



## QUESTIONS AND ANSWERS

### Open Call for Project Proposals

Call Reference: No 2021TC16IPCB007 – 2025 – 4

under Priority 1: Competitive Border Region

with the specific objective RSO1.3. "Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments."

in the framework of (INTERREG VI-A) IPA Bulgaria – Serbia Programme 2021-2027, CCI Number: 2021TC16IPCB007

No.	Question received	Answer provided
<b>I. <u>Eligibility of Applicants and Activities</u></b>		
1	<p><b>Received on 12.03.2025 via e-mail:</b></p> <p>Is it eligible under the call "soft" kind of projects, which includes investment component under 60% of the project's budget?</p>	<p>According to the Guidelines for Applicants, the current call under Priority 1, Competitive border region, Specific Objective 1.3 (Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments) only supports "investment", Section: "2.2.3 Eligible Activities only <b>supports "investment" projects. This means that project proposals</b> must mainly include investment activities such as works, supply, and equipment (Budget Category 5 – Equipment and Budget Category 6 – Infrastructure and works).</p> <p><b>Key requirement:</b></p> <ul style="list-style-type: none"> <li>The investment component <b>must be at least 60% of the total eligible</b></li> </ul>



		<p><b>costs</b> of the entire project.</p> <ul style="list-style-type: none"> <li>The remaining <b>up to 40%</b> can be used for "soft measures" such as studies, networking, training, service development, and awareness-raising activities.</li> </ul> <p>Therefore, if a project does not meet the <b>minimum 60% investment</b> requirement, it would <b>not be eligible</b> under this call.</p>
	<p><b>Received on 12.03.2025 via e-mail:</b></p> <p>The Guidelines for Applicants, under section 7 "Project Preparation Costs," state that eligible preparation costs include the elaboration of technical documentation, which encompasses an energy audit. However, nowhere else in the program is it mentioned that an energy audit is required for a given enterprise. Does this mean that while the cost of an energy audit is eligible for reimbursement as part of project preparation, it is not a mandatory requirement for all applicants?</p>	<p>The Guidelines for Applicants, under Section 7 "Project Preparation Costs," explicitly state that eligible preparation costs include those related to the elaboration of technical documentation, which encompasses an energy audit, feasibility studies, detailed design, and technical drawings. These costs are eligible for reimbursement but are not mandatory for all applicants.</p> <p>Applicants may choose to conduct an energy audit to support their decision-making when selecting specific equipment, preparing an energy efficiency assessment, or evaluating potential energy-saving measures. However, the energy audit is not a mandatory requirement, as specified in Section B: "Supporting Documents," which outlines both required and optional documents.</p>
	<p><b>Received on 12.03.2025 via e-mail:</b></p> <p>"Serbian SMEs are not eligible if they are not majority domestically owned (at least 51%). The company acting as a project partner from Serbia must be at least 51% owned by a Serbian citizen."</p> <p>Are we eligible if we are Serbian company that is owned by US company that is more than 51% owned by a Serbian citizens?</p> <p>With this structure, we already applied for the European</p>	<p>According to the Guidelines for Applicants, in order for a Serbian SME to be eligible, it must be at least 51% majority-owned by a Serbian citizen.</p> <p>In your case, appears that your company is registered in Serbia but is owned by a U.S. company, which is itself majority-owned (more than 51%) by Serbian citizens. While this structure suggests an indirect majority Serbian ownership, the Guidelines do not explicitly address such cases. Therefore, the final decision on eligibility will be made by the relevant program bodies during the project evaluation process.</p> <p>It is crucial that the ownership structure is clearly and unambiguously visible in the Serbian Business Registers Agency (APR), as this will be an important</p>



