



QUESTIONS AND ANSWERS

CALL FOR PROPOSALS

NO 2021TC16IPCB005 – 2023 – 3

RSO2.1. PROMOTING ENERGY EFFICIENCY AND REDUCING GREENHOUSE GAS EMISSIONS RSO2.6 PROMOTING THE TRANSITION TO A CIRCULAR AND RESOURCE EFFICIENT ECONOMY UNDER PRIORITY 1: ENVIRONMENTALLY FRIENDLY CROSS-BORDER REGION

No.	Question received	Answer provided
1	<p>Our company is specialized in the field of energy audits of buildings and industrial systems. With reference to the open call for project proposals under the (Interreg VI-A) IPA Bulgaria-Türkiye Programme, we would be grateful for the following clarifications regarding the performance of energy surveys:</p> <p>1. VAT for the Bulgarian partner</p> <p>We cannot clearly establish from the guidelines what is the approach to VAT for Bulgarian companies?</p> <p>How should the values of the energy paid by a company be reflected in the energy efficiency surveys, as well as the costs of the investments planned - VAT included or without VAT?</p> <p>2. Baselines</p> <p>The following text at page 31 of „1. GfA SME Priority 1 BG-TR“:</p>	<p>1.1 According to the Guidelines for Applicants (part 2.3.6 Eligible expenditures for VAT) the expenditures for VAT is eligible for operations the total cost of which is below 5 000 000 EUR including VAT. Under the current call the maximum grant amount is 400 000 EUR meaning that the expenditures for VAT are eligible.</p> <p>Nevertheless, in order to comply with the principle of „no double funding“, the applicants should bear in mind that in any cases expenditures for VAT are eligible only if they are non-recoverable from other sources (Tax administration) under national VAT legislation.</p> <p>Before filling the application form project partners should clarify their VAT status for each activity and determine the VAT as recoverable or non-recoverable from other sources (Tax administration).</p> <p>In case the VAT is non-recoverable from other sources it is eligible for financing by the programme and should be included by the potential beneficiary in the respective unit rates.</p>



a) A baseline of present energy consumption of the current operation;

How to understand the expression "baseline....current operation"? Does this mean that the Baseline for the energy consumption of the entire industrial system should be defined or does it mean that the Baseline for the energy consumption should be defined only for the relevant measures?

3. Certificate of energy performance of a building

Pursuant to the regulatory provisions in Bulgaria, a Certificate for the energy characteristics of a building in operation, showing the energy consumption class of the building is issued only for residential buildings and for public buildings according to Annex 2 of Ordinance No. E-ПД-04-2/16.12.2022 for energy efficiency surveys, certification and assessment of energy savings of buildings, i.e. for production buildings, Certificate for energy characteristics is not issued.

Nevertheless, an energy efficiency survey can be carried using the National methodology for calculating the energy characteristics of buildings - Annex 1 to Ordinance No. ПД-02-20-3/9.11.2022 on the technical requirements for the energy characteristics of buildings, when a technological regime that requires ensuring a microclimate with certain parameters according to Article 5, Paragraph 3 of the same Ordinance is required.

Has this been taken into consideration for the Bulgarian enterprises and does the lack of the abovementioned certificate

1.2 As stipulated in the Guidelines for Applicants (part 2.2.3 Eligible activities) under Specific objective 2.1 "Promoting energy efficiency and reducing greenhouse gas emission" envisaged activities should be with confirmed effect of energy savings from at least 5% for the measure concerned.

For project partners located in Bulgaria energy efficiency assessment should be carried in compliance with respective Bulgarian national legislation.

According to the Bulgarian Energy Efficiency Law each industrial system is a set of production buildings, technological equipment and auxiliary facilities, within which an enterprise carries out activities for production of goods or provision of services.

In addition, Article 9, paragraph 2 of Ordinance No. E-ПД-04-05 of 09.8.2016 for determining energy consumption indicators, the energy characteristics of enterprises, industrial systems and systems for external artificial lighting, as well as for determining the terms and conditions for performing energy efficiency survey/audit and energy savings assessment stipulates that an enterprise/industrial system should be considered as an integrated system including technological, fuel-energy, electrical, heating/cooling, water supply, etc. main systems and when determining the energy characteristics both the technological processes and the material and energy flows, and the characteristics of the main and auxiliary facilities, and the energy characteristics of the buildings should be taken into account.

1.3 Production buildings and parts of buildings designated for production purposes fall under the exceptions of Article 38, paragraph 1, item 4 of the Energy Efficiency Law and are not subject to mandatory energy efficiency audit and certification.



	<p>for such buildings lead to the risk of disqualification of the applicant?</p> <p>If there is no requirement for a microclimate in a production building, is it possible only an energy efficiency survey to be carried and respectively is it possible to apply under the Call with such a building and accordingly no Certificate to be issued?</p>	<p>Pursuant to § 1, Item 25 of the Supplementary Provisions of the Energy Efficiency Law, production buildings are part of the industrial system. The survey of industrial systems is carried out according to Ordinance No. E-ПД-04-05 of 09.8.2016 for determining the energy consumption indicators, the energy characteristics of enterprises, industrial systems and systems for external artificial lighting, as well as to determine the terms and conditions for conducting an energy efficiency survey and preparing an energy savings assessment.</p> <p>According to European and Bulgarian legislation, no certificate is issued for the energy characteristics of an industrial system, nor for the energy characteristics of a production building that is part of the industrial system.</p> <p>On other hand, as stipulated in Ordinance No. ПД-02-20-3 of 09.11.2022 on the technical requirements for the energy characteristics of buildings Annex 1 “National methodology for calculating the energy characteristics of buildings” can be used for building stock where the production requires a microclimate with certain parameters.</p> <p>Necessary supporting documents regarding the investments in energy efficiency measures are described in detail in section 3.2. Supporting Documents (B), point B9 at page 51 of the Guidelines for Applicants.</p>
<p>2</p>	<p>Following the necessary documentation for application - Open Call for Project Proposals under the (INTERREG VI-A) IPA Bulgaria Türkiye Program, this is to ask for the following clarifications:</p> <p>1. Attachment B 10 A)</p> <p>In the document "Attachment 6 SO 2.1 Assessment and Selection of Applicants" on page 17, column</p>	<p>2.1 The text on page 17 in Attachment 6. “SO 2.1 Assessment and Selection of Applicants” in column “References/comments” should be read “Supporting documents Attachment B9”.</p> <p>2.2 See the answer for question 1 under point 3.</p> <p>2.3 See the answer for question 1 under point 3.</p> <p>2.4 Necessary supporting documents regarding the investments in energy</p>



"Reference/comments" it is quoted: "Supporting documents Attachment B 10A) - "

Please clarify the wording "Attachment B 10 A)". We could not find such an "Attachment B 10 A)" among the documentation of the Program.

2. Production buildings

Please clarify the following:

In case of investments ONLY IN PRODUCTION BUILDINGS, the energy efficiency survey/audit Report should be done according to

- Ordinance No. E-ПД-04-05/08.9.2016 for determining energy consumption indicators, the energy characteristics of enterprises, industrial systems and systems for external artificial lighting, as well as for determining the terms and conditions for performing energy efficiency survey/audit" TAKING INTO ACCOUNT THAT THE PRODUCTION BUILDING IS PART OF THE INDUSTRIAL SYSTEM

OR

- Regulation No. E-ПД-04-2/16.12.2022 for energy efficiency surveys, certification and assessment of energy savings of buildings, BUT WITHOUT ISSUING A CERTIFICATE.

3. Non-production buildings

Please confirm that:

FOR BUILDINGS (WITHOUT PRODUCTIONAL BUILDINGS)
ONLY A CERTIFICATE FOR ENERGY CHARACTERISTICS

efficiency measures are described in detail in section 3.2. Supporting Documents (B), point B9 at page 51 of the Guidelines for Applicants.



