclusive list):

- Online communication: websites, social media, electronic newsletters, e-events, online articles and blogs, etc.;
- Public events: Information campaigns, workshops, seminars, trainings, visits, stakeholder meetings;
- Press and media: press releases, press conferences, press visits, articles in print media;
- Audio visual materials, photography and other productions: video, audio, etc.

- Communication and visibility in print: newsletters, leaflets, brochures, catalogues, displays, stationery, business cards, letterheads, etc.
- Obligatory visibility elements on buildings, vehicles and other supplies: billboards, plates, stickers, etc.

Communication activities must be foreseen in the Application form and budgeted for by respecting the requirements of branding and communication established by the European regulations and the Programme. Before drafting the project proposal, it is essential to refer to the mandatory publicity and communication rules laid down in:

- Regulation (EU) 2021/1060 of the European Union and of the Council of 24 June 2021, articles 47 and 50;
- Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021, Article 36;
- Communication strategy of the (Interreg VI-A) IPA Bulgaria Serbia Programme;
- The present Guidelines for Applicants.

Please be aware that expenditures which do not comply with the applicable rules in terms of communication cannot be claimed, even if they are included in the approved Application form.

When drafting your proposal, you may also pay attention to the following practical hints:

- Project partners should envisage production and installation of durable plaques or billboards, clearly visible to the public in accordance with Art. 36 of the Regulation (EU) 2021/1059 and Annex IX of Regulation (EU) 2021/1060 as soon as the physical implementation of an Interreg operation involving physical investment or the purchase of equipment starts or purchased equipment is installed, with regard to operations supported by an Interreg fund, the total cost of which exceeds EUR 100 000 per partner;
- Programme branding illustrative elements have to be clearly and visibly displayed “on documents and communication material relating to the implementation of the Interreg operation attended for the general public and participants”;
- The project must use the logo provided by the Programme/Interreg brand manual, in accordance with the provisions of the Programme;
- Promotional materials (promotional banners/gifts/gadgets, etc. designed to be distributed during public events) should preferably be “eco-friendly” (according to the Communication strategy of the (Interreg VI-A) IPA Bulgaria Serbia Programme);
- Communication activities and objectives must be directly integrated in the work packages to allow the communication strategy to be fully embedded in the project’s overall strategy;
- Communication activities towards the general public and the target groups should be carried out in the language of the participants and in this respect usage of appropriate translation and/or interpretation services is advisable;
- All activities including investment activities related to works, supply of equipment and vehicles, as well as major project results, must acknowledge the EU support and display

the European emblem and funding statement. The EU emblem should be accompanied by a funding statement “Co-funded by the European Union” mentioning. The funding statement “Co-funded by the European Union” shall always be spelled out in full in the operational language of the EU programme and relevant local language(s) and be placed next to the emblem.

More detailed practical guidelines (including templates) concerning the basic information and publicity measures are provided by the European Commission in the Communication and Visibility Manual for EU External Actions, published on the following EU website: https://international-partnerships.ec.europa.eu/index_en

More information about the new Interreg branding can be found on: https://ec.europa.eu/regional_policy/en/newsroom/news/2021/12/17-12-2021-new-interreg-branding-for-the-2021-2027-period

2. Eligibility Criteria

In order to be eligible for funding under the programme, a project should cumulatively meet three sets of eligibility criteria:

- Eligibility of applicants (see section 2.1),
- Eligibility of activities (see section 2.2) and
- Eligibility of expenditures (see section 2.3).

2.1 Eligibility of SMEs and entrepreneurs

Partners must comply with all of the following general eligibility criteria:

1) be legally established entities according to the national legislation of the state on whose territory they are located;

and

2) be registered and operating or operating¹ not later than 31.12.2021 in the programme area between Bulgaria and Serbia;

and

3) meets the criteria for micro, small and medium size enterprises (SME) as defined in European Union law (EU recommendation 2003/361), and respective national legislation².

¹Eligibility extended to applicants who conduct activities within the cross-border region, even if their registration is outside the area

²For applicants from Serbia: micro, small and medium-size enterprise are classified by Serbian Business Registers' Agency, according to the last approved yearly financial report. Additionally, the eligible applicants can be Entrepreneurs, registered within Serbian Business Registers' Agency. Eligible entrepreneurs must implement IFRS for SME (International Financial Reporting Standards for Small and Medium Enterprises) in accordance with Article 21 of Serbian Law on

accounting, falling within the frames of SME classification and be able to provide final statements of accounts, (Profit and Loss Statements, Balance sheets, financial reports).

and

4) with main economic activity (for the last completed financial year) in Division C Manufacturing; Division E Waste management; Division J Information and communications; Division N Professional Scientific and Technical Activities; Division K Telecommunication, computer programming, consulting, computing infrastructure and other information service activities Division I Accommodation and food service activities; Division H Transport and storage; Division R Human health and social work; Division S Arts, sports and recreation activities in accordance with Statistical Classification of Economic Activities in the European Community (NACE rev.2.1):

Division /Class	Title
C	MANUFACTURING
C.10	Manufacture of food products
C.11	Manufacture of beverages
C.13	Manufacture of textiles
C.14	Manufacture of wearing apparel
C.15	Manufacture of leather and related products
C.16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
C.17	Manufacture of paper and paper products
C.18	Printing and reproduction of recorded media
C.20	Manufacture of chemicals and chemical products
C.21	Manufacturing of basic pharmaceutical products and pharmaceutical preparations
C.22	Manufacture of rubber and plastic products
C.23	Manufacture of other non-metallic mineral products
C.24	Manufacture of basic metals
C.25	Manufacture of fabricated metal products, except machinery and equipment
C.26	Manufacture of computer, electronic and optical products
C.27	Manufacture of electrical equipment
C.28	Manufacture of machinery and equipment n.e.c.
C.29	Manufacture of motor vehicles, trailers and semi-trailers
C.30	Manufacture of other transport equipment
C.31	Manufacture of furniture
C.32	Other manufacturing
C.33	Repair, maintenance and installation of machinery and equipment
E	WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT
E.38.11	Collection of non-hazardous waste
E.38.32	Landfilling or permanent storage
E.38.21	Materials recovery
E.39	Remediation activities and other waste management services
J	INFORMATION AND COMMUNICATION

J. 58	Publishing activities
J. 59	Motion picture, video and television programme production, sound recording and music publishing activities
K	Telecommunication, computer programming, consulting, computing infrastructure and other information service activities
K.60	Programming, broadcasting, news agency and other content distribution activities
K.61	Telecommunications
K.62	Computer programming, consultancy and related activities
K.63	Computing infrastructure, data processing, hosting and other information service activities
N	PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES
N. 71	Architectural and engineering activities; technical testing and analysis
N. 72	Scientific research and development
N. 74	Other professional, scientific and technical activities
I	ACCOMMODATION AND FOOD SERVICE (ALL CODES IN THIS DIVISION)
H	TRANSPORTATION AND STORAGE (all codes in this Division)
R	HUMAN HEALTH AND SOCIAL WORK ACTIVITIES (all codes in this division)
S	ARTS, SPORTS AND RECREATION (all codes in this division excluding S. 92 Gambling and beating activities)

* Field of interventions are closely coordinated with the national competitiveness strategies and applicable analyses

and

5) be directly responsible for the preparation and management of the action, not acting as an intermediary.

📌 IMPORTANT

All the above **5 criteria** must be fulfilled together.

📌 IMPORTANT

The project must include **one partner SME** from each side of the border region acting in full spirit of cooperation. If the project does not comply with this requirement it will be eliminated at the eligibility assessment stage. All partners have to be directly responsible for the project implementation and cannot act as an intermediary.

