

# ELIGIBILITY OF ACTIVITIES & EXPENDITURES

Call for Proposals  
No 2021TC16IPCB005 – 2023 – 3

Priority 1 “Environmentally friendly cross-  
border region”

Info days, January 2024



Interreg



Co-funded by  
the European Union

IPA Bulgaria – Türkiye

Mecidiye (Meriç) Bridge  
Meriç River, Edirne,  
Türkiye



# Eligible activities



## Specific objective 2.1

### “Promoting energy efficiency and reducing greenhouse gas emission”

Investments in tangible assets procured as part of a project carried out by an eligible undertaking to achieve a higher level of energy efficiency.

**EACH PROJECT SHOULD INCLUDE**

#### Item “A” INVESTMENTS

- Acquisition of machines, installations and equipment representing fixed assets
- Acquisition of long-term intangible assets incl. software development
- construction works for application of energy efficiency measures in industrial buildings incl. for specific technological needs

#### Item “B” SERVICES

- Energy audit according to national legislation requirements
- Technical supervision, services for commissioning, personnel trainings, certification of facilities/buildings subject of energy efficiency measures
- Joint trainings and providing consultancy services to enterprises on energy efficiency



Each project under SO 2.1 must include activities from Item A “Investments” and Item B “Services”.

The costs under Item B “Services” should **not exceed more than 40%** of the total eligible costs.



# Eligible activities



## Specific objective 2.1

### “Promoting energy efficiency and reducing greenhouse gas emission”

- Investments for reducing GHG emissions and energy consumption
- Investments for energy efficiency of enterprise-owned building stock, where the production processes take place
- Interventions in the building shell: thermal insulation, window frames / glazing, shading systems
- Upgrading of internal electrical installations and electricity distribution systems, installations of automatic lighting control equipment
- Upgrading systems for the production and distribution of thermal energy both for HVAC and in the production process
- Upgrading or integrating new materials and equipment to reduce energy losses
- Energy management systems incl. certification according to ISO 5001
- Investments in digital solutions for collecting and analyzing data on GHG emissions and energy consumption
- Joint development of technological solutions for energy efficiency and reduction of GHG gas emissions
- Improving exchange of know-how, best practice, joint trainings to local businesses for energy efficiency and GHG reduction



Activities should be with confirmed effect of energy savings from **at least 5%** according to the energy efficiency assessment.

**For Bulgarian beneficiaries:** The provisions of national legislation should be followed.

**For Turkish beneficiaries:** Energy efficiency assessment should be calculated on process cost and/or equipment cost not on whole system cost.



# Eligible activities



## Specific objective 2.6

### “Promoting the transition to a circular and resource efficient economy”

Activities addressing needs of regional SMEs to adopt the principles of circular economy and the related production practices by making products fit for a climate-neutral, resource-efficient and circular economy and reducing waste across the entire product lifecycle

- Development of last-longer and suitable for reuse, repair, and recycling products, incl. purchase of relevant technological equipment
- Development of new business models based on renting and sharing goods and services (the so-called product-as-service models)
- Development of circular business models to favor the establishment of the regional close loop value chain by employing B2B, B2C and C2C models of cooperation
- Development of circular bio-based business models, solutions and products
- Supporting measures for knowledge sharing, design methodology, innovation labs/hubs, clustering as approaches to promote circular products and circular production processes
- Development of regional certification practices



Each project under SO 2.6 must include investment activities and soft measures.

The costs for soft measures shall **not exceed more than 40%** of the total eligible costs



# Eligible expenditures

## General principles

The hierarchy of rules applicable to INTERREG VI-A IPA Bulgaria – Türkiye Programme projects is as follows:

- European level - EU regulations;
- Programme level - specific rules decided for the INTERREG VI-A IPA Bulgaria – Türkiye Programme;
- National/regional level - rules applicable in each Member State;
- Partner institutional level - internal rules applicable to each partner organization



### General eligibility requirements

- be necessary for carrying out the action and must comply with the principles of sound financial management
- have been stipulated in the project budget
- have actually been incurred during the implementing period for the actions defined in the application form
- be verified as eligible by the National controllers
- be in line with the provisions of the subsidy contract, European and national legislation
- have not been subject to financing from any other public funds





# Eligible expenditures

## General principles



### Non-eligible expenditures

- Interest on debt
- Purchase of land and existing buildings
- Second hand equipment
- Fines, financial penalties and expenditure on legal disputes and litigation
- Costs of gifts
- Costs related to fluctuation of foreign exchange rate
- In-kind contributions (including unpaid voluntary work)
- Shared costs
- Subcontracting between partners and/or associated partners of the same project for services, expertise, equipment and works carried out within the project
- Charges for national financial transactions
- Consultant fees between partners for services and work carried out within the project
- Contracting of employees of the partner organizations as external experts, e.g. as freelancers
- Other non-eligible expenditures according to EU and national legislation

**Guidelines for Applicants**  
**2.3. “Eligibility of expenditures”**



# Form of reimbursement/budgeting



## FLAT RATE

costs expressed as %  
of other eligible costs



## LUMP SUM

**fixed amount** for  
certain activities



## UNIT COSTS

costs expressed in  
**max amounts/unit**



## REAL COSTS

costs proved with  
supporting documents

Simplified Cost Options



#1

**Staff costs**

#2

**Office and  
administrative costs**

#3

**Travel and  
accommodation costs**

#4

**External expertise and  
service costs**

## Costs categories

#5

**Equipment costs**

#6

**Costs for infrastructure  
and works**

#7

**Project preparation costs**





The category relates to the **own staff (project team)** involved in project management and/or tasks related to the project content

- Salary payments fixed in the employment document or by law, relating to the responsibilities specified in the job description of the staff member concerned
- Any other costs directly linked to the salary such as taxes and social security payments including pensions as long as they are fixed in the employment document or by law



The exact percentage of the flat rate should be indicated in the Application form by each project partner and remains unchanged for the entire project implementation period.