<p>Commission EIC grant and received the Seal of Excellence.</p>	<p>factor in determining eligibility. Additionally, aside from ownership requirements, your company must meet the SME definition criteria and fulfill the five eligibility conditions outlined in Section 2.1 of the Guidelines.</p> <p>We recommend providing a detailed explanation of the ownership structure and all relevant documentation during the application process, to ensure a wellinformed assessment by the Assessment working group during the project evaluation stage.</p>
<p><b>Received on 26.03.2025 via e-mail:</b></p> <p>What does the text in the Guide of Applicants mean: The project must include at least one SME from each country and meet the eligibility criteria of the Program?</p>	<p>The text in the Guidelines for Applicants means that each project applying for funding under the Interreg VI-A IPA Bulgaria-Serbia 2021-2027 Programme must include at least one partner from Bulgaria and at least one from Serbia. The eligibility criteria ensure that projects contribute to cross-border cooperation within the Programme's territorial scope by fostering partnerships between enterprises from both countries.</p>
<p><b>Received on 29.03.2025 via e-mail:</b></p> <p>Can municipal public enterprises from Serbia, which are classified as small and medium-sized enterprises, be partners in the project?</p>	<p>This Call for proposals is primarily oriented towards private enterprises (at least 51% private capital) with a profit-making orientation and the Serbian SMEs must be at least 51% ownership of Serbian citizen. Public ownership may give certain advantages to enterprises, notably financial, over other enterprises that are financed by private capital.</p> <p>A public company is a company that performs activities of general interest, that are defined as such by the law of Serbia, in the areas of: mining and energy, transport, electronic communications, publication of the official gazette of the Republic of Serbia and publication of textbooks, nuclear facilities, weapons and military equipment, use, management, protection, arrangement and improvement of goods of general interest and goods in general use (water, roads, forests, navigable rivers, lakes, coasts, spas, wildlife, protected areas, etc.), management waste and other areas. The goal of establishing a public company is to operates for the purpose of ensuring the</p>



		<p>permanent performance of activities of general interest and regular satisfaction of the needs of citizens as well as development and improvement of those activities of general interest.</p> <p>This new approach of programme support, such as direct support to MSMEs, can enhance SMEs performance and scale-up, as well as their contributions to inclusive growth, mostly in the light of the negative impact of the Covid pandemic.</p> <p>Specific objectives of the Call, under priority 1 is “Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments”, and, in order to concentrate the use of limited resources in the most efficient way, the programme support is limited to micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC.</p>
	<p><b>Received on 28.03.2025 at the Information Day in Sofia</b></p> <p>Are there any exceptions to the requirement for a 10-year rental agreement?</p>	<p>There are no exceptions to the requirement for a 10-year rental agreement. All investment activities must be carried out on partner-owned property or secured through a long-term lease agreement with a minimum duration of 10 years from the date of submission of the project proposal.</p>
<b>IV. Budget Forecast</b>		
	<p><b>Received on 12.03.2025 via e-mail:</b></p> <p>According to the Guideline for applicants, regarding the justification of the amount for supply of equipment under the project, the LP and PP needs to be present 3 offers for each kind of the equipment planned within the project. Please, explain based on the prices of the 3 offers for some asset, which price/amount we need to take in account for the project - the lowest price from the 3 offers or the middle arithmetic prices from the 3 offers? For example: if we have the following 3 offers</p>	<p>When the preferred market analysis method involves obtaining three offers, the amount included in the project budget must be based on the arithmetic/average price of the three offers.</p> <p>Furthermore, as outlined in the Guidelines for Applicants, the average price should be calculated at the partner level, taking into account the national inflation rate, if necessary.</p>



<p>for an equipment "X" - offer 1 for 1000 euro, offer 2 for 1500 euro and offer 3 for 2000 euro, which amount we need to put in the budget - 1000 euro (lowest) or 1500 (middle)?</p>	
<p><b>Received on 12.03.2025 via e-mail:</b></p> <p>Regarding the justification of the market analyses for supply of equipment, instead of the official offers, is it eligible to be presented print screens from internet sites or extraction of catalogues for justification of the amount and technical specifications of the planned equipment?</p>	<p>According to the Guidelines for Applicants, the market analysis must provide a clear and credible justification for the estimated costs and technical specifications of the planned equipment. While official offers from suppliers are the preferred method, alternative sources such as print screens from internet sites or extracts from catalogues may be accepted under the following conditions:</p> <ul style="list-style-type: none"> <li>- The extracted information must be relevant, up to date, and clearly indicate the supplier, price, and technical specifications of the equipment.</li> <li>- The source (website, catalogue, etc.) should be verifiable, meaning that the provided information must allow for independent confirmation.</li> <li>- The information should be presented in a structured manner that facilitates evaluation and comparison during the assessment process.</li> </ul> <p>However, please note that the final decision on the acceptability of such documentation will be made during the evaluation stage, based on its clarity, reliability, and compliance with programme requirements.</p>
<p><b>Received on 12.03.2025 via e-mail:</b></p> <p>Is it eligible the lump sum of 12 000 euro for preparation to be use for covering only for the elaboration of project proposal and application form?</p>	<p>The lump sum can be used for the elaboration of the project proposal and application form, as these are explicitly mentioned as eligible preparation costs. However, the guidelines indicate that preparation costs may also cover other expenses such as consultancy, technical documentation, translations, taxes, and other charges. While the lump sum is provided as a fixed amount regardless of actual costs incurred, it is advisable to ensure that all necessary preparation expenses are covered within this sum.</p> <p>Also, please bear in mind that the amount shall be included in the respective project <b>lead partner's budget</b> at the application stage.</p>



