

**Interreg**



Co-funded by  
the European Union

**IPA** Croatia – Serbia

Interreg VI-A IPA Programme Croatia-Serbia

**PROJECT IMPLEMENTATION  
MANUAL  
(PIM)**

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## LEGAL FRAMEWORK AND LIST OF ABBREVIATIONS<sup>1</sup>

<b>CPR</b>	<a href="#">Regulation (EU) 2021/1060</a> 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 (Common Provisions Regulation – CPR)
<b>ERDF Regulation</b>	<a href="#">Regulation (EU) 2021/1058</a> of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund and Corrigendum to 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 (Official Journal of the European Union L 231 of 30 June 2021) (ERDF Regulation)
<b>Interreg Regulation</b>	<a href="#">Regulation (EU) 2021/1059</a> 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 (Interreg Regulation)
<b>IPA III Regulation</b>	<a href="#">Regulation (EU) 2021/1529</a> of the European Parliament and of the Council of 15 September 2021 establishing the Instrument for Pre-Accession assistance (IPA III)
<b>IPA III Implementing Regulation</b>	<a href="#">Commission Implementing Regulation (EU) 2021/2236</a> 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)
<b>Financial regulation</b>	<a href="#">Regulation (EU, Euratom) 2018/1046</a> of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No

<sup>1</sup> The applicable Legal Framework is listed first. These shall be updated as relevant, including Programme documents.

1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012

**Interreg VI-A IPA Programme**

[Interreg VI-A IPA Programme Croatia–Serbia](#) approved by the European Commission Implementing Decision C(2022) 8026 from 3 November 2022

**Financing Agreement**

Financing Agreement for Interreg VI-A IPA Croatia-Serbia Programme signed between Republic of Serbia and European Commission

**Programme Manual on Eligibility (PME)**

This document defines rules on eligibility and provides guidance for the beneficiaries requesting IPA III<sup>2</sup> co-funding as well as for Programme management bodies including National Controllers as regards the funding conditions and certification of expenditures in the Interreg VI-A IPA Programme Croatia– Serbia

PME is applicable for all beneficiaries from the participating countries and for all operations<sup>3</sup> financed by the Programme. PME is available on Programme website: <https://interreg-croatia-serbia.eu/>

**Community rules**

Community rules regarding Community horizontal policies such as the rules for competition and entry into the markets, the protection of the environment, the equal opportunities between men and women and public procurement

**National rules**

Relevant national rules applicable to the Lead beneficiary and its project Partners

<sup>2</sup> The Programme is co-financed from ERDF and IPA III Funds, as defined in the Programme.

<sup>3</sup> Application = Operation = Project.

**ABBREVIATIONS**

<b>AA</b>	Audit Authority
<b>AB</b>	Accounting Body
<b>AWP</b>	Annual Work Plan
<b>CB</b>	Control Body <sup>4</sup>
<b>CfP</b>	Call for Proposals
<b>EC</b>	European Commission
<b>Jems</b>	Joint Electronic Monitoring System
<b>JS</b>	Joint Secretariat
<b>JS PM</b>	Joint Secretariat Project Manager
<b>LP</b>	Lead Partner
<b>MA</b>	Managing Authority
<b>MA PM</b>	Managing Authority Programme Manager
<b>MC</b>	Monitoring Committee
<b>MRDEUF</b>	Ministry of Regional Development and EU Funds
<b>NA</b>	National Authority
<b>PIM</b>	Project Implementation Manual
<b>PME</b>	Programme Manual on Eligibility
<b>PP</b>	Project Partner
<b>SC</b>	Subsidy Contract

<sup>4</sup> Control body (CB) = National control (NC) = Controllers

## Introduction

The purpose of the Project Implementation Manual is to provide detailed guidance for Lead Partners and Project Partners which implement the project within Calls for Proposals of Interreg VI-A IPA Programme Croatia–Serbia, covering all steps of project implementation, from contracting to project closure, including reporting obligations and other Programme-related requirements set in the Subsidy Contract. The Project Implementation Manual and its annexes can be amended during the project implementation period. Any amendment of the PIM will be announced on the Programme website (<https://interreg-croatia-serbia.eu/>) and the latest version will be uploaded.

For specific questions and problems related to your project, please contact the Joint Secretariat for advice. You can find the contact details of the JS on the Programme website.

## 1. Programme management structures

The Programme structures consist of different bodies that, in compliance with the EU Structural Funds Regulations, are in charge of managing, coordinating, supervising and controlling the implementation of the Programme.

Table 1. Programme management

PROGRAMME BODY	ROLE
Monitoring Committee (MC)	The MC steers the Programme, verifies its sound implementation and it approves the projects for funding. The members of the MC represent the participating countries thus ensuring a transparent approach in monitoring the Programme implementation. The MC Rules of Procedures document, in which all the rights and obligations of MC members are stated, was adopted at the 1 <sup>st</sup> MC meeting. The members of the MC are appointed from institutions listed in the table published on the Programme web page.
Managing Authority (MA)	The MA is responsible for the management and implementation of the Programme in accordance with the principle of sound financial management and in line with the applicable EU regulations. MA is the Sector for Managing Interreg Cooperation Programmes placed in the Directorate for European Territorial Cooperation within the Ministry of Regional Development and EU Funds of the Republic of Croatia.
Joint Secretariat (JS)	The JS is established by the MA and NAs and it assists the MA and the MC in carrying out their respective functions. The JS also undertakes the day-to-day implementation of the Programme and provides guidance and support to project applicants and beneficiaries. The JS monitors the progress and achievements of the project described in Project Progress Report (submitted by LP to JS) based on the Subsidy Contract and the information provided in the application. JS is placed within the Sector for Managing Interreg Cooperation Programmes in the Ministry of Regional Development and EU Funds of the Republic of Croatia. Besides JS headquarter in Zagreb, branch office is set in Serbia (Sremska Mitrovica) in order to ensure smooth and efficient programme implementation.
Accounting Body	The Accounting Body shall be responsible for drawing up and submitting payment applications to the Commission; drawing up and submitting the accounts confirming completeness, accuracy and veracity of the accounts and keeping electronic records of all the elements of the accounts, including payment applications; converting the amounts of expenditure incurred in another currency



	<p>into euro by using the monthly accounting exchange rate of the Commission in the month during which the expenditure is registered in the accounting systems of the body responsible for accounting. These duties are performed by the Directorate for Finance and Information Telecommunication Systems within the Ministry of Regional Development and EU Funds.</p>
Audit Authority (AA) and Group of Auditors (GoA)	<p>The AA carries out system audits and audits on the projects in order to provide independent assurance to the EC that the Programme management and control system functions effectively and that expenditure submitted to the EC is legal and regular. The AA is assisted by the GoA, comprising of representatives of bodies responsible for audits in each Programme Participating country. The duties of the Audit Authority are performed by the Agency for the Audit of European Union Programmes Implementation System.</p>
National Authority (NA)	<p>NAs of the participating countries, Sector for coordination of European Territorial Cooperation programmes and Macro-Regional strategies within the Ministry of Regional Development and EU Funds of the Republic of Croatia and Ministry of European Integration of the Republic of Serbia are responsible for setting up and ensuring efficient functioning of the respective national control systems. Furthermore, NAs are responsible for ensuring implementation of the decisions taken by the MC.</p>
National Controllers	<p>Each Participating country has a control system to verify that co-financed activities and costs are implemented in line with applicable laws as well as Programme rules and requirements. After the end of each reporting period each LP/PP prepares a Partner Progress Report (including list of expenditures) reporting on the activities and the expenditures for the relevant reporting period and submits it to the NC of the country in which the respective beneficiary is located.</p> <p><u>Croatia</u>: controls are performed by Ministry of Regional Development and EU Funds of the Republic of Croatia, Sector for first level control.</p> <p><u>Serbia</u>: controls are performed by Ministry of European Integration, Division for control of projects financed under the European territorial cooperation programmes with EU Member States.</p>

Contact details and further information on all Programme bodies are available at the Programme website <https://interreg-croatia-serbia.eu/>

## 2. Use of Jems

In 2021–2027 financial perspective, for implementation and monitoring purposes Programme will use the Joint Electronic Monitoring System (Jems). Jems is a customized version of the common monitoring system developed by the Interact Programme<sup>5</sup>, which is used by a majority of Interreg Programmes.

Jems is an online system conceived to cover the full project and Programme life-cycle in one monitoring tool that allows to reduce the need for additional paper processes to a minimum. Furthermore, the concept of “one single entry point” of data is followed, avoiding multiple manual entry of the same data through automatic transfer of data to different sections in the system. Users can fill in online forms (e.g. application, reporting, modification) and upload/download files.

The link to the Programme version of Jems is available [here](#), and at the Programme website. It can be accessed via standard web browsers like Google Chrome, Microsoft Edge or Mozilla Firefox (recent versions). For working in Jems, it is recommended to use a PC or notebook rather than mobile devices.

Upon registration in Jems, users have access to the system as applicant users. Once a project is approved and contracted, the Lead partner (LP) user will be assigned to the project, and it in turn assigns the partner users to the Project partners (PP). Specific access rights as needed by e.g. Programme bodies, controllers, external experts or auditors will be given by the system administrator through assignment of the respective role.

A helpdesk for technical support specifically dedicated to functioning of Jems can be reached via email: [jems-interreg-ipa@mrrfeu.hr](mailto:jems-interreg-ipa@mrrfeu.hr)

Jems user manual developed for Interreg programmes using Jems to better understand the reasoning behind the development of each section is available [here](#).

## 3. Contracting Procedure

Following the notification on the MC decision on the selection of projects to the LP, a pre-contracting procedure shall be initiated between each LP and JS PM in cooperation with the MA, in order to meet the requirements of the SC and to consolidate the Application.

During this phase, adjustments of the Application may be done, especially related to the timeline, workplan (e.g. activities, project outputs) and budget.

<sup>5</sup> For more information on the Interact Jems please visit the page <https://jems.interact-eu.net>

For all projects whose activities involve infrastructure, the following documentation need to be delivered (for all project partners) to the JS/MA:

- 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).

Please note that the land and/or buildings where the works will be carried out must be publicly owned or in long-term lease.

In case none of the abovementioned documents is required for the execution of works, please confirm that no additional documentation will be necessary for the investment in question via official letter.

If the relevant documents related to investment are not submitted to the JS/MA, the MA may decide to withdraw from the contracting.

Once the Application is consolidated, SC is signed between the MA and the LP. The SC determines the rights and responsibilities of the LP and the MA, the conditions of financing, the requirements concerning reports and financial controls and other relevant provisions.

### **3.1. Access to the Contracting Section in Jems**

Log in to the Jems, from the “Dashboard” select the project for which you would like to fill in the additional required information and click to open.

Select “Contracting” in the left menu (to be able to access to the contracting section, the project needs to be at least set to the status “Approved”). The LP and PPs have access to the following sections:

- Contracts and agreements
- Project managers
- Project reporting schedule
- Partner details

In order to have access to the sub-section “Partner details”, the user needs to be assigned to a project partner in the project privileges. Also, the LP has to be defined in the project privileges (for details please consult [Jems User Manual](#) under [Project privileges](#) section).