SMEs that have applied under procedure **No. 2021TC16IPCB007–2025–4** and are approved for a subsidy contract will not be eligible to sign a subsidy contract under the current call for project proposals **No. 2021TC16IPCB007–2025–7**.

2.1.1 Ineligibility criteria

Potential **applicants are not eligible** to participate in this call for proposals, if they are in one or more exclusion situations referred to in Article 138 Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable

to the general budget of the Union.

Please note that subsidy contract will be signed with applicants (including Lead Partner and/or Project Partners) if the respective project partner has no pending financial obligations to the Managing Authority as well as to the NA (if a partner has debts to the Managing Authority (MA)/National Authority (NA), they will be notified by the MA.)

Pursuant to Article 138 of the Financial Regulation (Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union), all project partners are required to settle any registered debts to the MA/NA in order to continue the contracting process. The respective partner has to submit proof that the debt has been fully cleared within 30 calendar days from the date of the notification. Failure to do so within this timeframe will result in the termination of the contracting process for that partner

⚠ IMPORTANT

All project partners should sign a **"Partners declaration" (Annex A3)**. They have to declare that they do not fall into any of the categories specified in the Declaration.

1) Investments in the specific objectives are not eligible for support:

- Investments to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC of the European Parliament and of the Council;
- The decommissioning and the construction of **nuclear power stations**;
- The manufacturing, processing and marketing of **tobacco and tobacco products**;
- Investment in **airport infrastructure** unless related to environmental protection or accompanied by investment necessary to mitigate or reduce its negative environmental impact.
- Undertakings active in the **fishery and aquaculture sector**, as covered by Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013 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;
- Undertakings active in the primary production of **agricultural products**;
- Undertakings active in the sector of processing and marketing of agricultural products, in the following cases:
 - (i) 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;
 - (ii) where the aid is conditional on being partly or entirely passed on to primary producers;
- Export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity;
- Aid contingent upon the use of domestic over imported goods.

Where an undertaking is active in the sectors referred as not eligible and is also active in one or more of the sectors or has other activities falling within the scope of this Call of proposals, those undertaking shall apply to aid granted in respect of the eligible sectors or activities, provided that the applicant concerned ensures, by appropriate means such as separation of activities or distinction of costs, that the activities in the sectors excluded from the scope of this call do not benefit from the de minimis aid granted in accordance with Article 1 para. 2 Regulation (EU) N^o 2023/2831

IMPORTANT

To be eligible, Serbian small and medium-sized enterprises (SMEs) must be majority domestically owned, meaning that at least 51% of the ownership must be directly held by a natural person who is a Serbian citizen. Ownership structures where the majority share is held indirectly through foreign-registered legal entities are not considered to meet this requirement

All project partners will be required to submit a declaration during the contracting stage in accordance with Article 51 of Council Regulation (EU) No 2022/576 dated April 8, 2022. The Regulation explicitly prohibits the provision of direct or indirect support, including financing, financial assistance, or any other benefit under Union, Euratom, or Member State national programs and contracts, as defined in Regulation (EU, Euratom) 2024/2509, to any legal person, entity, or body established in Russia with **over 50%** public ownership or public control.

Subsidy contracts will not be awarded to any entity falling under the circumstances outlined in Article 51 of Council Regulation (EU) No 2022/576.

2.1.2 Lead Partner Principle

The Lead Partner (LP), as the applicant of the project proposal, will be responsible for the preparation and submission of the project proposal as well as for implementation of the project. The LP must have the capacity to start the implementation of the project as quickly as possible, to concentrate all available managerial, financing and know-how resources and focus them on the project.

The lead partner shall carry out the following tasks:

- lay down the arrangements with other partners in an agreement comprising provisions that, inter alia, guarantee the sound financial management of the respective funds allocated to the operation, including the arrangements for recovering amounts unduly paid;
- sign the contract for implementation of the operation with MA and further addenda to the contract (if any);
- assume responsibility for ensuring implementation of the entire operation;
- transfer the relevant budget amounts to the partners participating in the operation according to the Project Partnership Agreement and verified costs;
- ensure that expenditures presented by all partners have been paid in implementing the operation and corresponds to the activities agreed between all the partners;
- ensure that the expenditures presented by the partners participating in the operation have been verified by controller(s);

- collect and check the information from the project partners and submit reports on progress of the project to the JS;
- informing MA/NA/JS about necessity of project modifications.

More information about the role and tasks of the Lead Partner is provided in the contract and in the Project Partnership Agreement template (Annex A1).

📌 IMPORTANT

A partner can never act as a **contractor in the any financed project at this Call for Proposal same project and vice versa!**

Please note that a “partner” involved in the project implementation as “Lead Partner” or “project partner” is excluded from any forms of contracting to other partners within the project.

2.1.3 Rules concerning partnership

One of the project partners have to designate by the partners themselves as the Lead Partner.

📌 IMPORTANT

Project Partnership Agreement is a legal and binding document, which should be **signed by all partners with utmost awareness**. All partners should ensure to **comply with the Project Partnership Agreement requirements (Annex A1)**.

The project partners must have clear roles in project preparation and implementation. All partners must sign a Project Partnership Agreement that stipulates their rights and duties. The signatures of the partners should be on the same page at the end of the agreement.

The Project Partnership Agreement should be enclosed to the application form.

A Project Partnership Agreement template is annexed to the present Guidelines (Annex A1). The partners may decide to add additional provisions to the Project Partnership Agreement.

📌 IMPORTANT

Number of project proposals and grants per project partner!

Under the current Call for proposals for Priority 1 “Competitive border region” a **single undertaking as defined in Article 2, paragraph 2 of Regulation (EU) 2023/2831 may participate only in one project proposal**.

In case a SME or entrepreneurs participates in more than 1 (one) project proposal, as a Lead partner or as a project partner, all submitted proposals will be disqualified.

📌 IMPORTANT

The maximum number of partners in a project shall not exceed two (2) including the Lead Partner.

2.2 Eligibility of Activities

2.2.1 Project duration and grant amount

Project duration and eligible grant amount are specified below:

Priority	Specific objective	Type of project	Min. Grant Amount	Max. Grant Amount	Project Duration
Competitive border region	RSO1.3.	Investment	100 000 euro	400 000 euro	Between 12 to 24 months

Eligible grant amount per project partner – SME is specified below:

Priority	Specific objective	Type of project	Min. Grant Amount	Max. Grant Amount
Competitive border region	RSO1.3.	Investment	50 000 euro	200 000 euro

When preparing their investment proposals, applicants are encouraged to review the project selection criteria and strategically structure their partnerships. Project partners should aim for balanced and complementary investments. At a minimum, this means allocating 50 000 EUR to one partner and 50 000 EUR to the other, ensuring the total requested funding meets the minimum 100 000 EUR project threshold

⚠ IMPORTANT

Public support given to undertakings in the framework of the (Interreg VI-A) IPA Bulgaria Serbia Programme is exclusively in the form of subsidies **granted under the de minimis provisions**, in accordance with Regulation (EU) 2023/2831 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid. Project partners registered in Serbia should follow the applicable national regulations regarding de minimis Regulation (EU) 2023/2831.

In addition, the grant is distributed as follows:

- a) **for Bulgarian undertakings:** 85% EU contribution + **15% national public co-financing**
- AND
- b) **for Serbian undertakings:** 85% EU contribution + **15% own co-financing**

Note: Further to the aforementioned obligatory amount of the activities, each SME may choose to provide ADDITIONAL own co-financing for the needs of the project. For Serbian bodies, this additional own co-financing shall come as a supplement to the OBLIGATORY own co-financing of 15% of the activities.

