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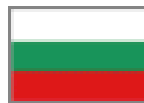
**NATIONAL AUTHORITY**

**MINISTRY OF REGIONAL**

**DEVELOPMENT AND PUBLIC WORKS**



**ROMANIA**



**BULGARIA**

# **PROJECT IMPLEMENTATION MANUAL FOR PROJECTS**

## **FINANCED UNDER INTERREG V-A ROMANIA-**

## **BULGARIA**



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## Glossary of terms

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<b>Applicant</b>	Any legal entity meeting the eligible criteria which submits an application to be financed by the programme
<b>Assessment Working Group</b>	Working group established within JS responsible with assessing and ranking the applications received against the approved selection criteria. The MC is approving operations for financing, based on the work of the assessment working group, the MA conclusions of monitoring the assessment process and NA position.
<b>Beneficiary</b>	Any applicant whose application has been approved for financing
<b>Days</b>	To the effect of this Project Implementation Manual, except where expressly provided so, days are considered calendar days
<b>Eligible expenditure</b>	Expenditures made by a Beneficiary, related to the projects financed through the programme, which could be financed from the structural instruments, as well as from the state budget and/or own Beneficiary contribution
<b>Eligible area/region</b>	The Romanian counties and Bulgarian districts located in the border area, as mentioned in the programming document approved by the European Commission
<b>eMS</b>	Electronic monitoring system. The electronic Monitoring System (e-MS) is a

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	dedicated online platform build by the Interact Programme for the benefit of all Interreg Programmes, which allows the applicants to submit their applications and beneficiaries to submit online theirs expenditures and project reports.
<b>First level control</b>	The procedures performed in order to verify that the co-financed products and services have been delivered and the works have been performed and that expenditure declared by the beneficiaries has been paid and that it complies with applicable law, the operational programme and the conditions for support of the operation
<b>Hard project</b>	Project that has an investment component or which grants more than half of its total eligible budget for the purchase of equipment
<b>Investment project</b>	A project whose results involve the achievement of an objective by investing capital, which means that their main component is to carry out a work, without excluding the procurement of services (as consultancy or technical assistance) or goods (procurement of necessary equipments for the respective objective) related to the respective objective.
<b>Joint Secretariat</b>	The structure responsible for assisting the programme management bodies in carrying out their duties. Cross Border Cooperation Regional Office Calarasi for Romanian Bulgarian Border is hosting the Joint Secretariat for Interreg V-A Romania-Bulgaria Programme
<b>Lead Beneficiary</b>	A Beneficiary designated by the beneficiaries involved in a project responsible for coordinating the process of development, submission and implementation of that specific project
<b>Managing Authority</b>	The structure responsible for managing the operational programme. The Romanian Ministry of Regional Development and Public Administration is the Managing Authority for Interreg V-A Romania-Bulgaria Programme
<b>Memorandum on implementation</b>	The Memorandum stipulating certain implementing provisions and arrangements needed in order for the Interreg V-A Romania-Bulgaria Programme to successfully start and pursue its implementation throughout the whole programming period 2014-2020
<b>Monitoring Committee</b>	Organizational structure formed of representatives of Romania and Bulgaria (the representatives of each country in the MC from the national delegations - delegated by respecting the principles of partnership and multi-level governance)

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	without legal personality, with a strategic decision-making role in the implementation of the Programme
<b>National Authority</b>	The counterpart of the Managing Authority in the partner state. The Bulgarian Ministry of Regional Development and Public Works is the National Authority for Interreg V-A Romania-Bulgaria Programme
<b>National Legislation</b>	The legislation of the state on whose territory the beneficiary is located
<b>Priority Axis</b>	A strategic priority within the operational programme, that corresponds to a thematic objective and comprises one or more of the investment priorities of that thematic objective in line with the EU Regulations
<b>Project</b>	An operation comprising a series of works, activities or services intended in itself to accomplish an indivisible task of a precise economic or technical nature, which has clearly identified goals, expressed as the application form and its annexes.
<b>Reference period</b>	The number of years for which forecasts are provided in the cost benefit analysis
<b>Reimbursement claim</b>	The list of eligible expenditure made for a project during a certain period of time requested for reimbursement by the Lead beneficiary. The expenditure included in the reimbursement claim has to be previously checked and validated by a first level controller
<b>Revenue generating project</b>	Any project involving an investment in infrastructure, the use of which is subject to charges borne directly by users, and any project involving the sale or rent of land or buildings or the provision of services against payment
<b>Revenues</b>	Income to be expected from an investment through pricing or charges
<b>Soft project</b>	Project that does not have an infrastructure component or which does not grant more than half of its total eligible budget to purchase of equipments

### Glossary of Acronyms

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AA	Audit Authority
AWG	Assessment Working Group
BG	Republic of Bulgaria
CA	Certifying Authority (the Managing Authority took the role of Certifying Authority)
CBC	Cross-Border Cooperation
CBC ROC	Cross Border Cooperation Regional Office Calarasi for Romania-Bulgaria Border
EC	European Commission
ERDF	European Regional Development Fund
EU	European Union
FLC	First Level Control
JS	Joint Secretariat
LB	Lead Beneficiary
MA	Managing Authority
MC	Monitoring Committee
MRDPA	Ministry of Regional Development and Public Administration
MRDPW	Ministry of Regional Development and Public Works
Mol	Memorandum on Implementation - Arrangements between MS participating in the Interreg V-A Romania Bulgaria Programme
MS	Member States
NA	National Authority
NGO	Non-Governmental Organization
OP	Operational Programme



PB	Project Beneficiaries
Programme	Interreg V-A Romania - Bulgaria
RC	Reimbursement claim
R&D	Research and Development
RTD	Research and Technological Development
RO	Romania
VAT	Value Added Tax

### Short introduction

The aim of the Project Implementation Manual (PIM) is to provide detailed information for lead beneficiaries and project beneficiaries on the full project life cycle, starting from selection to the closure of Interreg Romania-Bulgaria projects, including reimbursement and other reporting obligations, and also, other programme related requirements set in the financing contract.

The Programme Manual and its annexes can be amended / updated whenever major changes in the Programme implementation system occur. Thus it is recommended to follow the latest version of the Programme Manual, available on the Programme website: <http://www.interregrobg.eu/en/>.

The Lead Beneficiaries should ensure that the project is implemented according to the provision of the Project Implementation Manual and the latest versions of annexes are used. In case of specific problems related to particular operations, the Joint Secretariat, the Managing Authority and National Authority should be contacted for advice.

The Joint Secretariat staff is there to assist all projects beneficiaries, offering support at all stages of the project life-cycle, especially continuous support while implementing the project.

The language of the programme is English. All official communication, including the reporting has to be done in English. Exceptionally, in some cases, communication within the project and between the project and programme bodies may of course take place in national languages. Also, supporting documents, such as contracts, procurement documentation, invoices, etc. can be both in Romanian

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and Bulgarian. Also, exceptionally, in some cases, management structures of the Programme can request translation into English of the supporting documents.

The programme uses an online application and reporting system, the eMS electronic system. The beneficiaries will provide all the information/data/ supporting documents to the relevant Programme bodies through the electronic data exchange system - eMS system (from the date when the system is functional). All this will be recorded in the electronic system and reused among all Programme bodies involved in the monitoring, control, audit, implementation and evaluation of the Programme. Also, the programme bodies will use the eMS system to communicate with beneficiaries. In case the eMS system is not functioning, the beneficiaries will use the alternative format (attached to the Manual) in which the documents should be provided.

Using the eMS system doesn't exclude other form of reporting expressly requested by the management bodies of the Programme through the present Project Implementation Manual, MA's instructions or other request submitted to the beneficiaries in accordance with the financing contract.

### Programme Management and Control Bodies

The two Member States, Romania and Bulgaria, have agreed to designate the authorities responsible for the implementation of INTERREG V-A Romania-Bulgaria as follows:

#### **Managing Authority (MA) - Ministry of Regional Development and Public Administration**

Address: 17 Apolodor Str., sector 5, Bucharest, Romania, [www.mdrap.ro](http://www.mdrap.ro), E-mail: [robg@mdrap.ro](mailto:robg@mdrap.ro),  
Phone no: + 40 372 111 312, Fax no: + 40 372 111 456

The Managing Authority also carries out the certification function, in accordance with Article 123(3) of Regulation (EU) No 1303/2013.

Role: The Managing Authority is responsible for managing the operational programme in accordance with EU Regulations (Article 125 of the Regulation (EU) No 1303/2013 and Article 23 of Regulation (EU) No 1299/2013) and the principle of sound financial management.

#### **Bulgarian National Authority (NA) - Ministry of Regional Development and Public Works**

The National Authority is the Bulgarian counterpart of the Managing Authority.

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Address: 17-19 Sv.sv. Kiril i Metodi St., 1202 Sofia, Bulgaria, Website: [www.mrrb.government.bg](http://www.mrrb.government.bg),

E-mail: [na-ro-bg@mrrb.government.bg](mailto:na-ro-bg@mrrb.government.bg), Phone no: +359 2 9405 488, Fax no: +359 2 987 07 37

### Joint Secretariat (JS)

Joint Secretariat within the Cross-Border Cooperation Regional Office Călărași for Romania-Bulgaria Border

Address: Călărași, Chiciu area, part of the main building representing the Passengers and Goods Transport Public Service headquarter at PCTF Călărași (România) - Silistra (Bulgaria), Calarasi county; <http://www.interregrobg.eu/en/>.

Contact persons:

Bogdan Mușat, Head of JS; Email: [bogdan.musat@calarasicbc.ro](mailto:bogdan.musat@calarasicbc.ro), Phone no: +40 242 313 091; Fax no: +40 242 313 092

### Joint Secretariat Antenna, Ruse

Address: Str Rayko Daskalov, nr 2

Contact person:

Bogdan Mușat, Head of JS, Email: [bogdan.musat@calarasicbc.ro](mailto:bogdan.musat@calarasicbc.ro), Phone no: +40 242 313 091; Fax no: +40 242 313 092

Role: the JS assists the Managing Authority, National Authority, the Monitoring Committee, and Audit Authority in carrying out their respective duties.

### First Level Control (FLC)

#### First level control for Romania - Priority Axis 1 - 5

Within Cross-Border Cooperation Regional Office Călărași for Romania-Bulgaria Border

Address: Călărași, Chiciu area, part of the main building representing the Passengers and Goods Transport Public Service headquarter at PCTF Călărași (România) - Silistra (Bulgaria), Calarasi county, Romania

Contact person:

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Sandu Emanoil Serban, Head of First Level Control Unit, Email: [sandu.serban@calarasibc.ro](mailto:sandu.serban@calarasibc.ro)

Phone no: +40 242 313 091; Fax no: +40 242 313 092, website:

<http://www.interregrobg.eu/en/>

### First level control for Bulgaria

Ministry of Regional Development and Public Works

Address: 17-19 Sv.sv. Kiril i Metodi St., 1202 Sofia, Bulgaria, Website: [www.mrrb.government.bg](http://www.mrrb.government.bg);

Contact person:

Mrs. Maria Duzova, Head of the National Authority, Director General, Territorial Cooperation Management, E-mail: [mduzova@mrrb.government.bg](mailto:mduzova@mrrb.government.bg); Phone no: +359 2 9405 488; Fax no: +359 2 987 07 35

Role: the controllers perform the first level control, being responsible for verifying the legality and regularity of the expenditure declared by each beneficiary participating in the project.

## 1. Post selection

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The Monitoring Committee is the body which approves the final list of projects to be financed. Following its decision, the Lead Beneficiary shall receive a notification letter from the Joint Secretariat regarding the approval or rejection of its project. The notification letter shall include information regarding the score the project has obtained and any recommendations the Monitoring Committee has issued for the respective project. These may include, among others, reduction of the project budget, removal/revision of a particular activity, revision of indicators etc.

The list of approved/rejected applications shall also be published on the Programme's website, <http://www.interregrobg.eu/en/>, following the Monitoring Committee's meeting. In case of disagreement with the decision of the Monitoring Committee, **the applicant has the right to file a complaint**. Please pay attention that the complaint may only be filled by the Lead Beneficiary. Therefore, please contact your LB and ask for the submission of a complaint. The LB shall have the responsibility to collect and bring forward the complaint reasons from all project partners. The complaint has to be lodged in writing to the Joint Secretariat within maximum 5 working days after

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the official notification of the LB regarding the results of the project selection process. The complaint can be lodged only against the following criteria:

- a. the outcomes of the technical and/or quality assessment of the project application, based on the selection criteria approved by the Monitoring Committee, do not correspond to the information provided by the Lead Beneficiary during the project assessment and selection process; and/or
- b. the project assessment and selection process failed to comply with specific procedures laid down in the Call documents that materially affected or could have materially affected the decision.

The complaint should include the following elements:

- a. name and address of the Lead Beneficiary;
- b. reference number of the application which is subject of the complaint;
- c. clear indicated reasons for the complaint, including listing of all elements of the assessment which are complaint and/or failures in adherence with procedures limited to those criteria mentioned in Art. 3(3);
- d. signature of the legal representative of the Lead Beneficiary;
- e. any relevant supporting documents;

The relevant documentation shall be provided for the sole purpose of supporting the complaint and may not alter the quality or content of the assessed application. Your complaint will be examined by the Joint Secretariat and the Complaint Panel (an independent body appointed by the Monitoring Committee). Please be advised that the decision of the Complaint Panel is final and binding and not subject of any further complaint proceedings within the Programme.

The complaint procedure is annexed to the Applicant's Guide (Annex F - Complaint procedure). Please read carefully this document in case you want to file a complaint against a Monitoring Committee's decision. Complaints which do not take into consideration the provisions of the Complaint procedure shall be rejected.

***The starting date for the eligibility of expenditures, except for preparation costs, is the next day following the approval of the projects by the Monitoring Committee. This means that beneficiaries can proceed with expenditures, which are eligible from this date, provided the subsidy contract is signed with the Managing Authority. Preparation costs are eligible if they are incurred between 1.01.2014 and the submission of the Application Form.***

*Expenditure is incurred when the activity that has generated the expenditure (for example the works executed in accordance with the conditions of the contract) has been completed or the services foreseen in a contract have been provided and accepted by the beneficiaries. Proof of expenditures incurred relates to supporting documents indicating the completion of the activity, for instance take over certificates or confirmation of service delivery.*

*They shall have to be requested for reimbursement within the first reimbursement claim. Therefore, the preparation costs shall have to be paid by the beneficiaries before the submission of the first reimbursement claim. Beneficiaries are strongly recommended to start the implementation of project activities as soon as possible in order to avoid any delays in implementation. Therefore, after the selection of the project by the Monitoring Committee, beneficiaries are strongly encouraged to start preparing their tender documentations and launch the public procurement procedures. Contracts may be signed and expenditures paid, as they are eligible starting with the next day following the approval of the Monitoring Committee. Nevertheless, please be advised that during the pre-contracting period, the Managing Authority may refuse the contracting of a project, especially for example if inconsistencies are found between the location of the project and the Application Form or the beneficiaries were not able to submit all the requested pre-contracting documents, or they do not comply with the Programme rules (e.g. beneficiaries have debts to the state budget). In this case the Managing Authority shall propose to the Monitoring Committee the rejection of the project from contracting. Therefore, expenditures made by the beneficiaries before the signing of the subsidy contract are made at the risk of the beneficiaries and in case the subsidy contract is not signed, these expenditures shall not be reimbursed by the Programme.*

## 2. Pre-contracting

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This period starts after the approval of the projects by the Monitoring Committee. During this time, projects are requested to submit additional documents in order to prepare the necessary documentation for the signing of the subsidy and co-financing contracts. This period is expected to last a maximum of 2 months.

**Please bear in mind that the Managing Authority has the right to decide not to sign a financing contract in case a Beneficiary already has in implementation 4 projects. After the finalization of one project the decision may be reconsidered, provided the financial allocation is available.**

Through the approval notification letter, the beneficiaries will be requested to prepare a set of documents, such as: fiscal certificates for the payments of debts to the state and local budget, criminal record of the legal representative, decisions of the governing body for the financing of the project, financial identification forms (Annex 2), balance sheets, a declaration regarding the financing sources (partially or fully financed from the state budget), a declaration in which the beneficiaries declare that they have not received public funding for another project implemented or under implementation, with the same objectives, results and activities funded from any other source of grant, etc.

The complete list will be included in the notification to be received from the JS. Please be advised that in case any of the beneficiaries has debts towards the Romania-Bulgaria Cross-Border Cooperation Programme 2007-2013 and/or Interreg V-A Romania-Bulgaria Programme, the project shall not be contracted until these debts are repaid.

**One key document that has to be submitted during the pre-contracting period is the Schedule for first level control requests and reimbursement claims. This document is very important during the implementation of the project and its non-respect may lead to loss of project funds. Therefore, it is very important to plan ahead very carefully when filling-in this document. Please also refer to chapter 16, which contains valuable information about the importance of this document and the consequences at project level in case of non-respect. The schedule shall include information regarding the months and amounts that have to be requested for first level control for each beneficiary as well as information regarding the amounts and months when the LB shall submit reimbursement claims to the JS. The template of the schedule is available on Programme's website, at the following address <http://www.interregrobg.eu/en/rules-of-implementation/templates.html>.**

The Joint Secretariat will perform pre-contracting visits to the premises of all Lead Beneficiaries, and to the location where the project is going to be implemented. In case of investment projects, pre-contracting visits shall be performed at the premises of all beneficiaries (regardless of their statute in the project) which carry out investment in infrastructure activities. Also, on the spot visits will be performed at the location/ site area of the project's investment objectives.

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For the rest of the projects, pre-contracting visits are going to be organized at partner level only based on a risk analysis. The Joint Secretariat will notify the Lead Beneficiary regarding the date when the visit is going to take place, and will also include the schedule for visiting the rest of partners, if the case. The notification will be done with minimum 5 working days before the visit. During the pre-contracting visits, the requested documents are going to be collected by the JS representatives. The Lead beneficiary has the obligation to be present at the location when the visit takes place (it is recommended that the persons who will be in charge of the project to attend the visit) and to submit the requested documents. In case the visit takes place only at the premises of the LB, the latter has the obligation of gathering the documents from all its partners and to submit them during the visit.

In case the LB is not available at the date communicated by the JS, it may request the reschedule of the visit. The JS will propose a new date, normally, the new visit will be scheduled within maximum 5 working days from the original date. The LB may submit maximum 2 requests for reschedule of the visit. In case certain documents are not available at the time of the visit, they may be submitted within maximum 5 working days following the pre-contracting visit. At the end of the pre-contracting visit an On-the-Spot Report will be signed by the representatives of the LB and JS, summarizing the documents that have been submitted, the ones that still need to be submitted, the findings and conclusions.

**!!!Please pay attention to the fact that all documents requested during pre-contracting period, for all partners should be submitted within the maximum period specified by the Joint Secretariat. This period shall also include the requests for clarifications. In case this deadline is not respected, your project may be proposed for rejection. Please note that it is in the interest of all parties to shorten the pre-contracting period as much as possible and have the contracts signed as soon as possible.**

**In case JS finds inconsistencies between the Application Form and the location of the project, of nature to question the decision of approval of the project, the JS may propose to the Managing Authority and, further on to the Monitoring Committee, the rejection of the project. The rejection may be proposed also in other cases, such as: failure to submit the pre-contracting documents within the deadline, the pre-contracting documents are not in accordance with the Programme rules, failure to organize the pre-contracting visit due to beneficiaries' fault. Please be advised that this is not an exhaustive list and other reasons may lead to the rejection of the project.**



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During the pre-contracting period, the LB and its partners have the obligation of signing the Partnership Agreement. This is the legal document that regulates the relations between the LB and its partners. A template of this document is available on the programme's website, at the following link <http://www.interregrobg.eu/en/rules-of-implementation/templates.html>.

The LB and its partners may decide to include additional provisions, with prior agreement of the MA, but these should not contradict the rules of the Programme or the applicable European/national legislation. Please note, that signing the Partnership Agreement is a pre-condition for signing the subsidy contract and the receipt of funds from the Programme.

*The lead beneficiary and the project beneficiaries have to ensure that the planned activities are set up and will be implemented in compliance with national legislation related to competition. Each project beneficiary signs and submits in the pre-contracting period a declaration on own responsibility regarding state aid, declaring their compliance with Programme conditions related to the state aid law.*

During pre-contracting period, the Application Form may be revised to take into consideration the recommendations of the Monitoring Committee/evaluators or to correct technical mistakes.

Once all the pre-contracting documents have been submitted to the JS and they have been checked for compliance with the Programme rules, the JS drafts the contracts (subsidy contract and co-financing contracts with Romanian beneficiaries) and submits them to the Managing Authority for verification and signing. The subsidy contract is the legal document signed between the Managing Authority and the Lead beneficiary, on the basis of which the ERDF is transferred to the LB. The co-financing contracts are signed between the Managing Authority and the Romanian beneficiaries and the National Authority and the Bulgarian beneficiaries, for the transfer of the national co-financing (13%). The model of the contracts templates are available on the programme's website, at the following link <http://www.interregrobg.eu/en/rules-of-implementation/templates>.

*Please be advised that following the verification of the documents by the Managing Authority, additional clarifications may be requested. The LB and partners have the obligation of replying to the clarifications within the set deadlines.*

If a beneficiary decides to give up the grant, the respective beneficiary must notify the JS within 5 working days from the date the decision was taken.

Once the contracts are signed at MA level, the JS will notify the LB and partners and invite them to sign the contracts. Please note that the contracts need to be dated. The implementation of the project starts the next day following the signing of the subsidy contract by the LB.

### Project implementation

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**At this point, you have already signed the subsidy contract, so that in the following chapters is described in details what has to be done and observed during the implementation process and after the project is finalized.**

After the co-financing contract is signed, but before submitting the first reimbursement claim, each Romanian beneficiary may send to the MA an advance request for maximum 60% of the value of its co-financing contract. This request will be submitted in original and shall stipulate the percentage, the amount and the bank account where the funds should be transferred - according to financial identification annex (the financial identification form will be submitted only if the bank account is different from the one declared within the financial identification form submitted within the pre-contracting stage), and the MA shall ensure the availability of advance payments on the basis of financial flows drafted on the basis of co-financing contracts concluded. The request for advance is verified in maximum 15 days from the registration date at the MA level (this deadline may be suspended in case additional information is needed). The amount corresponding to the advance payment shall be transferred by the MA to the Romanian beneficiaries within maximum 10 days from the date of the approval of the advance payment request.

Similarly, each Bulgarian beneficiary may send to the NA request for an advance payment of maximum 80% of the value of its co-financing contract. This request will be submitted in original and shall stipulate the percent and Financial identification form with actual bank account, and the NA shall ensure the availability of advance payments on the basis of financial flows drafted on the basis of advance requests. The NA shall verify the request for the advance payment and shall transfer the amount corresponding to the advance payment to the Bulgarian beneficiaries according to the terms stipulated in the national co-financing contract (the deadline may be suspended in case additional information is needed). The NA shall make payments under the co-financing contract in case of the availability of funds in the budget account of the Ministry of Regional

Development and Public Works - at the date of the request for payment from a partner. In case of lack of funds, the NA is not responsible for the delayed payments.

For Bulgarian co-financing contracts, please consult Annex - *Co-financing package - for Bulgarian beneficiaries*, attached to PIM.

### 3. Location of activities

As a general rule the project's activities have to be implemented in the Programme's eligible area. However, in case activities have to be implemented outside of the programme, it has to respect the following conditions:

- The activity is for the benefit of the programme area;
- The activity is essential for the project implementation;
- The total costs incurred outside of the eligible area (related to any activity or any category of expenditure) is limited to 20% of the ERDF total eligible project budget, irrespective of the location of the partner;
- The activity and/or event have been mentioned in the approved Application Form;

The 20% threshold is applied at the level of the project and concerns all activities implemented outside the Programme's area, whether they are implemented by partners located inside or outside the Programme's area. The partners are requested to mention the Applicant's Form whether they plan to implement activities outside the Programme area, and to describe each activity and corresponding costs. These activities will be subject to a close monitoring during the implementation period.

***The location of the activity is the decisive factor when determining whether the implementation of an activity is outside the Programme's eligible area. This should be relatively simple. For example, in case of investments or infrastructure, the determining factor is the location of the infrastructure. In what concerns accommodation and catering the determining factor is whether the accommodation is located/the catering is delivered inside or outside the Programme's eligible area. For other activities, which are of non-material nature, the determining factor is the location of the project partner that incurred the costs. For example, the salaries of the project management staff of the partners located outside the Programme's eligible area are considered to be expenditures incurred outside the***

*Programme's area. Therefore, it is important that each invoice/expenditure is assigned to an activity, which shall be assessed whether it is implemented inside or outside the Programme's eligible area.*

### 4. Ceilings

According to the List of eligibility expenditures for Interreg V-A Romania-Bulgaria Programme, applicable to Priority axis 1-5, an expenditure is considered eligible if:

- is necessary for initiating and carrying out the project and complies with the principles of sound financial management, in particular value for money and cost-effectiveness.
- is in line with the provisions of the subsidy contract, co-financing contracts / monitoring agreement, national and European legislation;
- the costs are definitively borne by the beneficiary and would not have arisen without the project.
- It **does not exceed the ceilings set at Programme level**, available on the programme's website <http://www.interregrobg.eu/en/>. The ceilings will be periodically updated and during the implementation period of the projects, the beneficiaries may use the updated version, provided the total budget per category of expenditure is not exceeded.
- is committed by the beneficiary after project approval by the Monitoring Committee and the last day of implementation period and is paid out by the beneficiary at the latest in 2 months after the end of the project implementation period, but no later than 31.12.2023. Preparation costs are eligible if they were incurred between 1.01.2014 and the submission of the Application Form.
- the expenditure has actually been paid out. Expenditure is considered to be paid when the amount is debited from the beneficiary's institution bank account. The date when the invoice was issued, recorded or booked in the accounting system does not count as a payment date.
- is recorded in the beneficiaries' accounts and tax documents, is identifiable and verifiable, and is backed up by supporting documents;

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- is verified and validated as eligible by the First Level Control Unit within the Cross-Border Cooperation Regional Office Calarasi for Romania - Bulgaria Border for Romanian beneficiaries and the first level controllers designated by the National Authority for Bulgarian beneficiaries, respectively;
- has not been subject to financing from other public funds;
- is included in the Programme list of eligible expenditure.

The list of eligible expenditures and **the list of Ceilings for expenditure** (Annex C to the Applicant's Guide, the prices are calculated without VAT) **must be followed in the implementation process**, after the contracts are signed.

Please note that a condition for a cost to be eligible is to be necessary for initiating and carrying out the project and to comply with the principles of sound financial management, in particular value for money and cost-effectiveness. In other words it must not exceed the ceiling set in the Annex C - Ceilings for expenditures.

Annex C values will be periodically updated (this annex will be published on the programme website <http://www.interregrobg.eu/en/>) and during the implementation period of the projects, the beneficiaries may use the updated version, provided the total budget per category of expenditure (travel and accommodation, external expertise and services, equipment, infrastructure and works) is not exceeded.

**Ceilings will apply in implementation for all items listed. Exceeding these ceilings will be performed on the own risk of the beneficiary (the difference between the ceilings and the paid price which exceeds the ceiling will be supported by the beneficiary).**

**Also, the first level controllers will have to check the compliance of the prices with the Ceilings for expenditure in force at the moment of the validation (Annex C to the Applicant's Guide, the prices being calculated without VAT).**

The tables below show two examples for project ceilings that can be used for guidance purposes

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### Example no.1:

Equipment	Ceilings from Annex C of the Applicant's Guide	Beneficiary estimated purchase price (used by the beneficiary as internal project management tool)	Budget included in the Application Form for Equipment	Procurement procedure price
Equipment 1	5,000 euro	4,500 euro	13,500 euro	4,900 euro
Equipment 2	4,000 euro	3,500 euro		4,000 euro
Equipment 3	6,000 euro	5,500 euro		4,600 euro

After procurement is finalized, the purchase price for each equipment was below the maximum ceiling from Annex C to the Applicant's Guide for the respective item. In this case, the ceilings set in the Annex C - Ceilings for expenditures, were not exceeded and the expenditure will be validated by the controllers (4,900 euro for equipment 1; 4,000 euro for equipment 2 and 4,600 for equipment 3).

### Example no.2:

Equipment	Ceilings from Annex C of the Applicant's Guide	Beneficiary estimated purchase price	Budget included in the Application Form for Equipment	Procurement procedure price
Equipment 1	5,000 euro	4,500 euro	13,500 euro	5,500 euro
Equipment 2	4,000 euro	3,500 euro		3,500 euro
Equipment 3	6,000 euro	5,500 euro		4,500 euro

In the table number 2, in case of equipment 1, the purchase price exceeds the maximum ceiling from Annex C for that item, and the difference between the ceilings and the paid price which exceeds the ceiling will be supported by the beneficiary. In conclusion the beneficiary will support from own financial resources 500 euro (5,000 euro-5,500 euro). The controller will validate 3,500 euro for equipment 2; 4,500 euro for equipment 3 and only 5,000 euro for equipment 1.

In case, that in evaluation phase, the ceiling for one item was exceeded and was considered justified by the evaluators and approved by MC, that cost for the respective item should be considered when eligibility is established by the controllers.

### 5. Budget. Changes in budget

The project budget has to be in line with the activities planned, the project's duration and the number of partners involved. However, a detailed budget is no longer requested to be filled in the Application Form / to be provided during project implementation.

A project budget refers only to 7 large categories of expenditure (6 for soft projects):

1. Travel and accommodation
2. External expertise and services
3. Equipment
4. Infrastructure and works (if the case)
5. Project preparation
6. Staff costs
7. Office and administrative costs

Amounts are filled in with maximum 2 decimals in the Application Form, for each beneficiary and for each of the categories of expenditure 1-5 mentioned above. Amounts will include VAT corresponding to eligible expenditure, if eligible.

