

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 ABBREVIATIONS¹

CPR	Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (Common Provisions Regulation – CPR)
ERDF Regulation	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 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)
Interreg Regulation	Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (Interreg Regulation)
IPA III Regulation	Regulation (EU) 2021/1529 of the European Parliament and of the Council of 15 September 2021 establishing the Instrument for Pre-Accession assistance (IPA III)
IPA III Implementing Regulation	Commission Implementing Regulation (EU) 2021/2236 of 15 December 2021 on the specific rules for implementing Regulation (EU) 2021/1529 of the European Parliament and of the Council establishing an Instrument for Pre-accession Assistance (IPA III)
Financial regulation	Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast)

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

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 and the latest modified versions.
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 III² 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 operations³ 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

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

³ Application = Operation = Project.

ABBREVIATIONS

AA	Audit Authority
AB	Accounting Body
AF	Application Form
AWP	Annual Work Plan
CB	Control Body⁴
CfP	Call for Proposals
EC	European Commission
Jems	Joint Electronic Monitoring System
JS	Joint Secretariat
JS PM	Joint Secretariat Project Manager
LP	Lead Partner
MA	Managing Authority
MA PM	Managing Authority Programme Manager
MC	Monitoring Committee
MRDEUF	Ministry of Regional Development and EU Funds
NA	National Authority
PA	Partnership Agreement
PIM	Project Implementation Manual
PME	Programme Manual on Eligibility
PP	Project Partner
SC	Subsidy Contract
SCO	Simplified Cost Options

⁴ 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 st 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 placed in the Sector for Implementation of Interreg Programmes and Joint Secretariats within the Directorate for European Territorial Cooperation in 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 reporting (submitted by LP to JS) based on the Subsidy Contract and the information provided in the application. JS is placed within the Sector for Implementation of Interreg Programmes and Joint Secretariats 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 (Šabac) in order to ensure smooth and efficient programme implementation.
Accounting Body (AB)	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 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.
Audit Authority (AA) and Group of Auditors (GoA)	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.
National Authority (NA)	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.
National Controllers (NC) ⁵	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 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.

⁵ National controllers (NC) / Controllers = Control body (CB)

	<u>Croatia:</u> controls are performed by Ministry of Regional Development and EU Funds of the Republic of Croatia, Sector for first level control. <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.
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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 Programme⁶, 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

⁶ For more information on the Interact Jems please visit the page <https://jems.interact-eu.net>

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.

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),
 - for investments in infrastructure with an expected lifespan of at least five years, an assessment of expected impacts of climate change carried out⁷.

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, a confirmation via official letter that no additional documentation will be necessary for the investment in question.

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

⁷ Template is provided to selected projects by MA/JS.

For projects involving equipment procurement and installation within sensitive or protected areas (e.g., nature parks, Natura 2000 sites, water protection zones, archaeological or cultural heritage sites), the respective partners must, where applicable, deliver the necessary installation permits and environmental or regulatory authorizations issued by competent authorities.

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 PP 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 in this section.

Defined reporting deadlines are displayed in the Contracting / Project reporting schedule section in Jems.

3.1.4. Partner details

In this section the project LP/PP should provide the following information per PP:

- Ultimate Beneficial Owner(s)
- Bank details of LP (not required for PPs)
- Location of documents

ULTIMATE BENEFICIAL OWNER(S) - In case of private LP/PP institution⁸, 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.

⁸ 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.

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 PPs, 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.

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 PPs 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 PPs; 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 Reports by the AB during the implementation period, in line with the provisions of the SC. JS 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. PPs 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 PPs 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 PPs 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 PPs 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 have at least one communication objective and should define its target audiences to contribute to 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. In order to ensure consistency, it is recommended that the designated Communication Manager at project level is the same person entered in Jems section 3.1.2. Project Managers.

As per the Article 47 of the CPR, PPs 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, 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 Interreg⁹, and communicate the role and achievements of Interreg. Specific regulations apply to the physical investments and purchase of equipment of the PPs (below).

⁹ In accordance with Article 50 of CPR.

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 Union¹⁰ and fulfil these requirements:

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

1. The emblem of the European Union¹¹;
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. The standard placement for project names/logos is below the Interreg logo, separated by a thin straight line. Alternatively, the project acronym can be positioned to the left or right side of the three elements separated by a thin straight line..

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 PP'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 Programme logo,
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.

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. ¹²

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

¹⁰ In accordance with Article 47 of CPR

¹¹ Presented in accordance with the technical specifications laid down in Annex IX of the CPR.

¹² See subtitle 5.2.4.1. Posters

project acronym and graphic element, if developed), 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. Programme logos in JPG and PNG formats are available for download at the Programme website: <https://interreg-croatia-serbia.eu/publications/>

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.

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 size¹³.

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 or Programme Communication Officer 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 PP **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 three months after the projects starts with implementation.**

¹³ 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 permanent¹⁴ plaque or billboard** of significant size¹⁵ 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 billboard¹⁶.

Please note that individual pieces of equipment (when applicable) should be marked with labels containing the Programme or project logo. ¹⁷

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 above listed elements of the template.

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

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.

¹⁴ in accordance with Article 65 of CPR

¹⁵ 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 400 mm 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).

¹⁶ Provided billboard template can be used for plaque as well (without photos).

¹⁷ The format of equipment stickers/labels is not set, it should be adapted according to the size of the individual piece of equipment (e.g. sticker in A3 format for the vehicle or very large piece of equipment).

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 followed¹⁸.

The width of the project logo together with the EU emblem (without the Co-financing statement) has to be equivalent to a forth ($\frac{1}{4}A$) 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 obliged to use a disclaimer (at visible place, preferably on the beginning or at the end of the publication): "This publication was funded/co-funded by the European Union. Its contents are the sole responsibility of <name of the author/partner> and do not necessarily reflect the views of the European Union".

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 size¹⁹ 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.

¹⁸ As defined in **Interreg brand design manual** under section 6. **How to use the brand**

¹⁹ As defined in **Interreg brand design manual**.

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 obliged to use a disclaimer (at visible place on the website): “This <website/account> is funded/co-funded by the European Union. Its contents are the sole responsibility of <name of the author/ partner> and do not necessarily reflect the views of the European Union.”.

PPs are expected to regularly publish news about the progress of project activities on their websites and social networks, and it is recommended to follow the guidelines provided by the Programme Communication Officer. They are also expected to regularly prepare and send news to the Programme Communication Officer in order to make project achievements more visible.

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 obliged to use a disclaimer (at visible place, preferably on the beginning or at the end of the video): “This <video/film/recording> was funded/ co-funded by the European Union. Its contents are the sole responsibility of <name of the author/partner > and do not necessarily reflect the views of the European Union”.

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 181 and 182 of the Financial Regulation and points 37 to 42 of Chapter 3 of Annex I to the Regulation (EU, Euratom) 2024/2509** of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast);
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 rules²⁰** - Public Procurement Act of the **Croatia** (only for PPs in Croatia that fall under the scope of National Public Procurement Act²¹ 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)²² and in IPA III beneficiary (Republic of Serbia) territory.

All PPs must follow the **rules on public procurement procedure²³** 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.²⁴ In this respect, this document seeks to set out **minimum rules** which will assure that PPs comply adequately with procurement rules at all levels (EU, Programme and national).

²⁰ 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.

²¹ HR: <http://www.zakon.hr/z/223/Zakon-o-javnoj-nabavi>

²² 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

²³ 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.

²⁴ 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

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.

► 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.²⁵

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).²⁶

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.

²⁵ More provisions on conflict of interest can be found under Section 2.5.4. of PRAG: <https://webgate.ec.europa.eu/fpfis/wikis/spaces/ExactExternalWiki/pages/2297138129/2.+Basic+rules> and National Public Procurement Act of Republic of Croatia <http://www.zakon.hr/z/223/Zakon-o-javnoj-nabavi> (articles 75-83)

²⁶ 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

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.

► **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](https://green-business.ec.europa.eu/green-public-procurement/gpp-criteria-and-requirements_en)²⁷.

²⁷ https://green-business.ec.europa.eu/green-public-procurement/gpp-criteria-and-requirements_en

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 **National rules** – for all procurements.

Internal rules for procurement of values below the national thresholds²⁸ 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)**²⁹ 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.

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 fulfilled³⁰.

²⁸ Jednostavna nabava = procurement of small value below financial thresholds

²⁹ https://international-partnerships.ec.europa.eu/funding-and-technical-assistance/guidelines/contract-award-procedures-european-union-external-action-practical-guide-prag_en Access to the PRAG requires authentication via an EU Login account

³⁰ 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

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.

6.1.5. Financial thresholds and related procurement procedures³¹

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 below³²:

³¹ Without VAT, in line with Art.5 of Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement.

³² In line with Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast).

SERVICE CONTRACTS	≥ 300 000 EUR International open tender procedure	< 300 000 EUR but > 20 000 EUR Simplified procedure³³		≤ 20 000 EUR Single tender procedure
SUPPLY CONTRACTS	≥ 300 000 EUR International open tender procedure	< 300 000 EUR but ≥ 100 000 EUR Local open tender procedure	< 100 000 EUR but > 20 000 EUR Simplified procedure	For service / supply / works contracts, a payment may be made against
WORKS CONTRACTS	≥ 5 000 000 EUR International open tender procedure	< 5 000 000 EUR but ≥ 300 000 EUR Local open tender procedure	< 300 000 EUR but > 20 000 EUR Simplified procedure	invoice without prior acceptance of a tender if the expenditure is ≤ 2 500 EUR

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.

³³ Simplified procedure = former „competitive negotiated procedure“ (CNP)

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

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 doubts on how to estimate the type of contract and which procedure to use, PPs 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 a 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 tender³⁴.

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 2024/2509), 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 EUR³⁵** 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:

³⁴ Project partners may also conclude contracts directly, or to use order form (narudžbenica).

³⁵ Estimated value of service / supply / work that is subject to a procurement procedure must be calculated without including the VAT.

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:

- description of technical specifications / terms of reference;
- quantities;
- expertise;
- price³⁶;
- 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.³⁷

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.**

³⁶ Potential tenderers should indicate whether the VAT is included in the offer / price.

³⁷ Please note that these parameters should not have effect of narrowing the competition on the market.

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/requirements³⁸:

- Declaration on exclusion criteria (please see section 2.4.2.3. Evidence to be provided of PRAG³⁹);
- 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 (please refer to the parameters stated in point 1. Market research).

In addition to the offer, the tenderer is required to provide signed declaration of honour as stated in Section 2.4.3. of PRAG, 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.

³⁸ Terms of reference (for service contracts) and technical specifications (for supply and works contracts).

³⁹ <https://webgate.ec.europa.eu/fpfis/wikis/spaces/ExactExternalWiki/pages/2297138129/2.+Basic+rules#id-2.Basicrules%23Toc2.4.2.3.2.4.2.3.Evidencetobeprovided>

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.

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, PPs 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 contractors 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). PPs 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.

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 PP 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 PP 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 notice of competition 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.

- Clear indication of unrestricted and full direct access free of charge to the complete procurement documentation (contract notice and tender dossier), with specifying the internet address at which the procurement documents are accessible, is mandatory. Providing only an e-mail contact address which the procurement documentation can be received from is not an adequate way of obtaining it, and presents restrictions in transparency, equal-treatment and non-discrimination of potential tenderers.
- **Publication of procurement documentation** on the web page of the PP and notice of competition (with a web address where procurement documentation can be downloaded from) in national media (**Official Journal of the PP's country** or any equivalent media (in the national press of the country where the project is being implemented, etc.)) is mandatory.

PPs are strongly recommended to notify the JS and provide a link to relevant web sites where procurement documentation is published, in order to publish the information on Programme website.

- **The time limits for the receipt of tenders**, running from the date when the contract notice and TD is published, shall be at least⁴⁰:
 - a) **60 days for works contracts;**
 - b) **30 days for supply contracts.**

⁴⁰ However, in certain exceptional cases other time limits may be authorised.

► **For international procedure:**

The procedure starts with a procurement documentation which is published on the **international** level.

- Clear indication of unrestricted and full direct access free of charge to the complete procurement documentation (contract notice and tender dossier), with specifying the internet address at which the procurement documents are accessible, is mandatory. Providing only an e-mail contact address which the procurement documentation can be received from is not an adequate way of obtaining it, and presents restrictions in transparency, equal-treatment and non-discrimination of potential tenderers.
- **Publication of the procurement documentation** on the web pages of a relevant PP, as well as in Official Journal of European Union is mandatory. Publication of international open tender procedure in the Official Journal of the European Union (on the TED - Tenders Electronic Daily) is possible for PPs from Serbia by using the [eNotice2 system](#).

PPs are strongly recommended to notify the JS and provide a link to relevant web sites where procurement documentation is published in order to publish the information on Programme website.

- **The time limits** for the receipt of tenders, running from the date when the contract notice and TD are published, shall be at least⁴¹:
 - 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.

➤ **Evaluation Committee in open procedure**

Tenders are opened, evaluated and ranked by an Evaluation Committee appointed timely and formally by the PP. 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**.

⁴¹ However, in certain exceptional cases other time limits may be authorised.

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 PP is obliged to include elements set in Point 16 of Annex I, Chapter 1, Section 2 of Regulation (EU, Euratom) No 2024/2509 when preparing tender documents. These are summarized as follows⁴²:

Service

- a) Contract notice including:
 - selection criteria,
 - award criteria and their weightings if applicable, etc.
- b) instructions to tenderers including:
 - whether variants are permitted,
 - the proportion of sub-contracting which may be authorized,
 - the maximum budget available for the contract,
 - the currency of tenders, etc.
- c) general conditions for service contracts
- d) specific conditions which amplify, supplement or derogate from the general conditions
- 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
- 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 payment of pre-financing

Supply

⁴² Please be reminded that example templates are annexed to this document, please see Annexes section; PPs may also use PRAG templates.

- a) Contract notice including:
 - 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 all procurement procedures

► Clarifications during tender evaluation

A tender which does not respect the requirements demanded in the tender documents shall be eliminated. However, the PP 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 138 of Regulation (EU, Euratom) No 2024/2509 as well as in Section 2.4.2.1. of PRAG and listed here:

https://webgate.ec.europa.eu/fpfis/wikis/spaces/ExactExternalWiki/pages/2297138129/2.+Basic+rules#id-2.Basicrules-%23_Toc2.4.2.1.2.4.2.1.Exclusioncriteriafromparticipationinprocurementandgrantprocedures. Candidates / tenderers participating in the procurement procedure must sign a declaration of honour as stated in Section 2.4.2.3. of PRAG⁴³, certifying that their entity does not fall into any of the exclusion situations.