The provided own co-financing will be a subject of verification.

The use of the de minimis framework, implies that undertakings can receive grants from the Programme only if they have not received public aid under the de minimis rule totaling more than 300 000 euro any period of 3 years prior to the date of grant.

The threshold 300 000 euro encompass the received public aid under de minimis, together with the applied public support by the single undertaking in the meaning of art. 2, para. 2 from Regulation (EU) 2023/2831.

Additional information for de minimis framework is provided in Attachment 1 De minimis FactSheet.

2.2.2 Activities' location

The implementation of project activities under Priority 1 will cover the entire Programme area, defined in the p. 1.1.1 Programme area. Supported projects are required to demonstrate that those activities have cross- border impact on the Programme area and contribute to the specific objective of Priority 1.

2.2.3 Eligible Activities

The Priority 1 is focused on the support to the SMEs through direct investments with the aim to increase SMEs competitiveness; aim of expand international markets and promote participation in regional and global supply network and value chains. The project proposals must be in line with the possible actions supported under SO 1.3 "Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments".

The types of activities financed under the Priority 1 Competitive border region, Specific objective (SO) 1.3. "Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments".

Under this call for proposals "investment" projects are eligible for funding it means that the project proposals should mainly include investment activities - works, supply, etc. (representing Budget category 5 – Equipment and Budget category 6 Infrastructure and works). The **investment component should be at least 60% of the total eligible costs of the entire project.**

The projects must also include "soft" measures" activities that are mainly oriented at preparing studies, establishing networks, providing trainings, developing concepts, providing services target groups, raising awareness on specific themes, etc. Soft measures also include people-to-people type of actions, e.g. small scale initiatives among civil society institutions that aim at increasing direct contacts and cooperation across the border among the people and their associations in the region.

Detailed description of the eligible activities under this call for proposals is given below, for example*:

Investment Component

- Joint development and implementation of technological solutions that address regional socio-economic challenges;

- Technological and/or organizational investments aimed at reducing the cost of production/service delivery and any other investment leading to joint solutions for increasing enterprise competitiveness including but not limited to purchase of specialized equipment and technologies (incl. related upskilling), monitoring systems; purchase of IT equipment, training and know-how transfer part of which may consist of digital components such as virtual business centres, e-commerce solutions, possibilities for electronic payments, etc; Joint solutions aimed at increasing productive capacity.
- Investments aimed at improving product/service quality, including but not limited to improvements in the design of product/service features, improvements in customer after-sales service, improvements in product guarantee, total quality management systems, and any other aspect that defines overall product/service quality level;

“Soft measure” activities

- Joint actions aimed at fostering networking and business collaboration across the border, as well as accessing new markets or market segments including but not limited to marketing studies, distance-spanning technologies, organisational cooperation and joint business schemes with other enterprises, integration into regional value chains, etc.
- Joint marketing and promotion actions, participation in international fairs, exhibitions and other promotional events, consultation and information services, including e-marketing, communication with clients, etc.

*** Please note that list of the activities is not exhaustive!**

🚫 IMPORTANT

Aid shall not be granted to investment in new buildings or expansion of existing buildings.

🚫 IMPORTANT

Each project under SO1.3 must include investment activities **at least 60% of the total eligible project.**

In accordance with Article 22, para 4, (i) of the Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021, in order to be eligible for support, Interreg operations must not be directly affected by a reasoned opinion by the Commission in respect of an infringement within the scope of Article 258 TFEU that puts at risk the legality and regularity of expenditure or the performance of operations. In this respect, before developing the project proposal, the partners are encouraged to check if any reasoned opinion affects the project at the level of Bulgaria. This link (https://ec.europa.eu/atwork/applying-eu-law/infringements-proceedings/infringement-decisions/?lang_code=en) can be used to find the active reasoned opinions. If there is a reasoned opinion, the project partners are not advised to continue with the development of the project, except where there are reasons to believe that the infringement will be lifted within the deadline for the project submission set by this Guide.

2.2.4 Project Preparedness for investment activities under SO 1.3

The types of actions have been assessed as compatible with the DNSH principle, since they are not expected to have any significant negative environmental impact due to their nature, and they have been assessed as compatible following the approach under the Recovery and Resilience Facility (RRF).

All projects that envisage rehabilitation of existing facilities,, must comply with the environmental legislation of the respective country before the implementation stage. This is verified at the application stage.

The land or buildings where works will be carried out must be in the ownership of the beneficiary, or long – term lease agreement.

IMPORTANT

Please consider the following requirements for all “investment” activities:

The land or buildings where the project activities will be carried out must either owned by the beneficiary 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 envisaged works activities have to be supported with approved/certified detailed technical or works design (where applicable according to the relevant legislation of the country (Bulgaria or Serbia), where the works activities will be implemented) and detailed bill of quantities. For the beneficiaries from Serbia approved design means the developed Project for Construction Permit (Projekat za građevinsku dozvolu - PGD) and issued Construction Permit (Građevinska dozvola), or Decision on approval of execution of works (Rešenje o odobrenju za izvođenje radova) and developed Preliminary design (Idejni projekat-IDP)

In case of construction works, for which the relevant legislation does not require approval of a technical or work design, the applicant has to present a statement by the relevant institution/s for exception of the rule for works design’s approval.

At the **pre-contracting stage**, the project partner(s) shall submit valid building/installation permits, if applicable.

All supplies have to be supported by technical specification, relevant unit prices and total price and Market analysis for similar equipment or three offers from different providers, licensed authorized dealers (if applicable).

All prices concerning investment activities have to be in Euro.

For Bulgarian partners

All the investment project proposals should have positive environmental impact assessment (EIA), if for such kind of activities an EIA is required by the national legislation.

When the relevant legislation does not require an environmental impact assessment, the applicant has to present a statement by the relevant institution/s for exception of the rule for environmental impact assessment.

This requirement applies solely to activities covered under Annexes No. 1 and No. 2 of the Environmental Impact Assessment (EIA) Ordinance. Applicants are further advised that additional information has been provided regarding the definition of an “investment proposal” pursuant to § 1, item 17 of the Supplementary Provisions of the Environmental Protection Act.

All the investment project proposals are required to present, **at the pre-contracting stage**, document from the relevant body clearly stating that the project proposal is eligible according to the current River Basin Management Plans and Flood risk management plans in case the required information **is not included in B6.3**

For Serbian partners: In cases where construction, reconstruction, or rehabilitation activities are planned, beneficiaries must provide valid Location Conditions (Lokacijski uslovi). This document, issued as part of the permitting procedure, may include requirements related to environmental impact assessment, water management, and river basin protection. For projects that do not involve construction works, no such document is required, as Serbian legislation does not foresee the issuance of equivalent certificates for equipment supply or other non-construction activities.

2.3 Eligibility of Expenditures

General principles

The hierarchy of rules applicable to (INTERREG VI-A) IPA Bulgaria –Serbia Programme projects is as follows²:

- European level - EU regulations;
- Programme level - specific rules decided for the (INTERREG VI-A) IPA Bulgaria – Serbia Programme;
- National/regional level - rules applicable in each partner state;
- Partner institutional level - internal rules applicable to each partner organization.

The partners should first consider EU regulations when budgeting/incurred expenditure. Where EU rules do not stipulate provisions, Programme rules apply. If neither the EU nor the Programme has a set rule, then national/regional legislation applies. Finally, the partner’s internal rules should be followed if specific issues have not been covered by previous levels.