For the first call for proposals, Staff costs and Office and administrative costs are determined and reimbursed based on a flat rate established at the moment of submission of the Application Form.

For the second call for proposals, each project can choose at the moment of submission of the Application Form between using flat rate or real costs for the reimbursement of Staff costs, which will be used by all beneficiaries in that project. Office and administrative costs are determined and reimbursed based on a flat rate established before the moment of submission of the Application Form.

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The applicable option chosen for Staff costs (for the second call for proposals), as well as flat rate/s will remain unchanged during the entire project duration (see also [Chapter 6. Simplified Costs](#)).

*Up to the decision of each beneficiary, detailed budgets can be used at project level as an internal project management tool, but they are not officially requested by the management structures of the programme, neither during project submission, nor during project implementation!*

The budget of applicants located **outside the eligible area** that do not have exclusive competences in the eligible area (proven by a legal document) in the field addressed by the project is limited to 20% from the total eligible budget of the project.

Also, irrespective of the location of a beneficiary the project activities that take part outside the eligible area cannot exceed 20% from the total eligible budget of the project.

**Flexibility within the categories of expenditures 1, 2 and 3** is granted to the beneficiaries, as long as the following 2 conditions are met:

1. the programme ceilings - Annex C to the Applicant's Guide - are observed (please note that the prices in the list exclude the VAT!) and
2. the number of equipment/description of necessary services/works from the description of activities is observed and correlation with activities is clear for all costs.

### Example:

*A beneficiary has 9.000 Euro in the budget for Equipment.*

*In section 2.3 of the Application Form, 3 equipment were considered necessary for activity implementation and were described as purchases for the respective beneficiary. When filling-in the budget in the application Form, the estimated cost considered for each equipment was 3000 Euro, thus 9000 Euro were foreseen in the project budget for Equipment.*

### Step 1

*Direct Procurement is used for Equipment 1 and it was purchased for 2900 Euro. This is below the maximum ceiling from Annex C to the Applicant's Guide for the respective item (3000 Euro). If all other legal provisions were met regarding the procurement (and the purchase contract it hasn't been divided into several separate contracts of lower value with the purpose of avoiding the application of the provision of national procurement legislation / the provisions stipulated in*



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*Annex 7, which establishes its obligations in relation to certain thresholds), the expenditure will be validated by controllers and will be reimbursed.*

*The budget line Equipment has now  $9000 - 2900 = 6100$  Euro still available.*

### Step 2

*Direct Procurement is used for Equipment 2 and it was purchased for 2970 Euro. This is below the maximum ceiling from Annex C to the Applicant's Guide for the respective item (3100 Euro). If all other legal provisions were met regarding the procurement (and the purchase contract it hasn't been divided into several separate contracts of lower value with the purpose of avoiding the application of the provision of national procurement legislation / the provisions stipulated in Annex 7, which establishes its obligations in relation to certain thresholds), the expenditure will be validated by controllers and will be reimbursed.*

*The budget line Equipment has now  $6100 - 2970 = 3130$  Euro still available.*

### Step 3

*Direct Procurement is used for Equipment 3 and it was purchased for 3130 Euro. This is below the maximum ceiling from Annex C to the Applicant's Guide for the respective item (3200 Euro). If all other legal provisions were met regarding the procurement (and the purchase contract it hasn't been divided into several separate contracts of lower value with the purpose of avoiding the application of the provision of national procurement legislation / the provisions stipulated in Annex 7, which establishes its obligations in relation to certain thresholds), the expenditure will be validated by controllers and will be reimbursed.*

*The budget line Equipment has now  $3130 - 3130 = 0$ .*

	<i>Equipment 1</i>	<i>Equipment 2</i>	<i>Equipment 3</i>	<i>Budget included in the Application Form for Equipment</i>
<i>Ceilings from Annex C to the Applicant's Guide</i>	3000	3100	3200	

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<i>Beneficiary estimated purchase price for the respective item (used as internal project management tool)</i>	3000	3000	3000	<b>9000 euro</b>
<i>Procurement for equipment 1</i>	2900			<b>6100 euro still available</b>
<i>Procurement for equipment 2</i>		2970		<b>3130 euro still available</b>
<i>Procurement for equipment 3</i>			3130	<b>0 - all money allocated was used</b>

*No need for addendum / notifications as long as the programme ceilings were observed and the equipment purchased were described in the project activities section within the Application Form and are necessary for project implementation.*

*In the same time, please be aware that the characteristics of the equipment foreseen within the approved application form must be observed by the beneficiaries when procuring the respective equipment during the implementation period. Please be informed that the characteristics of the equipment within the ceiling list may be considered as minimum if, when preparing the technical documentation for the procurement, the technical characteristics foreseen within the ceiling are respected, but it is clearly mentioned in the procurement documentation that offers for products with superior/better technical characteristics will be accepted.*

*Compliance with the ceiling list and the characteristics of the equipment foreseen within the application form is important for expenditure eligibility. Observing the ceiling list, therefore observing the budget but not observing the characteristics can have financial consequences, such as non-eligibility of expenditure, due to the fact that it is not corresponding with the approved application form. However, when that happens, such financial consequences can be avoided if an addendum is submitted with **a detailed and strong justification for changing the characteristics of the equipment foreseen within the application form.***

Any other changes within the project budget, including budget reallocation between project beneficiaries are considered substantial changes in the content of the project and will be subject to an addendum to the contract (see also [Chapter 15. Notifications/contract addenda](#)).

The budgets of the approved projects are financed in proportion of:

- 85% from ERDF;
- 13% from national Romanian/Bulgarian co-financing;
- 2% own contribution of the beneficiary.

Advance will be granted by each Members State, from national co-financing, namely:

- 60% from the 13% (national co-financing) for Romanian beneficiaries;
- 80% from the 13% (national co-financing) for Bulgarian beneficiaries.

Project costs are to be supported by the beneficiaries until they are reimbursed by the Programme (see also Chapter 14. Reimbursement claims).

## 6. Simplified costs

The Simplified Cost Options consisting in flat rates apply for the following categories of expenditure: Office and administrative costs and, optionally, to Staff costs.

**Flat rate financing is applying a percentage (fixed ex ante) to a calculation basis, consisting of one or several categories of eligible costs, which are clearly identified in advance.**

The calculation basis for the application of the flat-rates for Staff costs and Office and administrative costs for INTERREG V-A Romania-Bulgaria will consist in the following eligible direct costs: *Travel and accommodation, External expertise and services, Equipment, Infrastructure and works and Staff costs (when it is not opted for using flat rate for Staff costs* - for projects under the second call).

The following specific flat rates shall apply for INTERREG V-A Romania-Bulgaria:

**Office and administrative costs** - will be reimbursed based on a flat-rate of 5 % for soft projects and 1% for hard projects applied to the calculation basis, as defined above.

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Office and administrative costs will include: office rent; insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurances); utilities (e.g. electricity, heating, water); office supplies; general management, accounting provided inside the beneficiary organization; archives; maintenance, cleaning and repairs; security; IT systems; communication (e.g. telephone, fax, internet, postal services, business cards); bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened; charges for transnational financial transactions.

The office and administrative costs mentioned above will not be requested / will not be accepted for reimbursement under other categories of expenditure!

### Staff costs

Each beneficiary can opt to use real costs or simplified cost options for Staff costs at the moment of submission of the application form, for the second call. **The option can't be modified by the beneficiary at a later stage (during assessment, contracting or implementation)!**

In case it was opted for simplified cost option, Staff costs will be reimbursed based on a flat rate of maximum 15% for soft projects and maximum 5% for hard projects, applied to the calculation basis, as defined above.

For projects externalizing parts of the project management (*including external expertise related to the organisation of the public procurements for the project, services related to the financial and technical reporting for the project*), the estimated value of the externalized parts of the project management will be mentioned within the application form and the flat rate will be diminished proportionally:

$$\text{Staff flat rate} = \frac{[\text{Maximum flat rate for staff for the respective type of project} * \text{calculation basis} - \text{amounts for project management}] * 100}{\text{calculation basis}}$$

### Example:

*For a soft project with 2 partners, using flat rate for Staff costs and having the following budget:*

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SOFT PROJECTS		TOTAL		Verification alerts	Lead Beneficiary	Beneficiary 2
					RO	BG
<b>! Amounts will exclude net revenues - for revenue generating projects!</b>	Percentages and rates (%)	Total Net Eligible Expenditure	% from total budget at project level		Net eligible expenditure	Net eligible expenditure
Travel and accommodation		5 000,00	1,86%		2 570,00	2 430,00
External expertise and services		100 000,00	37,11%		70 000,00	30 000,00
Out of which external expertise and services related to the project management		10 000,00	3,71%		10 000,00	0,00
Equipment		110 000,00	40,82%	SOFT PROJECT	63 000,00	47 000,00
TOTAL (calculation basis)		215 000,00	79,78%		135 570,00	79 430,00
Project preparation (maximum 10% of calculation basis)	10,00%	21 500,00	7,98%	OK	20 000,00	1 500,00
Staff costs - flat rate of maximum 15% of calculation basis for soft projects and maximum 5% of calculation basis for hard projects, calculated according to the Applicant Guide	10,35	22 252,51	8,26%		14 031,50	8 221,01
Office and administrative costs - flat rate of 5% of calculation basis for soft projects and 1% of calculation basis for hard projects	5,00%	10 750,00	3,99%		6 778,50	3 971,50
TOTAL project net eligible budget		269 502,51	100,00%		176 380,00	93 122,51
Total ERDF		229 077,13	85,00%	ERDF	149 923,00	79 154,13
Total National Cofinancing, out of which:		35 035,33	13,00%	National Cofinancing, out of	22 929,40	12 105,93
Total RO State Budget		22 929,40		RO State Budget	22 929,40	0,00
Total BG State Budget		12 105,93		BG State Budget	0,00	12 105,93
Total Own Contributions		5 390,05	2,00%	Own Contributions	3 527,60	1 862,45

\*The flat rate for staff was calculated as follows:

$$\text{Staff flat rate} = \frac{[15\% * 215,000 - 10,000] * 100}{215,000} = 10.35\%$$

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*The maximum flat rate for staff for soft projects, namely 15% applied to the sum of amounts for Travel and accommodation, External expertise and services = 15% \* [5,000 + 100,000 + 110,000] = 15% \* 215,000 = 32,250 Euro*

*32,250 Euro - 10,000 Euro = 22,250 Euro, which represents 10,35% from the calculation basis = flat rate for staff applicable for the project.*

***!During project implementation only costs included in Travel and accommodation; External expertise and services; Equipment and Infrastructure and works and Project preparation will be subject to control of the supporting financial documents!***

**The methodology for calculation of the flat rates will remain the same for all beneficiaries for the entire project implementation period!**

**The beneficiaries will not be obliged to report or prove categories of costs calculated on the basis of a flat rate<sup>1</sup>, but only the eligible costs included in the calculation basis for the application of the flat rate (the eligible direct costs: travel and accommodation, external expertise and services, equipment, infrastructure and works).**

Correct classification of costs and absence of double declaration of costs shall be verified.

**Management verifications (including controllers) and audits will not check supporting documents for real costs under a category of expenditure calculated by a flat-rate<sup>2</sup>, but only supporting documents for costs included in the calculation basis for the application of the flat-rate.**

**In the case of categories of costs for which flat rates apply, the beneficiaries are entitled to be reimbursed costs in due proportion with the direct eligible costs included in the calculation basis for applying the flat rate!**

**No costs incurred and paid under Travel and accommodation, External expertise and services, Equipment, Infrastructure and works will result in no right to be reimbursed amounts for Staff costs and Office and Administrative costs!!**

<sup>1</sup> According to the EC Guidance on Simplified Cost Options, [http://ec.europa.eu/regional\\_policy/index.cfm/en/information/legislation/guidance/](http://ec.europa.eu/regional_policy/index.cfm/en/information/legislation/guidance/), page 37

<sup>2</sup> Idem, page 31

The percentage used when requesting costs under a category of expenditure for which a flat rate will remain the same for all reimbursement requests!!

This rule shall apply irrespective of whether different amounts were already actually paid by the beneficiary for the respective category of costs for which flat rates apply.

All other categories of eligible costs applicable under INTERREG V-A Romania-Bulgaria will be reimbursed based on eligible costs actually incurred and paid:

**Project preparation** - consist in eligible costs (according to the Rules on Eligibility of Expenditure approved by the MC) actually incurred and paid, in the limit of maximum 10% of the following eligible direct costs included in the project budget for: Travel and accommodation, External expertise and services, Equipment and Infrastructure and works.

**Travel and accommodation** - consist in eligible costs (according to the Rules on Eligibility of Expenditure approved by the MC) actually incurred and paid

**External expertise and services** - consist in eligible costs (according to the Rules on Eligibility of Expenditure approved by the MC) actually incurred and paid

**Infrastructure and works** - consist in eligible costs (according to the Rules on Eligibility of Expenditure approved by the MC) actually incurred and paid

and, when it was not opted for simplified cost options for Staff costs (for projects under the second call):

**Staff costs** - consist in eligible costs (according to the Rules on Eligibility of Expenditure approved by the MC) actually incurred and paid.

## 7. Procurement procedures

Procurement is a process used by beneficiaries receiving public funds for choosing and contracting providers of goods, services and works by ensuring transparency and equal treatment of the potential providers. Independent from their legal status, all project partners implementing projects in the framework of the INTERREG V-A Romania-Bulgaria Programme must comply with the relevant national procurement legislation and the provisions stipulated in Annex 7 (Annex 4 of the subsidy contract - *Competitive procedure for Romanian private applicants/beneficiaries regarding the*

*assignment of supplies, services and works contracts financed within Interreg V-A Romania-Bulgaria Programme*). The main principles when procuring goods, services or works are the principles of transparency, proportionality, non-discrimination and equal treatment. Projects which cannot prove the award of contracts in compliance with the procurement rules risk having expenditure ruled ineligible.

### 8. Revenue generating projects

The following articles of EU Regulations are the legal basis to be taken into account as far as revenues are concerned:

- Articles 61 to 65(8) and Annex V of Regulation (EU) No 1303/2013
- Articles 15 to 19 of Delegated Regulation (EU) No 480/2014

According to paragraph 1 of Article 61 of Regulation (EU) No 1303/2013, “net revenue” means cash in-flows directly paid by users for the goods or services provided by the project, such as charges borne directly by users for the use of infrastructure, sale or rent of land or buildings, or payments for services less any operating costs and replacement costs of short-life equipment incurred during the corresponding period.

The eligible expenditure of the project shall be reduced in advance taking into consideration the potential of the operation to generate net revenue over a specific reference period that covers both implementation of the project and the period after its completion. Article 61 paragraph 3 lists several methods for determining in advance the potential net revenue. The Programme has chosen the method foreseen at point b:

*“calculation of the discounted net revenue of the project, taking into account the reference period appropriate to the sector or subsector applicable to the operation, the profitability normally expected of the category of investment concerned, the application of the polluter-pays principle and, if appropriate, considerations of equity linked to the relative prosperity of the Member State or region concerned.”*

***Therefore, the project’s budget annexed to the Application Form shall not include the net revenue. The net revenue shall be mentioned, however, in the application form.***



Thus, projects generating net revenue are requested to estimate the net revenue and exclude it from the project budget at the moment of the project submission. Nevertheless, the following cases may appear:

- ***Projects for which it is objectively impossible to estimate the net revenue in advance***

Pursuant to paragraph 6 of Article 61 of Regulation (EU) No 1303/2013, where it is objectively not possible to estimate the revenue in advance, the net revenue generated within three years of the completion of the project or by the Programme closure deadline, whichever is earlier, must be deducted from the project's eligible value.

Projects falling into the scope of this legal provision shall self-declare the net revenue generated during the first three years after project closure or Programme closure deadline, whichever comes first. ERDF reimbursements to the Programme shall be made accordingly.

- ***Projects for which the deducted discounted net revenue was initially underestimated***

If the discounted net revenue deducted from the project's budget before submitting the Application Form was underestimated, then this will have to be regularized.

The additional net revenue generated during implementation of the project, resulting from sources of revenue not taken into account in determining the potential net revenue of the project, shall be deducted from the eligible expenditure of the project.

***Therefore, beneficiaries need to be aware of the fact that in case of projects generating net revenue, a close monitoring will be put in place by the Programme and they will be requested to declare any additional net revenue generated, which will have to be reimbursed to the Programme.***

## 9. State aid

According to Article 107 (ex. Article 87) of the Treaty on the Functioning of the European Union, state aid is defined as “any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favoring certain undertakings or the production of certain goods”, therefore affecting trade between Member States.

State aid applies when **all five criteria** listed below are met (these criteria are cumulative, so if one of the State aid criteria is not met, the grant in question does not constitute State aid):

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1. Presence of **State resources**. The state-aid norms comprise exclusively the measures that imply the public sources/resources transfer (including from national, regional and local authorities, banks and public foundations, etc.). Moreover, the aid does not need to be granted by the state as such. The aid can be granted by a public or private intermediate body appointed by the state. The criterion is always fulfilled for CBC Programmes.
2. The measure granted confers an **economic advantage** (a benefit) **to an undertaking**, which it would not have otherwise received. First of all it is important to analyse whether the recipient of the aid is an undertaking. The State aid case-law considers an undertaking any entity engaged in an economic activity, regardless of its legal status and the way in which it is financed (an undertaking can be a public body, a charity, a NGO, an association, an university etc.). Economic activity means the supply of goods and services on a given market. The application of the State aid rules as such does not depend on whether the entity is set up to generate profits, as also non-profit entities can offer goods and services on a market too. The only relevant criterion is to decide whether or not the entity carries out an economic activity in the context of the ETC project. Also, the State authorities may themselves be considered as undertakings when they are involved in economic activities. With regard to the economic advantage, an advantage, within the meaning of Article 107(1) TFEU, is any economic benefit which an undertaking would not have obtained under normal market conditions, i.e. in the absence of State intervention.
3. The measure granted by the State is **selectively** favoring certain undertakings or the production of certain goods. Not all measures which favor economic operators fall under the notion of aid, but only those which grant an advantage in a selective way to certain undertakings or categories of undertakings or to certain economic sectors. An analysis of the selective nature is relevant when there is an indirect advantage. For example, in the cases involving research, if the results of the research are made available to a limited number of undertakings there might be a selective economic advantage granted to those undertakings. In order to avoid the selectivity issues in such a case ensuring a sufficient promotion of the results, by means of publication in speciality magazines and/or on the project's web page.
4. **The grant distorts or threatens to distort competition**. A measure granted by the State is considered to distort or threaten to distort competition when it is liable to improve the

competitive position of the recipient compared to other undertakings with which it competes. A distortion of competition within the meaning of Article 107 TFEU is thus assumed as soon as the State grants a financial advantage to an undertaking in a liberalized sector where there is, or could be, competition. A possible distortion of competition is excluded if (1) a given service is subject to a legal monopoly (established in compliance with EU law) and is not in competition with similar (liberalised) services and (2) the service provider cannot be active (due to regulatory or statutory constraints) in any other liberalised (geographical or product) market.

5. **The grant affects trade between Member States.** An advantage granted to an undertaking operating in a market which is open to competition will normally be assumed to affect trade between Member States. However, if the service in question is of a merely local interest there is no effect on trade between Member States. In order to assert that this criterion is not fulfilled, the project in question must have a mere local impact. If State support is granted to an activity which has a **purely local impact**, there may not be an effect on intra-EU trade, e.g. where the beneficiary supplies goods or services to a limited area within a Member State and is unlikely to attract customers from other Member States. Moreover, the measure should have no - or at most marginal - foreseeable effects on cross-border investments.

**Please bear in mind that within INTERREG V-A Romania -Bulgaria no state aid is granted, any activities fulfilling all the above criteria cannot be financed under the Interreg V-A Romania-Bulgaria.**

Considering the activities financed under the Interreg V-A Romania-Bulgaria Programme, activities for which the beneficiaries do not act as economic operators and for which there are no considerations to assume that the competition will be distorted, the projects are not subject to state aid rules.

To this end, to ensure that any Lead beneficiary and project beneficiary complies with the state aid law, the Programme has set up the following conditions:

- All expenditure must be made according to the national laws on public procurement of the country on whose territory the partner which organizes the procedure is located. For Romanian NGOs a special procedure is applicable. The procedure for the Romanian NGO may be changed unilaterally by the Managing Authority. The procurement procedure

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(performed by either Romania/Bulgarian partners) has to be open (to allow all interested and qualified bidders to participate in the process), transparent, sufficiently well-publicized, non-discriminatory and unconditional. When a tender procedure complies with these principles, it can be presumed that the transactions are in line with normal market conditions. For direct procurements the market price level is observed (try to refer to any well-known suppliers available at national level - print screen from websites are accepted and recommended).

- The project must not create an economic advantage to an economic operator/undertaking. The undertakings are defined as entities engaged in an economic activity, regardless of their status and the way in which are financed. The classification of a particular entity as an undertaking thus depends entirely on the nature of its activities. This general principle has three important consequences:
  - First, the status of the entity under national law is not decisive. For example, an entity that is classified as an association or a sports club under national law may nevertheless have to be regarded as an undertaking within the meaning of Article 107(1) of the Treaty. The only relevant criterion in this respect is whether it carries out an economic activity.
  - Second, the application of the state aid rules as such does not depend on whether the entity is set up to generate profits.
  - Third, the classification of an entity as an undertaking is always relative to a specific activity. An entity that carries out both economic and non-economic activities is to be regarded as an undertaking only with regard to the former. Any activity consisting in offering goods and services on a market is an economic activity.
- A service that is reimbursed at market price is not conveying an advantage. All studies, outputs or other results of the non-investment research and development projects shall be made available for free to all interested individual or legal persons, in a non-discriminatory way. This includes securing public access to the project results.

In the field of research&development&innovation activities, the following activities are generally of a non-economic character:

- a) primary activities of research organisations and research infrastructures, in particular:

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- ✓ education for more and better skilled human resources. Public education organised within the national educational system, predominantly or entirely funded by the State and supervised by the State is considered as a non-economic activity
  - ✓ independent R&D for more knowledge and better understanding, including collaborative R&D where the research organisation or research infrastructure engages in effective collaboration<sup>3</sup>
  - ✓ wide dissemination of research results on a non-exclusive and non-discriminatory basis, for example through teaching, open-access databases, open publications or open software.
- b) knowledge transfer activities, where they are conducted either by the research organisation or research infrastructure (including their departments or subsidiaries) or jointly with, or on behalf of other such entities, and where all profits from those activities are reinvested in the primary activities of the research organisation or research infrastructure. The non-economic nature of those activities is not prejudiced by contracting the provision of corresponding services to third parties by way of open tenders.

Where a research organisation or research infrastructure is used for both economic and non-economic activities, public funding falls under state aid rules only insofar as it covers costs linked to the economic activities. Where the research organisation or research infrastructure is used almost exclusively for a non-economic activity, its funding may fall outside state aid rules in its entirety, provided that the economic use remains purely ancillary, that is to say corresponds to an activity which is directly related to and necessary for the operation of the research organisation or research infrastructure or intrinsically linked to its main non-economic use, and which is limited in scope. This should be considered to be the case where the economic activities consume exactly the same inputs (such as material, equipment, labour and fixed capital) as the non-economic activities and the capacity allocated each year to such economic activities does not exceed 20 % of the relevant entity's overall annual capacity. Making the project results available only for certain individual or legal persons is strictly forbidden! Also, the project results should not create an economic advantage to a certain undertaking/activity/the production of certain goods.

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<sup>3</sup> Provision of R&D services and R&D carried out on behalf of undertakings are not considered as independent R&D

However, if State support is granted to an activity which has a purely local impact, there may not be an effect on intra-EU trade, e.g. where the beneficiary supplies goods or services to a limited area within a Member State and is unlikely to attract customers from other Member States. Moreover, the measure should have no-or most marginal-foreseeable effects on cross-border investments in the sector or the establishment of firms within the EU's Single Market.

For projects financed under Priority Axis 1 - A well connected region, specific objective 1.1 - *improve the planning, development and coordination of cross border transport systems for better connections to TEN-T transport networks*, the following conditions must also be observed:

- the operation and administration of the infrastructure are tendered out/procured in accordance with the EU and national legislation respecting the principle of open, transparent and non-discriminatory procurement
- the royalty, for the leased infrastructure, must be established in an objective and transparent manner in order to ensure that does not confer an economic advantage, therefore the royalty must be proportional to the value of the leased infrastructure

Also, for specific objective 1.2 - *increase transport safety and maritime transport routes*, the following must be observed:

- the beneficiaries may be only public bodies which have the right to declare a service as a service of “general economic interest” and when applying for a project, the service must be defined through a legal/administrative act as a “service of general economic interest”;
- the infrastructure for implementing the project has to be the property of the public body, only the administration and services may be entrusted to an economic operator through a public tender procedure, and only under the condition that the economic operator pays a proportional market royalty to deliver this service) and only in such manner that the rent for the infrastructure administration and the royalty for service operation paid by the economic operator are at the market price (e.g. if a ferry crossing point is developed, the public authority must be the owner of the infrastructure-port and ferryboat- and the service of transferring passengers may be externalized to an economic operator, through a public tender procedure, and only under the condition that the economic operator pays a market royalty to deliver this service);

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- the beneficiary has the obligation to stipulate in the contract that all renovation or reparation works must be supported by the economic operator to who the contract is awarded.

*The existence of state aid is excluded where the State acts by exercising public power or where authorities emanating from the State act in their capacity as public authorities. Any entity may be deemed to act by exercising public powers where the activity in question is a task that forms part of the essential functions of the State or is connected with those functions by its nature, its aim and the rules to which it is subject. Generally speaking, unless the Member State concerned has decided to introduce market mechanisms, activities that intrinsically form part of the prerogatives of official authority and are performed by the State do not constitute economic activities. Examples are activities related to: the army or the police; air navigation safety and control; maritime traffic control and safety; anti-pollution surveillance and the organisation, financing and enforcement of prison sentences.*

For Priority axis 2 - a green region, the following conditions must be observed:

- Research infrastructures may perform both economic and non-economic activities. In order to avoid granting state aid to economic activities through public funding of non-economic activities, the costs and financing of economic and non-economic activities should be clearly separated. Where an infrastructure is used for both economic and non-economic activities, the funding through state resources of the costs linked to the non-economic activities of the infrastructure does not constitute state aid. If the infrastructure is used almost exclusively for a non-economic activity, its funding may fall outside state aid rules in its entirety, provided that the economic use remains purely ancillary, that is to say, an activity which is directly related to and necessary for the operation of the infrastructure or intrinsically linked to its main non-economic use, and is limited in scope. This should be considered to be the case where the economic activities consume exactly the same inputs (such as material, equipment, labour and fixed capital) as the non-economic activities and the capacity allocated each year to such economic activities does not exceed 20 % of the relevant entity's overall annual capacity.
- Wide dissemination of common tourism products and services on a non-exclusive and non-discriminatory basis. The tourism products/cultural events must not grant an advantage in a selective way to certain undertakings or categories of undertakings,



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therefore they must not contain any reference to a particular tour operator /some tour operators

For Priority axis 4 - A skilled and inclusive region, the following conditions must be observed:

- The beneficiaries must set fees in line with the market prices, for the economic operators who establish their headquarters in a business infrastructure facility.
- Please note that the people participating in training sessions / courses must apply on their own name and not as employees sent to trainings by the employing company (training sessions/courses must address all the interested people and not employees of a particular employer/ employees of some employers).

***All State Aid provisions must be observed for any type of action.***

*The lead beneficiary and the project beneficiaries have to ensure that the planned activities are set up and implemented in compliance with national legislation related to competition. Each project beneficiary signs and submits to each first level control request a declaration on own responsibility regarding state aid, declaring their compliance with Programme conditions related to the state aid law.*

*The observance of the above mentioned conditions is closely verified / monitored by the programme bodies at all levels (first level controllers, JS through monitoring visits, MA, NA) during the implementation period of the projects.*

*In case the programme bodies find out that the lead beneficiary or any project beneficiary made false declarations regarding state aid, the Managing Authority is entitled to terminate the financing contract, in whole or in part, and to demand repayment of the amounts already paid.*

## 10. Horizontal theme

Sustainable development, equal opportunities and non-discrimination, as well as equality between men and women, are three major horizontal principles that constitute an integral part of EU policy and of the Programme. The projects financed by the Programme **have to promote these principles whenever possible**. Projects should consider what their overall influence as regards these principles is.



**Every choice you make counts!**

In practical terms, projects should reflect the horizontal principles in their activities, outputs and results. Beneficiaries should find the most suitable ways to promote sustainable development, equal opportunities and non-discrimination, and equality between men and women, including via the approach they take and the solutions and outputs they develop.

**The accomplishment of the minimum requirements of law in the fields of promotion of equal opportunities and non-discrimination, equality between men and women and sustainable development is mandatory for all projects and will be monitored during project implementation!**

Projects are however expected to take concrete actions at operational level more than just accomplishing the minimum required by law, but to **actually have a substantial added value towards promotion** of the equal opportunities and non-discrimination, equality between men and women and sustainable development.

**JS/MA/NA will gladly share your good practices!**

Projects' actions for the promotion of the horizontal principles will be monitored and reported in the Programme implementation reports of the programme, according to the relevant procedures (see also [Chapter 19. Progress reports](#)).

Please note that the Lead beneficiary is required to draw up and submit together within the final report **the equal opportunities and non-discrimination questionnaire - Annex 19.2** (where they will have to explain their contribution to equal opportunities and non-discrimination - how the equal opportunities principle were anchored within the project and its activities. They will also provide data on participants in terms of gender, age, employment status, education and disabilities) **and also the questionnaire on environmental protection - Annex 19.3** (where the beneficiaries will have to describe the way the projects respected the cross border legislation on environment and contributed to sustainable development and how the sustainable development principles were reflected in the activities).

