

# Implementation workshops in Podgorica, Split, Tuzla and Banja Luka

## Q&A

September 2024

### **Part I: Communication and Visibility, Reporting**

- 1. Question:** It is not possible to add logos in the forms of documents for public procurement that are attached to the EOJN. In that case, will the Programme penalize users with a 2% correction?

**Answer:** Beneficiaries must explicitly indicate in the public procurement documentation that the procurement is co-financed by the Interreg IPA Program Croatia – Bosnia and Herzegovina – Montenegro, and include the project name or acronym. If free-form documents are allowed to be uploaded in the EOJN, these documents must include the Programme or project logo. Also, please note that contracts, invoices or documents of equivalent probative value for the operation should include at least the name of the Programme and acronym of the operation. Please note that the 2% reduction of the EU co-financing share of the project partner budget for failure to comply with visibility requirements will not be applied automatically. Beneficiaries will always be given the opportunity to correct any errors before the penalty is imposed.

- 2. Question:** If we are purchasing small inventory items, is it recommended to apply visibility rules to such items as well?

**Answer:** Yes, all pieces of equipment must be marked with program logo. The [Project Implementation Manual](#) (PIM) prescribes how to mark and what content the visibility labels must include. If it is not possible to place visibility markings on individual equipment pieces, this should be done in the space where the equipment is located or at the nearest possible point, following the PIM and [Interreg brand design manual](#).

- 3. Question:** Does a video produced within the project need to have an English subtitles?

**Answer:** It is recommended that materials have an English translation if they are recorded in local languages, as the Programme enters such videos for various competitions at the EU level.

**4. Question:** Do promotional materials need to include an English version?

**Answer:** It depends on the target audience. If the materials are intended for local audiences, such as older people, children, or rural residents, they can be in local languages only. If the material is intended for a broader or international audience, it is recommended to include an English version.

**5. Question:** The Programme template for posters includes logos at both the top and bottom corners. Is it necessary to keep logos in both positions?

**Answer:** It is allowed to keep only one logo, but it must include all the elements required by the [Interreg brand design manual](#).

**6. Question:** What does it mean that the Programme logo must occupy a quarter of the surface where it is applied?

**Answer:** The program logo must occupy at least a quarter of the width (not the total area) of the material it is applied to. This applies to documents, presentations, roll-up banners, publications, stickers, etc. The [Project Implementation Manual](#) (PIM) prescribes the visibility and logo usage requirements, while technical details are provided in the [Interreg brand design manual](#).

**7. Question:** Does the Programme logo need to appear on invoices issued by suppliers?

**Answer:** No, it is sufficient to include the Programme name and project acronym on invoices.

**8. Question:** In the previous programme period (2014-2020), the eMS monitoring system required the numerical quantification of achievements for selected target groups during each reporting period. Will it also be necessary to numerically quantify the target groups in project reports within the Jems system?

**Answer:** In Jems, there is no possibility to numerically quantify the target groups either in the application form, nor is this foreseen in the project report, and the system will not monitor the numerical achievement for the target groups by periods. However, the beneficiaries should describe the achievement for the selected target groups in the reporting period in the relevant section of the project report.

**9. Question:** Previous eMS system had elaborated overview of the declared expenditures once the partner report has been submitted. It seems that in new Jems system such overview of the partner budget is missing. Will the Programme implement elaborated overview of the declared expenditures in Jems as well?

**Answer:** Jems is the system that has been developed by the Interact Programme for the needs of all Interreg programmes. Interreg IPA HR-BA-ME Programme took over the system from the Interact, with

limited possibilities for modification and additional programming of the new features. However, Jems is continuously developed by the Interact and new capabilities are possible in future upgrades of the system.

**10. Question:** All project staff in the SCO II option are engaged 100%. What documents should be submitted with the report if we are all employees of an academic institution?

**Answer:** Evidence according to the relevant SCO option (staff list, payroll document, JOPPD forms, or equivalent evidence, accounting records have to be submitted. Please see the [Reporting instructions](#).

**11. Question:** The presentation mentioned that a job description document for project staff in the SCO II option is required. What is this document?

**Answer:** The Task Assignment document is a record of who is assigned to which project, position in the project, as well as job responsibilities. The form will be available on the Programme website as an annex to [Project Implementation Manual](#).