<p><b>Received on 12.03.2025 via e-mail:</b></p> <p>Is it needed the project preparation costs to be carried out and paid before or on the date of submission of the project proposals, to be eligible and reimbursed?</p>	<p>The project preparation expenditures must be incurred no later than the project proposal submission date. To be eligible for reimbursement, the project has to be approved for financing by the Monitoring Committee and to be concluded Subsidy contract with the Managing Authority. The reimbursement is in a form of a lump sum up to EUR 12 000 (project preparation expenditures for projects).</p> <p>The amount shall be included in the respective project lead partner's budget at the application stage and reported by the lead partner in the first partner report at implementation stage.</p>
<p><b>Received on 12.03.2025 via e-mail:</b></p> <p>Is it obligatory to put in the project's budget project preparation costs? If we do not to use this type of costs, can we just not to put it on the project's budget?</p>	<p>Including project preparation costs in the project's budget is not obligatory. The guidelines state that the lump sum for preparation costs shall be included in the lead partner's budget at the application stage, but they do not indicate that it is mandatory. If the project partners decide not to use this type of cost, they can simply exclude it from the project's budget. However, once included, the lump sum must be distributed among partners in a fair and transparent manner, as stated in the Project Partnership Agreement.</p>
<p><b>Received on 29.03.2025 via e-mail:</b></p> <p>The Guidelines for applicants explains that the project must have an investment component that should be at least 60% of the total eligible costs of the entire project. This also includes the purchase of equipment. Does each partner purchase equipment for themselves or does the equipment have to be jointly owned and used by both partners?</p>	<p>Each partner can purchase equipment for themselves, but the equipment must be used for the project and meet the overall investment requirement of at least 60% of the total eligible costs on project level. Joint ownership is not required.</p>
<p><b>Received on 28.03.2025 at the Information Day in Sofia</b></p> <p>Is an advance payment foreseen, and if so, what will be its amount?</p>	<p>Yes, an advance payment is foreseen, amounting to 20% of the total amount of the subsidy. The advance is paid in two tranches: 10% is transferred after the Subsidy Contract enters into force, upon receiving a request for the advance payment and the rest 10% of the total amount of the subsidy after one of the</p>



		project partners awarded a sub-contract for investment activity and LP submitted a request for advance payment and a copy of the notification letter to the successful tenderer or a copy of contract for investment activity.
	<b>Received on 28.03.2025 at the Information Day in Sofia</b> How will the funds be reimbursed to the beneficiaries during the project?	The funds will be reimbursed to the beneficiaries based on verifications by National Controllers (NC). The Project Partners (PPs) will report their expenditures, which will be checked and validated by the controllers designated by the Managing Authority (MA) or National Authority (NA). The Lead Partner (LP) will submit a Request for Payment to the MA within the deadlines specified in the Subsidy Contract. Once the expenditures are verified, the MA will transfer the reimbursed funds to the LP's designated project bank account. The LP is then responsible for transferring the respective funds to each project partner in accordance with the approved request for payment and the deadlines set in the Partnership Agreement.
	<b>Received on 28.03.2025 at the Information Day in Sofia</b> Are there any requirements for the company's revenues?	The financial capacity of the SMEs is subject to technical evaluation. Please refer to Attachment 5 for more details.
	<b>Received on 28.03.2025 at the Information Day in Sofia</b> Is it permissible to generate revenue within the project?	<p>Revenue generation may be permissible, but it must strictly adhere to the non-profit principle—meaning all income should be used to sustain project activities, not for private or commercial gain. 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 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.</p> <p>To ensure compliance with the no-profit principle and facilitate proper financial verification, each project partner must maintain detailed, timely, adequate, and traceable records of any revenue generated during the</p>