### 10.1. Sustainable development

Sustainable development stands for meeting the needs of present generations without jeopardising the ability of future generations to meet their own needs - in other words, a better quality of life for everyone, now and for generations to come.

Choosing the sustainable way means commit to preserve and protect the environment from potential harmful effects of human interventions and to enforce the safeguard of social, environmental and climate benefits. It requires everyone to make decisions in a way that the economic, ecological and social effects of each decision are taken into account.

There are several examples about how projects can implement sustainability on the operational level:

- **Carefully consider the impacts of the project activities on economical, ecological and social aspects** within the project eligible area targeted.
- Consider giving priority to using “green infrastructure” solutions over “grey solutions” whenever this is possible
  - **Communication of the EC on Green Infrastructure** [http://eur-lex.europa.eu/resource.html?uri=cellar:d41348f2-01d5-4abe-b817-4c73e6f1b2df.0014.03/DOC\\_1&format=PDF](http://eur-lex.europa.eu/resource.html?uri=cellar:d41348f2-01d5-4abe-b817-4c73e6f1b2df.0014.03/DOC_1&format=PDF)
  - **EC Thematic Guidance for Biodiversity, Green Infrastructure, Ecosystem Services and NATURA 2000**  
([http://ec.europa.eu/regional\\_policy/sources/docgener/informat/2014/guidance\\_fiche\\_biodiversity\\_n2000.pdf](http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_fiche_biodiversity_n2000.pdf)) and
  - **EC Thematic Guidance for Climate Change Adaption, Risk Prevention and Management**  
[http://ec.europa.eu/regional\\_policy/sources/docgener/informat/2014/guidance\\_fiche\\_climat\\_change.pdf](http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_fiche_climat_change.pdf)
- **Practice to make your daily working choices the sustainable way** - whether it is about buying office equipment or supplies, planning of meetings and business trips, preparing of printed publications and information material, contracting external service providers at fair conditions or other activities.

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- **Rethink your meeting habits** in order to minimise environmental impact. Although meeting people and talking to each other is at the heart of cross-border cooperation, travelling, in particular flying, has negative environmental impact as concerns the CO<sub>2</sub> emission. Therefore, it is important to consider the following options when arranging a meeting:
  1. Is it necessary to meet face-to-face or will an online meeting be enough? Online tools for meetings can replace some face-to-face meetings. Several services are free of charge or not very costly.
  2. Can different meetings be combined in one place? Is the location accessible for participants without using a plane and/or car? Is travel without plane/car possible and realistic?
- **Buy green** - analyse options for green procurement and reduction of waste generation. Please consult the information sources available to help you make the green choices in your everyday activities, out of which some can be consulted at the following links:
  - Green public procurement website (European Commission): useful links, publications and reliable sources [http://ec.europa.eu/environment/gpp/faq\\_en.htm#general1](http://ec.europa.eu/environment/gpp/faq_en.htm#general1)
  - Handbook on green public procurement (European Commission) <http://ec.europa.eu/environment/gpp/pdf/handbook.pdf>
  - Public procurement for a better environment (Communication of the European Commission): <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52008DC0400&from=EN>

### 10.2. Equal opportunities and non-discrimination

In line with EU policies the Programme promotes equal opportunities and encourages the prevention of any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Applicants have to consider their project impacts along these principles and follow them through in project implementation.

Namely, at operational level, whenever it is possible, projects should:

- ensure that no discriminative action is carried out within projects and concerning any third parties (e.g. contractors, suppliers...);

- ensure equal opportunities for all interested parties and avoid limiting or discriminating with requirements or criteria when selecting service providers, suppliers or contractors;
- use gender-neutral language in the websites, brochures, information materials;
- take into account the needs of the various target groups at risk of discrimination;
- deliver solutions that help promote equal opportunities and non-discrimination, e.g. ensuring accessibility for persons with disabilities, making website accessible for persons with disabilities, actions directed towards reducing disparities and ensuring equal treatments to all groups and communities, designing transport solutions for areas that are geographically remote or have limited accessibility;
- include in the target groups ethnic minorities facing disadvantages;

### 10.3. Equality between men and women

Ensuring equality between men and women means in principle to make possible that everyone, regardless of gender, has the right to work and support themselves, to balance career and family life, and to live without the fear of abuse or violence.

Gender equality implies not only equal distribution between men and women in all domains of society. It is also about the qualitative aspects, ensuring that the knowledge and experience of both men and women are used to promote progress in all aspects of society, placing equal value and emphasis on the knowledge and skills of both men and women, including ensuring equal pay for work of equal value.

Applicants have to consider their project impacts along this principle and follow the principle through in project implementation.

Projects are expected to address the gender equality principle on the operational level and integrate the gender perspective in their activities, whenever this is possible. For instance:

- when building management and steering structures, projects should try to ensure the equal representation of men and women, as well as equal involvement in decision making. The project should also ensure equal pay for men and women.
- implement activities that respect gender equality, such as equal participation of women in the target groups and the promotion of the principle of gender equality.

- encourage the adjustment of the working conditions such that they suit both men and women.

## 11. Accounts

**Maintaining a separate and proper analytical accounting system for the project is an obligation for each beneficiary!**

**Maintaining a separate bank account opened exclusively for the project is an obligation only for the advance payment and only for the Romanian beneficiaries.**

All provisions of the national legislation must also be observed.

The Lead beneficiary must ensure that all beneficiaries do have such a proper analytical accounting system.

### Bank accounts

The ERDF is reimbursed only in Euro and will be transferred into the bank account indicated by the Lead Beneficiary according to the financial identification annex (**for ERDF reimbursement it is not mandatory to open and administer a special bank account exclusively for the project**). The Lead Beneficiary is responsible for the administrative and financial management of the project and for the transfer of the ERDF amounts to beneficiaries, according to the expenditures / contribution of each beneficiary to the project.

Each beneficiary from the partnership will receive the 13% out of its own budget, representing national co-financing in Lei/Leva from the national budget. The amounts will be sent directly to each beneficiary, in the bank account indicated. In case credits are obtained in the conditions foreseen in the contract and the bank/institution imposes on the project beneficiary to use its own account, then all the expenditures related to the project implementation must be performed from the respective account.

### Separate analytical accounting system

One of the conditions for expenditure to be considered eligible is to be recorded in the

beneficiaries' accounts and tax documents, to be identifiable and verifiable, and to be backed up by supporting documents.

In this respect, all beneficiaries have the obligation to ensure a proper analytical accounting system and analytical accounts for the project (in case the beneficiary is involved in one or more projects must ensure analytical accounts for each project). The accounting system must be in line with the national (Romanian/Bulgarian) legislation.

Controllers check the registration of the expenditure in the accounting system of the beneficiary, in separate analytical accounts dedicated to the project.

Reconciliation between the accounts of the Managing Authority and the analytical accounts of ERDF amounts of the Bulgarian lead beneficiaries dedicated to the project will be done at the moment of the final reimbursement request.

Reconciliation between the accounts of the Managing Authority and the analytical accounts of ERDF and co-financing amounts of the Romanian lead beneficiaries and project beneficiaries dedicated to the project will be done at the moment of the final reimbursement request.

**Each beneficiary from the partnership is responsible for uploading, in due time, in the eMS electronic system, the accounting reports and any other relevant documents,**

including copies of each supporting document (bills, documents related to the procurement procedures, payment documents, bank statements etc.), stamped with the project code, the number of the FLC request and the requested amount in the currency of the invoice. Controllers check for conformity all supporting documents provided by the beneficiaries for the expenditure that is checked during the control session (see also [Chapter 12. Preparing FLC requests](#) and [Chapter 13. FLC Control](#)).

## 12. Preparing FLC requests

In order to validate the expenditures, pursuant to Article 23(4) of the Regulation (EU) no. 1299/2014, each Member State (MS) set up a control system making it possible to verify the delivery

of the products and services co-financed, the soundness of the expenditure declared for projects implemented on its territory, and the compliance of such expenditure and of related projects with Union rules and national rules. For this purpose each MS designated the staff/system for carrying out management verification responsible for verifying the legality and regularity of the expenditure declared by beneficiaries participating in the projects:

- Similar to the previous Romania-Bulgaria CBC Programme 2007-2013 the CBC ROC is appointed as the body responsible with performing first level control for Romanian beneficiaries of the projects financed under priority axis 1-5 of INTERREG V-A Romania-Bulgaria, by setting up a First Level Control Unit outside the JS structure.
- The first level control in Bulgaria will be performed by independent controllers of the company *Partnership under the Obligations and Contracts act "Consultants for FLC"* contracted by the National Authority following tendering procedure for selection of a contractor to perform the first level control of expenditures incurred by Bulgarian beneficiaries in projects under Interreg V-A Romania - Bulgaria programme 2014-2020.

### How does the control work?

Each beneficiary has the obligations:

- to present all documents to the controllers in order to be verified before requesting the reimbursement;
- to ensure that its expenditures are checked and validated by a controller from the state on whose territory it is located, before the reimbursement request is submitted. In this respect, each beneficiary has the responsibility to request the first level control, in order for the expenditure to be validated. This request is addressed either to the Ministry of Regional Development and Public Works (for Bulgarian beneficiaries) or to the Regional Office for Cross Border Cooperation Călărași (for Romanian beneficiaries), according to the nationality of the respective beneficiary. The FLC covers 100% of all declared expenditures which will be validated by the first level controllers within a period of maximum 30 working days from the receipt of the first level control request (Annex 12.2) by the Ministry of Regional Development and Public Works Bulgaria or the Regional Office for Cross Border Cooperation Călărași. This deadline is suspended in case requests for clarification are submitted to the beneficiaries.

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- to present all necessary documents to the lead beneficiary so that the lead beneficiary is able to aggregate the information into reimbursement claims, progress reports and all other necessary documents, and send them to the JS.

The control procedure in the Interreg V-A Romania-Bulgaria follows the Lead beneficiary principle, which means that the verification of expenditure should be performed by the responsible controller at national level for each project beneficiary and the Lead Beneficiary is responsible to prepare the reimbursement claim at project level based on the expenditure validated at beneficiary level.

All contracts have an annex: *“Schedule for first level control requests and reimbursement claims” (Annex 2 of the subsidy contract)*. This annex estimates the amounts and the dates when the project beneficiaries intend to request the first level control and the amounts and the dates when the Lead Beneficiary plans to submit a reimbursement claim to the JS. In order to ensure timely submission, **the first level controls at project beneficiaries and lead beneficiary levels have to be scheduled carefully in relation to the submission estimated dates and the timing for first level verification**. Thus, it is very important to keep in mind that:

- the total amount to be requested for first level control mentioned within Annex 2 at the half of the implementation period cannot be changed throughout the project lifetime (decommitment at project level analysis is based on those amounts);
- when the amounts requested for first level control verification are lower compared to the total amount forecasted for the half of the implementation period as mentioned within Annex 2 to the subsidy contract, the MA is entitled to decommit project funds by reducing the original project budget and the corresponding ERDF contribution;
- first level controllers can carry out the control only after receiving all supporting documents for the requested expenditure;
- first level controllers perform the verification within 30 working days from the receipt the first level control request by the Ministry of Regional Development and Public Works Bulgaria or the Regional Office for Cross Border Cooperation Călărași, so we recommend you to request the first level control at least 40 working days before the estimated date for reimbursement claim submission. Below you may find some indicative deadlines:



Steps in FLC	Verification timeframe and indicative deadlines	
Preparation and submission of the first level control request	at least 40 working days before the estimated date for reimbursement claim submission	
Verification of expenditure, clarifications (if needed), performing on-the-spot visit, validation of expenditure and submission of the control documents	30 working days from the receipt of the first level control request	
Consolidating the information if more than one project beneficiary is requesting reimbursement of the expenditure, preparing and submitting the Reimbursement claim for the project by the Lead beneficiary to the JS		cc. 10 working days

- the lead beneficiary submits the reimbursement claim to the JS only after receiving and having checked the control documents (control report, on-the-spot report, FLC checklists, list of expenditure, FLC certificate) from the verified project beneficiaries.

**Please keep in mind that it is very important for the partnership to establish a clear timeline for the first level control requests and reimbursement claims submission.**

Also, the LB has the possibility to submit reimbursement claims to the Joint Secretariat at any given time for one or more beneficiaries, provided that the reimbursement claim is not lower than 5000 euro ERDF.

**Please note that a first level control request** will be considered any valid request for performing the first level control submitted by a beneficiary for eligible expenditure of at least 1.000 euro.

Each project beneficiary has to submit online through eMS electronic system a (public) procurement report (Annex 12.1 of the Project Implementation Manual).The project beneficiaries have to

continuously update the procurement report. The report includes the information regarding the tender procedures carried out (per project beneficiary) from the beginning of the project up to the current date. Completing this table, project beneficiaries inform the Programme structures on the procurement procedures process. Also, by consulting the procurement report, the first level controllers will be informed about the procurement procedures carried out by the project beneficiaries, about the modifications that have occurred in case of procurement contracts, being able to consult the procurement files/documents, but also to check for fraud indicators. If the eMS is not functional, this procurement report will be filled in by the beneficiaries.

### Steps in requesting FLC

- 1) Each project beneficiary as well as the Lead Beneficiary has to submit a Request for first level control (Annex 12.2) to declare its expenditure incurred and paid in the given reporting period for validation either to the Ministry of Regional Development and Public Works - in a paper version or to the FLC Unit within Regional Office for Cross Border Cooperation Călărași, according to the nationality of the respective beneficiary; (Public) Procurement Report (Annex 12.1); List of expenditure (Annex 12.3.1 format eMS or Annex 12.3.2 - in case the system eMS is not functional); Declaration on own responsibility regarding the VAT request (Annex 12.4), Declaration on own responsibility regarding the state aid (Annex 12.5) and Partner report - only in case the eMS system is functional (Annex 12.6). *Each project beneficiary as well as the Lead Beneficiary is responsible separately for having its expenditure validated by the responsible controller.*
- 2) All original supporting documents, including procurement documents, are stamped by the project beneficiary/lead beneficiary, with the project code (including the Programme's name, Interreg V-A Romania-Bulgaria) and should be written on the number of first level control request and the value of expenditure requested (invoice currency). **The requested amount will apply only on financial documents**, such as: invoices, travel orders or other supporting documents with equivalent probative value etc. The responsibility for supporting documents belongs to the beneficiary.
- 3) The controller (designated by ROC Calarasi/NA) verifies the expenditure declared by the project beneficiary/Lead Beneficiary, on the basis of the supporting documents such as: invoices or accounting documents of equivalent probative value, verifies the delivery of the products and services co-financed, that the works have been performed, the soundness of the expenditure declared, and the compliance of such expenditure with Community rules and relevant national

rules. The control is performed by the controller on desk and on-the-spot and covers administrative, financial, technical and physical aspects of projects, as appropriate.

- 4) After performing on desk verification in order to determine the eligible expenditures and also on-site verification of supporting documents, the controller issues the **control report**, the list of expenditure, control checklists containing the checks performed for the eligibility of expenditure, the FLC certificate, on-the-spot report (containing the findings of on-the-spot checks) and checklists for verification of (public) procurements (if applicable).
- 5) After the verification is finalized, the controller submits to the beneficiary the first level control report (including, if the case, the annex related to the financial corrections (only the Bulgarian FLC)), the list of expenditures, control checklists, the FLC certificate and on-the-spot report. The project beneficiary has to sign relevant documents, return necessary copies to the FL controller for further submission to the NA/ROC Calarasi, and in parallel submit necessary documents to the Lead Beneficiary for preparation of the reimbursement claim. In case the beneficiary has objections to the conclusions/findings of the FL controller, he/she can submit an appeal.
- 6) The Lead Beneficiary prepares the reimbursement claim based on the beneficiaries control reports and submits to the Joint Secretariat (JS) the reimbursement claim.

As a general rule, the expenditure incurred, in order to be eligible for reimbursement, must be justified by invoices or/and other related supporting documents. The expenditures eligibility will be determined inclusively by the accounting system verification. In order to be deemed eligible, in the project context, the costs must comply with the list of eligible expenditures, as approved by the Monitoring Committee of Interreg V-A Romania-Bulgaria.

**Which documentation must be provided to the first level controller?**

***In order to prepare the documents for the first level control request please have in mind that the verification of expenditures of LB/PB should be carried out based on the following documents:***

***Staff costs*** - by applying the flat rate option, partners do not need to document that the expenditure has been incurred and paid, or that the flat rate corresponds to the reality.

***Staff costs*** reimbursed on a real costs basis - depending on the assignment (full-time, part-time,

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contracted on an hourly basis) to work on the project, staff costs of each individual have to be calculated using one of the following methods:

<p><b>Full-time</b></p>	<p>An individual dedicates 100% of his/her working time to the project.</p> <p style="text-align: center;"><b>Staff costs = total of the gross employment cost</b></p> <p>The following main documents must be available for control purposes:</p> <ul style="list-style-type: none"> <li>- Administrative order for determining staff members.</li> <li>- Employment/work contract or an appointment decision/contract considered as an employment document. Job description providing information on responsibilities related to the project.</li> <li>- Payslips or other documents of equivalent probative value.</li> <li>- Proof of payment of salaries and the employer's contribution.</li> <li>- <i>No registration of the working time is required.</i></li> </ul>
<p><b>Part-time assignment with a fixed percentage of time worked on the project per month</b></p>	<p>An individual dedicates a fixed percentage of his/her working time to the project. The percentage of time to be worked on the project shall be fixed in the employment document (work contract/job description/other equivalent document) by the employer for each project staff member.</p> <p style="text-align: center;"><b>Staff costs = fixed percentage of the gross employment cost</b></p> <p>Example: 40% of working time is allocated to the project</p> <p>The following main documents must be available for control purposes:</p> <ul style="list-style-type: none"> <li>- Administrative order for determining staff members.</li> <li>- Employment/work contract or an appointment decision/contract considered as an employment document. Document setting out the percentage of time to be worked on the project per month (if not specified in the contract).</li> </ul>

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	<ul style="list-style-type: none"> <li>- Job description providing information on responsibilities related to the project.</li> <li>- Payslips or other documents of equivalent probative value.</li> <li>- Proof of payment of salaries and the employer's contribution.</li> <li>- <i>No registration of the working time is required.</i></li> </ul>
<p><b>Part-time assignment with a flexible number of hours worked on the project per month</b></p>	<p>An individual dedicates a flexible share of his/her working time to the project.</p> <p><b>Staff costs = part of the gross employment cost depending on the number of hours actually worked on the project</b></p> <p>The staff costs can be calculated on the basis of (1) or (2):</p> <p>(1) An hourly rate established based on the monthly working time (number of hours per month) fixed in the employment document:</p> <p><i>Hourly rate = monthly gross employment cost / number of hours per month fixed in the employment document</i></p> <p><i>Staff costs = hourly rate * number of hours worked on the project per month</i></p> <p><i>Example:</i></p> <ul style="list-style-type: none"> <li>- <i>monthly working hours according to the contract: 160 hours</i></li> <li>- <i>gross employment costs for January: EUR 2.000,00 → hourly rate: 2000 / 160 = 12,5 euro</i></li> <li>- <i>total number of hours worked for the project (January): 60h</i></li> </ul> <p><i>total project costs: 60h * 12,5 euro/h = 750 euro</i></p> <p>(2) An hourly rate established based on a standard number of 1720 hours per year:</p>

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	<p><i>Hourly rate = latest documented annual gross employment cost / 1720 hours</i></p> <p><i>Staff costs = hourly rate * number of hours worked on the project per month</i></p> <p><b>Example:</b></p> <ul style="list-style-type: none"> <li>- gross annual employment costs of the previous year: 24.000,00 euro → hourly rate: 24.000 / 1.720 hours = 13,95 euro</li> <li>- total monthly hours worked for the project (January): 60h</li> <li>- total project costs (January): 60h * 13,95 = 837 euro</li> </ul> <p>Please note that the latest documented annual gross employment costs implies having a past reference period of one year (12 consecutive months). The numerator, the latest documented annual staff costs has to be justified (through accounts, payroll reports, etc.).</p> <p>It is not possible to use the data relating to periods after the signature of the document setting out the conditions for support (subsidy contract).</p> <p><b>The project beneficiaries will use the same hourly staff cost for the whole implementing period. However, in the case of projects implemented over several years, in exceptional and duly justified cases, the managing authority may agree for the hourly staff cost to be updated once new data are available.</b></p> <p>For each employee working part-time (and a flexible number of hours per month) on the project, the partner organisation should select one of the two methods to calculate the hourly rate. The same method will apply to the employee for the entire project duration.</p> <p>The following main documents must be available for control purposes:</p> <ul style="list-style-type: none"> <li>- Administrative order for determining staff members.</li> <li>- Employment/work contract or an appointment decision/contract considered as an employment document (including information on the</li> </ul>
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	<p>monthly working time, if method (1) is used). Job description including information on tasks related to the project.</p> <ul style="list-style-type: none"> <li>- Payslips or other documents of equivalent probative value.</li> <li>- Data from the working time registration system, e.g. time sheets, providing information on the number of hours spent per month on the project. The time registration system must cover 100% of the actual working time of the individual.</li> <li>- Proof of payment of salaries and the employer's contribution.</li> </ul>
Contracted on an hourly basis	<p>An employee is contracted on an hourly basis and dedicates a certain number of hours to work on the project.</p> <p><b>Staff costs = part of the gross employment cost depending on the number of hours worked on the project</b></p> <p>The staff costs are calculated on the basis of an hourly rate fixed in the employment document:</p> <p style="text-align: center;"><i>Hourly rate = fixed in the employment document</i></p> <p style="text-align: center;"><i>Staff costs = hourly rate * number of hours worked on the project</i></p> <p>The following main documents must be available for control purposes:</p> <ul style="list-style-type: none"> <li>- Administrative order for determining staff members. Employment/work contract or an appointment decision/contract considered as an employment document (including information on the hourly rate).</li> <li>- Job description providing information on responsibilities related to the project.</li> <li>- Payslips or other documents of equivalent probative value.</li> <li>- Data from the working time registration system, e.g. time sheets, providing information on the number of hours spent per month on the project.</li> </ul>

	- Proof of payment of salaries and the employer's contribution.
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*Office and administrative expenditure* - by applying the flat rate option, partners do not need to document that the expenditure has been incurred and paid, or that the flat rate corresponds to the reality.

Still the national legislation into force must be respected. In case an alert for irregularity regarding these costs is submitted/detected, supporting documents which document that these expenditures has been incurred and paid (for staff costs: employment/work contract or an appointment decision/contract considered as an employment document, job description providing information on responsibilities related to the project, proof of payment of salaries and the employer's contribution etc.; for office and administration: contracts, invoices, proof of payment etc.) may be requested for control purposes and financial corrections applied, if the case.

***Travel and accommodation costs*** - the following main documents must be available for control purposes:

1. Employment contract/appointment decision for the project (administrative order determining staff members and their tasks in the project);
2. Agenda or similar of the meeting/seminar/conference;
3. Attendance list;
4. Travel orders;
5. Transport costs (calculated according to the national legislation / programme rules);
6. Paid invoices (e.g. hotel bills, travel tickets);
7. Daily allowance claims;
8. Minutes of meeting / photos / attendance lists / presentation materials;
9. Mission report sight by the traveling person
10. Proof of payment.

***External expertise and services costs*** - the following main documents must be available for control purposes:

1. Evidence of the selection process, in line with the applicable procurement rules or national / EU / other public procurement rules depending on the amount contracted and the type of beneficiary;
2. A contract or a written agreement laying down the services to be provided with a clear



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reference to the project. For experts paid on the basis of a daily fee, the daily rate together with the number of days contracted and the total amount of the contract must be provided. Any changes to the contract must comply with the public procurement rules and must be documented;

3. An invoice or a request for reimbursement providing all relevant information in line with the applicable accountancy rules;
4. Outputs of the work of external experts or service deliverables, with the beneficiary's proof of acceptance;
5. Invoice(s) and proof of payment.

***Equipment expenditure - the following main documents must be available for control purposes:***

1. Evidence of the procurement process (announcement, selection, award, etc.) in line with the applicable national procurement rules or the national/ EU / other public procurement rules depending on the amount contracted and the type of beneficiary;
2. Contract laying down the equipment to be provided, with clear reference to the project and the programme;
3. Invoice(s) (or a supporting document having equivalent probative value to invoices) providing all relevant information in line with the applicable accountancy rules;
4. Acceptance protocols;
5. Proof of payment.

***Infrastructure and works - the following main documents must be available for control purposes:***

1. Evidence of the procurement process (announcement, selection, award, etc.) in line with the applicable national procurement rules or the national/ EU / other public procurement rules depending on the amount contracted and the type of beneficiary;
2. Contract laying down the works/infrastructure to be provided, with clear reference to the project and the programme;
3. Invoice(s) providing all relevant information in line with the applicable accountancy rules;
4. All documents related to the works carried out;
5. Proof of payment.

***Additional information for carrying out the verifications in case of infrastructure and works***

When carrying out the on-the-spot, the controller shall request from the responsible beneficiary

the technical documentation and cost-estimations. Project beneficiary shall confirm that it is the identical documentation to the one that has been submitted as a part of project application form/ latest approved application form. The controller is obliged to check whether implemented infrastructure / works are in compliance with application form/last approved application form, technical documentation and cost-estimations for planned infrastructure/works. If during the verification, controller identifies that beneficiary has implemented works that were not planned in the latest approved application form, technical documentation as part of the project application and there is no confirmation for MA or Monitoring Committee approval of additional works, the controller cannot approve related costs as eligible costs.

***Please note that the list above is not exhaustive. The Lead Beneficiary or Project Beneficiary shall provide all the documents and information required by the controllers in accordance with the provisions of the subsidy contract.***

***Also, the controllers will have to check the compliance of the prices with the Ceilings for expenditure in force at the moment of the validation (Annex C to the Applicant's Guide, the prices being calculated without VAT).***

It should be stressed that for each first level control request, the annexes below must be filled in and submitted:

- *Annex 12.1 - (Public) Procurement Report;*
- *Annex 12.2 - Request for first level control;*
- *Annex 12.3 - List of expenditure (Annex 12.3.1 -eMS format or annex 12.3.2 - in case the eMS system is not functional);*
- *Annex 12.4 - Declaration on own responsibility regarding the VAT request;*
- *Annex 12.5 - Declaration on own responsibility regarding the state aid;*
- *Annex 12.6 - Partner report (from the date when the eMS system is functional)*

### 13. FLC control

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The first level control procedure can be detailed as follows:

**Step 1** - Each beneficiary (including the Lead beneficiary) has the obligation to ensure that its expenditures are checked and validated by a controller from the state on whose territory it is located (except the case of the joint (public) procurement for which the verification is carried out in respect of the entire procedure), before the reimbursement request is submitted.

Therefore, each project beneficiary completes and submits by eMSsystem (from the date when the system is functional) the following documents to the controller: notification/request for first level control, public procurement report, the partner report, list of expenditures annex - 12.3.1, declarations regarding VAT request and state aid and all supporting documents (administrative, financial and technical) for the declared expenditures, including those correlating the expenditures with the project activities. For Bulgarian beneficiaries the first level control request (Annex 12.2, Annex 12.3.1, Annex 12.4 and Annex 12.5) is also addressed in hard copy to the National Authority while for the Romanian beneficiaries the first level control request will be addressed to the Cross Border Cooperation Regional Office Calarasi for Romania-Bulgaria Border.

For Bulgarian beneficiaries: Together with the first request for FLC Bulgarian partners have to submit to the NA *“Schedule for first level control requests and Reimbursement Claims” (Annex 2 of the subsidy contract)*. *In case of changes in the schedule, the corrected one must be submitted to the NA.*

The templates for these documents are attached to the Manual.

**Step 2** - After receiving the first level control request the ROC Calarasi/NA designates the first level controller for the appointed project beneficiary.

If the eMS system is not functional, each project beneficiary completes and submits to the controller, the following documents: notification/request for first level control (in hard copy and electronically), (public) procurement report (in hard copy and electronically - pdf and excel), list of expenditures format Annex 12.3.2 (in hard copy and electronically - pdf and excel), Annexes 12.4 and 12.5 (in hard copy and electronically - pdf and word) and the

supporting documents (administrative, financial, technical, tender procedure documents) for the declared expenditures (scanned version of original documents on CD/DVD).

**Step 3** - Within maximum of 30 working days from the date of receiving of the request for FLC, the designated controller verifies the expenditures requested by the project beneficiaries ( when eMS system becomes functional, the FLC can directly access the list of expenditures and the supporting documents and verify expenditure), in order to determine the eligible expenditures. This deadline is suspended in case requests for clarification are submitted to the beneficiaries. The controllers verify 100% of the expenditures incurred and paid within the reporting period, on the basis of invoices, payrolls, other supporting documents with equivalent probative value, in order to reach a conclusion regarding the efficiency and effectiveness of the funds usage, correctness of the progress reports drawn up for the project, the observation of the national and community law.

After on desk verification, the designated controller establishes, by mutual consent with the beneficiary, the date for on-the-spot visit with the purpose of performing the first level control. On desk checks (administrative verifications) are not sufficient on their own to give assurance on all elements concerning the legality and regularity of expenditure and it is therefore essential that the on-the-spot checks are carried out in order to check the reality of the project, the delivery of the co-financed products/services, the performing of the co-financed works, in full compliance with the terms and conditions of the subsidy contract, the physical progress, the respect for Union Policies on equal opportunities and non-discrimination, equality between men and women, state aid, environment rules and their full compliance with public procurement procedures. The on-the-spot checks can also be used to check that the beneficiary is providing accurate information regarding the physical and financial implementation of the project, if the project's progress is real in accordance with the expenditures declared and also if correct justification documents are kept and duly registered in the accountancy of the partner.