Only “eligible costs” can be taken into account for financial support. The budget is therefore both a cost estimate and a maximum ceiling for “eligible costs”. Note that the eligible costs must be based on real costs based on supporting documents with some exceptions for which the flat rates, unit costs and lump sum will be applied. The eligibility of expenditure applies to EU and national co-financing as well as beneficiaries’ own contributions. The expenditures are generally eligible if they comply with the principles of sound financial management and with the relevant rules for public procurement stated in point 1.7.

² See in the part „Legal basis”

2.3.1. General eligibility requirements

Expenditure is eligible for funding when fulfilling all general eligibility requirements listed below. Therefore, expenditure has to:

- be necessary for carrying out the project and must comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
- be essential for the achievement of the agreed activities and would not be incurred if the project is not carried out (additionality principle);
- have been stipulated in the project budget;
- have actually been incurred and paid by the Lead partner or its partners during the implementing period for the project and in accordance with the provisions stipulated in the subsidy contract (with the exception of flat rates, unit costs and lump sums);
- be registered in the project partner's accounts through a separate accounting system or an adequate accounting code set in place specifically for the project;
- be verified as eligible by the controllers designated by the Managing Authority and the National Authority respectively;
- be in line with the provisions of the subsidy contract, European and national legislation including relevant procurement rules stated in point 1.7;
- have not been subject to financing from any other public funds;
- comply with the principles of efficiency, effectiveness and economy.

2.3.2. Non-eligible expenditures

The list of non-eligible expenditure for the current call for proposal is as follows:

- 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.

2.3.3. Form of reimbursement/budgeting

In order to minimize the administrative burden and to concentrate the efforts in quality implementation of the project activities and achieving the objective and indicators the Simplified Cost Options (SCOs) shall be used for reimbursement/budgeting of some of categories of expenditures.

Using SCOs means also that the human resources and administrative efforts involved in collecting documents and reporting expenditures can be focused more on the achievement of objectives instead of being concentrated on collecting and verifying financial documents.

SCOs which shall be used in the current call for proposal are:

- Flat rates – % of the defined base costs;
- Lump sums – amounts defined for certain activity;
- Unit Costs – maximum prices of certain goods, items, etc.

2.3.4. List and description of Eligible Expenditures per budget categories

The following section provides an overview of the eligibility principles for the different cost categories:

- BC 1 Staff costs;
- BC 2 Office and administrative costs;
- BC 3 Travel and accommodation costs;
- BC 4 External expertise and services costs;
- BC 5 Equipment costs;
- BC 6 Costs for infrastructure and works;
- BC 7 Project preparation costs

For each category of expenditures, a definition is provided as well as guidance for budgeting and reporting. Project partners are invited to review this information carefully when planning their budgets.

1. Staff costs

Staff costs include costs related to the own staff to be involved in project management (project team) and/or tasks related to the project content.

Staff costs must relate to activities which the partner organization would not carry out if the project was not undertaken.

The staff costs shall be limited to the following:

- Salary payments fixed in the employment document (contract, an appointment decision), or by law, relating to the responsibilities specified in the job description of the staff member concerned.
- Any other costs directly linked to the salary such as taxes and social security payments 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.

The appointment of the staff by the beneficiaries has to be made in accordance with the European and national legislation.

- Staff employed by the beneficiary for management of the project (project team)

The members of the project staff employed by the beneficiary for the management of the project for example are project manager, coordinator, accountant, assistant, and etc. The project team members perform periodically repetitive actions related to the organization, coordination, management and reporting of the activities, expenditures and results related to the project during the project period.

- Staff employed by the beneficiary for implementation of activities under the project content

The project staff employed by the beneficiary for implementation of activities under the project are experts, which perform actions directly related to the project activities, requiring specific expertise which the project partner possesses.

It is the sole right and responsibility of the project partner to: determine the positions and persons needed for the proper functioning of the project team and needed for implementation of the project activities; conclude/establish the type of contract or any other legal relationship with the team members/staff for project activities and to implement changes in this regard during the project implementation.

Form of reimbursement:

Within the current call for proposal, 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 that operation. The exact percentage of the flat rate should be indicated in the Application form (PART B, partner budget) by each project partner and will remain unchanged for the entire project implementation period.

In the verification process the beneficiaries do not need to present supporting documents that the expenditures for staff have been incurred and paid.

List of staff members working on the project and any other employment document shall be provided to the programme bodies on request.

The project partner has to prove that the project team has been established. The proper appointment of the project team in line with the respective legislation is on the responsibility of the beneficiaries themselves.

2. Office and administrative costs

Office and administrative costs cover expenditures related indirectly to the implementation of the project activities.

Office and administrative costs cover operating and administrative expenses of beneficiaries and are limited to the following elements:

- a) Office rent;

- b) Insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurances);
- c) Utilities (e.g. electricity, heating, water);
- d) Office supplies;
- e) Accounting;
- f) Archives;
- g) Maintenance, cleaning and repairs;
- h) Security;
- i) IT systems;
- j) Communication (e.g. telephone, fax, internet, postal services, business cards);
- k) Bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened;
- l) Charges for transnational financial transactions.

Form of reimbursement:

Within the current call for proposal, Office and administrative costs shall be reimbursed as a flat rate up to 15% of staff costs. The exact percentage of the flat rate should be indicated in the Application form (PART B, partner budget) by each project partner and will remain unchanged for the entire project implementation period.

The above list is exhaustive and all listed items are to be considered as covered by the flat rate and cannot be reported under any other budget line or category of costs.

Please note that the flat rate is directly linked to the staff costs and will always be calculated based on eligible staff costs. If no staff costs are foreseen and reported, no office and administrative costs can be charged.

No supporting documents need to be presented at the reporting stage.

3. Travel and accommodation costs

The category of expenditures covers travel and accommodation costs of project team members and shall be limited to the following:

- a) Travel costs (e.g. tickets (including all types of travel), travel and car insurance, fuel, car mileage, toll, and parking fees); Expenditures for car rental could be eligible in duly justified cases and provided that such costs are in line with national legislation and organisation's internal policy/rules;
- b) Meal costs;
- c) Accommodation costs;
- d) Visa costs;
- e) Daily allowances.

Form of reimbursement:

Within the current call for proposal, Travel and accommodation costs shall be reimbursed as a flat rate up to 15% of staff costs. The exact percentage of the flat rate should be indicated in the Application form (PART B, partner budget) by each project partner and will remain unchanged for the entire project implementation period

The above list is exhaustive and all listed items are to be considered as covered by the flat rate and cannot be reported under any other budget line or category of costs.

Please note that the flat rate is directly linked to the staff costs and will always be calculated based on eligible staff costs. If no staff costs are foreseen and reported, no travel and accommodation costs can be charged.

No supporting documents need to be presented at the reporting stage.

⚠ IMPORTANT

Partners cannot report costs covered by the flat rates in BC 1, BC 2 and BC 3 in any other cost category.

4. External expertise and services costs

➤ External expertise

External expertise costs correspond to external expertise, provided by a public or private law body or a natural person other than the beneficiaries of the project or the legally related SME, which is strictly linked to the project and be essential for its effective implementation.

Project Partners, the legally related SMEs and their employees shall not be contracted by another project partner within the same project as an external expert or a subcontractor.

Public procurement rules stated in point 1.7 must be respected in selection of the service providers. All costs must comply with other applicable EU and programme information and publicity rules.

The costs of external expertise shall be paid on the basis of contracts or written agreements of equivalent value, supported by tangible and documented invoices or claims issued by the providers of goods/services.

