



PROGRAMME MANUAL PART I – APPLICANT

1st CALL FOR PROPOSALS



PL-BY-UA
2014-2020

NOTICE

This is the Manual Part I – Applicant, for the 1st Call for Proposals (CfP) in which documents are submitted at two stages:

1. At the first stage all lead beneficiaries should submit the Concept Notes (CN) with the general information about the project. The submitted Concept Note will be the subject of general administrative and eligibility check and quality assessment which will be performed simultaneously.
2. The lead beneficiaries whose Concept Note present the highest value for the Programme objectives will be invited to submit the Full Application Forms (FAF) with all necessary supporting documents. The Full Application Form will undergo the full Administrative and eligibility check and thereafter, for the lead beneficiaries whose Full Application Form met all the administrative and eligibility criteria, the Quality Assessment will be carried out.

Information sessions on this CfP and on the procedures for submission of Concept Note/Full Application Form will be held after the CfP launch. The details concerning the information sessions and other relevant information on the CfP will be provided on the Programme website: www.pbu2020.eu.

Please note that English version of the documents was approved by the Joint Monitoring Committee and takes precedence over working translation into other language versions (Polish, Russian or Ukrainian).

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LIST OF ACRONYMS

| | |
|-----------|--|
| AaE check | Administrative and eligibility check |
| BO | Branch Office |
| CBC | Cross-border Cooperation |
| CfP | Call for Proposal |
| CN | Concept Note |
| EAM | Evaluation and Assessment Manual |
| EC | European Commission |
| ENI | European Neighbourhood Instrument |
| ENPI | European Neighbourhood and Partnership Instrument |
| EU | European Union |
| FAF | Full Application Form |
| JTS | Joint Technical Secretariat |
| IR | Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument |
| JMC | Joint Monitoring Committee |
| JOP | Joint Operational Programme |
| MA | Managing Authority |
| PSC | Project Selection Committee |
| QA | Quality Assessment |

LIST OF ANNEXES

- Annex no. 1. Concept Note
- Annex no. 2. Full Application Form
- Annex no. 3. Project Budget (Annex to the FAF)
- Annex no. 4. Methodology of administrative costs calculation
- Annex no. 5. Other annexes to the FAF
- Annex no. 6. Concept Note assessment checklists
- Annex no. 7. Full Application Form assessment checklists
- Annex no. 8. Full list of indicators
- Annex no. 9. Metrics of the Programme output and result indicators
- Annex no. 10. General Rules of Procurement by Beneficiaries within the Projects

1. The Programme

1.1. Background

The Cross-border Cooperation Programme Poland-Belarus-Ukraine 2014-2020 (the Programme) operates under the framework of the European Neighbourhood Instrument (ENI). It continues and expands the co-operation in the border areas of the three involved countries, which so far has been developed within the framework of the Neighbourhood Programme Poland-Belarus-Ukraine INTERREG IIIA/Tacis CBC 2004–2006 and ENPI Cross-border Cooperation Programme Poland-Belarus-Ukraine 2007-2013.

The overall aim of the Programme is to support cross-border development processes in the borderland of Poland, Belarus and Ukraine, in line with the objectives of ENI laid down in ENI Regulation. As both its predecessors, the Programme is directed at Polish, Ukrainian and Belarusian border regions and all non-profit oriented institutions coming from these regions.

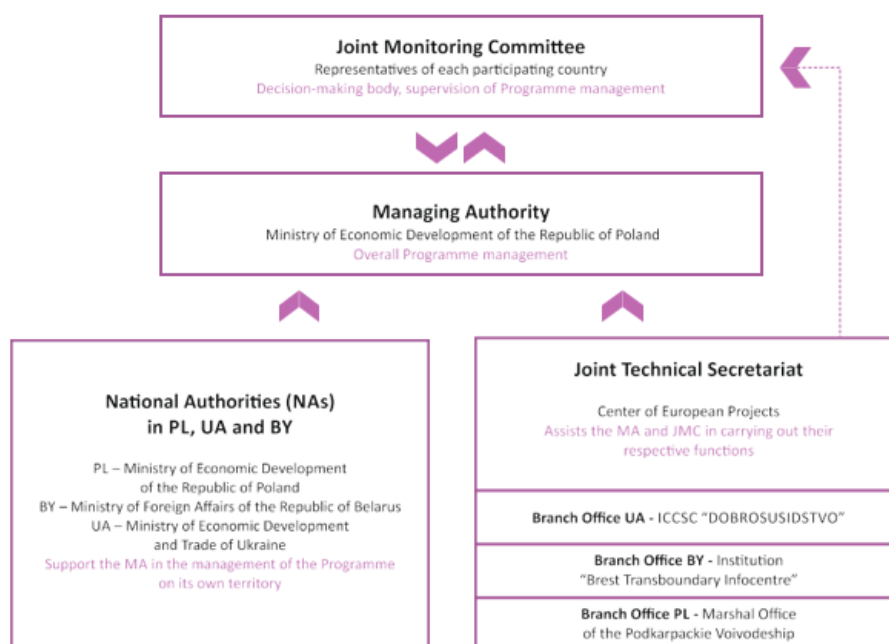
The Programme Strategy responds to the national and regional strategies for socio-economic development which shall be implemented by the strategic objectives of the Programme.

The legal framework of the Programme constitute the following documents:

- Regulation (EC) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (ENI Regulation);
- Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument (IR);
- Programming document for EU support to ENI Cross-Border Cooperation (2014-2020);
- Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action;
- Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union. (replaced by Regulation (EU, Euratom) 2018/1046 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012)

1.2. Programme bodies

The following joint and national institutional structure of the Programme bodies was established in order to ensure the smooth implementation of the Programme.



The Joint Monitoring Committee (JMC) is composed of representatives of each eligible region, central authorities and representatives appointed by each participating country. The JMC is responsible for the overall quality and efficiency of the Programme implementation. The JMC is responsible for selection of projects. The body takes decisions by consensus.

Managing Authority (MA) is responsible for the implementation of the programme in accordance with the principles of sound financial management, economy, efficiency and effectiveness as well as for the legality and regularity of its operations. This role is fulfilled by the Ministry of Investment and Economic Development of Poland. The MA signs the contracts with projects.

The National Authorities (NA) are responsible for the coordination of Programme management in each respective Programme countries. The roles of NA were entrusted to the Ministry of Economic Development and Trade of Ukraine, the Ministry of Foreign Affairs of the Republic of Belarus and the Ministry of Investment and Economic Development of Poland.

The Joint Technical Secretariat (JTS) has been established by the MA in order to assist the MA in the daily management of the programme. The JTS employs Polish, Belarusian and Ukrainian citizens who support the applicants during the calls for proposals. The JTS supports also the beneficiaries during implementation of the contracted projects.

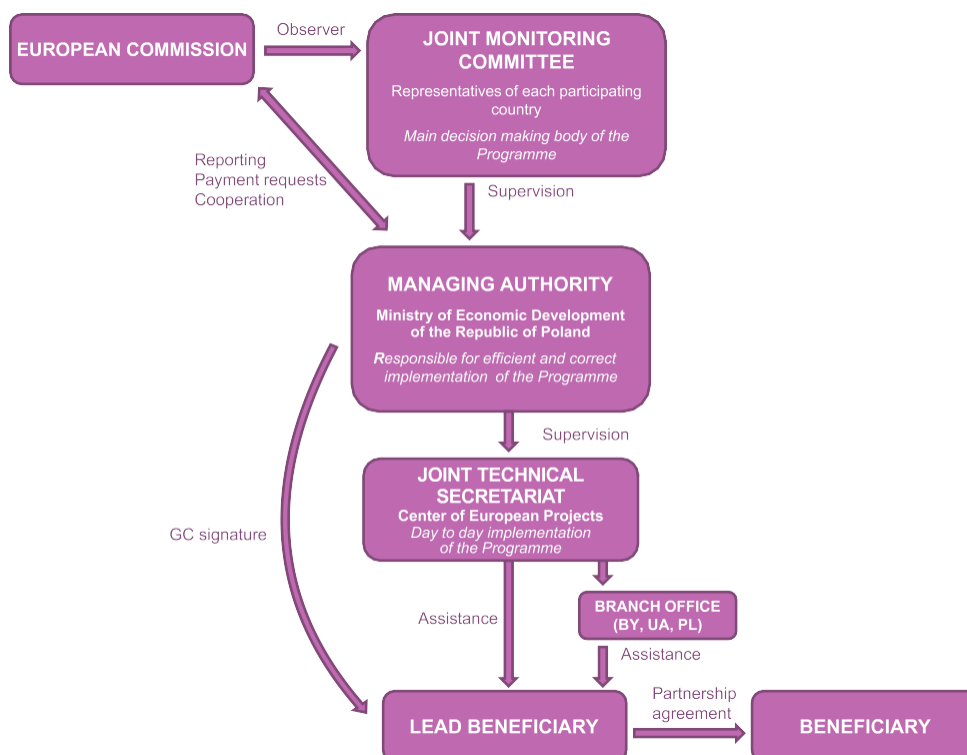
The Branch Offices (BO) in Lviv, Brest and Rzeszów have been established in order to ensure appropriate publicity and provide appropriate information to potential applicants and beneficiaries in all three countries.