During on-the-spot verifications, the responsible persons from the beneficiary organization will present to the controllers the original documents for the conformity verification. The original documents, including the procurement documents will be stamped by the beneficiary with the project code (including the Programme's name, Interreg V-A Romania-Bulgaria), the number of first level control request and the value of expenditure requested (in the currency of the invoice).

**Please note that the requested amount will apply only on financial documents**, such as: invoices, travel orders or other supporting documents with equivalent probative value etc. The responsibility

for documents belongs to the beneficiary.

Also, it should be stressed that within on-the-spot checks shall be covered at least the following:

- That a project management system has been established which allows the proper implementation of the project;
- That the original supporting documents are stamped with the project code (including the Programme's name, Interreg V-A Romania-Bulgaria), the number of first level control request and the value of expenditure requested (invoice currency) and are accurately recorded in the accounting system (in order to avoid double-financing of expenditure);
- Original invoices or other accounting documents with equivalent probative value related to the expenditure already reported are available;
- That the project has started and has been implemented in accordance with the approved application form, the provisions of the subsidy contract, the Partnership Agreement, the Programme's Implementation Manual, the national and European legislation in force;
- That there is evidence that the reported activities have taken place and are in compliance with the project activities mentioned in the application form;
- That the delivery of services, goods and works is clearly documented (products/goods purchased are physically available on the premises of the project beneficiary and are used in line with the project purpose, and infrastructure and works exists, are in progress or have been completed);
- Investments already reported within the project have been implemented in reality, are in line with the description given in the approved application form, and are used for the project purposes;
- That services, supplies and works have been procured according to the rules on public procurement (the procurement verification is the defining element in establishing the eligibility of expenditures for goods, services and works within the projects financed within Interreg V-A Romania-Bulgaria Programme) and equality of opportunities;
- Verification of the record-keeping and archiving rules for the documentary evidence related to the implementation of the project;
- Checks regarding the absence of conflict of interest of the persons involved in the

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procurement procedure(s). Project beneficiaries must take all necessary precautions to avoid conflicts of interest and must inform programme bodies about any situation constituting or likely to lead to any such conflict.

- That the project beneficiaries have complied with Community rules on publicity, protection of environment, equal opportunities, state aid (the projects should not fall under the provisions of state aid, each project should respect the provisions related to state aid of the Applicant's Guide, valid for the respective call for proposals) etc. The first level controller has to check (based on her/his professional assessment related to the observation of these principles in the implementation of project activities) whether the implementation of the project has any negative effects on the environment, whether the project beneficiary is aware of and respect the cross-border legislation on environment and sustainable development, whether the project beneficiary commit any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation (*e.g. the participants to trainings, seminars are not selected on the basis of any discriminatory features, sex, religion, race, etc.*).
- That the costs claimed are actual and eligible (expenditures were reported under the approved budget categories, that the expenditure reported was paid within the eligible period and the payments were made according to applicable legal rules).

For Romanian beneficiaries:

The on-the-spot check will take place at the premises of the each beneficiary requesting FLC, as well as in any other place where the project is being implemented, for every single FLC request.

For Bulgarian beneficiaries:

The on-the-spot check will take place at the premises of the each beneficiary requesting FLC, as well as at any other place where the project is being implemented, for every single FLC request.

During on-the-spot visits performed by the first level controllers, they will verify originals of the project justification documents and they will draw up the *on-the-spot visit report* on his/her visit to the respective beneficiary. The beneficiary has to sign presented by the FL controller documents. In case the beneficiary has objections to the findings of the FL controller, he/she can submit an appeal.

**Step 4** - After the verification is finalised, the controller submits to the beneficiary through the

eMS system the first level control report containing the eligible expenditures (including, if the case, the annex related to the financial corrections (only the Bulgarian controllers)), the list of expenditures, the FLC certificate, the control checklists and the on-the-spot report. The beneficiary will also receive the control documents in two original paper versions. The templates for these documents are attached to PIM.

If the eMS system is not functional, the controller submits to the beneficiary, in two original paper versions, the first level control report containing the eligible expenditures, the list of expenditures, the FLC certificate, the control checklists and the on-the-spot report, checklists for verification of (public) procurements (if applicable). After the verification is finalized, the controller submits relevant documents to the NA/ROC Calarasi for performing further checks. (in accordance with internal rules, for example NA internal Procedure Manual).

### **Special situations - Appeal against the first level control report**

If the beneficiary, subject to the first level control, does not agree with the non-eligible expenditures declared by the controllers, a duly justified appeal against the first level control report can be submitted in hard copy either to the National Authority or to the FLC Unit within the Regional Office for Cross Border Cooperation Călărași, according to the nationality of the respective partner. The appeal shall also be submitted using the eMS system, through the internal message of e-MS system (from the date when the system will be functional). In that case, **the beneficiary shall include in the respective reimbursement claim only those expenditures that are verified and not appealed**, however, the amounts subject to appeal shall be mentioned distinctively when submitting the reimbursement claim.

The appeal must be submitted within the deadline provided within the controllers report (within 10 working days (for Bulgarian beneficiaries) or 10 working days (for Romanian beneficiaries) after receiving the first level control report). A single appeal can be submitted for an expenditure requested for first level control.

The appeal must specify at least the following information:

1. The identification data of the partner submitting the appeal;
2. The name of the Programme;
3. The project code and the title of the project;

4. The purpose of the appeal, including the data regarding the documents and/or the (public) procurement procedures subject to appeal;
5. The budgetary chapter in which the expenditure is enclosed;
6. The nature of the expenditure and the amount contested;
7. The motivation and justification of the appeal;
8. Justifying documents (if applicable);

The appeals submitted after the deadline specified above or those that do not contain enough elements in order to identify the act/(public) procurement procedure subject to appeal, will not be analyzed.

For Romanian beneficiaries, the appeal will be analysed/re-evaluated by the First Level Control Unit, within 30 working days, starting with the next day after the receiving date of the appeal through eMS system.

### **Special rules for the Romanian appellants**

After receiving the appeal, the Head of the First Level Control Unit shall designate the controllers who will analyse the appeal, others than the ones who performed the control.

If the first level controllers send clarification request, the beneficiary must submit using the e-MS all the requested documents within the established timeframe, the deadline for the resolution being suspended in this period. In this case, the appeal will be analysed only based on the documents provided in the established timeframe.

The first level controllers will not take into consideration the documents that were not issued before the registration date of the first level control request.

The controllers shall conclude the analysis of the appeal by issuing a resolution, which will detail the appealed expenditures and the reason for approval/rejection. If an appeal is partially or totally approved, the respective expenditures shall be included by the beneficiary in the next reimbursement claim, together with the documents of the appeal (the resolution issued by the designated controllers and the supporting documents).

The appeal will be analysed by the First Level Control Unit from CBC RO Calarasi within 30 working days, starting with the next day after the registration date of the appeal at the Regional Office for



Cross Border Cooperation Călărași.

For an appeal submitted, the beneficiary will receive either:

- The Decision of the FLC Unit, the FLC certificate for the certified amount the on-the-spot report for the new validated expenditures, if the appeal is partially/entirely approved,  
or
- The Decision of the FLC Unit if the appeal is entirely rejected.

In all the situations in which the appeal was entirely or partially approved, the first level controllers will perform an on-the-spot visit. The on-the-spot verifications will include the conformity of the copies with the original documents. If the copies attached to the appeal do not comply with the original documents, the expenditures will be declared ineligible.

The assignment of works, supplies and services contracts for the Romanian beneficiaries who do not have the status of contracting authorities under the provisions of GEO 34/2006, as amended and supplemented/ under the provisions of Law 98/2016 shall be made in accordance with the regulations / European directives, national laws and the rules regarding the assignment of these contracts, which is annex and form part of the subsidy contract/co-financing contract / monitoring agreement.

If the first level controllers identify infringements of the public procurement legislation/simplified procedure under article 6(3) of GEO 66/2011, the controllers will apply financial corrections for infringements of the public procurement legislation/simplified procedure in force. This correction will have to be taken into account for all further expenditure requested for the concerned contract.

Therefore, for Romanian beneficiaries, in case financial corrections are applied by FLC, the act by which the corrections are established can be subject to an appeal only at the level of First Level Control Unit from CBC RO Calarasi.

Thus, if the beneficiary will request for reimbursement other expenditures for the procurement concerned, the first level controllers will validate the amount by taking into account the correction (percentage) already established by the FLC.

### Special rules for the Bulgarian appellants

When the controllers issue the First Level Control Certificate, they should estimate whether there are infringements of the public procurement rules as well as ineligible expenditures. The controllers are obliged to exclude from the certificate all expenditures affected by the infringement and to submit a **separate** notification for suspicion of irregularity to the National Authority (Annex 13.7). The notification has to be submitted to the NA with an official letter registered with an incoming number in the MRDPW system.

The beneficiary has the right to submit to the National Authority an appeal against the non-validated expenditures by the controller.

The controller's notification and the submitted appeal (if any) will be analysed by the National Authority in accordance with the procedure established in the applicable national legislation (not more than three months starting with the next day after the receiving date of the notification/appeal).

The NA shall conclude the analysis of the case by issuing a preliminary decision, which will detail the expenditures in question and the reason for approval/rejection. The NA shall inform the beneficiary for its preliminary decision providing the beneficiary with the possibility to present objection/documents/information against the findings. Based on the documents received, the NA shall perform an assessment and conclude the case by issuing a final decision.

If an appeal is partially or totally approved, the affected expenditures shall be included by the beneficiary in the following request for verification, together with the documents of the appeal (the letter issued by the NA and the supporting documents).

Once a financial correction has been established / imposed by the National Authority and the decision for it is entered into force, it becomes mandatory for the first level controllers. Thus, if the beneficiary will request for reimbursement other expenditures for the procurement concerned, the first level controllers will validate the amount by taking into account the correction (percentage) established by the NA.

Also, in case the beneficiary decides to withdraw the appeal, it can be done within 5 working days from the appeal submission to the National Authority or to the FLC Unit within the Cross Border Cooperation Regional Office Calarasi for Romania-Bulgaria Border.

**Step 5 - Irregularities - *please keep in mind that MA and NA shall show zero tolerance to any***

*suspected cases of fraud and shall take all necessary measure to prevent and correct such cases.*

If during the verification process of the eligibility of the expenditures the controller identifies any suspicion of irregularity, this will be reported to the officers of irregularities within MA/NA (depending where the verified beneficiary is located) and the amount affected by suspicion will not be included in the validated amount. According to the provisions of the Memorandum on Implementation, the NA shall inform the MA, within a period of 15 working days, about any irregularity discovered or presumed to have happened on the Bulgarian territory, concerning the Programme.

**Step 6 -** Each project beneficiary sends through the eMS system to the Lead beneficiary within the deadlines agreed with LB its contribution to the reimbursement claim:

- the reports issued by the first level controllers (the first level control report containing the eligible expenditures, the list of expenditures, the FLC certificate, the control checklists, the procurement checklist(s) - if the case and the on-the-spot report);
- supporting documents for the requested/validated expenditure, uploaded by the beneficiaries via electronic system (from the date when the system will be functional); and ensures that its part of the reported expenditures has been checked and validated by a first level controller in compliance with the EU regulations, Interreg V-A Romania-Bulgaria rules and national relevant legislation.

**If the eMS system is not functional, each project beneficiary submits to LB the following:**

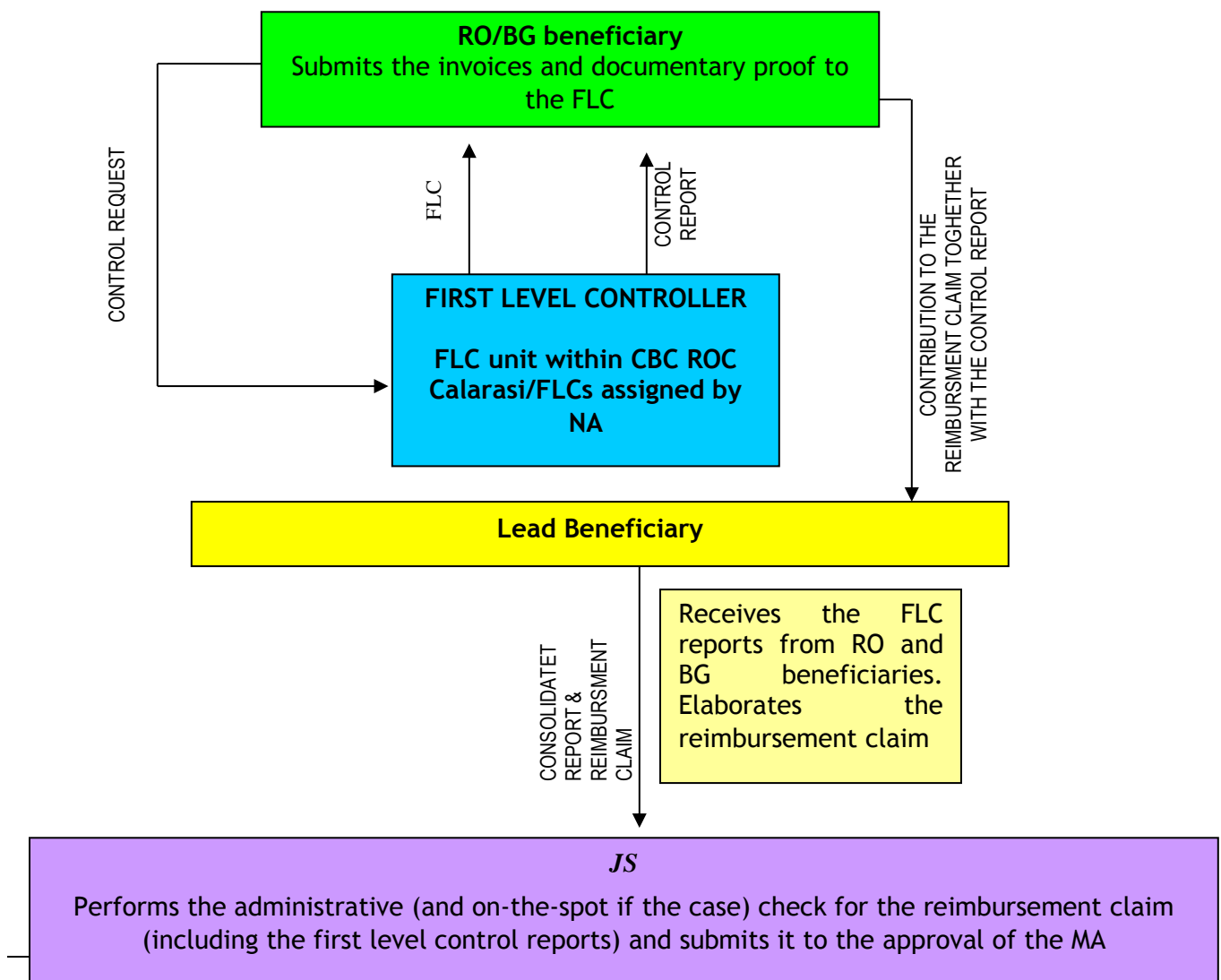
- the reports issued by the first level controllers, attached in one copy papers version and scanned version on the DVD/CD;
- the supporting documents, submitted only in electronic format - scanned version of the original documents on DVD/CD in two copies;
- the request for FLC and Public Procurement Report in one copy papers version and scanned version on the DVD/CD;
- Excel version of the Annex 12.1 Public Procurement Report and Annex 12.3.2 List of expenditure on DVD/CD in order to be consolidated for all project beneficiaries;
- Each beneficiary will use the Annex 12.3.2 List of expenditure.

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The lead beneficiary verifies that the controllers have verified the expenditure presented by the beneficiaries participating in the project before drafting and forwarding the reimbursement claims.

For the reimbursement of the eligible amounts, the Lead beneficiary will aggregate the contributions from all the beneficiaries (including its own contribution, if the case) in order to submit the reimbursement claim and progress report (if the case) to the JS, via eMS electronic system in case of functioning or in hard copy and electronic version - excel.

Synthetically, the verification process of expenditure can be divided as follows:





### **Managing Authority**

Checks the progress reports submitted by JS (if the case)

Checks the reimbursement claims and authorizes the payments.

Makes related payments and sends to the MA-Certification Unit the Statements of expenditure

## **14. Reimbursement claim**

Following the contract signing, in order to provide support for the beneficiaries from the start of the project implementation, each beneficiary is entitled to request an advance payment (see details in [Section Project Implementation](#)). In this respect, a request for advance payment shall be filled in (as provided for in the Annex 14.1 for Romanian as well as for Bulgarian beneficiaries).

Following the steps as provided for in the previous chapter ([13. FLC Control](#)), all beneficiaries send to the Lead Beneficiary their contribution to the reimbursement claim (*at least 10 working days before the date set for the reimbursement claim in the schedule for reimbursement attached to the subsidy contract*).

*Depending on the moment when the eMS system is available to the beneficiaries, the reimbursement claims may be submitted as follows:*

- a. In case of functionality of the eMS, the Lead Beneficiary shall ensure that the reimbursement claim as consolidated at the level of the electronic system reflects only the validated expenditure as provided for in the FLC reports of the beneficiaries - format Annex 14.2.1. of PIM
- b. In case of non-functionality of the electronic system, the Lead Beneficiary shall fill in the reimbursement claim (Annex 14.2.2 of PIM), on basis of the FLC reports, list of expenditure - annex 12.3.2 and the procurement reports - annex 12.1 received from the beneficiaries (see [Chapter 13. FLC Control](#), step 6), ensuring that only validated expenditure are included in the reimbursement claim and submit it to JS.

The consolidated reimbursement claim issued by the Lead beneficiary will contain the following:

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1. reimbursement claim (project level consolidated filled in according to annex 14.2) in one original paper version signed by the legal representative of the LB;
2. 2 identical CD/DVD's containing:
  - a. scanned version of reimbursement claim (project level consolidated filled in according to annex 14.2), the requests for first level control, the reports issued by the first level controllers (the first level control report containing the eligible expenditures, the lists of expenditures, the FLC certificates, the control checklists, the procurement checklist(s) - if the case and the on-the-spot report, proof of ERDF transfer - account statement for payments made by LB to beneficiaries for previous reimbursement claim according to art. 6 par. 15 from subsidy contract);
  - b. excel version of the lists of expenditures;
  - c. supporting documents for the validated expenditures. Please pay attention to attach on CD/DVD the scanned version of original supporting documents marked as described in [chapter 12. Preparing FLC requests, Steps in requesting FLC, paragraph 2.](#)

**NB.**

The format of the reimbursement claim used in conformity with annex 14.2.2 will be submitted in one original paper version, signed by the legal representative of the LB, and scanned version in PDF and excel version on the DVD/CD; the annex 14.2.2 is divided as follows:

- a) Page A: Flat rate / Real Costs - Reimbursement claim - which refers to the identification of the beneficiaries, summary of expenditures reported by each beneficiary and validated by the FLC divided into different budgetary categories, also the situation of Payments representing budget execution of the project split per chapters and beneficiaries.
- b) Page B: List of expenditures - Reimbursement claim (consolidated for all project beneficiaries): LB will consolidate the list of expenditures - Annex 12.3.2 validated by FLC, received from all the beneficiaries included in the respective Reimbursement Claim;
- c) Page C: Public Procurement Report (consolidated for all project beneficiaries): Lead beneficiary will consolidate the public procurement reports - Annex 12.1 - received from all the beneficiaries included in the respective Reimbursement Claim.

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Please pay attention to attach on CD/DVD the scanned version of original supporting documents marked as described in [chapter 12. Preparing FLC requests, Steps in requesting FLC, paragraph 2.](#)

For each DVD/CD, the scanned documents will be organized as follows:

- an “Inventory”/Opis describing in detail the content of each DVD/CD;
- the scanned documents shall be grouped for each beneficiary; the supporting documents will subsequently be grouped according to the approved budget (on the basis of the budgetary chapter of which the expenditure are reimbursed); names of scanned documents/files shall correspond to the description in the budgetary chapter.
- the supporting documents related to procurements shall be grouped per beneficiary (with folder titles “Procurements LB/ Procurements B2...”). Each procurement procedure will have a separate folder, **including all tender dossier** that was verified by the controllers. Example of documents: explanatory notes (for establishing the estimated value of the procedure; for selection of the procedure; for selection of weight of evaluation factors etc.), notices, publications, decisions (for appointing the members of the evaluation committee, for the selection of the contractor etc.), minutes (opening the procurement procedure, opening session), the award documentation package (technical and financial offers, qualifications and selection documents), requests for clarification by the potential tenderers and the beneficiary’s answer, request for clarifications by the Evaluation Committee to the tenderers and their answers to the clarifications; report of the procedure, notifications (to the tenderers for the evaluation results, etc.), the signed contract, the award notice/information for signed contracts) etc.

**IMPORTANT:** The supporting documents for procurements should be attached in scanned version only once, in the reimbursement claim where they are requested for the first time expenditures related to the respective procurements.

After the reimbursement claim has been filled in, the **Lead Beneficiary** submits it to the **Joint Secretariat** according to the **schedule** mentioned in **Annex 2** to the subsidy contracts.

**NB:**

The reimbursement claim shall include only validated expenditure and shall be accompanied by the reports issued by the FLC controllers of the project beneficiaries as well as supporting documents.

**NB:**

A reimbursement claim may be submitted at any time, for one or more beneficiaries, provided its value is above 5,000 Euro ERDF.

Please bear in mind that the preparation costs may be required only in the first reimbursement claim.

The preparation costs are eligible if they are incurred between 1.01.2014 and the submission of the Application Form. For more information, please refer to the Applicant's Guide.

In case the preparation costs are not requested for reimbursement in the first reimbursement claim, they become non-eligible expenditure.

**NB:**

The reimbursement schedule attached to the subsidy contract (Annex 2) must be observed.

**NB:**

Please remember that in case the total amounts requested for first level control verification are lower compared to the total amounts forecasted for the half of the implementation period at the level of each beneficiary, the MA is entitled to de-commit project funds by reducing the original project budget and the corresponding ERDF contribution, according to the subsidy contract provisions, respectively:

**10% budget reduction** for the partners with amounts requested for FLC less than 75% compared to the forecasted amounts;

**25% budget reduction** for the partners with amounts requested for FLC less than 50% compared to the forecasted amounts.



### JS administrative verification of the reimbursement claim

The JS performs an **administrative verification** at the level of each **reimbursement claim** within **20 working days**. This deadline may be suspended in case requests for clarification are submitted to the beneficiaries or to the first level controllers, who will submit their answer/supporting documents within maximum 5 working days.

JS may perform on-the-spot visits to the headquarters and/or project implementation location of any of the beneficiaries in order to check the reimbursement claim before payment. In this case, the deadline for the verification of the reimbursement claim performed by the JS is suspended, depending on the number of the beneficiaries where the visit takes place and on their location. Following the on-the-spot visits, monitoring reports are elaborated by the JS.

Following the verifications performed, the JS submits the reimbursement claim to the Managing Authority (MA), via the electronic system or, in case of non-functionality, via other electronic supports (CDs etc.) together with:

- Payment endorsement;
- The check list for the verification of the reimbursement claim;
- JS observations on the reimbursement claim;
- The check list for the administrative verification of the public procurements (if the case);
- Clarification request(s) sent and the corresponding answer(s) and documents received from the beneficiaries/first level controllers;
- The monitoring report (if on-the-spot visits have been performed).

### **MA authorization of payments**

MA verifies the reimbursement claim submitted by the Joint Secretariat in maximum 30 days from receipt (this deadline may be suspended in case additional clarifications/documents are needed). The verification is performed based on a sampling method. Following the verification of the reimbursement claim, the Authorization of ETC Programmes Unit issues the authorizing and approval notes with the amounts authorized for payment and submits them to the Directorate for Payment and Accounting.

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Also, the Authorization of ETC Programmes Unit notifies the Lead Beneficiary on the ERDF amounts which have been authorized and paid, as well as the corresponding co-financing amounts (national and private) split down by project beneficiaries, corresponding to the expenditure each beneficiary included in the respective reimbursement claim.

### NB:

**The national co-financing amounts** included in the reimbursement request and accepted for payment are **deducted until the entire advance payment is recovered**. The advance payment should be recovered before the final reimbursement claim is submitted.

In case that the advance payment has not been recovered before the final reimbursement claim or if the contract is terminated, the amounts to be recovered will be repaid by the respective beneficiary within 30 days as of receiving the notification from the Ministry of Regional Development and Public Works (for Bulgarian beneficiaries), respectively within 15 days as of receiving the notification from the Ministry of Regional Development and Public Administration in Romania (for Romanian beneficiaries). In case of Romanian beneficiaries, if the amounts are not repaid in 15 days from notification, the Ministry of Regional Development and Public Administration in Romania shall issue a decision to recover the advance. The partner must repay the amounts mentioned in the recovering decision in maximum 30 days from the date of communicating the decision.

### Payment of the reimbursement claim by the Managing Authority

The Directorate for Payment and Accounting, after receiving the authorizing and approval notes with the amounts authorized for payment (*see above*) makes the arrangements concerning the **payment of the reimbursement claims within maximum 5 working days**.

- The Ministry of Regional Development and Public Administration **reimburses the Lead Beneficiary the ERDF amount** included in the reimbursement claim and **authorized for payment**.
- The **national co-financing amounts** included in the reimbursement claim and accepted for payment are deducted until the recovery of the entire advance payment is made. After complete recovery of the advance payment, the **national co-financing amounts are paid directly to:**

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- the **Romanian beneficiaries** by the Ministry of Regional Development and Public Administration from Romania,
- the **Bulgarian beneficiaries** by the Ministry of Regional Development and Public Works from Republic of Bulgaria.

### Expenditure reimbursement

The **Lead Beneficiary** sends the corresponding ERDF amounts to the other beneficiaries who requested expenditure reimbursement in the respective claim in **maximum 5 working days** as of cashing in the amounts from the MA and will make no deduction, retention or further specific charge from the ERDF amounts it receives. The Lead Beneficiary will make proof to the MA of the respective transfer by attaching copies of the relevant payment order and bank statement to the next Reimbursement Claim.

#### **NB:**

Please bear in mind that the transnational bank charges and the bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened are eligible costs, while the charges for national financial transactions are non-eligible costs.

#### **NB:**

The **ERDF amounts** authorized in a reimbursement claim is **paid to the Lead Beneficiary**, who has the obligation, as per the subsidy contract, to send the corresponding ERDF amounts to the other beneficiaries.

The **co-financing amounts** authorized for payment are directly **paid to the project beneficiaries**, after the recovery of the entire amount granted as advance.

### Payment of the final reimbursement claim

The final reimbursement claim shall go over the same procedure steps as previous reimbursement claims, except that the authorized ERDF amounts will only be paid after the advance co financing payment and/or possible debts are entirely recovered. In this respect, a notification will be sent to the Lead Beneficiary/beneficiary indicating the co-financing amount to be reimbursed, as well

as the bank account where the amount should be paid. The Lead Beneficiary/beneficiary should proceed with the payment within maximum 15 days as of receiving the notification. The deadline will also be indicated in the notification letter.

### 15. Notifications/contract addenda

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#### **I. Modifications of the contract at the initiative of the LB/partners**

During the implementation of a project changes may appear which require the modification of the project. Nevertheless, considering that the initial Application Form has been evaluated and selected by the Monitoring Committee it is strongly advised that partners limit the number of changes of a project.

This chapter shall give examples of the types of changes that may occur during the lifetime of a project and describe the necessary steps the LB/partners need to follow. As a general rule all requests for modification have to be submitted to the JS in a written form. They should include a justification for the changes, an explanation on their consequences for the project's implementation and the solution proposed to tackle them and avoid similar deviations in the future, where applicable. The request for modification has to be based on the latest approved application form and needs to be updated for the respective parts related to the change. All requests for modification shall be analyzed by the JS, and clarifications may be requested and /or on site verifications can be done, if the case. The LB, together with its partners have the obligation of responding to the clarifications in due time.

In case the e-MS system is functional, after the JS analyze is finalized and if the JS conclusion is that the modification is justified, necessary for the project, appropriate and in accordance with the financing contract will send the proposal for approval to MA and, simultaneous, will allow the beneficiary to make the changes to the application form in the e-MS system. Then, the beneficiary makes the necessary modifications on the application form, uploads the supporting documents in the system and checks the modifications. The JS verifies if the modification and supporting documents in the system corresponds with the one already checked on paper and the supporting documents and, if so, it approves them in the system, as follows:

1. In case of addendum - only after the MA signs the addendum;

2. In case of notification - only after the JS checks the notification and informs the MA accordingly.

The Managing Authority/Monitoring Committee has the right to refuse the proposed modifications by the partner (or part of them) for which justification was not provided and which were not considered acceptable. In case the proposed modification was refused by the Managing Authority, it cannot be requested again.

Please pay particular attention to the deadlines for submitting a request for modification. They should be submitted to the JS with minimum 30 days before they intend to produce effects. The last request for modification should be submitted no later than 2 months before the end date of the implementation period. The requests for modification have to be submitted by the LB to the JS. Therefore, take also into consideration the time necessary for the LB to compile the requests for modification received from the project partners.

Changes are classified in two categories:

- Changes which do not require the signing of an addendum to the subsidy contract
- Changes which require the signing of an addendum to the subsidy contract

### ***A. Changes which do not require an addendum to the subsidy contract***

Minor changes which do not alter in a significant way the approved Application Form may be performed by means of a notification. In this case, the LB has to notify the JS in a written form the moment when the change occurs. The JS will analyze the request in order to verify if it does not fall under one of the cases for which an addendum to the subsidy contracts needs to be signed, and will inform accordingly the LB in due time. The JS may also request additional information, if the case.