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

Appointment of staff has to be made in accordance with European and national legislation and is responsibility of the beneficiaries.

#1

## Budget category

### Staff costs

Reimbursed as

**flat rate** up to **20%** of eligible costs under **BC4, BC5 and BC6**



## STAFF COSTS

### Staff

employed by the beneficiary for  
management of the project

Staff of the beneficiary such as **project manager, coordinator, accountant, assistant** that perform actions related to the organization, coordination, management and reporting of the activities, expenditures and results related to the project.

### Staff

employed by the beneficiary for  
implementation of project activities

Staff of **experts** that perform actions directly related to the project activities, requiring specific expertise which the project partner possesses.



It is the sole right and responsibility of project partners to determine the positions and persons of the project team and experts needed for implementation of project activities, to establish the type of legal relationship and make changes in this regard, during the project implementation.



The category covers **operating and administrative expenses related indirectly to project activities** that are limited to:

- Office rent
- Insurance and taxes of office and office equipment
- Utilities
- Office supplies
- Accounting
- Archives
- Maintenance, cleaning and repairs
- Security
- IT systems
- Communication - telephone, fax, internet, postal services
- Bank charges for opening and administering project account
- Charges for transnational financial transactions



#2

## Budget category

# Office and administrative costs

Reimbursed as

**flat rate** up to **15%** of  
**BC1 “Staff costs”**



If no staff costs are foreseen and reported, no office and administrative costs can be charged.

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



The category covers travel and accommodation costs  
**only of project team members**  
and is limited to the following:



- Travel costs - tickets, travel and car insurance, fuel, car mileage, toll, parking fees
- Meal costs
- Accommodation costs
- Visa costs
- Daily allowances

#3

## Budget category

# Travel and accommodation costs

Reimbursed as

**flat rate** up to **15%** of  
**BC1 “Staff costs”**



If no staff costs are foreseen and reported, no travel and accommodation costs can be charged.

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



## External expertise

Costs for expertise, provided by **public or private law body or a natural person other than the beneficiaries** such as:

- Studies or surveys
- Works designs
- Translations
- Development/updates to IT systems and website
- Promotion, communication, publicity activities
- Intellectual property rights
- Expenditures for lecturers, trainers, moderators, interpreters
- Travel and accommodation for external experts, lecturers, trainers, moderators, interpreters, chairpersons of meetings and service providers
- Other specific expertise needed for the project



### #4

## Budget category

# External expertise and services costs

**External expertise costs are reimbursed on the basis of **real costs** and supporting documents**



Project Partners and their employees cannot be contracted by another project partner within the same project as an external expert or a subcontractor.

Costs must be according to the market prices at the time of submission of the project proposals.





## Service costs

Costs for **event organization** such as:

- Rent of hall for meetings, trainings, conferences
- Rent of equipment - translation equipment, audio equipment, IT equipment
- Rent of vehicle for participants in events
- Expenses for coffee breaks, refreshments, lunches and dinners for participants in events
- Accommodation costs for participants in the events
- Purchase of consumables and materials events

**REAL costs** - all supporting documents proving expenditures should be presented at the verification stage



### #4

## Budget category

# External expertise and services costs

Service costs  
are reimbursed on the basis of  
**real costs or unit costs**

**UNIT costs** - maximum predefined amount according to duration of the event and number of participants





## UNIT COSTS

One day event

14 EUR per participant

Multi day event

60 EUR per participant per day

The event unit cost per participant **cannot be** claimed for:

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



Partners cannot report costs covered by the unit cost in any other cost category.



The category covers costs on equipment **purchased, rented, or leased by a partner** that is necessary for achievement of project's objective such as:

- IT hardware and software
- Furniture and fittings
- Laboratory equipment
- Machines and instruments
- Tools or devices
- Other specific equipment needed for operations



Expenditures for rent or lease of equipment are eligible only for the project implementation period.

Expenditures for rent or lease of equipment cannot exceed the purchase price of the respective equipment.

#5

## Budget category

# Equipment costs

Reimbursed on the basis of **real costs** and supporting documents at verification stage



In case economic lifetime of equipment that will not be used by the project partners or the project target groups after the project completion is longer than the project duration, depreciation costs only for the period of project duration are eligible.



The costs in this category relate to **investments in infrastructure and works**, necessary to achieve the objectives of the project such as:

- Building permits
- Building material
- Labour
- Specialized interventions such as soil remediation and mine-clearing
- Works
- Supervision of works
- Authors supervision



#6

## Budget category

# Costs for infrastructure and works

Reimbursed on the basis of **real costs** and supporting documents at verification stage



Costs of purchase of land and buildings are not eligible.



The costs in this category relate to:

- Consultancy, elaboration of technical documentation such as energy efficiency audit, feasibility studies, detailed works designs, technical drawings, Bills of quantities
- Elaboration of project proposal and application form, translation of documents, taxes and other charges
- Other costs necessary to submit a valid Application form



Project preparation costs should be included in the Lead partner's budget at the application stage.

Project preparation costs are requested with the first report, and reimbursed to the Lead partner after verification.

**#7**

## Budget category

# Project preparation costs

Reimbursed as a **lump sum**  
of up to **12 000 EUR**  
per project



Arrangements regarding transfer of project preparation costs from the Lead partner to the project partners after they are verified and reimbursed to the Lead partner by the Programme are a subject of the Project Partnership Agreement.





# Thank you for your attention!



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