Upon request of the PP, for procurement contracts with a value equal or greater than the international thresholds (services ≥ EUR 300 000, supply ≥ EUR 300 000, works ≥ EUR 5 000 000),

⁴³https://webgate.ec.europa.eu/fpfis/wikis/spaces/ExactExternalWiki/pages/2297138129/2.+Basic+rules#id-2.Basicrules-%23_Toc2.4.2.3.2.4.2.3.Evidencetobeprovided

following the notification of award, tenderer(s) to which the contract is to be awarded (including consortium members), must supply evidence⁴⁴ that they do not fall into exclusion situations.

► **Selection criteria**

The PP 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.

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;

⁴⁴ Requested evidence are listed here:
https://webgate.ec.europa.eu/fpfis/wikis/spaces/ExactExternalWiki/pages/2297138129/2.+Basic+rules#id-2.Basicrules%23_Toc2.4.2.3.2.4.2.3.Evidencetobeprovided

- 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, PPs may request proof of economic and financial capacity, as well as technical and professional capacity of the tenderers.

PPs 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 PP must examine this evidence before sending the contract to the tenderer to sign.

However, PPs 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 PP 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 PP considers the price and other 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 competition⁴⁵.

Best price-quality ratio may include criteria which:

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

PPs should take into consideration criteria such as:

⁴⁵ Award criteria should be defined in tender dossier within single tender procedure when more than one tenderer is invited to submit the offer.

- 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.

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 PP 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 authority⁴⁶

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

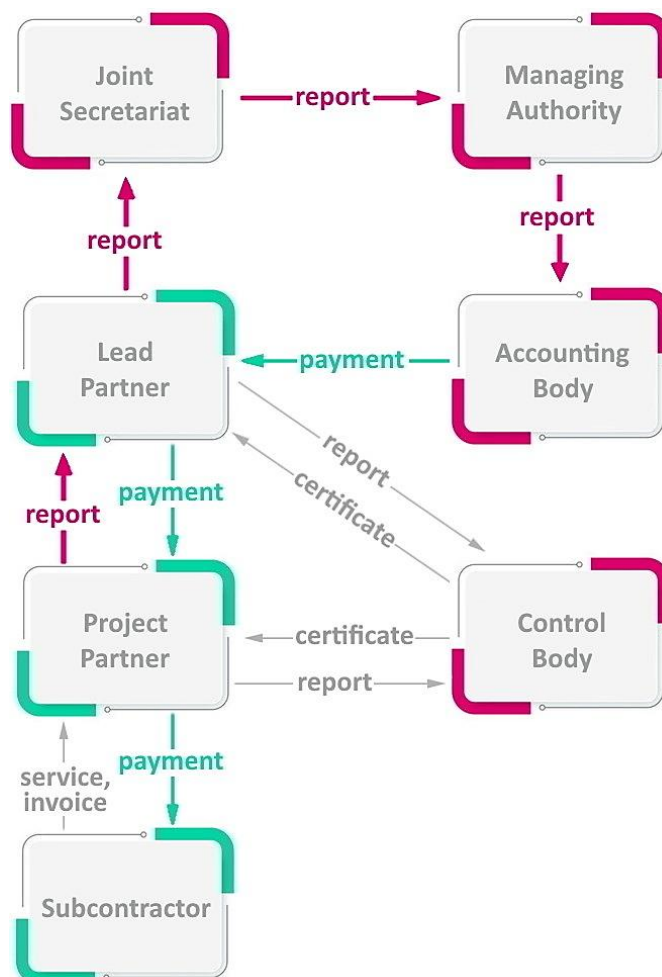
Reporting is one of the tools used by the Programme to monitor on a regular basis progress and performance of the project, its deliverables, outputs, achievements and contributions to the Programme objectives and output and result indicators. Reporting is also the basis for the reimbursement of the EU contribution part of the project expenditure.

⁴⁶ Contracting authority= beneficiary / PP

The aim of the reporting process is to establish whether project objectives have been achieved, what problems have been encountered, and whether the project is expected to be completed on time and within the budget. If performance is adequate, the project will receive payment from the Programme for costs incurred, paid and reported.

The process begins on the partner level where each PP (including LP) must submit a Partner Report to the CB which verifies the declared expenditure. After submission of Partner Report, LP prepares and submits a Project Report providing analysis of the activities, outputs and costs for the related reporting period and submits it to the JS for verification and approval. MA verifies and approves the Project Report following JS approval (following CB certification of all Partner Reports). Payments are carried out by the AB to the LP who is responsible that the amount received from the Programme is transferred to PPs.

Figure 1: Project reporting and payment process



Verification process	Verification timeframe and indicative deadlines		
Preparation and submission of the Partner Report to the CB (all PPs including LP)	15 calendar days from the end of each reporting period/1 month in case of Final Partner Report		
Verification of expenditures and issuing the CB Certificate		80 calendar days from the submission of the Partner Report	
Preparation and submission of the Project Report for the whole project by the LP to the JS			15 calendar days after all Partner Reports have been submitted to the CB, <u>but not later than one month from the end of the relevant reporting period⁴⁷</u>

IMPORTANT!

To enable LP to fill in all relevant information in the Project Report, PPs must also pay special attention to the quality of the narrative part of the Partner Report (summary of activities, report on outputs and deliverables, target groups and work packages in Report identification and Work plan progress tabs).

Report with blank parts should not be submitted (blank boxes without text), e.g. if an activity has not started, “n/a” should be entered.

After formal submission of a Partner Report via JeMS, National controllers (NCs) will check:

- activities performed by PPs during the reporting period considering the content as approved in the Subsidy Contract and in the Application;
- whether the costs declared within the Partner Report (List of Expenditure) are in line with the approved budget and project activities;
- proof of expenditure (whether the expenditure is eligible, incurred and paid, the invoices are formally compliant to relevant programme and national rules, etc.);

⁴⁷ In case of the Final Project Report no later than 45 calendar days from the end of final reporting period.

- whether the reported expenditures comply with the EU, Programme or national eligibility rules, public procurement and accounting rules, visibility and publicity rules.

Should the NCs request additional information or ask for missing documentation at any time, LPs / PPs have to provide information / documents within 7 working days of the request. The NC will certify (in part or in full) the expenditure submitted by the PP and issue an NC Certificate (within 80 calendar days from the submission of the Partner Report). All official communication is done via Jems or e-mail in Programme language (English).

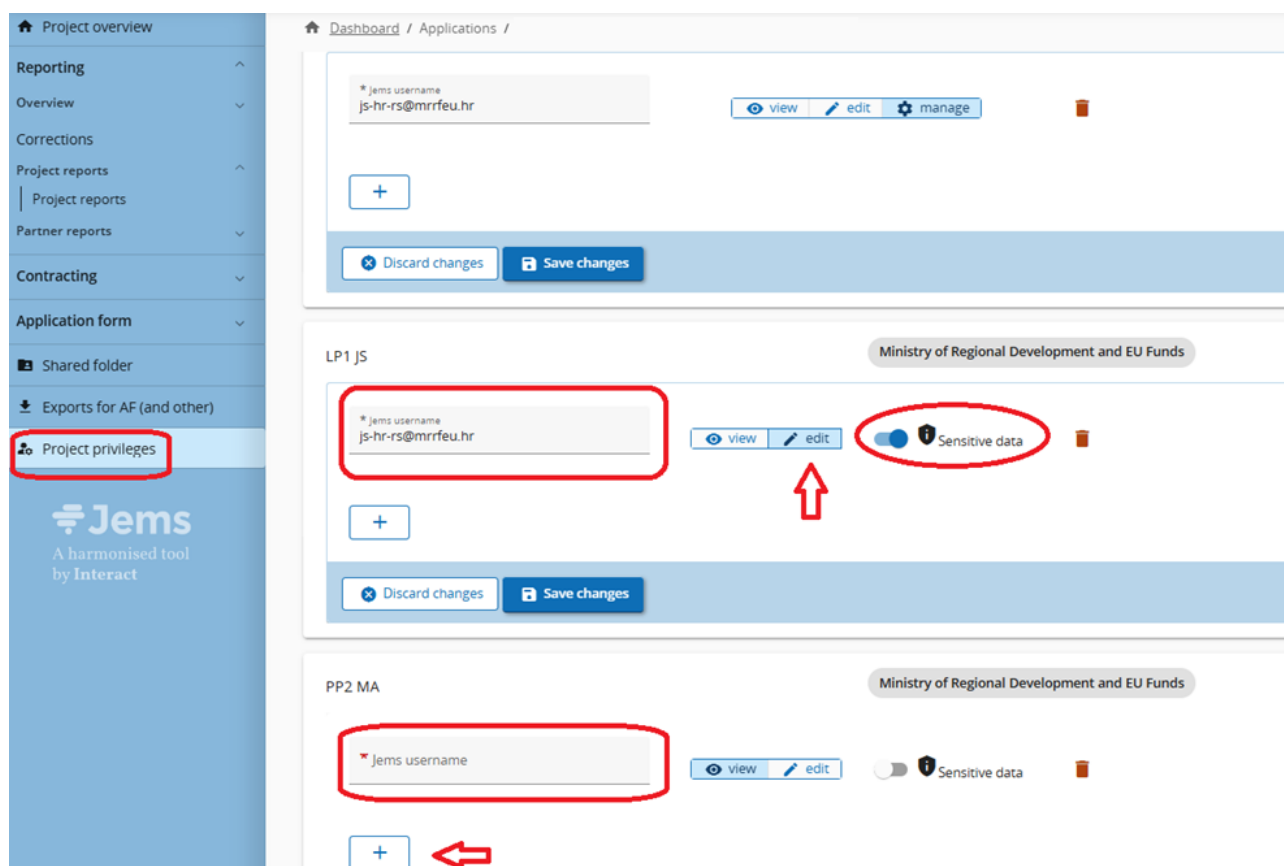
In case of insufficient supporting documentation or in case of suspicion on irregularity, which prevents the controller from validating the reported expenditure in the current reporting period, the controller may put the expenditure on hold until the final Partner Report at the latest, i.e. place it in the “parked items” status. Leaving the expenditure in the “parked item” status does not mean that this expenditure is ineligible. The expenditure will be visible to the CB when performing the verification of the next Partner Report only if the PP/LP re-includes it in the next/subsequent Partner Report (the responsibility is on the PP/LP to decide on re-inclusion). In case some expenditures are marked as “parked item” the CB shall provide a short explanation within control report.

7.1. Partner Report

All PPs (including the LP) shall submit a Partner Report including relevant supporting documents, declaring their expenditures for the relevant reporting period.

Partner Reports shall be submitted via JeMS to the Control Bodies within 15 calendar days from the end of the relevant reporting period or, in case of Final Partner Report within 1 month from the project end date. Control Body shall issue NC Certificates on the eligible and validated expenditures to the beneficiaries within 80 calendar days after the submission of the Partner Report.

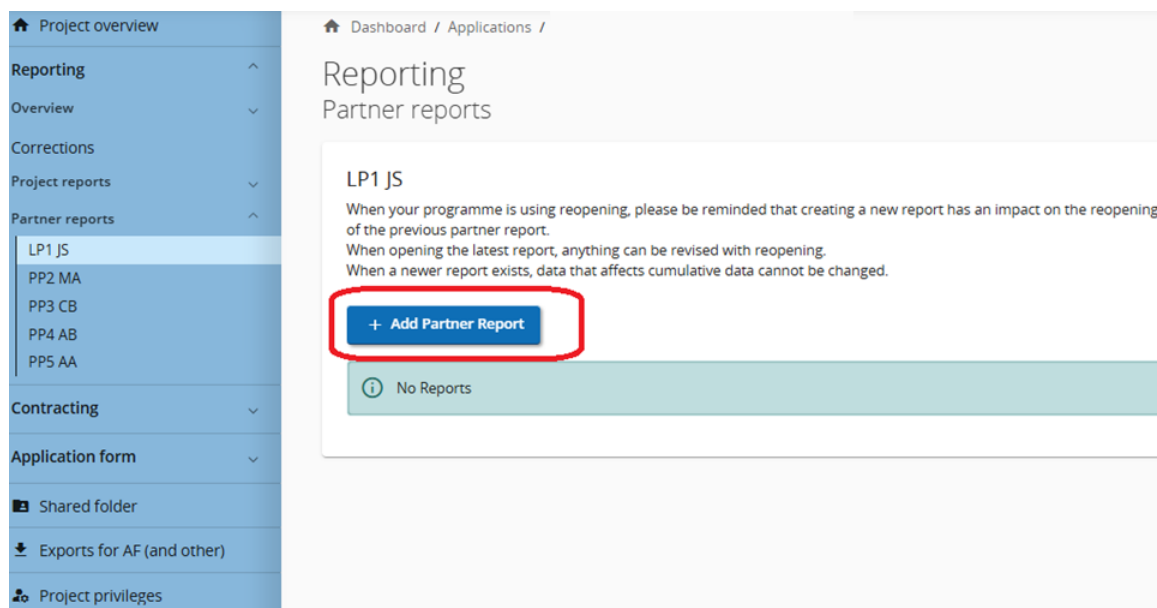
By respecting the reporting schedule all PPs (including the LP) are obliged to report implemented activities and expenditures incurred and paid within respective reporting period by filling in the Partner Report in JeMS (even if the concerned partner has no expenses incurred in a certain period). The PPs can access the reporting section in Jems when the LP enters all Project Partners into the system. Access to a Partner Report is granted by the LP assigning users as Partners in the "Project Privileges" section.



The LP has to enter the Jems username in the “Jems username” field and add an additional user for this PP using the “+” button. Only users with **edit** privileges can **create** and **submit** a Partner Report.

Sensitive data allows the protection of personal data according to GDPR. Users with an active flag will be able to mark (and view) sensitive data in List of expenditure and Procurement section of Partner Reports.

The assigned users (PPs) will gain access to the reporting section by clicking on the button „Create new report”.