	<p>OF THE BUILDING SHOULD BE PROVIDED - without an energy efficiency survey/audit Report, and without respective Summary of the Report.</p> <p>4. Summary</p> <p>Please confirm that:</p> <p>According to the requirements of the Program, A SUMMARY OF THE ENERGY EFFICIENCY SURVEY/AUDIT REPORT IS NOT NECESSARY TO BE PROVIDED.</p>	
3	<p>In accordance with p. 2.4. of Guidelines for Applicants, Call for Proposals NO 2021TC16IPCB005 – 2023 – 3, please find below questions of substance on behalf of potential applicants, representing micro, small and medium-sized businesses from Bulgaria.</p> <p>1. No-profit principle</p> <p>According to Guidelines for Applicants, Call for Proposals NO 2021TC16IPCB005 – 2023 – 3, p. 1.4: “The meaning of a no-profit principle is in accordance with Article 192 of Regulation 2018/1046 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union. The verification of the no-profit principle shall be applied as follows: The grant amount representing the EU funds and national co-financing funds may not have the purpose or effect of producing a profit for the project partners. Profit is defined as a surplus of the grant amount received and the revenue generated by the operation over the total amount of eligible expenditures incurred by the project partner and verified by the</p>	<p><u>Amended answer:</u> 3.1 No-profit principle:</p> <p>The no-profit principle is a subject of monitoring at Project implementation phase according art. 192, Regulation (EU) 2018/1046.</p> <p>3.2 Lead Partner Principle</p> <p>General responsibilities of the Lead partner according to the requirements of the current Call are stipulated in part 2.1.2 Lead partner principle of the Guidelines for Application.</p> <p>In detail the responsibilities of the project partners, including the Lead partner are settled within a Partnership agreement, that is a legally binding document establishing the cooperation principles and procedures as well as mutual obligations of the parties within the partnership. A Project Partnership Agreement template stipulating the minimum engagements of each of the parties is available in the Application package as Annex A1.</p> <p>The Project Partnership Agreement is a mandatory document under the current Call.</p>



Managing authority. If this calculation results in a profit for the project partner, the Managing authority will reduce the final amount of the grant with the profit generated.”

Article 192 of the Regulation: The profits are limited to the income generated by the activities of the investment proposal.

Is this the case here when talking about “not producing profits”? Is the period for non-producing profits concerning just the period of the investment of the proposal?

2. Lead Partner Principle

According to Guidelines for Applicants, Call for Proposals NO 2021TC16IPCB005 – 2023 – 3, p. 2.1.2: “The lead partner assumes responsibility for ensuring implementation of the entire operation.”

What is the responsibility of the lead partner? How is expected one of the partners to be responsible for the implementation of actions of the other partner on the other side of the border. For instance - How can the lead partner be responsible for conducting the other partner's tender procedures? Is he/she expected to participate in the proceedings in any way?

According to Guidelines for Applicants, Call for Proposals NO 2021TC16IPCB005 – 2023 – 3, p. 2.3.4.7: “The amount of 12 000 Euro for preparation costs shall be included in the lead partner’s budget at the application stage. The lump sum for preparation costs should be added to the lead partner’s reported expenditure with the first report. The lump sum for preparation costs is allocated to the lead partner’s budget”. Are the

The clauses of the Project Partnership Agreement may not be limited to the minimum of rights and obligations specified in Annex 1, and could also include agreements regarding the project proposal preparation costs, as long as they do not conflict with the rest of the contract.

Regarding sub-contracting of project activities, including the preparation of the project proposal, each project partner acts as a contracting authority according to the scope of activities and the budget allocation for the respective activities. The details of how preparation costs shall be shared need to be included in the Project Partnership Agreement.

As stipulated in the Guidelines for Application the project preparation costs are reimbursed to the Lead partner with the first financial report. The project preparation expenditures should be carried out before or on the date of submission of the project proposals at the latest. The project preparation expenditures should be carried out before or on the date of submission of the project proposals at the latest. It means that all supporting documents as invoices, acceptance protocols, lists, etc., should be issued before or on the date of submission of the project proposal to the Managing authority at the latest

According to the Guidelines for Application (part 2.3.4. List and description of Eligible Expenditures) expenditures for construction permit, statements in accordance with the current River Basin Management Plans and Flood Risk Management Plans, environmental impact assessments, project conformity assessment report etc. are eligible provided that all other conditions for eligibility of expenditure are met and fall within the scope of Cost Category 7 “Project preparation costs”.

Projects that have concluded Subsidy contract with the Managing Authority shall receive the reimbursement of the preparation costs in a form of a lump



beneficiaries expected to contract the preparation actions across border? For instance, if the lead partner is a Turkish company, it is to pay the Bulgarian experts for consultancy delivered for the Bulgarian company. If preparation costs shares are included in the project partnership agreement as required, is Lead partner expected to pay the Project partner share? If so what is the document upon which it should be done, since no contracting services are allowed between partners?

When the lead partner is expected to pay up to 12 000 Euro - preparation costs - at application stage or the amount can be paid after the Subsidy contract is signed? For example: The contract for consulting activity for the development of the application form can be signed with a deferral clause for payment - upon approval of the project. Thus the payment will be after the submission of the AF. Is this eligible?

Are the expenses for: construction permit, statements in accordance with the current River Basin Management Plans and Flood risk management plans, environmental impact assessments, project conformity assessments report etc. defined as preparatory costs? If so how the lead partner will be expected to cover the Project partner's expenses? If every partner pays for his/her own preparation costs and the lump sum of 12 000 Euro is reimbursed to Lead partner how the respective amount will be transferred to the Project partner?

3. Project Preparedness for investment activities under SO 2.1 and SO 2.6. Relevant body requirements

sum up to EUR 12 000 that is allocated in the Lead partner's budget. Project partners' share of the preparation costs are transferred by the Lead partner according to arrangements included in the Project Partnership Agreement.

3.3 Project Preparedness for investment activities under SO 2.1 and SO 2.6. Relevant body requirements

As stipulated in the Guidelines for Application (part 3.2 Supporting documents) construction permit validated "entered into force" by the respective authority for all the works activities of a project partner which according to national legislation require a building permit is an obligatory document that should be submitted with the Application form within the specified deadline of the Call.

In case of works activities which according to national legislation do not require a construction permit to be issued that occasion is confirmed by submission of a Statement, issued by the competent authority, which declares that the envisaged construction/repair works do not require issue of construction permit.

According to the Guidelines for Application (part 2.3.4) the proper appointment of the project team has to be in line with the respective legislation and is responsibility of the beneficiaries themselves. The staff costs shall be reimbursed as a flat rate of up to 20% of the verified expenditures under BC 4, BC 5 and BC 6 of every reporting period. The differences between the reimbursed amount for staff and the real expenditures is at the expense of a beneficiary.



During the application stage, the project partner/s should provide valid Building permits (if applicable). Building permit takes time and expenses. Is it possible that the building permit to be obtained after the project proposal is approved?

Appointment of staff – Are there requirements for what kind of contracts (Labour or Civil) should the staff be appointed?

According to the Guidelines, the staff costs are flat rate of up to 20% of the eligible costs under BC 4, BC 5 and BC 6 of that operation. This implies different amounts for a certain period that will be paid to the staff. According to the Bulgarian legislation labor contracts are signed with a constant amount per month, day or hours. If there is a signed labor contract, with permanent remuneration for a certain period, it will not correspond to the results of the implementation of the activities with costs under BC 4, BC 5 and BC 6 of the operation. Then the enterprise should cover the difference as usually paid staff, but according to the guidelines: “Staff costs must relate to activities which the partner organization would not carry out if the project was not undertaken”, i. e., the enterprise does not have such staff to pay. How should the flat rate be verified – at the end of the project or with every report.

4. Eligibility of Expenditures

Since office rent is an eligible expenditure, how it can be explained in the context of the requirement that: “The land or buildings where works will be carried out must be in the ownership of the beneficiary”.

3.4. Eligibility of Expenditures

According to the Guidelines for Application (part 2.3.4 List and description of Eligible Expenditures per categories of costs) office rent is eligible Cost Category 2 “Office and administrative costs”. As stressed in the Guidelines this cost category covers expenditures related indirectly to the implementation of the project activities, meaning that they differ from the main investment interventions of the project and are not related to the usual operational costs of the applicant.

At the same time, the costs under cost category “Infrastructure and works” relate to the investments in infrastructure and works, necessary to achieve the objectives of the project. The requirement set in part B.8. „Supporting documents concerning INVESTMENT ACTIVITIES“, namely – „B8.1. All investment activities have to be performed on SME-owned property“ is obligatory for the properties where the investment interventions shall be carried.

In light of the above mentioned requirement, works for installation of equipment, maintenance and repair in properties which are not in the ownership of the respective project partner are not eligible.

The definitions of repair and maintenance in the context of the current call do not differ from those, according to applicable national legislation.

According to the Guidelines for Application (part 4 „External expertise and services costs“) partners can report services costs for organization of events on the **bases** of the unit cost or real costs. Under the real costs option expenditures are reimbursed based on supporting documents proving these expenditures.

In case the expenditures shall be reimbursed as unit costs defined costs in



Construction works may also be required during the installation of certain equipment. Is provision and installation of equipment eligible for rented places?

Is maintenance and repair eligible for rented premises? Are there any definitions of the Programme concerning repair and construction?