### **3.1.1. Contracts and agreements**

This section of Application in Jems can be edited by the MA, JS and LP. PPs have view access. Please note that:

- The project start date information is automatically transferred from the internal section Contracting/contract monitoring.
- Information on the project website (URL) should be entered here by LP.
- Subsidy contract date information is automatically transferred from the internal section Contracting/contract monitoring.
- The pdf of the signed Subsidy contract is uploaded by the MA.
- Partnership agreement signature date should be entered here by the LP.
- Partnership agreement (signed, scanned, in pdf) should be uploaded by the LP.

All uploaded documents will appear in the Attachment section “Contract & supporting documents/ Contracts” and are available for download.

More details about how to fill in this section can be found in Jems User Manual under [Contracts and agreements](#) section.

### **3.1.2. Project Managers**

This section provides information on project, finance and communication managers of the project. Information should be filled in by the LP.

More details about how to fill in this section can be found in Jems User Manual under [Project Managers](#) section.

### **3.1.3. Reporting Schedule**

The LP must first fill in Project reporting deadlines by clicking on „Add Reporting deadline” button. JS PM will assist the LP during this process. More details about how to fill in this section can be found in Jems User Manual under [Project reporting schedule](#) section.

After LP fills in this section, both LP and PPs have view access to the reporting deadlines and project timeline. An overview with project finance and content report deadlines is available here.

Defined reporting deadlines are displayed in the project time plan.

#### 3.1.4. Partner details

In this section the project LP/PP should provide the following information<sup>6</sup> per project partner:

- Ultimate Beneficial Owner(s)
- Bank details of Lead partner (not required for Project partners)
- Location of documents

**ULTIMATE BENEFICIAL OWNER(S)** - In case of private LP/PP institution, information on the Ultimate Beneficial Owner(s) should be provided by the LP /PP.

**BANK DETAILS OF THE LEAD PARTNER** - Information on the bank account details should be provided by the LP. (No information required for PPs).

**LOCATION OF DOCUMENTS** - Information on the location of documents should be provided by the LP/PP.

More details about how to fill in these sections can be found in Jems User Manual under [Partner section](#).

## 4. Project Implementation Start-up

After the consolidation of the application and signing of the Subsidy Contract, LP should start, in cooperation with their Project Partners, a series of administrative steps to set-up an efficient management system and to secure the first payments to project.

The following steps are related to project start-up and must be followed in the first months after the final consolidated application was approved by the JS/MA, allowing project partnership to lay the foundations for a smooth development of the project.

### 4.1. Partnership Agreement

The Partnership Agreement is a document laying down provisions that guarantee sound financial management of funds allocated to the project; establishing cooperation principles, which regulate the rights and responsibilities of PPs for a successful implementation of project activities. By this document, the PPs accept technical and administrative coordination by the LP and the fulfilment of the obligations toward the Programme bodies as well.

<sup>6</sup> Established by private law, e.g., limited liability companies, shareholding companies 100% owned by the state, regional/local government units, or non-government organizations-NGOs.

After signing the SC, all PPs (including the LP) are obliged to sign the Partnership Agreement that represents a formal written agreement defining the roles, obligations and responsibilities of LP and other PPs within the partnership. The Partnership Agreement serves as a mutually binding contract and ensures that each partner accepts and carries out its assigned tasks. The Partnership Agreement needs to be uploaded in the Jems within 30 days after the signing of the SC in the Jems box as described in chapter 3.1.1. Contracts and agreements.

Please note that Programme bodies are not parties to Partnership Agreements and therefore all legal disputes that may arise are solely between PPs.

#### 4.2. *Setting up a Project Team*

A balanced partnership between the participating countries where the project is implemented is unique element of the cross-border cooperation. In order to achieve the successful partnership, it is very important that all partners understand their role within the partnership and obligations towards project activities in line with EU, Programme and applicable national rules for the successful project implementation.

Project partners should have a clear vision of the project team management structure in advance, identify roles and allocate responsibilities to each project team member. Moreover, effective management structure and internal monitoring system could identify potential risks and therefore provide an opportunity to avoid delays in project implementation.

Key project team members are identified as:

- **Project Manager (PM):** has to ensure the thematic coordination of the project activities and work packages; is able to act as a driving force of the project and to mobilise the partnership in order to achieve the objectives set in the application; is experienced in management of EU funded projects; speaks and reads fluently English to ensure communication within the partnership and with the Programme authorities.
- **Financial Manager (FM):** has to ensure the management of the project budget, including budget modifications, financial reporting and submission of payment claims to the Programme. FM must ensure that project partners have received the Interreg funds and verification of the correct transfer of Interreg funds to the partners; is responsible to closely and regularly monitor the financial performance of the project partners; works in close contact with the project coordinator and the partners in order to enable the efficient overall financial management of the project; ensures that the project does not contribute to the Programme de-commitment risk; is familiar with accounting/bookkeeping, as well as with

handling international transactions; is aware of the EU and national legislation regarding financial management and controls, public procurement and, where appropriate, State aid.

- **Communication Manager (CM):** should be able to coordinate the communication flow and communication content production from all the partners, to collect, process and elaborate complex concepts and data (also scientific) into visually appealing message easy to convey via different project communication channels to various types of users.

Names and contact details of these three project team members have to be filled in Jems as described in chapter 3.1.2. Project Managers.

In case of any changes related to the project team, the LP is obliged to notify JS Project Manager and modify the relevant information in Jems (if applicable).

#### 4.3. Pre-financing

In line with the SC, initial pre-financing of maximum 25% of the total project budget will be paid by the AB to the LP within 10 working days from the receipt of signed Contract by the Managing Authority. For the purposes of the initial pre-financing payment, the signed Contract shall serve as a payment claim.

Before any payment to the project, the LP is responsible to enter/update relevant bank information within Jems section **BANK DETAILS OF THE PARTNER** (as described in chapter 3.1.4. Partner details).

The LP is responsible for transferring the funds to PPs at latest 15 working days after the reception of the funds from the AB (in full and in the respect to the Partnership Agreement). Received pre-financing shall be deducted from certified Project Progress Reports by the AB during the implementation period, in line with the provisions of the SC. AB shall notify LP about the amount of deducted prefinancing within payment notice sent after transferring funds for the specific reporting period.

#### 5. Communication and Visibility

Communication of project activities and results supports the achievement of the project objectives and fosters the transfer of the project results. Project Partners should therefore automatically strive for integrating information, communication and visibility measures on results and added value of support from the EU funds to their projects. The language of the information and communication has to be selected according to the language of the target audience and may be either English or favourably bilingual (English and one of the local languages).

The purpose of this section of PIM is to inform PPs about the formal requirements of the EU and the Programme that all PPs have to follow when implementing their activities. All co-funded projects

are expected to inform the public about the EU support received by the programme as well as about the results and impacts of the co-funding of the project. These guidelines present a basis for each PP as they describe the visibility and communication measures. Please bear in mind that efficient communication is the key to achieving the project's aims and ensuring the transparency of the use of EU funds.

## **5.1. General Requirements**

The legal requirements related to communication and visibility for 2021-2027 are laid down in the EU CPR and the Interreg Regulation.

Responsibilities of the beneficiaries concerning visibility, transparency and communication activities are laid down in Articles 47 and 50 of the CPR. The responsibilities of Project Partners in regard to transparency and communication are laid down in Article 36 of the Interreg Regulation. The use and technical characteristics of the emblem of the European Union are laid down in Annex IX of the CPR.

### **5.1.1. Intellectual Property Rights**

Upon request, all Project Partners are obliged to provide the Interreg VI-A IPA Programme Croatia–Serbia as well as EU institutions, bodies, offices or agencies with any communication materials produced in the project. All Project Partners are obliged to offer them under a royalty-free, nonexclusive and irrevocable licence and without significant additional costs or administrative burden. This license on intellectual property rights grants to the EU and the Programme the following rights:

- Internal use (right to reproduce, copy and make available the communication and visibility materials to EU and Programme Member Countries' institutions and agencies and their employees),
- Reproduction of the communication and visibility materials by any means and in any form, in whole or in part,
- Distribution to the public of the communication and visibility materials (or copies thereof) in any and all forms and
- Storage and archiving of the communication and visibility materials.

## **5.2. Programme Requirements**

### **5.2.1. Content Related Requirements**

Communication is not important for the pure sake of communicating. Communication is a part of all project activities, and it requires careful planning and implementation to make the project



succeed. Therefore, it is important to define the approach to communication and visibility of the project, based on what is expected to be achieved to ensure the project's success.

The project communication activities are part of the project work plan. When preparing the project work plan, communication activities should be planned, that are adapted to the thematic content and activities of the project and that contribute to the achievement of the project's main goal/specific objectives. Applicants can define more than one project specific objective in the application form. Each project-specific objective shall have a work package. This means that the project will have as many work packages as defined specific objectives. Communication activities do not have a separate work package, since only thematic work packages will be established. Each work package should also have at least one communication objective and should define the target audiences as well in order to achieve the project main goal/specific objectives. This means that communication objectives and activities are embedded in the thematic work packages.

When defining communication activities keep in mind that successful and efficient activities:

- Are planned carefully,
- Are revised, if needed,
- Are well tailored to the target groups,
- Pay attention to multipliers' (e.g. journalists, bloggers, vloggers),
- Use the partners' and the programme's channels for greater reach,
- Are documented for reporting and
- Are evaluated.

One PP should be appointed as the main responsible partner for coordinating the communication work in the project. Communication is a common responsibility of all PPs, who together must ensure that active and effective communication will be maintained throughout the whole project life cycle. It is crucial that the PPs stay in close contact with each other for spreading information about project events, activities and achievements. Please note that project communication should be about the project as a whole, not just about the activities carried out and results achieved by individual PPs. It is therefore important to have a designated partner in the project responsible for coordinating the communication work.

As per the Article 47 of the CPR, Project Partners are required to use the EU emblem in their communication to acknowledge the support received under EU programmes and contribute to the visibility of the EU on the ground. In order to make Interreg programmes recognizable as a brand towards citizens among other EU programmes, the ETC Regulation requires in Article 36 that the term "Interreg" should be written next to the EU emblem. The introduction of the unique Interreg branding also highlights the unique spatial cross-border nature of the projects and programmes.

Therefore, the visibility requirements will apply to all communication materials, i.e. co-funded printed or digital products, including brochures, publications, websites or any kind of items and

products, such as online, offline and on-site activities and events. In addition, sanctions are foreseen by the Regulation in case the branding is not adequately displayed.

### 5.2.2. Technical Requirements

The LP and PPs shall follow the programme's communication and visibility requirements for all co-funded visibility, transparency and communication activities. In this way, the PPs properly acknowledge the support from Interreg<sup>7</sup>, and communicate the role and achievements of Interreg. Specific regulations apply to the physical investments and purchase of equipment of the Project Partners (below).

