Interreg IPA Cross-border Cooperation Programme

Croatia-Serbia 2014-2020

2nd Call for Proposals

FREQUENTLY ASKED QUESTIONS

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Interreg - IPA CBC
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1. INTRODUCTION

The First Call for Proposals of the Interreg IPA CBC Programme Croatia – Serbia 2014-2020 was opened from March to July 2016. A total of 127 innovative project proposals have been received, proving the need for a cross-border approach in which challenges of the programme area will be addressed. Within the First Call, 23 projects have been contracted and are currently in implementation. The Second Call for Proposals will be opened from 30 March 2018 until 5 July 2018. New and innovative project ideas are expected to be submitted, providing solutions to recognized challenges and needs of the Programme's four Priority Axes.

A proper understanding of the application process, as well as the Interreg project management cycle, is crucial for successful applying on the Second Call for Proposals. Therefore, the Joint Secretariat and Managing Authority have developed this document with an overall goal of building a common understanding of the application process and providing answers to most frequently asked questions.

The answers provided here are meant to provide practical advice in the project proposal application process. By presenting this document our aim is to raise the overall quality of project proposals that will be submitted and ensure successful Programme implementation by providing everyday support to applicants.

Disclaimer

Please note that this is not a legally binding document. Answers provided in this document have been prepared by the Joint Secretariat and Managing Authority of the Interreg IPA CBC Programme Croatia – Serbia 2014-2020 and should serve as a tool to help applicants during the application process. In addition to using this document, applicants must carefully read the Guidelines for Applicants, other documents of the Application Package, Programme rules and relevant EU and national legislation.

Please bear in mind that the final decision concerning eligibility of applicants (Lead Partner and Project Partners), activities and expenditures will be brought by the Joint Steering Committee during the process of assessment of applications and is subject to final approval by Joint Monitoring Committee. Therefore, we cannot give a prior opinion on the eligibility via Questions and answers tool.

2. GENERAL

✓ What can I apply for?

The Interreg IPA CBC Programme Croatia-Serbia 2014-2020 is open only to project proposals that address common challenges and needs defined by the Programme which are reflected in four Priority Axes.

The positive change that the Programme expects to achieve by the end of the programme period 2014-2020 is defined through the specific objectives which are designed for each Priority Axis.

Therefore, each project proposal submitted within the 2nd Call for Proposals must be developed under only one Priority Axis and has to contribute to one specific objective.

✓ What is the difference between output and deliverable?

The project output is a concrete outcome of the activities funded and implemented; telling us what has actually been produced for the money given to the project. Project deliverable is a side-product or service of the project activity that contributes to the development of a project's outputs. Therefore, several deliverables contribute to one project output. For example, project output is 146 km of hiking paths renovated, and project deliverables are maps of the hiking paths, informational tablets for the hiking paths, trash containers for the hiking paths, etc.

Please take into account that each project output should be captured by a Programme output indicator!

✓ Which indicators are relevant to my project?

The indicators are measurable units which are used to assess the efficiency and effectiveness of the implementation of Programme and projects. Each Priority Axis has defined programme output indicators to measure the achievement of the quantitative targets at Programme level, whereas project outputs as direct outcomes of the project activities should be aligned/captured by programme output indicators and thus contribute to the Programme efficiency and effectiveness. Therefore each project submitted within the 2nd Call for Proposals must address one or several Programme output indicators, which contributes to Programme results (*Programme result indicator*). For example, a project planning to revitalize a historic site by improving existing infrastructure will select the Programme output indicator *Number of tourism supporting* *facilities and/or tourism infrastructure developed or improved* and Programme result indicator *Number of overnights in the programme area.*

✓ How will my project contribute to Programme result indicator?

The result indicator is a tool to measure the impact the Programme has made on its Programme area. Each project (and respective results) must contribute to the achievement of a Programme result indicator (within related priority Axis) and this contribution has to be clearly described, demonstrated and verifiable. For example, a project planning to revitalize a historic site should address and improve potentials in tourism and cultural and natural heritage in order to increase the number of overnights in the Programme area.