How the expenses for event organizations will be reported by a beneficiary who is a hotel owner and the events are held in beneficiary's hotel? (rent of hall; coffee breaks, refreshments, lunches and dinners for participants; accommodation are included within the unit cost per participant.)

Guidelines for Application according to the duration of the event and number of participants should be respected. Supporting documents proving successfully implementation of the event, achieving the outputs, number of participants and etc. must be available for control purpose at the verification stage.

Please note that Public procurement rules stated in point 1.7 of the Guidelines for applicants must be respected in selection of the service providers.

3.5. Modification procedures

The Guidelines for Application is a document setting the requirements of the Call regarding preparation, submission and evaluation of the project proposals.

General obligations of parties during the project implementation stage i.e. after conclusion of a Subsidy contract with successful applicants, including modifications are provided in attachment C “Subsidy contract – draft version to the Guidelines for Application in Article 19 “Amendment”.

Sited in the question examples refer to the project implementation stage and related procedures are a subject of the Project Implementation Manual that is issued after end of the evaluation process.



5. Modification procedures

No rules for modification process are defined. It is only clear that the Lead partner is defined to be responsible to inform MA/JS about necessity of project modifications. When and of what reasons modifications are allowed? For example - there may be objective reasons for which the investment proposal needs to be changed, such as: Replacement of the person designated as responsible for the investment; Replacement of the legal representative of any of the two participating enterprises; Changes in the company name and/or legal form; Changes in corporate/shareholder composition amounting to less than 25%; Modifications of expenditure and deliverables that do not affect the nature and objectives of the investment plan and the terms and conditions of the Call; Addition of a new type of expense, not initially foreseen when submitting the application, amounting up to% of the total investment budget; Extension of the completion deadline of the investment plan; Change of the location of the investment; etc.

Should the proposed changes to the investment plan affect the initial evaluation and scoring of the selection criteria, the Assessment Working Group re-evaluates the investment plan and suggests to the Monitoring Committee the issuance of an approval or rejection decision. More specifically, if one aid recipient of the scheme withdraws with a justified reason after signing of the Grant Contract, the remaining partner resubmits the proposal, amended or not, with a new partner. The reasons



	for withdrawal may be proven impossibility of the respective partner to implement the project.	
4	<p>Please, could you clarify the following issues:</p> <p>1. In line with the section 1.7 Applicable law and public procurement - there is mention that the Bulgarian beneficiaries will follow the legislation determined by the Government decree no. 160/2016, but in the IMPORTANT section down is written that the beneficiaries 'must refer to and use the guidelines and templates of the “Procurement and Grants for European Union External Actions – a Practical Guide” document (PRAG)'. Does it mean that the Bulgarian beneficiaries also should implement their tender procedures in line with the rules and templates of the PRAG?</p> <p>2. About the Annex A8. “Climate proofing assessment” In the dossier issued for the public consultation of the call in August 2023, there was presented Attachment 9 - that was an explanation about completing the Annex 8. Now in the call documents there is missing this attachment 9 and additionally there is no clear information about that should the applicants complete the Annex 8.</p> <p>So, our question is: should applicants fill out the Annex 8 - “Climate proofing assessment”, since it is not mentioned as the document that will be required and checked in the both evaluation forms - Attachment 6 and Attachment 7 and</p>	<p>4.1. According to the Guidelines for Application project partners are located in Bulgaria it shall apply national laws, regulations and administrative provisions as Government decree no. 160/2016 (Постановление ПМС №160/01.07.2016г. за определяне правилата за разглеждане и оценяване на оферти и сключването на договорите в процедурата за избор с публична покана от бенефициери на безвъзмездна финансова помощ от европейските структурни и инвестиционни фондове).</p> <p>Project partners located in Türkiye should refer to Annex II of the Financing Agreement between Türkiye and EC and use the guidelines and templates of the “Procurement and Grants for European Union External Actions – a Practical Guide” document (PRAG), where the above mentioned Annex II does not cover all the procedures necessary for procurement.</p> <p>The text in the “Important text” refers to project partners located in Türkiye.</p> <p>4.2 A8. “Climate proofing assessment”</p> <p>With regard to Art 22, 4 (j) REGULATION (EU) 2021/1059, assessment of the project proposal and the investment site must be made with conjunction to COMMISSION NOTICE (2021/C 373/01) Technical guidance on the climate proofing of infrastructure in the period 2021-2027.</p> <p>Climate proofing is a process that integrates climate change mitigation and adaptation measures into the development of infrastructure projects. It enables European institutional and private investors to make informed decisions on projects that qualify as compatible with the Paris Agreement. The process is divided into two pillars (mitigation, adaptation) and two phases</p>



additionally - the Annex 8 required information about the energy efficiency and reducing CO2 emissions assessment data - that could not be provided by the applicants with projects prepared under the SO 2.6. - Promoting the transition to a circular and resource efficient economy.

So, could you please clarify the issues with this Annex 8.

3. About the Project Preparation costs - In the available budget form of JeMS there is provided a Lump Sums part where the applicants could select the period of payment of these costs and where the names of the both applicants are presented.

In this connection could you please clarify these issues:

- If the applicants should report these costs in the first progress report then could the part of these costs be paid to the consultancy company after the approval of the project and signing of the grant contract with the MA, for example in the frame of the first 3 months of the project duration?

- Should the applicants show in the budget form that the expenditures for project preparation are shared between them by writing any expenditures in the budget of the PP2 - as actually the Lump Sums part showing?

- Also, after the verification of the expenditures of the both project partners for the made project preparation costs, that will be reported by the LP as we understand, will be eligible if the LP transfer the part of the lump sum for the project preparation costs to its PP2, in case of that the expenditures for the project

(screening, detailed analysis). The detailed analysis is subject to the outcome of the screening phase, which helps reduce the administrative burden.

Infrastructure is a broad concept encompassing buildings, network infrastructure, and a range of built systems and assets, as defined in Commission Notice (2021/C 373/01), which includes:

- buildings, from private homes to schools or industrial facilities, which are the most common type of infrastructure and the basis for human settlement;
- nature-based infrastructures such as green roofs, walls, spaces, and drainage systems.
- network infrastructure crucial for the functioning of today's economy and society, notably energy infrastructure (e.g. grids, power stations, pipelines), transport (fixed assets such as roads, railways, ports, airports or inland waterways transport infrastructure), information and communication technologies (e.g. mobile phone networks, data cables, data centres), and water (e.g. water supply pipelines, reservoirs, waste water treatment facilities);
- systems to manage the waste generated by businesses and households (collecting points, sorting and recycling facilities, incinerators and landfills);
- other physical assets in a wider range of policy areas, including communications, emergency services, energy, finance, food, government, health, education and training, research, civil protection, transport, and waste or water;
- other eligible types of infrastructure may also be laid down in the fund-specific legislation, for instance, the InvestEU Regulation includes a comprehensive list of eligible investments under the sustainable infrastructure policy window.



preparation made by the PP2 will not be shown in its budget lines?

4. Could you please clarify should the Bulgarian Beneficiaries include in their budget the expenditures VAT included or should write costs without VAT?

5. In the supporting documents part:

- there is written - B1. Document indicating legal status for Turkish partners: - Do the Bulgarian applicants need to present these documents or not?

- B9. ONLY FOR SO. 2.1 :

For Turkish partners

A) In case of energy efficiency measures on the building stock applicants should present:

a. Energy efficiency audit report issued by a licensed energy efficiency consulting firm or certified audit-project specialist in accordance with the directive published in the Official Gazette No. 28097 dated 27.10.2011 in accordance with the energy efficiency law.

b. Energy Identity Certificate issued in accordance with the Regulation on Energy Performance in Buildings published in the Official Gazette No. 27075 dated 5.12.2008 in accordance with the energy efficiency law.

We would like to inform you that according to the Regulation on Energy Performance in Buildings published in the Official Gazette No. 27075 dated 5.12.2008:

For the purpose of the current Guidelines for applicants PRIORITY 1 “ENVIRONMENTALLY FRIENDLY CROSS-BORDER REGION”, SPECIFIC OBJECTIVE 2.1. “Promoting energy efficiency and reducing greenhouse gas emissions” and SPECIFIC OBJECTIVE 2.6. “Promoting the transition to a circular and resource efficient economy” the types of infrastructures are defined under eligible costs and under specific requirements and regulations as per the national legislation of the partnering countries.

In order, to fill in correctly Annex A8. “Climate proofing assessment” the explanatory note (available on the following link <https://ipa-bgtr.mrrb.bg/en/node/118>) will give you more detailed instructions.

Annex A8. “Climate proofing assessment” must fill for each construction/infrastructure site included in your project proposal!