In order to properly follow the visibility requirements, the PPs shall acknowledge support from the Programme by using the term „Interreg” next to the emblem of the European Union<sup>8</sup> and fulfil these requirements:

a) **Include the project logo**, which consists of four elements:

1. The emblem of the European Union<sup>9</sup>;
2. The statement ‘Co-funded by the European Union’ written in full and placed next to the emblem of the European Union;
3. The programme name ‘Interreg IPA Croatia – Serbia’ placed next to the emblem of the European Union,
4. The project acronym (short title of the project) placed beneath the above three elements.

b) **Include a statement** on the Interreg support:

1. Include a statement that highlights the support from Interreg in all documents and communication materials for the general public and for participants,
2. Include on the Project Partner's official website and social media sites, if such exist, a short description of the project, proportionate to the level of support, including its aims and results, and highlighting the financial support from Interreg.

c) **Display durable plaques or billboards** clearly visible to the public in case of projects involving physical investments or purchase of equipment when the total costs of the project **exceed EUR 100.000,00** that:

1. Present the project logo or at least the name of the Programme, the emblem of the EU, together with the statement ‘Co-funded by the European Union’ written in full and placed next to the emblem of the European Union;
2. Present the installed plaques or billboards as soon as the project with planned physical investments starts, the purchase of equipment starts or purchased equipment is installed.

<sup>7</sup>In accordance with Article 50 of CPR.

<sup>8</sup> In accordance with Article 47 of CPR.

<sup>9</sup> Presented in accordance with the technical specifications laid down in Annex IX of the CPR.

- d) **Publicly display at least one poster** of a minimum size A3 or equivalent electronic display (at PP locations) to highlight the support from Interreg.<sup>10</sup>

The compliance with the visibility rules will be checked throughout the project implementation. The MA/JS support projects in fulfilling the visibility requirements by providing trainings, templates, guidance and feedback. Beside the programme logo and project logo (programme logo with added project acronym), the templates for project posters and project plaques/billboards are provided.

**The project logo has to be used by PPs during the whole project implementation, meaning in all documents, on the website (if applicable), in the communication connected to the project, in public procurement procedures (where possible, in order to ensure a reference to the respective project), at events, on publications, etc.**

### 5.2.3. The Programme Logo

**The logo is the most important visual identity element of the Programme. The usage of the programme logo is the basic element that ensures meeting the elementary requirements set out in the CPR.**

The programme logo consists of the Interreg logotype with the coloured arch inside, the EU emblem, the co-financing statement (a reference to the EU) and the programme name. Between the Interreg logotype and the EU emblem, there is one unit of space, while there is half a unit of space between the EU emblem and the co-financing statement. The recommended position is on the upper left or upper right. The minimum permitted size of the programme logo for printed materials is connected to the height of the EU emblem, which has to be at least 1 cm.

Technical specifications / instructions for using the Programme logo can be found in **Interreg brand design manual** (developed by Interact Programme for all Interreg programmes,) which is [available at the Programme website](#).

Instructions (with graphic examples) for Programme logo typeface and style, structure and specifications, as well as colour use are available in **Interreg brand design manual** under section **3. Interreg brand in conjunction with NEXT or IPA programme names**.

### 5.2.4. The Project Logo

**The project logo was designed on the basis of the programme logo.** In the frame of the project logo, the project acronyms are annexed to the programme logo. Please note that PPs are encouraged to design and use the project logo, but the programme logo can be used instead of the project logo as well.

<sup>10</sup> See subtitle 5.2.4.1. Posters

**Programme or project logos (Interreg logos) have to be placed on the front cover of all publications and documents.** The recommended position is on the upper left or upper right. In videos, the logo has to be integrated in a reasonable size at the beginning or at the end of the video. On websites or their subpages, online and smartphone applications, social media channels and other digital platforms, the Interreg logo has to be positioned in a place which is visible on top without scrolling or clicking. On other communication products such as conference bags or exhibition roll-ups, it also has to be placed in a prominent place.

The Interreg programme and project logo should not be distorted, and its size should be reasonable and recognizable. The minimum height of the EU emblem has to be 1cm. On small items, e.g., pens or business cards, the EU emblem can be reproduced in a smaller size<sup>11</sup>.

**Please note that the EU emblem – which forms an integral part of the logo - shall not be smaller than the size of the biggest logo displayed, measured either in height or width. Please consult with the JS PM if in doubt about combining logos.**

Instructions (with graphic examples) for Project logo components and positioning, as well as colour use, are available in **Interreg brand design manual** under section **4. How to use a project name in combination with the Interreg brand**.

Projects are not encouraged to develop their own logos or stand-alone brands. However, specific logos might be considered for outputs with a lifetime that goes beyond the project duration (e.g., when developing a brand of a product, service etc.). In such exceptional cases, prior approval of the MA/JS has to be requested before the project is implemented.

#### **5.2.4.1. Posters**

Each Project Partner **must place at least one poster** with information about the project (minimum size A3), including the financial support from the European Union, at a location readily visible to the public, such as the entrance area of a building.

The Programme provides a downloadable template for producing the poster. The poster template can be modified by the PPs, however the necessary data (project name/acronym, project start and end date, total budget/EU support received, Interreg logo, contact details of the responsible PP, description of the main project objective and the objective of the supported activity etc.) has to be included.

The poster needs to stay visible for the whole duration of the project. It is not possible to substitute the poster with a roll-up banner. However, an equivalent electronic display of the poster is permissible. **The printed or electronic displays should be set up as soon as the project begins and no later than six months after the approval of the projects.**

<sup>11</sup> As defined in **Interreg brand design manual** under section **6. How to use the brand**

#### 5.2.4.2. *Billboards and Plaques*

Projects are obliged to display a plaque or billboard in case:

- The project involves a physical investment or the purchase of equipment and
- The total cost of the project exceeds EUR 100.000,00

The billboards or plaques should be placed on the site where the physical investment or equipment is located/installed, as soon as the physical investments/the purchase of equipment starts or purchased equipment is installed. Plaques and billboards are to be made of durable material that enables long-lasting display and present the programme logo including the European Union's emblem. **No later than three months after completion of such outputs, projects have to put up a permanent<sup>12</sup> plaque or billboard** of significant size ensuring readability for the users of the investment on these infrastructures or constructions, or if not possible at a place nearby, readily visible to the public. In case of several infrastructure or construction measures carried out within one project on different locations, billboards or permanent plaques have to be placed on all of them. The Programme provides a downloadable template for producing the plaque or billboard.

The billboard template's main elements are: the title of the activity, the project acronym, the project description, project duration (start and end), the total budget/EU support received, the project logo, place for other logos, a picture, reference to a website etc. The template can be modified by the PPs but has to include the elements of the template below.

The text of the plaque or billboard should be preferably bilingual (English and local language), if relevant.<sup>13</sup>

As with the billboard template, the Programme provided plaque template gives the possibility to provide key information on the project to ensure transparency. Plaques should be placed next to the location where the operation takes place, as they have to be readily visible to the public. The plaque template's main elements are: the title of the activity, the project name/acronym, the project description, project duration (start and end), the total budget/EU support received, the project logo, place for other logos, reference to a website etc. The template can be modified by the PPs but has to include the elements of the template.

#### 5.2.4.3. *Publications*

The Interreg logo has to be positioned on the publication's front page in such a size that the EU emblem has a height of at least 1 cm. While top left corner placement is preferred, one can choose to position the project logo on a different corner (upper right, lower left or right) as long as the rules for margins and dimensions are followed<sup>14</sup>.

<sup>12</sup> in accordance with Article 65 of CPR

<sup>13</sup> The format of billboards and plaques are set: plaques may be produced in three sizes: 279 mm x 420 mm, 300 mm x 400 mm or 400mm x 300 mm. Billboards may be produced in landscape (2000 mm x 2000 mm or 4000 mm x 2000 mm) or portrait (4000 mm x 5300 mm or 3000 mm x 4000 mm).

<sup>14</sup> As defined in **Interreg brand design manual** under section 6. **How to use the brand**

The width of the project logo together with the EU emblem (without the Co-financing statement) has to be equivalent to a fourth ( $\frac{1}{4}A$ ) of the page's entire width ( $A$ ), except if in this case the EU emblem would not be of sufficient size (this depends on the size of the publication). Concerning the size of the external margins, they are determined on the basis of the width of the EU emblem. In case of darker backgrounds, the logo has to be positioned in a white rectangle (exclusion zone) or the black and white or inverted logo variant may be used.

PPs are encouraged to use a disclaimer (at visible place, preferably on the beginning or at the end of the publication): "This publication has been produced with the assistance of the European Union. The contents of this publication are the sole responsibility of <insert the name of the PP in charge> and can in no way be taken to reflect the views of the European Union".

#### **5.2.4.4. Promotional Items and Smaller Promotional Items**

Awareness-raising on the programme in general and on the respective project is the most common reason for purchasing promotional items (give-aways or gadgets). They can be used at events, such as exhibitions and conferences, or in broader awareness campaigns. Promotional items are by definition produced in larger quantities and come custom-printed with the project logo.

In case of small promotional items or small print materials like pens, USB sticks, etc. on which the project logo cannot be displayed in the prescribed size, the EU emblem can be reproduced in a smaller size<sup>15</sup> or the EU emblem together with the statement "Co-funded by the European Union" has to be used and reproduced in smaller size.

#### **5.2.4.5. Events**

All event related documentation (invitation, list of participants, presentations, procurement documents, etc.) has to be properly labelled with the project logo. At press conferences the programme/project logo has to be visible.

#### **5.2.4.6. Website and Social Media**

Projects will not receive co-financing for stand-alone project websites outside PPs existing websites unless they are intended to build content related platforms or databases as parts of solutions remaining after the lifetime of the project.

In case there is such a project website or PPs provide information on the project on their website(s), a short description of the project, including its aims and results, and highlighting the total financial support from the EU, has to be included. In case of a project website, the project logo has to be placed in the upper part of the website and should correspond to the language used on the website.

PPs are encouraged to use a disclaimer (at visible place on the website): "This website has been produced with the assistance of the European Union. The contents of this website are the sole

<sup>15</sup> As defined in **Interreg brand design manual**.

responsibility of <insert the name of the PP in charge> and can in no way be taken to reflect the views of the European Union”.

#### 5.2.4.7. Videos

In case projects produce promotional videos, the project logo has to be visible in the beginning or the end of the video in a recognizable size and on suitable background for at least a few seconds.

PPs are encouraged to use a disclaimer (at visible place, preferably on the beginning or at the end of the video): “This publication has been produced with the assistance of the European Union. The contents of this video are the sole responsibility of <insert the name of the PP in charge> and can in no way be taken to reflect the views of the European Union”.

#### 5.2.5. Financial Consequences Linked to Breaches of Communication and Visibility Rules

Projects risk financial consequences when they disregard EU and programme branding and visibility requirements. Failure to include the mandatory visibility requirements (project logo, statement, poster, etc.) and therefore to meet the basic requirements outlined in the CPR and Interreg regulation **may lead to cuts in funding. Costs might also be considered ineligible** for EU funding **in case rules are only partly observed** (e.g. the programme logo is used in an incorrect way - too small in size, distorted, unsuitable position, not visible due to unsuitable background, etc.).