✓ What are Programme communication output indicators?

Programme communication output indicators are tools for measuring the achievement of communication goals of the Programme. In accordance with Programme Communication Strategy, the Applicants of the 2nd Call for Proposal should address the following communication output indicators:

- Number of trainings conducted
- Satisfaction of the beneficiaries indicated within feedback data collected at events/trainings/meetings above 4 (scoring system 1- 5).

The projects are responsible to monitor the achievement of the Programme communication output indicators during the implementation of project activities. Programme communication output indicators need to be elaborated within Workpackage Communication (section Summary).

✓ How shall my project contribute to Programme output indicators?

Output indicators measure the achievement of the quantitative targets of the Programme at the level of a specific objective. Applicants must choose at least one Programme Output Indicator that is most relevant to the project. In case the project can contribute to more Output indicators Applicants shall quantify all relevant indicators.

Therefore, each project must develop outputs that contribute to and can be captured by the Programme output indicators (they must have the same measurement unit). For example, a project developing a new laboratory specialized in robotics and to be used by the entrepreneurs within the cross-border area will select the Programme output indicator *Number of laboratories and/or competence centers jointly used by the entrepreneurs developed or improved.*

✓ What is the Lead Partner principle?

Within the partnership, one project partner must be appointed as the Lead partner prior to the submission of the Application. The Lead Partner will be responsible for the development and submission of the Application and in case of JMC decision on selection will sign the Subsidy Contract with the Managing Authority. Lead Partner will be responsible for the overall implementation of the project and will represent the whole partnership towards the Programme authorities.

✓ What is the project intervention logic?

The project intervention logic is the most important step in developing a coherent and result-oriented project proposal. It provides a clear link between project and Programme level by presenting the following:

- **Project idea >** the core idea should be designed taking into account common needs of the project partners and untapped potential, defining the *how, what, why, for whom, where* and *when* of the project.

- **Project main (overall) objective and result/s >** what is the project proposing to achieve and the overall context of introducing a change (what kind of impact will the project have) must be clearly described and further elaborated through specific objectives.

- **Project specific objectives >** what are the positive changes the project seeks to achieve and the direct contribution of those changes to the project main (overall) objective?

- **Project outputs >** in order to contribute to the project result and accomplish the proposed change, an outcome of activities funded has to be provided and linked to measurable targets (project outputs).

- **Work plan >** activities, deliverables, work packages and time plan have to be created in a logical way, making it easy to understand how will the activities accomplish the expected change.

All of the abovementioned elements must be interrelated with the Programme intervention logic, thus linking project elements to the selected Programme Priority Axis, Specific Objective and Output Indicator/s.

3. ELIGIBILITY

✓ Is there any restriction regarding the number of projects per applicant?

Under the 2nd Call for Proposal (in further text CfP) one institution/organization may be selected for funding as a Project Partner in maximum four (4) projects, out of which the same institution/organization may be selected for funding as a Lead Partner in maximum two (2) projects within different Priority axes.

✓ Is there a proportionality required regarding the number of partners on each side of the border involved in the implementation of the project?

A partnership must consist of at least two (2) partners, one from each participating country. The maximum number of partners in the Application is five (5) including the Lead Partner. There are no other provisions regulating a minimum or a maximum number of partners from each side of the border, however, the partnership should reflect the activities implemented through the project.

✓ Is it necessary for the Lead Partner to be registered in the Programme area?

According to GfA, section 2.3.1. (Eligibility of Applicants) the applicant must be registered in the respective participating country (Croatia and/or Serbia), regardless of the Programme area.

✓ What are grants? What does it mean minimum and maximum grant size and how are grant sizes applied to projects submitted under the 2nd CfP?