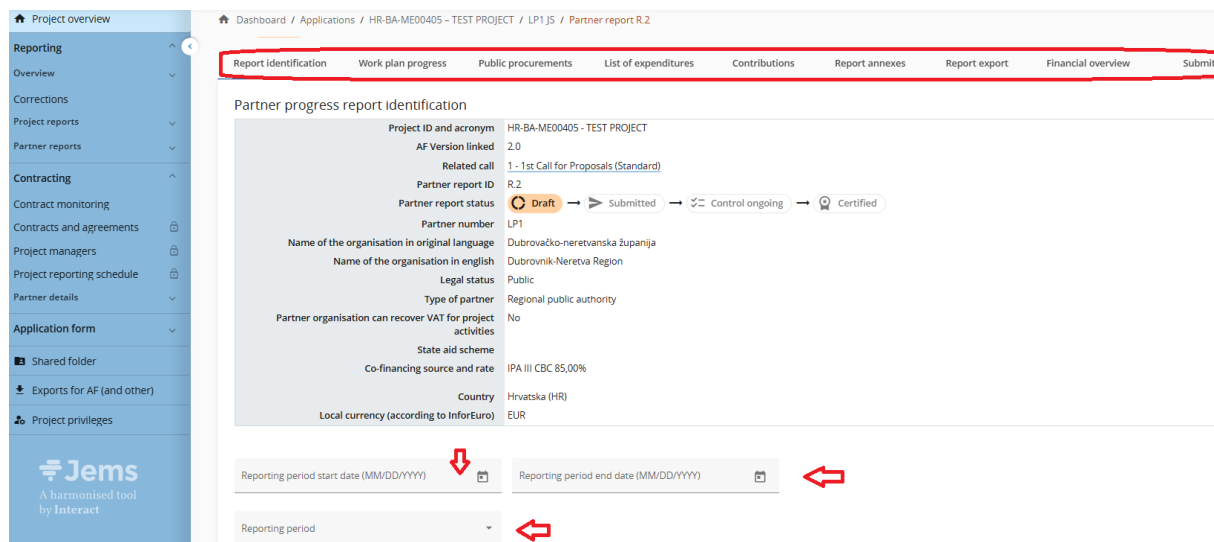
The Partner Report is divided in different sections accessible through tabs at the top:

- Report identification
- Work plan progress
- Public procurements
- List of expenditures
- Contributions
- Report annexes
- Report export
- Financial overview
- Submit

➤ **Report identification**

When creating a report, the user will land automatically on the first tab called **“Report identification”**. In this section user needs to select the reporting period from the drop-down menu and then the start and the end dates of the period have to be inserted. It is necessary to pay attention that in the “AF Version link” section is the last approved version of the project application.

Therefore, it is recommended that the report is created only after the relevant implementation period has ended.⁴⁸



Dashboard / Applications / HR-BA-ME00405 - TEST PROJECT / LP1 JS / Partner report R.2

Report identification | Work plan progress | Public procurements | List of expenditures | Contributions | Report annexes | Report export | Financial overview | **Submit**

Partner progress report identification

Project ID and acronym	HR-BA-ME00405 - TEST PROJECT
AF Version linked	2.0
Related call	1 - 1st Call for Proposals (Standard)
Partner report ID	R.2
Partner report status	Draft → Submitted → Control ongoing → Certified
Partner number	LP1
Name of the organisation in original language	Dubrovačko-neretvanska županija
Name of the organisation in English	Dubrovnik-Neretva Region
Legal status	Public
Type of partner	Regional public authority
Partner organisation can recover VAT for project activities	No
State aid scheme	
Co-financing source and rate	IPA III CBC 85,00%
Country	Hrvatska (HR)
Local currency (according to InforEuro)	EUR

Reporting period start date (MM/DD/YYYY) Reporting period end date (MM/DD/YYYY)

Reporting period

In the section **Summary of partner's work** in reporting period a summary description on the partner achievements in the reporting period should be provided. Partner needs to describe progress in project implementation in a relevant reporting period and how a PP's work contributes to project activities, outputs and deliverables.

In the section **Partner problems and deviations** an overview of the main problems, deviations and/or delays encountered in the reporting period as well as required modifications in project implementation compared to the approved application should be reported in this part of the report. Description of planned or applied solutions / measures to the reported problems should be provided in this section (e.g. „with additional efforts of project staff, delayed activity will take place in the upcoming period of implementation“).

The **partner spending profile** gives an overview on the spending targets and reported expenditure. Deviations should be explained in the textbox below the overview table.

A forecast on the expected spending in the next reporting period needs to be filled in. PP should indicate here the planned (estimated) expenditure for the next reporting period.

The information in the column “Current report” is automatically updated upon submission of the Partner Report.

⁴⁸ In case the report is created with an incorrect version of the project application, it is necessary to delete it and recreate the report with the correct version.

Summary of partner's work in reporting period

Please describe your progress in this reporting period and how this contributes to other partners' activities, outputs and deliverables delivered in this reporting period.

Enter text here

Partner problems and deviations

If applicable, please describe and justify any problems and deviations including delays from the work plan presented in the application form and the solutions found.

Enter text here

Partner spending profile

Partner number	Period target	Current report	Cumulative target	Total reported so far	Cumulative target - total report so far	Total report so far / cumulative target	Next report forecast
LP1	76.465,17	0,00	84.465,17	0,00	84.465,17	0,00%	0,00

If applicable, please explain any deviations in the spending profile compared to the amounts indicated in the Application form.

Enter text here

Information on involvement of target groups should be described. The listed target groups are based on the target groups specification in the last approved Application Form.

Target groups

In the table below you will see a list of target group you indicated in the application form. Please explain which target groups you involved, in what way and to what extent.

Target Group	Description of the target group involvement
Local public authority	Enter text here
Regional public authority	Enter text here
National public authority	Enter text here
Sectoral agency	Enter text here
Infrastructure and (public) service provider	Enter text here
Interest groups including NGOs	Enter text here

➤ Work plan progress

The second tab, **“Work plan progress”**, takes the work plan related data from the last approved AF organised per work package. The partner's contribution to the work package in the reporting period should be described in this section.

Partner report R.2
LP1 JS

Status Draft

Report identification Work plan progress Public procurements List of expenditures Contributions Report annexes Report export Financial overview Submit

A.5 Work plan progress

Work package 1

Work package 2

Partners should provide information per activity and describe how they contributed to project activities, related deliverables and outputs in reporting period. If deliverables/outputs were finalised, it should be specifically highlighted. Deliverables and outputs to which the partner contributed in the reporting period can be selected (tick “Contribution” box). In case of investments, report on contribution in the textbox of the concerned project activity should be provided.

Supporting documents can be uploaded only as one attachment per item. Uploaded files will appear again in the Partner Report Annexes. In case multiple files should be uploaded per item, it is recommended to upload a zip or rar file.

A.5 Work plan progress

Work package 1

Please describe your contribution to the activities carried out in this reporting period.

Enter text here

Please indicate how you contributed to project activities in this reporting period and choose deliverables and outputs you contributed to.

Project partners don't need to indicate how much (in numbers) they achieved in this reporting period. This information is required in Project progress report. Explanations by project partners are possible on the activity level.

Activities

A 1.1 Monitoring plan development

Describe how you contributed to the progress made in this activity

Attachment:



D 1.1.1 Report on the monitoring plan organization and development

☐ Contribution

Attachment:



Outputs

O 1.1 Name of the output

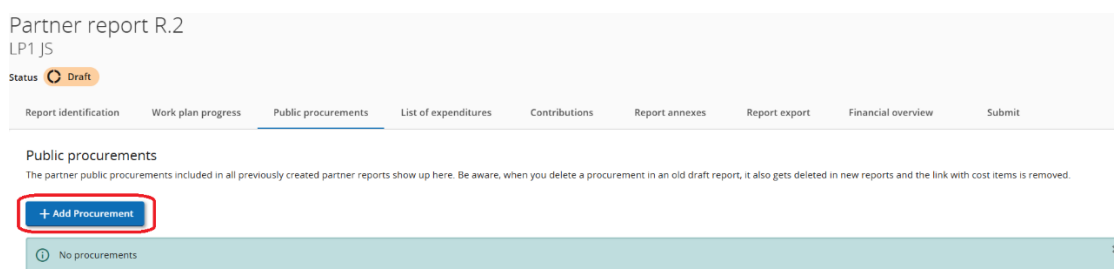
☐ Contribution

Attachment:



➤ Public procurements

In the **“Public procurements”** section partners should fill in information on project related procurements. Regardless in which report a procurement is added, it will show up in all following Partner Reports. The procurement can only be deleted and edited in the report where it was created. Beneficial owners, Sub-contractors and attachments can still be added in following reports. By clicking on **“+ Add procurement”** a procurement item details are opened.



The screenshot shows the 'Partner report R.2 LP1 JS' interface. At the top, the status is 'Draft'. Below this is a horizontal menu with several tabs: 'Report identification', 'Work plan progress', 'Public procurements' (which is currently selected), 'List of expenditures', 'Contributions', 'Report annexes', 'Report export', 'Financial overview', and 'Submit'. Under the 'Public procurements' tab, there is a heading 'Public procurements' followed by a note: 'The partner public procurements included in all previously created partner reports show up here. Be aware, when you delete a procurement in an old draft report, it also gets deleted in new reports and the link with cost items is removed.' Below this note is a button labeled '+ Add Procurement', which is highlighted with a red rectangle. At the bottom of the section, there is a light blue bar with the text 'No procurements' and a close icon (X).

The following information should be provided in this section:

- Contract name
- Reference number
- Contract date
- Contract type
- Contract amount & currency
- Supplier name
- VAT number
- Comment

The Contract Name is then used in the **“List of Expenditures”**. It is important that the partner provides a distinct name, so that the procurement can be easily identified in the List of Expenditures.

Add Procurement

Created in
R.2

The contract name defined here can then be selected in the list of expenditures to link expenditure items to this contract.

* Procurement

Reference No.

Contract Date (MM/DD/YYYY)

Contract Type

Contract Amount

0,00

* Please select a currency
EUR

Supplier Name

* VAT / Tax Identification number

Comment

 Discard changes

 Create

Procurement, VAT and Currency fields are mandatory. A procurement item can only be saved once all obligatory fields are filled in. Upon creation/saving of a procurement item the procurement is in edit mode (**"Edit procurement"**) and details can be filled in or updated. Editing is not possible after submission of the report.

It is obligatory to provide information on the beneficial owner(s)⁴⁹ and Subcontract(s) for all procurement procedures that were completed within the reporting period. Therefore, partners should add these data to the Partner Report.

If an item is added, VAT Number/Tax identification number is a mandatory field that must be filled-in before saving. Attachments should be uploaded under the procurement section and uploaded files can be further described downloaded or removed.

In case of amendment(s) to the contract, the amended contract(s) should be uploaded in the attachment section of the procurement concerned in a subsequent draft Partner Report. The

⁴⁹ For contracts with value above thresholds for open procedures, as defined in Directive 2014/24/EU or Directive 2014/25/EU, information on beneficial owner(s) and subcontract(s) must be entered in this section (applies for the procurements above thresholds for open producers within SCO II method as well, if applicable). More information on beneficial owners can be found here: <https://www.interact.eu/about-interact/our-service/library/factsheet-beneficial-owners>

information on the ultimate beneficial owner(s) of the contractor and information on subcontract(s) can be edited if needed.

Beneficial owner(s) of the contractor

No beneficial owners

+ Add beneficial owner

Subcontract(s)

No subcontractors

+ Add subcontractor

Attachment(s)

There are no files uploaded.

Upload file

GDPR Attachment(s)

Sensitive data is hidden to non-privileged users

There are no files uploaded.

Upload file

Access to documents that fall under the General Data Protection Regulation should be restricted and uploaded in the GDPR attachments section. Only a user with **edit rights** and the privilege **GDPR sensitive data** set to active in the “Project privileges” section can upload documents. A project user without privilege to view sensitive data cannot download a file in this section and can also not see the file name and description.

➤ List of expenditures

Financial reporting is done within this section in which PPs report each individual expenditure incurred during the reporting period by clicking on “+ add expenditure” button.

Partner report R.2

LP1 JS

Status  Draft

[Report identification](#)
[Work plan progress](#)
[Public procurements](#)
[List of expenditures](#)
[Contributions](#)
[Report annexes](#)
[Report export](#)
[Financial overview](#)
[Submit](#)

List of expenditures

Currencies and conversion rates are taken from InforEuro, the European Commission's official monthly accounting rates. The monthly rates are automatically updated until the month when the Partner Report is first submitted for verification. If your Local currency is EUR, your expenditure shall be reported in EUR only.

Items highlighted in yellow were edited during last reopening of the partner report.

[+ add expenditure](#)

By clicking on “+ add expenditure”, the partner can add expenditure items one by one. Fields marked with an “*” are obligatory. An expenditure item can only be saved once all obligatory fields are filled in.

Partner Reports may include **expenditure incurred and paid after the start date** of the project and **not later than the end date** of the reporting period concerned. In case of the last Partner Reports all expenditure has to be incurred and paid according to the rules set in chapter 12. *Project closure*.

When adding an expenditure item, the options columns available in the form are displayed.

ID – The expenditure item identification number is a running number and it reflects the Partner Report number. The ID is dynamic in draft status (reports created have seamless consecutive numbering, even if a report is deleted), however it will be frozen upon submission of the report. The ID will be used later on to identify cost items coming from another (previous) Partner Report.

GDPR flag – Partner user with privilege Sensitive data set to active in Project privileges can flag expenditure items that are GDPR sensitive. Users without Sensitive data privilege active will not be able to see Description, Comment and Attachment. However, the national controller of the partner as well as the JS/MA have access based on their role.

Previously parked by: In case further clarification is needed, a controller or, depending on the level of verification, the JS/MA can “park”, i.e. put on hold, an expenditure item for final verification in a later Partner Report. This allows to still finalize the control work and to issue the control certificate. Parking means, that the expenditure item goes back to the Partner Report level. In case a controller parked some expenditure items in a previous Partner Report, they show up in the Parked expenditure section of the list of expenditure. An item keeps its label throughout the system. A PP can decide to either re-include the item in the current Partner Report by clicking the re-inclusion icon, to keep it for a later Partner Report or delete the expenditure item. When the item gets re-included, it will get included in the list of expenditure. The entire item is editable for changes by the partner except for:

- The cost item ID is “frozen” and is therefore recognizable (the first number indicates from which report the item came initially and the second the item number).
- The exchange rate and currency. These are “frozen” as this item has already been submitted for control.