4.3 As stipulated in the Guidelines for Application the project preparation costs are reimbursed to the Lead partner with the first financial report, so the cost should be paid before its reporting. The project preparation expenditures should be carried out before or on the date of submission of the project proposals at the latest. It means that all supporting documents as invoices, acceptance protocols, lists, etc., should be issued before or on the date of submission of the project proposal to the Managing authority at the latest.

Project partners share in the project preparation costs should be defined in Section E “Project lump sums and unit costs” of the Application Form in JeMS by choosing the “YES” option of the “SPLIT UP” button of the Project lump sums table.

The arrangements regarding transfer of the project preparation costs



<p>Scope</p> <p>Article 2 – (1) This Regulation;</p> <p>(2) Buildings where industrial operations and production activities are carried out, buildings with a planned period of use of less than two years, buildings with a total floor area of less than 50 m², greenhouses, workshops, and individually constructed buildings such as warehouses, arsenals, storage rooms, barns, stables, and similar buildings that do not require heating and cooling are outside the scope of this Regulation.</p> <p>Kapsam</p> <p>MADDE 2 – (1) Bu Yönetmelik;</p> <p>(2) Sanayi alanlarında işletme ve üretim faaliyetleri yürütülen binalar, planlanan kullanım süresi iki yıldan az olan binalar, toplam kullanım alanı 50 m²'nin altında olan binalar, seralar, atölyeler ve münferit olarak inşa edilen ve ısıtılmasına ve soğutulmasına gerek duyulmayan depo, cephanelik, ardiye, ahır, ağıl ve benzeri binalar bu Yönetmeliğin kapsamı dışındadır.</p> <p>So in Türkiye the industrial buildings could not receive any Energy efficiency audit report and Energy Identity Certificate, except the hotel buildings.</p> <p>Could you please clarify this issue too in the Guidelines?</p>	<p>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.</p> <p>In any case, project partners share in the project preparation costs should be defined in the Project lump sums table in compliance with the actual expenditures incurred.</p> <p>4.4. (VAT) Please refer to the answer of question 1 on first page.</p> <p>Additional information:</p> <p>4.5. The documents listed under supporting documents B1 related only to Turkish project partners. The legal status of Bulgarian project partners shall be checked ex officio from related public registers.</p>
<p>5 Please kindly find below our questions;</p> <p>1. One of the eligibility criteria for SMEs is to be registered in eligible area. We are a SME; Centre is registered in Istanbul,</p>	<p>5.1. According to p. 2.1. Eligibility of Applicants from the Guidelines for Application, Lead Partner and its partners must comply with all of the following general eligibility criteria:</p>



branch is legally established in eligible region. Is a branch of a SME, which is registered at Chambers of Commerce in eligible area and operate in eligible area, eligible to apply programme, even tax registration is done through Centre?

2. One of the rule of the programme is “The land or buildings where works will be carried out must be in the ownership of the beneficiary.” Could you please clarify that rental contract for at least 10 years (or how many years) meet the requirement or not?

3. Could please clarify de minimis calculation rules? What is included under de minimis?

4. Could you please clarify that can a SME apply/receive 200.000 Euro grant from programme even SME received public aid nearly 180.000 Euro in last 3 years if application is regarded as successful after evaluation?

- **be legally established entities according to the national legislation of the state on whose territory they are located;**
- be registered and/or operate not later than 31.12.2020 in the programme area between Bulgaria and Türkiye;
- be micro, small and medium size enterprises (SME);
- to be a SME with main economic activity in Division C Manufacturing; Division I Accommodation and food service activities; Division H Transportation and storage, accordance with Statistical Classification of Economic Activities in the European Community (NACE rev.2)
- to have generated Annual turnover (Net Sales Revenue) cumulative for financial years: 2020, 2021, 2022 according the category of applicant undertaking;
- **be directly responsible for the preparation and management of the action, not acting as an intermediary.**

It is important, all the above 6 criteria must be fulfilled together.

Pay attention that, from a legal point of view, according to Bulgarian legislation, art. 11, para. 2 of the Law on non-profit legal entities/ art. 17-20 Commercial Law enables a non-profit legal entity/enterprise to have branches, with the manager of the branch representing the non-profit legal entity/enterprise for the branch's activities. But even if the branch has relative independence /judicial registration, BULSTAT registration, own management and separate bank account/, it remains part of the main organization and does not have legal independence/**is not a legal entity** /Decision 696/19.11.2009 of the Supreme Court/, one of the mandatory eligibility conditions of the cross-border programme. In addition, a branch is a separation of a part of the



trader's activity in a settlement that is different from the settlement of the trader's headquarters, but is not a new legal entity..

Having in mind all the above mentioned, the branch of a SME, which is registered at Chambers of Commerce in eligible area and operate in eligible area, even tax registration is done through Centre, remains part of the main organization but **does not have legal independence/is not a legal entity. It can be concluded that the branch of a SME is not eligible according the p. 2.1. from the Guidelines for Application.**

5.2. According to the Guidelines for Application (part 2.2.4 Project Preparedness for investment activities under SO 2.1 and SO 2.6, page 31, part 3.2. „Supporting documents (B)“, page 47) all investment activities have to be performed on **SME-owned property**. Meaning that SMEs cannot apply for investment activities carried on properties held under different kind of property rights.

5.3. According to the Guidelines for Application (part 2.2.1 Project duration and grant amount) and Regulation (EU) 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid the use of the de minimis framework, implies that undertakings can receive grants from the Programme only if they have not received public aid under the de minimis rule totaling more than € 200 000 within three fiscal years – the current fiscal year and previous two fiscal years. The threshold 200 000 euros encompass the received public aid under de minimis, together with the applied public support by the single undertaking in the meaning of art. 2, para. 2 from Regulation (EC) 1407/2013.

Additionally, new thresholds for de minimis aid in line with the Commission Regulation (EU) 2023/2831 concern increasing the ceiling of de minimis aid to



		<p>EUR 300,000 over period of 3 years into force on 1st of January 2024. The amendment is included in corrigendum of the Guidelines for applicants.</p> <p>5.4. Please refer to the answer of question 5.3</p>
<p>6</p>	<p>Received on 19.12.2023 via e-mail</p> <p>Regarding the launched call for proposals of the programme under the Priority 1, "Environmentally Friendly Cross-Border Region" and these two documents listed in the required application documents:</p> <ul style="list-style-type: none"> - regarding document B8.4. Copy of letter issued by the relevant body clearly stating that the project proposal is eligible according to the current River Basin Management Plans and Flood Risk Management Plans and basin based management plans and documents of equivalent meaning from the Ministry of Environment, Urbanisation and Climate Change and from the Ministry of Agriculture and Forestry - issued in original language and English translation signed/ signed with qualified electronic signature by respective partner as true copy for Turkish partners. - regarding document B8.5. Explanatory note for the envisaged prevention measures for avoiding pollution of water bodies in emergency situations by respective organization (if applicable) - issued in original language and English translation signed/ signed with qualified electronic signature by respective partner as true copy. <p>We would like to inform you that these two documents could not be issued by the mentioned institutions here in Turkey.</p>	<p>6.1 Regarding the document B8.4. Turkish beneficiaries shall request an official letter from Ministry of Agriculture and Forestry, Directorate General of Water Management (Tarım ve Orman Bakanlığı, Su Yönetimi Genel Müdürlüğü) stating that the project proposal is eligible according to the current River Basin Management Plans and Flood Risk Management Plans and basin based management plans and documents</p> <p>6.2 The required document of B8.5 is an explanatory note to be prepared by beneficiary itself.</p>



<p>For more than one month our company has been trying to explain to the mentioned institutions about that they have to provide us with letters showing that the project is eligible according to the local plans, but both of them are regretting our request and telling us that they are not responsible for providing such kind of letters and views.</p> <p>The local institutions do not have any idea what kind are these requesting letters and they are certain that they could not give us such kind of letters.</p> <p>Could you please clarify this issue with the requested documents?</p> <p>Also, I kindly request that you provide information to local institutions regarding these two documents requested by the program and guide them, or inform us about which law or regulation covers the acquisition of these two documents and precisely from which institution they should be obtained.</p>	
<p>7 Received on 03.01.2023 via e-mail</p> <p>We would like to inform you that in the Co-financing part of Jems online application form, the system is automatically calculating the grant IPA III CBC source as 85% from the total eligible budget value. However, this calculation does not accurately reflect the provided grant from the programme.</p> <p>For example, if a total eligible budget for a partner is 250.000,00 euro, then the system is automatically calculating that the programme source will be more than 200.000,00 EUR, and unfortunately there is no option to modify this value and reduce</p>	<p>Thank you for the recommendation. The technical issue has been resolved.</p>