Below you will find a list of changes which do not require a contract modification by addendum. Please be advised that this is not an exhaustive list. In either case, the LB has to inform the JS, which will decide whether the modification needs an addendum or not.

- Contact data change of the LB or of the project partners.
- Change of the bank account of the LB.
- Modification of the name of the beneficiary, without changing the identification

number of the institution (BULSTAT, fiscal registration number).

- Minor changes in the application form: they may be related either to a change of format of a single activity, or to an implementation timeline of a single activity (e.g. postponement of a conference, change in the location of the planned workshop). These changes should not have an impact on the main objectives of the project.
- Changes in the Schedule for FLC and RC: as described in [chapter 16](#), partners have the possibility to change the estimated data mentioned in the schedule, except for the total amount foreseen by each partner to be requested for FLC at half of the implementation period. This amount cannot be changed in any way during the project implementation.

### ***B. Changes which require an addendum to the subsidy contract***

Changes which have a major impact on the approved Application Form shall require the signing of addendum to the contract. Depending on their type, they can be approved either by the Managing Authority or by the Monitoring Committee. In any case, partners should try to limit these changes as much as possible, as they usually alter the initial financing conditions.

Below you will find a list of examples with changes that require the signing of an addendum to the subsidy contract. Please be advised that this is not an exhaustive list, as all possible cases may not be foreseen beforehand. The Programme management structures shall decide whether a modification requires or not the signing of an addendum based on the implications it has on the project.

#### **- Changes in the project partner organizations**

Structural or legal changes, such as name, headquarter, change of legal status may occur in the project partner organizations during the implementation phase. It is important to note that following the structural changes, the organization still needs to fulfill all the eligibility conditions applicable at the date of submission of the Application Form.

#### **- Changes in the partnership**

The partnership is the core feature of a project and it has been approved as such by the Monitoring Committee of the Programme. Therefore, changes in the partnership should be exceptional and all alternatives solutions to solve the problem need to be considered before requesting a partnership

change. Partnership changes need to be duly justified and shall be approved by the Monitoring Committee.

Two cases may be distinguished:

1. The partner that has withdrawn is replaced by a new partner. It is advised that a new partner from the same region as the withdrawn partner is found. The new partner shall take over the budget and activities of the withdrawn partner.
2. The budget and activities of the withdrawn partner are taken over by the remaining partners.

In any of the cases, the project still needs to prove its cross border character, and partners from the both sides of the border should be involved.

***Please pay attention to the fact that amendment of the partnership by replacing the partner with another partner or taking over of the partner's activities and budget by the other partners within the investment projects, in which the investment object is the ownership/lease of the withdrawn partner, is not possible.***

The new partner should respect all the eligibility criteria mentioned in the Applicant's Guide at the time of submission of the project. The new partner shall be evaluated by the JS and the final decision regarding its inclusion shall be taken by the Monitoring Committee.

### **- Reallocation of funds between budgetary chapters**

As a general rule, the management bodies do not encourage the reallocation of funds between budgetary chapters, especially due to the changes allowed under the budget flexibility rule. However, projects may in **exceptional and duly justified cases** apply for reallocations of funds between budgetary chapters (only for direct costs). **The reasons for modifications have to be very well justified and the LB/partners have to prove the necessity for reallocation of funds and the impact it has on the project implementation.**

### **- Reallocation of funds between partners**

In case of reallocation of tasks between project partners, due to, for example, financial difficulties of one of the partner, a reallocation of funds may be necessary between project partners. Under these circumstances, the co-financing contracts shall also be modified, leading to a reduction/increase of the corresponding co-financing funds.

- **Major changes in the Application Form**

Projects are allowed to change its approach without altering the planned project outputs and results. The changes should bring an added value as compared to the initial Application Form (e.g. change of technical characteristics due to objective reasons, a more efficient way of implementing the activities is proposed etc.).

- **Changes of the initial conditions set within the preliminary design phases (feasibility study, DALI for Romanian beneficiaries or preliminary design, including estimation of bill of quantities and values for Bulgarian beneficiaries) for infrastructure projects.**
- **Other cases**

In case the eMS system is not functioning and in order to make sure the process of addenda approval is a smooth and quick one, the list of documents that need to be submitted to the Joint Secretariat in case of contract modification through an addendum is:

1. Request for modification, including justification for the modification (signed by LB);
2. 3 originals of the Addendum to the subsidy contract (and, if the case, co-financing contract(s)/monitoring agreement), signed and dated (with the date of submission to JS) on the last page by the legal representative of the Lead Beneficiary (stamped on each page with the project code);
3. The section of the Application form which was modified, if the case;
4. The revised Annexes of the contract, if the case (stamped with the project code);
5. Supporting documents (in original, or copy according with the original). All documents mentioned at points 3-5 shall be sent in 1 copy and 1 CD containing the scanned version of the documents. The LB shall confirm in the request for modification that the scanned copies are identical with the hard ones.

### **II. Modifications of the contract at the initiative of the Managing Authority**

Please be advised that the Managing Authority may modify the contract unilaterally by way of instructions of the Head of the Managing Authority. This modification may concern, for example, Competitive procedure for Romanian private applicants/beneficiaries regarding the assignment of



supplies, services and works contracts financed within Interreg V-A Romania-Bulgaria Programme. The instructions shall be communicated to the LB/PB and shall become part of the contract.

### **III. Suspension of the implementation period**

During the lifetime of a project, cases may appear, when a project partner is in impossibility of fulfilling its obligations according to the contract due to duly justified cases, not imputable to him. Under these conditions, the partner may request the suspension of the implementation period. The Partner requesting the suspension of the implementation period has the obligation to inform MA in maximum 3 days from the date when he took notice of the situation, preventing him to fulfill its obligations, in any written form, including the e-mail. The decision to suspend the implementation period has to belong to all project partners. The Lead beneficiary shall submit within 5 working days from the abovementioned notification to the Managing Authority an official request for the suspension of the project implementation, stating the reasons, analyzing the consequences it may have on the implementation of the project, and mentioning the period for which it requires the suspension, together with the approval of all partners. The Managing Authority shall analyze the request for suspension and shall take a decision. The suspension of the implementation period shall take the form of a decision of the representative of the MA signing the contract, and shall be communicated to the LB.

**It is extremely important to keep in mind that during the suspension period no activity shall be performed by any of the partners. The suspension shall apply to the entire project, and not just the partner requesting it. Therefore, it is very important to analyze the possibility of suspending the implementation very thoroughly and take a joint decision. The suspension of the implementation period may be requested only once during the project implementation.**

## **16. Project level decommitment**

During the precontracting period, the LB together with the project partners shall draft and submit to the JS a Schedule for first level control requests and reimbursement claims.

***It is extremely important to pay attention when drafting this schedule, as it will constitute an annex to the subsidy contract and the financial performance of each partner in spending its budget will be judged based on this document.***

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Each partner, including the LB, shall have to estimate, based on the approved calendar of project activities, the months during which it intends to request first level controls and the amounts that are going to be requested. It is not mandatory for the partners to request FLC during the same month, each partner shall plan its own FLC requests according to the activities it will implement. The schedule includes a grey line where each partner is requested to mention the total of the amounts it will request for first level control by the end of the month marking the half of the implementation period. For projects having an odd number of months of implementation period, partners shall round the division to the next month. For example, for a project having 15 months as implementation period, the half of the implementation period shall be considered to be the end of the 8th month of implementation, therefore the partners shall include in the grey line the sum of amounts requested for first level control during months 1 to 8. The amount mentioned in the grey line (i.e. the total amount each partner commits to spend and request for first level control by the end of the month marking the half of the implementation period) cannot be changed during the lifetime of a project.

All other estimated data may be changed by notification, including amounts foreseen to be requested for FLC until the half of the implementation period (provided the amount mentioned in the grey line is not changed).

***Partners are strongly encouraged to provide estimation of the financial spending of the project as accurate as possible (requests for FLC, submission of RC), as this estimations are used for budgetary planning at MA level.***

Let's take the example of a project with three partners, having an implementation period of 12 months. The partners have estimated that they will request for first level control the following amounts:

Month of implementation	Amounts to be requested for FLC		
	LB	P2	P3
M1		1,000	1,000
M2	2,000		
M3	1,500	5,000	4,000
M4			2,000
M5	15,000	10,000	
M6		3,000	4,000

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Total of amounts requested for FLC at half of the implementation period	18,500	19,000	11,000
M7	3,000	4,000	
M8			6,000
M9	15,000	5,000	2,000
M10	10,000		
M11	8,000	6,000	1,500
M12	5,000	2,000	4,000
Partner's total budget	59,500	36,000	24,500

Therefore, the total amounts that the LB, P2 and P3 have committed to spend and request FLC by the end of the month marking the half of the implementation period are 18,500, 19,000 and 11,000 euro, respectively. These amounts will be mentioned in the grey line and they cannot be changed. Nevertheless, the amounts estimated to be requested for FLC during M1 to M6 may be changed, provided the total of FLC requests by the end of M6 does not change. For example, instead of requesting 5,000 euro in M3, P2 only requests 3,000 euro. The difference, i.e. 2,000 euro, has to be requested in any of the months M4 to M6, so that the total marked in the grey line is not changed. For example, it can be requested in M5, leading to a modification of the amount requested for M5 from 10,000 euro to 12,000 euro.

The Managing Authority will judge the financial performance of each partner at half of the implementation period. At this point an analysis will be done by comparing the total amounts estimated by each partner to be requested for FLC and the amounts actually requested. The analysis will be done at partner level. Please bear in mind that only expenditures requested for FLC, connected to the project and which fulfill the Programme's conditions for being requested to the FLC shall be taken into consideration. **The judgment shall not take into consideration the amounts declared as non-eligible by the FLC, i.e. expenditures declared as non-eligible by the FLC will be considered as requested for FLC by the beneficiary.**

In case the total amounts actually requested for first level control verification are lower compared to the total amounts forecasted for the half of the implementation period (total marked in the grey

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line), the MA is entitled to decommit project funds by reducing the original project budget and the corresponding ERDF contribution, as follows:

- 10% reduction of the budget for the partners who have requested amounts for first level control lower than 75% of the initial amounts included in the schedule for first level control requests
- 25% reduction of the budget for the partners who have requested amounts for first level control less than 50% of the initial amounts included in the schedule for first level control requests

For exemplification, let's suppose that LB has requested by the end of the 6<sup>th</sup> month of implementation 18,500 euro for first level control (therefore, respecting its schedule), P2 has requested 13,200 euro and P3 10,000 euro. Therefore, both P2 and P3 have failed to respect their schedule. The calculation of the decommitment is summarized in the following table:

		P2	P3
(1)	Partner's total budget	36,000	24,500
(2)	Total amount to be requested for FLC	19,000	11,000
(3)	Total amount actually requested	13,200	10,000
(4)	Percentage of spending (3)/(2)	69%	90%
(5)	Amount to be decommitted 10%*(1)	3,600	-
	Partners' new budget after decommitment (1)-(5)	32,400	24,500

Although P3 has not managed to respect the initial schedule, a decommitment shall not be applied, as the deviation of spending from the initial forecast is of only 10%. Considering that P2 has managed to respect his initial estimation of the total amounts to be requested for FLC by the end of the 6<sup>th</sup> month in a percentage of 69%, a decommitment of 10% will apply, reducing the partner's budget with 3,600 euro.

Following this analysis, which will be performed at Programme level for each project and partner, the LB will be notified by the MA/JS, regarding the amounts to be decommitted for each partner. This analysis may also be performed beforehand by each partner as the information is available also to it. The LB has the obligation of forwarding the notification to all partners and of submitting

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a revised budget, reflecting the decommitment, and a revised application form, if the case, within 2 weeks following the receipt of MA's/JS's notification. Therefore, the partners affected by the decommitment have to make a thorough analysis of their activities and budget and decide which budgetary lines may be reduced for covering the decommitment. The revised documents have to be submitted to the LB in due time in order to respect the deadline communicated by the MA. This is an important decision in the lifetime of a project, and it is advised that a joint meeting of the partners is organized in case this situation occurs in order to analyse the implementation of the project and take the necessary measures for putting it back on track.

***Please pay attention to the fact that it is very important to respect the deadline for submission of the revised documents. In case of failure to respect the deadline, the MA shall apply the decommitment proportionally to all budgetary lines of the concerned partners.***

In case a decision is taken by the MA to reduce the budget proportionally to all budgetary lines, a thorough analysis will be done by the MA/JS regarding the balance of each budgetary line for the concerned partner/s. When calculating the balance for each budgetary line, the amounts requested for FLC for each budgetary line shall be taken into consideration. Once the balance is calculated, the amount to be decommitted shall be reduced from each budgetary line proportionally with the proportion of each budgetary line in the approved budget. In case the balance of one budgetary line is lower than the amount to be reduced for the respective budgetary line, then the entire balance shall be reduced and the difference shall be covered equally from the rest of the budgetary lines.

Let's take the example mentioned above. Suppose the initial partner's budget is composed of the following budgetary lines. According to the calculations mentioned above, the partner's budget needs to be reduced with 3,600 euro. This amount will be divided proportionally for each budgetary line, taking into consideration the proportion of each budgetary line in the total budget. Therefore, the amount that needs to be reduced for budgetary line Travel and accommodation is 500 euro. Considering that the balance for this budgetary line is only 400 euro (taking into consideration the requests for FLC), the amount that will be reduced is 400 euro. The rest of 100 euro will be divided equally between the remaining direct costs (External expertise and services and Equipment), taking into consideration the automatically calculated amounts for indirect costs ( $100/2=50$  euro).

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***In order to avoid arithmetic mistakes, when reducing the project budget due to decommitment, it is mandatory to reduce the direct costs, as the costs calculated based on flat rates will be reduced automatically due to Excel formulas.***

Budgetary lines	Initial approved budget	Percentage in the approved budget (%)	Amounts requested for FLC	Balance	Amounts decommitted	
Travel and accommodation	5,000	13,89	4,600	400	500	400
External expertise and services	15,000	41,67	2,400	12,600	1,500	1,550
Equipment	10,000	27,78	4,000	6,000	1,000	1,050
Staff costs 15% of direct costs	4,500	12,50	1,650	2,850	450	450
Office and administration costs 5% of direct costs	1,500	4,17	550	950	150	150
Total	36,000	100	13,200	22,800	3,600	3,600

***Please pay attention to the fact that it is in the interest of each partner to provide a revised budget following the decommitment, as the reduction to be performed at MA level is artificial and can have negative consequences on the project implementation. The partners know best which budgetary lines can be reduced without jeopardizing the implementation of the project.***

In either case, the modification of the contract in case of decommitment at project level shall take the form of a decision of the representative of the Managing Authority signing the contract, which will be notified to the lead beneficiary, and which becomes part of the contract.

The decommitment shall be done without prejudice for partners' obligation to implement all the activities and achieve all the results, according to the approved application form. That means that despite the reduction of the budget, the partners still need to implement all activities and achieve all results, as mentioned in the approved application form.

The Lead beneficiary together with the partners may decide to give up financing, but in this case all the funds reimbursed shall be recovered by the Managing Authority and the contract shall be terminated.

## 17. Irregularities and frauds

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### A. Irregularities

#### Definitions

#### Provisions from the:

***Subsidy contracts*** concluded between the MA and the Lead Beneficiary

***Co-financing contracts*** concluded between

↗ MA and the Romanian beneficiaries

↘ NA and the Bulgarian beneficiaries

***Partnership Agreement*** concluded between the beneficiaries

According to contract, an irregularity is:

*Any failure to observe the law, regulation and compliance with the provisions of the memorandums of understanding, financing agreements regarding the Community funds and related co-financing, as well as with the provisions of the contracts concluded according to these memorandums/agreements, resulting from an action or inaction of the Lead Beneficiary/any other project beneficiaries, which by an ineligible expenditure prejudices or may prejudice the general budget of the European Communities or the budgets these manage in their name and/or the budgets granting the related co-financing.*

**Responsibilities of the Lead Beneficiary:**

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- 1) *The LB is liable towards the MA for all irregularities, even those committed by the project beneficiaries.*
- 2) *In case of irregularity, the MA shall impose to the Lead Beneficiary all the necessary measures for the elimination or diminishing of the consequences on the implementation of the project.*
- 3) *MA may suspend or terminate the contract in case the beneficiaries fail to take the measures imposed.*
- 4) *In case an irregularity is committed, the LB is responsible for reimbursing to the MA the amount affected by the irregularity, even if the irregularity was committed by one of the project beneficiaries.*
- 5) *The MA takes the decision for suspending/terminating the contract, after verifying the reasons presented by the LB and/or JS and the related documents.*
- 6) *In case the contract shall be terminated, the MA notifies the LB regarding this decision and the related financial measures. In this case, the MA will request that within 30 days as of the receiving date of the notification, the LB shall return the amounts that the notification refers to, including the bank charges.*
- 7) *For the irregularities committed by a project beneficiary, the LB is entitled to request these amounts from the responsible project beneficiary in order to pay them to the MA.*
- 8) *If the Lead Beneficiary does not manage to recover the unduly paid ERDF contribution from the project beneficiaries, it will inform the MA and will send all necessary documents for the MA to be able to take all necessary measures stipulated by the legislation in force.*
- 9) *Any extra payment done by the MA is considered unduly paid amount, and the LB has to repay the respective amounts within 30 days as of the receiving date of the notification from the MA.*
- 10) *In case the irregularity is discovered before the final payment, the MA may decide the diminishing of the reimbursed amount starting with the next payment until the total recovery of the debt, to which the bank charges are added.*
- 11) *In case the irregularity resulting in an unduly paid amount is discovered after the final payment or the debt was not entirely recovered, the MA shall notify the LB regarding the unduly paid amount, and the LB has the obligation to return, within 30 days as of the receiving date of the notification, the amount, including bank charges.*



12) Starting with the 31<sup>st</sup> day as of the expiry of the deadlines stipulated at paragraphs 6,9,11 an interest rate bigger with one and a half points than the rate applied by the European Central Bank as in force on the first working day from the month of the deadline date shall be applied to the owed amounts.

### Responsibilities of the Beneficiary

Depending on the Co-financing contracts concluded between MA or NA and the beneficiary, the MA/NA can:

- 1) In case of irregularity, MA or NA may impose to the beneficiary, in writing, within 5 (five) working days from the finding out of the irregularity, all the necessary measures for the elimination or diminishing of the consequences upon project implementation
- 2) MA or NA may suspend or terminate the contract in the case in which the beneficiaries do not fulfill the measures imposed.
- 3) If before the deadline of the suspension period of the contract execution, the beneficiary fulfills the corrective measures established by the MA or NA and also of his financial corrections, the MA notifies JS and the beneficiaries regarding the re-starting of contract execution, mentioning the date from which this starts.
- 4) If until the expiration of the suspension period, the beneficiary does not fulfill the corrective or financial measures established by MA, MA decides the termination of the contract.
- 5) In case of terminating the contract, the MA or NA notifies the beneficiary regarding this decision and the related financial measures. In this case, the MA or NA will request that in the deadline set in co-financing contract, the beneficiary to return the amounts that the notification refers to, including the bank charges.
- 6) In case of irregularities committed after the ending of the implementation period of the project, the beneficiary has the obligation, in the deadline set in the co-financing contract to reimburse the amounts unduly paid including the bank costs.
- 7) Any extra payment done by the MA or NA is considered unduly paid amount, and the beneficiary has to repay the respective amounts in the deadline set in the co-financing contract.
- 8) In case the irregularity is discovered before the final payment, the MA or NA may decide the diminishing of the reimbursed amount starting with the next payment until the total recovery of

*the debt, to which it is added the bank charges.*

9) *In case the irregularity resulting in an unduly paid amount is discovered after the final payment and the debt was not entirely recovered, the MA shall notify the beneficiary regarding the unduly paid amount, and the beneficiary has the obligation to return, in the deadline set in the co-financing contract, the amount, including bank charges.*

10) *Starting the next day from the deadlines stipulated at paragraphs 5, 7, 9 delay penalties bigger with one and a half point than the rate applied by the Central European Bank from the first working day from the month of the deadline date will be calculated to the owed amounts.*

*The beneficiary bares the bank charges resulted from the reimbursing of the amounts to the MA or NA.*

### Irregularities Flow

#### 1. ERDF

Nr.	Action	Responsible	Deadline	Document
<b><i>Irregularity was committed before the final payment</i></b>				
1.	Amounts will be held from the subsequent payments	MA	The next reimbursement claim	Subsidy contract
<b><i>Irregularity took place after the final payment or exceeds the total payments</i></b>				
1.	The MA will address the Lead Beneficiary to recover the unduly paid amounts	MA		Subsidy contract
2.	The LB committed the irregularity, so he pays the amounts to the MA	LB	30 days	Subsidy contract
3.	A partner committed the irregularity, so the LB requests the amounts from the responsible beneficiary	LB		Partnership Agreement
4.	The beneficiary sends the amounts to the LB	Beneficiary	20 days	Partnership Agreement
5.	The LB cannot recover the amounts from	LB	N/A	Subsidy

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	the beneficiary, will inform the MA and will send all necessary documents for the MA to be able to take all necessary measures stipulated by the legislation in force			Contract
6.	The MA takes legal measures	MA	According to the relevant legislation	Subsidy contract
<b><i>MA decides to suspend/terminate the contract as the result of a irregularity</i></b>				
1.	The MA notifies the Lead Beneficiary	MA		Subsidy contract
2.	MA requests the LB to return the amounts	MA		Subsidy contract
3.	The LB committed the irregularity, so he pays the amounts to the MA	LB	30 days	Subsidy contract
4.	A partner committed the irregularity, so the LB requests the funds from the responsible partner	LB		Partnership Agreement
5.	The partner sends the amounts to the LB	Partner	20 days	Partnership Agreement
6.	The LB cannot recover the amounts from the beneficiary, will inform the MA and will send all necessary documents for the MA to be able to take all necessary measures stipulated by the legislation in force	LB	N/A	Subsidy contract
7.	The MA takes legal measures	MA	According to the relevant legislation	Subsidy contract

### 2. State budget

Nr.	Action	Responsible	Deadline	Document
<b><i>Irregularity was committed before the final payment</i></b>				
1.	Amounts will be held from the subsequent payments	MA/NA	The next reimbursement claim	Co-financing contract
<b><i>Irregularity took place after the final payment or exceeds the total payments</i></b>				
1.	The MA/NA will address the Beneficiary to recover the unduly paid amounts.	MA/NA		Co-financing contract
2.	The Beneficiaries sends the amounts to the MA/NA	Beneficiary	According to the co-financing contract	Co-financing contract
3.	The Beneficiary does not send the amounts to the MA/NA	Beneficiary	According to the co-financing contract	Co-financing contract
4.	The MA/NA takes legal measures	MA/NA	According to the relevant legislation	Co-financing contract
<b><i>The MA/NA decides to suspend/terminate the contract as the result of a irregularity</i></b>				
1.	The MA/NA notifies the Partner	MA/NA		Co-financing contract
2.	MA/NA requests the partner to return the amounts.	MA/NA		Co-financing contract
2.	The partners sends the amounts to the MA/NA	Beneficiary	According to the co-financing contract	Co-financing contract
3.	The Partner does not send the amounts to the MA/NA	Beneficiary	According to the co-financing contract	Co-financing contract
4.	The MA/NA takes legal measures	MA/NA	According to	Co-financing

			the relevant legislation	contract
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### B. Fraud and antifraud measures

#### Section I: General information

The Convention drawn up on the basis of Article K.3 of the Treaty on European Union, on the protection of the European Communities' financial interests defines "*fraud*", in respect of expenditure, *as any intentional act or omission relating to:*

- the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by, or on behalf of the European Communities,
- non-disclosure of information in violation of a specific obligation, with the same effect,
- the misapplication of such funds for purposes other than those for which they were originally granted."

This chapter provides the basic introduction for Interreg V-A Romania-Bulgaria Programme beneficiaries on measures that could contribute to eliminating fraud risks in procurement process.

The entire personnel of the beneficiary, involved in the procurement process shall sign the ***declarations foreseen in this chapter of PIM***. All the declarations shall be registered and made available to the Programme structures, together with the all procurement documents (file).

Each beneficiary shall observe the measures set out by this chapter for each procurement process developed within a project.

The beneficiaries will apply the provisions of this chapter according to the following criteria:

- **Contracting authorities** (e.g. local and central public authorities, etc.) will observe the provisions of Section II.
- **Private beneficiaries** (the beneficiaries that are not contracting authority according to legal provisions - e.g. non-governmental organizations, private non-profit making bodies/organizations, foundations, universities etc.) will observe the provisions of Section

### III.

For beneficiaries that have an internal audit unit, it is recommended to use this structure to analyze the procurement process.

All the documents drafted by the beneficiary shall be submitted to the first level control, together with the supporting documents required for expenditure validation.

It is recommended the beneficiary to have an internal code of conduct and a conflict of interest policy relating to projects funded from European funds. If the beneficiary does not have this kind of codes, he may take into consideration the EU guides or other national documents on these issues (e.g. *for example the European Commission guide Identifying conflicts of interests in public procurement procedures for structural actions - A practical guide for managers elaborated by a group of Member States' experts coordinated by OLAF's unit D2*).

If the beneficiary has any knowledge of a fraud suspicion/irregularity related to the Programme, it is his responsibility to announce the management structures, by using the whistleblower:

- For Romanian beneficiaries: [sesizari.proiecte@mdrap.ro](mailto:sesizari.proiecte@mdrap.ro)
- For Bulgarian beneficiaries: [MKrasteva@mrrb.government.bg](mailto:MKrasteva@mrrb.government.bg),  
[SDilkovski@mrrb.government.bg](mailto:SDilkovski@mrrb.government.bg), [IDeneva@mrrb.government.bg](mailto:IDeneva@mrrb.government.bg)  
[NA-RO-BG@mrrb.government.bg](mailto:NA-RO-BG@mrrb.government.bg)

### Section II - Contracting authorities (public procurement procedures)

When developing a procurement process, the public beneficiaries will observe the legal provisions, according to national and European law.

The beneficiary must observe the conflict of interest within public procurement procedures. In this regard, the beneficiary shall observe the national legal provisions regarding the *conflict of interest*. Also, for additional information the beneficiary may take into consideration the European Commission guide *Identifying conflicts of interests in public procurement procedures for structural actions - A practical guide for managers elaborated by a group of Member States' experts coordinated by OLAF's unit D2*<sup>4</sup>. Thus, the beneficiary's personnel involved in a public procurement procedure shall declare the absence of conflict of interest according to national law. These declarations will be registered and made available to the Programme structures. A template regarding Conflicts of Interest Declaration and confidentiality is presented in annex 17.

It is recommended the beneficiary to observe the *four eyes principle* for all documents drafted according to national legislation/ internal programme requirements and the indications provided within this document, needed for developing the procurement procedure.

The beneficiaries that are allowed to use the PREVENT system in Romania have the obligation to use it in the procurement process.

Also, please note that the beneficiary does not have the right to divide the procurement contract into several separate contracts of lower value, or to use calculation methods that may lead to the underestimation of the estimated values of the procurement contract, with the purpose of avoiding the application of the provisions of public procurement rules/procurement rules.

According to the type of the procurement procedure developed, the beneficiaries will observe the following indications, according to each procurement procedure stage.

Regardless the type of the procurement procedure applied, the beneficiaries must permanently update the information regarding the procurement procedure.

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<sup>4</sup> This document can be downloaded at the following link: <http://ec.europa.eu/sfc/en/2014/anti-fraud>

### 1. For direct public procurement (bellow the legal threshold)

When developing a direct procurement, provided that the legal threshold is observed, the contracting authority shall take into account the following indications.

The following indications are not mandatory for the direct procurement with a budget bellow 2,500 euro (including VAT).

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



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PP <sup>5</sup> stage	Steps	Actions/measures to take	Outputs - indicative documents required <sup>6</sup>
	Drafting the technical specification/terms of reference	<p>It is not mandatory to draft technical specification/terms of reference for direct procurement.</p> <p>However, in case of direct purchase of services, goods or works, with certain degree of complexity<sup>7</sup>, it is recommended the beneficiary to draft the technical specifications/terms of references that need to be observed by the direct provider.</p> <p>These technical specifications/ terms of references should be approved by the legal representative or by a superior personal with tasks in this regard (according to the internal rules of procedure of the beneficiary).</p>	<ul style="list-style-type: none"> <li>Internal documents regarding the approval of the technical specifications/terms of references</li> </ul>

<sup>5</sup> PP=procurement procedure

<sup>6</sup> These are indicative documents required by the Managing Authority. It is not mandatory to have distinct documents for all this information. The beneficiary may decide to have a single document that includes all information required by the Managing Authority.

<sup>7</sup> Within the meaning of this document, complex services, goods or works can be considered: services for drafting, procedures, technical documents, feasibility studies, traffic studies, training, events, promotional materials, works etc.