		implementation period. At the final expenditure reporting stage, each partner will be required to submit a declaration of generated revenues, accompanied by relevant supporting documentation.
	<p><b>Received on 31.03.2025 via e-mail:</b></p> <p>According to the point 3.2. “Supporting documents” from the Guideline for applicants, the partners should present (B3): A Profit and Loss account and Balance sheet for the last 3 years preceding the application as per National Legislation for each partner. In the case of linked enterprises all required above financial statements have to be submitted for all the linked enterprises. In this regard, do we understand you correctly, that if some of the partners have linked enterprises, as a part of the Application form, we need to present the above mention documents and for them?</p>	<p>According to point 3.2. "Supporting documents" from the Guideline for applicants, if any of the partners have linked or partner enterprises, the Profit and Loss account and Balance Sheet for the last three years must be submitted for both the partners and their linked enterprises, in accordance with national legislation.</p>
	<p><b>Received on 31.03.2025 via e-mail:</b></p> <p>Which financial year do you define as a last financial year for the purpose of the call – 2023? In case that some of the partners officially apply its financial reports for 2024 year, that means that 2024 year will be the last for him. In such case do they need to present a Certificate for a main economic activity for 2024? Do we need to present the relevant financial reports for 2024, 2023 and 2022 years?</p>	<p>In the context of the application form submission deadline (June 11, 2025), if a Bulgarian company follows the standard deadlines, by that time, the financial report for 2024 will not yet be officially submitted (unless it is voluntarily submitted earlier). The submission of the annual financial report is mandatory under the Law on Statistics, the National Statistical Program for 2025, the Corporate Income Tax Act (CITA), and the Personal Income Tax Act (PITA), within the period from January 1 to June 30, 2025.</p> <p>This means that for most Bulgarian companies, 2023 will be the last officially completed financial year. Therefore, they must present the financial reports for 2023, 2022, and 2021. If a partner has submitted the 2024 report earlier, then 2024 will be their last financial year, and they will need to present the reports</p>





for 2024, 2023, and 2022.

## **VI. Other**

**Received on 26.03.2025 via e-mail:**

Can the applicants under the Call for Proposals for direct support to SMEs apply without attending the Information Day on 28.03.2025 ?

Attending the Information Day on March 28, 2025, for the Call for Proposals under the Interreg IPA Bulgaria – Serbia Programme is not a mandatory requirement for applicants. While participation can provide valuable insights into the application process, eligibility criteria, and project expectations, applicants can still apply without attending. However, it is essential to carefully review the Application Package and Guidelines for Applicants available on the Programme's official website to ensure compliance with all requirements. For the convenience of applicants, the presentations from the Information Day will be uploaded to the Programme's website.

**Received on 26.03.2025 via e-mail:**

The deadline for receiving project proposals under the Call is 11.06.2025, but when does application process start?

The application process starts when the Call for Proposals is published, which occurs before the submission deadline of June 11, 2025. Applicants should prepare a joint project proposal with a partner from the other country, decide which of them will be the Lead Partner, and then register in the information system of the Programme - <https://jems-bgrs.mrrb.bg/>. The project proposal must be submitted before the deadline 11.06.2025, 5 PM EEST, after this deadline the system will not accept project proposals

**Received on 26.03.2025 via e-mail:**

Please, define the steps for applying under the Call?

### **STEP BY STEP APPLICATION PROCESS**

#### **Step 1: Call-related events**

Discover the call-related events you were able to attend to get answers to your questions about the call for proposals.

- Information Day - March 28, 2025, 13:30, Sofia, at the Ministry of Regional Development and Public Works building
- Information Day with a planned date of April 9, 2025, in Nis, Serbia
- Partnership Forum with a planned date of April 15, 2025, in Bulgaria



- Webinar in May

**Step 2: Check for the best match**

It all starts with your idea. The first thing on your list is to check that it fits well within our thematic framework of the Priority 1, Specific Objective 1.3 3. “Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments“

**Step 3: Find partners and develop together your project idea**

Look for partners with shared interest and create your project partnership. Also, once your partners are on board, they can help develop your application further by adding new facets to your idea, based on their own expertise.

**Step 4: Registering in JEMS**

Each Lead partner must be registered in the **Joint Electronic Monitoring System (JEMS)** <https://jems-bgrs.mrrb.bg/>. The Lead partner is responsible for submitting the project proposal and handling primary administrative tasks. Detailed information for the Application Form is provided in <https://jems.interact.eu/manual/> section User Manual, Application/Project details, Application Form.

**Step 5: Develop your Application Form**

- **Project Activities and Project budget** - The right approach to estimating a reasonable project budget is to first plan the activities to be carried out and then plan the budget on the basis of those activities. Therefore, the overall budget has to be in line with the activities planned, the project’s duration and the number of partners involved.
- A project consists of **Work Packages**, activities, **deliverables**, and **outputs** to achieve its objectives. Since these terms are often confused, this section clarifies their meaning, defines possible activities and deliverables,



and sets quality standards to ensure relevant and useful results for the Programme. The project's success depends on the quality of its **activities, outputs, and deliverables**.

- **Output indicators** are used to measure and monitor project outputs and they can be selected by the applicants under the Thematic Work Packages whenever relevant for the project proposal.
- **Result indicator** is used to measure the expected results of the project, i.e. the change in the local situation as direct consequence of the project implementation, the immediate advantage for beneficiaries or end users and the behavioural change.