If amendments to violated requirements are not possible, the **MA/JS/CB may cancel up to 2 % of the support from the EU granted to the LP/PP** who fails to comply with their obligations on visibility, transparency and communication. The financial cuts will be applied to the concerned PPs and take into account the principle of proportionality.

## 6. Public Procurement

Procurement procedures are regulated by:

1. **Article 58 of the Interreg regulation (2021/1059) and Articles 178 and 179 of the Financial Regulation and points 36 to 41 of Chapter 3 of Annex I to the Regulation (EU, Euratom) 2018/1046** of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012;
2. **Annex II to the Financing Agreement** for the Interreg VI-A IPA programme Croatia-Serbia signed with the European Commission **(for all Serbian PPs and private PPs in Croatia that do not fall under the scope of National Public Procurement Act);**

3. **National rules**<sup>16</sup> - Public Procurement Act of the **Croatia** (only for PPs in Croatia that fall under the scope of National Public Procurement Act<sup>17</sup> on public procurement).

Rules for procurement in the PIM set the minimum requirements for public procurement procedures that are to be respected by PPs both in the Member State (Republic of Croatia)<sup>18</sup> and in IPA III beneficiary (Republic of Serbia) territory.

All project partners must follow the **general principles on public procurement procedure**<sup>19</sup> described in this document. Failure to comply with the procurement rules set out in this document may have financial consequences, by means of application of correction rates based on the type and significance of the non-compliance.<sup>20</sup> In this respect, this document seeks to set out **minimum rules** which will assure that project partners comply adequately with procurement rules at all levels (EU, Programme and national).

### 6.1. *General principles applying to procurement*

All contracts shall respect the principles of transparency, proportionality, equal treatment and non-discrimination.

#### ▶ **Transparency**

PPs must ensure openness and clarity on procurement policy and its delivery. This obligation consists in ensuring, for the benefit of any potential tenderer, a degree of advertising sufficient to enable the market to be opened to competition and the impartiality of procurement procedures to be reviewed.

#### ▶ **Equal treatment and non-discrimination**

All interested parties should be treated the same, meaning that all tenderers must be afforded equal opportunities when formulating their tenders, which therefore implies that the tenders of all competitors must be subject to the same conditions.

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<sup>16</sup> Applicable only for beneficiaries from the Republic of Croatia which are public bodies or bodies governed by public law and are obliged to follow respective national legislation on public procurement, depending on the amount in question.

<sup>17</sup> HR: <http://www.zakon.hr/z/223/Zakon-o-javnoj-nabavi>

<sup>18</sup> PPs in the Republic of Croatia not falling under the scope of application of the procurement laws stemming from the National Public Procurement Act on public procurement

<sup>19</sup> Respecting Programme rules requires following the described procedure in PIM and allowing use of different templates and tender documentation that may be used by PPs. Templates may be PRAG, annexed Programme templates, templates used in national procurement.

<sup>20</sup> For additional information please consult Guidelines for determining financial corrections to be made to expenditure financed by the for non-compliance with the applicable rules on public procurement, available at: [https://ec.europa.eu/regional\\_policy/information-sources/publications/decisions/2019/commission-decision-of-14-5-2019-laying-down-the-guidelines-for-determining-financial-corrections-to-be-made-to-expenditure-financed-by-the-union-for-non-compliance-with-the-applicable-rules-on-public-procurement\\_en](https://ec.europa.eu/regional_policy/information-sources/publications/decisions/2019/commission-decision-of-14-5-2019-laying-down-the-guidelines-for-determining-financial-corrections-to-be-made-to-expenditure-financed-by-the-union-for-non-compliance-with-the-applicable-rules-on-public-procurement_en)



### ► Competition

Procurement should be carried out by competition, unless there are justified reasons to the contrary; this obligation also means that the estimated value of a contract may not be established in such a way as to avoid the competitive tendering procedure or to circumvent the rules which apply to certain procurement procedures or above a certain threshold, nor may a contract be split for that purpose. Moreover, the widest possible opening-up to competition is also in the interest of the Contracting Authority itself, which will thus have a greater choice as to the tender that is the most advantageous and the most suited to the needs of the public authority.

### ► Sound financial management

Budget appropriations must be used in accordance with the principles of economy, efficiency and effectiveness.

### ► Visibility

All PPs, including contractors, must ensure the visibility of EU financing. National rules or institutional requirements might request additional visibility arrangements and they have to be taken into account.

### ► The rule of language to be used

**English** as a Programme language is applicable for project implementation, including procurement procedures. However, PPs are not obliged to use English only (e.g. templates and notices and contracts) when implementing procurement procedures. Templates used in procurement procedures may be in:

- in English only,
- in programme participating countries languages and the Latin alphabet only (with possibility of translation upon request), or
- bilingual.

The tender documentation may be in any of official languages of the countries participating in the programme, in the Latin alphabet, with the possibility of translating such documentation upon request from relevant programme bodies for monitoring / auditing purposes.

### ► The rule of nationality

Participation is open to all natural persons who are nationals of and legal persons (participating either individually or in a grouping) which are effectively established in a Member State of the European Union or in an eligible country or territory as defined under Article 11 of Regulation (EU) No 2021/1529 establishing the Instrument for Pre-accession Assistance (IPA III).

Participation in the award of procurement contracts, grants and other award procedures for actions financed under the IPA III shall be open to international and regional organisations and to all other legal entities who are nationals of and, in the case of legal persons, who are also effectively established in, the following countries or territories:

- a) EU Member States
- b) Beneficiaries listed in the Annex I of the IPA III
- c) European Economic Area
- d) Neighbourhood partner countries and territories covered by NDICI (annex I of NDICI)
- e) Countries for which Commission has adopted a decision approving the request for reciprocal access to external assistance. Currently there are no such countries.
- f) Where an agreement on widening the market for procurement of goods or services to which the Union is party applies, the procurement procedures for contracts financed by the budget shall also be open to natural and legal persons established in a third country other than those specified in the basic instruments governing the cooperation sector concerned, under the conditions laid down in that agreement.

The rules do not apply to, and do not create nationality restrictions for natural persons employed or otherwise legally contracted by an eligible contractor or, where applicable, subcontractor.

#### ▶ **The rule of origin**

Goods and materials supplied under a procurement or a grant contract, financed under the Programme are fully untied and can originate in any country. All supplies and materials are fully untied, and no verification of origin is required.

**The rules of nationality and origin as stipulated above are applicable to all procurements, irrespective of their value.**

#### ▶ **Conflict of interest**

Conflict of interest occurs when the impartial and objective exercise of the functions of the PP, or respecting the principles of competition, non-discrimination or equality of treatment of candidates / tenderers / applicants / contractors regarding the award procedure or contract, is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with the beneficiary of an EU funded programme.<sup>21</sup>

<sup>21</sup> More provisions on conflict of interest can be found under Section 2.5.4. of PRAG: <https://wikis.ec.europa.eu/display/ExactExternalWiki/2.+Basic+rules#id-2.Basicrules-2.5.4.ConflictOfInterest> and

For further information regarding the avoidance of conflict of interest, please see the Guidance on the avoidance and management of conflicts of interest under the Financial Regulation issued by the European Commission (last updated version in force at the moment of launching the public procurement procedure).<sup>22</sup>

At the moment of the evaluation process, the evaluation committee should be aware that they should check if:

The legal representatives of the beneficiaries, the members of the board of directors, the empowered representatives, the project manager, the members of the evaluation committee are:

- shareholder of the contractor/subcontractor
- manager of the contractor/subcontractor
- censors of the contractor/subcontractor
- obvious contact (name) between legal representative and tenderer

If during the procurement procedure or the contract implementation, the PP identifies any situation that can be associated with the conflict of interest, it has the obligation to inform the JS/MA and to take the necessary measures in order to remedy the situation.

If corrupt practices of any kind are discovered at any stage of the award process/ contract implementation and if the PP fails to take all appropriate measures to remedy the situation, project financing may be suspended.

Any member who has potential conflict of interest with any tenderer should declare it and immediately withdraw from the evaluation committee.

**Sub-contracting** PPs of the same project or any of the other PP staff of the same project as an external expert or a subcontractor to carry out project activities within the same project is **not allowed** within this Programme.

► **No retroactive awards**

Contracts are considered to take effect from the date of signature of the last signatory. Contracts or contract addendums cannot be awarded retroactively (i.e. after the end of the execution period) under any circumstances. This means that no disbursements can be affected, and no goods and services provided prior to the signature of the contract and / or addendum.

All contracts must show the dates of signature of the contracting parties.

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National Public Procurement Act of Republic of Croatia <http://www.zakon.hr/z/223/Zakon-o-javnoj-nabavi> (articles 75-83)

<sup>22</sup> Guidance on the avoidance and management of conflicts of interest under the Financial Regulation [https://ec.europa.eu/info/strategy/eu-budget/protection-eu-budget/conflict-interest\\_en](https://ec.europa.eu/info/strategy/eu-budget/protection-eu-budget/conflict-interest_en)

▶ **Record keeping**

Written records of the entire tender procedure must be kept confidential and retained by the PPs in accordance with the provisions of the subsidy contract.

▶ **“Green public procurement”**

In order to choose environmentally friendly goods, services and works, which can make an important contribution to sustainable consumption and production, please use the “Green public procurement” procedures where appropriate. For more information please consult relevant European Commission [webpage](#)<sup>23</sup>.

### **6.1.1. Procurement rules for PPs in Croatia that fall under the scope of the national public procurement act**

PPs in the Republic of Croatia falling under the scope of application of the procurement laws stemming from the National Public Procurement Act must apply **Internal and National rules** – for all procurements.

**Internal rules** for procurement of values **below the national thresholds**<sup>24</sup> from the National Public Procurement Act are **mandatory**.

**Therefore, financial thresholds defined in chapter 6.1.5. and related procurement procedures described in chapter 6.2. are not applicable to PPs in the Republic of Croatia that fall under the scope of the National Public Procurement Act.**

### **6.1.2. Procurement rules for all other PPs (all Serbian PPs and private Croatian PPs)**

All other PPs shall follow the Programme rules on public procurement procedure described in this document. For these purposes, **PPs may use the Practical Guide (PRAG)**<sup>25</sup> as an additional guidance and good international practice for public procurement for EU funded projects, or they may use the tender dossier templates annexed to this document (please see Annexes section). However, please bear in mind that the suggested PRAG templates (or annexed templates) **should be adapted by PPs to their specific needs** (e.g. translation to national languages, additional requirements within documentation, deletion of non-relevant articles / sections, etc.).

In case any national or internal rules for procurement contradict Programme rules, Programme rules shall prevail and must be respected.

<sup>23</sup> [https://ec.europa.eu/environment/gpp/index\\_en.htm](https://ec.europa.eu/environment/gpp/index_en.htm)

<sup>24</sup> Jednostavna nabava = procurement of small value below financial thresholds

<sup>25</sup> <https://wikis.ec.europa.eu/display/ExactExternalWiki/ePRAG>

### 6.1.3. In house contracting

In house contracting is considered as contracting bodies governed by public law (in house provider), which are controlled by the contracting authority (PPs) for the purchase of goods, services and works. This kind of contracting represents an exemption from the public procurement procedure if the conditions for in-house contracting given by the EU regulations are fulfilled<sup>26</sup>.