The Control Contact Points (CCPs) have been established in order to support MA in verification of expenditures declared by beneficiaries. The following institutions play the role of the CCPs: EU ITA Centre in Belarus, Ministry of Finance of Ukraine, Centre of European Projects in Poland.

The Audit Authority (AA) was established in order to ensure that audits are carried out on the Programme Management and Control System, on a sample of projects and on the annual accounts of the Programme. The role of the AA is performed by the General Inspector of Treasury Control of Poland.

The Group of Auditors (GoA) shall assist the AA in assessment of the national part of the system and during the performance of sample checks of project expenditure. It also assists the AA in the elaboration of the audit strategy for the Programme.

The Project Selection Committee (PSC) is responsible for the evaluation of submitted applications. Its members will be approved by the JMC. Each country will have one voting member.



1.3. Thematic objectives and priorities

This Call for proposals is opened for all thematic objectives which were chosen beforehand by all participating countries from a list proposed by the European Commission:

Thematic objective HERITAGE: Promotion of local culture and preservation of historical heritage:

Priority 1.1 – Promotion of local culture and history,

Priority 1.2 – Promotion and preservation of natural heritage,

Thematic objective ACCESSIBILITY: Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems:

Priority 2.1 – Improvement and development of transport services and infrastructure, Priority 2.1 – Development of ICT infrastructure,

Thematic objective SECURITY: Common challenges in the field of safety and security: Priority 3.1

– Support to the development of health protection and social services, Priority 3.2 – Addressing common security challenges,

Thematic objective BORDERS: Promotion of border management and border security, mobility and migration management

Priority 4.1 – Support to border efficiency and security,

Priority 4.2 – Improvement of border management operations, customs and visas procedures.



1.3.1 Thematic objective HERITAGE

Promotion of local culture and preservation of historical heritage

This thematic objective aims at preserving and promoting the cultural and historical heritage of the Programme regions, strengthening of cultural links and cooperation, improving the region's image and attractiveness and increasing the vitality of local communities. Tourism has been defined as a sector with the highest potential to become one of the main income generating sectors and a growing source of employment and investment, especially in rural areas. To better use the regional heritage and increase the number of incoming and local tourists various cultural and natural sites need improvement and the tourism infrastructure shall be further developed. Support will therefore focus on development of cross border cultural, historical and natural potentials, as well as at development of cross border tourism.

Under this thematic objective the projects may concentrate on improving the state of culture and heritage objects as well as on soft activities. The development of infrastructure shall be supported by strengthening contacts and networks among the stakeholders in culture and tourism sectors. In addition, tourism attractiveness and sectoral growth are strongly influenced by the diversity and quality of tourism services, the region's image and a proper seasonal spread of tourism activities, so activities aiming at promotion and diversification of tourism products are also eligible.

Indicative list of actions proposed in **Priority 1.1 Promotion of local culture and history**:

- Joint initiatives and events regarding promotion, development and preservation of local culture and history;
- Joint projects to support, promote and preserve the traditional crafts and skills;
- Joint projects promoting tourism values;
- Joint projects concerning preparation and realisation of investments in tourist infrastructure and services increasing the use of cultural heritage in the tourism (cycle routes; educational paths, etc.), including complementary tourist infrastructure to facilitate the use of cultural heritage (bike racks, signage, infrastructure for people with special needs etc.);
- Joint creation of tourist products respecting the need to protect the cultural heritage;
- Stimulating cooperation between institutions in the field of historical and cultural heritage (exchange of best practices, joint trainings and other related capacities);
- Conservation, preservation and adaptation or development of cultural heritage for tourism purposes and social, cultural, educational and other community purposes;
- Joint initiatives directed at improvement of the objects functioning in a culture sphere;
- Joint training of staff and exchange of staff aiming at increase of capacities in the field of cultural and historical heritage management, development of joint tourism products and services, marketing of the heritage resources and other related capacities.

Indicative list of actions proposed in **Priority 1.2 Promotion and preservation of natural heritage**:

- Joint initiatives and events regarding promotion and preservation of natural heritage;
- Joint creation of tourist products referring to promotion and protection of the natural heritage;
- Joint development of skills and cooperation between local and regional authorities in the field of natural resource management;
- Common development of cross-border strategies for preservation and use of natural sites, areas and landscapes;
- Stimulating cooperation between institutions in the field of natural heritage protection (exchange of best practices, joint trainings);
- Joint investments in the environmental infrastructure particularly in waste and water management in order to preserve natural heritage;
- Conservation, preservation and adaptation or development of natural heritage for tourism purposes and social, cultural, educational and other community purposes;
- Joint training of staff and exchange of staff aiming to increase the capacities in the field of natural heritage management, development of joint tourism products and services, marketing of the heritage resources of Programme area and other related capacities;
- Construction, reconstruction or modernization of infrastructure increasing the use of natural heritage in the tourism including complementary tourist infrastructure to facilitate the use natural heritage.



1.3.2 Thematic objective **ACCESSIBILITY**

Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems

The Programme area is characterized by a weak connectivity and insufficient communication networks and systems which hamper the cross-border contacts and impede transit traffic, and in consequence cripple the region's attractiveness for investors. Some support was provided to alleviate these deficiencies by the previous CBC programme, nevertheless the needs in this respect remain noticeable. Therefore, this thematic objective shall finance actions related to improvement of transport accessibility, development of environmental-friendly transport, construction and modernization of communication networks and systems and improvement

of the informational and communication infrastructure on the Programme area.

The focus should be on development of local roads offering important cross-border effects and influence. Equally important is to integrate various transport modes and transport operators to make the passenger and cargo transit through the Programme area faster and more customer-oriented. All initiatives and efforts improving transport accessibility shall be based on environmentally friendly solutions. Comparatively distanced and peripheral locations of many parts of the Programme area hinder the full usage of their potential. The activities carried out within this thematic objective shall improve the connectivity and information flow between regions, concurrently contributing to the economic growth and enhancing socio-economic cohesion of the Programme area.

Indicative list of actions proposed in **Priority 2.1 Improvement and development of transport services and infrastructure**:

- Joint investments in the quality and accessibility of social and economic infrastructure, with a focus on transport, logistic systems and transport safety;
- Common development of multi-modal transport systems;
- Joint developing and improving the quality of existing communication links;
- Joint preparation of feasibility studies of transport systems;
- Joint initiatives on promotion of sustainable passenger and freight transport;
- Common projects on improvement of the mobility of persons and goods;
- Joint actions aimed at supporting the sustainable development of cities and regions;
- Developing and improving environmentally friendly low-carbon transport systems (including reducing noise level).

Indicative list of actions proposed in **Priority 2.2 Development of ICT infrastructure**:

- Joint initiatives on development and improvement of the quality of existing ICT infrastructure;
- Joint projects on preparation of feasibility studies related to creation of broadband networks;
- Common creation of broadband networks;
- Joint initiatives on development of digital resources and data sharing;
- Joint initiatives on ensuring the interoperability of ICT infrastructure.



1.3.3 Thematic objective SECURITY

Common challenges in the field of safety and security

Peripheral border areas are characterised by a low quality of life of their residents, in a number of aspects ranging from difficult material conditions and worse access to the labour market, through the insufficient provision of social infrastructure to the poor access to the health care system.

The implementation of this thematic objective shall serve the improvement of the quality of life of the Programme area inhabitants through the facilitation of access to health care system, the counteraction of the spread of diseases across the borders as well as the development of social services and labour market, along with the unemployment minimization.