#### **Step 6: Get help and support**

**Find answers to your questions** - The applicants may submit questions of substance in written form up to 21 calendar days before the deadline for submission of proposal. The JS will reply no later than 14 calendar days before the deadline for the submission of proposals. All questions received by the potential applicants, together with their answers, will be published on the Programme website: <https://ipa-bgrs.mrrb.bg/>

**Check out the most frequently asked questions about preparing a project application.**

#### **Step 7: Submit the Application Form together with all necessary Attachments (See GfA)**

**Once you have finalised your online application and designated an Authorised Signatory (if applicable), it is time to submit your application!** The **lead partner** submits the project proposal through JEMS. All partners must confirm their participation by signing declarations. Completed proposals must be submitted by **June 11, 2025**, through the JEMS platform.

**Please note: We advise you to do this well ahead of the submission deadline, to avoid technical issues in the last minute.**



<p><b>Received on 28.03.2025 at the Information Day in Sofia</b></p> <p>Will bank guarantees be required from the partners?</p>	<p>Bank guarantees are not required from the partners as part of the application or project implementation process. The Programme does not specify the need for such guarantees for participation or funding.</p>
<p><b>Received on 28.03.2025 at the Information Day in Sofia</b></p> <p>Can experts other than the typical positions for coordinator and project manager be included in the project management team?</p>	<p>Yes, experts other than the typical positions for coordinator and project manager can be included in the project management team, as long as their appointment complies with the respective national legislation and they are needed for project implementation. The project partner has the right to determine the positions and staff needed for the proper functioning of the project team, as well as the staff required for the implementation of specific project activities. However, the appointment of staff and their roles must be in line with the legal requirements, and any changes to the staff during the project implementation should be managed by the project partner.</p>
<p><b>Received on 31.03.2025 via e-mail:</b></p> <p>According to the point 3.2. “Supporting documents” from the Guideline for applicants, the partners should present (B1): A Decision of the Managing or Steering Boards, Board of Directors or any similar body or managing person depending on the legal form of the SME regarding the project development, implementation and ensuring the sustainability of the project results. This decision have to indicate the legal representative of the partner. In this regard, is it acceptable, in case that the SME is a Single company ltd, Limited company or JSC (on Bulgarian ЕООД, ООД или АД) that kind of document to be in form of an Order (Заповед) from the person which represent the company – a manager/executive director?</p>	<p>According to point 3.2. "Supporting Documents" from the Guideline for Applicants, the required decision must come from the Managing or Steering Boards, Board of Directors, or a similar body or managing person, depending on the legal form of the SME.</p> <p>In line with Bulgarian legislation:</p> <ul style="list-style-type: none"> <li>• <b>For a Single Member Limited Liability Company (ЕООД)</b> – the document should be in the form of a <b>Decision (Решение)</b> issued by the sole owner.</li> <li>• <b>For a Limited Liability Company (ООД)</b> – the document should be in the form of <b>Minutes of Meeting (Протокол)</b> from the General Meeting of shareholders.</li> <li>• <b>For a Joint-Stock Company (АД)</b> – the document should be a <b>Decision (Решение)</b> from the Board of Directors or the respective governing body.</li> </ul> <p>Therefore, an Order (Заповед) from the manager or executive director alone would not be sufficient if the law requires a formal decision or protocol from</p>



		the respective governing body.
	<p><b>Received on 31.03.2025 via e-mail:</b></p> <p>According to the point 3.2. “Supporting documents” from the Guideline for applicants, the partners should present (B2): A Certificates issued by the responsible Authority in each country verifying the main economic activity (according to NACE rev. 2, clearly indicating the main NACE activity and the complementary NACE activities. In this regard, for Bulgarian companies that should be a National Statistic Institute. Which is the responsible authority to issued that kind of certificate for Serbia?</p>	<p>The responsible authority that issues a certificates verifying the main economic activity of a company is Serbian Business Registers Agency.</p>
	<p><b>Received on 31.03.2025 via e-mail:</b></p> <p>Can you provide a direction to where Annex C. Subsidy contract - draft version (for information purposes only) could be downloaded from?</p>	<p>The <b>application package</b> is available at <a href="https://ipa-bgrs.mrrb.bg/en/term/10/node/133">https://ipa-bgrs.mrrb.bg/en/term/10/node/133</a>.</p> <p>For informational purposes only, the Draft of the Subsidy contract can be found in the within the RAR folder <b>Annexes</b>.</p>