**12. Question:** Can we send communication and visibility materials to the assigned project managers in Joint Secretariat before publication for review?

**Answer:** Please consult the Programme document [Interreg brand design manual](#) first, which contains detailed requirements regarding the visibility of the project, and then you can contact your assigned project manager in the Joint Secretariat to check your project's visibility materials.

**13. Question:** If our travel costs are flat-rate, and we hold a project team meeting, where do we submit evidence that the meeting took place?

**Answer:** In the corresponding section of the report, in the field for the description, the realization of the travel will be described for the relevant reporting period. As evidence, which only needs to be submitted once during the project implementation, an attendance list or a meeting report can serve. Travel expenses do not need to be supported with documents such as travel orders, fuel or tool receipts, etc. Although not attached to the report, travel documentation must still comply with the relevant national legislation and internal rules of the beneficiary institution.

**14. Question:** In the document listing staff engaged on the project, is it necessary to indicate the percentage of engagement (in the case where the beneficiary has staff working on multiple projects)?

**Answer:** Yes, it is necessary to indicate the percentage of engagement for each person on the project, regardless of SCO I or SCO II option. This percentage should not change throughout the project's implementation. If justified changes in engagement volume occur, they must be reported and should not be continuously altered. The percentage of staff work does not adjust to actual personnel costs in SCO I option.

**15. Question:** Under the SCO II option, when hiring a new staff under a service contract, is it mandatory to engage them at 100% capacity, and do we need to provide evidence of how this person was hired in the report?

**Answer:** Newly hired personnel under a service contract must be engaged full-time (100%). Public procurement is not required, as it would be in the case of engaging persons under external expertise category, but all national rules regarding the employment of such personnel must be followed. Hiring under a service contract is an exception only for partners from Bosnia and Herzegovina and Montenegro. Also, staff from partner institutions cannot be hired.

**16. Question:** If the partner's report is due by the 15th of the month, how do we submit tax forms for staff salaries when the tax administration filing deadline is at the end of the month?

**Answer:** One of the basic requirements for the eligibility of the costs is that a cost has been paid by the project partner. Proof of payment are the bank statements, JOPPD forms (or an equivalent document). Salary costs, as any other costs, should be reported after they have been paid. If payment falls outside the reporting period, salary costs should be reported in the next reporting period.

**17. Question:** Is it possible to open a report in Jems before the reporting period ends?

**Answer:** Yes, the report can be opened as soon as the project is in contracted status, and the reporting schedule has been entered. The [Reporting instructions](#) guides users in reportin process, while the [Jems user manual](#) contains technical instructions on how to fill out the report in Jems.

## PART II: Public Procurement and Eligibility of costs

**18. Question:** Is it necessary to submit timesheets for project team members when declaring expenditures for Staff costs?

**Answer:** No, it is not necessary to submit timesheets for project team members in any of the selected SCO options or staff costs budgeting options.

**19. Question:** If we have selected option SCO I in the application form (flat rates Staff costs, Office and administration and Travel and accommodation cost) in the application, and if we do not have any travel costs in a certain period, how can we declare such costs, or can we transfer it to the next period?

**Answer:** Travel and accommodation are covered by the flat rate and calculated automatically in the Jems system and reimbursed based on two SCO options:

- a) at a fixed rate of up to 15% of eligible staff costs in SCO I,
- b) as part of a fixed rate of up to 40% of direct (actual) eligible staff costs under SCO II.

**20. Question:** Is it necessary to submit a Procurement plan to the Joint Secretariat?

**Answer:** No. The procurement plan is, in a way, integrated into the application form in Jems, as the award procedures for specific budget lines are indicated in the partner's budget.

**21. Question:** How to declare Travel and accommodation expenditures if both project team members and final stakeholders are participating in the same trip (e.g., a study visit)?

**Answer:** In the case of a study visit involving both project team members and final stakeholders, where the cost of the study visit is budgeted under the category External experts and services (SCO option 1), the total cost of the study visit should be reduced by the travel expenses for the project team members. Their travel expenses will be reimbursed from the flat rate for Travel and accommodation (SCO I) or from the flat rate Other costs (SCO II).