Cost category – This field links the cost item to a cost category. Cost categories as available in the Application form budget can be selected here. The field is marked with an “*” to highlight that it is an obligatory field. **An expenditure item can only be saved once all obligatory fields are filled in.**

Procurement: This field is used to link expenditure to public procurements and all contract names created by the partner in the public procurement section will appear here. The section with procurement details has the following fields:

Internal reference no.: This input field can be used to identify the expenditure.

Invoice no.: This input field can be used to identify the expenditure.

Invoice date: Use the date picker to fill in the invoice date (where applicable).

Date of payment: Use the date picker to fill in the payment date.

Description: Detailed description of the expenditure item should be provided (max. 255 characters).

Comment: A comment on the expenditure item should be added (max. 255 characters).

Total invoice value: The total invoice value (including VAT) should be filled in.

VAT: Where applicable, the VAT value should be filled in.

Declared amount: The Declared amount is based on Total invoice value and VAT. It is the value the partner claims as basis for reimbursement. If in foreign currency, this value is the basis for calculation of the Declared amount in EUR.

Currency: Partners in Serbia should select RSD as currency and other currency for conversion should be Euro.

Attachments: Upon creation of an expenditure item it is not yet possible to add attachments. Once the expenditure item has been **saved** for the first time, one file can be uploaded to each item. In case multiple files need to be uploaded to one cost item, it is recommended to upload a .zip or .rar file.

Once a file was uploaded, the related expenditure item can't be deleted anymore. After the attachment has been removed, the expenditure can be deleted again.

Partner report R.2

LP1 JS

Status Draft

[Report identification](#) [Work plan progress](#) [Public procurements](#) [List of expenditures](#) [Contributions](#) [Report annexes](#) [Report export](#) [Financial overview](#) [Submit](#)

List of expenditures

Currencies and conversion rates are taken from InforEuro, the European Commission's official monthly accounting rates. The monthly rates are automatically updated until the month when the Partner Report is first submitted for verification. If your Local currency is EUR, your expenditure shall be reported in EUR only.

Items highlighted in yellow were edited during last reopening of the partner report.

ID	Previously parked by	Unit costs and Lump sums	Cost category	Procurement	Internal reference no.	Invoice no.	Invoice date	Date of payment	Description	Comments
R2.7	☐	N/A	* Please select a co...	N/A						

[+ add expenditure](#)
[Discard changes](#)
[Save changes](#)

Please note that LP must include Lump sum for closure costs in List of expenditures of LP's Final Partner Report.

➤ **Contribution**

The “Contributions” section is the place where the partner should report on the actual received partner contributions. Partners have to fill in the empty field in the “Current report” column. This amount is calculated in the “Financial overview” section under “Partner contribution”.

Partner report R.2

LP1 JS

Status Draft

[Report identification](#) [Work plan progress](#) [Public procurements](#) [List of expenditures](#) [Contributions](#) [Report annexes](#) [Report export](#) [Financial overview](#) [Submit](#)

Follow-up of partner contribution received by partner (in Euro)

In this section, partners organisations are expected to list the partner contributions as they incur in reality (amounts received by partner). Partner organisations are advised to navigate to the financial overview to see the breakdown of the total reported amount per contribution source.

Name of organisation / Source of contribution	Legal status	Amount in AF	Previously reported	Current report (Euro)	Total reported so far	Attachments
JS	Public	37.997,28	0,00	0,00	0,00	
+						
Sub-total public contribution		37.997,28	0,00	0,00	0,00	
Sub-total automatic public contribution		0,00	0,00	0,00	0,00	
Sub-total private contribution		0,00	0,00	0,00	0,00	
Total		37.997,28	0,00	0,00	0,00	

➤ **Report annexes**

“Report Annexes” section shows all files uploaded in the different sub-sections of the Partner Report. Additional files that the PP finds relevant for the report but aren't yet added as supporting

documents for an invoice or proof of delivery of an output, can be added in this section. Before uploading any attachments, partners have to be sure of their relevance to the report and not duplicate any documents already provided, whether in the current report or any of the previous ones (in case a previously uploaded document will be needed, the project partner will provide an indication where the document can be found in the system, e.g. in the Comment section of a relevant expenditure item). Please note that files uploaded in this section can be deleted here and other files can only be deleted in the section where they were uploaded.

Partner report R.2
LP1 JS

Status  Draft

Report identification Work plan progress Public procurements List of expenditures Contributions **Report annexes** Report export Financial overview Submit

Report annexes

 Sensitive data is hidden to non-privileged users

Partner report R.2
 Work plan progress
 List of expenditures
 Public procurements 
 Contributions

 There are no files uploaded. 

 Upload file

Sub-total private contribution	0,00	0,00	0,00	0,00
Total	37.997,28	0,00	0,00	0,00

➤ Report export

To export the Partner Report select a export plugin (PDF or Excel for the budget overview tables). Since the programme language is English, other language options are not available.

Partner report R.2
LP1 JS

Status  Draft

Report identification Work plan progress Public procurements List of expenditures Contributions **Report export** Financial overview Submit

Report exports

* Export Plugin

Partner Report budget (Example) export

Export language
English

Partner Report (Example) export

Input language
English

Export

➤ Financial overview

This section shows how the partner is proceeding in terms of spending. The amounts included in the tables represent the aggregated data from all Partner Reports submitted, by the date when the current partner report was created. All amounts shown in the overview tables are automatically converted into Euro. A partner with expenditures in another currency than Euro has to be aware that exchange rates are updated monthly and fixed upon first submission of the Partner Report. Therefore, the values might change in draft reports.

➤ Submit

Last section in the reporting process is the **submission of the Partner Report**. Partners have to click on the “Run pre- submission check” and then “Submit” button. After submission, the Partner Report is frozen, and the control work can be started.

Partner report R.2
LP1 JS

Status  Draft

Report identification Work plan progress Public procurements List of expenditures Contributions Report annexes Report export Financial overview **Submit**

Submit
You are about to officially submit your Partner report : LP1 JS - Partner report R.2
Make sure to submit your partner report in time as agreed with the Lead Partner. Please be aware that after submission, your report will be available for the controller and changes to the partner report are no longer possible.

 Also make sure that the contracting section is up-to-date before you submit.

Run pre-submission check → Submit partner report

↑ ↑

Submit partner report

Are you sure you want to submit? This operation cannot be reversed.

Cancel **Confirm**

Once submitted, the status of the report changes, which is shown in the report identification tab.

Dashboard / Applications

Status **Submitted**

Report identification Work plan progress Public procurements List of expenditures Contributions Report annexes

Partner progress report identification

Project ID and acronym	
AF Version linked	2.0
Related call	1 - 1st Call for Proposals (Standard)
Partner report ID	R.2
Partner report status	Draft → Submitted → Control ongoing → Certified
Partner number	LP1
Name of the organisation in original language	
Name of the organisation in english	
Legal status	Public
Type of partner	Regional public authority
Partner organisation can recover VAT for project activities	No
State aid scheme	
Co-financing source and rate	IPA III CBC 85,00%
Country	Hrvatska (HR)
Local currency (according to InforEuro)	EUR

7.2. Project reporting

The LP is responsible for submission of the **Project Report** to the Joint Secretariat/Managing Authority within **15 calendar days** after all Partner Reports have been submitted to the Control Bodies, but not later than one month from the end of the relevant reporting period (in case of the Final Project Report no later than 45 calendar days from the end of final reporting period). Project Report can be approved by the JS/MA only after NC certificates are issued for all partners (all Partner Reports approved).

After the Project Report has been submitted the Joint Secretariat/Managing Authority shall perform the verification of the Report. Project Report can be approved by the Joint Secretariat/Managing Authority only after NC certificates are issued for all partners (Partner Reports). Following the approval of the Project Report, the Managing Authority shall forward the Report and payment claim to the Accounting Body for payment to the LP. The LP shall receive the respective EU contribution of the eligible expenditure due in full within 80 days from the date of submission of the Project Report to the Joint Secretariat/Managing Authority.

The purpose of the Project Report check at the level of JS and MA is to verify the compliance of information provided within Project Report with the information provided in the approved application form and to set the basis for reimbursement of funds to the Beneficiary.

The Project Report is prepared by the LP, but each PP must contribute to the compilation of the Project Report by preparing and submitting their Partner Reports (PR). PPs have to provide adequate information for the LP concerning the activity and financial progress of their project part via the Partner Report in relation to a certain reporting period. It is important that the LP describes the

progress of the project implementation in sufficient details and quality. The LP compiles the Project Report on the basis of information provided in Partner Reports from all other PPs. The content is not automatically transferred from Partner Reports, but it is up to the LP to analyse the information of the whole project and provide a joint overview of the project's progress for the reference period.

In the Project Report, the LP is expected to regularly present the progress in achieving the project outputs and results, implementing the activities and reaching the deliverables, including the progress towards reaching the related target values, stakeholder engagement and dissemination and visibility of project achievements.

JS will monitor reporting deadlines in reporting process on both partner and project level (deadlines for submitting both Partner Reports and Project Reports) and in case of delays, JS PM will provide reminder to the LP/PP.

The content section of the Project Report ("*Project report identification*", "*Work plan progress*" and "*Project results and Horizontal principles*" tabs) contains information on the overall project progress of each work package including information on achievements, indicator progress, communication, involvement of target groups, project management, as well as eventual problems and deviations. LP should use these elements as efficient communication tools: be concise and to the point while reflecting on the overall progress of the project.

The LP bears the overall responsibility for ensuring the implementation of the project, which includes ensuring that the expenditures presented by all PPs have been verified by the appointed controllers (NC).

After the NC certification of all Partner Reports is done, LP attaches certificates to Project Report and re-submits it through Jems to the JS. By doing so, the LP confirms that:

- the information provided by partners is correct and accurately reflected in the Project Report;
- the costs included result from implementing the project as planned and as set out in the latest approved version of the application form and described in the Project Report.

The LP shall provide the JS/MA with all required information on the implementation of the project within the Project Report. The report should cover the project as a whole and should be laid out in such a way as to allow comparison of the objective(s), the means envisaged or employed, the results expected and obtained, the indicators and the budget details of the project.

In the financial part of a Project Report, the LP will include relevant NC certificates from all PPs containing Lists of expenditures verified by the national controllers. The financial part of the Project Report serves as a payment claim.

Creating a Project Report

Only a user with set **“manage”** rights within the Project privileges section can create project reports.

Reporting

- Overview
- Corrections
- Project reports**
 - Project reports
- Partner reports
- Contracting
- Application form
- Shared folder
- Exports for AF (and other)
- Project privileges

Reporting
Project reports

Project reports

When your programme is using reopening, please be reminded that creating a new report has an impact on the reopening of the previous project report.
When opening the latest report, anything can be revised with reopening.
When a newer report exists, data that affects cumulative data cannot be changed.

+ Add Project Report

No reports

Jems
A harmonised tool by Interact

When the **“+Add Project Report”** button is clicked, the **“Create project report”** form is opened.

Create project report

Project progress report identification

Reporting period start date (MM/DD/YYYY)
6/15/2024

Reporting period end date (MM/DD/YYYY)
12/14/2024

Final report
Yes No

* Link to reporting schedule (contracting)
1, Period 1 month 1-6

Type of project report
Content Finance Both

Reporting period
Period 1, month 1 - 6, 06/15/2024 - 12/14/2024

Reporting date (MM/DD/YYYY)
12/29/2024

Discard changes **Create**

When creating a Project Report⁵⁰ the LP has to fill in **“Reporting period start date”** and **“Reporting**

⁵⁰ Same as the creation of the Partner Report, it is important to note that the created Project Report refers to the last approved version of the project application. Therefore, it is recommended that the Project Report is created only after the relevant implementation period has ended. In case that a Project Report is created with an incorrect version of the project application, it should be deleted and the Project Report should be recreated with the correct version.

period end date” and select **“Reporting schedule”** and this will automatically complete the type of report, the final report selector and the deadline date. Once the Project Report is created you will land on the first tab called Project report identification.

➤ **Project report identification**

This section focuses on activities implemented in the relevant reporting period. The fields “Highlights of main achievements”, “Partner problems and deviations” and “Target groups” have to be filled in, while the “Overview of Project outputs and result overview” and “Partner spending and profile (in Euro)” are filled in automatically.

Highlights of Main Achievements section represents the summary of the progress achieved in the reporting period. It should be precise, interesting and understandable for non-experts. Particular attention should be paid to the quality of the text and information provided. The focus of the reporting is on the overall progress of the project as a whole, therefore, particular achievements of each PP should be avoided, as well as simply copy-pasting information from the Partner Reports. The following has to be considered:

- The style of writing should be similar to a news release about the reporting period for nonexperts. As a general rule, this part should clearly describe main points related to the project management, as well as the functioning of the partnership, emphasizing that the main activities implemented as per the workplan, and significant procurement procedures completed (for example, related to investments). Finally, main communication and visibility points should be mentioned since this element should be an integral part of each activity. Abbreviations should be avoided or explained and only the project’s achievements should be highlighted.
- It should cover the main content-related activities carried out, the outputs delivered, and the project specific objectives reached so far. The summary should not contain information on project management issues (e.g. delays, low performance of certain PPs, etc.).

NOTE: When reporting about main achievements, try to include:

- quantified data (i.e. number of participants per event, number of project team meetings, workshops attended, number of media appearances, articles etc.),
- timeframe for each activity within the reporting period,
- general information on how visibility of the project and Programme was ensured during the reporting period.

NOTE: When reporting on the main achievements, try to avoid:

- repetition of information about project goals, intentions, imperatives etc.

- names of the persons involved in a specific activity, names of hotels where an activity took place, names of providers for certain purchases, names of experts engaged for delivering education, who delivered a presentation, etc.