The total project budget (the budget all project partners included in the project proposal) consists of the EU (Programme) contribution and National contribution. Grant is awarded from the EU (Programme) budget and refers only to EU contribution that can amount to max. 85% of the total project budget. The National co-financing (own contribution) of the project proposal must be ensured by the project partners and must amount to min. 15% of the total project budget.

Please note that for the 2nd CfP the Programme has set a minimum and maximum grant values per project for each Priority Axis and that each project proposals must comply within the set values in order to be selected for financing. Therefore, to establish if your project proposal falls between the minimum and maximum grant values set up for each Priority Axis, please take into account only the amount of EU contribution.

Example: In Priority axis 2 the minimum grant size per project is set at 500.000,00 EUR and the maximum grant size is set at 2.000.000,00 EUR. A project proposal submitted under PA 2 with a total budget of 500.000,00 EUR does not comply with allowed grant sizes because the requested grant of the project is 85% of the 500.000,00 EUR which is 425.000,00 EUR. However, a project proposal submitted within PA 2 with a total project budget of 2.300.000,00 EUR complies with set grant sizes because the requested grant of the project proposal is 1.955.000,00 EUR (85% of the total project budget).

- ✓ **If the institution is implementing a project from the 1st Call for Proposals, is this institution eligible to apply on the 2nd Call for Proposals?**

No provisions have been set out under the 2nd CfP which prevent or limit institutions who are Lead Partners or Project partners on projects currently being implemented under the 1st CfP to apply on the 2nd CfP. However, please bear in mind that competency in managing EU funded or other international projects, eligibility of partners, cooperation criteria and duties and involvement of Lead Partner and project partners will be evaluated during the assessment of project proposals. Additionally, please pay attention that double financing is not eligible i.e. project expenditures financed by Programme funds must not be financed from other sources (the Union Funds or other national Funds).

- ✓ **How are reimbursement options applied for staff costs among partners on the project?**

Each Applicant must decide on the reimbursement option (Flat rate or Real cost basis) and indicate the choice in the Application/budget. The chosen reimbursement option will apply to all staff members of the partner institution working on the operation and it will be set for the entire implementation period of the operation. However, different partners in the same project may choose different options for reimbursing staff costs.

- ✓ **Should a project budget include VAT or not?**

An applicant from the Republic of Croatia:

Please note that according to the current procedures applied in the Republic of Croatia, VAT is eligible if it cannot be refunded in line with the following options:

- Partner institution is registered in VAT system (obliged to pay VAT and will get recovery from the VAT paid) = planned budget should not include VAT;

- Partner institution is registered in VAT system, but performs only non-economic activities within entire project implementation (therefore shall not be able to recover VAT) = planned budget should include VAT;

- Partner institution is not registered in VAT system = planned budget should include VAT.

An applicant from the Republic of Serbia:

Please note that in the current procedures applied in the Republic of Serbia, VAT is eligible if it cannot be exempted in line with the national legislation. VAT exemption shall be performed for every proforma Invoice which can be exempted from this type of tax.

All relevant documentation will be requested in the contracting phase. For more information please see GfA, section 2.3.3.2.

- ✓ **Does each Project Partner need to be able to ensure total amount of the budget submitted in the Application at the partner's level?**

Each Project Partner is a financing partner and must plan and ensure the funds to cover of all of its expenses required for its part of the project implementation. Please bear in mind that each expenditure incurred and paid by the project partner will be reimbursed in max. amount of 85% of the reported expenditure, following the controls of the eligibility of reported expenditures performed by the First level control, Joint Secretariat, Managing Authority and Certifying Authority. The remaining min. 15% represents partner's contribution.

- ✓ **Can a project partner participate in a project without any co-financing?**

No, because each project partner is a financing partner and must ensure at least 15 % of total partner costs from other sources than Programme (EU) funds.