**22. Question:** Are per-diem allowances eligible cost?

**Answer:** Yes, per diem is eligible cost within the Travel and accommodation category if it is eligible according to the relevant national legislation and internal rules of the beneficiary institution.

**23. Question:** What amount of VAT is eligible?

**Answer:** In projects that do not exceed 5 million euros (all projects within 1 CfP) the entire VAT amount is eligible, whether at the general or differential rate in all three countries.

**24. Question:** Is there a deadline in which the advance payment to the project must be spent?

**Answer:** Each project received initial pre-financing of 25% of the total project budget upon signing the subsidy contract between Lead partner and Managing Authority. Pre-financing amount shall be deducted from approved Project Progress Reports during the implementation period of the Project. Currently, dynamics for deduction of pre-financing amount has not been defined in the Programme documents. However, it is planned that by the end of this year/beginning of the next year these dynamics will be defined by the Accounting Body and communicated to the Lead partners by the Managing Authority.

**25. Question:** Are flat-rate costs tied to the period in which they were spent?

**Answer:** Flat-rate cost calculation means that, with each certified real expense, they are automatically calculated at the rate corresponding to the relevant flat-rate category, regardless of whether and to what extent the flat-rate amount was actually spent during the reporting period.

**26. Question:** Is it acceptable to sign a contract with an external expert which defines that the costs for his expertise will be reimbursed over several periods/instalments? Are advanced payments acceptable?

**Answer:** Yes, reimbursement of costs over several instalments for external experts and services, equipment and infrastructure and works (real costs) is acceptable if it is in line with the applicable public procurement rules and when it is agreed in the contract. However, costs for certain instalment is not eligible without evidence of delivery of the service, equipment or works for relevant instalment. Similarly, advance payments for external experts and services, equipment and infrastructure and works may be acceptable when it is in line with the applicable public procurement rules and when it is agreed in the external service contract. Advance payments are not eligible cost without evidence of delivery of the service, equipment or works.

**27. Question:** If the procurement cost of certain equipment exceeds the planned amount for relevant budget line in the application form, is it possible to finance this surplus with partner's own funds?

**Answer:** Yes, this is possible, but it needs to be indicated in the partner report when declaring relevant expenditure.

**28. Question:** Is the cost of equipment eligible for 100%, or is there depreciation?

**Answer:** Yes, the cost of equipment is eligible for 100%. The programme does not apply depreciation calculations. Also, in the case of leasing equipment, the cost is only eligible for the period during which the equipment is used.

**29. Question:** Is in-house contracting possible in the Staff costs category?

**Answer:** In-house contracting may be acceptable only if it is previously planned in the Application and Partner budget.

**30. Question:** Are changes possible in SCO II option, in the Other Costs flat rate category, compared to what was indicated to the Joint Secretariat in the optimization phase? For example, it was planned to hire external experts for the preparation of the study, but during the implementation it was realized that the partners themselves can create the study.

**Answer:** Yes, changes compared to what was indicated in the optimization phase are possible. In this case (or any other change in this respect), JS Project Manager should be notified of the changes prior they are made, and changes should be explained in the Partner/Project report. However, please note that JS and other Programme bodies will monitor whether the planned services, equipment or works have been delivered through monitoring the progress of activities/deliverables/outputs in Project reports and monitoring/on-the-spot visits.

**31. Question:** In the SCO 2 option, for BiH and Montenegrin partners, can a person be employed on a service contract (Ugovor o djelu), full time on the project and then to work a certain

percentage of time in another institution (e.g. university professor hired through service contract, working full time on the project, and working 30% on the university)?

**Answer:** Service contract (Ugovor o djelu) is acceptable only for beneficiaries from Bosnia and Herzegovina and Montenegro in exceptional cases and in accordance with relevant national law. However, please note that the recruitment process must be carried out in a transparent manner and that newly hired person/s must work full time (100%) on the project. Service contract is not allowed for internal staff of beneficiary institution and may be used only for new employment.

**32. Question:** Is the salary payment for the project team members eligible if they receive salaries from public sources?

**Answer:** Yes. Most of the project partners are public institutions, so the salary payments for staff costs come from the public sources. Please note that co-financing of the project via staff costs is not eligible under this Programme. Eligible certified staff cost in relevant implementation period will be refunded to the project partner institution.