Eligible expenditure under this category shall be limited to the following:

- Studies or surveys (e.g. evaluations, strategies, concept notes, design plans, handbooks)
- Translations;
- Development, modifications and updates to IT systems and website;
- Promotion, communication, publicity, promotional items and activities or information related to the project;
- Intellectual property rights;
- Expenditures for external experts, lecturers, trainers, moderators, interpreters;

- Travel and accommodation for external experts, lecturers, trainers, moderators, interpreters, chairpersons of meetings and service providers;
- Other specific expertise and services needed for the project.

⚠ IMPORTANT All unit rates must be according to the market prices at the time of submission of the project proposals

Form of reimbursement:

Costs related to external expertise shall be reimbursed by the Programme on the basis of real costs and supporting documents proving the expenditures need to be presented at the verification stage.

➤ **Service costs (costs for event organizations):**

Services costs shall be the followings:

- Expenses for rent of hall for meetings, trainings, conferences, etc.;
- Expenses for rent of equipment - translation equipment, audio equipment, IT equipment, etc.;
- The expenditure for rent of vehicle for participants in the events (car, van, minibus, bus, etc.);
- Expenses for coffee breaks, refreshments, lunches and dinners for participants in the events;
- Accommodation costs;
- Expenses for purchase of consumables and materials for the participants in the events - paper, files, folders, cases, CDs, printing of invitations, agenda, presentations, etc.

Form of reimbursement:

⚠ IMPORTANT

Partners can report Service costs (costs for event organizations) covered by **BC 4. External expertise and services costs** on the bases of **the unit cost or real costs**.

In case the expenditures shall be reimbursed on the basis of real costs all supporting documents proving successfully implementation of the event, achieving the outputs, number of participants and etc. must be available for control purpose at the verification stage.

In case the expenditures shall be reimbursed as unit costs, so defined costs according to the duration of the event and number of participants should be respected:

- **18,00 EURO per participant in one day events;**
- **73,00 EURO per participant in multi-day events.**

Example:

* Example for calculation of the amount for 1 day event per 20 participants:

1 day * 20 participants = 20 units

20 units * unit costs EUR 18 = total costs EUR 360

* Example for calculation of the amount for 2 days event per 20 participants:

2 days * 20 participants = 40 units

40 units * unit costs EUR 73 = total costs EUR 2 920

The event unit cost per participant cannot be claimed for:

- an event consisting of only evening programme with a dinner or similar get-together;
- an evening programme with a dinner or similar get-together which is followed by an actual event on the next day;
- working meetings with contracted external experts when meeting only with a partner organisation, for example external project management, book-keeping, content expert;
- working meetings with programme bodies (Managing Authority, National Authority, Joint Secretariat), when meeting only with a partner organization.

5. Equipment costs

Expenditures for equipment include costs on equipment purchased by a partner and what is necessary to achieve the project's objectives.

Equipment costs are limited to the following items:

- IT hardware and software;
- furniture and fittings;
- laboratory equipment;
- machines and instruments;
- tools or devices;
- other specific equipment needed for operations.

Equipment should be clearly and strictly linked to the project and exclusively used for the project implementation;

Equipment must be purchased in compliance with procurement rules, described in point 1.7.

Depreciation costs - for 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 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. 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). The depreciation costs of equipment can never exceed the purchase price of the equipment.

Form of reimbursement:

Costs related to this budget category shall be reimbursed by the Programme on the basis of real costs and supporting documents proving the expenditures need to be presented at the verification stage.

6. Costs for infrastructure and works

The costs in this category relate to the investment in infrastructure and works, necessary to achieve the objectives of the project.

The expenditures for infrastructure and works shall be limited to the following elements:

- building material;
- labor;
- specialized interventions (such as soil remediation, mine-clearing).
- works;
- supervision of works;
- authors supervision;

⚠ IMPORTANT

Costs of purchase of land and buildings are not eligible.

Form of reimbursement:

Costs related to this budget category shall be reimbursed by the Programme on the basis of real costs and supporting documents proving the expenditures need to be presented at the verification stage.

7. Project Preparation costs (PPC)

Preparation costs shall be the following:

- 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);
- other costs necessary to submit a valid application form.

Form of reimbursement:

Projects approved for financing by the Monitoring Committee and have concluded a Subsidy contract with the Managing Authority are entitled to receive the reimbursement of the preparation costs in a form of a **real cost up to a maximum EUR 12 000** for project proposal preparation. Each project partner is entitled to receive a share of the project preparation costs however, this is optional and applies only when there is a justified need for such reimbursement. If applicable, each partner must indicate their intended share within the total eligible amount. The distribution of preparation costs also must be clearly defined in the Project Partnership Agreement (Annex 1).

The PPC may only be declared with the first interim payment request.

📌 IMPORTANT FOR THE REAL COSTS OPTION:

The PPC are eligible if they are incurred (carried out) after the date of 1st of January 2021 and before the submission of the project proposal.

The PPC should be carried out before or on the date of submission of the project proposal at the latest. It means that all supporting documents as invoices, acceptance protocols, lists, etc., should be issued before or on the date of submission of the project proposal to the Managing Authority at the latest. In case of sub-contracting, procurement rules specified in point 2.6 should be applied.

📌 IMPORTANT

The activities that have already been covered by any other EU funds are not eligible. The project partners should submit a declaration of no double funding for project preparation (if planned such expenditures).

2.3.5 Currency exchange

Offers and Financial statements at the application stage, as well as expenditure incurred by project partners in a currency other than the EUR shall be converted in to Euro by using the monthly accounting rate of the European Commission (http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm) in the month during which expenditure was submitted.

2.3.6 Eligible expenditures for VAT

The expenditures for VAT is eligible for operations the total cost of which is below EUR 5 000 000 (including VAT). The respective national VAT legislation must be taken into consideration when budgeting project costs by each project partner in the project proposal.

2.4 How to get the Applicants' Package and fill in the Application Form

Prior to preparation of the project proposal and electronic filling the application form in Jems, the potential applicant must carefully review the content of the Application Package, available on the

following websites:

- Programme website: <https://ipa-bgrs.mrrb.bg/>
- MA website: www.mrrb.bg
- NA website: www.mei.gov.rs/eng/
- EU Structural Funds in Bulgaria website: www.eufunds.bg

Instructions for completing the project proposal JEMS, available on the following websites:

- Jems website: <https://jems-bgrs.mrrb.bg/>
- Jems manual: <https://jems.interact.eu/manual/>

The applicants may submit questions of substance in written form up to 21 calendar days before the deadline for submission of proposal. The JS will reply no later than 14 calendar days before the deadline for the submission of proposals.

Questions may be sent by e-mail or by fax to the address listed below, indicating clearly the reference of the Call for Proposal - No 2021TC16IPCB007 – 2025 – 7

Tel/Fax: + 359 2 940 5 666

E-mail: js_sofia@mrrb.government.bg

In the interest of equal treatment of applicants, the Programme Authorities cannot give a prior opinion on the eligibility of an applicant, a partner, an action or specific activities.

All questions received by the potential applicants, together with their answers, will be published on the Programme website: <https://ipa-bgrs.mrrb.bg/>

The Application Form and Annexes must be filled in English. The supporting documents issued by national/local authorities or other bodies shall be attached in the original language accompanied by a translation in English.

Please complete the application form and its annexes carefully and as clearly as possible so that it can be assessed properly.

⚠ IMPORTANT

Please complete **all sections of the Application form in JEMS and its Annexes** carefully and as clearly as possible in order for your Application to be assessed properly.