<p>it to 200.000 euro or less.</p> <p>Could you please check this issue with the budget form and its co-financing part.</p> <p>Additionally, we have observed that there are two versions of the budget form in the Jems online application form. One version includes the periods of the payments and has a section for the Gaps, calculating the differences. The other budget form includes sections price per unit and total costs, but lacks sections for periods of the payments and calculation of the gaps.</p> <p>Could you please also check this issue with the aim to not have any non-compliant applications.</p>	
<p>8 Received via e-mail on 03.01.2023 via e-mail</p> <p>We are seeking clarification on the requirement mentioned in the Explanatory note for self-assessment related to Annex A8, specifically in the context of projects that involve only the supply of equipment.</p> <p>The note states that "You must fill in Annex A8. 'Climate proofing assessment' for each construction/infrastructure site included in your project proposal." Our understanding is that this annex is primarily intended for infrastructure projects or those involving infrastructural investments.</p> <p>In the case of projects that solely include the supply of equipment without any construction or infrastructure investment, could you kindly clarify whether Annex A8 is still a mandatory requirement? It would be very helpful to understand whether this annex should be prepared and provided for projects of this</p>	<p>Please refer to answer 4.2, page 10</p>



	nature.	
9	<p>Received via e-mail on 11.01.2024</p> <p>We are interested in developing a project under the (INTERREG VI-A) IPA Programme Bulgaria-Türkiye 2021-2027, specifically targeting RSO2.1: Promoting Energy Efficiency and Reducing Greenhouse Gas Emissions for SMEs.</p> <p>Our Bulgarian partner is engaged in Economic Activities 7311 and 6311. They intend to participate in the proposal with Activity 6311, which is eligible. However, the majority of their turnover is attributed to Activity 7311. The partner employs personnel in both activities and could meet the turnover thresholds by combining the revenues from both activities. Given this context, would this organization be considered eligible?</p>	<p>According to the GfA, one of the 6 mandatory criteria under item 2.1 “Eligibility of applicants”, point 4) is “<i>to be a SME with main economic activity in Division C Manufacturing; Division I Accommodation and food service activities; Division H Transportation and storage, accordance with Statistical Classification of Economic Activities in the European Community (NACE rev.2)</i>”</p> <p>The supporting document that should be presented in order to verify that the main economic activity is within the eligible divisions is “<i>B4. Certificates issued by the responsible authority in each country verifying the start date of the business, the main economic activity according to NACE rev. 2 (clearly indicating the main NACE activity and the complementary NACE activities)</i>”.</p> <p>This document in Bulgaria is issued on the grounds of the relevant information within the filed annual financial report.</p> <p>In Bulgaria the National Statistical Institute (NSI) determines the main economic activity of economic entities once a year on the basis of the annual activity reports (AAR) submitted by them and on the basis of compliance between the content/data of the report and the business activity carried out during the accounting year. In line with the unified European methodology for determining the main economic activity of a given enterprise, NSI uses the indicator "Net sales revenue", which is contained in the Profit and Loss Accounts as part of the AAR.</p> <p>Please bear in mind that compliance with the eligibility requirements for applicants with respect to the economic activity is verified with the submission of Certificates issued by the responsible authority in each country verifying the start date of the business, the main economic activity according to NACE rev. 2 (clearly indicating the main NACE activity and the complementary NACE</p>



		<p>activities)” for the last financial year.</p> <p>Compliance with the eligibility requirements with regard to the financial stability of the applicant depending on its category of SME is verified by the generated annual turnover (net sales revenue) cumulatively for the years 2020, 2021 and 2022 evidenced in the submitted annual financial statements.</p>
<p>11</p>	<p>Received via e-mail on 12.01.2024 (additional explanation to Q5)</p> <p>We would like to clarify the situation considering your response as “ Having in mind all the above mentioned, the branch of a SME, which is registered at Chambers of Commerce in eligible area and operate in eligible area, even tax registration is done through Centre, remains part of the main organization but does not have legal independence/is not a legal entity. It can be concluded that the branch of a SME is not eligible according the p. 2.1. from the Guidelines for Application.” However, according to Turkish legislation, branch of SMEs has to be registered Chamber of Commerce and Industry, even their centre active in other region. So, if a branch is registered in CCI in eligible area that means it is officially established branch. Therefore, it is legal entity. Therefore, we believe that your response is announce by not taking into account Turkish legislation. Could you please clarify?</p>	<p>Please see the response to question №10</p>
<p>13</p>	<p>Received during the Information day held in Edirne on 23.01.2024</p> <p>Are investments in rented properties eligible under the current Call?</p>	<p>According to the GfA, under item 2.2.4 “<i>Project Preparedness for investment activities under SO 2.1 and SO 2.6</i>” on pg. 31:</p> <p><i>“The land or buildings where works will be carried out must be in the ownership of the beneficiary”.</i></p>



		<p>And under item 3.2 “<i>Supporting documents B</i>” on pg. 47:</p> <p><i>“In case the project envisages the purchase of supplies, which need to be permanently installed, it is necessary to submit an ownership act for SME owned property as well”</i></p> <p>Meaning that SMEs cannot apply for investment activities carried on properties held under different kind of property rights.</p>
14	<p>Received during the Information day held in Edirne on 23.01.2024</p> <p>If SMEs are not registered in Edirne and Kırklareli but they operate in the eligible cross-border territory can they apply under the current Call?</p>	<p>Please see section 2.1 “Eligibility of applicants” in the GfA, point 2:</p> <p>“be registered and operate/or operate not later than 31.12.2020 in the programme area between Bulgaria and Türkiye;</p> <p>Meaning that an SME may be registered and operate / or it may only operate in the programme area between Bulgaria and Türkiye, as long as it is not later than 31.12.2020.</p>
16	<p>Received during the Information day held in Edirne on 23.01.2024</p> <p>A company partner is the owner of the property where investment activities are intended. Should the ownership of the property be also SMEs?</p>	<p>See the responses to Question 13 and Question 5.2.</p>
17	<p>Received during the Information day held in Edirne on 23.01.2024</p> <p>The land is in the ownership of an SME partner. The building where energy efficiency measures shall be applied is in the ownership of the SME. Is this acceptable under the current Call?</p>	<p>See the responses to Question 13 and Question 5.2.</p>
18	<p>Received during the Information day held in Edirne on</p>	<p>As stated in the GfA under item 2.2.3 “<i>Eligible activities</i>” on page 29: “...within</p>



	<p>23.01.2024</p> <p>Can an SME apply with investments in more than one site?</p>	<p><i>Item A "Investments" should be in implementation of energy efficiency measures, including in energy efficiency audits" for SO 2.1.</i></p> <p>For SO 2.6 on pg. 30 the project must aim “to adopt more actively the principles of the 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”</p> <p>Meaning as long as the investments in more than one site observe those principles, as well as all other requirements of the GfA, they are acceptable.</p>
19	<p>Received during the Information day held in Edirne on 23.01.2024</p> <p>How is the period for de minimis aid calculated?</p>	<p>Concerning your question on the application of the grating period, Commission Regulation (EU) 2023/2831 of 13 December 2023 provides that the total amount of de minimis aid granted per Member State to a single undertaking shall not exceed EUR 300 000 over any period of 3 years. According to Recital 11, the period of 3 years to be taken into account for the purposes of the Regulation should be assessed on a rolling basis. It follows that as of 1 January 2024, any de minimis aid can be granted up to EUR 300 000 over a period of 3 years prior to the date of grant. De minimis aid is granted when the legal right to receive the aid is conferred, irrespective of the date of payment.</p> <p>Regarding the calculation of the three-year period, the following is taken into account:</p> <p>If the Declaration for De Minimis Aid is submitted, for example, on February 9, 2024, then the three-year period covers February 8, 2021, to February 8, 2024.</p>
20	<p>Received during the Information day held in Edirne on 23.01.2024</p>	<p>According to recommendation 2003/361, art. 4, the status of an enterprise is determined on the grounds of the information submitted in two consecutive</p>