Indicative list of actions proposed in **Priority 3.1 Support to the development of health protection and social services**:

- Joint initiatives on enhancing the access to health;
- Joint actions aimed at preventing the spread of human, animal and plant diseases across the borders;
- Joint initiatives to support the development of public health;
- Joint initiatives to support the development of social services;
- Joint projects on stimulating cooperation between institutions in the field of fighting with unemployment.

Indicative list of actions proposed in **Priority 3.2 Addressing common security challenges**:

- Joint initiatives to improve the safety of users of the transport network;
- Joint initiatives regarding preparatory actions in case of natural and environmental disasters and emergency situations;
- Joint initiatives on prevention of natural and man-made disasters;

- Joint projects in the field of prevention and fight against serious and organized crime;
- Joint actions regarding law enforcement, police and customs cooperation (exchange of intelligence information);
- Improving qualifications of the staff in charge of rescue actions and developing the ability to participate effectively in a joint response to incurred risks;
- Development of joint prevention, monitoring, response and disaster recovery systems.



1.3.4 Thematic objective BORDERS

Promotion of border management and border security, mobility and migration management

The implementation of this thematic objective shall serve the enhancement of the effectiveness of the border infrastructure and procedures as well as the improvement of border safety. The increased throughput capacity of the border crossings and their safety improvement condition the achievement of other Programme objectives. The removal of the administrative, institutional and infrastructural obstacles in the movement of goods, services and people through the borders are the conditions of the full usage and enlargement of the socio-economic potential of the Programme area. The activities supporting transparency and effectiveness of customs and border clearance procedures can be supported. The aim of these activities is the acceleration of the procedures and their expected effect – the faster and safer border crossing.

At the same time, the activities related to the prevention and combating of illegal migration and smuggling, fight against organized crime as well as counteraction and elimination of illegal trade of rare and endangered species will be financed under this thematic objective. Moreover, the actions devoted to small border traffic as well as the border services will be supported under this objective.

Indicative list of actions proposed in **Priority 4.1 Support to border efficiency and security:**

- Joint initiatives on adaptation and extension of the existing border crossings for pedestrian and bicycle traffic;
- Joint initiatives on improving border-crossing infrastructure;
- Joint creation of a coherent system of signs and visual identification of border crossings;
- Joint projects regarding equipment of existing border crossings allowing streamlining of their operation;
- Joint development and modernisation of border crossings' supporting infrastructure.

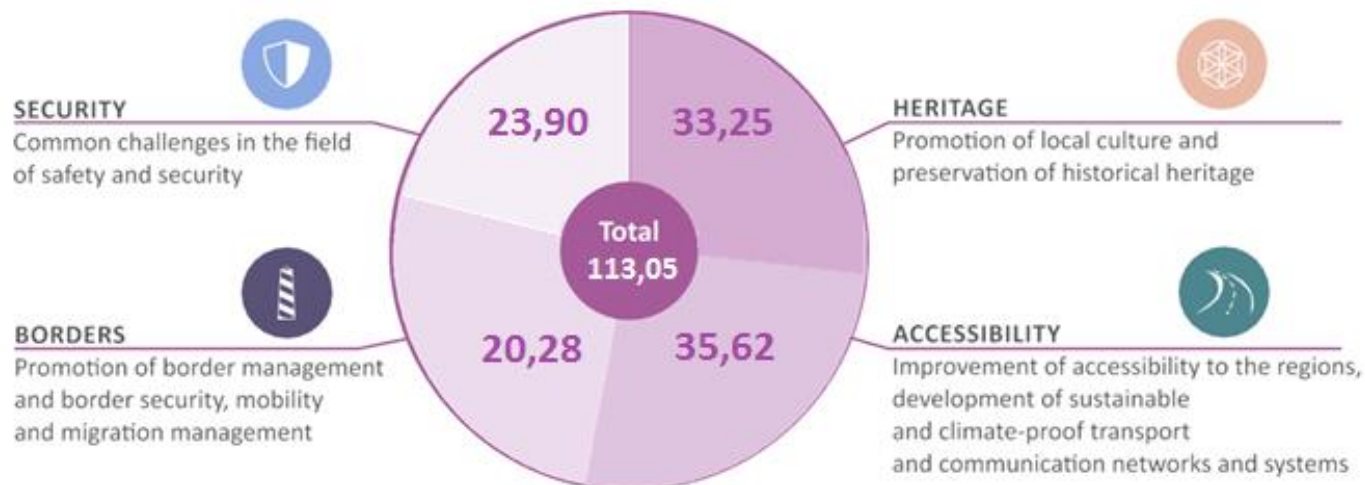
Indicative list of actions proposed in **Priority 4.2 Improvement of border management operations, customs and visas procedures:**

- Common initiatives to create the possibility of an accelerated clearance of travelers who rarely cross the border;
- Joint initiatives for facilitating border crossing procedures and training of border and customs services' personnel;
- Joint initiatives to increase transparency and efficiency of customs and clearance procedures;
- Joint initiatives to support border management in the field of prevention and combating of illegal migration and trafficking and fight against organized crime.

Financial allocation

Financial allocation provided by the Managing Authority for this call for proposal is 113,05 M EUR. The JMC reserves the right not to award all available funds.

Thematic Objectives



2. Formal expectations within this Call for Proposals

2.1 Eligibility of partnership

One of the institution in every project shall play the role of the **lead beneficiary**. Other organizations implementing the project are **beneficiaries**. Lead beneficiary and beneficiaries shall actively cooperate in the development and implementation of projects. In addition, they shall cooperate in the staffing and/or financing of projects. Lead beneficiary and beneficiaries are legally and financially responsible for the activities that they are implementing and for the share of the grant they receive.

The lead beneficiaries and beneficiaries have the possibility to award contracts. Contractors are not regarded as beneficiaries and are subject to the tendering rules.

Lead beneficiaries

The lead beneficiary represents the partnership and shall:

- submit the concept notes and full application form to the JTS;
- sign a grant contract with the MA;
- lay down the partnership arrangements with the beneficiaries in the partnership agreement;
- create a well working consortium ensuring the proper and sound implementation of the project;
- receive the grant from the MA for the implementation of the project;
- ensure that beneficiaries receive their parts of the grant as quickly as possible and in full in accordance with the arrangements of the partnership agreement. Lead beneficiary shall not deduct or withheld any amount and shall not levy any specific charge with equivalent effect that would reduce parts of the grant for the beneficiaries;
- assume responsibility for ensuring implementation of the entire project;
- ensure that the expenditures presented by the beneficiaries have been incurred for the purpose of implementing the project and correspond to activities set in the contract and agreed between all beneficiaries;
- verify that the expenditure presented by the beneficiaries has been examined pursuant art. 32(1) of IR.

As a rule, the lead beneficiary shall act as the direct contact between the project and the management bodies of the Programme. The possibility to initiate projects and to act as a lead beneficiary is open to all eligible organisations.

Partnership statement and Declaration by the lead beneficiary

In order to ensure that the cooperation between beneficiaries during application stage and project implementation runs smoothly, all project beneficiaries (except for the lead beneficiary) have to acknowledge their responsibilities within the project by signing a separate Partnership statement.

The relevant Partnership statement must be signed, stamped and dated by each beneficiary (except for the lead beneficiary) before the concept note/full application form is submitted to the JTS. Any concept note and full application form not containing the relevant Partnership statement(s) will be rejected.

The lead beneficiary will acknowledge to the principles of good partnership practice and obligations imposed on this institution by signing the Declaration by the lead beneficiary which constitutes part of the concept note (part 5) and full application form (Annex A1) and shall have the same checksum as relevant concept note/full application form submitted to the JTS.

Partnership agreement

Lead beneficiary and beneficiaries shall draft and sign the partnership agreement. This document shall stipulate the rights and duties of every beneficiary (define the functions and tasks in the project implementation, mutual obligations and responsibilities) and shall be drafted in line with *The partnership agreement template*.

Partnership agreement shall comprise provisions that, inter alia, guarantee the sound financial management of the funds allocated to the project including the arrangements for recovery of funds unduly paid.

Not later than 60 days after conclusion of the grant contract the lead beneficiary shall submit to the JTS one partnership agreement for the implementation of the respective project. It shall be drafted in English and signed by all project beneficiaries. It may be also supplemented with a national translation. The payments of the grant from the MA to the project will be possible only after submission of relevant partnership agreement (more on payments see section 5).