NOTE: When reporting the Final Project Report, a cumulative overview of the project's activities and results / achievements should be provided. More information is available under „12.2. Final Project Report”

Project problems and deviations

Overview of the problems, deviations and/or delays encountered in the reporting period as well as required modifications in project implementation compared to the approved application should be reported here. Description of planned or applied solutions / measures to the reported problems should be provided in this section (e.g. „with additional efforts of project staff, delayed activity will take place in the upcoming period of implementation”). This section should provide a summary of the problems encountered in the reporting period, therefore a similar style of writing to the section Highlights of Main Achievements should be applied. More detailed descriptions of problems, deviations, delays and modifications should be provided in the Work packages part of the report. Not every minor challenge that partnership faced during the implementation should be mentioned in this section, only a short overview of main problems/challenges and solutions found should be given, in relation to achievement of project outputs/results/activities/deliverables, disruptions in spending profile, changes in partnership and other relevant factors that impacted overall implementation, etc. Examples of problems: changes and difficulties in the partnership, changes / problems noticed during implementation of the activities, delay of the activities and / or deliverables for later periods, problems in the Public procurement process, modification of the budget, etc. When reporting problems and deviations in certain reporting period, it is very important to pay special attention to the financial indicators, i.e. difference between planned amount for a particular reporting period (from budget in application) and amount actually spent and reported in the specific reporting period. If the difference is significant (less than 80% of the planned budget per reporting period is spent/declared), it is necessary to provide explanation on discrepancies stating what caused it and when it will be compensated.

Target Groups Reached

- In this section, Jems automatically shows the categories of target groups selected in the application form. Please note that the categories of target groups reported should be in line with the categories of target groups envisaged in application. In this section an explanation should be provided regarding the involvement of that particular target group⁵¹ (e.g. was it a

⁵¹ PP institution cannot be counted as Target group.

seminar, media appearance, workshop, newsletter, web, radio or TV announcement, etc.). Besides a brief explanation of the activities, any lessons learned should be written.

Reporting ^
 Overview v
 Corrections
 Project reports v
 Partner reports v
 Contracting v
 Application form v
 Shared folder
 Exports for AF (and other)
 Project privileges


 A harmonised tool
by Interact

Target groups

In the table below, you will see a list of the target groups you indicated in the application form. Please explain for each target group in what way and to what extent they were involved in your project in this reporting period.

Target Group	Description of the target group involvement
Local public authority	Enter text here
Regional public authority	Enter text here
National public authority	Enter text here
Sectoral agency	Enter text here
Infrastructure and (public) service provider	Enter text here
Interest groups including NGOs	Enter text here

➤ Work plan progress

At the top of each Work package form, there is a tickbox to confirm whether work package is completed or not. In this section, LP needs to describe progress made on the Project specific objective and the Communication objective and to select the Status of the objectives. LP should select if the objectives have been “Fully achieved”, “Partly achieved” or “Not achieved”.

Further, there is a textbox to describe the overall progress in the work package.

For each Workpackage, the LP needs to describe the implementation of each Workpackage in detail, including information on activities carried out and contributions by the PPs, as well as information on any problems or deviations from the initial plan set in the application. LP should clearly describe implemented activities and achieved progress in the reporting period. A summary should contain following information:

- Brief explanation of the status of the Workpackage;
- Planned activities, activities that are being implemented and ones that are implemented in the reporting period should be described;
- Clear and precise description of the involvement of each PP;
- Outputs and results achieved

For each Investment, Activity, Deliverable and Output there is a separate section with text fields to describe the progress in the reporting period.

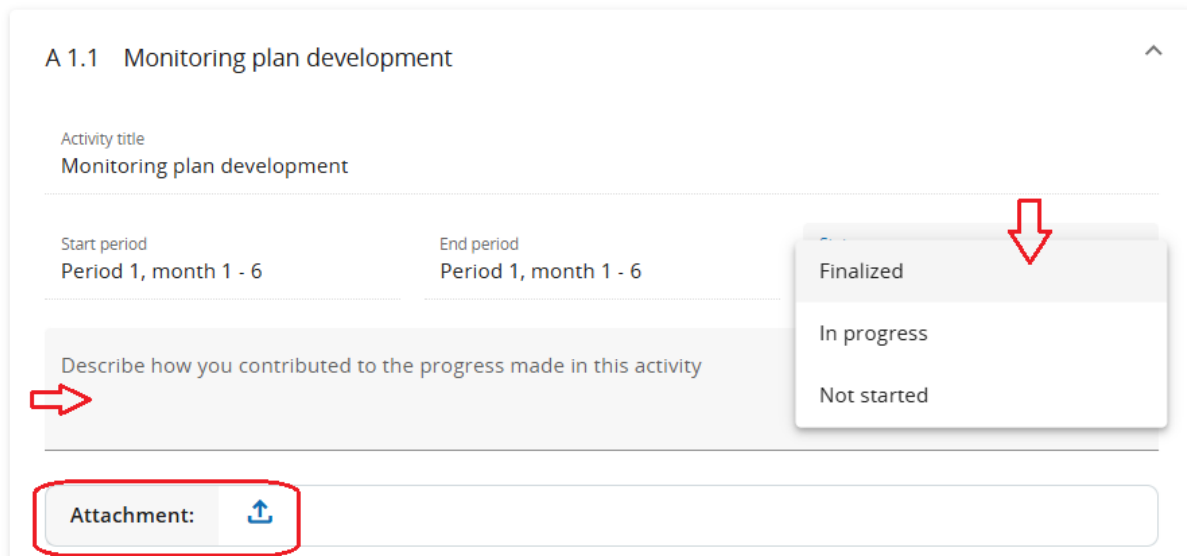
Reporting per Activities should contain the description of the implementation of each activity in detail, including information on activities carried out and contributions by the PPs as well as information on any eventual issues or deviations from the initial plan. Here also the information on project output indicators has to be provided.

Reporting on deliverables, including upload of evidence of achievement is also part of reporting on activities. Information provided about the activities and outputs must be fully consistent (this also means that the terminology should be consistent throughout the report and in line with the terminology used in the AF).

When reporting on investments photos documenting general progress of investment works (if applicable) should be submitted (in line with Programme visibility rules) in “*Project report annexes*” tab (named / numbered according to the chronological progress of the works and saved in a compressed folder, e.g. zip or similar). Similar as for objectives, for each activity there is a field to define the Status.

Activities

Please indicate progress made in each activity and deliverable.



A 1.1 Monitoring plan development

Activity title
Monitoring plan development

Start period
Period 1, month 1 - 6

End period
Period 1, month 1 - 6

Describe how you contributed to the progress made in this activity

Finalized
In progress
Not started

Attachment: 

For Deliverables and Outputs, there is also a number field available to fill-in how much was achieved in this reporting period. Deliverables and Outputs are cumulative, meaning that if a report is submitted and another report created the values from the previous report are added to the cumulative values. The cumulative value achieved is calculated as the sum of all previous Project reports with the status submitted.

LP should also upload an attachment per item which will show up in the Project report annexes.

- Reporting the contributions to output indicators:** For each output a short description of the progress is requested. However, outputs should only be reported (*Achieved in this reporting period field and Attachment*) when they are fully completed (i.e. not during their delivery). This approach prevents the double-counting of outputs and ensures that only those that are completed are counted. When an output is reported as completed, projects need to provide evidence on its completion according to guidance provided by the JS/MA during project implementation. Projects must report outputs and results in line with the Output and Result indicators chosen in the AF and quantified values for each output/result provided in the AF. Before reporting on Programme indicators, the partnership should study the definition provided for each indicator carefully and understand the programme’s intervention logic. The LP shall keep track of reported indicators and be able to provide relevant and detailed information on the quantification and achievements of the project at

the request of the Programme. Programme has prepared Templates for reporting output achievements, which are annexed to this document (General annexes).

For more detail information regarding Programme indicators please consult document “[Guidance on Programme Indicators](#)”.

Outputs

Please indicate progress made in each objective.

O 1.1 Name of the output

Output title

Name of the output

Programme output indicator

RCO77-4.6: Number of cultural and tourism sites sup

Measurement Unit

cultural and tourism sites

Delivery Period

Period 4, month 19 - 24

Target Value

1,00

Achieved in this reporting period

0,00

Cumulative value

0,00

Progress in this period

Attachment:



➤ Project report results & Horizontal principles

In this section LP shall describe the progress towards achieving planned results by inserting how much has been achieved and describing the progress achieved in the current reporting period (if applicable). Project contribution to each of the three Programme’s horizontal principles in the reporting period should be indicated and thoroughly explained. If possible, LP should back explanation with quantitative data. Results in this section are cumulative, meaning that if a report is submitted and another report is created, the values from the previous report are added to the cumulative values. The cumulative value achieved is calculated as the sum of all the figures reported in all Project Reports with the status submitted. The LP can also upload an attachment per item which will show up again in the Project Report annexes.

Project results

Please indicate progress in achieving Result indicators.

Result 1

Programme result indicator
 RCR84-4.6: Organisations cooperating across borders after project completion

Measurement Unit organisations	Baseline	0,00	Delivery period Period 3, month 13 - 18
Target Value	1,00	Achieved in this reporting period 0,00	Cumulative value 0,00

Describe progress achieved

Attachment



For Horizontal principles there is a table to report on the contribution for each of the three horizontal principles. The Type of contribution is pre-defined from the latest approved Application form and cannot be changed. There is a text field to describe the contribution made in the respective reporting period.

Horizontal principles

Please indicate which type of contribution to horizontal principles applies to the project and justify your choice.

Cooperation criteria	Type of contribution			Description of contribution
Sustainable development	positive effects	neutral	negative effects	Enter text here
Equal opportunities and non-discrimination	positive effects	neutral	negative effects	Enter text here
Equality between men and women	positive effects	neutral	negative effects	Enter text here

➤ List of partner certificates

The next step is to include the partner certificates. This shall be done in the “List of partner certificates” section. In this tab, all partner certificates of the project are listed. Upon creation of a new Project Report, all available partner certificates, which are not yet included in any other Project

Report, are included in the newly created Project Report. If the project managers would not want to include a certificate in this Project Report, they should untick the respective partner certificates.

Project report PR.1

Status  Draft

[Project report identification](#)
[Work plan progress](#)
[Project results & Horizontal prin...](#)
[List of partner certificates](#)

List of partner certificates

In this section you can find all partner certificates of this project. Please exclude the partner certificates you would not want to include in this project report. A partner report can only be included once. Once ticked, the certificate is unavailable in other reports.

	Partner	Partner Report	Date of certificate	Included in project report	Amount certificate (in Euro)
☒	LP1	R.2	11/14/2024 2:59 PM	PR.1	12.600,00
☒	PP2	R.2	11/14/2024 2:58 PM	PR.1	12.600,00

Items per page: 25 1 - 2 of 2 < >

➤ Project report Annexes

Similar as to partner reports, this section shows all files uploaded in the Project Report. LP have the possibility to upload additional files linked to the Project Report here (by clicking the Upload file button). Since it is not always possible to add descriptions to files in the dedicated sections (due to the chip style upload), users with edit right are also allowed to add descriptions to all files in this section. Files uploaded in this section can be deleted here, other files can only be deleted in the section where they were uploaded. Duplication of attachments should be avoided (documents already attached in other tabs should not be again attached in this tab).

Project report PR.1

Status  Draft

[Project report identification](#)
[Work plan progress](#)
[Project results & Horizontal prin...](#)
[List of partner certificates](#)
[Project report annexes](#)
[Financial overview](#)

Project report annexes

▼ Project report PR.1

Work plan progress

Project results & horizontal principles

 There are no files uploaded.

 Upload file

➤ Financial overview

The financial overview tables show how the project is proceeding in terms of spending. The amounts included in the tables represent the aggregation of data from all Project Reports submitted by the date when the current Project Report was created.

➤ Report Exports

LP can select to export Project Report in PDF and in English.

Project report PR.1

Status  Draft

Project report identification Work plan progress Project results & Horizontal prin... List of partner certificates Project report annexes Financial overview **Report exports**

Report exports

* Export Plugin
Project Report (Example) export 

Export language
English

Input language
English

Export

➤ Submit

In this section the Project Report can be submitted. Partners have to click on the “Run pre-submission check “ and then Submit” button.

Project report PR.1

Status  Draft

Project report identification Work plan progress Project results & Horizontal prin...

Submit

You are about to officially submit your Project report 1.

Make sure to submit your Project report in time as agreed with the programme. Please be aware that at

 Also make sure that the contracting section is up-to-date before you submit.

Run pre-submission check → **Submit project report**

 No pre-check is active. You can submit your report straight away.

After submission, the Project Report is frozen and the MA/JS verification can be started. Once submitted, the status of the report changes, which is shown in the report identification tab and in the report overview, where also the submission date is logged. Submission triggers an audit log entry in the system audit log.

Project report PR.1

Status **Submitted**

Project report identification

Work plan progress

Project results & Horizontal prin...

List of partner certificates

Project rep

Project progress report identification

Project ID and acronym	
AF Version linked	2.0
Related call	1 - 1st Call for Proposals (Standard)
Project report id	PR.1
Project report status	Draft → Submitted → Verification ongoing → Verified
Name of the organisation in original language	
Name of the organisation in english	

Reporting period start date (MM/DD/YYYY)
6/15/2024

Reporting period end date (MM/DD/YYYY)
12/14/2024

Final report

Yes No

Link to reporting schedule (contracting)
1, Period 1 month 1-6

Type of project report

☐ Content
 ☐ Finance
 ☒ Both

Payments to the projects

The JS/MA analysis of the report shall be focused on the content (quality of project results and outputs) following the logic applied in Application. JS/MA may revise financial part of submitted Project Report and propose financial corrections (for example: during the monitoring visit performed by JS/MA staff errors/irregularities have been detected which are not deducted by NC). JS/MA can also request clarifications to be submitted from the LP/PPs⁵². JS may also revert the Project Report to the LP or the NC for corrections and/or clarifications. Please note that JS/MA can suspend the deadlines for approval of Project Report until all necessary clarifications are provided by LP/PPs.

After the Project Report has been verified and approved by the JS/MA, the payment of the certified amount (EU contribution) will be made to the LP⁵³, who is obliged to transfer the appropriate amounts to PPs⁵⁴, according to the provisions set in the Subsidy Contract and Partnership Agreement.

⁵² The LP/PPs shall provide these information/documents within 7 working days, in the language of the Contract.

⁵³ MA shall ensure that the LP receives total amount of eligible expenditure (EU part) due in full (pre-financing amount shall be deducted in accordance with MA instructions) and no later than 80 days from the date of submission of the Project Report to the JS/MA (subject to availability of funds from the European Commission).

⁵⁴ At latest 15 working days after the reception of the funds from the AB (in full and in the respect to the Partnership Agreement).

8. Financial Management

8.1. General principles

The sound financial management of the project is (among other elements) based on the eligibility of expenditure. The eligibility of expenditure will be verified by the NC for each PP at the national level according to the relevant Programme, EU and applicable national rules.