	<p>According to its annual turnover an SME is categorized as a micro enterprise during 2020 and 2021 and as a medium sized enterprise during 2022. In which category should this SME be categories with reference to the current Call?</p>	<p>financial years. When the enterprise exceeds or falls below the relevant limits, this affects its status as a micro-, small or medium-sized enterprise. In case the financial report for 2023 has not been filed and information cannot be gathered for the status of the enterprise at the time of submission of the application, the applicant in this case should be considered it' s category base on the date from 2020 to 2022.</p> <p>Please be aware that the specified criteria are subject to evaluation by the assessment working group, and the provided clarifications do not constitute an official opinion on the eligibility of the candidate/ status of candidate/ activities etc.</p>
<p>21</p>	<p>Received during the Information day held in Edirne on 23.01.2024</p> <p>Are branches of SMEs operating in the eligible cross-border region eligible under the current Call?</p>	<p>See the responses to Question 10 and Question 5.3.</p>
<p>22</p>	<p>Received during the Information day held in Edirne on 23.01.2024</p> <p>In case a project proposal is not selected for financing are the expenditures for the energy efficiency survey recovered to the applicants?</p>	<p>According to the GfA under item 2.3.4. “List and description of Eligible Expenditures per categories of costs”, point 7 on page 42:</p> <p>Only project preparation costs of an approved by the Monitoring committee project that have concluded Subsidy contract with the MA are entitled to receive reimbursement.</p>
<p>23</p>	<p>Received during the Information day held in Edirne on 23.01.2024</p> <p>Should expenditures for project preparation be paid prior to submission of the project proposal?</p>	<p>See answer 4.3 on page 12.</p>
<p>24</p>	<p>Received during the Information day held in Edirne on 23.01.2024</p>	<p>The GfA indicates in item 2.1. “Eligibility of Applicants”, point 5 on page 21 “to have generated Annual turnover (Net Sales Revenue) cumulative for financial</p>



	<p>In case an enterprise carries activities under several economic divisions but intends to apply for investments under one of them is the whole annual turnover or the turnover from activities under the relevant economic division taken into account for categorizing the enterprise?</p>	<p><i>years: 2020, 2021, 2022 according the category of applicant undertaking, ...”</i> Meaning annual turnover (net sales revenue) of the legal entity rather than for a specific activity of the legal entity.</p>
<p>26</p>	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>26.1. How is an enterprise categorized in case it had less than 10 employees during 2020 and more than 10 during 2021 and 2022?</p> <p>26.2. Does only the full-time employed staff count?</p>	<p>26.1. Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises defines the staff headcount and financial ceilings determining enterprise categories – micro, small and medium-sized enterprise.</p> <p>According to Art. 4 of the same recommendation, par. 1. The data to apply to the headcount of staff and the financial amounts are those relating to the latest approved accounting period and calculated on an annual basis. They are taken into account from the date of closure of the accounts. The amount selected for the turnover is calculated excluding value added tax (VAT) and other indirect taxes.</p> <p>According to Art. 4 of the same recommendation, par. 2. Where, at the date of closure of the accounts, an enterprise finds that, on an annual basis, it has exceeded or fallen below the headcount or financial ceilings stated in Article 2, this will not result in the loss or acquisition of the status of medium-sized, small or microenterprise unless those ceilings are exceeded over two consecutive accounting periods.</p> <p>The principles for usage of the data for the staff headcount and the financial amounts and reference period established in Art 4. Paragraphs 1 and 2 are applied also in the Bulgarian Law for Small and Medium Sized Enterprises, namely art. 4b, par. 1 and 2.</p> <p>26.2. The headcount of an enterprise corresponds to the number of annual</p>



		<p>work units (AWU).</p> <p>Within the headcount there are included:</p> <ul style="list-style-type: none"> • The employees of the applicant enterprise • persons working for the enterprise being subordinate to it and considered to be employees under national law • owner-managers • partners engaging in a regular activity in the enterprise and benefiting from financial advantages from the enterprise. <p>Apprentices or students engaged in vocational training with an apprenticeship or vocational training contract are not considered in the headcount.</p> <p>One AWU corresponds to one person who worked full-time in the enterprise in question or on its behalf during the entire reference year. The headcount is expressed in AWUs.</p> <p>The work of persons, who did not work the entire year, or who worked part-time - regardless of its duration - and seasonal work is counted as fractions of AWU.</p> <p>The duration of maternity or parental leaves is not counted.</p>
<p>27</p>	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>Is the supply of electrical vehicles eligible under the Call?</p> <p>Is there a requirement that these should be only specialized vehicles?</p>	<p>General criteria for eligibility of activities are defined in part 2.2 Eligibility of Activities of the Guidelines for Applicants. Detailed list describing eligible activities under this call for proposal is provided for both specific objectives – for Specific objective 2.1 “Promoting energy efficiency and reducing greenhouse gas emission” on page 28 and for Specific objective 2.6 “Promoting the transition to a circular and resource efficient economy” on page 30.</p>



		<p>The list of activities specified in the Guidelines for Applicants is not exhaustive, and applicants can envisage activities that are not listed in the Guidelines, but they should be relevant to the Priority axis and either of the specific objectives of the Call as well as be clearly linked and justified regarding the proposed project.</p> <p>Applicants should mind that activities under SO 2.1 should be carried in order to achieve a higher level of energy efficiency with confirmed effect of energy savings, identified and supported by an energy efficiency assessment.</p> <p>Activities under SO 2.6. should aim at transition to circular economy such as product design in order to reduce the waste generated and/or increase the life of a final product and/or introducing processes accepting "secondary raw material" and/or re-use, remanufacturing, refurbishment, repair of products and waste reduction.</p> <p>As it is specified in p. 2.4 "How to get the Applicants' Package" of the Guidelines for Applicants, observing the principle of transparency and equal treatment of all potential applicants, the Managing Authority cannot give prior opinion on eligibility of specific activities, since those shall be subject to the assessment of the project proposal.</p>
30	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>Could you explain if depreciation costs only for equipment that shall not be used the project partners and the stakeholders are not eligible after the implementation period?</p>	<p>As stipulated in Article 67 of the Regulation 2021/1060 of the European Parliament and Council depreciation costs for which no payment supported by invoices has been made may be considered to be eligible where the following conditions are fulfilled:</p> <ul style="list-style-type: none"> a) the eligibility rules of the programme allow for it; b) the amount of the expenditure is duly justified by supporting documents having equivalent probative value to invoices for eligible costs where those costs were reimbursed in the form referred to in



		<p>point (a) of Article 53(1);</p> <p>c) the costs relate exclusively to the period of support for the operation;</p> <p>d) public grants have not contributed towards the acquisition of the depreciated assets.</p> <p>According to the Guidelines for Applicants (part 8 “Equipment costs”) only the depreciation costs for the period of project duration are eligible for equipment that will not be used by the project partners or the project target group after the project completion and if the economic lifetime of the equipment (respectively – the period of depreciation) is longer than the project duration.</p>
31	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>Is it true that supply of a vehicle is eligible in case it is a mandatory equipment for the production process of the enterprise?</p>	See answer of question 27
32	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>Are investments in recuperation facilities (facilities for utilization of waste heat) eligible under SO 2.6?</p>	See answer of question 27
33	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>Should lump sum expenses be paid prior to submission of the project proposal?</p>	See answer 4.3 on page 12.
34	<p>Received during the Information day held in Burgas on 30.01.2024</p>	Cost sharing is defined as a pro rata allocation of certain project expenditure incurred by one project partner and shared among various other project



	<p>Could you please explain the meaning and nature of “Shared costs”?</p>	<p>partners. Shared costs are not eligible under the current call.</p>
<p>35</p>	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>Except for the maximum unit costs determined in the Guidelines for Applicant under budget category 4 are there any other requirements for maximum threshold set for example for supply of equipment?</p>	<p>According to the Guidelines for Applicants thresholds for the maximum unit costs are defined only under Budget Category 4 for services costs for event organization in case the applicant choses the simplified costs option for reimbursement of related expenditures.</p> <p>The Guidelines for Applicants does not set maximum thresholds for supplies budgeted under Budget Category 5 except that each project proposal should have a compulsory investment component representing Budget Category 6 – “Equipment” and Budget Category 7 “Infrastructure and works” that is at least 60 % of the total eligible project costs.</p> <p>In addition, according to the Guidelines for Applicants expenditures for supplies are budgeted based on market analysis conducted by 1) requesting offers from at least 3 different providers for the envisaged supply, 2) print screens with price offers for the specific items from the web pages of at least 3 providers, 3) prints from national systems on public procurement or 4) an independent evaluation of the cost. Supporting documents for the conveyed market research are submitted with the project proposal.</p>
<p>36</p>	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>Are solar panels installation activities eligible under the call?</p>	<p>According to GfA under item 2.2.4 Project Preparedness for investment activities under SO 2.1 and SO 2.</p> <p>Aid shall not be granted to investments related to the generation of electricity such as PV installations. Solar panels instalations are not eligible activities under the present call</p>
<p>37</p>	<p>Received during the Information day held in Burgas on 30.01.2024</p>	<p>1) Part 2.1. “Eligibility of Applicants” of the Guidelines for Applicants defines the eligibility conditions that the Lead partner and the project partners must comply with. According to condition 4) the partner has to be a SME with main</p>