**33. Question:** Is the remuneration for engagement on the project paid to the staff's account or the institution's budget?

**Answer:** Project funds are transferred to the regular or project-specific account of the beneficiary institution. When calculating salaries for staff engaged in the project, the accounting department reallocates the corresponding amount/percentage from the usual budget source to the project/EU budget source. The remuneration is paid to the engaged staff in the same way, with only the funding source being reallocated within the beneficiary institution's accounting system.

**34. Question:** What if travel is required by someone not in the project team? Are such costs eligible?

**Answer:** The Programme regards the project team in a broad sense, so in addition to those directly engaged or paid through the project, it can include, for example, heads of beneficiary institutions. All employees of the partner institution can travel at the project's expense if such travel is related to project activities (e.g., giving a speech at a conference, commissioning equipment, celebrating an important occasion, etc.).

**35. Question:** Does the threshold of procurement procedure refer to procurement values with or without VAT?

**Answer:** The threshold for procurement procedures is determined by amounts **excluding VAT**. For example, if the procurement cost is €19,000, it will exceed the €20,000 threshold with VAT, but the procedure will still follow the *single tender*.

**36. Question:** Can we use forms for the single tender procedure from the previous financial period (2014-2020)?

**Answer:** The program has already adapted the procurement forms for the current programming period. Regarding the single tender procedure, the only form in the 2014-2020 period was the single tender report, and this is the case in the 2021-2027 period as well. If national or PRAG forms are used in procurement, they need to be adjusted in terms of VAT, visibility markings, references to external documents, and provisions that do not apply to the contracting authority.

**37. Question:** Is it mandatory or a recommendation from the programme authorities to start procurement in the 1st reporting period (e.g. we are procuring equipment that we will be using in later periods of implementation)?

**Answer:** It is a very strong recommendation, although not a *de facto* obligation. Market prices and supply chain disruptions can vary, so it is in the beneficiary's interest to initiate and conduct procurements as soon as possible. Additionally, public procurement costs are directly linked to flat rate costs, so if there are no reported real costs, there will be no flat rate payments either.

**38. Question:** Can we split a public procurement, especially if it is complex, into lots?

**Answer:** Yes, it is allowed to divide the procedure into groups/lots.

**39. Question:** During the project, which lasts for 2.5 years, we are planning to organize three events (kick-off, thematic, and closing conferences). How can a bidder make an offer for such a long period in advance, or can these procurements be separate without being considered an artificially divided?

**Answer:** One budget line is not equivalent to one procurement procedure and vice versa. For example, within one event, it is possible to have three procurement procedures: renting the venue from one supplier, catering from another, and sound and translation services from a third, depending on the suppliers' availability, event location, and service costs. Each case is different and there cannot be a general rule. In the specific case of organizing events over two or three years, it is not realistic to cover them with the same procurement, so multiple procedures for events over a long period are not considered artificially divided.

**40. Question:** Is it possible to change the award procedure noted in Jems if the partner did not account for VAT before determining the procedure type?

**Answer:** Before the procurement procedure starts, market research needs to be conducted. If it shows a change compared to the procedure listed in the latest version of the project in Jems, this information needs to be communicated to the JS. If the project budget does not account for VAT, the partner will have to pay for it with their own funds or through potential project savings. If the cost is planned with VAT, the procurement threshold is the amount without VAT.

**41. Question:** At the workshop, it was mentioned that PRAG is not directly applicable to procurements in the Programme. Can this be further clarified?



**Answer:** PRAG is not a legally binding document but rather a guiding tool or good practice manual. Specifically, the Programme's procurement forms differ from PRAG forms (e.g. regarding the eligibility of the VAT). In the current financial perspective, VAT is eligible when the total cost of operation is below EUR 5,000,000.00 (all of the projects contracted within 1<sup>st</sup> CFP), and if PRAG forms are used, this needs to be taken into account (since PRAG templates state that the project is exempt from VAT). Additionally, some parts of the PRAG forms do not apply to beneficiaries of this Programme, so the final content of procurement forms needs to be carefully considered.