For detailed instructions regarding the eligibility of expenditures, please consult the latest version of the following documents available on the Programme website:

- [Programme Manual on Eligibility](#) (PME)
- [Reporting instructions for the Croatian project partners of the Interreg IPA cross-border cooperation programmes](#)⁵⁵

Three different levels concerning the eligibility of expenditure applicable to Interreg projects are as follows:

- the European level → EU regulations
- the Programme level → Programme documents - specific rules decided for the Programme
- the national level → national legislation - national rules applicable in each Participating country.

Generally, **eligible costs for funding** are costs which meet following criteria:

- they are incurred and paid by the LP / PPs of a project during the implementation period of the project⁵⁶, except for preparatory costs and closure costs,
- they are indicated in the estimated overall budget of the project,
- they are necessary for the implementation of the project,
- they are identifiable, verifiable and documented (e.g. contract, invoice, order form) in the accounting records (except for flat rates and lump sums),
- they comply with the requirements of applicable (national) tax and social security legislation,
- they are reasonable, justified, and comply with the principle of sound financial management,

⁵⁵ This document prepared by Croatian Control Body guides Croatian beneficiaries through reporting in Jems, provides details on submitting costs and lists documentation needed for specific costs of all budget categories. Document can be used by PPs from Serbia as well (until relevant NCs develop similar documents).

⁵⁶ Payment of costs incurred in the last reporting period must take place within 1 month after the operation implementation end date. In exceptional cases (subject to MA approval), cost incurred in any of previous reporting periods can also be paid within 1 month after the operation implementation end date.

- they are incurred in accordance with the relevant EU legislation, Programme rules (PME and call for proposal specific documents, if applicable), national legislation, and other relevant documents,
- they are not listed as an ineligible expenditure,
- they are not double funded (i.e. they are not financed from other sources under the Union Funds or other (national) Funds),
- amounts in the List of Expenditure do not exceed amounts in the approved project budget (in line with the provisions of the SC / Addendum, if applicable / reallocations)⁵⁷,
- a co-financing rate (as stipulated in the SC) is applied to each eligible cost under all expenditure categories,
- the relevant procurement rules have been observed (if applicable),
- they have been verified by an authorized national controller (NC).

Please note that a list of **ineligible costs** is stipulated in the PME.

Ineligible costs – examples (non-exhaustive list):

- purchases of equipment not indicated in the AF or specifically approved during project implementation (in case of SCO II) by the relevant programme body (JS/MA),
- equipment purchased from another PP,
- consultant fees / services between PPs,
- hiring employees of the beneficiary (LP and PP) institutions as external experts,
- interest on debt (e.g. interest for late payments),
- cost for infrastructure and works outside the programme area,
- shared costs (e.g. sharing costs among partners for service / works or equipment procured by one of the PPs),
- value added tax (VAT) except when the total cost of operation is below EUR 5,000,000.00
- costs related to fluctuation of foreign exchange rate,
- In-kind contributions (including unpaid voluntary work),
- costs of audits and evaluations at project level.

⁵⁷ In case when one procurement procedure includes more than one budget line within budget, sum of the related budget lines is compared to the overall amount of the procurement procedure. Also, eligible costs are monitored at the level of budget line and at the level of partner report during the approval of the final partner report (full financial flexibility of savings is allowed).

Any detected ineligible costs will be deducted from the total project costs, reducing therefore the requested EU contribution accordingly. Final eligible costs will be calculated based on **reported eligible expenditures after adequate controls (NC, JS, MA) have been performed**⁵⁸.

Please note, costs that are not eligible according to the applicable eligibility rules will not be approved/certified even if they are included in the project budget.

8.1.1. VAT and customs charges

In line with Article 64 of CPR, VAT shall not be supported by the Programme, except:

- For operations the total cost of which is below EUR 5,000,000.00 (including VAT);
- For operations the total cost of which is at least EUR 5,000,000.00 (including VAT) and VAT is non-recoverable under national legislation;

In those cases, VAT is eligible, if:

- it is established that it is borne by the beneficiary;
- it is clearly identified in the invoice.

Beneficiaries in Serbia are obliged to follow the relevant national procedure for **customs charges exemption**: the Regulation on the Conditions, Method, and Procedure for Exemption from Customs and Other Duties on the Import of Equipment (Official Gazette of the Republic of Serbia, No. 34/2019). Additional information on procedure in Serbia is provided on: <https://www.paragraf.rs/propisi/o-uslovima-nacinu-postupku-oslobodjenja-od-carinskih-dazbina-na-uvoz-opreme.html>

Customs charges that are non-recoverable under national legislation can be eligible cost (if all other eligibility conditions are met)

8.2. Eligible expenditure categories and SCO methods

Interreg regulation defines the list of cost categories that are eligible:

- 1. Staff costs,**
- 2. Office and administrative costs,**
- 3. Travel and accommodation costs,**

⁵⁸ Expenditures related to equipment and/or investment damaged and/or missing due to circumstances beyond PPs control (i.e. due to force majeure, such as a declaration of war, an armed conflict, a strike, a protest, a crime act, a disease epidemic, a hurricane/storm, earthquake, flood, fire or other natural disaster, etc.) may be considered as eligible (if there was no compensation/reimbursement from the insurance company and if such equipment/investment was used and stored/taken care of properly and in line with standard business practice).

4. External expertise and services costs,
5. Equipment costs,
6. Costs for infrastructure and works.

Specific provisions for each cost category are stated in the **PME**.

Use of SCOs is **mandatory** by the Programme. **Two options**, which include different possibilities of using real and flat rate costs, are available to projects. The information on options and the use of SCOs is described in PME and summarised here.

The table below provides an overview of the two possible combinations of SCOs that can be used by each Partner:

Option 1		Option 2	
Cost category	Form of reimbursement	Cost category	Form of reimbursement
Staff costs	up to 20 % flat rate of direct costs (real costs)	Staff costs	Real costs
Office and administrative costs	up to 15 % flat rate of staff costs	Other costs	up to 40 % flat rate of staff costs for all other costs
Travel and accommodation costs	up to 15% flat rate of staff costs		
External expertise and services costs	Real costs		
Equipment costs	Real costs		
Costs of infrastructure and works	Real costs		

Options stated above apply for each Partner depending on their needs (each Partner within one project may choose between these two options). **However, option chosen during the preparation phase of the Application shall be applied for the whole project implementation.**

In addition to these options Programme also foresees the reimbursement of preparatory and contracting costs and closure costs as lump sums.

8.2.1. Staff costs

The costs of the personnel employed by the partner institution and executing tasks for the project management (e.g., project coordinator, project manager, assistant, financial manager, etc.) and / or tasks for project content related activities are eligible to be reimbursed by the Programme.

Overtime (including weekends and holidays) is eligible **only in case when it is directly related to the project** and is in line with national legislation and relevant procedure used by a PP institution (internal act). Overtime must be recorded and visible from salary payslip / payroll and other relevant documents (e.g., accounting records, etc.).

Staff costs may be reimbursed in two ways:

1. as a flat rate of up to 20% of project direct costs (real costs) – SCO I method
2. on a real cost basis (proven by the relevant documents) – SCO II method

REAL COSTS (SCO II method)

General supporting documents mandatory for all staff costs based on a real cost basis⁵⁹

1. **List of personnel working on the project**⁶⁰ (signed by the legal representative of the beneficiary institution)
2. **Employment document**⁶¹
3. Task assignment document (template annexed to PIM – General annexes) – only if Employment document does not include all information / elements from Task assignment document
4. **Proof of payment of gross salary cost (e.g. payslip, payroll, bank statement, JOPPD form, and other documents of equivalent probative value which allow proof of payment of gross employment costs) and extract from accounting records of the PP**
5. Summary list of reported staff costs (annexed to Reporting instructions for the Croatian PPs of the Interreg IPA cross-border cooperation programmes)

⁵⁹ In case of changes (% of working time, gross salary unit amount; tasks, etc.) during the assignment, the employment document (or related annex) must be revised and the related calculation of costs must be adjusted.

⁶⁰ This list contains all employees of the beneficiary institution involved in operation activities.

⁶¹ Service contract (ugovor o djelu/delu) is not eligible under Staff costs category.

Type of engagement on project	Calculation method ⁶²	Specific supporting documents ⁶³
Full-time on the project	Staff member is contracted specifically for the project implementation and spends 100% of its working time on the project (full time or part-time contracts are acceptable).	n/a
Example:	<u>The calculation:</u> Staff costs = total gross salary amount Monthly gross salary cost = 1,500 EUR Staff cost claimed in 6-month reporting period = 9,000 EUR	
Part-time with a fixed percentage of time spent working on the project per month⁶⁴	An individual dedicates a fixed percentage (%) of his / her working hours to the project. Staff cost = fixed percentage of the gross salary cost	n/a
Example:	Staff member works 40 % of his / her work time on the project (stated in his / her employment document). <u>The calculation:</u> Monthly gross salary amount = 1,500 EUR % of time worked in the project = 40% Staff cost (per month) = 1,500 EUR * 40% = EUR 600 Staff cost claimed (per 6-month reporting period) = 3,600 EUR	

⁶² In case of changes of calculation method (if such change has not been reported to JS and modified within Jems), PP shall deliver additional explanation in the respective partner report and specific supporting documents for the chosen method.

⁶³ No working time registration system (timesheet) is required for staff working full-time in the operation nor for the staff working part-time in the operation with a fixed percentage of time per month.

⁶⁴ In principle, the fixed percentage should cover the whole operation duration, but this percentage may change in duly justified cases (e.g. changes in tasks or responsibilities of the employee resulting from the departure of another employee/s on the project or force majeure). In case of changes in the assignment, the employment document (or related annex) must be revised, and the related calculation of costs must be adapted to the revised assignment. The percentage of the employee's working time on the operation may be changed only once in reporting period and must be justified and notified to JS without delay.

FLAT RATE (SCO I method)		
General supporting documents mandatory for all staff costs based on flat rate		
Supporting documentation is not mandatory for the verification of costs (List of personnel must be submitted within the first Partner report / and any additional report if changes occur)		
Type of engagement on project	Calculation method	Specific supporting documents
	up to 20% of eligible direct costs other than staff costs	n/a
The LP / PP has to demonstrate that it has at least one employee involved in the project. This can be done by issuing a declaration certifying that at least one employee of the beneficiary institution has worked on the project in the reporting period in question. The Declaration has to be issued by the LP / PP's legal representative or delegated person. In case when the LP / PP is not able to prove that it has at least one employee involved directly into the project, staff costs calculated according to this methodology (and accepted in advance) may be considered ineligible.		

8.2.2. Office and administrative costs

The Programme reimburses office and administrative costs through a flat rate of up to 15% of eligible direct staff costs (SCO I method) or as part of the up to 40% flat rate on the eligible direct staff costs (SCO II method).

No further justification or supporting documents are needed from the PPs to justify the Office and administrative costs declared.

Office and administrative expenditures cannot be claimed as direct costs under other budget lines of other Expenditure categories. The list of costs that can be included in this expenditure category is exhaustive and given in PME.

Certification of Office and administrative expenditures by the NC is directly linked on the **amount of staff costs declared as eligible (certified)** by the NC for the relevant reporting period.

8.2.3. Travel and accommodation costs

The Programme reimburses travel and accommodation costs through a flat rate of up to 15% of eligible direct staff costs (SCO I method) or as part of the up to 40% flat rate on eligible direct staff costs (SCO II method).

Costs under this budget category refer to the travel and accommodation expenditures of **the staff of the PPs' institutions (project team members)** for missions necessary for the project implementation (e.g. participation in project meetings, seminars, conferences, Programme events or upon Programme bodies' invitation, etc.).

Travel and accommodation expenditures for LP/PP employees cannot be claimed as direct costs under other budget lines of other Expenditure categories. The list of costs that can be included in this expenditure category is exhaustive and given in PME.

Being that the travel and accommodation costs are reimbursed on a flat rate basis, beneficiaries do not need to document that the expenditure has been incurred and paid or that the flat rate corresponds to the real costs. Accordingly, no documentation on Travel and accommodation costs is required to be provided to the NC within Partner Report⁶⁵. However, the beneficiaries are responsible to ensure that under this cost category only above listed elements are incurred.

Furthermore, beneficiaries (each LP/PP) must deliver evidence of at least one travel during the implementation of the project⁶⁶ (prove the implementation of the activity by a short description of the trip in the relevant work package in Jems and by attaching one accompanying document, e.g., signature sheet from the event/education, etc.).

Certification of Travel and accommodation expenditures by the NC is directly linked on the **amount of staff costs declared as eligible (certified)** by the NC for the relevant reporting period.

8.2.4. External expertise and services costs

External expertise and services costs may be reimbursed in two ways:

1. on a real cost basis (proven by the relevant documents) – SCO I method,
2. as a flat rate of up to 40% of eligible direct staff costs (SCO II method).

External expertise and services costs represent services subcontracted by PPs (respecting public procurement principles) to carry out certain tasks or activities which are essential for the implementation of the project and cannot be carried out by the project partners themselves (lack of internal resources).

⁶⁵ Beneficiaries must respect relevant national legislation and internal rules regarding travel and accommodation.

⁶⁶ Applicable for both SCO options.

Advance payments to external service providers may be acceptable when it is in line with the applicable public procurement rules and when it is agreed in the external service contract. However, amounts of advance payments reported shall be approved only if confirmation that the service has been properly and timely delivered is available.

Real cost – SCO I:

Eligible costs (examples, non-exhaustive list) ⁶⁷	Specific supporting documents for a SCO I method – a real cost method of reimbursement
• Studies or surveys (e.g. strategies, concept notes, design plans, handbooks, brochures, surveys), • Training services (e.g. lecturers' fees), travel and accommodation for external experts, speakers, chairpersons of meetings, service providers and stakeholders, external research, • Translation services, • IT system and website development, modifications and updates, promotion, communication, publicity or information services linked to the project, • Financial management, legal consultancy and notarial services, • Services related to the organisation of events or meetings (organisation, registration or participation fees), • Technical and financial expertise, • Other consultancy and accountancy services, intellectual property rights, • Environmental impact assessment studies, feasibility studies, other external expertise	• Evidence of the procurement procedure in line with Programme procurement rules set in this document. • Contract / order form laying down the services to be provided, with clear reference to the project and the Programme. • An invoice or a request for reimbursement providing all relevant information in line with the applicable accountancy rules, as well as references to the project (project acronym) and the programme (Programme name) and a detailed description of the services provided in line with the contents of the contract. • For experts paid based on a daily / hourly fee, the invoice must include a clear quantification of the days / hours charged, price per unit and total price. • Any changes to the contract must comply with the programme procurement rules and must be documented. • Outputs of the work of external experts or service deliverables, respecting the publicity / visibility rules, where applicable.