	<p>1) Are economic activities for transportation with vehicles with over 8 seats eligible under the call, i.e. economic activities with code 49.3 according to the Bulgarian National Classification of economic activities? For example, is a SME whose activities include transportation services with micro bus with 15 seats an eligible applicant?</p> <p>Received during the Information day held in Burgas on 30.01.2024</p> <p>2) Can enterprises registered outside of the cross-border region but performing their activities in the eligible area apply under the call?</p>	<p>economic activity in Division C Manufacturing; Division I Accommodation and food service activities; Division H Transportation and storage, accordance with Statistical Classification of Economic Activities in the European Community (NACE rev.2)</p> <p>Furthermore, it is clearly indicated that in Division H Transportation is eligible only code 52.10 Warehousing and storage</p> <p>2) Please refer to the answer of Question 14.</p>
<p>38</p>	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>The eligibility of applicants is determined according to the cumulative generated annual turnover for the financial years - 2020, 2021 and 2022. Should 2023 also be included and respective supporting documents provided?</p>	<p>According to the GfA, one of the 6 mandatory criteria under item 2.1 “Eligibility of applicants”, point 5) have generated Annual turnover (Net Sales Revenue) cumulative for financial years: 2020, 2021, 2022. The definition of criteria does not include 2023</p>
<p>39</p>	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>How shall be the lump sum expenses for project preparation reimbursed if they exceed 12000 Euro?</p>	<p>According to the Guidelines for Applicants (part 2.3.4 “List and description of Eligible Expenditures per categories of costs”, point 7. “Project preparation costs” project preparation costs are set as lump sum of up to 12 000 Euro per project. Reimbursement of the project preparation costs is made for projects approved for financing by the Monitoring Committee and that have concluded Subsidy contract with the Managing Authority to the maximum threshold of 12 000 Euro. Expenditures over 12 000 Euro incurred in project proposal preparation are not reimbursed by the Programme.</p>
<p>40</p>	<p>Received during the Information day held in Burgas on</p>	<p>According to the Guidelines for Applicants part 2.3.4 “List and description of</p>



	<p>30.01.2024</p> <p>Are the expenses for communication services during project preparation planned only in the budget of the Lead partner?</p>	<p>Eligible Expenditures per categories of costs”, point 7. “Project preparation costs”) reparation costs are:</p> <ul style="list-style-type: none"> - consultancy, elaboration of technical documentation (incl. energy audit; feasibility studies, detailed design, technical drawings, etc.); - elaboration of project proposal and application form, translation of documents, taxes and other charges); - other costs necessary to submit a valid application form <p>Expenditures related to communication during project proposal preparation stage i.e. before submission of the project proposal such as telephone, fax, internet, postal services may be included under Budget Category 7 providing that they comply with the general criteria for eligibility of expenditures.</p>
<p>41</p>	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>Is it necessary the expenses of the partners to be equal amounts?</p>	<p>The Guidelines for Applicants do not set requirement project partners budgets to be equal.</p> <p>Applicants should mind that the proposed project budget should be directly connected and reflected in the project activities, all estimated costs be fully corresponding to the proposed activities and be necessary for the implementation of the project.</p>
<p>42</p>	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>Is verification of expenditures for project partners carried by the Lead partner?</p> <p>Who are the national controllers appointed by?</p>	<p>The reimbursement of expenditures is based on verifications by National controllers. For Bulgarian project partners National Controllers are assigned by the MA and for Turkish project partners by the National Authority.</p> <p>The verification process is described in detail including the duties and responsibilities of parties under Article 8 of Annex C “Subsidy Contract -draft” to the Guidelines for Applicants.</p>
<p>43</p>	<p>Received during the Information day held in Burgas on 30.01.2024</p>	<p>The Partnership agreement establishes cooperation principles and procedures as well as mutual obligations of the Parties within the cross-border</p>



	<p>Could you explain what is the meaning of the statement that “every partner is liable for damages” according to the Partnership agreement?</p>	<p>partnership created in order to implement the project within the Programme. The agreement specifies the requirements for the Parties for correct management of the subsidy granted for project implementation, as well as rules governing recovery by the Lead Partner of the amounts incorrectly spent.</p> <p>According to the partnership agreement every Partner is liable towards other partners for any damages resulting from the project and consequences of damages, resulting from the tasks and obligations delegated to the Partner within the Project in accordance with § 6 of this Partnership Agreement. § 6 concerns the division of tasks between the Partners which is stipulated in the submitted Application Form and its annexes. Damages may occur due to acts or omissions since every partner is entirely and solely responsible for implementation of its tasks, in accordance with the description contained in the Application Form. Every Partner is liable for any irregularities found in implementation of the Project tasks specified for a given Partner in the Application Form and recovery back to the MA of any amounts unduly paid by a given Partner, together with interest.</p> <p>Please also refer to the answer of Question 3, concerning the application of the Partnership principle in the current call for proposals.</p>
<p>44</p>	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>Could you explain what happens in case one of the partners decides to step out of the project and discontinue its implementation?</p>	<p>Under the present Call for proposals, all projects will be linked to investments that are subject to evaluation. There is also the requirement all investment activities to be performed on property owned by the applicant - SME. For these reasons, it is not possible to change the partner with another one who will carry out the same investment that is included in the project proposal after submission of the project until the time of signature of Subsidy contract or during the period of implementation of the Subsidy contract. In case of violation of the principle of partnership, the subsidy contract loses its legal</p>



		power.
46	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>Could you please clarify if a document for coordination of the project issued by the relevant River Basin Directorate should be presented?</p>	<p>According to the Guidelines for Applicants part B8. Supporting documents concerning investment activities” applicants should submit with the project proposal a copy of letter issued by the relevant body clearly stating that the project proposal is eligible according to the current River Basin Management Plans and Flood Risk Management Plans - issued in original language and English translation signed/ signed with qualified electronic signature by respective organization as true copy for Bulgarian partners and basin based management plans and documents of equivalent meaning from the Ministry of Environment, Urbanisation and Climate Change and from the Ministry of Agriculture and Forestry - issued in original language and English translation signed/ signed with qualified electronic signature by respective partner as true copy for Turkish partners.</p>
50	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>After the project is submitted in JeMS, before the deadline, can it be returned in editing state so as additional information and attachments can be added?</p>	<p>Submission of applications in JEMS follows a two-step approach. Each application requires a successful pre-submission check of content before it can be submitted. Under the section “Check & Submit”, users with “edit” or “manage” privileges have to perform the following two actions: 1) Run pre-submission check; 2) Submit project application. After the second step - submission - the status of applications is changed from “Draft” to “Submitted” and this state is irreversible by the applicants. The proposal is considered as officially submitted to the MA and subject to assessment procedures.</p>
51	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>If there are technical difficulties in filling in and submitting the project in the last 2-3 days before the deadline in JeMS, will the deadline for submission of the project proposals be extended?</p>	<p>In case for some extreme reasons technical difficulties occur, which prevent the normal functionality of JEMS, for example if a server failure happens, the Managing Authority will approach the Monitoring committee which is the competent body to take a decision for extension of the deadline for submission of the proposals.</p>
52	<p>Received during the Information day held in Burgas on</p>	<p>With respect of expiration of Commission Regulations (EC) No 1407/2013 on</p>



	<p>30.01.2024</p> <p>Is it possible that the deadline for the Call be extended?</p>	<p>31-st of December 2023 and its replacement by Commission Regulation (EU) 2023/2831 (taking effect on January 1, 2024) on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, respective amendments in the Guidelines for applicants were necessitated. In consideration with the above mentioned amendments the corrigendum is published and the deadline for submission project proposals is extended to 20 March 2024. The information is available on the following link:</p> <p>https://ipa-bgtr.mrrb.bg/en/node/129</p>
53	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>How are the expenses for project preparation distributed between the partners? Is it done in JeMS?</p> <p>How are they accounted afterwards (at the stage of implementation) by the partners in case they are included in the LP's budget only.?</p>	<p>Applicants which have concluded Subsidy contract with the Managing Authority are entitled to receive the reimbursement of the preparation costs in a form of a lump sum up to EUR 12 000 (project preparation expenditures for projects). The amount shall be allocation only in the Lead Partner's budget at the application stage according to part 2.3.4. List and description of Eligible Expenditures per categories of costs from the Guidelines for Applicants. Nevertheless, to reflect the partners' involvement in the preparation of the application form in a fair and transparent way the partnership should share the preparation costs. The details of how preparation costs will be shared need to be included in the project partnership agreement. The JEMS provides functionality for allocations project preparation costs within the budget of each partner which should not be used in order to implement accurately the provisions of part 2.3.4 from the Guidelines for Applicants.</p> <p>With the first financial report, the lump sum for preparation costs should be added to the lead partner's reported expenditure, and shall be verified and reimbursed to the lead partner. Reimbursement of the preparation costs is done in the form of a lump sum up to EUR 12 000.</p>
54	<p>Received during the Information day held in Burgas on 30.01.2024</p>	<p>Annual Financial Statements for the last 3 years preceding the application as per National Legislation for each partner should be presented together with</p>