Beneficiaries

Beneficiaries participate in designing and implementing of the project. The costs which beneficiaries incur are eligible in the same way as those incurred by the lead beneficiary. They must therefore satisfy the same eligibility criteria as applicable to the lead beneficiary himself, listed in section 2.2.

Project beneficiaries have the following obligations and tasks to fulfil:

- Ensuring the implementation of the part of the project under its responsibility, according to the project plan and to the partnership agreement signed with the lead beneficiary;
- Cooperation with the lead beneficiary in the implementation of the project, reporting and monitoring;
- Delivering project outputs planned in the application and agreed in the partnership agreement;
- Ensuring durability of main outputs;
- Assuming responsibility of any irregularity in the expenditure which it has declared;
- Repaying the lead beneficiary any amounts unduly paid in accordance with the partnership agreement signed between the lead beneficiary and the respective project beneficiary;
- Carrying out information and communication measures for the public about the project activities according to the visibility rules laid down by the Programme and the relevant regulations;
- Keeping available all documents related to the project for five years from the date of payment of the balance for the project. In particular they shall keep reports, supporting documents, as well as accounts, accounting documents and any other document relating to the financing of the project;
- Facilitation of the audit trail by all relevant European Community authorities, Managing Authority, Audit Authority, national authorities and control contact points;
- Signing a Partnership Agreement.

Composition of the partnership

The lead beneficiaries and beneficiaries in every project must establish one of the following compositions:

- Poland-Ukraine or
- Poland-Belarus or

- Poland-Belarus-Ukraine.

There may be more than one beneficiary in the project from any of the above countries.

For each project at least three of the following four cooperation criteria must be met:

■ **Joint project preparation (obligatory)**

- All partners contribute to the creation of a project concept;
- Partners determine how the project will be managed, e.g. through the establishment of common objectives and outcomes, financial plan, implementation schedule and the division of responsibilities for project activities in order to achieve the project objectives;
- Each partner defines what knowledge and experience may be involved and what are partner's expectations of project realization.

■ **Joint project implementation (obligatory)**

- The lead beneficiary is responsible for the implementation of the entire project. Beneficiaries assume responsibility for parts of the project implementation;
- Each beneficiary responsible for some part of the project shall ensure the coordination and implementation of planned activities, reaching the objectives and solvency of unexpected problems;
- Few beneficiaries may contribute to the implementation of one part of the project.

■ **Joint project staff (optional)**

- All project beneficiaries take over some roles in the project and engage staff for this purpose;
- Employees of beneficiaries coordinate their tasks among themselves and exchange information on a regularly basis;
- Unnecessary duplication of functions in partner institutions shall be avoided.

■ **Joint project financing (optional)**

- The project has a joint financial plan with funds allocated for beneficiaries according to their participation in the project;
- At least one Polish and at least one Belarusian and/or Ukrainian beneficiary contribute to the financial plan through their own contributions;
- The financial plan shall include the responsibilities of the beneficiaries.

2.2 Eligibility of lead beneficiaries and beneficiaries

Only following types of organizations may receive grant within the Programme:

- a) institutions of national, regional, local governments or association of such institutions;
- b) bodies governed by public law or by private law established for the specific purpose of meeting needs in the general interest, not having industrial or commercial character, and having legal personality and financed for the most part by the state, regional or local authorities or other bodies governed by public law or that are subject to management supervision by those bodies or having an administrative, managerial or supervisory board with more than half of whose members are appointed by the state, regional or local authorities or other bodies governed by public law, or
- c) non-governmental organization with legal personality.

In case of Polish institutions falling within the category a) eligible are entities:

- having legal personality under the applicable national law;
- entities without legal personality:
 - if their superior unit (having legal personality) grants them power of attorney and also assumes financial responsibility for the project implemented; or
 - on behalf of which the superior unit will apply for financing (with indication which entity will imple-

ment the project).

In addition to requirements mentioned above the lead beneficiary/beneficiary must:

- not fall under any of the exclusion situations set out in Article 106(1) and Article 107 of Regulation (EU, Euratom) No 966/2012¹;

and

- be national² of any of the participating countries, or legal persons who are effectively established in the Programme area or international organisations.³

Exception!

Beneficiaries that are not registered within the Programme area shall fulfill all the following conditions:

- they are established in Poland, Ukraine or Belarus;
- their participation is required by the nature and by the objectives of the project and as necessary for its effective implementation;
- the total amount allocated under the project to these beneficiaries does not overcome 20% of the total budget of the project.

Examples of potential lead beneficiaries/beneficiaries:

- regional and local authorities, bodies providing public services commissioned by these authorities, other legal entities with the participation of these authorities or acting on their behalf;
- central bodies, on behalf of regional and local representations responsible for carrying out public tasks at the regional/local level;
- regional and local representations of central government, responsible for carrying out public tasks at the regional/local level;
- state organisations/institutions;
- public institutions responsible for environment protection, management of nature protection areas, nature parks and local forestry directorates;
- public educational institutions (public schools, public universities, etc.);
- non-governmental organisations and non-profit organisations, such as Euroregions, business support organisations, chambers of commerce, organisations promoting tourism, educational/training and research institutions, associations, foundations, parishes, etc.

Please note that the above-mentioned list is not exhaustive.

2.3 Eligibility of projects

2.3.1 General rules

Definition: a project (action) is a series of activities defined and managed in relation to the objectives, out-

¹ Replaced by Regulation (EU, Euratom) 2018/1046 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012

² Such nationality being determined on the basis of the organisation's statutes which should demonstrate that it has been established by an instrument governed by the national law of the country concerned. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a "Memorandum of Understanding" has been concluded.

³ International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies, European Investment Bank (EIB) and European Investment Fund (EIF) are also recognized as international organisations.

puts, results and impacts which it aims at achieving within a defined time-period and budget. The objectives, outputs, results and impacts shall contribute to the priorities identified in the Programme (point 1.3 of this Manual).

Using the application documents for particular CfPs, the beneficiaries will jointly develop and submit a project (concept note/full application form) to the JTS. Projects may receive grants from the Programme provided they meet all the following conditions:

- a) they deliver a clear cross-border cooperation impact and benefits as described in the Programming document and demonstrate added value to the respective strategies and programmes of the EU, Poland, Belarus and Ukraine;
- b) they are implemented in the Programme area. In special cases, projects may be partially implemented outside the Programme area⁴ provided that all the following conditions are met:
 - the projects are necessary for achieving the Programme's objectives and they benefit the Programme area;
 - the total amount allocated under the Programme to activities outside the Programme area does not exceed 20% of the Union contribution at the Programme level;
 - activities outside the Programme area cannot be of investment and/or infrastructure character;
- c) they fall within one of the following categories:
 - **integrated projects** where each beneficiary implements a part of the activities of the project on its own territory;
Example: two hospitals from Poland and from Ukraine elaborate in partnership a common methodology regarding a specific treatment by a common team of experts and implement the methodology in both hospitals using purchased equipment and elaborate common report from the results of the implementation of the methodology;
 - **symmetrical projects** where similar activities are implemented in parallel in the participating countries;
Example: two partners construct two sections of roads contributing to the cross-border transport system, one in Poland and one in Belarus (or Ukraine);
 - **single-country projects** where projects are implemented mainly or entirely in one of the participating countries but for the benefit of all or some of the participating countries and where cross-border impacts and benefits are identified.
Example: Ukrainian (or Belarusian) partner is implementing waste management system on its territory basing on the experience of the Polish partner who acts as the expert sharing its know-how (who does not implement any activities in Poland). The implementing waste management system set up by the Ukrainian partner shall have positive impact on the Polish side of the Programme area.
- d) they contribute to at least one of the output indicators defined in the list of indicators for priority within which the project will be implemented (Full list of indicators is in the Annex 8).

Duration

The planned duration of the project may not exceed 24 months.

In duly justified cases, during the implementation phase the project duration may be extended beyond 24 months, after the prior approval of the Joint Monitoring Committee.

All project activities financed by the Programme shall end on 31 December 2022 at the latest.

Range of grants

⁴ Activities may take place in other regions from the outside Programme area, but on the territory of Poland, Belarus or Ukraine.