The electronic version of all documents (file types) must be in line with the below mentioned formats. Please note that scanned version of the Application Form must be signed on each page by the Lead Partner or signed by electronic signature

[Detailed information for the Application Form is provided in https://jems.interact.eu/manual/ section User Manual, Application/Project details, Application Form.](https://jems.interact.eu/manual/)

3. Annexes

⚠ IMPORTANT

The Application Form, all Annexes (A) and Supporting Documents (B) must be

presented in scanned version (or signed with electronic signatures) using the Electronic System (JEMS). The scanned (or signed with electronic signature) version of the Application Form must be signed and stamped by the Lead partner or signed with electronic signature.

Each document from the lists below **must be signed and dated (or dated and signed with electronic signature)** according to the requirements, **and then scanned (or presented) and titled as a separate file.**

In case of signed with electronic signature documents, the electronic signature should be issued to the legal representative of the respective project partner as such and not as individuals.

In case a project proposal is selected for contracting, the Managing Authority shall request from the Applicant to present **the online submitted documents in original paper version as well. Failure to do so on the part of the Applicant, or in case discrepancies are found between the scanned and paper versions of the documents, shall result in decline of signature of Subsidy contract.**

Regardless of the above, throughout the whole assessment and selection process the Managing Authority reserves its right **to ask the Applicant to submit the already presented scanned documents in hard copies as well, in order to verify their correctness.**

3.1. Annexes (A)

The following Annexes should be filled in according to the template and submitted together with the Application form:

Mandatory Annexes

A1. Project Partnership Agreement – signed and dated by all partners;

A2. Partnership and Co-financing statement – signed and dated and provided by each partner;

A3. Project Partner declaration – signed and dated and provided by each partner;

A4. Declaration of e-mail address of the Lead Partner – signed and dated by the Lead partner;

A5. SMEs declaration – signed and dated, provided by each partner;

A6. De minimis state aid declaration - signed and dated and provided by each partner;

A7. DNSH declaration - signed and dated and provided by each partner;

A8. Climate proofing assessment (template *xlsx file) - signed and dated/electronically signed by each partner (Please read carefully the Explanatory note on how to fill this document Available at: <https://ipa-bgrs.mrrb.bg/en/term/1/node/155>. Additionally the complete Guide from EC can be found at: <https://ec.europa.eu/newsroom/cipr/redirection/document/79866>)

A9. Declaration circumstances under Art. 51 - signed and dated and provided by each partner

⚠ IMPORTANT

All the annexes may be signed **electronically with electronic signatures**. In case the Annexes are signed with electronic signatures, it should be dated, **but the stamps of the respective organizations are not required**.

In case of signed with electronic signature Annexes, the electronic signature should be issued to the legal representative of the respective project partner as such and not as individuals.

⚠ IMPORTANT

Please note that **the e-mail address, provided by the Lead partner in Annex A4**, shall be used by the Programme bodies as the **only official communication channel with the Applicant during the entire assessment, selection and pre-contracting process in terms of requests for additional clarifications, notification for selection results, etc.**

The e-mail address should be functional and must be regularly used and checked by the Lead partner, as the Managing Authority shall bear **NO responsibility in cases when the Applicant does not respond to a clarification request within the set deadline or fails to meet other deadlines!**

Furthermore, any requests for clarifications and notifications shall be deemed to have been received on the date upon which the Managing Authority has sent them to the Lead partner at the e-mail address.

3.2. Supporting Documents (B)

The following Supporting documents should be provided and submitted together with the Application form:

Mandatory supporting documents:

B1. Decision of the Managing or Steering Boards, Board of Directors or any similar body or managing person depending on the legal form of the SME (for each project partner) regarding the project development, implementation and ensuring the sustainability of the project results for three years after completion of the implementation period – issued in the original language and English translation **signed / signed with electronic signature by respective organization as true copy**. This decision have to indicate the legal representative of the partner.

B2. Certificate issued by the responsible Authority (for the last completed financial year) in each country verifying the main economic activity (according to NACE rev. 2, clearly indicating the main NACE activity and the complementary NACE activities, issued in the original language from the respective authority, and English translation **signed / signed with electronic signature by respective organization as true copy**.

B3. Profit and Loss account and Balance sheet for the last 3 years preceding the application as per National Legislation for each partner. . In the case of linked enterprises all required above

financial statements have to be submitted for all the linked enterprises issued in the original language and English translation **signed / signed with electronic signature by the legal representative as true copy.**

B4. Certificates for Headcount annual work unit (For Bulgarian SMEs Report on employees, wages and other labour costs (Отчет за заетите лица, средствата за работна заплата и други разходи за труд) for the last 3 financial years available. In the case of linked enterprises all required above certificates have to be submitted for all the linked enterprises issued in the original language from the respective authority, and English translation **signed / signed with electronic signature by respective organization as true copy.**

B5. Justification for expenditures planned as lump sum costs under Budget category 4 (signed /signed with electronic signature by respective organization (in PDF format)) – each project partner should provide justification for calculation of the amount planned as lump sum costs in English, signed by the legal representative. This justification should contain at least:

- detailed description of the proposed activity;
- calculation of the envisaged experts' input, including number and type of experts needed, days/months of involvement and remuneration unit rate;
- detailed description of the expected outcomes from the activity and calculation of the price;
- any other additional information the applicant may find appropriate for justification of the proposed cost.
- project development, implementation and ensuring the sustainability of the project results.

📌 IMPORTANT

In addition to all annexes (A1-A8 and supporting documents (B1-B5)), the following supporting documents must be presented for the investment activities.

B6. Supporting documents concerning INVESTMENT ACTIVITIES

B6.1. 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. Ownership act or certificate or Long term lease agreement** (or other legal document according national legislation).

B6.1.1 Recent cadastral map of the property – issued in the original language and English translation scanned in PDF file format, stamped and signed/ signed with electronic signature by respective organization as true copy.

B6.2. In case of investment activities within territories/objects with special status (National parks, environmental and architectural reserves, cultural monuments, protected areas, areas included in Nature 2000 etc.) relevant documentation (permits, approvals, certificates, statements, etc.) required by the respective national applicable law - issued in the original language and English translation **signed/ signed with electronic signature by respective partner as true copy.**

B6.3. Copy of letter issued by the relevant body clearly stating that Environmental Impact

Assessment is not necessary - issued in the original language and English translation **signed/ signed with electronic signature by respective partner as true copy**. (Applicable in accordance with the respective national legislation requirements):

OR

Copy of positive Environmental Impact Assessment (positive opinion from the relevant body), required by the national legislation - issued in the original language and English translation **stamped and signed/ signed with electronic signature by respective partner as true copy** (applicable only for Bulgarian partners)

B6.4. At the pre-contracting stage, applicants have to submitted copy of letter issued by the relevant body clearly stating that the project proposal is eligible according to the current River Basin Management Plans and Flood Risk Management Plans - issued in original language and English translation **signed/ signed with electronic signature by respective organization as true copy (for Bulgarian partners only in case the required information is not included in B6.3)** .

B.6.4.1 For Serbian partners: In cases where construction, reconstruction, or rehabilitation activities are planned, beneficiaries must provide valid Location Conditions (Lokacijski uslovi). This document, issued as part of the permitting procedure, may include requirements related to environmental impact assessment, water management, and river basin protection. For projects that do not involve construction works, no such document is required, as Serbian legislation does not foresee the issuance of equivalent certificates for equipment supply or other non-construction activities.

B6.5. Explanatory note for the envisaged prevention measures for avoiding pollution of water bodies in emergency situations by respective organization (if applicable) - issued in original language and English translation **signed/ signed with electronic signature by respective partner as true copy**.