	<p>Should all annexes to the Annual Financial Statements be attached to the financial documentation of the partners?</p>	<p>their inherent attachments. In the case of linked enterprises all required above financial statements have to be submitted for all the linked enterprises. The Annual Financial Statements should be presented in the original language and English translation signed / signed with qualified electronic signature by the legal representative as true copy.</p>
<p>55</p>	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>How is the own contribution budgeted in JeMS? Does the JeMS recalculate the values of EU funding and National public funding in case own contribution is planned by a partner in JeMS?</p>	<p>The grant under the present Call is provided in the form of 85% EU contribution and 15% National member state contribution. In case the partners would like to add own co-financing this is done in the table of Section „Origin of partner contribution“ of the online applicaiton form, where partners have to indicate the source of their contribution. The system by default includes the partner organisation as a first contribution source, assuming that the contribution is from own resources. The total of contribution must match the total partner contribution.</p> <p>The ERDF + IPA funds co-financing rate is 85% for all partners and this has to be indicated in the percentage field. The fields in partner contribution and the partner total eligible budget are then automatically calculated.</p>
<p>57</p>	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>What kind of access rights can the partners have and how are they provided in the JeMS system?</p>	<p>Users in JEMS can be granted the following rights:</p> <ol style="list-style-type: none"> 1) read-only rights (“view”) – user can access all the application sections without being in the position of making any change; 2) edit rights (“edit”) – user can modify/fill in all the application sections; 3) lead applicant rights (“manage”) – user has both edit rights, but also access to the management of the “Project privileges” section. <p>The lead applicant can grant the abovelisted access rights to an open application to other users, namely project partners and/or collaborators. However, they have first to be registered in Jems. The lead applicant can then</p>



		enable new users in the “Project privileges” section by entering a full valid email address.
58	<p>Received during the Information day held in Burgas on 30.01.2024</p> <p>In case the environmental impact assessment statement is not issued by the respective Regional Environment and Waters Inspectorate can only the incoming number of the request for issuance of the respective documentation be provided with the project proposal as a supporting document?</p>	<p>According to Gfa, p. 3.2. Supporting Documents (B), B8.3</p> <p>Documents concerning investment activities that have to be submitted are:</p> <p>B8.3. Copy of letter issued by the relevant body clearly stating that Environmental Impact Assessment is not necessary - issued in the original language and English translation signed/signed with qualified electronic signature by respective partner as true copy.</p> <p>OR</p> <p>Copy of positive Environmental Impact Assessment (positive opinion from the relevant body), required by the national legislation - issued in the original language and English translation stamped and signed/ signed with qualified electronic signature by respective partner as true copy.</p> <p>The incoming number of the request for issuance of the respective documentation doesn't present the opinion of the respective Regional Environment and Waters Inspectorate and can't be provided as supporting document.</p>
60	<p>Received by e-mail on 31.01.2024</p> <p>What currency rates should be used for the calculation of the state aid received under the de minimis rule?</p>	<p>Turkish beneficiaries shall use ECB's annual currencies.</p> <p>The average annual exchange rate obtained from the ECB's data is utilized in order to convert calculation of the state aid from Turkish Lira (TR) to Euro (EUR) for the purpose of calculating the aid of TR applicants during the specified financial years 2020, 2021, 2022, as follows:</p> <ul style="list-style-type: none"> - Average exchange rate for 2020 TRY to EUR – 0.124; - Average exchange rate for 2021 TRY to EUR – 0.095;



		<p>- Average exchange rate for 2022 TRY to EUR - 0.057.</p> <p>Exchange Rate Source: The source for the exchange rates is the European Central Bank (ECB) via the EuroSystem. You can access the exchange rates using the following link:</p> <p>https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-try.en.htm</p>
61	<p>Received by e-mail on 05.02.2023</p> <p>In part 2.1. “Eligibility of applicants” it is required that the partners must comply with the criteria <i>to be a SME with main economic activity in Division C Manufacturing; Division I Accommodation and food service activities; Division H Transportation and storage, accordance with Statistical Classification of Economic Activities in the European Community (NACE rev.2).</i> Nowhere in the Guidelines is there a restriction as to the years during which the main economic activity was not in Division C Manufacturing.</p> <p>According to part 3.2. “Supporting documents” the eligibility criteria should be confirmed by a “<i>Certificate issued by the responsible Authority in each country verifying the start date of the business, the main economic activity according to NACE rev. 2 (clearly indicating the main NACE activity and the complementary NACE activities)</i>”</p> <p>Is it an obstacle to the application if a given enterprise in 2020, 2021, 2022 was with a NACE (КИД) other than those comprehensively listed in 2.1. "Eligibility of Applicants" but for</p>	<p>The Certificate issued by the responsible authority in each country verifying the start date of the business, the main economic activity according to NACE rev. 2 (clearly indicating the main NACE activity and the complementary NACE activities) has to be issued for the last year for which an Annual financial report has been concluded.</p>



	<p>2023 has registered with NACE (NACE) in Division C Manufacturing. The Certificate issued by the responsible authority in Bulgaria by the date of the application includes this code that meets the eligibility criteria.</p> <p>Is the applicant described above eligible according to the criteria set under p. 2.1, paragraph 4 of the Guidelines?</p>	
<p>62</p>	<p>Question from 06.02.2024 received via e-mail :</p> <p>In section 2 „Eligibility Criteria“, item 2.1. „Eligibility of candidates“, point 4) the following eligibility criteria have been introduced:</p> <p><i>"2) To be an SME with a main economic activity in Division C Production; Section I Hospitality and restaurant industry; Section H Transport and storage, in accordance with the Statistical classification of economic activities in the European Community (NACE rev.2)."</i></p> <p>This is certified by <i>"Certificates issued by a responsible authority in each country certifying main economic activity according to NACE rev. 2 (clearly indicating the main activity under NACE and the supplementary activities under NACE)"!</i></p> <p>In a number of cases, the main economic activity has changed in recent years.</p> <p>The reasons may be many, but most often companies that were involved in both trade and production have increased</p>	<p>The supporting document that should be presented in order to verify that the main economic activity is within the eligible divisions is "B4. Certificate issued by the responsible authority in each country verifying the start date of the business, the main economic activity according to NACE rev. 2 (clearly indicating the main NACE activity and the complementary NACE activities has to be issued for the last year for which an Annual financial report has been concluded.</p>



production, since in recent years they have achieved higher added value precisely in production.

When submitting a request for a certificate, it must be indicated for which year the main economic activity is requested to be certified.

The practice is to request certification and issue it for the last year for which an Annual financial report has been filed, and since the Guidelines do not introduce a requirement in the relevant certificate to certify the code of the main economic activity for several years back, the certificates will be for 2023 or 2022 , depending on whether the accounting has been concluded on the date of application or not.

If the authors of the Guidelines for Applicants wanted the main economic activity to be in the eligible sectors not only at the date of application, but years back, they would have p. 4) specified such a time requirement as they did for example in:

- item 2) of 2.1. „Eligibility“, where 3 years of residency is requested for the Candidate's activity;
- item 5) of 2.1. „Eligibility“ where the turnover is requested to be stated for the last 3 years;
- The supporting documents B5 and B6, where it is clearly defined that the requested information is for the last three years.

The logic of the intervention also does not imply the need for the underlying economic activity to have been eligible BACK in the years, but rather a commitment to remain eligible AFTER the project investments in order to achieve sustainability of project



outcomes.

However, there is a rumor among potential applicants that someone, somewhere said that the main economic activity would be required to be in the eligible sectors not only at the date of application, but years back (how many years - no one knows).

I believe that the Territorial Cooperation Management Directorate would not allow itself to extend its discretionary power (the right to act at its own discretion) against the Guidelines by amending them substantially and introducing restrictions that do not exist in them, because that would invalidate the powers of The Monitoring Committee.

In this regard, I am asking for an unequivocal statement: For which year will the "Statistical Reference for KID" (the exact name of this document) be required?

Whatever the answer, please justify it with specific texts from the relevant legislation, given the possibility of a sole decision to deprive companies of the right to apply, to which the regulatory act - the Guidelines for applicants, gives such a right.

Failure to indicate the relevant provisions of the Law would limit their opportunities to protect their rights.

Note: numbering of questions is not consecutive, since it retains the numbering in the register of the received questions.