- ✓ **Is pre-financing possible in the Programme? Does this need to be done for each partner or only for Lead Partner? Does this relate to those 10% project value that Lead Partner can get at the beginning of the project?**

Only Lead Partner (Lead Applicant) on behalf of entire partnership should click the button “I would like to receive pre-financing“ in eMS, section Partners. Pre-financing can be paid by the Certifying Authority in the amount of maximum 10% of the total project budget. Upon signature of the Subsidy Contract, Lead Partner will be responsible for transferring the pre-financing payment to all project partners participating in the project, as stipulated in Article 4 of the Subsidy Contract and Article 5 of the Partnership Agreement that is part of the application package, however, distribution of the pre-financing amounts depends on the agreement between the partners.

- ✓ **How to assess if the project activities fall under the State Aid rule?**

State aid is an advantage given from the state budget on a selective basis to undertakings. An organization is considered to be an undertaking if it’s carrying out economic activity, regardless of its legal status and the way of financing. This means that even a municipality can be an undertaking if it performs an economic activity. The most common example of state aid through project activities is providing educations for entrepreneurs on a selective basis.

Please note that in case your assessment shows that your activities are state aid relevant this does not mean that your project will not be selected for funding.

- ✓ **Can project partner which has received de-minimis aid be financed by the Programme?**

Each Applicant must report any de-minimis support by filling in De-minimis self-declaration (part of LB/PPs statements, which are annexes of the Application). In case the received aid is under the de-minimis ceiling the project partner may be selected for financing under this Programme.

- ✓ **Does the technical documentation has to be ready (construction permit, etc.) when submitting the project application?**

Technical documentation along with all the necessary permissions should be complete and valid so the project is ready to be implemented. However, such technical documentation is not obligatory in the application stage.

In addition, please note that the necessary documents must be submitted to the Managing Authority prior to Subsidy Contract signature as indicated in section 4.2. of Guidelines for Applicants.

- ✓ **Is it possible to prepare the technical documentation and execute construction of the object within the same project?**

Copy of the technical design will be required prior to Subsidy Contract signature as indicated in section 4.2. of Guidelines for Applicants. Therefore, it is not possible to both design and construct an object within the same project.

4. BUDGET

✓ When selecting a real cost option for staff cost is it possible to use different calculation methods for various team members?

All staff members may be engaged to work on project activities in one of the following ways (full time, part-time with a fixed percentage of time worked per month, part-time with a flexible number of hours worked per month or on an hourly basis), respecting the beneficiary internal rules and national legislation, no matter which form of reimbursement is selected. Only forms of reimbursement (flat rate or real costs) are limited per project partner budget.

✓ How to justify costs in the project budget?

It is necessary to provide a clear explanation (field *Comment*) of the amounts planned and it is crucial that the budget amounts are linked to the activities described in the Work package.

✓ Do all members of project team of one partner need to have the same method for reimbursement for budget category Travel and accommodation?

Project partners are those who select one option (only daily allowances or only per diems for their staff) for travel and accommodation costs in their project budget. The selected option of travel costs shall be applied during the whole project implementation. Both options (daily allowances or per diems) should be planned according to national/internal rules.

✓ We are institution outside the Programme area. Can we have project management meetings outside the programme area or do we have to hold these meetings in the programme area?

Activities can be planned and implemented outside of the Programme area, but they have to be justified and for the benefit of the Programme area. (GfA, section 2.3.2.).

✓ Is it possible to create additional expenditure categories?

No, the budget must be structured according to the following expenditure categories (predefined by the Programme):

1. Staff costs
2. Office and administrative expenditure
3. Travel and accommodation costs
4. External expertise and services costs
5. Equipment expenditure
6. Infrastructure and works expenditure
7. Preparatory and closure costs.

However, each expenditure category can contain several budget lines.

Please note that preparatory and closure costs should be included under External expertise and services costs expenditure category.

✓ Are preparatory and closure costs eligible?

Approved and contracted projects are entitled to receive reimbursement of the costs related to the preparation of the project and other related activities that are carried out before signing the Subsidy Contract, as well as closure costs. The closure costs refer to activities of the preparation and submission of the final progress report.