No grant may exceed 90% of the total eligible costs of the project.

The balance must be financed from the lead beneficiary's and/or beneficiaries' own resources, or from sources other than the European Union budget.

Any future income resulting from the project may not be treated as the lead beneficiary's or beneficiaries' co-financing of the project.

Important!

No profit principle

Grants shall not have the purpose or effect of producing a profit for any beneficiary! Profit is defined as a surplus of receipts (i.e. EU contribution, revenues, interest from pre-financing, other contributions) over the eligible costs approved by the Managing Authority when the request for payment of the balance is made.

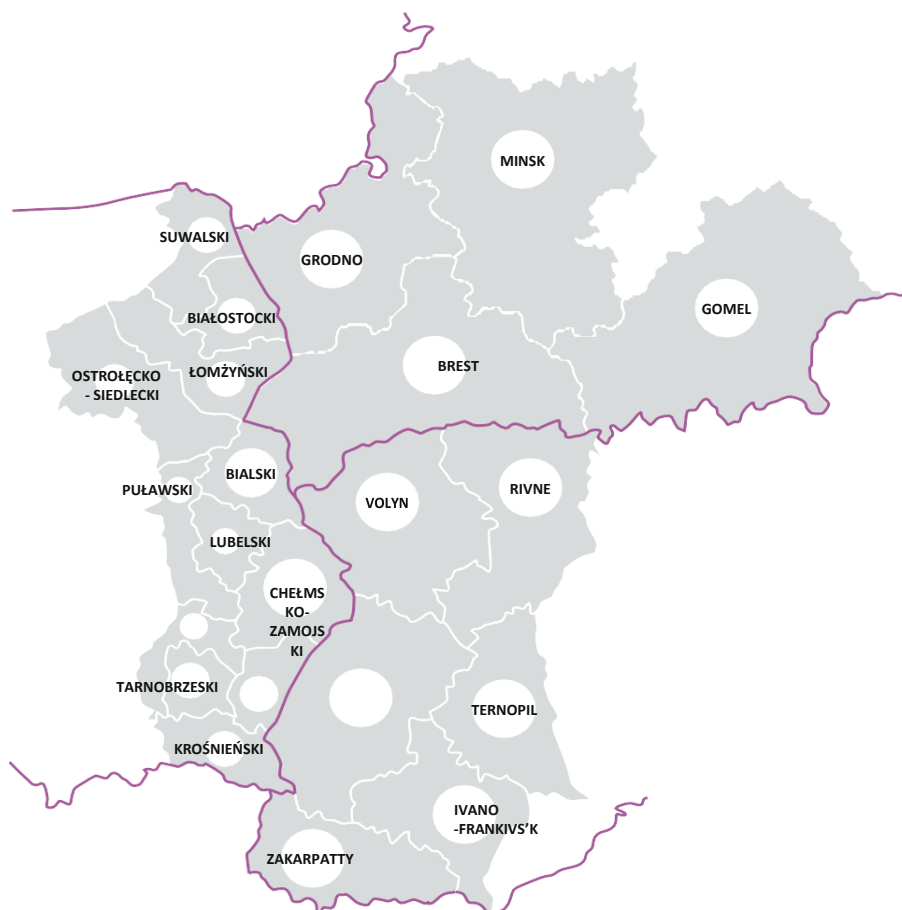
Revenues are cash inflows directly paid by users for the goods or services provided by a project, such as charges borne directly by users for the use of infrastructure for participating with products or services in fairs, exhibitions, etc., or payments for services (ex. participation in trainings).

Net revenues are revenues as defined above – less any operating costs incurred during the corresponding period.

Location

The area of the Programme covers the following regions:

- **in Poland:** Krośnieński, Przemyski, Rzeszowski, Tarnobrzewski, Chełmsko-zamojski, Puławski, Lubelski, Bialski, Ostrołęcko-siedlecki, Łomżyński, Białostocki, Suwalski sub-regions;
- **in Belarus:** Grodno, Brest, Minsk (including the city of Minsk) and Gomel Oblasts;
- **in Ukraine:** Lvivska, Volynska, Zakarpatska, Rivnenska, Ternopil'ska and Ivano-Frankiv'ska Oblasts.



Area of the Cross-border Cooperation Programme Poland - Belarus - Ukraine 2014-2020

When applying for the Programme funding, institutions from all regions will be treated equally.

2.3.2 Character of projects

Three types of projects may be financed within the Programme:

■ Infrastructure project

- project which requires building permission or its equivalent (e.g. notification of works component – zgłoszenie robót budowlanych, declaration on the beginning of construction works etc.) according to the national legislation in force for the country where works take place or
- project including infrastructure activities (defined in the Budget heading 6 Infrastructure component) with a total value over 50 000 EUR.

The Infrastructure component shall include the total costs of:

- works and services related to (re)construction, renovation, installation of infrastructure and its supervision
- other activities related to planned works like e.g.: costs of preparation of the technical documentation, costs of supplies including purchase of fixed assets.

The total amount of costs foreseen in the Infrastructure component (Budget heading 6) **shall be lower than 2 500 000 EUR.**

■ Investment project

project with supplies of fixed assets within the budget line for equipment (e.g. equipment like: computers, machines, tools, licences etc.) worth more than 50 000 EUR.

If a project can be defined at the same time as infrastructure and investment, its categorisation should be decided basing on the costs proportion in the budget (i.e. if more costs are related to works or to purchase of equipment). Nevertheless any project which meets the definition of infrastructure project **is obliged to**

submit all relevant annexes to the Full Application Form (please see section 3.2.2).

■ **Soft project**

Other projects not defined as “infrastructure” or “investment” are regarded as soft.

Durability

Durability of project outputs and results is crucial for ensuring territorial impact and long-term benefits, which continue after the project end. Therefore, all investment and infrastructure projects have to ensure that outputs obtained and results achieved are durable and suitable for continuation after project closure (end of project implementation defined in the Grant Contract). This may include follow-up activities, long-term partnerships, improved legislation, plans, further financing through other initiatives or funds, etc.

In order to achieve durability, projects may from the beginning adopt a longer-term, strategic perspective which leads to desired results for the target groups over an extended period. Thus, it is essential to consider the needs of key stakeholders, as well as the institutional context, when designing the project. Key stakeholders could be actively involved, from the early stages of the project development, if the case.

Important!

Every investment project or project including an infrastructure component – regardless of its value – shall repay the Union contribution if, within **five years** of the project closure (or within the period of time set out in state aid rules, where applicable), it is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

Sums unduly paid in respect of such project shall be recovered by the MA proportionally to the period for which the durability requirement has not been fulfilled.

2.3.3 Ineligible projects

The following types of projects are **ineligible**:

- actions that have already been approved for financing from other sources, including other EU programmes. If the action or its separate activities have been proposed for financing from other sources, the MA should be informed about this fact by the lead beneficiary;
- actions that have the purpose or effect of producing a profit for the lead beneficiary or beneficiary(ies);
- actions concentrated only or mainly on charitable events;
- actions in which the lead beneficiary and beneficiary(ies) re-grant the funding;
- actions in which beneficiaries act as intermediaries i.e. are not directly responsible for the implementation of the action but hire a third party responsible for the implementation of project activities on their behalf

Examples:

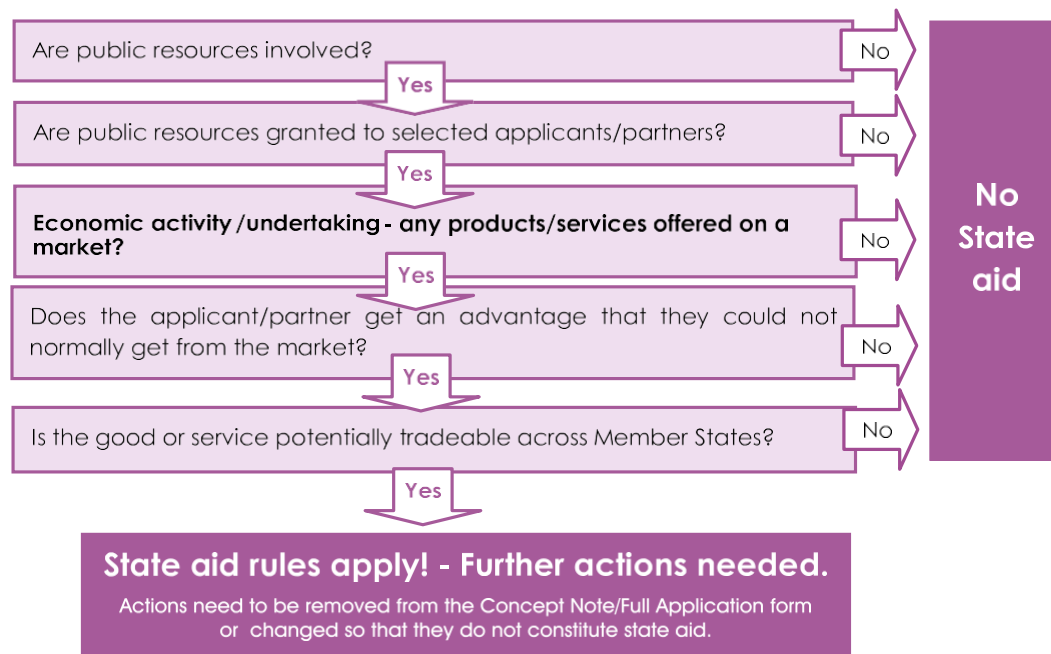
- the project is fully managed by contracted consulting company;
- the project consists of set of trainings which are fully contracted within one tender to one company.
- regular events. However:
 - the start-up phase of regular events can be supported under the Programme;
 - if innovative elements are included to the organization of the regular editions of events – they may also be eligible. Such activities must be duly described in the full application form;
- actions with negative impact on environment or not respecting other EU horizontal policy rules;
- actions constituting state aid.

According to Article 107 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 favouring certain undertakings or the production of certain goods”, therefore affecting trade between Member States.

The definition of State aid includes several criteria. These criteria are cumulative, meaning that all five

elements must be met for the measure to be considered aid:

- the existence of an undertaking,
- financing of the measure through State resources,
- the granting of an advantage,
- the selectivity of the measure, and
- its potential effect on competition and trade within the Union.



The most important step is to establish whether a lead beneficiary/beneficiary acts as an undertaking in the context of the project. From the remaining criteria the decisive one most often will be whether an advantage is granted to the lead beneficiary/beneficiary.

2.3.4 Number of project proposals and grants per lead beneficiary

Lead beneficiaries/beneficiaries may submit more than one concept note. A lead beneficiary may at the same time be a beneficiary in another concept note. The Project Selection Committee will decide which concept notes will be invited to submit the full application form.

Important!

Where several full application forms submitted by the same lead beneficiary are selected for financing, but the lead beneficiary does not prove to have the necessary capacity required to implement all of them, the proposal(s) which has (have) been awarded a lower score shall be rejected, and the proposal(s) that the lead beneficiary has the capacity to implement shall be selected.

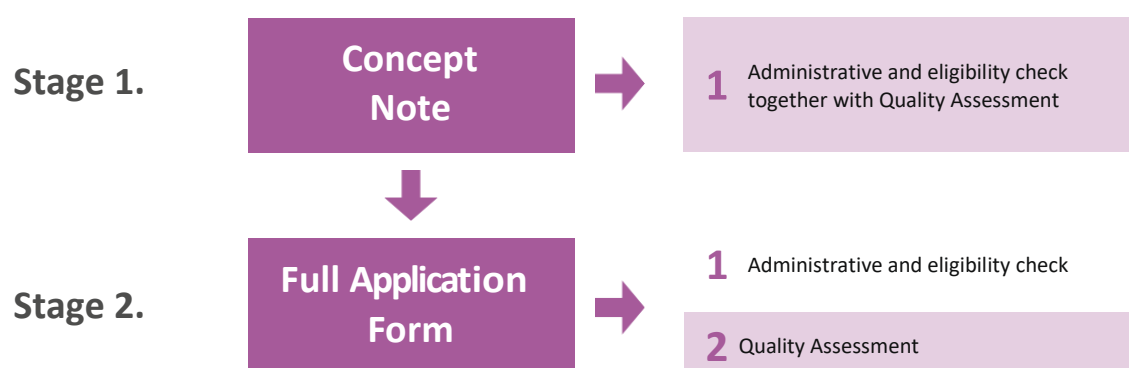
The JMC may decide to limit the number of grants awarded to one lead beneficiary.

3. Evaluation and selection procedures

The project evaluation and selection procedure consists of two stages:

1. At the first stage all lead beneficiaries should submit Concept Notes (CNs) which include general information about the project. The submitted Concept Notes will be verified: general administrative and eligibility check and quality assessment will be performed simultaneously.
2. The lead beneficiaries whose Concept Notes present the highest value for the Programme objectives will be invited to submit the Full Application Forms with a comprehensive description of the project with

all necessary supporting documents. The Full Application Forms will undergo the full Administrative and Eligibility check. If the Full Application Form meets all criteria, the Quality Assessment will be carried out.



Stages of assessment of Concept Notes and Full Application Forms

The project evaluation and selection is the overall responsibility of the Joint Monitoring Committee (JMC). The evaluation process starts with the receipt of the Concept Notes by the JTS and ends with the JMC approval of a ranking list of submitted Full Application Forms. Project selection procedures shall ensure that the principles of transparency, equal treatment, non-discrimination, objectivity and fair competition are complied with. With a view to respect these principles:

- the projects shall be selected and awarded on the basis of pre-announced **selection and award criteria defined in the evaluation grid**. The selection criteria serve to assess the applicant's ability to complete the proposed action or work programme. The award criteria shall be used to assess the quality of the project's proposal against the set objectives and priorities;
- the grants shall be subject to ex ante and ex post publicity rules;
- the applicants shall be informed in writing about the evaluation results. The MA shall ensure that the evaluation process is conducted in accordance with the Programme requirements, particular call for proposals requirements and approved project selection criteria. If the grant requested is not awarded the reasons for the rejection of the application with reference to the selection and award criteria that are not met by the application shall be provided to the grant applicant;
- any conflict of interest shall be avoided;
- the same rules and conditions shall be applied to all applicants.

The project selection criteria approved by the JMC will constitute the basis for the evaluation of proposals by the JTS assisted by BOs and external assessors, in accordance with the project selection procedures. The MA ensures that the evaluation process will be conducted in accordance with the Programme requirements, particular call for proposals (CfPs) requirements and approved project selection criteria.

Important!

Please make sure that the Concept Note and the Full Application Form include all the necessary information and, where relevant, annexes. If the submitted documents are not complete or the provided information and documents are not clear or are incorrect, the JTS will ask you to provide **clarifications**. In this case the applicant will be asked to provide clarifications within the deadline set by the JTS but not later than within 14 calendar days since the request for clarification was sent via e-mail and fax. The project application will be rejected:

- in case the applicant fails to correct the application or submit the clarification, or the submitted clarification or corrections are not adequate,
- if any potential lead beneficiary/beneficiary proves to be ineligible.

The rejected project application will not be further evaluated. Therefore, please make sure that all beneficiaries in the project, including the lead beneficiary, are eligible and that your Concept Note and, if applicable, Full Application Form, is clear, correct and complete.

Information regarding the CfP

Information sessions on this CfP will be held after the CfP launch. The details concerning the information sessions and other relevant information on the CfP will be provided on the Programme website: www.pbu2020.eu.

Questions in writing may in addition be sent to the JTS by mail, e-mail or fax (no later than 21 calendar days before the deadline for the submission of Concept Note or Full Application Form) indicating clearly the reference of the CfP.

JTS/MA has no obligation to provide further clarifications to questions received after this date.

Replies in writing will be given no later than 14 calendar days before the deadline for the submission of Concept Note or Full Application Form.

Questions that may be relevant to other lead beneficiaries, together with the answers, will be published on the internet on the Programme website: www.pbu2020.eu. It is therefore highly recommended to regularly consult the abovementioned website in order to be informed about questions and answers published.

3.1 Concept Notes

3.1.1 Basic information on Concept Notes

The call for Concept Note shall be organized in order to pre-select the project ideas that constitute the highest value for the Programme objectives and best answer to the problems and potentials of the Programme area defined in the Joint Operational Programme.

Important!

Only applicants of these pre-selected Concept Notes will be invited to submit the Full Application Forms. This pre-selection by no means shall be regarded as the selection for financing under the Programme. The Full Application Forms will undergo further assessment and selection.