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		If such technical specifications/ terms of references were drafted and approved, the reception of the services, goods or works will be made in accordance with these specifications.	
Planning, preparation and carry out	Budget allocation	<p>Justifying the market price is an obligation of the beneficiary.</p> <p>When estimating the budget of the procurement, the beneficiary must observe the ceilings of costs provided by <i>Annex C Ceilings for expenditures</i> to the Applicant Guide and the information provided within the application form.</p> <p>If <i>Annex C Ceilings for expenditures</i> does not provide a ceiling/information regarding a certain service, good or work, then it is obligatory for the beneficiary to make a deep market research for related costs and, if the case, to use the internal benchmark price for standard goods or services (based on previous prices paid by the beneficiary and on the market price).</p> <p>Also, three price offers shall be taken into consideration when estimating the costs.</p> <p>Procurement must not be split artificially to circumvent the procurement thresholds.</p>	<ul style="list-style-type: none"> <li>• Internal documents regarding the justification of the budget/the approval of the budget</li> </ul>

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	Approval of the direct procurement	It is obligatory that the direct procurement to be approved by the legal representative of the beneficiary or by a superior personal with tasks in this regard (according to the internal rules of procedure of the beneficiary).	<ul style="list-style-type: none"> <li>• Internal documents approving the direct procurement</li> </ul>
	Conflict of interest	<p>The beneficiary must take all the necessary measures in order to avoid the situations that might cause conflicts of interests within the procurement procedure.<sup>8</sup> Rules of conflict of interest shall be observed during the whole procedure (from request to price offer to signing the contract. In this respect, the beneficiary must hold a register of all the declarations regarding the conflict of interest of each person involved in the public procurement procedure.</p> <p>The declaration regarding the conflict of interest shall be issued only for the direct procurement with a budget over 2.500 euro (including VAT).</p>	<ul style="list-style-type: none"> <li>• Declaration of the conflict of interest</li> <li>• Register of the conflict of interest declarations.</li> </ul>

<sup>8</sup> Please take into consideration the national legal provisions and the European Commission guide regarding *Identifying conflicts of interests in public procurement procedures for structural actions - A practical guide for managers elaborated by a group of Member States' experts coordinated by OLAF's unit D2 - Fraud Prevention* <http://ec.europa.eu/sfc/en/2014/anti-fraud>

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Implementation and monitoring	If the beneficiary decides to sign a contract <sup>9</sup>	<p>In case the beneficiary decides to conclude a legal contract with the provider, then the beneficiary shall publish all the contract information that is not publically sensitive (according to national provisions). The beneficiary shall make public the information on its website or on the Programme site, if the beneficiary does not have one:</p> <ul style="list-style-type: none"> <li>• The information shall be posted in 10 days from the contract signing on the beneficiary site.</li> <li>• The request for publishing the information on Programme site (together with the relevant information) is submitted to JS in 8 days from the contract signing.</li> </ul> <p>The minimum following information shall be made public: the name of the provider, the contract value, the type of procurement, namely direct procurement, the contract object.</p>	<ul style="list-style-type: none"> <li>• Information posted/request to JS for posting the information on the Programme site.</li> </ul>
	If the beneficiary decides not to sign a contract (but	In case the procurement is concluded with a purchase order/procurement notice issued by the buyer, then the beneficiary shall publish the following minimum information: the name of the provider, the price, the purchase	<ul style="list-style-type: none"> <li>• Information posted/request to JS for posting the</li> </ul>

<sup>9</sup> It is recommended the beneficiary to conclude a contract or to issue a purchase order/procurement notice when purchasing complex services, goods or works (e.g. services for drafting, procedures, technical documents, feasibility studies, traffic studies, training, events, promotional materials etc.). This will give the beneficiary more control of the procurement process.

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	other types of documents -e.g. purchase order/procurement notice of the beneficiary as buyer) <sup>10</sup>	<p>order/procurement notice objects etc.</p> <ul style="list-style-type: none"> <li>• The information shall be posted on the beneficiary site in 10 days from the date on which the purchase order/procurement notice was issued.</li> <li>• The request for publishing the information on Programme site (together with the relevant information) is submitted to JS in 8 days from the date on which the purchase order/procurement notice was issued.</li> </ul>	information on the Programme site.
	No documents issued by the beneficiary as buyer - direct purchase <sup>11</sup>	<p>In case the beneficiary issues no documents - direct purchase - the beneficiary shall publish the following minimum information: the name of the seller/supplier, the price, the object of the direct shopping.</p> <ul style="list-style-type: none"> <li>• The information shall be posted on the beneficiary site in 10 days from the date of shopping.</li> </ul> <p>The request for publishing the information on Programme site (together with the relevant information) is submitted to JS in 8 days from the from the date of shopping.</p>	<ul style="list-style-type: none"> <li>• Information posted/request to JS for posting the information on the Programme site.</li> </ul>

<sup>10</sup> It is recommended the beneficiary to conclude a contract or to issue other types of documents with similar effects as a contract (e.g. purchase order, procurement notice) when purchasing complex services, goods or works. This will give the beneficiary more control of the procurement process.

<sup>11</sup> Direct purchase- in the meaning of this document, direct purchase is a procedure where the beneficiary buys different items (previously approved according to the internal rules) from a provider (e.g. shops, markets etc.), without concluded a contract or other types of documents (e.g. stationary, office supplies, simple works etc.).

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	<p><b>Implementation, monitoring and control</b></p>	<p><b>Direct purchase</b></p> <p>N/A</p> <p>Only if the internal procedures of the beneficiaries require.</p> <p><b>If, no contract issued by the beneficiary, during the implementation period,</b></p> <p>The beneficiary:</p> <ul style="list-style-type: none"> <li>• Reviews products/ works purchased/performed against the technical specifications (if they were drafted and made available to the provider);</li> <li>• Periodically reviews the quality of the activities performed by the service provider (if the process involves complex/more activities) against the TORs provisions;</li> <li>• Reviews activity reports, if they were required within the technical specifications / TORs</li> <li>• Reviews outputs for evidence of costs and requests additional evidence in support. All the reports shall be approved by the beneficiary.</li> <li>• Performs a review of invoices submitted by the contractor for duplication (i.e. multiple invoices for the same amount, invoice number</li> </ul>	<ul style="list-style-type: none"> <li>• Internal notes regarding the approval of the reports</li> <li>• Expert reports regarding the implementation of the activities and the quality of the activities performed by providers, approved by the beneficiary (contracting authority)</li> </ul>
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		<p>etc.) or falsification.</p> <ul style="list-style-type: none"> <li>• All the invoices received from the provider should be checked and approved by the financial expert/manager before payment.</li> </ul> <p><b>If a contract is issued, during the implementation period, the beneficiary:</b></p> <ul style="list-style-type: none"> <li>• Reviews products/services/works purchased/performed against the technical specifications (if they were drafted and included in the contract);</li> <li>• Periodically reviews on the quality of the activities performed by the provider (if the process involves complex/more activities);</li> <li>• Reviews activity reports, if they were required within the contract;</li> <li>• Reviews outputs for evidence of costs and requests additional evidence in support. All the reports shall be approved by the beneficiary.</li> <li>• Performs a review of invoices submitted by the contractor for duplication (i.e. multiple invoices for the same amount, invoice number etc.) or falsification.</li> <li>• All the invoices received from the contractor/provider should be checked and approved by the financial expert/manager before payment.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal notes regarding the approval of the reports</li> <li>• Expert reports regarding the implementation of the activities and the quality of the activities performed by contractors</li> </ul>
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	<p>Reception of services/product/works</p>	<p>At the completion of the procurement procedure, the following indications must be observed:</p> <p><b>Direct purchase</b></p> <p>The beneficiary must ensure that the items bought, object to the direct purchase, are identical with those approved by the legal representative or by a superior personal with tasks in this regard (according to the internal rules of procedure of the beneficiary) or have a superior quality.</p> <p>The beneficiary must draft an internal document approving the payment of these items. This document must include information regarding the items bought, namely: the items are identical with those approved by the legal representative or by a superior personal with tasks in this regard (according to the internal rules of procedure of the beneficiary) or have a superior quality and the price is in line with the initial budget approved.</p> <p>If the object of direct purchase is works, then the beneficiary must conclude a reception minutes with the provider stating that the works fulfills the quality and quantity criteria.</p> <p><b>In case that no contract is issued by the beneficiary</b></p> <p>When receiving the services/products/works, the beneficiary must perform a</p>	<ul style="list-style-type: none"> <li>• Receipts from the seller/provider</li> <li>• Internal documents</li> <li>• Final reports regarding</li> </ul>
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		<p>rigorous check on the quality of the products/services/works purchased/performed against the specifications (if they were drafted and made available to the provider). This information shall be included in the receipt minutes.</p> <p>The beneficiary must draft an internal document approving the receipt of the products/services/works and concluding the procedure. This document must include information regarding the products/services/works subject of the purchase order/procurement notice, namely: the discrepancies between planned and actual activities and budget, the receipt minutes, a qualitative and quantitative evaluation of the products/services/works against the technical specification (if the case), the price, a description of the activities (if the case), all the relevant documents regarding the completion of the activities, (reports, attendance registers, time recording system etc.) etc.</p> <p>The beneficiary performs a review of invoices submitted by the contractor for duplication (i.e. multiple invoices for the same amount, invoice number etc.) or falsification.</p> <p>All the invoices received from the contractor should be checked and approved by the financial expert/manager (internal document) before payment.</p> <p>In case of works, it is recommended the beneficiary to request works certificates or other form of verification certifies, awarded by an independent</p>	<p>the completion of the activities performed, approved by the contracting authority</p> <ul style="list-style-type: none"> <li>• Internal documents</li> <li>• Works certificates or other form of verification certifies, awarded by an independent party, according to the legal provisions in force.</li> </ul>
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	<p>party, to be provided on the completion of the activities, according to the legal provisions in force.</p> <p><b>In case that a contract is issued by the beneficiary</b></p> <p>When receiving the services/products/works, the beneficiary must perform a rigorous check on the quality of the products/services/works purchased/performed against the specifications (if they were drafted and/or included in the contract/purchase order/procurement notice). This information shall be included in the receipt minutes.</p> <p>The beneficiary must draft an internal document approving the receipt of the products/services/works and of the payment or countersign the final report issued by the contractor.</p> <p>This document must include information regarding the products/services/works subject of the contract, namely: the discrepancies between planned and actual activities and budget, the receipt minutes, a qualitative and quantitative evaluation of the products/services/works against the technical specification (if the case), the price, a description of the activities (if the case), all the relevant documents regarding the completion of the activities, (reports, attendance registers, time recording system etc.) etc.</p> <p>The beneficiary performs a review of invoices submitted by the contractor for</p>	<ul style="list-style-type: none"> <li>• Final reports regarding the completion of the activities performed approved by the contracting authority.</li> <li>• Internal documents</li> <li>• Works certificates or other form of verification certifies, awarded by an</li> </ul>
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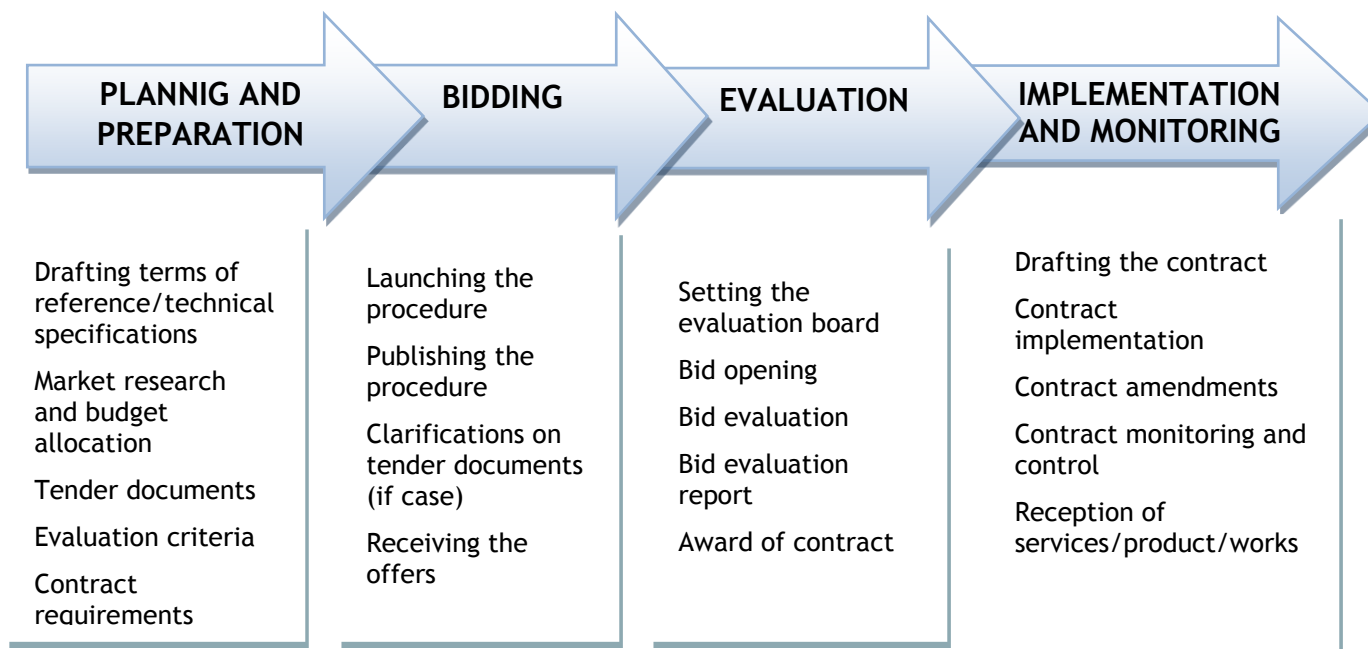
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		<p>duplication (i.e. multiple invoices for the same amount, invoice number etc.) or falsification.</p> <p>All the invoices received from the contractor should be checked and approved by the financial expert/manager (internal document) before payment.</p> <p>For any discrepancies between the information provided by the contractor and the contract, the beneficiary shall request for clarifications.</p> <p>In case of works, it is mandatory the beneficiary to request works certificates or other form of verification certificates, awarded by an independent party, to be provided on the completion of the activities, according to the legal provisions in force.</p>	<p>independent party, according to the legal provisions in force.</p>
	Contract amendments	<p>The amendments to the contract must be verified and approved by a senior level personnel within the beneficiary.</p>	<p>• Reports/approvals</p>

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### 2. For competitive public procurement procedure (contracting authorities)

The indicative main stages of a competitive public procurement procedure are captured in this image:



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When developing a competitive public procurement procedure, provided that the legal threshold is observed, the public beneficiary shall take into account the following indications:

PP Stage	Steps	Actions/measures to take	Outputs - indicative documents required <sup>12</sup>
Planning, preparation and carry out	Drafting the technical specification/terms of reference	The technical specifications/terms of references established by the beneficiary must not be too narrow/rigged in comparison with the legal provisions. In such cases, the restrictive specifications shall be identified by the Programme control structure and financial correction shall be applied according to legal provisions.	• Internal documents regarding the approval of the technical specifications/terms of references
	Budget allocation	When estimating the budget of the procurement, the beneficiary must observe the ceilings of costs provided by <i>Annex C Ceilings for expenditures</i> to the Applicant Guide.  If <i>Annex C Ceilings for expenditures</i> does not provide a ceiling/information regarding a certain service, good or work, then it is mandatory for the beneficiary to make a deep market research for related costs and, if the case,	• Internal documents regarding the justification of the budget/the approval of the budget

<sup>12</sup> These are indicative documents required by the Managing Authority. It is not mandatory to have distinct documents for all these information. The beneficiary may decide to have a single document that includes all information required by the Managing Authority.

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		to use the internal benchmark price for standard goods or services (based on previous prices paid by the beneficiary and on the market price).	
	Evaluation criteria and Tender documents	The evaluation and selection criteria established by the beneficiary must not be restrictive in comparison with the legal provisions. In such cases, the restrictive evaluation and selection criteria shall be identified by the Programme control structure and financial correction shall be applied according to legal provisions.	<ul style="list-style-type: none"> <li>• Tender documents drafted.</li> </ul>
	Approval of the public procurement procedure	It is recommended the public procurement procedure to be approved by the legal representative of the beneficiary or by a superior personal with tasks in this regard (according to the internal rules of procedure of the beneficiary).	<ul style="list-style-type: none"> <li>• Internal documents approving the direct procurement</li> </ul>
	Transparency/launching the procedure	The beneficiary shall make public all the procurement procedures, inclusive all the tender documents. Thus, the beneficiary shall observe all legal provisions regarding the assurance of the transparency of the public procurement procedure. Also, the beneficiary may post on its website all the tender documents, observing the timescales provided by the law. If such timescales are not foreseen, then the documents shall be published in due time for the bidders to prepare and submit their offers.	<ul style="list-style-type: none"> <li>• Tender documents published</li> </ul>

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		In case the beneficiary does not have a website, he may ask JS to post all the procurement procedures on the Programme site. Thus, the beneficiary shall submit all the related documents to JS for uploading them in the system in due time.	
	Security of unopened tenders	<p>The beneficiary shall ensure the adequate security arrangements for unopened tenders (e.g. a safe place for keeping the unopened tenders with limited access).</p> <p>In this regard, the beneficiary may decide:</p> <ul style="list-style-type: none"> <li>- to include within the evaluation report information regarding the insurance of proper security arrangements of unopened tenders.</li> <li>- or, to sign a distinct declaration regarding the insurance of adequate security arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>• Beneficiary declaration regarding the insurance of adequate security arrangements/Evaluation report</li> </ul>
	Confidentiality of information	<p>The personal involved in bidding process shall ensure the confidentiality of information.</p> <p>In this regard, the persons involved in the procurement process shall sign a declaration stating that the confidentiality of the information included within the tender documents and received offers is ensured.</p>	<ul style="list-style-type: none"> <li>• Declaration of confidentiality</li> </ul>

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	Conflict of interest	<p>The beneficiary must take all the necessary measures in order to avoid the situations that might cause conflicts of interests within the procurement procedure. In this respect, the beneficiary must hold a register of all the declarations regarding the conflict of interest of each person involved in the public procurement procedure.</p>	<ul style="list-style-type: none"> <li>• Declaration of the conflict of interest</li> <li>• Register of the conflict of interest declarations.</li> </ul>
	Setting up the evaluation board	<p>When setting up the evaluation board<sup>13</sup>, the beneficiary shall observe the following recommendations:</p> <ul style="list-style-type: none"> <li>• The evaluation board is comprised of several senior management personnel</li> <li>• The members are rotated within the evaluation boards</li> <li>• The members are randomly selected.</li> <li>• The members sign a conflict of interest declaration</li> </ul> <p>The purchaser beneficiary must take all the necessary measures in order to avoid the situations that might cause conflicts of interests and/or unfair competition. In this respect, the beneficiary must hold a register of all the declarations regarding the conflict of interest of each member of the</p>	<ul style="list-style-type: none"> <li>• Declaration of board evaluation members regarding the conflict of interest</li> <li>• Register of the conflict of interest declarations.</li> </ul>

<sup>13</sup> The beneficiary shall establish the evaluation/selection board according to the national provisions, its internal rules and human resources available



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		<p>evaluation board.</p> <p>When setting up the evaluation board, the beneficiary should select members that have knowledge of the marketplace (prices, companies, alliances and understanding between them etc.) taking into consideration their experience, the field of the contract, etc.</p> <p>In addition, it is recommended to observe the principle of rotation and randomness when setting the evaluation board (if the personnel is sufficient to ensure such rotation and randomness).</p>	
	Bid evaluation	<p>When evaluating the bids, it is recommended the evaluators to use their marketplace knowledge that may help them detect high and unusual bid data and unusual relationships between third parties, and act according to national legal provisions in force. Also, during bid evaluation, the board evaluation should:</p> <ul style="list-style-type: none"> <li>• complete backgrounds check on all bidders and third parties (this includes: website checks, companies house information etc.)</li> <li>• corroborate prices quoted by bidders in their financial offers to other independent sources if <i>Annex C Ceilings for expenditures</i> does not provide a ceiling/information regarding a certain service, good or work. Also, the prices can be compared against the generally</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluation report</li> </ul>

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		<p>accepted prices for similar contracts.</p> <ul style="list-style-type: none"> <li>• check prices with <i>Annex C Ceilings for expenditures</i>.</li> </ul> <p>During the evaluation process, the members shall check the existence of all declarations submitted by the bidders, according the legal provisions.</p> <p>The members shall include all these information in the evaluation report that shall be submitted to the first level control for expenditure validation.</p> <p>Also, the evaluation report regarding the selection of the bidder shall include the description of the financial and technical advantages that motivates the selection of one bidder other another bidders.</p>	
Implementation and monitoring	Drafting/signing the contract	<p>The beneficiary shall publish all the contract information that is not publically sensitive (according to national provisions). The beneficiary shall made public the information on its website or on the Programme site, if the beneficiary does not have one:</p> <ul style="list-style-type: none"> <li>• The information shall be posted in 10 days from the contract signing on the beneficiary site.</li> <li>• The request for publishing the information on Programme site (together with the relevant information) is submitted to JS in 8 days from the contract signing.</li> </ul>	<ul style="list-style-type: none"> <li>• Information posted/request to JS for posting the information on the Programme site.</li> </ul>

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		The minimum following information shall be made public: the name of the provider, the contract value, the type of public procurement used, the contract object.	
		For all single source awards (when only one bidder attended the procedure and the beneficiary plans to sign the contract with that bidder), the beneficiary must provide a strong justification for the award of this contract. The justification shall be approved by a superior that is not involved in the procedure.	<ul style="list-style-type: none"> <li>• FLC shall verify the justification</li> </ul>
	Implementation, monitoring and control	<p>It is recommended that the contract implementation team set up at beneficiary level to include relevant experts on the contract field<sup>14</sup>. Depending on the contract type, during contract implementation, monitoring and control, the beneficiary should:</p> <ul style="list-style-type: none"> <li>• Perform a review of invoices submitted by the contractor for duplication (i.e. multiple invoices for the same amount, invoice number etc.) or falsification.</li> <li>• Review products/services/works purchased/performed against the</li> </ul>	<ul style="list-style-type: none"> <li>• Internal notes regarding the approval of the reports</li> <li>• Expert reports regarding the implementation of the contract and the quality of the activities performed by contractors</li> </ul>

<sup>14</sup> The beneficiary shall establish the contract implementation team according to its internal rules and human resources available for the contract implementation.

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		<p>technical specifications;</p> <ul style="list-style-type: none"> <li>• Periodical reviews on the quality of the activities performed by the provider;</li> <li>• Review activity reports, if they were required within the contract;</li> <li>• Review outputs for evidence of costs and request additional evidence in support. <b>All the reports shall be approved by the beneficiary.</b></li> <li>• For service contract where the experts are involved, the beneficiary must give prior authorization to third parties for significant changes of personnel and check them with the offer.</li> </ul> <p>For any discrepancies between the information provided by the contractor and the contract, the beneficiary shall request clarifications.</p> <p>All the invoices received from the contractor/provider should be checked and approved before payment by the financial expert/manager.</p>	<p>and approved by the beneficiary (contracting authority)</p>
	Reception of services/product/works	<p>When receiving the services/products/works, the beneficiary must perform a rigorous check on the quality of the products/services/works purchased/performed against the specifications. This information shall be included in the receipt minutes.</p> <p>For any discrepancies between the information provided by the contractor</p>	<ul style="list-style-type: none"> <li>• Internal notes regarding the approval of the reports</li> <li>• Expert reports regarding the implementation of</li> </ul>

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		<p>and the contract, the beneficiary shall request clarifications.</p> <p>The beneficiary must draft an internal document approving the receipt of the products/services/works and of the payment <b>or countersign the final report issued by the contractor.</b></p> <p>This document must include information regarding the products/services/works subject of the contract, namely: the discrepancies between planned and actual activities and budget, the receipt minutes, a qualitative and quantitative evaluation of the products/services/works against the technical specification, the price, a description of the activities, all the relevant documents regarding the completion of the activities, (reports, attendance registers, time recording system etc.) etc.</p> <p>The beneficiary performs a review of invoices submitted by the contractor for duplication (i.e. multiple invoices for the same amount, invoice number etc.) or falsification.</p> <p>All the invoices received from the contractor should be checked and approved by the financial expert/manager (internal document) before payment.</p> <p>In case of works, it is mandatory the beneficiary to request works certificates or other form of verification certification, awarded by an independent party,</p>	<p>the activities and the quality of the activities performed by contractors approved by the beneficiary</p> <ul style="list-style-type: none"> <li>• Final reports regarding the completion of the activities performed, approved by the beneficiary.</li> <li>• Works certificates or other form of verification certifies, awarded by an independent party, according to the legal provisions in force</li> <li>• Other internal documents</li> </ul>
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		to be provided on the completion of the activities, according to the legal provisions in force.	
	Contract amendments <sup>15</sup>	It is recommended that the amendments to the contract to be verified and approved by a senior level personnel within the beneficiary, other than the members of the evaluation board.	<ul style="list-style-type: none"> <li>• Reports/approvals</li> </ul>

<sup>15</sup> All contract amendments shall be made in accordance with national legal provisions and with the Programme rules.

### **Section III - Private beneficiaries (including also the beneficiaries that are not contracting authority according to legal provisions)**

When developing a procurement procedure, the private beneficiaries will observe the national legal provisions and the rules established by the Programme.

The Romanian private beneficiaries must observe the conflict of interest within procurement procedures, according to the Programme rules (e.g. *Reguli privind atribuirea contractelor de lucrări, de furnizare și de servicii pentru beneficiarii români care nu dețin calitatea de autorități contractate - Rules regarding the procurement of work, goods and services for Romanian beneficiaries that are not contracting authorities*) or national rules. In this regard, the beneficiary shall sign a declaration regarding the conflict of interest<sup>16</sup>. Thus, the beneficiary's personnel involved in a procurement procedure shall declare the absence of conflict of interest according to national law and Programme rules. If the national legal provisions do not provide a template of such declaration, it is recommended to use the format elaborated by the Programme structures. These declarations will be registered and made available to the Programme structures. A template regarding Conflicts of Interest Declaration and confidentiality is presented in annex 17.

In addition, it is recommended the beneficiary to observe *the four eyes principle* for all documents drafted in the procurement process.

Also, please note that the beneficiary does not have the right to divide the procurement contract into several separate contracts of lower value, or to use calculation methods that may lead to the underestimation of the estimated values of the procurement contract, with the purpose of avoiding the application of the provisions of national rules or Programme rules.

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<sup>16</sup> For additional information regarding the conflict of interest, it is recommended to consult the European Commission guide Identifying conflicts of interests in public procurement procedures for structural actions - A practical guide for managers elaborated by a group of Member States' experts coordinated by OLAF's unit D2. <http://ec.europa.eu/sfc/en/2014/anti-fraud>. This document is not mandatory, but can provide useful information to the private beneficiaries regarding the conflict of interest.

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### 1. For direct procurement procedure

When developing a direct procurement procedure, provided that the legal threshold is observed, the private beneficiary shall take into account the following indications.

The following indications are not mandatory for the direct procurement with a budget below 2,500 euro (including VAT).

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

PP stage	Steps	Actions/measures to take	Outputs - indicative documents required <sup>17</sup>
	Drafting the technical specification/terms of reference	<p>For direct procurement procedure is not mandatory to draft technical specification.</p> <p>But, in case of direct purchase of services, goods or works, with a certain degree of complexity<sup>18</sup>, it is recommended to draft the technical specifications/terms of references that need to be observed by the direct provider.</p> <p>These technical specifications/terms of references should be approved by a superior personnel with tasks in this regard (according to the internal rules</p>	<ul style="list-style-type: none"> <li>Internal documents regarding the approval of the technical specifications/terms of references</li> </ul>

<sup>17</sup> These are indicative documents required by the Managing Authority. It is not mandatory to have distinct documents for all these information. The beneficiary may decide to have a single document that includes all information required by the Managing Authority.

<sup>18</sup> Within the meaning of this document, complex services, goods or works can be considered: services for drafting procedures, technical documents, feasibility studies, traffic studies, training, events, promotional materials, works etc.



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		<p>of procedure of the beneficiary).</p> <p>If such technical specifications/terms of references were drafted and approved, the reception of the services, goods or works will be made in accordance with these specifications.</p>	
Planning, preparation and carry out	Budget allocation	<p>When estimating the budget of the procurement, the beneficiary must observe the ceilings of costs provided by <i>Annex C Ceilings for expenditures</i> to the Applicant Guide.</p> <p>If <i>Annex C Ceilings for expenditures</i> does not provide a ceiling/information regarding a certain service, good or work, then it is mandatory for the beneficiary to make a deep market research for related costs and, if the case, to use the internal benchmark price for standard goods or services (based on previous prices paid by the beneficiary and on the market price).</p> <p>It is recommended that the budget estimation to be approved by a superior personal with tasks in this regard (according to the internal rules of procedure of the beneficiary)</p>	<ul style="list-style-type: none"> <li>• Internal documents regarding the justification of the budget/the approval of the budget</li> </ul>
	Approval of the direct procurement	<p>It is recommended the direct procurement procedure to be approved by a superior personal with tasks in this regard (according to the internal rules of procedure of the beneficiary).</p>	<ul style="list-style-type: none"> <li>• Internal documents approving the direct procurement</li> </ul>

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	Conflict of interest	The beneficiary must take all the necessary measures in order to avoid the situations that might cause conflicts of interests within the procurement procedure. <sup>19</sup> In this respect, the beneficiary must hold a register of all the declarations regarding the conflict of interest of each person involved in the procurement procedure.	<ul style="list-style-type: none"> <li>• Declaration of the conflict of interest</li> <li>• Register of the conflict of interest declarations.</li> </ul>
Implementation and monitoring	If the beneficiary decides to sign a contract <sup>20</sup>	<p>It is not mandatory to sign a contract.</p> <p>In case the beneficiary decides to conclude a legal contract with the provider, then the beneficiary shall publish all the contract information that is not publically sensitive (according to national provisions). The beneficiary shall make public the information on its website or on the Programme site, if the beneficiary does not have one:</p> <ul style="list-style-type: none"> <li>• The information shall be posted in 10 days from the contract signing on the beneficiary site.</li> <li>• The request for publishing the information on Programme site (together</li> </ul>	<ul style="list-style-type: none"> <li>• Information posted/request to JS for posting the information on the Programme site.</li> </ul>

<sup>19</sup> Please take into consideration the national legal provisions and the template provided by the Programme. Also, for additional information, you can consult the European Commission guide regarding *Identifying conflicts of interests in public procurement procedures for structural actions - A practical guide for managers elaborated by a group of Member States' experts coordinated by OLAF's unit D2 - Fraud Prevention* <http://ec.europa.eu/sfc/en/2014/anti-fraud>

<sup>20</sup> It is recommended the beneficiary to conclude a contract or to issue a purchase order/procurement notice when purchasing complex services, goods or works (e.g. services for drafting procedures, technical documents, feasibility studies, traffic studies, training, events, promotional materials etc.). This will give the beneficiary more control over the procurement process.