The reimbursement of the preparatory costs will be done in the form of a lump sum in the total amount of up to EUR 3.000 and for the closure costs done in the form of a lump sum in the total amount of up to EUR 2.000. Preparatory and closure costs shall be eligible for funding if incurred and paid from 1 January 2014 for beneficiaries from Croatia, and if incurred and paid after 14 November 2014 for beneficiaries from Serbia. No supporting documentation (e.g. invoices, etc.) should be delivered.

- ✓ **Can all partners receive preparatory/closure costs or only the lead partner?**

Lead partner planes these costs in its budget and receives payment of preparatory and/or closure costs. Distribution of the lump sums depends on the agreement between the partners.

- ✓ **Is only the cost of depreciation of equipment eligible when purchasing equipment?**

In case the project proposal anticipates purchase of new equipment, the costs of that equipment will be eligible in full (equipment shall not be depreciated), taking into account that all basic rules of the eligibility of expenditures are respected. Moreover, please note that one of the general principles of eligibility for equipment is that the equipment must be necessary in order to successfully implement the project activities.

- ✓ **Are travel and accommodation incurred by the beneficiary in order to enable the participation of stakeholders/target groups (such as students, artists, technicians, etc.) to project activities (e.g. events, seminars, etc.) eligible? If yes, under which budget line?**

This kind of costs could be eligible for reimbursement only in the case the involved stakeholders/target groups participate in the project activities on the basis of an official invitation from LP/ PPs, if they actively contribute to the project activities or anyhow bring an added value to the project activities. In these cases, incurred costs can be reported under the "external expertise and services" budget line.

5. APPLICATION

✓ Is it necessary to submit justification of costs (e.g. proforma invoices or offers from several companies for eg. some equipment or service)?

When submitting the Application it is not required to attach additional justification or documentation of costs. However, these documents may be requested in budget optimization phase in case of project approval and it is advised to have them prepared. Please note that more detailed expenditure description in relation to the specific activity of the project should be provided in the section Work plan, within related work package (activity) in the eMS.

✓ Which are the mandatory attachments with the Application?

The following scanned documents (signed by the legal representative of the Lead or Project Partners' organization) must be uploaded/attached to the eMS within the Application: Lead Partner Statement, Project Partner Statements, State-Aid Self-Assessment Questionnaires and Partnership Pre-Agreement. Also, the registration acts of each Partner and Statutes or articles of association/decision on the establishment of the partners should be provided.

✓ Is it possible to add a new Work Package?

The sub-section Work Package List is composed of five work packages (WP Preparation, WP Management, WP Implementation, WP Investment and WP Communication) which are predefined in the eMS, among which three of them are mandatory (WP Management, WP Implementation, and WP Communication). There is no possibility of adding a new type of WP. However, you can define a title of the WP. For further information on Work Packages, please refer to Section 2.4.1. Workpackage List of Application Manual.

✓ Should the Template of the Lead Partner Statement be filled in only by Lead Partner?

Lead Partner Statement is filled in by the Lead Partner only with all information (including Sources of contribution) related to the Lead Partner institution. Every Project Partner fills in the Project Partner Statement with all information (including Sources of contribution) related to the respective Partner institution.

- **Is it obligatory to provide the list of topic related operations (e.g. if the project is related to waste management, only waste management projects should be listed) or all operations funded through above-mentioned funds should be listed, regardless of the topic of the operation for which we apply to this Call?**

It is necessary to provide a list of all projects (co)-financed from the programmes launched by the European Union, EU/EEC Member States or national funds in the last five years.

- **When applying a project that contains infrastructure and works, what documentation needs to be attached?**

For all projects whose activities involve the infrastructure and works, the following documents, where relevant, will be required prior to Subsidy Contract signature (contracting phase):

- legal documents specifying any legal right under the real-estate law concerning the land and/or buildings where the works will be carried out (proof of ownership or long-term lease (10 years) of the land /assets (if applicable);
- where applicable, necessary permissions for the execution of the works, issued by the national/regional/local relevant authorities, such as:
- project design (preliminary works design OR detailed works design including indicative bill of quantities),
- legal permits and all necessary legal authorizations (e.g. location and construction permits, etc.).
- environmental impact assessments (if applicable), etc.