Expenditure referring to tasks contracted with the in-house provider by the beneficiary (including staff and travel and accommodation costs) shall be planned under external expertise and services expenditure category if the following conditions are met:

- costs incurred by the in-house provider are charged on a real cost's basis without any profit margin;
- the contracting of the in-house provider complies with national public procurement rules.

**Please note that the intention of in-house contracting must be indicated in the Application!**

### 6.1.4. Exclusions from the application of procurement rules

Private entities do not have to apply these procurement rules to the following contracts:

- the acquisition or rental, by whatever financial means, of land, existing buildings or other immovable property or concerning rights thereon;
- arbitration and conciliatory services;
- employment contracts;
- contracts for the acquisition, development, production or co-production of programme material intended for broadcasting by broadcasters;
- contracts for broadcasting time;
- costs of fair space, if predefined in the grant contract and necessary to achieve project results;
- paying invoices or obligatory costs by the provisions of national law.

Procurement rules do not apply to employment contracts under expenditure category Staff, but they do apply for any type of service contracts under expenditure category External expertise and services, such as “ugovor o djelu/delu”, “autorski ugovor”, etc.

<sup>26</sup> Directive 2014 / 24 / EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004 / 18 / EC

### 6.1.5. Financial thresholds and related procurement procedures<sup>27</sup>

The procedures applicable to different types of procurement always depend on the nature of procurement (supplies, services or works) and the size of the contract. A brief overview of procedures, including thresholds for the use of each type of procedure is listed below<sup>28</sup>:

<b>SERVICE CONTRACTS</b>	<p>≥ 300 000 EUR</p> <p>International open tender procedure</p>	<p>&lt; 300 000 EUR but &gt; 20 000 EUR</p> <p>Simplified procedure<sup>29</sup></p>		<p>≤ 20 000 EUR</p> <p>Single tender procedure</p>
<b>SUPPLY CONTRACTS</b>	<p>≥ 300 000 EUR</p> <p>International open tender procedure</p>	<p>&lt; 300 000 EUR but ≥ 100 000 EUR</p> <p>Local open tender procedure</p>	<p>&lt; 100 000 EUR but &gt; 20 000 EUR</p> <p>Simplified procedure</p>	<p>For service / supply / works contracts, a payment may be made against invoice without prior acceptance of a tender if the expenditure is ≤ 2 500 EUR</p>
<b>WORKS CONTRACTS</b>	<p>≥ 5 000 000 EUR</p> <p>International open tender procedure</p>	<p>&lt; 5 000 000 EUR but ≥ 300 000 EUR</p> <p>Local open tender procedure</p>	<p>&lt; 300 000 EUR but &gt; 20 000 EUR</p> <p>Simplified procedure</p>	

The present document does not refer to all types of procurement procedures mentioned in Annex II to Financing Agreement, but only for those used under the previous programming period, for which an analysis of all data related to errors, irregularities and outcomes of audit missions could be performed and the results factored in, leading to a corresponding revision for the 2021 – 2027.

For all other types of procedures, mentioned in Annex II but for which tender documentation packages are not referred to in this procedure, the responsibility lies solely with the PPs for choosing the best approach for their tender documentation packages, while fully observing the general principles and provisions of Annex II.

The **thresholds given in the table** are based on the maximum budget for the contract in question (including any co-financing) **without VAT**. Where contracts are subdivided into lots, the total estimated value of all lots must be considered when calculating the overall threshold and procedure to be applied.

**The procurements must not be split artificially to circumvent the procurement thresholds.**

<sup>27</sup> Without VAT

<sup>28</sup> In line with Regulation (EU, Euratom) No 2018 / 1046.

<sup>29</sup> Simplified procedure = former „competitive negotiated procedure“ (CNP)

If the PP launches the procurement procedure within one of the thresholds (e.g. launches the simplified procedure), but all received valid offers are higher than the maximum threshold for the procurement procedure in question (e.g. all received valid offers are within threshold for local open tender procedure), beneficiary shall cancel related procurement procedure and launch a new procurement procedure within the higher threshold (additional market research may be conducted in such situation).

A mixed contract covering two or more types of procurement (works, supplies or services), shall be awarded in accordance with the provisions applicable to the type of procurement that characterises the main subject matter of the contract in question. This determination is made based on the main component (works, supplies or services) in terms of value.

In case of mixed contracts consisting of supplies and services, the main subject matter shall be determined by a comparison of values of the respective supplies or services.

If PPs have any doubt on how to estimate the type of contract and which procedure to use, project partners are advised to consult the JS PM before initiating the procedure.

The JS or other Programme bodies (MA, CB) **do not undertake ex-ante control** of procurement procedures implemented by PPs. Please note that the **role of JS is advisory**, and any recommendation provided by the JS (upon request) does not represent prior approval of the procurement procedure and / or tender dossier. As stated in SC and Partnership Agreement, PPs undertake responsibility for implementing the project.

All procurement procedures should be implemented respecting the signed SC and Partnership Agreement and will be verified by the NC during the reporting procedure and expenditure verification.

The programme bodies will use the “Award procedures” section in PPs budgets in Jems to easily monitor project implementation, to identify possible delays, as well as discrepancies, in the procedure (for example, the absence of procurement procedure for relevant activities, as described in the Application).

## 6.2. Procurement procedures

### 6.2.1. Payment against invoices

Procedure for contracts / payments for items of estimated value **less than or equal to 2 500 EUR** (without VAT) may simply consist of payment against invoice(s) without prior acceptance of a tender<sup>30</sup>.

<sup>30</sup> Project partners may also conclude contracts directly, or to use order form (narudžbenica).

Despite the availability of this procurement option, the purchase has to be performed with regard to the value for money principle, avoiding any potential conflict of interest. Costs must be in line with the approved Application and the procedure / payment must be properly documented, i.e. it must contain:

- Invoice
- Proof of payment

### 6.2.2. *Single tender procedure*

Since neither the Financial Regulation (No 2018/1046), nor PRAG and Annex II to the Financing Agreement provide detailed instructions on procedural steps for procurements of value less or equal to 20 000 EUR, the present document provides a description of practical application of such procurements and provides templates for those procedures as an annex to PIM. This is a document prepared by the programme structures, with an aim to achieve more simplified and harmonized approach. This procedure is without prejudice to the interpretation of the Court of Justice and the General Court.

Contracts whose value is **less than or equal to 20 000 EUR<sup>31</sup>** (without VAT) may be awarded based on a single tender procedure. In the single tender procedure, the PP places an order based on a single tender (**at least one tenderer shall be formally invited, however, PP may decide to invite more tenderers to submit a formal offer**).

**If the PP ensures competition by inviting formally three or more tenderers (using the single tender templates annexed to this document or equivalent templates), the market research is not necessary.** Steps in a single tender procedure are as follows:

#### **1. MARKET RESEARCH**

With a view to prepare the procedure and in order to comply with sound financial management principle (in particular, to enable **effective procurement and efficient spending of public funds**) it is **highly recommended** that a PP conducts a preliminary market research / consultation prior to the formal launch of a single tender procedure (only if only one tenderer will be invited to submit a formal offer based on the results of a market research).

Market research may consist of one, or be a combination, of the following:

- Pro-forma offers
- Reference prices through Internet pricelists or using centralised e-procurement services
- Other, as appropriate.

Market research should follow the **“three-reference prices”** principle meaning that the PP should obtain a minimum of three references that are comparable, containing the following parameters:

<sup>31</sup> Estimated value of service / supply / work that is subject to a procurement procedure must be calculated without including the VAT.



- description of technical specifications / terms of reference;
- quantities;
- expertise;
- price<sup>32</sup>;
- other descriptions of the subject-matter of the procurement, if applicable.

Such may be the delivery / implementation / performance period, guarantees durations and types, payment options, other conditions of contract implementation, etc.<sup>33</sup>

The aim of the market research is to investigate the price, quantities, quality, delivery period and other important parameters, if applicable.

## 2. INVITATION TO TENDER

The formal single tender procedure starts with the invitation to tender sent from PP to one or more potential tenderer/s. When inviting the potential tenderer/s, the PP shall include following documents and or information:

- **An invitation to tenderer or any other equivalent document specifying the closing date and time for receipt and the address to which they are to be sent or delivered or the internet address in case of electronic submission.**

The tenderer should be given **enough time** for submission of its offer. It is recommended (but not mandatory) to give **7 days** for the **supply, service or works contracts**.

Invitation to tenderer accompanied with a single tender dossier may be sent and an offer may be received via e-mail.

Inviting potential tenderer/s must be documented (invitation by telephone is not allowed).

It is highly recommended that Serbian PPs use the templates for single tender which are annexed to this document (*Annexes\_SER PPs\_eng*). Furthermore, Croatian private PPs also may use annexed templates for single tender or other equivalent templates taking into account all minimum requirements defined in this document.

Templates can be adjusted, including deleting non-relevant sections, if applicable.

**Please note that each single tender dossier shall contain the following information/requirements<sup>34</sup>:**

<sup>32</sup> Potential tenderers should indicate whether the VAT is included in the offer / price.

<sup>33</sup> Please note that these parameters should not have effect of narrowing the competition on the market.

<sup>34</sup> Terms of reference (for service contracts) and technical specifications (for supply and works contracts).

- Declaration on exclusion criteria (please see section 2.6.10.1.3. Evidence to be provided of PRAG<sup>35</sup>);
- selection criteria for potential tenderer/s;
- award criteria (if more than one tenderer is invited to formally submit the offer) and;
- characteristics required for service / supply / works including minimum requirements so that they fulfil the use for which they were intended by the PP.

In addition to the offer, the tenderer is required to provide signed declaration of honour as stated in Section 2.6.10.1.3. of PRAG<sup>36</sup>, certifying that the entity does not fall into any of the exclusion situations.

**Selection criteria must be defined in the tender dossier for single tender as well.** The minimum what the PP shall require from a tenderer is at least one of the following conditions to be fulfilled:

- be enrolled in a relevant professional or trade register, except when the economic operator is an international organisation;
- for service contracts, hold a particular authorisation proving that it is authorised to perform the contract in its country of establishment or is a member of a specific professional organisation.

In addition to the offer, the tenderer is required to provide the following supporting documentation:

- Copy of legal registration (only if not publicly available from the official website/s);
- any other document/s requested by the PP.

If necessary, PPs may define some other selection criteria in single tender. In that case, tenderers are obliged to respect and fulfil those criteria. **However, selection criteria shall not be discriminatory and too restrictive.**

The minimum requirements included in the terms of reference / technical specifications and the very final tender are **not negotiable**.

### **3. EVALUATION OF RECEIVED OFFER(S)**

Appointing an evaluation committee is **not mandatory** for single tender procedure.

The PP shall perform an evaluation of received offer(s) using the **specifications set up in advance in the tender dossier** and record them in an Evaluation report or Single tender report.