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		<p>with the relevant information) is submitted to JS in 8 days from the contract signing.</p> <p>The minimum following information shall be made public: the name of the provider, the value of the purchase/contract, the type of procurement, the contract object.</p>	
	<p>If the beneficiary decides not to issue a contract<sup>21</sup></p>	<p>It is not mandatory to issue a purchase a contract or other type of documents (e.g. notices, orders etc.).</p> <p>In case the procurement procedure is concluded with a document issued by the buyer, then the beneficiary shall publish the following minimum information: the name of the provider, the price, the purchase order/procurement notice objects etc.</p> <ul style="list-style-type: none"> <li>• The information shall be posted on the beneficiary site in 10 days from the date on which the purchase order/procurement notice was issued.</li> <li>• The request for publishing the information on Programme site (together with the relevant information) is submitted to JS in 8 days from the date on which the purchase order/procurement notice was issued.</li> </ul>	<ul style="list-style-type: none"> <li>• Information posted/request to JS for posting the information on the Programme site.</li> </ul>

<sup>21</sup> It is recommended the beneficiary to conclude a contract or other type of documents with similar effects as a contract when purchasing complex services, goods or works. This will give the beneficiary more control of the procurement process.

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	No documents issued by the beneficiary as buyer - direct purchase <sup>22</sup>	<p>In case the beneficiary issues no documents - direct purchase - the beneficiary shall publish the following minimum information: the name of the seller/supplier, the price, the object of the direct purchase (big categories).</p> <ul style="list-style-type: none"> <li>• The information shall be posted on the beneficiary site in 10 days from the date of purchase.</li> <li>• The request for publishing the information on Programme site (together with the relevant information) is submitted to JS in 8 days from the from the date of shopping.</li> </ul>	<ul style="list-style-type: none"> <li>• Information posted/request to JS for posting the information on the Programme site.</li> </ul>
	Implementation, monitoring and control	<p>Direct purchase</p> <p>N/A</p> <p>Only if the internal procedures of the beneficiaries require.</p>	
		<p><b>No contract is issued by the beneficiary</b></p> <p>The beneficiary:</p> <ul style="list-style-type: none"> <li>• Reviews products/services/works purchased/performed against the</li> </ul>	<ul style="list-style-type: none"> <li>• Internal notes regarding the approval of the</li> </ul>

<sup>22</sup> Direct purchase - in the meaning of this document, direct purchase is a procedure where the beneficiary buys different items (previously approved according to the internal rules/this annex) from a provider (e.g. shops, markets etc.), without concluded a contract or other type of documents (e.g. stationary, office supplies, simple works, laptops, CDs etc.).

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		<p>technical specifications (if they were drafted and made available to the provider);</p> <ul style="list-style-type: none"> <li>• Periodical reviews on the quality of the activities performed by the provider (if the process involves complex/more activities);</li> <li>• Reviews activity reports, if they were required within the technical specifications</li> <li>• Reviews outputs for evidence of costs and requests additional evidence in support. All the reports shall be approved by the beneficiary.</li> <li>• Performs a review of invoices submitted by the contractor for duplication (i.e. multiple invoices for the same amount, invoice number etc.) or falsification.</li> <li>• All the invoices received from the contractor/provider should be checked and approved by the financial expert or a manager (according to the beneficiary internal rules of procedure) before payment.</li> </ul> <p>For any discrepancies between the information provided by the contractor and the technical specifications the beneficiary shall request for clarifications.</p>	<p>reports</p> <ul style="list-style-type: none"> <li>• Expert reports regarding the implementation of the activities and the quality of the activities performed by contractors</li> </ul>
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		<p><b>A contract is issued by the beneficiary</b></p> <p>The beneficiary:</p> <ul style="list-style-type: none"> <li>• Reviews products/services/works purchased/performed against the technical specifications (if they were drafted and included in the contract);</li> <li>• Make periodical reviews on the quality of the activities performed by the provider (if the process involves complex/more activities);</li> <li>• Reviews activity reports, if they were required within the contract;</li> <li>• Reviews outputs for evidence of costs and requests additional evidence in support. All the reports shall be approved by the beneficiary.</li> <li>• Performs a review of invoices submitted by the contractor for duplication (i.e. multiple invoices for the same amount, invoice number etc.) or falsification.</li> <li>• All the invoices received from the contractor/provider should be checked and approved by the financial expert or a manager (according to the beneficiary internal rules of procedure) before payment.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal notes regarding the approval of the reports</li> <li>• Expert reports regarding the implementation of the activities and the quality of the activities performed by contractors, approved by the beneficiary</li> </ul>
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		For any discrepancies between the information provided by the contractor and the contract, the beneficiary shall request for clarifications.	
	Reception of services/product/works	<p>At the completion of the procurement procedure, must observe the following indications:</p> <p><b>Direct purchase</b></p> <p>The beneficiary must ensure that the items bought, object to the direct purchase, are identical with those approved by the superior personal with tasks in this regard (according to the internal rules of procedure of the beneficiary) or have a superior quality.</p> <p>The beneficiary must draft an internal document approving the payment of these items (only if an invoice is issued by the provider; no documents are required for receipts). This document must include information regarding the items bought, namely: the items are identical with those approved by the superior personal with tasks in this regard (according to the internal rules of procedure of the beneficiary) or have a superior quality and the price is in line with the approved budget.</p> <p>If the object of direct shopping is works, then the beneficiary must conclude a reception minutes with the provider stating that the works fulfills the quality and quantity criteria.</p>	<ul style="list-style-type: none"> <li>• Receipts from the seller</li> <li>• Internal documents</li> </ul>

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		<p><b>No contract issued by the beneficiary</b></p> <p>When receiving the services/products/works, the beneficiary must perform a rigorous check on the quality of the products/services/works purchased/performed against the specifications (if they were drafted). This information shall be included in the receipt minutes.</p> <p>For any discrepancies between the information provided by the contractor and the specifications, the beneficiary shall request clarifications.</p> <p>The beneficiary must draft an internal document approving the receipt of the products/services/works and concluding the procedure. This document must include information regarding the products/services/works, namely: the discrepancies between planned and actual activities and budget, the receipt minutes, a qualitative and quantitative evaluation of the products/services/works against the technical specification (if the case), the price, a description of the activities (if the case), all the relevant documents regarding the completion of the activities, (reports, attendance registers, time recording system etc.) etc.</p> <p>The beneficiary performs a review of invoices submitted by the provider for duplication (i.e. multiple invoices for the same amount, invoice number etc.) or falsification.</p>	<ul style="list-style-type: none"> <li>• Final reports regarding the completion of the activities performed, approved by the beneficiary.</li> <li>• Internal documents</li> <li>• Works certificates or other form of verification certifies, awarded by an independent party</li> </ul>
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		<p>All the invoices received from the provider should be checked and approved by the financial expert/manager (internal document) before payment.</p> <p>In case of works, it is recommended the beneficiary to request works certificates or other form of verification certifies, awarded by an independent party, to be provided on the completion of the activities, according to legal provisions in force.</p> <p><b>A contract is issued by the beneficiary</b></p> <p>When receiving the services/products/works, the beneficiary: must perform a rigorous check on the quality of the products/services/works purchased/performed against the specifications (if they were drafted and included in the contract). This information shall be included in the receipt minutes.</p> <p>For any discrepancies between the information provided by the contractor and the contract, the beneficiary shall request for clarifications.</p> <p>The beneficiary must draft an internal document approving the receipt of the products/services/works and of the payment or countersign the final report issued by the contractor.</p> <p>We recommend this document to include information regarding the products/services/works subject of the contract, namely: the discrepancies</p>	<ul style="list-style-type: none"> <li>• Final reports regarding the completion of the activities performed, approved by the</li> </ul>
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		<p>between planned and actual activities and budget, the receipt minutes, a qualitative and quantitative evaluation of the products/services/works against the technical specification (if the case), the price, a description of the activities (if the case), all the relevant documents regarding the completion of the activities, (reports, attendance registers, time recording system etc.) etc.</p> <p>The beneficiary performs a review of invoices submitted by the contractor for duplication (i.e. multiple invoices for the same amount, invoice number etc.) or falsification.</p> <p>All the invoices received from the contractor should be checked and approved by the financial expert/manager (internal document) before payment.</p> <p>In case of works, it is recommended the beneficiary to request works certificates or other form of verification certifies, awarded by an independent party, to be provided on the completion of the activities, according to the legal provisions in force.</p>	<p>beneficiary.</p> <ul style="list-style-type: none"> <li>• Internal documents</li> <li>• Works certificates or other form of verification certifies, awarded by an independent party, according to the legal provisions in force</li> </ul>
	Contract amendments	The amendments to the contract must be verified and approved by a senior level personnel within the beneficiary.	Reports/approvals

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### 2) For competitive procurement procedure

When developing a competitive procurement procedure, provided that the legal threshold is observed, the beneficiary shall take into account national legal provisions and the rules established by the Programme. The following indications should also be observed:

PP stage	Steps	Actions/measures to take	Outputs - indicative documents required <sup>23</sup>
	Drafting the technical specification / terms of reference	The technical specifications established by the beneficiary should observe the provisions of the financing contracts and their annexes and the national rules.	<ul style="list-style-type: none"> <li>• Internal documents regarding the approval of the technical specifications</li> </ul>
Planning, preparation and carry out	Budget allocation	<p>When estimating the budget of the procurement, the beneficiary must observe the ceilings of costs provided by <i>Annex C Ceilings for expenditures</i> to the Applicant Guide.</p> <p>If <i>Annex C Ceilings for expenditures</i> does not provide a ceiling/information regarding a certain service, good or work, then it is mandatory for the</p>	<ul style="list-style-type: none"> <li>• Internal documents regarding the justification of the budget/the approval of the budget</li> </ul>

<sup>23</sup> These are indicative documents required by the Managing Authority. It is not mandatory to have distinct documents for all these information. The beneficiary may decide to have a single document that includes all information required by the Managing Authority.

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		beneficiary to make a deep market research for related costs and, if the case, to use the internal benchmark price for standard goods or services (based on previous prices paid by the beneficiary and on the market price).	
	Evaluation criteria and Tender documents	The evaluation and selection criteria should be in line with the legal provisions.	<ul style="list-style-type: none"> <li>• Tender documents drafted.</li> </ul>
	Approval of the procurement procedure	It is recommended that the procurement procedure to be approved by the legal representative of the beneficiary or by a superior personal with tasks in this regard (according to the internal rules of procedure of the beneficiary).	<ul style="list-style-type: none"> <li>• Internal documents approving the direct procurement</li> </ul>
	Transparency /launching the procedure	<p>The beneficiary shall make public all the procurement procedures, inclusive all the tender documents.</p> <p>Thus, the beneficiary shall post on its website all the tender documents, observing the timescales provided by the law.</p> <p>If such provisions are not foreseen, then the beneficiary shall observe the following procedure:</p>	<ul style="list-style-type: none"> <li>• Tender documents published</li> <li>• Request to JS</li> </ul>

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		<ul style="list-style-type: none"> <li>- The beneficiary shall publish a public announcement (including the technical specifications, estimated budget, evaluation and selection criteria etc.) on the Programme site <a href="http://www.interregrobg.eu/en/">http://www.interregrobg.eu/en/</a>.</li> <li>- The beneficiary shall submit a request to JS in due time to observe the transparency and competitiveness principles (the deadline is provided by the Programme in a distinct document).</li> </ul> <p>The announcement and the documents will be published in due time for the bidders to prepare and submit their offers, observing the deadlines provided by the Programme.</p> <p>Also, the beneficiary can use other sources to make public the procurement procedure.</p>	
	Security of unopened tenders	<p>The beneficiary shall ensure the adequate security arrangements for unopened tenders (e.g. a safe place for keeping the unopened tenders with limited access).</p> <p>In this regard, the beneficiary may decide:</p> <ul style="list-style-type: none"> <li>- to include within the evaluation report information regarding the insurance of proper security arrangements of unopened tenders.</li> </ul>	<ul style="list-style-type: none"> <li>• Beneficiary declaration regarding the insurance of adequate security arrangements/Evaluation report</li> </ul>

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		- or, to sign a distinct declaration regarding the insurance of adequate security arrangements.	
	Confidentiality of information	<p>The personal involved in bidding process shall ensure the confidentiality of information.</p> <p>In this regard, the persons involved in the procurement process shall sign a declaration stating that the confidentiality of the information included within the tender documents and received offers is ensured.</p>	<ul style="list-style-type: none"> <li>• Declaration of confidentiality</li> </ul>
	Conflict of interest	The beneficiary must take all the necessary measures in order to avoid the situations that might cause conflicts of interests within the procurement procedure. In this respect, the beneficiary must hold a register of all the declarations regarding the conflict of interest of each person involved in the public procurement procedure.	<ul style="list-style-type: none"> <li>• Declaration of the conflict of interest</li> <li>• Register of the conflict of interest declarations.</li> </ul>
	Setting up the evaluation/s	We recommend <sup>24</sup> , in case beneficiary decides to set up an evaluation/selection board, to take into consideration the following recommendations:	<ul style="list-style-type: none"> <li>• Declaration of board evaluation members regarding the conflict of</li> </ul>

<sup>24</sup> The beneficiary shall establish the evaluation/selection board according to its internal rules and human resources available. The evaluation/selection board may include 1 evaluator if the beneficiary has imitated human resources.

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	<p>election board</p> <ul style="list-style-type: none"> <li>• The evaluation board is comprised of several senior management personnel</li> <li>• The members are rotated within the evaluation boards</li> <li>• The members are randomly selected.</li> <li>• The members sign a conflict of interest declaration</li> </ul> <p>When setting up the evaluation/selection board, the beneficiary should select members that have knowledge of the marketplace (prices, companies, alliances and understanding between them etc.) taking into consideration their experience, the field of the contract, etc.</p> <p>In addition, it is recommended to observe the principle of rotation and randomness when setting the evaluation/selection board (if the personnel is sufficient to ensure such rotation and randomness).</p> <p>It is recommended the beneficiary to select members of evaluation board with sound knowledge of the marketplace prices, companies, alliances and understanding between them etc.</p> <p>The purchaser beneficiary must take all the necessary measures in order to avoid the situations that might cause conflicts of interests and/or unfair competition. In this respect, the beneficiary must hold a register of all the</p>	<p>interest</p> <ul style="list-style-type: none"> <li>• Register of the conflict of interest declarations.</li> </ul>
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		declarations regarding the conflict of interest of each member of the evaluation board/or person in charge with the evaluation of bids.	
	Bid evaluation/s election	<p>When evaluating the bids, it is recommended the evaluators to use their marketplace knowledge that may help them to detect high and unusual bid data and unusual relationships between third parties and act according to national legal provisions.</p> <p>Also, during bid evaluation/selection, the evaluation board should:</p> <ul style="list-style-type: none"> <li>• complete backgrounds check on all bidders and third parties (this includes: website checks, companies house information etc.), if the case</li> <li>• corroborate prices quoted by bidders in their financial offers to other independent sources if <i>Annex C Ceilings for expenditures</i> does not provide a ceiling/information regarding a certain service, good or work. Also, the prices can be compared against the generally accepted prices for similar contracts.</li> <li>• check prices with <i>Annex C Ceilings for expenditures</i>.</li> </ul>	<p>•Evaluation report/justification note regarding the selection of the bidder</p>



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		<p>The members shall include all these information in the evaluation report/justification note regarding the selection of the bidder that shall be submitted to the first level control for expenditure validation.</p> <p>Also, the evaluation report/justification note regarding the selection of the bidder shall include the description of the financial and technical advantages that motivates the selection of one bidder.</p>	
Implementation and monitoring	Drafting/signing the contract	<p>The contract shall be concluded only with the bidder selected by the evaluation/selection board according to the evaluation report/ justification note regarding the selection of the bidder.</p> <p>The beneficiary shall observe the rules established by the Programme<sup>25</sup> and national legal provisions.</p> <p>The beneficiary shall publish all the contract information that is not publically sensitive (according to national provisions). The beneficiary shall make public the information on its website or on the Programme site, if the beneficiary does not have one:</p> <ul style="list-style-type: none"> <li>• The information shall be posted in 10 days from the contract signing on</li> </ul>	<ul style="list-style-type: none"> <li>• Information posted/request to JS for posting the information on the Programme site.</li> </ul>

<sup>25</sup> Please take into consideration the documents provided by the Programme in relation to procurement procedure for private beneficiaries.

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		<p>the beneficiary site.</p> <ul style="list-style-type: none"> <li>The request for publishing the information on Programme site (together with the relevant information) is submitted to JS in 8 days from the contract signing.</li> </ul> <p>The minimum following information shall be made public: the name of the provider, the contract value, the type of public procurement used, the contract object.</p>	
		<p>For all single source awards (when only one bidder attended the procedure and the beneficiary plans to sign the contract with that bidder), the beneficiary must provide a strong justification for the award of this contract. The justification shall be approved by a superior that is not involved in the procedure.</p>	<ul style="list-style-type: none"> <li>• FLC shall verify the justification</li> </ul>
	Implementation, monitoring and control	<p>It is recommended that the contract implementation team set up at beneficiary level to include relevant experts on the contract field<sup>26</sup>. Depending on the contract type, during contract implementation, monitoring and control, the beneficiary should:</p> <ul style="list-style-type: none"> <li>• Perform a review of invoices submitted by the contractor for</li> </ul>	<ul style="list-style-type: none"> <li>• Internal notes regarding the approval of the reports</li> <li>• Expert reports regarding the implementation of the contract and the quality of</li> </ul>

<sup>26</sup> The beneficiary shall establish the contract implementation team according to its internal rules and human resources available for the contract implementation.

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		<p>duplication (i.e. multiple invoices for the same amount, invoice number etc.) or falsification.</p> <ul style="list-style-type: none"> <li>• Review products/services/works purchased/performed against the technical specifications;</li> <li>• Periodical review on the quality of the activities performed by the provider;</li> <li>• Review activity reports, if they were required within the contract;</li> <li>• Review outputs for evidence of costs and requests additional evidence in support. All the reports shall be approved by the beneficiary.</li> <li>• Performs a review of invoices submitted by the contractor for duplication (i.e. multiple invoices for the same amount, invoice number etc.) or falsification.</li> <li>• For service contract where the experts are involved, the beneficiary must give prior authorization to third parties for significant changes of personnel and check them with the offer.</li> </ul> <p>All the invoices received from the contractor/provider should be checked and approved by the financial expert/manager before payment.</p>	<p>the activities performed by contractors approved by the beneficiary</p>
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		For any discrepancies between the information provided by the contractor and the contract, the beneficiary shall request clarifications.	
	Reception of services/product/works	<p>When receiving the services/products/works, the beneficiary must perform a rigorous check on the quality of the products/services/works purchased/performed against the specifications. This information shall be included in the receipt minutes.</p> <p>For any discrepancies between the information provided by the contractor and the contract, the beneficiary shall request for clarifications.</p> <p>The beneficiary must draft an internal document approving the receipt of the products/services/works and of the payment or countersign the one issued by the contractor.</p> <p>This document must include information regarding the products/services/works subject of the contract, namely: the discrepancies between planned and actual activities and budget, the receipt minutes, a qualitative and quantitative evaluation of the products/services/works against the technical specification, the price, a description of the activities, all the relevant documents regarding the completion of the activities, (reports, attendance registers, time recording</p>	<ul style="list-style-type: none"> <li>• Internal notes regarding the approval of the reports</li> <li>• Expert reports regarding the implementation of the activities and the quality of the activities performed by contractors approved by the beneficiary</li> <li>• Final reports regarding the completion of the activities performed, approved by the beneficiary.</li> <li>• Works certificates or other form of verification</li> </ul>

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		<p>system etc.) etc.</p> <p>The beneficiary performs a review of invoices submitted by the contractor for duplication (i.e. multiple invoices for the same amount, invoice number etc.) or falsification.</p> <p>All the invoices received from the contractor should be checked and approved by the financial expert/manager (internal document) before payment.</p> <p>In case of works, it is recommended the beneficiary to request works certificates or other form of verification certifies, awarded by an independent party, to be provided on the completion of the activities, according to legal provisions in force.</p>	<p>certifies, awarded by an independent party, according to legal provisions</p> <ul style="list-style-type: none"> <li>• Other internal documents</li> </ul>
	<p>Contract amendments</p> <p><sup>27</sup></p>	<p>The amendments to the contract must be verified and approved by a senior level personnel within the beneficiary.</p>	<p>Reports/approvals</p>

<sup>27</sup> All contract amendments shall be made in accordance with national legal provisions and with the Programme rules.

### 18. Common errors

In order to avoid possible problems through the implementation process please keep in mind the following:

Most common errors identified during contracting process:

- Arithmetical errors when filling-in the budget
- Non-respect of thresholds set at Programme level
- Modification of contract annexes - not using the last approved version of documents
- Bad planning of project implementation leading to numerous modifications
- Late submission of requests for modifications
- Modification of other sections of the Application Form than the ones requested through the addendum request

Most common errors identified during implementation process:

- ✓ Non-compliance with (public) procurement rules is the most common cause for errors. Infringement of (public) procurement rules sometimes happens due to mere misinterpretation of the (public) procurement legislation or to lack of knowledge of the correct procedures. In some cases criminal investigations highlight intentional infringement of procurement rules that is meant to benefit a specific bidder due to corruption or a “culture of favoritism”. Such procurement errors could be: imprecise tender documents, excessively short deadlines for submission of tenders, negotiated procedure without prior publication, mix-up of selection and award criteria, discriminatory or dissuasive criteria, lack of transparency regarding evaluation of offers, unlawful splitting of contract etc.

Consequences of procurement errors on project level:

- non-eligibility of costs, or only partly validation of costs by FLC (proposal for financial corrections, in case of Romanian beneficiaries)
- delay in project implementation, problems in project financing
- negative impact on reputation of project partner

Consequences on programme level:

- high administrative efforts

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- action plan: corrective, investigative, preventive measures
  - stop of payment of EU-funds by EC
- ✓ Calculation errors, including wrong accounting and wrong budget lines, are another important source of errors. Errors affect mostly the budget lines ‘staff costs’ and ‘external expertise and services’. It can be assumed that ‘staff costs’ are mostly affected by calculation/accounting errors, and claims for expenditure to the wrong budget line, while ‘external expertise and services’ are mostly affected by infringements on (public) procurement rules.
- ✓ Other significant sources of errors include non-compliance with the value-for money principle, claim of expenditures not planned in the application form and/or not relevant to the project and infringement of eligibility rules.
- ✓ Late submission of projects reports (progress reports, reimbursement claims). Most common reasons for late submission reports:
- difficulties within the partnership, lack of communication and/or coordination
    - delay in receiving the information about the progress of project activities realized by the respective partner, it’s summarizing by the lead beneficiary and submission to the Joint Secretary
    - low administrative capacity or poor coordination/communication between project partners

Sometimes Lead Beneficiaries face problems with their project partners not submitting documents or not reporting in time. The reason for this might lie in the fact that project partners don’t have a clear understanding of the Lead Beneficiary’s responsibilities and why the Lead Beneficiary requires the one or the other information, report etc. By increasing the understanding of ‘why’ the project partner is asked by the Lead Beneficiary for the one or the other, also the willingness and speed of response might increase. This could be done e.g. by more frequent meetings between project partners or one call about the “Lead Beneficiary responsibility”.

- Partnership size and quality - many partners in a project, so the creation of a consolidated progress report for a project is difficult. Big partnerships are more likely to cause conflicts and misunderstandings, which may also have impact on

## Project Implementation Manual

eligibility of expenditures. Partnership quality is poor or missing, in case of lack of previous experience, lack of human resources, lack of financial resources, lack of thematic experience in the operation proposed. Some expert partners can also be dangerous because they may be EU funds ‘hunters’ - experienced partners in projects that take part in too many partnerships in different programmes at the same time. They risk poor delivery of results due to little human or financial resources.

- Partners with large budgets are considered to be very risky. Obviously errors caused by partners with large budgets can be of substantial value. Similar conclusions can be drawn regarding project partners with large investment or subcontracted project management. Inexperienced project partners are considered equally risky.
- Project partners implementing many projects at the same time are also considered risky, even though these partners are more likely to have the necessary experience. In the case of busy partners, one potential problem area is the risk of double financing of the same expenditures from different projects/programmes.

### ✓ Human resources

- Challenges in the LB/PBs organization e.g. changes in personnel, financial responsible has changed since the last report etc.
- People have good will and responsibility, but too many tasks in the organization.
- Project teams are small and therefore very busy, sometimes they don't have the time.
- Lack of project management skills.
- Lack of IT and English language skills.

- ✓ Difficulties with the reporting forms - the progress reports/reimbursement claims submission is sometimes considered by beneficiaries difficult and too frequent.

Who detects errors/mistakes in practice - in order of frequency?

- ✓ first level control;
- ✓ NA during the sample check;
- ✓ JS/MA during verification of Progress reports/Reimbursement claims;
- ✓ audit/control of other institutions;



- ✓ project beneficiary/lead beneficiary.

**Please bear in mind that every project has a medium level of risk, what counts is the impact.**

Some recommendations for a successful implementation:

- ✓ open, transparent and smooth relations between project partners is key to good project management;
- ✓ prepare and carry out procurement carefully, get advice, take your time;
- ✓ be very transparent about what you do.

## 19. Progress reports

The lead beneficiary assumes the overall responsibility for the project towards the managing authority. Through the project partnership agreement, project beneficiaries are held responsible and liable for their part of the project implementation towards the lead beneficiary.

According to the subsidy contract concluded between the lead beneficiary and the MA, for reporting purposes:

1. Every three months the Lead Beneficiary shall submit progress reports to the JS, irrespective of the first level control request/reimbursement claim. The instructions presented in the reporting models must be followed exactly. All reports must be submitted in English. The reports are to be filled in the eMS system, in the format provided by the system, together with the supporting documents (if the case) that will be attached in electronic format. In case the eMS system is not functional, the LB must submit the project progress report in physical format using the template foreseen by Annex 19.1, signed and stamped by the LB, in two originals having attached, in electronic format scanned (CD/DVD including an Opis of the documents included) the individual progress reports of the partners and supporting documents (if the case).
2. Even if no expenditure was incurred, the progress report shall be submitted in due time to the JS.
3. The final Progress Report and final Reimbursement Claim have to be submitted to the JS at the latest within five months after the end date of the implementation period of the project.

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In order to follow the project implementation a **progress report** (and related annexes, if the case) has to be submitted periodically to the management bodies. The progress report is a core tool for reporting the progress made on project implementation (describing the details such as: what was realized, where, by whom, what objectives/results/outputs have been achieved/reached, what resources have been used, what problems have been encountered, whether the project is expected to be completed on time etc.) to the programme. The basic principle of reporting and monitoring is to check the activities, results, and outputs reported against what was originally planned in the application form. Beyond this minimum requirement, the aim is also to get as much qualitative information as possible on the lessons learnt and results achieved within the reporting period. Projects beneficiaries are encouraged to be as precise and detailed as possible in the information they report.

Projects beneficiaries should therefore not consider the progress report only as an administrative and compulsory task, but it should be used as a means to share the stories about the project's results and successes with the Joint Secretariat and the Managing Authority.

Through the progress reports, the programme learns about projects' progress towards their aim and objectives, and also acknowledges progress towards the programme's own aim and objectives. The achievements of a project are of equal interest to both project and programme, since the success of the latter depends on the success of its projects.

In principle, the progress report covers a period of three months. Therefore, each project beneficiary sends his contribution to the progress report before the deadline agreed with the lead beneficiary and ensures that its part of the reported activities/ expected results/indicators are in compliance with the approved application form and financing contract. This also applies of course to the lead beneficiary, because the lead beneficiary is at the same time a partner/beneficiary in the project. On the basis of the individual beneficiaries' progress reports, the lead beneficiary compiles the joint progress report for the whole partnership and submits the progress report to the Joint Secretariat. The lead beneficiary confirms that the beneficiaries' information has been accurately reflected in the joint progress report and that the activities, results and indicators (outputs and results) are in compliance with the approved application form and financing contract.

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### NB:

Please be informed that for the investment projects it is mandatory to present /submit to JS the Technical Project within 10 working days from the date when the documents was delivered by the designer and accepted by the beneficiary.

Together with the Technical Project the beneficiary shall submit a statement regarding either that there are no technical modifications compared with the documents within the approve application form (feasibility study, DALI or preliminary design), or that there are modifications which shall be presented in detail and with proper justifications.

Examples of modifications that shall be notified within the beneficiary's statement:

- Modification of the emplacement / location of the investment (including changes in the legal status of the property where the investment is foreseen to be done),
- Modifications of the functionality of the investment or of the designed spaces/rooms within the construction, etc.;
- Modification of the functional/technological/constructive solutions;
- Modification of the technical-economic indicators of the investments;
- Modifications regarding measurements of the investment (for example modification of the length of the road to be modernized, modification of rooms of a building that shall be constructed, etc.)

Please be informed that the above list is not exhaustive and all modifications changing the initial conditions set within the preliminary design phases (feasibility study, DALI for Romanian beneficiaries or preliminary design, including estimation of bill of quantities and values for Bulgarian beneficiaries) shall be notified as mentioned above.

Also, please bear in mind that the same obligations apply in case the beneficiaries applied directly with technical projects and during the implementation period an update of the technical project is being done.

Also, for the elaboration of the Technical project, each project beneficiary has the obligation to provide the feasibility study or DALI for Romanian beneficiaries and preliminary design (including estimation of bill of quantities and values) for Bulgarian beneficiaries, approved according the national legislation, to the contractor which will elaborate the Technical project.