B6.6. Approved Detailed Works Design submitted in .pdf format (if applicable according to the relevant legislation), issued in the original language and English translation **signed/ signed with electronic signature by respective partner as true copy**. English translation should be provided at least of the Explanatory Notes of each of the works design parts, Bill of Quantities, Cover sheets of technical drawings and any other parts of the investment project designs that the applicant thinks might contribute to better assessment.

A) In case of investment activities which according to national legislation **require approval** of works design applicants should present:

- Approved Detailed Works Design;

For Bulgarian partners

The works design (in the means of Chapter 8, section 1 from Bulgarian Spatial Law) should be elaborated according to Ordinance 4/21.05.2001 for the volume and the content of investment projects. The works design should be approved by the relevant authority, which should be certified with the seal of the authority placed on the works designs.

For Bulgarian partners the authority responsible for the approval of the investment project designs is defined in article 145 (1) from Bulgarian Spatial Law.

For Serbian partners

Project for Works Design (Projekat za gradjevinsku dozvolu), elaborated in accordance to the Law on Planning and Construction of Republic Serbia. In case that Project for works design is not mandatory for the planned construction works according to the Serbian legislation - **Preliminary Design** (Idejni projekat), elaborated in accordance to the Law on Planning and Construction of Republic Serbia, valid on the date of deadline for submission of project proposals under the current call;

All construction activities (for both Bulgarian and Serbian partners) should be supported by:

- Explanatory note;
- Bill of quantities and prices (referred to here and afterwards as Bill of Quantities) including all parts of the works designs.

The Bill of Quantities should be presented in the form of a table with indicated at least type of the works (including water and sewage works, electrical installations, mechanical installations, installations and fire protection, landscaping, architecture and construction, elevator installations, etc.) unit, estimated quantity, unit price, amount of the type of the construction works, total amount of the bill of the quantity. Where possible the Bill of Quantities should be supported with a breakdown per investment sites or per parts of the works designs. Calculations for the unit prices of the types of construction/repair works may also be presented.

The Bill of Quantities may be presented in the local currency of the project partner. In these case the table of the Bill of Quantities should mandatory include a column with the unit price in EUR for each type of construction/repair work and a column for the amount in EUR of that type of construction/repair work.

The Serbian partners should convert the local currency into EUR using the monthly exchange rate of the European Commission for the month of the submission of the project proposal.

The Bill of Quantities should be stamped and signed by the certified designers of relevant parts of the works designs, (the document must be signed with an electronic certificate by the authorized designer, separately for each type of work). Bill of quantities are presented by the applicant as scanned originals in PDF file format and English translation **signed/ signed with electronic signature by respective partner as true copy** and also in an editable EXCEL file format.

B) In case of investment activities which according to national legislation **do not require approval of works design** applicants should present:

- Statement by the competent authority, which declares that the envisaged construction/repair works do not require approval of works design **in the original language and English translation signed/ signed with electronic signature by respective partner as true copy**;

- Bill of quantities (as described under point A) above);

B6.6.1 Technological production line scheme(s)/plan(s) and Explanatory note on the technical solutions planned obligatory for all type of activities in BC 5 and BC6 in the original language and English translation signed/ signed with electronic signature by respective partner as true copy.

B6.7. Construction permit or Placement permit, at the pre-contracting stage, for all the works activities of a project partner which according to national legislation require a building permit or placement permit for installation of productive equipment, validated “entered into force” by the respective authority - issued in original language and English translation **signed/ signed with electronic signature by respective partner as true copy and submitted no later than the pre-contracting stage.**

A) In case of works activities which according to national legislation **require a construction permit** applicants should present:

- Validated by the relevant authority Construction Permit or Placement Permit - issued in original language and English translation **signed/ signed with electronic signature by respective partner as true copy;**

Serbian partner should present Valid decision on construction permit (Rešenje o građevinskoj dozvoli) issued according article 135 of the Law on Planning and Construction of Republic Serbia in force, or valid decision on approval of construction works (Rešenje o odobrenju izvođenja radova) issued according article 144 - 146 of the Law on Planning and Construction of Republic Serbia in force. In the case of construction works for which issuing of the Decision on construction permit or the Decision on approval of construction works design is not mandatory, the applicants have to present a statement by the relevant institutions for the exception of necessity to obtain an Act/Permit/Decision, issued in the original language and to present situation drawings, supported with the following documents, translated in English:

Explanatory note and detailed Bill of Quantities.

B) In case of works activities which according to national legislation **do not require a construction permit** applicants should present

- Statement by the competent authority, which declares that the envisaged repair works do not require issue of construction permit - issued in original language and English translation **signed/ signed with electronic signature by respective partner as true copy.**

📌 IMPORTANT

For Bulgarian partners the investment activities which do not require approval of works designs are defined in Article 147 (1) of the Bulgarian Spatial Law.

For Bulgarian partners works which do not require issue of construction permit are defined in Article 151 (1) of the Bulgarian Spatial Law.

For Bulgarian partners, in all cases in which the investment activities require the approval of construction projects, they should have the scope and content of at least "technical project designs" according to Article 139 (1), item 1 of the Bulgarian Spatial Law and be elaborated in accordance with Ordinance 4/21.05.2001 for the volume and content of the investment projects.

B7. In case of Supply of equipment, the applicants should present:

- **Detailed technical specifications for supplies** with units, unit prices and total prices in Euro - issued in the original language and English translation **signed/ signed with electronic signatures by the respective partner**. Detailed technical specifications should be clear enough for determination of the seeking deliverables (if applicable);
- Market analysis for similar equipment or **3 official offers** fully corresponding to the technical specifications from different providers, licensed authorized dealers (if applicable), for the envisaged supply (signed by respective provider) - issued in the original language and English translation **signed/ signed with electronic signatures by respective partner as true copy**.

In order to overcome the impact of future inflation and price instability, the expenditures included in the budget based on the above market analysis could be increased with the average of the **national inflation of the last 3 years** before the application submission, but **not more than 10%**.

In addition, to have a realistic budget of their project, the partners may make use of the statistical data on prices available at the level of each country, if applicable.

The average shall be calculated at the level of partners, in accordance with the national inflation rate.

👉 IMPORTANT

Please note that **in the technical specifications for supplies the trademarks and models must not be indicated!**

Any other documents/permissions/authorizations/etc. concerning the project should be provided as Annexes.

👉 IMPORTANT

In addition, project partners may present separate documents with justification of expenditures planned in the budget for implementation of different activities. These documents will be taken into account during the assessment, budget optimization and projects' content modifications procedures and pre-contracting.

👉 IMPORTANT

Supporting documents must be supplied also in English translation (signed by respective organization as true copy or signed with electronic signature by the legal representative of the

respective organization) or at least the relevant parts of these documents, proving the partners' eligibility must be translated in English. The translated version will prevail for the purposes of **evaluation of the application.**

3.3. Documents for information (C)

The following documents are provided for information only:

C. Subsidy contract - draft version (for information purposes only).

A8.1. Explanatory note for climate proofing assessment (for information purpose only)

⚠ IMPORTANT

The Assessment Working Group/Evaluation Committee may **request additional documents or corrections at any stage of the assessment.**

4. How to Submit the Application

⚠ IMPORTANT

The project proposal must be submitted entirely in electronic form using the Joint Electronic Monitoring System (JEMS) - <https://jems-bgrs.mrrb.bg/>

No paper submission of documentation is required under this Call for Proposals.

Detailed instructions for access to the electronic system and submission of project proposal are provided in <https://jems.interact.eu/manual/> section User Manual, Application/Project details, Application Form.

The applicants are encouraged to follow the official website of the programme for actual information regarding upcoming info days within this Call.

The Annexes must be submitted using the forms included in the Application Package. Modifying the standard Annexes will result in the rejection of the Application.