The following information, as provided in the Concept Notes by applicants, will be kept in Full Application Form (cannot be modified after the Concept Notes submission):

- 1) overall and specific objectives of the project;
- 2) definition of the project relevance (part 2 of the Concept Note);
- 3) partnership composition⁴;
- 4) key project activities (point 3.3 of the Concept Note);
- 5) the EU contribution indicated in the Concept Note cannot be increased by more than 10% in the Full Application Form, however the requirements regarding the minimum and maximum grant values under the specific CfPs shall also be observed.

In order to save time and work of the applicants as well as to accelerate the Administrative and Eligibility check of Concept Notes by the JTS, at the stage of the Concept Note submission only the following documents will be required:

- Concept note with Declaration by the lead beneficiary;
- Partnership statement(s) (section 6 of the Concept Note).

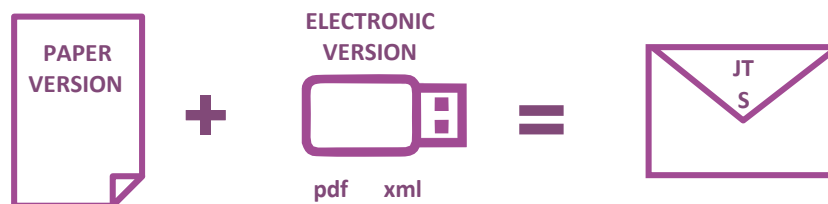
⁵ The exception to this requirement relates to situations in which after submission of the Concept Note applicant was transformed into/incorporated by/joined with another institution and that output institution enters into the applicants' obligations/responsibilities in the field of action related to the project.



The lead beneficiaries of pre-selected **Concept Notes** will be given **only 2 or 3 months (depending on the relevant Thematic Objective)** to submit the **Full Application Form** including all annexes specified in this **Manual Part I**.

Submission requirements of the Concept Note:

1. The applicants shall fill in their Concept Notes using the Concept Note **e-application downloaded from the Programme website** at: www.pbu2020.eu and submit them to the JTS in two ways:
 - a) .xml and .pdf file of the Concept Note recorded on the mover (CD, DVD, pendrive etc.) along with
 - b) one signed and stamped paper version (two-sided printout, pages numbered, stapled once in the left top corner). The paper version is considered as an official application. Concept Notes submitted only in electronic file will be rejected.



2. The Concept Note shall be filled in **only in English**⁶. Concept Note submitted in language(s) other than English will be rejected.
3. The Concept Note must be computer-typed using the Concept Note e-application published for this CfPs and available for downloading on the Programme website. A properly generated and validated Concept Note will be given a unique checksum which shall be displayed on each page of the Concept Note. Concept Note validated shall be printed and submitted together with the electronic files to the JTS.
4. Hand-written applications or applications filled in using an incorrect Concept Note form will be rejected.
5. The Concept Note will be rejected if the partnership composition is not in line with requirements of the Manual Part I (point 2.1).

Where and how to send paper version of the Concept Note

The outer package must bear the following information:

- the reference number of the CfP;
- the Concept Note title;
- the full name and address of the lead beneficiary.

The bound Concept Note must be submitted in one original A4 size together with an electronic file. The package must be submitted in a sealed envelope by registered mail, by private courier service or by hand delivery (in case of hand delivery, a signed and dated certificate of receipt will be given to the deliverer by the JTS) at the JTS address.

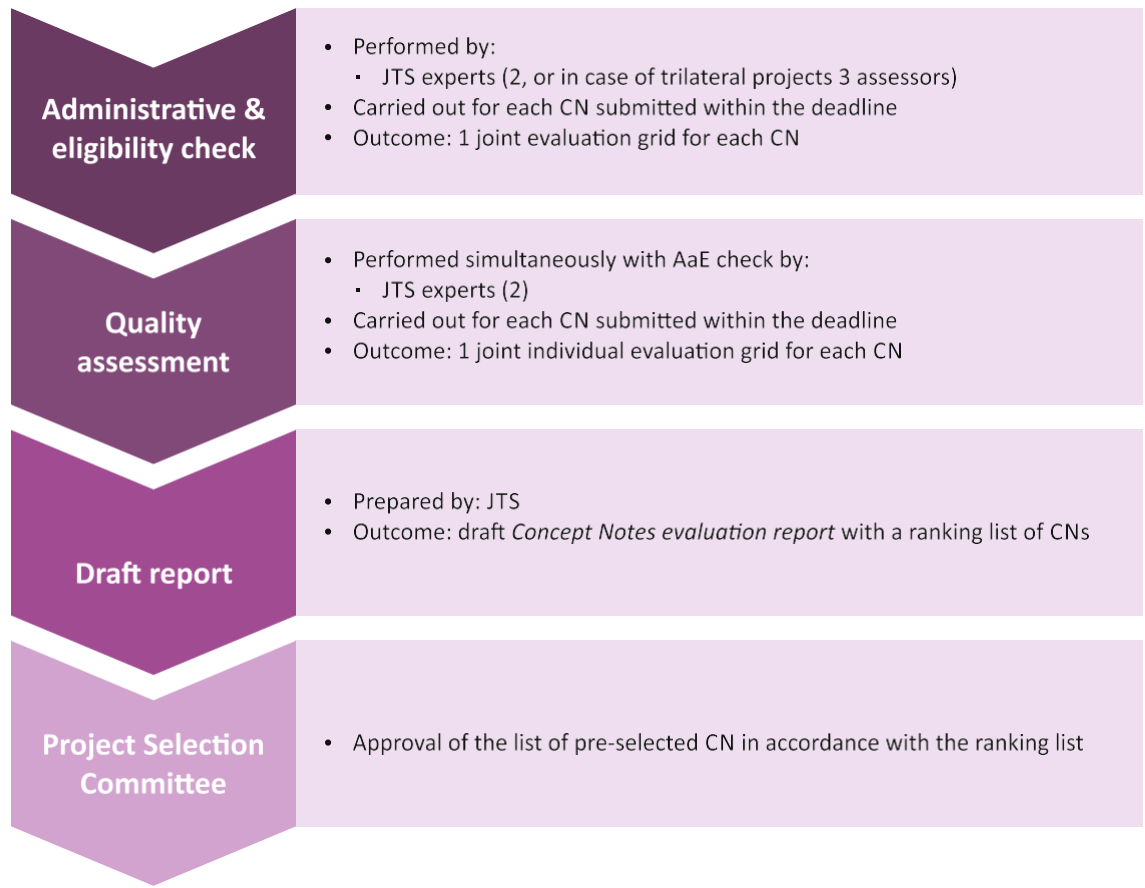
⁶ Does not apply to field where proper names in national languages are requested.

If the lead beneficiary sends several different Concept Notes, each one has to be sent in a separate package.

Deadline for the submission of Concept Note

The **deadline for the submission of applications is 31st December 2016** as evidenced by the date of dispatch, the postmark or the date of the deposit slip. In the case of hand-deliveries, the deadline for receipt is 30th December 2016 at 15.00 local time as evidenced by the signed and dated receipt. Any Concept Note submitted after the deadline will be rejected.

3.1.2 Concept Note selection criteria and evaluation system



Stages of Concept Notes assessment

Main steps of Concept Note assessment:

1. All Concept Notes delivered to the JTS shall be opened and numbered. Only Concept Notes that have met the deadline for submission will be assessed.
2. The JTS verifies the completeness and correctness of the submitted documents. The Administrative and Eligibility check is carried out in accordance with the evaluation criteria set out in the evaluation grid. Each Concept Note shall be assessed by at least two JTS assessors (in case of trilateral Polish-Belarusian-Ukrainian partnership there shall be three assessors) who prepare one joint Administrative and Eligibility evaluation grid.
3. If the Concept Note does not meet submission requirements, it will be rejected and will not be further evaluated.
4. If some of the criteria described in the Manual Part I are not fulfilled, the applicants will be asked by the JTS to submit clarifications to their Concept Note.

Clarifications will be requested by the JTS when information provided is unclear, missing or is incorrect. In this case the lead beneficiary will be asked to provide clarifications within the deadline set by the JTS but not later than within 14 calendar days since the request for clarification was sent via e-mail and fax. In case the applicant fails to submit the requested clarification or submitted clarifications are not adequate, the Concept Note will be rejected and will not be further evaluated.