The Joint Secretariat carries out the administrative check of the progress report and if necessary sends clarification requests to the Lead Beneficiary.

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The Joint Secretariat monitors the progress and achievement of the project described in the progress report based on the subsidy contract and the information provided in the approved application form.

Each progress report is monitored by two officers from the joint secretariat: a project officer for activity and results-related issues and a financial officer for finance-related matters. They will provide joint feedback to the projects on their progress reports.

In order to check the achievement of the project purpose and objectives according to the financing terms and conditions, JS, also performs on-the-spot checks (at the LB's premises) at least once during the implementation period of each project. On-the-spot visits pursuing a monitoring purpose offers the certitude that the project is physically real, that its progress, as it is declared in the progress reports is real and is accompanied by appropriate justification documents.

*Responsibilities of the Lead beneficiary and other beneficiaries during on-the-spot visits and audit/control missions:*

Cooperate with the JS/MA/NA representatives during on-the-spot visits. The on-the-spot visits will be carried out at least once a year during the project implementation period, but also on a sample basis, realized on a risk analysis established at the MA level.

Notification of the lead beneficiary/other beneficiaries concerning on-the-spot visits is usually done with at least 5 working days in advance.

The staff that should be available during the day in which on-the-spot visit is performed includes: project manager, person(s) responsible for project implementation, person responsible for carrying out financial registrations at the project level.

As a result of the on-the-spot visits, JS draws up a monitoring visit report and makes recommendations for project implementation (if case).

Progress reports and on-the-spot visits help JS/MA to continuously monitor the implementation and to identify the potential problems in order to minimize or to avoid risk in the projects.

**Please note that the Lead beneficiary is required to draw up and submit within the final report the equal opportunities and non-discrimination questionnaire (Annex 19.2) and also the questionnaire on environmental protection (Annex 19.3).**

### 20. Indicators

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You have selected in your application form one or more output indicators and one or more result indicators.

At each progress report (that means every 3 months from signing the financing contract) you'll have to tell us what is the status of reaching the goals you have set as contribution to our Programme indicators.

For **output indicators**, the task is relatively simple, you will have to report the units you have managed to achieve as contribution in the 3 month period you're reporting for (bear in mind that this is not necessarily linked to financial status of your project).

*Example: In the application form you've stated that you will contribute with 500 to our PA 2 output indicator: "Increase in expected number of visits to supported sites of cultural and natural heritage and attraction".*

*Therefore, every 3 months, you will report the number of visits to supported sites of cultural and natural heritage attraction your project has managed to achieve.*

**Keep in mind that your reporting has to be well documented from verifiable and reliable sources.**

For **result indicators**, the contribution to the indicator is done at Programme level, by Programme bodies. We are the ones establishing and declaring to the European Commission what is the status of reaching our result Programme indicators.

However, in the application form you have stated that your actions contribute to these result indicators and explained accordingly.

**Therefore, in the progress reports you will also have to mention what is the status of those actions contributing to our Programme result indicators.**

At the final progress report, bear in mind to clearly state if you have reached entirely the contribution to our result indicator, as envisaged in your project. This also has to be supported by verifiable data.

*For example for PA 2 A green region, IP 6c Conserving, protecting, promoting and developing natural and cultural heritage, the result indicator defined at Programme level is number of tourist*

*overnights in CBC region. The target set at Programme level is 7.200.000. Each project contributing to this result indicator, estimated in the application form the number of touristic overnights in the CBC region it will generate, taking into consideration, for example, the number and types of events it shall organize. The reach of the target indicator shall be analyzed at Programme level based on the statistics provided by the national statistic institutions from the two countries. The calculation is done by adding the yearly overnights spent by visitors in all the accommodation establishments in each county or district part of the CBC area. However, the data you're reporting in your project has to be correlated with the national data. EG. You're stating that you'll contribute with 200.000 persons by the end of your project (Dec. 2018). If in March 2019 you're reporting as achieved this contribution but the national public available data show that only an increase of 150.0000 was obtained, the data is not correct.*

For the evaluation and reporting of the indicators please use clear and reliable sources for monitoring and evaluation. For example, in case the indicator is referring to people accessing the website developed within the project, an independent traffic monitor shall be selected.

Please keep in mind that the achievement of indicators is being closely monitored also by the European Commission. In case the indicators are not reached at Programme level, the programme faces financial corrections from the European Commission. Therefore, in case projects do not reach the indicators they have set, the Programme will also not be able to reach its indicators and may face financial penalties. In case of financial penalties regarding indicators, the Managing Authority may decide to apply them to the projects which have not reached their indicators, proportionally with their budgets and the degree of achievement of indicators.

## 21. Information and publicity

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### 1. Legal basis

EU Regulation no. 1303/2013 (section 2.2. from Annex XII) establishes the beneficiaries' responsibilities regarding the information and communication measures.

According to provisions of art.115 paragraph 4, the technical characteristics of information and communication measures for the operation and instructions for creating the emblem and a

definition of the standard are mentioned by the implementing acts adopted by the EU (*Fiche 14-Implementing act on the technical characteristics of information and communication measures for the operation and instructions for creating the emblem and a definition of standard colors*).

### **2. Specific provisions on beneficiaries' responsibilities regarding information and communication measures**

During implementation of a project, the beneficiaries (Lead beneficiary and partners) must take into consideration all the provisions on information and communication measures mentioned in the Visual Identity Manual (VIM) for INTERREG V-A Romania-Bulgaria Programme. This document may be downloaded from the website of the Programme at the following link: <http://www.interregrobg.eu/en/rules-of-implementation/programme-rules/visual-identity-manual.html>.

The most important communication tool is the ***Visual Identity Manual (VIM) for INTERREG V-A Romania-Bulgaria Programme***. VIM was drawn up to help the management structures of the Programme and the beneficiaries of the projects to fulfill the requirements for information and publicity measures.

In this respect, VIM contains information useful to design the following instruments: temporary billboards, permanent plaques or billboards, posters, publications, audio-video materials, websites, promotional materials, other publications, materials and documents etc.

**The project partners shall request the approval by the JS of all information and publicity materials regarding their conformity with the Visual Identity Manual.**

**All expenditures shall be verified by the Romanian/Bulgarian first level controllers.**

**Please note that expenditures for information and communication activities that do not comply with the requirements set out in *Visual Identity Manual (VIM) for INTERREG V-A Romania-Bulgaria Programme* will be considered as ineligible!!!**

Please pay attention to the fact that **before** requesting the first level control you need to ask the Joint Secretariat the approval of your information and publicity materials.. In case you forgot to do so, the FLC will not check these expenditures, they will be excluded until you go back to the

Joint Secretariat and obtain the approval (the rest of the expenditures from the first level control request will be processed normally).

Please bear in mind that for information and communication materials (for example: Flyer, Poster, Study, Brochure, Leaflet, Pen, Notepad, Book, Cap, T-shirt, Presentation CD/DVD, Album etc.) produced involving expenditures from the project budget, Joint Secretariat may require a relevant number of items in order to promote projects/Programme results.

### 3. Visual identity elements to be used by beneficiaries

#### 3.1. Logos

For all information and communication materials, the project beneficiaries must use the logos mentioned in the Visual Identity Manual (VIM) for INTERREG V-A Romania-Bulgaria Programme. In this respect, *section 1. Logos* of VIM contains recommendations on using the INTERREG V-A Romania Bulgaria logo, the European Union logo, as well as the Romanian and Bulgarian Government logos: technical specifications, colors, fonts, backgrounds and spacing etc. as well as templates of all logos.

Specific provisions regarding the use of logos and other disclaimers on publications, promotional materials, documents edited by beneficiaries of a project (placement of the logos, introduction of special disclaimers, fonts to be used, information to be included on regular promotional materials and small promotional items) are mentioned in *section 3. General information for publications/materials/documents issued by beneficiaries* of VIM.

#### 3.2. Compulsory information and communication measures for beneficiaries

According to Annex XII of EU Regulation no. 1303/2013, all information and communication measures provided by the beneficiary shall acknowledge support from the EU funds by displaying the EU emblem and a reference to the fund supporting the operations.

During the implementation stage of a project, the beneficiary shall inform the public about the support from EU funds, by placing, at a location readily visible to the public:

- **poster**, for any operation bellow EUR 500.000 public support
- **temporary billboard**, for any operation (infrastructure or construction) that exceeds EUR 500.000 public support



After the completion stage of a project (no later than 3 months): the beneficiary shall put up a ***permanent plaque or billboard***, at a location visible to the public, for each operation that fulfills the following criteria:

- ***the total public support to the operation exceeds EUR 500 000***
- ***the operation consists of the purchase of a physical object or of the financing of infrastructure or of construction operations***

Section no. 2 of VIM *Compulsory information and communication measures for beneficiaries* includes useful information that beneficiaries must take into consideration when drafting the following publicity tools: *temporary billboards, permanent plaques or permanent billboards, posters*, as well as templates to be used.

## 22. After project finalization

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In this phase the project main activities should be completed and all outputs delivered. The partnership takes care of the final administrative requirements before the funded project is over. The project lifecycle formally ends with the closing date of the project, however **the project outputs and results are intended to continue producing value**. Also, certain responsibilities of the project partners do not stop with the finalization of a project but they also continue after the project closure, **so beneficiaries' responsibilities do not end with the project closure**. Project beneficiaries should be familiar with the specific requirements regarding durability and ownership of the project outputs, availability of documents and record keeping after completion of projects and the submission of the final progress report. This section provides guidance and sets out the Programme requirements regarding these specific issues.

### *Durability and ownership of the projects outputs*

The ownership of the outputs having the character of investments in infrastructure or productive investments, produced during the project implementation must remain with the lead beneficiary or project beneficiaries for at least **five years** after the project end date.

Any substantial modification of the project or of the outputs within five years after the project closure date must be avoided. In this regards, the projects must avoid:

- a) a cessation or relocation of a productive activity outside the Programme area;

- b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
- c) a substantial change affecting the nature, objectives or implementation conditions which would result in the undermining of its original objective.

### *Availability of documents and accounting records*

All accounting and supporting documents (e.g. subsidy contract, project application form, service/work contracts, public procurement documentation, rental agreements/contracts, important communications with project beneficiaries/MA/JS etc.), documents related to the expenditure, controls and audits, and documents required to ensure an adequate audit trail must be accessible (see also chapter [25. Availability of documents](#)).

### *Submission of final progress report and reimbursement claim*

The end date for eligibility of expenditure and completion of activities is the date by which:

- all the project activities must have been completed (incl. all activities related to the administrative closure of the project)
- all expenditure are committed by the beneficiary after project approval by the Monitoring Committee and the last day of implementation period and are paid out by the beneficiary at the latest in 2 months after the end of the project implementation period, but no later than 31.12.2023. In case of projects having as last day of implementation 31.12.2023, all costs must be paid by the project end date and reported in the final reimbursement claim, including costs for closing the project.

Any expenditure (including costs linked to project closure) committed after the end date of project implementation period is ineligible.

According to the contract provisions, the final Progress Report and final Reimbursement Claim have to be submitted to the JS at the latest within five months after the end date of the implementation period of the project. The submission of the last progress report and reimbursement claim is done using the same steps as previous reimbursement claims. A final visit will be carried out before final payment by the JS in order to check projects outputs, results, documentation, etc. Also, ex-post visits will be carried out by JS in order to check projects durability (future actions - concrete actions to be taken after project implementation through which the durability of project results will be ensured, measurable future activities, responsibilities of project beneficiaries for future actions etc.).

As mentioned before, please bear in mind that the Lead beneficiary is required to draw up and submit within the final report the equal opportunities and non-discrimination questionnaire and also the questionnaire on environmental protection. (Annexes 19.2 and 19.3).

Points of attention:

- Last request for project **changes** should be submitted no later than **2 months before project end date**.
- It is essential that **no content-related activities** are scheduled close to the **end date of the project**. The administrative closure (preparation of the last progress report and reimbursement claim) often requires more time than expected.
- Planning enough resources for the project closure is another important key factor which should be taken into consideration at the planning stage of the project. Projects may face severe delays before closure if the lead and other project beneficiaries do not allocate sufficient resources in terms of time and staff. It is recommended to establish a timetable to clearly define by which date beneficiaries are expected to submit relevant documents and information to the lead beneficiary. This timetable should be closely monitored by the lead beneficiary.

### 23. What does a LB have to do after the project is finalized?

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Any substantial modification of the project or of the outputs **within five years after the project closure must be avoided**. In this regard, according to the contracting provisions, the Lead beneficiary:

1. Cannot mortgage or impose any other form of bank guarantee on the goods purchased from the financing 5 years after the final payment.
2. *In case of projects comprising investment in infrastructure or productive investment, the Lead Beneficiary shall reimburse the MA the amounts received if within 5 years of the final payment it is subject to any of the following:*
  - a) *a cessation or relocation of a productive activity outside the programme area;*
  - b) *a change in ownership of an item of infrastructure which gives to a firm or a public*

*body an undue advantage;*

- c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives*

3. The LB or any project partner cannot wholly or partly sell or transfer in any form the right of property of the goods purchased from financing, including under the conditions of article 71 from Regulation 1303/2013.
4. Within 5 years after the final payment to the beneficiary, must be avoided any modification (result of a change in the nature of the property/ ceasing/ change of the location of the project) that affects the implementation conditions/ create for a third party an unjustified advantage.
5. *The LB is at all times obliged to retain for audit purposes all files, documents and data about the project on customary data storage media in a safe and orderly manner. The LB guarantees that all of its Project Partners fulfill this duty.*
6. *During the implementation period of the project as well as after the end of the implementation period of the project, for a 3 years period after the official closure of the Interreg V-A Romania-Bulgaria Programme, the LB has the obligation to preserve and to present, to the Joint Secretariat (JS, within the Regional Office for Cross-Border Cooperation Calarasi, Romania), MA, NA, Certifying Authority, Audit Authority (, European Commission (EC), European Court of Auditors and any other body designated to perform controls on the use of the financing, all project documents, including the inventory for the actives gained as a result of using the funds. The time period shall be interrupted either in the case of legal proceedings or by a duly justified request of the Commission. The documents must be properly archived. Also, the MA must be informed on the location of these documents.*
7. *Must observe the recommendations received after an audit control, otherwise the MA has the right to terminate the contract. The LB ensures that the project partners fulfill this obligation.*

### 24. What does a project beneficiary have to do after the end of the implementation period of the project?

According to the Partnership Agreement, the beneficiary:

1. Cannot mortgage or impose any other form of bank guarantee on the goods purchased from the financing 5 years after the final payment.
2. Cannot wholly or partly sell or transfer in any form the right of property of the goods purchased from financing, including under the conditions of article 71 from Regulation 1303/2013. *The partner will produce all documents required for the audit, control or evaluation, provide necessary information and give access to its business premises. The lead beneficiary and the partners are at all times obliged to retain for audit and control purposes all files, documents and data about the project for 3 years after the official closure of Interreg V-A Romania-Bulgaria Programme. The time period shall be interrupted either in the case of legal proceedings or by a duly justified request of the European Commission. The documents must be properly archived. Also, the MA must be informed on the location of these documents.*
3. *The partners must implement the measures included in the action plan, at the stipulated deadlines, set by the Lead Beneficiary/MA/JS, according to the recommendations resulted from the audit missions of the European Commission, Audit Authority or other empowered audit and control bodies.*
4. *During the implementation period of the project as well as after the end of the implementation period for a 3 years period after the official closure of Interreg V-A Romania-Bulgaria Programme, all partners have the obligation to preserve and to present, to the JS, MA, NA, CA, Audit Authority, European Commission (EC), European Court of Auditors and any other body designated to perform controls on the use of the financing, all project related documents, including the inventory for the actives gained as a result of using the funds. The time period shall be interrupted either in the case of legal proceedings or by a duly justified request of the Commission.*

Having in mind the above mentioned, after the implementation period of the project ends it is important to be aware of the following:

- The Programme rules on information and publicity must be respected for all results produced within projects with the assistance from the Programme including the time after the closure of the project (communicate project results and make them freely accessible - i.e. available on website; keep at least one copy of publicity materials at the LB etc.)
- Any substantial modification of the project within five years from the end date of project implementation period must be avoided. Not fulfilling these conditions can imply a recovery of the funds unduly paid.
- The Partnership must be responsible for ownership and further maintenance and use of the outputs and results.
- The Lead Beneficiary (LB) and Project Beneficiaries (PB) must allocate the contact person for five years after the end of project implementation for communication with the Programme management bodies.
- The LB and PBs (for their parts) are at all times obliged to retain all files, documents and data about the project on customary data storage media in a safe and orderly manner for control and audit purposes at least 3 years after the official closure of the Programme.

## 25. Availability of documents

All accounting and supporting documents, documents related to expenditures, controls and audits, and documents required to ensure an adequate audit trail must be available. The LB and partners have the obligation to retain for audit purposes all files, documents and data about the project on customary data storage media in a safe and orderly manner. The documents need to be preserved during the implementation period and three years after the official closure of the Programme. The Managing Authority shall inform the LB regarding the official date of closure of the Programme within 5 working days from the date of receipt of the Commission's official notification in this respect.

The LB and partners have the obligation to present all project documents, including the inventory of actives gained during the project implementation to the Joint Secretariat (JS, within the Regional Office for Cross-Border Cooperation Calarasi, Romania), MA, Certifying Authority (CA, within the Romanian Ministry of Regional Development and Public Administration), Audit Authority

(AA, within the Romanian Court of Accounts), European Commission (EC), European Court of Auditors and any other body designated to perform controls on the use of the financing.

## 26. Legal framework

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### European Legislation -indicative-

1. Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal;
2. Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006;
3. Statements relating to Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013, laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006;
4. REGULATION No 1301/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on specific provisions concerning the European Regional Development Fund and the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006;
5. Statement relating to Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006;

6. The European Commission Decision No.886/12.02.2015 approving the Romania-Bulgaria Cross-Border Cooperation Programme 2014-2020;
7. The Council Regulation (EC) No. 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities, with subsequent completions and modifications;
8. Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora;
9. Council Directive (EEC) No. 85/337 on the assessment of the effects of certain public and private projects on the environment, with subsequent completions and modifications;
10. Directive No. 2003/35/EC of the European Parliament and of the Council providing for public participation in respect of the drawing up of certain plans and programmes relating to the environment and amending with regard to public participation and access to justice Council Directives 85/337/EEC and 96/61/EC;
11. Directive No. 2001/42/EC of the European Parliament and of the Council on the assessment of the effects of certain plans and programmes on the environment;
12. Directive No. 2003/4/EC of the European Parliament and of the Council on public access to environmental information and repealing Council Directive 90/313/EEC;
13. Directive No. 2004/35/CE of the European Parliament and of the Council on environmental liability with regard to the prevention and remedying of environmental damage;
14. Council Directive No. 91/692/EEC standardizing and rationalizing reports on the implementation of certain Directives relating to the environment;
15. Implementing Acts  
([http://ec.europa.eu/regional\\_policy/information/implementing/index\\_en.cfm](http://ec.europa.eu/regional_policy/information/implementing/index_en.cfm));
16. COMMISSION IMPLEMENTING REGULATION (EU) 2015/207 of 20 January 2015 laying down detailed rules implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council as regards the models for the progress report, submission of the information on a major project, the joint action plan, the implementation reports for the Investment for growth and jobs goal, the management declaration, the audit strategy, the audit opinion and the annual control report and the methodology for carrying out the cost-benefit analysis



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and pursuant to Regulation (EU) No 1299/2013 of the European Parliament and of the Council as regards the model for the implementation reports for the European territorial cooperation goal;

17. COMMISSION IMPLEMENTING REGULATION (EU) No 1011/2014 of 22 September 2014 laying down detailed rules for implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council as regards the models for submission of certain information to the Commission and the detailed rules concerning the exchanges of information between beneficiaries and managing authorities, certifying authorities, audit authorities and intermediate bodies;
18. COMMISSION IMPLEMENTING REGULATION (EU) No 288/2014 of 25 February 2014 laying down rules pursuant to Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund with regard to the model for operational programmes under the Investment for growth and jobs goal and pursuant to Regulation (EU) No 1299/2013 of the European Parliament and of the Council on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal with regard to the model for cooperation programmes under the European territorial cooperation goal;
19. COMMISSION IMPLEMENTING REGULATION (EU) No 821/2014 of 28 July 2014 laying down rules for the application of Regulation (EU) No 1303/2013 of the European Parliament and of the Council as regards detailed arrangements for the transfer and management of programme contributions, the reporting on financial instruments, technical characteristics of information and communication measures for operations and the system to record and store data;
20. Commission Implementing Regulation (EU) No 184/2014 of 25 February 2014 laying down pursuant to Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and

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the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund, the terms and conditions applicable to the electronic data exchange system between the Member States and the Commission and adopting pursuant to Regulation (EU) No 1299/2013 of the European Parliament and of the Council on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal, the nomenclature of the categories of intervention for support from the European Regional Development Fund under the European territorial cooperation goal;

21. 2014/805/EU: COMMISSION IMPLEMENTING DECISION of 17 November 2014 amending Implementing Decision 2014/366/EU setting up the list of cooperation programmes and indicating the global amount of total support from the European Regional Development Fund for each programme under the European territorial cooperation goal for the period 2014 to 2020 (notified under document C(2014) 8423);
22. 2014/388/EU: Commission Implementing Decision of 16 June 2014 setting up the list of regions and areas eligible for funding from the European Regional Development Fund under the cross-border and transnational components of the European territorial cooperation goal for the period 2014 to 2020 (notified under document number C(2014) 3898);
23. Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010
24. Delegated Acts  
([http://ec.europa.eu/regional\\_policy/information/delegated/index\\_en.cfm](http://ec.europa.eu/regional_policy/information/delegated/index_en.cfm));
25. Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes;
26. COMMISSION DELEGATED REGULATION (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds;
27. COMMISSION DELEGATED REGULATION (EU) No 480/2014 of 3 March 2014 supplementing

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Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund;

28. Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty;
29. Communication from the Commission on the application of the European Union State aid rules to compensation granted for the provision of services of general economic interest;
30. Communication from the Commission Framework for State aid for research and development and innovation (2014/C 198/01);
31. Commission Regulation (EC) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid;
32. Commission Regulation (EU) No 1224/2013 of 29 November 2013 amending Regulation (EC) No 800/2008 as regards its period of application;
33. Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Article 87 and 88 of the Treaty (General block exemption Regulation);
34. Draft Commission Notice on the notion of State aid pursuant to Article 107(1) TFEU;
35. Practical guide for identifying conflicts of interests in public procurement procedures for structural actions ([http://cbcromaniabulgaria.eu/user/file/Conflict\\_EN.pdf](http://cbcromaniabulgaria.eu/user/file/Conflict_EN.pdf));
36. Practical guide for detection of forged documents in the field of structural actions ([http://cbcromaniabulgaria.eu/user/file/Fals\\_EN.pdf](http://cbcromaniabulgaria.eu/user/file/Fals_EN.pdf)).

### Romanian Legislation -Indicative-

1. Law No. 315/2004 concerning the regional development in Romania, with subsequent completions and modifications;

2. Law No. 500/2002 on public finance, with subsequent completions and modifications;
3. Law No. 273/2006 regarding local public finance, with subsequent completions and modifications;
4. Law of local public administration No. 215/2001, with subsequent completions and modifications;
5. Law No. 335/2007 regarding the chambers of commerce;
6. Government Ordinance No. 26/2000 regarding associations and foundations;
7. Government Ordinance No. 34 /2006 regarding public procurement, with subsequent completions and modifications;
8. Government Decision no. 925/2006 approving rules for implementing the provisions concerning the award of public procurement contracts from the Government Emergency Ordinance no. 34/2006 on the award of public procurement contracts, public works concession contracts and service concession amendments and additions;
9. Government Ordinance 77/2014 on the national procedures regarding state aid and amending and supplementing Law No.21/1996, with subsequent completions and modifications;
10. Government Emergency Ordinance No. 195/2005 regarding the environmental protection;
11. Law No. 202/2002 regarding equal opportunities for men and women;
12. Government Ordinance No. 137/2000 on the prevention and sanctioning of all forms of discrimination;
13. Law No. 7/1996 of cadastre and real estate advertising, with subsequent completions and modifications;
14. Law No. 10/1995 regarding the quality of constructions;
15. Ordinance No. 43/1997 regarding the regime of roads, with subsequent completions and modifications;
16. Law No. 50/1991 regarding the authorization of the execution of works, with subsequent completions and modifications;

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17. Law No. 350/2001 regarding the territory arrangement and urban planning, with subsequent completions and modifications;
18. Government Decision No. 1072/2003 regarding the authorization by the Construction State Inspectorate of the technical-economical documentation for the investment objectives financed through public funds;
19. Government Decision No. 28/2008 regarding the approval of the framework content of the economic-economic documentation concerning public investments, and of the structure and methodology for elaborating the general estimate for investment objectives and intervention operations;
20. Government Decision No. 1865/2006 for the modification of the thresholds regarding the competencies for approving the technical-economic documentation for new investment objectives;
21. Law No. 213/1998 concerning the public property and its juridical regime.
22. Government Decision No. 445/2009 concerning the impact on the environment for certain public and private projects, with subsequent completions and modifications;
23. Law No. 645/2002 for approving the Emergency Government Ordinance No. 34/2002 concerning the prevention, reduction and integrated control of pollution, with subsequent completions and modifications;
24. Law No. 22/2001 for the ratification of the Convention on the impact assessment on environment in cross-border context, adopted at Espoo on 25 February 1991;
25. Government Decision No. 564/2006 on the framework of public participation to the elaboration of certain plans and programmes concerning the environment;
26. Government Decision No. 1076/2004 establishing the procedure for the elaboration of the impact assessment for plans and programmes;
27. Government Decision No. 878/2005 on the public access to information regarding the environment;
28. Law No. 86/2000 for the ratification of the Aarhus Convention, signed on 25.06.1998, concerning the access to information, the participation of the public to the decision making process and the access to justice regarding the environment issues;

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29. Government Emergency Ordinance No. 68/2007 on environmental liability with regard to the prevention and remedying of environmental damage;
30. Government Emergency Ordinance No. 12/2007 and Government Decision No. 210/2007 for the completion and modification of several legal acts that are transposing the acquis communautaire in the field of environmental protection;
31. Law No. 5/2000 regarding the management of national territory - section III - protected areas;
32. Law No. 462/2001 for approving the Emergency Government Ordinance No. 236/2000 on the regime of protected natural areas, conservation of natural habitats, of wild fauna and flora;
33. Government Ordinance No. 129/2000 regarding professional training, with subsequent completions and modifications;
34. Government Ordinance No. 57/2002 concerning the scientific research and technological development, with subsequent completions and modifications;
35. Government Decision No. 217/2007 for the approval of the national Strategy in the field of research, development and innovation for the period 2007-2013;
36. Government Decision No. 475/2007 for the approval of the national Plan of research, development and innovation II for the period 2007 - 2013;
37. Government Decision No. 1265/2004 for approving the methodological Norms for the contracting, financing monitoring and evaluation of programmes and projects of research, development and innovation, and the actions foreseen in the national Plan of research, development and innovation;
38. Government Emergency Ordinance No. 85/2008 for the stimulation of investments;
39. Government Decision No. 518/1995 regarding certain rights and duties of the Romanian personnel sent abroad for undertaking temporary missions, with subsequent completions and modifications;
40. Government Decision No. 1860/2006 concerning the rights and duties of the personnel of public authorities and institutions during the delegation and posting in other locality, as well as for moving in the locality, in the work interest;

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41. Government Ordinance no. 29/2015 concerning the management and use of external grants and national public co-funding, for 2014-2020 "European Territorial Cooperation" goal with subsequent completions and modifications;
42. Order no. 340/607/190/2016 approving the Methodological Norms for the application of Government Ordinance no. 29/2015 on the management and use of external grants and public co-financing national objective "European Territorial Cooperation " in 2014-2020 with subsequent completions and modifications;
43. Law No. 98/2016 regarding public procurement, with subsequent completions and modifications;
44. Government Decision no. 395/2016 approving the Methodological Norms for the application of provisions concerning the award of public procurement contract/ framework agreement of Law No. 98/2016 on public procurement with subsequent completions and modifications;
45. Government Ordinance no. 66/2011 on preventing, finding and punishing irregularities occurred in obtaining and using European funds and / or national public funds with subsequent completions and modifications;
46. Government Decision no. 519/2014 on setting rates on percentage reductions / financial corrections for deviations in the Annex to Government Emergency Ordinance no. 66/2011 on preventing, finding and punishing irregularities occurred in obtaining and using European funds and / or national public funds with subsequent completions and modifications;

### **Bulgarian Legislation -Indicative-**

1. Law of administration
2. Law on Local Government and local administration
3. Law on legal non-profit entities ;
4. Law on financial management and control in public sector;
5. Accountancy Law 1 January 2002;
6. International Accounting Standards;

7. Accounts of budget entities approved by the Minister of Finance;
8. Law on Value Added Tax;
9. Rules for implementing the Law on VAT;
10. Instructions and other documents issued by the Ministry of Finance;
11. Law on internal audit in the public sector
12. Law for the State budget of Republic of Bulgaria for the respective year;
13. Decree for the implementation of the state budget of the Republic of Bulgaria for the respective year;
14. Public Procurement Law
15. Decree of the Council of Ministers 160/01 July 2016
16. Decree No 134/05.07.2010 Methodology for determining financial corrections in relation with the infringements found in the award and implementation of Public procurement and projects contracts co-financed by the Structural Funds, the Cohesion Fund of the European Union, the European Agricultural Fund for Rural Development, the European Fisheries Fund and funds of the General Programme "Solidarity and management of Migration Flows";
17. Spatial Planning Act;
18. Environment Protection Act.