For more details, please consult GfA, section 4.2. Contracting.

- **What needs to be marked in the field *Recover Vat* if a partner is registered in the VAT system, but gets VAT refunds for certain activities, and for project activities will not be able to recover VAT?**

In the eMS, section Partners, in the field “Recover Vat” please state “no” in case partner institution is included in VAT system of the participating country, but performs only non-economic activities within entire project implementation, and therefore shall not be able to recover VAT.

- ✓ **When filling in the State Aid Self-Assessment Questionnaire, is the answer to the 1. the question always "Yes"?**

The answer to the first two questions is always "Yes", because these criteria are automatically fulfilled when applying for Interreg IPA Programmes funding.

- ✓ **Who fills in and signs the State Aid Self-Assessment Questionnaire?**

All project partners (including Lead partner) are obliged to fill the State Aid Self Assessment Questionnaire individually.

- ✓ **What to insert into the field "Target Value" of each deliverable?**

In the field Target value, each deliverable should be quantified in order to check the progress in related activities. For example, for Activity concerning procurement of promotional material, the deliverable may be procured promotional material and the target value is 1.

- ✓ **Is it possible to indicate one project output in both WP Implementation and WP Investment since they will be achievable throughout both Work packages?**

Yes. The same project output can be presented under different work packages (e.g. under WP Implementation and WP Investment), but the related target values cannot contribute to the same Programme output indicator within different WPs. The applicants must define a clear title of each output, specify the target value and provide information about the related activities, explanation of the target value and indicate a source of data, in regards to each Work package which will develop project outputs. The clarity and coherency between the mentioned elements of the Application will also be evaluated during the quality assessment.

6. IMPLEMENTATION

✓ If the project is approved, who will sign the Subsidy contract and how will the grant be transferred to all partners?

The contract will be prepared on the standard template of the Subsidy Contract, which is available as part of Application Package (Model Subsidy Contract). The Subsidy Contract will be signed between Managing Authority and Lead Partner on behalf of all partners listed in the Partnership Agreement. The Lead Partner will be responsible for transferring the EU contribution to the Project Partners participating in the project after the payment from Certifying Authority is made to the Lead Partner.

✓ How and when pre-financing will be paid?

If requested in the Application, within 30 days from the signing of the Subsidy Contract the Lead Partner will receive advance payment in an amount of maximum 10% from the total cost of the project, for the entire partnership. Therefore, Lead Partner will be responsible for transferring the pre-financing payment to all project partners participating in the project.

✓ How does reimbursement work?

Reimbursement of funds during the implementation of the project to the Lead Partner (LP)/Project partner (PP) is done following the approval of costs reported by the LP/PPs in a given reporting period (3 months or 6 months reporting period). A detailed procedure is described in Article 6 of Subsidy Contract that is a part of the Application package.

✓ Having in mind that official language of the Programme is English, which language should be used in correspondence between partners?

All official communication between Lead Partner and the Programme bodies must be carried out in the English language (e.g. clarifications, complaints, reporting, etc.). Other restrictions due to the Programme language are not set. In addition, please note that all required supporting documents of Application which are considered as annexes to the Application must be in English language, other than Registration acts and/or Statues, which may be in national languages of participating countries.

- ✓ **What should be described in the section Project Description/Project Focus regarding Sustainability, Durability, and Transferability of Project Outputs?**

Information regarding Sustainability, Durability, and Transferability of project outputs should describe how the project will ensure that project outputs and result(s) have a lasting effect beyond project implementation period and how will the project ensure that project outputs and result(s) are applicable and replicable by other organizations/regions/countries outside of the current partnership. Also, how will the project outputs be further used (refer to the long-lasting effect of a project's achievements beyond project implementation period) and how the sustainability will be ensured once the project has been finalized.