The Application Form must be filled in English. The Supporting documents issued by national/ local authorities or other bodies shall be attached in the original language accompanied by a translation into English (as described in Section 3).

The documents issued by public authorities or other bodies should be scanned (when are issued on paper) or presented signed with electronic signature of the respective authority/other bodies issued the document (in case are signed with electronic signature). The documents for the project partners should be uploaded in Jems, section Application annexes, in respective section for each project partner. The documents related to investments, described in Work packages, should be uploaded to the respective number of investment in section Application annexes, Investment documentation. The signed/ signed with electronic signature final version of the AF should be uploaded in section Application annexes, Application attachments.

5. Deadline for Receipt of Applications

⚠ IMPORTANT

The deadline for submission of the Project proposal in **JEMS system is March 31, 2026, 17:00 h Bulgarian local time.**

The application registered after the deadline will automatically be rejected.

6. Assessment and Selection of Applications

The project assessment and selection criteria prepared by the Managing Authority together with the National Authority and the Joint Secretariat are approved by the Monitoring Committee (MC).

The assessment of the project proposal is performed by Assessment Working Group (AWG), consisting of Chairperson, Secretary and voting members, all from the Managing Authority, the National Authority, the Joint Secretariat and external assessors, and consist the following parts:

- **Step 1: Verification of the submitted proposal** – performed by the AWG;
- **Step 2: Administrative compliance and eligibility check**– performed by the AWG;
- **Step 3: Technical and quality assessment** – performed by the AWG, supported by external assessors.

⚠ IMPORTANT

The application **registered after the deadline will automatically be rejected** and will not be subject of assessment.

In order to be proposed for financing, the project must be submitted within the deadline, must fulfil all administrative, eligibility and technical and quality criteria.

The results of each part – Verification of the submitted proposals, **Administrative compliance and eligibility assessment step** and **Technical and quality assessment step** will be summarized in the form of two separated reports provided by the AWG and presented for approval respectively to the MC.

The MC will approve projects for financing until exhaustion of funding allocated for this Call for Proposals. The MC may also decide on creating reserves lists for project proposals, which have passed the assessment, but for which funding under the present Call for Proposals is unavailable.

Each Lead partner will be informed with an official letter, signed by the MA on behalf of MC, about the decision of the MC on the approval/placement on the reserves list/rejection of their project. For the approved projects this letter will also provide information on the next steps. Upon receipt of the letter and in case of disagreement with the outcome, each Lead partner may issue a complaint towards the decision of the MC, following the standard complaint procedure described in Attachment 2 “Complaint Procedure” to these Guidelines for Applicants.

Potential applicants may find the detailed description of the project assessment and selection criteria in Attachment 5 “Assessment and Selection of Applications” to these Guidelines for Applicants.

Before the assessment of the project proposal begins, a preparatory meeting of the AWG is organized. The purpose of the meeting is that all members of the AWG get familiar with the Guidelines for Applicants and Application Package, as well as the rules to be observed during the entire evaluation process.

At the conclusion of the preparatory meeting the Chairperson of the AWG **verifies the electronic submission of project proposals through the Jems.**

Only the proposal having met the submission deadline is subject to assessment.

The administrative compliance and eligibility check will be carried out by voting members of the AWG under the supervision of the Chairperson. The proposal will be examined by representatives of each country, filling in "yes" or "no" answer in the administrative compliance and eligibility check part of the grid, as published in Attachment 5.

If the project proposal has received "No" on a specific criterion/a, the AWG could request additional documentation or corrections of the already submitted documents or project proposal.

The Assessment Working Group may request submission of additional documents / corrections of already submitted proposal / certified translation in English of any Supporting Document (in case the presented translation is considered as not convincing) during entire evaluation process.

All requests for additional documentation/corrections shall be sent to the email address, provided by the Lead partner in Annex A4, which shall be used as the only official communication channel with the Applicant during the entire assessment process, and will contain clear instruction concerning the deadline for submission of the information and any other instruction if necessary. The deadline for submission of the information by the Applicant will to be defined, depending on the type of the requested information/correction/supporting document/s but shall be not less than 5 working days. The Managing Authority shall bear NO responsibility in cases when the Applicant does not respond to a clarification request within the set deadline. Furthermore, any requests for clarifications and notifications shall be deemed to have been received on the date upon which the Managing Authority has sent them to the Lead partner at the e-mail address, provided in Annex A4.

Technical and quality assessment

The aim of the quality assessment is the project proposal to be evaluated in relation to the set objectives and priorities, and ensures that the selected operation comply with SO 1.3 which will guarantee the visibility of the Community funding.

The technical and quality assessment of the project proposal is carried out taking into account the submitted project proposal, annexes and supporting documents, including the additionally requested documents and corrections.

[Detailed information related to the projects assessment is provided in Attachment 5. Administrative compliance and eligibility and Technical and quality assessment for SO 1.3.](#)

Completion of assessment and conduction of pre-contracting procedures

The Programme bodies shall conduct a series of pre-contracting procedures with the applicants,

including the following:

1. Documentary check of presence/lack of double financing – assessment of whether or not the proposed action/s has not already been financed under other EU funded Programmes;
2. Performance of on-the-spot visit of the investment projects, which include works components and the supply of equipment – assessment of whether or not the object, subject to the proposed investment, really exists and is in a physical condition as described in the project proposal and/or has not already been developed or is currently under development and whether the SME exist on the reported address and has venue for the instilment of the proposed equipment;
3. Budget optimization and projects' content modifications – final review of the budgets of the proposed projects, including seeking additional justifications for proposed costs and making revisions of unit rates, based on both the recommendations of the internal/external assessors and the good practices of the MA and NA in terms of transparent and market-oriented financial allocations. Additionally, a verification procedure concerning additional documents will be conducted, as specified during the previous stages, in cases where additional documentation was requested prior to contract signature.

Based on the assessment results and performed pre-contracting procedures, a final Report shall be submitted for approval to the MC, outlining assessment and individual findings for each project proposal, which may recommend:

- Project proposals approved for funding based on the assessment results and conducted pre-contracting procedures;
- Project proposals not approved for funding based on the assessment results and conducted pre-contracting procedures.
- The project proposals cannot be recommended for funding in any of the following circumstances (regardless of the assessment results) – lack of common agreement on the performed budget optimization; additional documents as requested are not provided; there are substantial discrepancies between the physical condition of the object, subject to investment activities, specified in the project proposal and its present status (as identified during the on-the-spot check); there is an indisputable evidence of double financing.

7. Contracting

Contracting is the procedure carried out in order to conclude a Subsidy contract between the Lead Partner and the MA for the implementation of a project, approved for financing by decision of the MC. This means that the Lead partner is responsible for implementation of the whole project.

⚠ IMPORTANT

The Lead partner shall sign a Subsidy contract for the whole amount of the approved budget (including the total IPA funds) with the Managing Authority.

The implementation of the project may start only after the Subsidy contract is signed by both the

MA and the Lead partner and is registered in the Registry system of the MA.

Draft Subsidy contract is presented in Annex C to these Guidelines for Applicants.

INDICATIVE SCHEDULE FOR SELECTION AND CONTRACTING	
Type of procedure	Term for implementation*
Administrative compliance and eligibility check	Up to 2 months after the deadline for submission of project proposals
Technical and Quality assessment of project proposals and pre-contracting procedures.	Up to 2 months after publication of the results from Administrative compliance and eligibility check
Contracting	Up to 1 month after approval of the project proposal by the MC

** Please, note that the term for implementation of the respective procedure is indicative and depends on the number of the project proposals received under the Call for proposals.*