<sup>35</sup> <https://wikis.ec.europa.eu/display/ExactExternalWiki/2.+Basic+rules#id-2.Basicrules-2.6.10.1.3.Evidencetobeprovided>

<sup>36</sup> <https://wikis.ec.europa.eu/display/ExactExternalWiki/2.+Basic+rules#id-2.Basicrules-2.6.10.1.3.Evidencetobeprovided>

#### **4. SINGLE TENDER REPORT**

Single tender report is not obligatory if single tender templates annexed to this document were used by PPs.

Following the evaluation of received offer(s), PPs shall prepare a Single tender report which should contain all the important information on conducted procurement.

The **single tender report** must be prepared, explaining how the tenderer was chosen, how the selection criteria was met, how the price was set and the ground for the award decision for each single tender procedure.

Regardless of the method of obtaining the reference prices, PP shall prepare report in which the method / criteria of selection and award criteria must be described and how the evaluation and scoring of the received offer(s) were conducted (in relation to the criteria stipulated in the tender documentation).

#### **5. CONTRACT SIGNATURE and DELIVERY OF SERVICE / SUPPLY / WORKS**

Parameters and specifications should be followed and reflected in the signed contract (i.e. they should not be negotiable) and later serve as the tenderer's mandate during project implementation.

Please note that failure to exhibit compliance with sound financial management principles may lead to financial corrections.

**A clear and easy to follow audit trail for all the steps of the procurement procedure must be ensured.**

In this regard, project partners are obliged to keep record of all communications with potential contractors / tenderers (e-mails, letters, etc.). It is therefore strongly recommended to always communicate with potential contractors in writing.

#### **6.2.3. Simplified procedure**

Under the simplified procedure, a PP invites at least three justified candidates of its choice to submit tenders. The evaluation (including the use of an evaluation committee) and the award of the contract follow the rules of the open procedure.

The simplified procedure includes the following steps:

- Market research - PPs get information about current market prices and the criteria that will be set out in the tender dossier and make a shortlist of potential contractors.

- PP draws up a list of at least three potential contactors and justifies its choice. **The List of invited entities must be a part of the Tender Dossier available to all invited entities.** Invited entities may not create alliances / consortia between themselves when preparing their tenders.
- Preparation of the tender dossier (example templates are annexed to this document, please see Annexes section). Project partners prepare relevant templates (Administrative compliance grid, Contract Notice, Invitation to Tenderers, Instructions to Tenderers, List of invited tenderers, Technical Specifications / Terms of Reference, Tender Form, Evaluation Grids, draft Contract and other as appropriate). A complete Tender Dossier must provide clear instructions and requirements to the potential contractors.

**It is recommended that Technical Specifications / Terms of Reference are approved by two relevant employees in partner's organization for all purchases above EUR 20.000,00.**

- The project partner invites **at least three (3)** potential tenderers based on the conducted market research (please make sure that invited tenderers are able to meet prescribed selection criteria). A **letter of invitation to tender** is accompanied by a prepared tender dossier (TD). The **contract notice** is not published, but it is included in the tender dossier as it contains important information for the candidates invited to tender, notably the selection criteria. The potential tenderers shall be allowed **at least 30 days** from the date of dispatch of the letter of invitation to tender to submit their offers. **Invitation to tenderers and the tender dossier may be sent via e-mail if appropriate.**
- Appointing the Evaluation committee – the Evaluation committee must have an **odd number of members, at least three (3)**, with all the technical and administrative capacities necessary to give an informed opinion on the tenders. All members of the evaluation committee must sign a declaration of impartiality and confidentiality. In the simplified procedure, there is no need to appoint a Chairperson and Secretary. However, if internal staff capacity allows it, appointing a Chairperson and Secretary is recommended.
- Receipt of offers - each offer shall be registered by recording the date and time of receipt. Received offers shall be kept unopened and safe until the **opening session**. All documentation shall be kept in a safe place until the completion of the evaluation process.
- Evaluation of received offers - tenders must be opened and evaluated by an evaluation committee with the necessary technical and administrative expertise, appointed by the project partner implementing the procurement procedure. The Evaluation Committee ranks the offers using the criteria set up in advance in the tender dossier and records the whole process in the Evaluation report.
- The Evaluation Committee checks that all the received offers comply with the administrative requirements of the tender dossier (i.e. the administrative compliance grid). The administrative compliance of each of the tenders must be recorded in the Evaluation report. The detailed technical evaluation of the tenders takes place after the administrative

compliance check. The criteria to be applied are those published in the tender dossier and, accordingly, the evaluation grid included in the tender dossier must be used. Under no circumstances may the Committee or its members change the evaluation grid communicated to the tenderers in the tender dossier. Once the technical evaluation has been completed, the Committee checks that the financial offers contain no obvious arithmetical errors.

- Preparation of the Evaluation report – a report in which the Evaluation Committee records all stages of the evaluation, discussions and decisions / recommendations. The report shall be accompanied by administrative and technical evaluation grids, offers and other relevant documentation. The Evaluation report, as well as the whole evaluation procedure, is **confidential** and serves only for official use.
- Notification to the successful tenderer, information that validity of the successful tender is automatically extended for a period of 60 days.
- Notification to the unsuccessful tenderers about the outcome of the procurement procedure **at the same time** as a notification to the successful tenderer (notification letters shall be sent only to the tenderers who submitted offers).
- Contract preparation and signature.

Procurement procedures under Simplified procedure may also **last for several months** so please bear this in mind when planning implementation of other project activities and procurement procedures.

The tender dossier for simplified procedure is annexed to this document, please see Annexes section. It is not mandatory to use these templates, but they serve as a tool for simplified tender procedure implementation.

#### **6.2.4. Local / International open procedure**

In 'open' calls for tender (international or local) all legal entities (private or public) may submit a tender.

▶ **For local procedure:**

The procedure starts with a contract notice and tender dossier which is published on a **national** level at least in the official gazette of the recipient State or in any equivalent publication for local invitations to tender.

- **Publication of Contract Notice and Tender Dossier** on the web page of the Project partner and in national media (**Official Journal of the project partner's country** or any equivalent media (in the national press of the country where the project is being implemented, etc.)).

Publication of information on the launch of open procedure on the Programme website <https://interreg-croatia-serbia.eu/> is a **mandatory requirement**.

**Project Partners shall notify the JS and provide a link to relevant web sites where Contract Notice and TD is published.**

- **The time limits for the receipt of tenders**, running from the date when the contract notice and TD is published, shall be at least<sup>37</sup>:
  - a) **60 days for works contracts;**
  - b) **30 days for supply contracts.**
- ▶ **For international procedure:**

The procedure starts with a contract notice and tender dossier which is published on the **international level**.

- **Publication of the Contract Notice and Tender Dossier** on the web pages of all project partners and Programme website ( <https://interreg-croatia-serbia.eu/>), as well as in Official Journal of European Union

Publication of information on the launch of international procedure on the Programme website <https://interreg-croatia-serbia.eu/>) and the Official Journal of European Union is a **mandatory requirement**.

**Project Partners shall notify the JS and provide a link to relevant web sites where the Contract Notice and TD is published.**

- **The time limits** for the receipt of tenders, running from the date when the contract notice and TD are published, shall be at least<sup>38</sup>:
  - a) **90 days for works contracts;**
  - b) **60 days for supply contracts;**
  - c) **50 days for service contracts.**

After the publication of the contract notice and Tender dossier, the open procedure follows the same steps as the simplified procedure. Therefore, the same templates may be used in both procedures with some adjustment to the procedure, including deleting non-relevant sections.

<sup>37</sup> However, in certain exceptional cases other time limits may be authorised.

<sup>38</sup> However, in certain exceptional cases other time limits may be authorised.

### ➤ Evaluation Committee in open procedure

Tenders are opened, evaluated and ranked by an Evaluation Committee appointed timely and formally by the Project partner. This committee shall comprise of a **non-voting Chairperson**, a **non-voting Secretary** and **an odd number of voting members (minimum of three)**, with all the necessary technical and administrative expertise to assess the tenders. Therefore, the Evaluation Committee is comprised of **minimum 5 (five) members**.

All members of the Evaluation Committee must sign a Declaration of Impartiality and Confidentiality. Any Evaluation Committee member who has a potential conflict of interest with any tenderer must declare it and immediately withdraw from the Evaluation Committee.

#### **6.2.5. Content of the tender dossier (for simplified and open procedures)**

Tender documents must be carefully drafted, to ensure that the contract is complete, and that the procurement procedure is carried out correctly. These documents must contain all the provisions and information that candidates need in order to submit a tender: the procedures to follow, the documents to provide, cases of non-compliance, award criteria and their weighting, etc.

The tender dossier must clearly state that the tender must be made with firm, non-revisable prices. According to the applicable rules, guarantees (pre-financing and / or performance guarantee) could be required or not. If so, this must be mentioned in the tender dossier.

Besides the Contract Notice, within the Tender Dossier (TD), instructions and guidance to contractors at the tendering stage about the nature of the tender are given in:

- Instruction to Tenderers;
- Draft contract;
- Tender submission form;
- Terms of Reference – for service contracts;
- Technical Specifications – for supply and works contracts.

As with the terms of reference for service contracts, attention must be paid to drafting the technical specifications since they are the key to successful procurement, a sound service / supply / works contract and a successful project. Technical specifications also specify what is required of a product, service or material or work to achieve the purpose for which they are intended.

**The Terms of Reference or Technical Specifications** will become an annex of the eventual contract awarded as a result of the tender procedure.

Terms of Reference / Technical Specifications and budget must ensure equal access and competitive tendering. In that respect, Technical Specifications may not point to particular brands. If a certain brand or producer / supplier is named, this reference should be followed by the expression "or equivalent" or should be used with expression "to be compatible with...".

Technical Specifications / Terms of Reference should be approved by two relevant employees in the **partner's organization for all purchases above EUR 20.000,00.**

The persons involved in the preparation of the Terms of Reference / Technical Specifications must sign a Declaration of Objectivity and Confidentiality. The Terms of Reference and the Technical Specifications may not be disclosed to any third party and must be kept confidential until they are made available to the tenderers simultaneously in the procedure.

The project partner is obliged to include elements set in Point 16 of Annex I, Chapter 1, Section 2 of Regulation (EU, Euratom) No 1046 / 2018 when preparing tender documents. These are summarized as follows<sup>39</sup>:

Service
<ul style="list-style-type: none"> <li>a) Contract notice including:               <ul style="list-style-type: none"> <li>- selection criteria,</li> <li>- award criteria and their weightings if applicable, etc.</li> </ul> </li> <li>b) instructions to tenderers including:               <ul style="list-style-type: none"> <li>- whether variants are permitted,</li> <li>- the proportion of sub-contracting which may be authorized,</li> <li>- the maximum budget available for the contract,</li> <li>- the currency of tenders, etc.</li> </ul> </li> <li>c) general conditions for service contracts</li> <li>d) specific conditions which amplify, supplement or derogate from the general conditions</li> <li>e) terms of reference indicating the planned timetable for the project and dates from which the principal experts must be available, according to the plans</li> <li>f) budget breakdown (for completion by the tenderer)</li> <li>g) tender form</li> <li>h) contract form</li> <li>i) if applicable, a bank (or similar) guarantee forms for the payment of pre-financing</li> </ul>
Supply
<ul style="list-style-type: none"> <li>a) Contract notice including:</li> </ul>

<sup>39</sup> Please be reminded that example templates are annexed to this document, please see Annexes section; Project partners may also use PRAG templates.