**42. Question:** Under SCO II, the engagement of expert is planned. One of the partners cannot find an expert needed in the area where they operate. Can an expert of a different profile be engaged if it can be proven that there are no experts in the required field, and the new profile fits the project's needs?

**Answer:** Modifying the project is possible due to such a change, but the need for it must be unequivocally proven, along with an explanation of why such an expert profile was initially planned if not available in the market. Furthermore, the market is not just local but also regional, international, and global.

**43. Question:** Is it recommended to request documentation from point 2.6.10 of PRAG from the bidder, regardless of the value of the procurement?

**Answer:** Both the Croatian Public Procurement Law and PRAG specify when it is mandatory to request evidence and when it is a recommendation. There are no additional restrictive Programme rules related to this.

**44. Question:** The beneficiary is subject to Public Procurement Law, and market research was conducted during the project preparation phase as well as optimization. Is it necessary to conduct new market research during project implementation, or can costs be justified by earlier market researches?

**Answer:** PPs in the Republic of Croatia falling under the scope of application of the procurement laws stemming from the National Public Procurement Act on public procurement must apply National rules – for all procurements. Internal rules for procurement of values below the national thresholds from the National Public Procurement Act for Public procurement are mandatory. Market research within the project's procurement process is conducted in the same way as it is for any other procurements, with the difference that project tender documentation should include visibility elements of the program where possible (in documents that are not automatically generated electronically). Additionally, the Programme does not interpret procurement rules under the Public Procurement Law.

**45. Question:** Will forms for the single tender procedure be published on the Programme's website, as currently only the report form is available?

**Answer:** No, there will not be special forms for the single tender (even in the previous financial perspective, there was only the single tender report form), as forms for the simplified procedure (annexed to PIM) can be used with adjustments.

**46. Question:** In Jems, under the column Award Procedures, the single tender procedure is listed, although procurement value is payment against invoice. Will the procurement procedure need to be changed through modification?

**Answer:** Market research before the procurement will indicate which type of procedure will be used. The modification does not have to be implemented in Jems before the procurement, but the JS has to be informed. The type of procedure listed in Jems will be updated during a comprehensive project modification.

**47. Question:** When using national public procurement forms, what does adjustment mean in terms of Programme rules? Must the procurement be conducted in English?

**Answer:** It is not necessary to conduct public procurement in English. It can be conducted in the local language or bilingually (local/English). However, the beneficiary must be aware that they will need to translate procurement documents if requested by an audit from the European Commission. Adjusting national forms means that all Programme rules regarding public procurement must be incorporated into the forms. For example, if the tender documentation specifies the nationality of a participant country as a condition, this would be too restrictive under Programme rules and cannot be a condition at all. Also, parts that are not applicable but are not removed from the forms could cause problems for both bidders and beneficiaries, potentially leading to financial corrections.

**48. Question:** Are public procurement rules the same for all Interreg programmes?

**Answer:** Each programme has its own rules, and this Programme does not interpret procurement rules from other Interreg programmes.

**49. Question:** Is it considered an irregularity if we require an authorized service/repair provider in our country in the tender documentation?

**Answer:** The fact that the supplier should offer a warranty period and service/repair within the beneficiary's country is not restrictive, meaning not a ground for a financial correction.

**50. Question:** Is it sufficient to publish procurement on the Bosnia and Herzegovina public procurement portal, or must it be on a regional portal?

**Answer:** Publishing on the Public Procurement Agency portal is not allowed as BiH beneficiaries do not conduct procurements according to the BiH Public Procurement Law. The [Project Implementation Manual](#) (PIM) prescribes what needs to be published and how, depending on the type of procurement procedure.

**51. Question:** In procurement of specific medical equipment, we often encounter a situation where there is only one supplier at the national level. Do the national controllers have a mechanism to verify if there truly is only one adequate supplier, or must the beneficiaries prove this?

**Answer:** The market in the context of public procurement is not limited to the city where the beneficiary operates, the region, or the country. The market is global.

**52. Question:** In the example of irregularities presented, a financial correction was issued for procurement splitting. At the same time, the Croatian Public Procurement Law allows a group of items to be separated from the procedure and conducted through a simpler procedure if the value of that group does not exceed 20% of the total procurement value. Why would a beneficiary receive a correction for using this option?