⁶⁷ The list of costs that can be included in this expenditure category is given in PME.

and services related to the investments in infrastructure, etc.

- Proof of payment (e.g. a receipt, bank account statement, etc.) and an accounting record (e.g. extract from a reliable accounting system of the beneficiary), etc.

Flat rate of up to 40% of eligible direct staff costs - SCO II:

In case the beneficiary selected the up to 40% flat rate (SCO II method) for the calculation of eligible direct costs other than direct staff costs, external expertise and services costs are included as part of the remaining eligible costs of an operation in the up to 40% flat rate. If the up to 40% flat rate is used, there will be only 2 cost categories in the project:

- a. Staff costs and
- b. The remaining eligible costs covering costs for office and administrative expenditure, travel and accommodation, external expertise and services, equipment, infrastructure and works.

In case external expertise and service are part of the up to 40% flat rate, beneficiaries are not requested to document that expenditure have been incurred and paid. Therefore, no documentation on external expertise and service costs needs to be provided to the NC⁶⁸. The documentation of real costs will be requested for other cost categories used as a basis for the flat rate calculation (Staff costs).

Verifications that the calculation is correct (flat rate applies on a correct real cost category used as a basis for the calculation), visibility rules are respected and verification against double-financing are requested (e.g., checking that procured services are not financed from other EU projects/other funds, which will be done by JS during the on-the-spot visits by checking if an invoice contains references to the project (project acronym) and the Programme (Programme name).

In case direct staff costs used as a basis for determining external expertise and service costs (flat rate up to 40% - SCO II) are found to be ineligible, the amount of external expertise and service costs must be recalculated and reduced accordingly.

8.2.5. Equipment costs

Equipment costs may be reimbursed in two ways:

1. on a real cost basis (proven by the relevant documents) – SCO I method,
2. as a flat rate of up to 40% of eligible direct staff costs (SCO II method).

⁶⁸ Regardless, beneficiaries still have to respect relevant public procurement rules laid down in this document.

Costs under this budget category refer to equipment purchased, rented or leased by the LP / PP, which is necessary for the project implementation as stated in the AF. The list of costs that can be included in this expenditure category is exhaustive and given in PME.

Renting or leasing costs of equipment shall be eligible if the following rules are respected:

- Full cost of renting or leasing equipment can be reported where the equipment is used 100% for the implementation of a project.
- For the equipment that is rented or leased by PPs for a certain period during the implementation of a project, only the rental or leasing costs for the respective time period are eligible.

Advance payments to supplier may be acceptable when it is in line with the applicable public procurement rules and when it is agreed in the supply contract. However, amounts of advance payments reported shall be approved only if confirmation that the equipment has been properly and timely delivered is available.

Real cost – SCO I:

Eligible costs (examples, non-exhaustive list) ⁶⁹	Specific supporting documents for a SCO I method – a real cost method of reimbursement
• Office equipment, • IT hardware (computers, monitors, printers, scanners, digital projectors, digital / video cameras, etc.) and software, • (office) furniture and fittings, laboratory equipment, machines and instruments, tools or devices, • vehicles, • spare parts / equipment for machines, tools, • measuring instruments, exhibition equipment, • guarantee for the thematic equipment, • purchase of consumables necessary for the operation of laboratory equipment,	• Evidence of the procurement procedure applied in line with programme procurement rules. • Contract / order form laying down the equipment to be purchased, with clear reference to the project (project acronym) and the programme (Programme name). Any changes to the contract must comply with the Programme procurement rules and must be documented. • An invoice or a request for reimbursement providing all relevant information in line with the applicable accountancy rules, as well as references to the project and the Programme. • Proof of payment (e.g. a receipt, bank account statement) and accounting record

⁶⁹ The list of costs that can be included in this expenditure category is given in PME.

machines and instruments, and other tools or devices (e.g. chemicals, reagents, fuel, protective clothing, etc.) and • other specific equipment required for project implementation (e.g. animals, plants, seeds, etc.).	(e.g. extract from a reliable accounting system of the beneficiary). • Proof of existence for all items of equipment (e.g. deliverable notes, photo evidence). • Proof of respect of Programme publicity / visibility rules and, where relevant, EU and national legislation in terms of environmental impact.
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Flat rate of up to 40% of eligible direct staff costs - SCO II:

In case the beneficiary selected the up to 40% flat rate (SCO II method) for the calculation of eligible direct costs other than direct staff costs, Equipment costs are included as part of the remaining eligible costs of an operation in the up to 40% flat rate. If the up to 40% flat rate is used, there will be only 2 cost categories in the project:

- 1) Staff costs and
- 2) The remaining eligible costs covering costs for office and administrative expenditure, travel and accommodation, external expertise and services, equipment, infrastructure and works.

In case equipment is part of the up to 40% flat rate, beneficiaries are not requested to document that expenditure have been incurred and paid. Therefore, no documentation on equipment costs needs to be provided to the NC⁷⁰. The documentation of real costs will be requested for other cost categories used as a basis for the flat rate calculation (Staff costs).

Verifications that the calculation is correct (flat applies on a correct real cost category used as a basis for the calculation), visibility rules are respected and verification against double-financing are requested (e.g., checking that procured equipment is not financed from other EU projects/other funds, which will be done by JS during the on-the-spot visits).

In case direct staff costs used as a basis for determining equipment costs (flat rate up to 40% - SCO II) are found to be ineligible, the amount of equipment costs must be recalculated and reduced accordingly.

⁷⁰ Regardless, beneficiaries still have to respect relevant public procurement rules laid down in this document.

8.2.6. Costs for infrastructure and works

Costs for infrastructure and works may be reimbursed in two ways:

1. on a real cost basis (proven by the relevant documents) – SCO I method,
2. as a flat rate of up to 40% of eligible direct staff costs (SCO II method).

Costs under this budget category refer to activities related to investments in infrastructure and works⁷¹. These investments may refer either to an object (e.g. a building) that will be set up *ex-novo* or to the adaptation of an already existing infrastructure.

Costs under this category are linked to the **implementation phase of an investment** for which relevant documentation (e.g. project design, ownership, legal permissions, etc.) already exists and is delivered to the MA during the contracting phase.

Please note that, within one Interreg project, it is not possible to plan, claim and reimburse costs related to both the preparation and implementation phase of an investment.

Advance payments to supplier may be acceptable when it is in line with the applicable public procurement rules and when it is agreed in the works contract. However, amounts of advance payments reported shall be approved only if confirmation that (relevant part of) contracted works have been properly and timely executed is available.

Real cost – SCO I:

Eligible costs (examples, non-exhaustive list) ⁷²	Specific supporting documents for a SCO I method – a real cost method of reimbursement
A) Organisation and preparation of the site designated to the project, land preparation – any works aimed at the preparation of the project, B) Main investments, including building material and labour, natural landscape and environment protection related activities, specialised interventions, in line with the relevant national legislation.	• Evidence of the appropriate procurement procedure applied (in line with Programme procurement rules). • Contract or written agreement laying down the infrastructure / works to be provided with a clear reference to the project (project acronym) and the programme (Programme name). Any changes to the contract must comply with the applicable procurement rules and must be documented.

⁷¹ Article 2(1) of the Directive 2014 / 24 / EU of the European Parliament and of the Council of 26 / 02 / 2014 defines a “work” as “the outcome of building or civil engineering works taken as a whole which is sufficient in itself to fulfill an economic or technical function”. Works defined within Annex II of the abovementioned Directive are eligible as a combination of building material and labor.

⁷² The list of costs that can be included in this expenditure category is given in PME

- Invoice or interim payment certificate or final payment certificate providing all relevant information in line with the applicable accountancy rules as well as references to the project and the programme and a detailed description of the infrastructure / works carried out in line with the contents of the contract. For contracts also including a daily / hourly fee, the invoice must include a clear quantification of the days / hours charged, price per unit and total price.
- Proof of payment (e.g. a receipt, bank account statement) and accounting record (e.g. extract from the reliable accounting system of the beneficiary).
- Proof of visibility requirements for investments (e.g. photographs of a visibility plate, etc.)
- Additional key documents (if applicable)⁷³: building diary / operating permit / final report(s) from the supervising engineer(s) / guarantee for removal of a defect in the guarantee period.

Flat rate of up to 40% of eligible direct staff costs - SCO II:

In case the beneficiary selected the up to 40% flat rate (SCO II method) for the calculation of eligible direct costs other than direct staff costs, costs for infrastructure and works are included as part of the remaining eligible costs of an operation in the up to 40% flat rate. If the up to 40% flat rate is used, there will be only 2 cost categories in the project:

- 1) Staff costs and
- 2) The remaining eligible costs covering costs for office and administrative expenditure, travel and accommodation, external expertise and services, equipment, infrastructure and works.

In case costs for infrastructure and works are part of the up to 40% flat rate, beneficiaries are not requested to document that expenditure have been incurred and paid. Therefore, no

⁷³ If such documents are mandatory according to relevant national legislation or envisaged in the project budget and / or concluded contract.

documentation on costs for infrastructure and works needs to be provided to the NC⁷⁴. The documentation of real costs will be requested for other cost categories used as a basis for the flat rate calculation (Staff costs).

Verifications that the calculation is correct (flat rate applies on a correct real cost category used as a basis for the calculation), visibility rules are respected and verification against double-financing are requested (e.g., checking that procured works are not financed from other EU projects/other funds, which will be done by JS during the on-the-spot visits).

In case direct staff costs used as a basis for determining costs for infrastructure and works (flat rate up to 40% - SCO II) are found to be ineligible, the amount of costs for infrastructure and works must be recalculated and reduced accordingly.

8.2.7. Lump sums (Preparatory and contracting costs and Closure costs)

Approved projects are entitled to receive reimbursement of their preparatory and contracting costs in the form of a lump sum in the total amount of EUR 5.500 and reimbursement of their closure costs in the form of a lump sum in the total amount of EUR 2.500.

No specific supporting documentation for these costs (lump sums) is required.

However, certain conditions must be fulfilled for the Programme to pay a lump sum for preparatory and contracting costs:

- The project proposal is selected for funding by the MC,
- The LP signs the subsidy contract with the MA.

Certain conditions must be fulfilled for the Programme to pay a lump sum for closure costs as well:

- The LP has submitted the final Project Report,
- The final Project Report has been approved by the MA.

Please note that LP must include a Lump sum for closure costs in final Partner Report.⁷⁵

⁷⁴ Regardless, beneficiaries still have to respect relevant public procurement rules laid down in this document.

⁷⁵ As described in Jems Manual: <https://jems.scrollhelp.site/manual/v14/partner-report-list-of-expenditures#PartnerreportListofexpenditures-UnitcostsandLumpsums>

9. 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 to 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.

9.1. *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 implementation period ends in order to allow proper reporting and monitoring which is always linked to the last approved AF.

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 form⁷⁶ 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 in Jems and submits the modification.
- e) JS inserts supporting documents in Jems, 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.

9.2. *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.⁷⁷

Minor modifications are limited to the following:

⁷⁶ Annexed to PIM – please see General annexes

⁷⁷ 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. 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 periods

Minor changes of the workplan/periods are modifications related to project activities and deliverables (e.g. changes in timeline⁷⁸, 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.

c) Budget modifications

⁷⁸ 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.

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 Template.⁷⁹

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.

9.3. 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**.⁸⁰ Exceptionally, the change of partnership shall be initiated **at the latest nine (9)⁸¹ 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.

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:

⁷⁹ Annexed to PIM – please see General annexes.

⁸⁰ In duly justified cases the request can be submitted after the mentioned deadline for major modification.

⁸¹ In duly justified cases the request for change of partnership can be submitted after the mentioned deadline for major modification.

- a) changes in the composition of the partnership,
- b) budget reallocations between PPs (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)⁸²,
- d) changes related to outputs / results,
- e) changes related to location of investment and/or type of investment.

Major modifications under a) require the approval of the MC, while modifications under b) to e) require the approval of the MA.

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 (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

⁸² 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.

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 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 PPs (max. 10% of the total partner budget)

There is a possibility to reallocate budget between PPs (only in duly justified cases) that are substantial to the project implementation and achieving the project outputs / results as planned. Budget reallocation between PPs 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. Projects with initial maximum duration(per SO, as defined in relevant GfA) cannot request prolongation of project duration⁸³. 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).

⁸³ 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.

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 or results), defined in the approved Application are considered to be major changes of the project. 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.

10. Monitoring Visits

In order to have a more direct contact between the programme management bodies and the partnership of individual projects and to get a closer, more real view of the project implementation, the work being carried out, the progress and the achievements, JS visits contracted projects at least once during the implementation period (and in case it is considered necessary, additional visits might be needed based on the project financial and technical performance). MA carries out on-the-spot (OTS) checks to projects based on the risk analysis. The frequency of the MA OTS checks may be adjusted in relation to the specific project needs and/or difficulties. NC may also visit contracted projects in order to check the reported expenditure of the PPs.

The JS PM / MA / NC will inform the LP / PP of the planned visit in advance. The date and time will be agreed with the LP / PP via e-mail. PPs should be prepared for these visits and be ready to provide all required information and documents.

In case of suspicion on irregularities JS/MA/NC also has the option of 'no notice' urgent monitoring visits without prior notice.

The focus of the review and meeting will be on the progress of activities, their timely implementation and the related reported and validated costs, the progress towards project objectives and output and result targets, management and communication of the project, potential risks, problems, delays and their possible solutions, and a realistic forecast for the remaining implementation. It is to be based on a constructive dialogue between the programme management

and the project partnership to get direct feedback on both sides about the status and perspectives of the project.

10.1. Audit

As defined in the SC, competent auditing bodies of the EU, the auditing bodies of the participating countries, as well as the MA / JS and Audit Authority (AA) may audit the use of funds by the beneficiaries.

The audits will take place at the premises of the LP and PPs. The LP and the PPs concerned will be notified in due time by the relevant authorities about any audit to be carried out on their reported expenditure.