- selection criteria,
- award criteria, etc.
- b) instructions to tenderers, including:
  - whether variants are authorized,
  - the possibility of interviews and the timetable for them,
  - the currency of tenders, etc.
- c) general conditions for supply contracts
- d) specific conditions which amplify, supplement or derogate from the general conditions
- e) technical annex containing any plans, technical specifications and the planned timetable for the performance of the contract
- f) budget breakdown (for completion by the tenderer)
- g) tender form
- h) contract form
- i) if applicable, a bank (or similar) guarantee forms for the tender, payment of pre-financing and / or proper performance.

## Works

- a) Contract notice including:
  - selection criteria,
  - award criteria, etc.
- b) instructions to tenderers, including:
  - whether variants are authorized,
  - the currency of tenders, etc.
- c) general conditions for works contracts
- d) specific conditions which amplify, supplement or derogate from the general conditions
- e) technical annex containing any plans, technical specifications and the planned timetable for performance of the contract
- f) budget breakdown (for completion by the tenderer)
- g) tender form
- h) contract form
- i) if applicable, a bank (or similar) guarantee forms for the tender, payment of pre-financing and / or proper performance.

### 6.3. General rules applicable to procurement procedures

#### ► Clarifications during tender evaluation

A tender which does not respect the requirements demanded in the tender documents shall be eliminated. However, the Project Partner may request candidates or tenderers to provide additional materials or clarify the submitted documents, within the time limit they specify and ensuring the equal treatment of tenders. Any request for clarification requiring communication with the tenderers during the evaluation process must be conducted in writing. Copies of any such communication must be annexed to the Evaluation Report.

#### ► Exclusion criteria

Grounds for exclusion of candidates / tenderers from participation in award procedures are stated in Article 136 of Regulation (EU, Euratom) No 1046 / 2018 as well as in Section 2.6.10.1.1. of PRAG and listed here: [2.6.10.1.1. Exclusion criteria from participation in procurement and grant procedures](#)

Candidates / tenderers participating in the procurement procedure must sign a declaration of honour as stated in Section 2.6.10.1.3. of PRAG<sup>40</sup>, certifying that their entity does not fall into any of the exclusion situations.

Upon request of the Project partner, for procurement contracts with a value equal or greater than the international thresholds (services  $\geq$  EUR 300 000, supply  $\geq$  EUR 300 000, works  $\geq$  EUR 5 000 000), following the notification of award, tenderer(s) to which the contract is to be awarded (including consortium members), must supply evidence<sup>41</sup> that they do not fall into exclusion situations.

#### ► Selection criteria

The project partner shall draw up clear and non-discriminatory **selection criteria** for the purpose of assessing that the tenderer has enough financial, economic, technical and professional capacity to implement the tasks of the contract. The chosen criteria shall be proportionate and may not go beyond the scope of the contract.

The selection criteria should be described in the contract notice.

For the economic and financial capacity, the reference period may be no more than the last 3 years for which accounts have been completed. For the professional and technical capacity, the timeline depends on the type of contract, and it should refer to the activities implemented in the last 3 years for services and supplies, and to the activities implemented in the last 5 years for works.

<sup>40</sup> <https://wikis.ec.europa.eu/display/ExactExternalWiki/2.+Basic+rules#id-2.Basicrules-2.6.10.1.3.Evidencetobeprovided>

<sup>41</sup> Requested evidence are listed here: <https://wikis.ec.europa.eu/display/ExactExternalWiki/2.+Basic+rules#id-2.Basicrules-2.6.10.1.3.Evidencetobeprovided>

For the purposes of these rules, it shall be considered that the **minimum annual turnover** tenderers are required to have **shall not exceed two times the estimated contract value**.

For the purposes of these rules, it shall be considered that the **minimum value of references (technical capacity)** the tenderers are required to have (one or a sum of more references) **shall not exceed the estimated contract value**.

#### **Examples of selection criteria not to be used:**

- requesting disproportionate annual turnover, number of staff, number of previous projects, etc. as regards the amount of the contract;
- using imprecise terms such as 'sufficient', 'major', 'relevant' as they are too ambiguous;
- requesting a percentage of the staff working in specific fields as this may be discriminatory for large companies;
- requesting technical experience relating to EU projects only, as this may in general be regarded as discriminatory;
- requesting prior experience in the partner country, unless specific justification is provided, as this could in general be regarded as discriminatory;
- requesting technical experience in an overly prescriptive manner that effectively restricts the number of eligible candidates to one or a few firms.

#### **Verification of selection criteria prior to signing the contract signature:**

Prior to signing the contract, project partners may request proof of economic and financial capacity, as well as technical and professional capacity of the tenderers.

Project partners ask the successful tenderer to submit the evidence substantiating the statements made in the tender within 15 days of the date of the notification letter. The project partner must examine this evidence before sending the contract to the tenderer to sign.

However, Project Partners may, depending on their assessment of risks, decide not to require evidence of the legal, regulatory, financial, economic, technical and professional capacity of the successful tenderer when the value of the contract does not exceed the threshold of EUR 300.000,00 for service and supply and EUR 5.000.000,00 for works.

Where the project partner decides not to require evidence of the legal, regulatory, financial, economic, technical and professional capacity of economic operators, pre-financing should not be made, except in duly justified cases.

#### **► Award criteria**

Contracts are awarded based on **the most economically advantageous tender** established for the call for tender in one of the following two ways:

- under the best price-quality ratio, in which case the project partner considers the price and quality criteria linked to the subject matter of the contract, and applies a weighting formula;
- under the lowest price, provided the tender satisfies the minimum requirements laid down.

**The criteria must be precise, non-discriminatory and not prejudicial to fair competition<sup>42</sup>.**

Best price-quality ratio may include criteria which:

- are related to the subject-matter of the procurement,
- can be quantified, and it must include relative weighting which it gives to each of the criteria.

Project Partners should take into consideration criteria such as:

- quality, including technical merit, functional characteristics, accessibility, social, environmental and innovative characteristics and trading and its conditions;
- organisation, qualification and experience of staff assigned to performing the contract, where the quality of the staff assigned can have a significant impact on the level of performance of the contract;
- after-sale service and technical assistance.

Criteria is related to the subject-matter of the procurement where they relate to the works, supplies or services to be provided under that contract in any respect and at any stage of their life cycle, including factors involved in the specific process of production, provision or trading those works, supplies or services, or a specific process for another stage of their life cycle.

Life-cycle costs cover:

- costs of use (such as consumption of energy and other resources),
- maintenance costs,
- end of life costs (such as collection and recycling costs),
- costs imputed to environmental externalities linked to the product, service or works during its life cycle, provided their monetary value can be determined and verified (such as the cost greenhouse gas emissions and other pollutant emissions and other climate change mitigation costs).

► ***Distinction between the selection and award criteria***

In the tender procedure, a firm distinction between the selection and award criteria should be made, especially when preparing the tender specifications and when tenders are evaluated in order to avoid any legal uncertainty regarding the conditions of the award of the contract.

<sup>42</sup> Award criteria should be defined in tender dossier within single tender procedure (if more than one tenderer is invited to submit the offer).

Confusing selection and award criteria constitute a procedural defect that may result in the annulment of the procedure in case of dispute.

At the stage of award criteria evaluation, the project partner can no longer review the capacity or ability of the tenderers as already assessed during the selection phase. Only the technical and financial offers must be evaluated at this stage by reference to the award criteria which are to be directly related to the tender specifications in order to assess the intrinsic quality of the offer, and which may not relate to the capacity of the tenderer.

In this regard, particular attention should be paid when defining award criteria for experts in order to avoid overlapping and double evaluation with the requirements related to staff (professional capacity) in the selection criteria.

▶ ***Period of validity***

Tenderers are bound by their tenders for the period specified in the letter of invitation to tender or in the tender dossier. This period must be enough to allow the Evaluation Committee to examine tenders, approve the contract award proposal, notify the successful and unsuccessful tenderers and conclude the contract. The period of validity of tenders is fixed at 90 days from the deadline for the submission of tenders.

▶ ***Standstill period***

The contract with the successful tenderer can only be signed after the expiry of the standstill period. The duration of the standstill period is 10 calendar days when using electronic means or 15 days when using other means, starting from the day following the date on which the notification to tenderers was sent.

It is not necessary to apply the standstill period in the following cases:

- when the value of the contract does not exceed the threshold of EUR 300 000 for service and supply contracts; and EUR 5 000 000 for works contracts;
- in a procedure where only one tender has been submitted;
- in a simplified procedure
- in a single tender procedure

▶ ***Publicising the award of the contract***

After having received the countersigned contract from the successful tenderer, the contracting authority fills in the appropriate award notice template and publishes the results of the tender procedure in the Official Journal (where applicable). If the award notice is also published locally, the contracting authority must directly arrange local publication.

**An award notice is published if the value of the contract above international thresholds (services > EUR 300 000, supplies > EUR 300 000, works > EUR 5 000 000), unless the contract was declared secret (and the secrecy is still relevant at the time of the award), or where the performance of the contract must be accompanied by special security measures, or where the protection of the essential interests of the EU or the partner country so requires, and where the publication of the award notice is deemed inappropriate.**

#### **6.4. Complaints to the contracting authority<sup>43</sup>**

Without prejudice to other remedies, where a tenderer believes she / he has been adversely affected by an error or irregularity allegedly committed as part of a selection or procurement procedure, or that the procedure was vitiated by any maladministration, they may file a complaint to the contracting authority.

The complaint shall be substantiated, and its sole subject shall not be to obtain a second evaluation for no reason, except if the complainant disagrees with the final award decision.

The contracting authority will endeavour to investigate the complaint and respond within a maximum of 30 calendar days. Alternatively, if the candidate, tenderer is not satisfied with the answer received, they may also file ordinary actions, provided the conditions stipulated in the national legislation are met.

#### **6.5. Contract implementation**

The Contract must be implemented in line with conditions set out in the Tender Documentation and the selected offer.

Modifications of the contract are allowed. However, modifications are not allowed if they would be of such a nature that they could, if introduced in the Tender Documentation, change the award conditions prevailing at the time the contract was awarded.

In any case, parties may request a variation or even termination of the contract if after entering into a contract, extraordinary circumstances arise, that were impossible to foresee at the time of entering into a contract, making it excessively onerous for one party to perform or, if under such circumstances, a party would suffer an excessive loss as a result of the performance.

### **7. Reporting**

\*to be delivered

<sup>43</sup> Contracting authority= beneficiary / project partner

## 8. Project Modifications

A project should be implemented in accordance with the approved Application. However, due to unforeseen reasons, some changes may be necessary in relation to the specific elements of the project implementation defined in the approved Application and Subsidy Contract. Modifications will be accepted only in duly justified cases. It is important to note that project modifications should not in any way put into question the basic purpose of a project and the MC decision on selection of the project.