**Answer:** The Croatian Public Procurement Law allows splitting a group of items into a separate procurement process under the conditions defined in Article 23 of the Law, where the value of the group is not the only criterion. In such cases, the contracting authority must prove that these are distinct groups. In the specific case of the correction issued, the beneficiary insisted on separate procedures even though the procurement item was the same.

**53. Question:** How to create quality technical specifications, e.g. for technical equipment, without being too restrictive?

**Answer:** When creating technical specifications, project partners should ensure that a certain range is provided for individual items of equipment which is being procured. At the same time, the lower threshold of the range should be the minimum that meets all the user's needs. In that way, technical specifications which are overly restrictive and could lead to the financial correction can be avoided.

**54. Question:** If the project partners have the same or compatible equipment in their partner budgets, can the public procurement for that equipment be launched as one procurement procedure?

**Answer:** Absolutely not. Each project partner must launch separate public procurement procedure for equipment (or services or works) in its partner budget. Similarity or compatibility of equipment can be ensured with detailed technical specification within tender documentation.

**55. Question:** If there are leftover funds in the budget from equipment procurement, is it possible to purchase additional equipment from the same budget line through modification?

**Answer:** In principle, this is possible but with certain restrictions. The costs of equipment explicitly listed in the budget line description are eligible. Depending on the assessment and connection to project activities, additional equipment procurement is possible, but this intention must be reported, justified, and approved by JS / MA, and the project modified accordingly.

**56. Question:** If equipment procurement is planned under the SCO II cost option, can we replace it with other types of equipment?

**Answer:** If there is a need to change the equipment being procured, project modifications are possible in communication with the JS, following the steps outlined by the Programme rules. All changes must be justified, supported with documents, and approved.

## PART III: Other

**57. Question:** Are financial reallocations up to 25% between partners allowed?

**Answer:** No, the maximum budget reallocation between partners is 10%, from the partner providing funds to the partner receiving them.

**58. Question:** Do partners receive 30% pre-financing? If the lump sum is included in the pre-financing, what will it amount to?

**Answer:** Pre-financing amounts to 25% of the total project value (not the EU part). It is paid to the Lead partner, who distributes the funds to the other partners. Pre-financing will be deducted from successive payments following project reports. The lump sum for preparatory costs only applies to the EU part of the project value and is paid along with pre-financing if the project application includes preparatory cost payments.

**59. Question:** Are there restrictions on transfers between budget lines? If there is uneven spending within budget lines, are modifications required?

**Answer:** Budget modifications are required, there are no restrictions on transfers between budget lines or budget categories for real costs. Please note that budget reallocations with flat rates and lump sums are not possible.

**60. Question:** Can IT equipment procured within the project be written-off after the depreciation period expires?

**Answer:** The depreciation period is not necessarily the period of use of an equipment, and the Programme does not calculate depreciation. Financial management follows national and beneficiary institution rules regarding depreciation. Depreciation does not determine how long equipment will be kept. If it is written off, decommissioned, recycled, or irreparably damaged, there must be an appropriate accounting record of how it was handled.

**61. Question:** If there is a surplus of funds, is it possible to transfer them to flat-rate categories?

**Answer:** No, regulations prescribe maximum flat-rate category percentages. Budget reallocations with flat rates and lump sums are not possible.

**62. Question:** What should be included in the Partnership Agreement regarding equipment that a beneficiary transfers for use after the project ends?

**Answer:** The project application in Jems must state the intention to transfer, and Article 13 of the Partnership Agreement should specify to whom the equipment will be transferred.

**63. Question:** What happens with customs costs that may arise during implementation for Montenegrin partners? Is the project exempt from paying customs duties?

**Answer:** As in the previous financial perspective, projects are exempt from customs duties. Detailed information about customs exemption process will be available on the Programme website shortly.

**64. Question:** Is it allowed to change the description of a cost in the budget?

**Answer:** Yes, changing the cost description in the budget is a project modification conducted as outlined in the [Project Implementation Manual](#) (PIM). Any project change must be justified, necessary, explained, and approved by the relevant program authorities.

**65. Question:** Will beneficiaries need to conduct a financial audit of projects?

**Answer:** No, project audits are not required, nor are project audit costs eligible.