The audits performed by the AA or Group of Auditors (GoA) include, in general, checking of the validated and reported expenditure against the supporting documents and other relevant information at the premises of the LP and / or PPs in order to verify the accuracy and validity of the related NC Certificate(s), checking the project documentation and audit trail, the accounting of project expenditure. In the interest of a successful audit, the LP/PP has to make available all documents required, provide necessary information and give access to its business premises. Audits may occur at any time until the end date for the retention of documents.

11. Irregularities

According to CPR, 'irregularity' means any breach of applicable law, resulting from an act or omission by an economic operator which has, or would have, the effect of prejudicing the budget of the Union by charging unjustified expenditure to that budget.

Irregularities can be detected by the NC, JS, MA, NA, AA, EC, European Court of Auditors (ECA), European Anti-Fraud Office (OLAF), whistle-blowers, LP, PPs, other bodies authorised to carry out financial verifications on projects, or other bodies and individuals, including anonymous ones.

The following mechanisms for identifying irregularities may be used:

- detailed checking of Reports,
- on the spot checks and *ad hoc* controls,
- monitoring visits,
- cross checks and follow up checks,
- notification by other grant recipients,

- local knowledge (press / members of the public),
- national and Commission audit reviews.

The suspicion of irregularity can be reported to the MA by sending the signed and scanned Irregularity alert form⁸⁴ in writing on the following e-mail address: irregularities-interreg-ma@mrrfeu.hr

A suspicion of irregularity can be reported through regular reporting channels or in any other way avoiding regular channels. Suspected irregularities can also be reported anonymously. Apart from informing the MA via the Irregularity alert form, anybody can also inform the Independent Service for Combating Irregularities and Fraud (ISCIF) within the Ministry of Finance of the Republic of Croatia and / or European Anti-Fraud Office (OLAF) about suspicions of fraud and irregularities affecting the financial interests of the European Union. Any available documents to support the information should be provided as well.

11.1. *Anti - fraud policy*

Definitions

The term fraud is commonly used to describe a wide range of misconducts including theft, corruption, embezzlement, bribery, forgery, misrepresentation, collusion, money laundering and concealment of material facts. The key element that distinguishes fraud from irregularity is the intention.

Fraud does not just have a potential financial impact but can also cause damage to the reputation of organisations responsible for effectively and efficiently managing funds. This is of particular importance for a public organisation responsible for the management of public funding in general and EU funding in particular.

Conflict of interests exists where the impartial and objective exercise of the official functions of a person are compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with e.g. an applicant for or a recipient of EU funds.

Anti-fraud policy

Programme Authorities have zero tolerance for fraud.

⁸⁴ Available at: <https://interreg-croatia-serbia.eu/report-irregularity-or-fraud-2/>

The MA is responsible to put into place effective and proportionate anti-fraud measures taking into account the risks identified, in line with article 74(1)c of CPR.

In that respect, the MA implements effective Programme anti-fraud policy that, inter alia, includes conducting fraud risk assessment procedures and implementing effective and proportionate anti-fraud measures. The objective of this policy is to promote a culture which prevents and detects fraudulent activities and the development of procedures which provide assistance in the investigation of fraud and related offences and ensure that such cases are dealt timely and appropriately.

MA is responsible for carrying out fraud risk assessment which represents an assessment of the impact and possibility (likelihood) of common fraud risks occurring in the key steps of Programme implementation. Based on the assessment, MA applies corresponding mitigating measures and controls in order to mitigate the effect of the potential risks.

Prevention

All of those involved in implementing a Programme or projects are responsible for spotting potentially fraudulent activity and then acting upon it. The key points in preventing fraudulent activities is raising awareness of what could constitute potential fraud warning signs and to report potential suspicion on fraud.

For this purpose, the Commission has provided the following documents:

- Guidelines for determining financial corrections to be made to expenditure financed by the Union for non - compliance with the applicable rules on public procurement:
https://ec.europa.eu/regional_policy/en/information/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 (COCOF)
- Public Procurement - Guidance for practitioners (2018):
https://ec.europa.eu/regional_policy/en/information/publications/guidelines/2018/public-procurement-guidance-for-practitioners-2018
- Guidance on the avoidance and management of conflicts of interest under the Financial Regulation: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021XC0409\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021XC0409(01)&from=EN)
- Notice on tools to fight collusion in public procurement and on guidance on how to apply the related exclusion ground :https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021XC0318%2801%29#ntr9-C_2021091EN.01000101-E0009

By signing the SC and the PA, the LP and PPs are responsible not to take any action which may bring their own interests into conflict with those of the Union. In that way, the LP and all partners are obliged to comply with the principle of "zero tolerance" in terms of fraud prevention.

If any conflict of interests arises or may arise during the project implementation, the LB / PPs must immediately take all necessary steps to resolve it and notify the JS / MA. The partners must ensure that any member of its staff in such situation is replaced immediately.

The MA may verify the measures taken to resolve conflict of interests and may require additional measures to be taken, if necessary. In case the MA establishes that the proposed measures have not been implemented, the MA reserves the right to terminate the SC.

Reporting

Any suspicion of fraud in management, implementation and / or use of ERDF / IPA III Funds can be reported to the MA through the Irregularity alert form at the following e-mail address: irregularities-interreg-ma@mrrfeu.hr. The information is also displayed on the Programme website.

Apart from informing the MA via Irregularity alert form, partners can also inform the European Anti-Fraud Office (OLAF) about suspicion on fraud affecting the financial interests of the European Union in the following ways:

1. By letter to:
OLAF – European Anti-Fraud Office, European Commission
Rue Joseph II, 30
1049 Brussels, Belgium
2. By filling in an online form to report fraud (anonymous, with secured document transmission): <https://fns.olaf.europa.eu/>

11.2. Follow up measures

If an irregularity is detected and confirmed by the MA before the payment is made to the LP, the MA applies a financial correction to the LP / PP following the instructions provided within the currently valid COCOF Guidelines⁸⁵. The correction applied is entered in the Jems.

If an irregularity is detected and confirmed by the MA after the payment has been made to the project, the MA may deduct the irregular amount from the next payment to the project and / or

⁸⁵ Guidelines for determining financial corrections to be made to expenditure financed by the Union for non-compliance with the applicable rules on public procurement.

initiate the recovery procedure. The decision shall be made on a case-by-case basis, depending on the remaining amount to be paid to the project.

In case the final payment has been made or the deduction cannot be applied on the final report, the MA will request the recovery of funds from the LP (LP shall request funds from the partner responsible for the irregularity and transfer the funds to the MA).

In case the irregularity involves a suspicion of fraud; after confirming the suspicion with the relevant information and documentation, MA shall forward the case to the competent authority in the participating country.

12. Project Closure

All projects have to undergo a formal closure procedure, which typically requires the gathering and collection of both content and financial information related to the project, and co-ordination between the LP and PPs. During this process, LP will need to demonstrate that the outputs and results of the project have been achieved in comparison to the targets proposed in the application. Thus, attention needs to be paid to indicators and the completion of all work packages, as well as satisfactory final reporting by all PPs on the activities they have carried out. Certain responsibilities of PPs do not stop with the finalisation of a project, and PPs should be familiar with the specific requirements regarding ownership and record keeping after the completion of projects and the submission of the Final Project Report, as well as reporting on those result indicators which require the completion 1 year after the end of project implementation.

12.1. Closure Process

Although the end date of a project means that all project activities are finished, the actual obligation of a partnership goes beyond its implementation period. The LP should coordinate the closure process and ensure that:

- Project documentation is available and organized in a way that anyone with no knowledge of the project can ensure smooth control,
- Communication lines are kept between all PPs during project closure,
- PPs are aware of their obligations after project closure. This is ensured by the MA which informs the LP via official letter (closure requirements) about all obligations following the project closure.

The final implementation period ends on the official end date of the project, as indicated in the SC. All project costs (except closure costs) must be incurred during the implementation period of a project and paid at the latest within one month after the implementation end date.⁸⁶

All activities and tasks must be carried out during the project implementation period, therefore, during the closure phase, the projects should be finalizing all activities planned within the AF. If certain activities or outputs have not been realised, there might be financial consequences in the form of deduction of part of the EU grant, as stipulated in SC.

At the end of project implementation, the outcomes, results, legacy and future of a project shall be communicated to the general public. In the closure phase, the project will be asked to develop a final communication product in the form of a success story, such as a testimonial, story, promotional movie, etc. The idea is to showcase major changes and impacts introduced by the project to the Programme area. Access to knowledge and outputs produced by the project needs to be ensured on a project website (if there is one), a PP website, a designated info point or any other way that ensures a long-term impact.

12.2. Final Project Report

In order to receive the final payment, projects need to submit a Final Project Report, which is actually the last Project Report available in Jems. The LP is responsible for the preparation and submission of the Final Project Report to the JS / MA **at latest 15 calendar days after all Partner Reports have been submitted to the NC, but no later than 45 calendar days from the end of final reporting period.**

The final report provides a **cumulative overview** of the project's activities and results / achievements. It also highlights how cross-border cooperation has contributed to attaining the expected results and it includes a description of the measures foreseen in order to ensure their durability.

In the Final Project Report, projects will need to demonstrate that the results and outcomes of the project have been achieved according to target values indicated in the AF. The Final Project Report is an opportunity to express what changes the project brought about on the local community and territory. It is also the moment to share any lessons learned from participating in a cross-border project and the effects on the participating organisations and reflect on follow-up measures for

⁸⁶ Payment of costs incurred in the last reporting period must take place within 1 month after the operation implementation end date. In exceptional cases (subject to MA approval), cost incurred in any of previous reporting periods can also be paid within 1 month after the operation implementation end date. In case there is a need for an extension of the deadline for submitting the Final Partner Report due to the inability to make all project cost payments, according to the Programme rules on eligibility of expenditures MA may approve the prolongation of this deadline.

utilising project outputs in the long term. Within the final report, the concrete contributions to horizontal principles, macro-regional strategies, as well as synergies and coordination with other projects or initiatives, have to be reported.

The Final Project Report has the same structure as all previous project reports. However, projects should use the Final Project Report to reflect on the entire project duration and include project milestones, the achievements that allow the project to track direct and indirect impacts. In the Final Project Report it should be demonstrated how a project has been able to meet the contracted outputs, especially with regard to the contribution to the selected programme specific objectives, output and result indicators.

This report should be filled in by the LP. However, consulting the project partnership beforehand is highly recommended, since PPs were involved in specific project tasks. Furthermore, this consultation shall allow the integration of experiences and perspectives of the whole partnership. When filling in the report, the LP needs to be concise, honest and realistic.

This report should be used to give an overview of what has been done and achieved, including information for communication purposes and Programme statistics.

The main objectives of the Final Report are:

- To assess project performance,
- To collect evidence of contribution to the Programme and project commitments,
- To understand the durability and transferability potential and level of achievement of project outputs and results at project, Programme and policy level,
- To serve for capitalisation activities, at project and Programme levels,
- To publicise project outputs and results on a Programme level,
- To capture the added value of cross-border cooperation.

The Final Report consists of the following main elements:

- Information on project overall implementation, its objectives, results, outputs and main achievements, including its contribution to strategies and horizontal principles, as well as the added value of cross-border cooperation,
- Information regarding communication activities, and specifically a story telling or testimonial,
- A focus on future outlook, in terms of durability, transferability and replicability of project results and outputs after project closure and impact of the project.

The Programme will monitor carefully whether the project has implemented all activities and delivered all outputs as defined in the approved AF.

In case of all Programme result indicators (except for RCR81), the final evidence of their achievement can be delivered within the project follow-up period (one year after project completion) through a separate section in Jems (Shared folder).

In case of serious underperformance or changes done during the project implementation, but not approved by the Programme, in accordance with stipulations of SC the Programme reserves the right to reduce the EU grant.

12.3. Retention of project documents

All supporting documents related to the project must be retained for audit purposes at least for a period of five (5) years. This period starts from December 31, of the year in which the last payment by the MA to the LP is made. The MA will individually inform each LP on the exact deadline for the above-mentioned retention period.

These documents shall be made available for any audit, control or verification after project closure. They either shall be kept in the form of the originals, or certified true copies of the originals, or on commonly accepted data carriers including electronic versions of original documents or documents existing in electronic version only.

12.4. Durability and ownership

Ownership of project outputs and results

Ownership, title and industrial and intellectual property rights in the outputs of the project and the reports and other documents relating to it shall vest in the LP and PPs to the extent allowed by the national regulation of the LP / PP.

Concerning the use of outputs and results of the project, the LP shall guarantee a widespread publicity of such outputs and results and make them available to the public free of charge in line with the relevant national law.

The MA / JS, as well as the NAs of the Participating Countries, reserve the right to use project achievements for Programme information and communication activities.

In principle, each PP is considered as the owner of the equipment purchased during the project implementation, in line with the AF. However, the partners are obliged to define who will be responsible for specific thematic equipment and investments (if applicable) in PA and in AF/Project work plan/Investment.

Durability

The changes induced by the project are not limited to the project's lifetime. The project impacts should last long after the project's end. In order to support the durability of project impacts, the project has to adopt durability measures before and after the project closure.

To ensure this, contractual obligations have been set regarding durability, especially for projects including investments in infrastructure and works. Article 65 of CPR sets out requirements that investments supported for the benefit of the Programme area are maintained and continue to provide the same benefit for a reasonable period after the end of the project.

In line with the mentioned article, a project comprising investment in infrastructure or productive investment must ensure that the investment is not subject to any of the following:

- a. a cessation or transfer of productive activity outside the NUTS 2 / Programme area level which received support a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
- b. a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

The abovementioned conditions must be respected within five years from the final payment to the LP, otherwise the project shall be obliged to recover the granted funds in proportion to the period for which the requirements have not been fulfilled.

Following the final payment, the LP / PP in charge of the investment is obliged to sign and submit the durability statement (provided by MA) in order to confirm that the abovementioned conditions will be respected.

Regarding durability of projects, the MA will perform durability checks to ensure compliance with the rules listed above.

ANNEXES

The attached annexes:

1. General Annexes (Task Assignment document, Modification request form, Budget reallocation tool, Template for reporting output achievements)
2. Visibility and Communication Annexes (Billboard and Poster template)
3. Public Procurement Annexes (Single tender / Simplified & Open Annexes)