Depending on the impact of the changes on the project, there are minor and major project changes. Minor changes require only the confirmation / approval of the JS, while major changes need the approval of the MA or, in certain cases, the MA and the MC. Some changes (minor and major) may also result in an Addendum of the Subsidy Contract.

Depending on their focus the following types of modifications may occur:

- **Budget** modifications;
- Modifications of the **work plan**;
- Modification of **legal and administrative** elements;
- Extension of the project **duration**;
- Modifications of the **partnership**.

Significant (major) modifications are to be considered as an exception, and they may be approved only in duly justified cases. The LP is strongly advised to collect all potential modifications into one modification request, in order to reduce the administrative burden and avoid repeating the lengthy modification procedure for each modification separately. The LP must involve all partners in the discussions in due time so that the needs of the whole partnership are reflected in the modification request.

**As modification requests require prior approval from relevant Programme bodies, they enter into force after the approval from the relevant body (JS/MA/MC). However, once approved they are valid retrospectively starting from the date when the modification request was first submitted to JS. In case of rejection by the JS/MA/MC, the same modification cannot be requested again.**

### Important!

The project may be modified only during its implementation period - modifications cannot be made retroactively after the project ended with implementation!

Technical instructions for modification process in Jems can be found in Jems User Manual under Modification of the Application form section.

### 8.1. *Modification process*

As soon as LP becomes aware about the need for modification, the LP has to inform the JS. JS PM performs a preliminary screening of the requested modification in order to identify the type and nature of the modification. The JS then provides support and guidance through the whole modification process which is briefly outlined below.

**Modification process must be implemented (started and concluded) in Jems before the reporting deadline** in order to allow proper reporting and monitoring which is always linked to the last approved Application. **Only 1 modification request is acceptable in one reporting period collecting needs from all PPs.**<sup>44</sup>

In order to implement modifications, the following steps are foreseen:

- a. The LP informs the JS via e-mail on the need for the modifications. Modification request form<sup>45</sup> needs to be prepared including short description and justification of the changes (attaching also, if applicable, supporting documents).
- b. JS (and/or MA/MC) can request additional information from LP before approval of the modification request (via e-mail).
- c. After the approval of the modification request via e-mail, JS PM starts modification request in Jems allowing the LP to modify the relevant parts of the Application.
- d. The LP inserts the changes and supporting documents in Jems and submits the modification.
- e. JS checks the modification of the Application and, if needed, hands back the project modification to the LP for further clarifications and/or adjustments or accepts the modification in Jems.
- f. The process is finalised, and the LP is notified about the decision.

### 8.2. *Minor modifications*

Minor modifications are adjustments of the project, which do not have a significant impact on the project objectives and / or its implementation. The **request for minor project modification** should be submitted to the JS **no later than one (1) month** before the project end date.<sup>46</sup>

Minor modifications are limited to the following:

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<sup>44</sup> However, due to force majeure and in duly justified cases additional modification requests may be submitted by LP.

<sup>45</sup> Annexed to PIM – please see General annexes

<sup>46</sup> However, in duly justified cases the request can be submitted in the final month of project implementation.



- a) Modifications of administrative elements,
- b) Modification of the workplan,
- c) Budget modifications.

#### **a) Modification of administrative elements**

Administrative modifications are all changes concerning the basic information relevant to the project. The LP should inform the JS PM via e-mail on the change of administrative information and update the relevant sections in the Application.

For example:

- change of contact / address information of the LP or PPs,
- change of bank account of the LP or PPs,
- changes in project staff member(s),
- changes of legal representative(s) of the LP or PPs,
- change of name of the LP / PPs (when it does not affect their legal status),
- change of the legal status of the LP or PP(s) (e.g. legal succession), etc.

The legal succession of the LP or PP is considered as an administrative change and not as a partner change if it can be proved, based on the legal act, that the new legal entity is the legal successor taking over the duties and obligations of the previous one (predecessor), as well as it still fulfils the partner eligibility criteria of the relevant Call for Proposals.

#### **b) Modifications of the workplan**

Minor changes of the workplan are modifications related to project activities and deliverables (e.g. changes in timeline<sup>47</sup>, location, quantity of deliverables, etc.).

Changes in the workplan must not:

- affect the project intervention logic (i.e. achievement of project main and specific objectives, quantity of project output/s and result/s indicators) and the cross-border character of the project,
- affect the quality, nature and use of the planned outputs and investments (technical / professional equipment and / or infrastructure and works),
- change the nature and intended use of equipment items.

<sup>47</sup> Please note that duration of periods cannot be changed. Changes in timeline are: start/end date of an activity, delivery period of a deliverable or output, allocation of budget per period, etc.

### c) Budget modifications

Budget modifications refer to reallocations among expenditure categories or budget lines within each partner budget. Budget modifications must be agreed upon in a partnership and communicated to the JS by the **LP only**. Budget reallocations must be inserted in the Budget Reallocation Template.<sup>48</sup>

Each financial reallocation must be justified. Savings during implementation of project activities may be reallocated only if there is a real need to redistribute the surplus to some other expenditure category / line.

Any budget modification should be carefully prepared by involving all partners and clarifying their needs. **The LP is responsible for coordinating the project budget of the whole partnership.**

#### Restrictions for budget modifications:

- the project total budget cannot be increased during the implementation of the project (except if the increase is proposed by the MA following the MC decision),
- budget modifications cannot affect the nature and purpose of the project as per approved Application,
- budget modifications with flat rates / lump sums are not allowed.

### 8.3. Major modifications

Major modifications are substantial deviations from the approved Application. They are considered as exceptional cases, which need the previous decision of the MA / MC, based on thorough justification.

The Request for major modification shall be initiated by the LP **at the latest three (3) months before the project end date**.<sup>49</sup> Exceptionally, the change of partnership shall be initiated **at the latest six (6)<sup>50</sup> (in case of small-scaled projects) or nine (9)<sup>51</sup> (in case of standard and strategic projects) months before the project end date.**

The JS shall give written response (via e-mail) to the request and clarify if the request is justified and inform the LP about the procedure to be followed and the necessary documents to be submitted.

<sup>48</sup> Annexed to PIM – please see General annexes.

<sup>49</sup> In duly justified cases the request can be submitted after the mentioned deadline for major modification.

<sup>50</sup> In duly justified cases the request for change of partnership can be submitted after the mentioned deadline for major modification.

<sup>51</sup> In duly justified cases the request for change of partnership can be submitted after the mentioned deadline for major modification.

In case the request for major modification is approved by the MA / MC, the Application needs to be modified accordingly. **When approved change has an effect on the contents of the Subsidy contract, the Addendum to the Subsidy contract will be issued.**

The following modifications are considered as major modifications:

- a) changes in the composition of the partnership,
- b) budget reallocations between project partners (max. 10% of the total partner budget),
- c) prolongation of the Project implementation period (not exceeding the maximum implementation period defined in the relevant Call for Proposals)<sup>52</sup>,
- d) changes related to outputs / results,
- e) changes related to location of investment and/or type of investment.

#### **a) Changes in the composition of the partnership**

The partnership is a core feature of a project and, as such, it is assessed in the application phase and approved by the MC. Therefore, modifications of the partnership **should be avoided**, and other possible solutions should be explored before requesting a partnership modification. In any case, a partnership modification requires the approval of the programme bodies (MA and MC). It should be noted that the concept of partnership modifications requiring the approval by the programme bodies refers to any change that has impacts on the legal relationships within the partnership.

##### Restrictions for partnership modifications:

- the change must not affect the cross-border character of the project,
- the total project budget cannot be increased.

In case the change in the composition of partnership cannot be avoided, the Programme has the following options for the remaining partners:

##### A) The redistribution of the budget and activities between the remaining partners

This option means that one or more remaining partners partly or fully take over the role and activities of the withdrawing partner. Therefore, this also means that the budget of the withdrawing partner is reallocated among other partners taking over tasks of the withdrawing partner.

##### B) Replacement of the withdrawing partner

This option should only be considered in exceptional cases if option A is not possible for the remaining partners. The replacing institution / body must have the necessary experience and

<sup>52</sup> In duly justified cases the project may request to exceed the maximum implementation period defined in the CFP, which should be approved by the MA.

technical, organisational and financial capacity to properly implement the project. Additionally, the replacing institution must comply with all relevant administrative, quality and eligibility criteria of the relevant CfP.

In case the withdrawing partner has not yet started the implementation of its activities, tasks and the related budget, they can be fully taken over by the new partner. If the withdrawing partner has already carried out some of the planned activities, only the remaining tasks and budget may be taken over by the new partner. It is nevertheless to be highlighted that funds of the withdrawing partner become available for the new partner only after the official approval of the replacement by the Programme bodies.

#### **b) Budget reallocations between project partners (max. 10% of the total partner budget)**

There is a possibility to reallocate budget between project partners (only in duly justified cases) that are substantial to the project implementation and achieving the project outputs / results as planned. Budget reallocation between project partners is allowed in the amount of max. 10% of the total partner budget, considering the budget from which the funds will be reallocated.

#### **c) Prolongation of the Project implementation period**

Prolongation of the project duration can be requested only once during the project's lifecycle.<sup>53</sup> Projects with initial maximum duration of 18 (for small-scaled projects), 30 (for standard projects) or 36 (for strategic projects) months cannot request prolongation of project duration. The prolongation of the project duration means the extension of the timeframe for the eligibility of expenditures and, if relevant, the revision of the spending forecast of the project.

In exceptional and well justified cases, partnerships can request a modification of the project duration, which then needs to be approved by the MA (e.g. if, without an extension of the project duration, it would not be possible to achieve the set project overall and specific objectives).

#### **d) Changes related to output / result indicators**

The LP and PPs have to assure that the project intervention logic is respected as defined in the approved Application, and that the envisaged project objectives, result(s) and outputs are achieved.

Modifications of the project content which have impact on the achievement of project outputs or results (modifications of the quantitative or qualitative aspects of certain project outputs), defined in the approved Application are considered to be major changes of the project.

<sup>53</sup> However, in duly justified cases the project may request to exceed the maximum implementation period defined in the CfP, which should be approved by the MA.

Requests for modification related to programme output / result indicators have to include an exhaustive justification, especially if they are decreasing the target values of project outputs / results.

**e) changes related to location of investment and/or type of investment**

In exceptional and well justified cases, partnership can request a change related to location of investment and/or type of investment approved within Application. Such modification should not in any way put into question the basic purpose of an investment and/or achievement of project main and specific objectives, and/or the cross-border character of the project.

## 9. Monitoring Visits and Audits

\*to be delivered

## 10. Irregularities

\*to be delivered

## 11. Project Closure

\*to be delivered

## ANNEXES

The attached annexes:

1. Visibility and Communication Annexes
2. Public Procurement Annexes (Single tender Annexes / Simplified & Open Annexes)
3. Modification Annexes (Request for modification form / HR-RS budget reallocation tool)