5. The Concept Notes that pass Administrative and Eligibility check will be further evaluated. The Quality Assessment of the Concept Note will be conducted by two JTS assessors who prepare one joint evaluation grid.
6. Once all Concept Notes have been assessed, the Head of the JTS prepares the Concept Notes evaluation report with a draft ranking list of Concept Notes which is presented to the PSC for approval. The ranking list (per Thematic Objective) shall include all assessed Concept Notes ranked in accordance with the number of points they'd received in the evaluation process.
7. The PSC approves the Concept Notes evaluation report with the draft ranking list of Concept Notes which will indicate the lead beneficiaries that shall be invited to submit Full Application Forms. To ensure that whole allocation is covered, the budgets of projects invited to submit Full Application Form will equal to triple allocation of the EU contribution for each Thematic Objective.



When inviting the lead beneficiaries to submit the Full Application Form, the PSC shall endorse the results of the whole evaluation process. The results and recommendations of the JTS may only be amended by the PSC in case of obvious infringement against the evaluation procedures in force.

8. Following the PSC decision, the JTS will send letters to all lead beneficiaries, informing about the results of evaluation and whether their Concept Notes were pre-selected. If the decision is negative, the reasons shall be given in the letter accompanied by the relevant assessment grid.
9. The lead beneficiaries shall be entitled to file a complaint in case they don't agree with the outcome of the Concept Note assessment. For rules regarding complaints please see section APPEALS (3.4).



3.2 Full Application Forms

3.2.1 Basic information on Full Application Forms

The lead beneficiaries whose Concept Notes present the highest value for the Programme objectives will be invited to submit the Full Application Forms. Full Application Forms shall include the comprehensive description of the project and all necessary supporting documents. They shall be provided within **2 or 3 months** (depending on the relevant Thematic Objective) from the moment of the dispatch of the letter informing about the results of evaluation of the Concept Note.

The invitation to submit the Full Application Form by no means will mean that project will be awarded a grant. The Full Application Forms will undergo further assessment and selection.

Note: Individual information meetings for the lead beneficiaries who were invited to submit Full Application Form shall be organised by the JTS. During the information meetings the lead beneficiaries will have a possibility to get additional information on the administrative and eligibility criteria to be met at this stage of evaluation. On the request of the lead beneficiaries, the JTS employees will also provide additional guidance on the quality criteria that shall be taken into consideration during the evaluation process (the overall design of the project, partnership, cost eligibility, sustainability, etc.).

The content of the Full Application Form has to be based on the approved Concept Note. The information requested in the Full Application Form is more detailed, i.e. the applicants have to explain in detail the project's contribution to the Programme objectives, demonstrate a project's cross-border value and give information about the contribution of the project to the objectives of the Programme. Furthermore, applicants should provide a detailed presentation of the planned activities for the entire project duration, plan the timetable and set out the responsibilities of the partnership. Please note that in step 2 some changes in the project might occur, however no major changes are acceptable (please see information in section 3.1.1). Once approved by the JMC, the information provided in the Full Application Form will be binding. The projects will be accountable to the Programme on delivering the outputs and reaching the results exactly specified in the Full Application Form.

Submission requirements of the Full Application Form:

1. The applicants shall fill in their Full Application Form using the Full Application Form **e-application downloaded from the Programme website** at: www.pbu2020.eu and submit them to the JTS in two ways:
 - a) electronic files of the whole Full Application Form – recorded on the mover (CD, DVD, pendrive, etc.) and submitted to the JTS, along with
 - b) one **signed and stamped paper version**. The paper version is considered as an official application. Full Application Forms submitted only in electronic file will be rejected.

The electronic version of the Full Application Form should be identical to the paper version. It will be

confirmed by the checksum generated by the Programme e-application (it should be identical on both versions).

2. The Full Application Form shall be filled in only in English⁷. The Full Application Form submitted in English language(s) other than English will be rejected.
3. The Full Application Form must be computer-typed using the Full Application Form e-application published for this CfPs and available for downloading on the Programme website. A properly generated and validated Full Application Form will be given a unique checksum which shall be displayed on each page. Full Application Form validated shall be printed and submitted together with the electronic files to the JTS.
4. Hand-written applications or applications filled in using an incorrect Full Application Form form will be rejected.



Where and how to send the paper version of the Full Application Form

The outer package must bear the following information:

- the reference number of the CfP;
- the Full Application Form title;
- the full name and address of the lead beneficiary.

A bound Full Application Form must be submitted in one original and e-version together with all relevant supporting documents as presented below. The packages must be submitted in a sealed envelope by registered mail, by private courier service or by hand delivery (in case of hand delivery, a signed and dated certificate of receipt will be given to the deliverer by the JTS) at the JTS address.

The Full Application Form sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses will be rejected.

If the lead beneficiary sends several different Full Application Forms, each one has to be sent in a separate package.

Important!

Deadline for submission of the Full Application Form

The deadline for the submission of the Full Application Form will be indicated in the letter sent via e-mail, fax and mail to the lead beneficiaries whose Concept Note has been pre-selected and on the Programme website- www.pbu2020.eu.

The deadline for the submission of the Full Application Form should be evidenced by the date of dispatch, the postmark or the date of the deposit slip. In the case of hand delivery the submission deadline is 15.00 local time as evidenced by the signed and dated certificate of receipt to be issued by the JTS. Any Full Application Form submitted after the deadline will be rejected.

3.2.2 Required annexes to the Full Application Form

Each Full Application Form should be provided with the Budget for the project and following supporting documents:

Annex A0 Information on contact details for the project purposes – Lead beneficiary/beneficiary

7. Does not apply to field where proper names in national languages are requested.

Annex A1 Partnership statements of beneficiaries

Annex A2 Statutes or other relevant documents e.g. internal regulations of the lead beneficiary and all beneficiaries included in the project – not applicable for public institutions from Poland and Ukraine. For Belarusian public bodies – a copy of relevant national resolution (relevant legislative act relating to establishing and functioning of the institution) should be provided. If necessary for conducting a reliable evaluation- the JTS and the PSC may ask for additional clarifications/documents regarding the legal status of each lead beneficiary/beneficiary;

Annex A3 Copies of the profit and loss account and the balance sheets or other relevant fiscal documents for the last 3 years (if available) for the lead beneficiary and all beneficiaries with financial contribution to the project, showing their financial standing (not applicable for public institutions);

Annex A4 The lead beneficiary declaration on ensuring the funds necessary to project implementation (one document for the total amount of project co-financing, including also co-financing provided by other beneficiaries). Please note that this annex will be generated automatically with the use of the Programme e-application software. A unique checksum shall be attributed to the document.

Annex A5 If applicable, authorisation from the lead beneficiary that the person has the right to sign the Full Application Form (if the Full Application Form shall be signed not by the Head of the organisation). In case of Polish entities without legal personality a written statement on having the capacity to undertake legal obligations (including signing the grant contract) issued by supervisory institution shall be provided;

Annex A6 Register document applicable for the lead beneficiary/beneficiaries:

FOR **POLISH** LEAD BENEFICIARIES/BENEFICIARIES: effective (up to date) extract from the National Court Register- Krajowy Rejestr Sądowy (not applicable for public institutions);

FOR **UKRAINIAN** LEAD BENEFICIARIES/BENEFICIARIES:

for public and non-public institutions – one of the following documents:

- notarized copy or the original of an extract (витяг) from the Unified State Register of legal entities and individuals, *or*

- notarized copy or the original of excerpt (виписка) from the Unified State Register of legal entities and individuals

and for non-public institutions additionally:

- an extract from the Register of non-profit institutions issued by Tax Inspection of Ukraine;

FOR **BELARUSIAN** LEAD BENEFICIARIES/BENEFICIARIES: a copy of the Certificate of state registration of legal person certified as a true to the original by the relevant issuing authority or by a notary (not applicable for public institutions).

Annex A7 Declaration on the entitlement to the recovery of VAT (applicable only for Polish lead beneficiaries/beneficiaries). Please note that this annex will be generated automatically with the use of the Programme e-application software. A unique checksum shall be attributed to the document;

Annex A8 (for projects including an infrastructure component of at least 1 million EUR, described in budget as infrastructure component - line 6) – A full feasibility study to be prepared in line with *Guidelines for drafting Feasibility Study*. The document shall be submitted in the original language (i.e. Polish, Ukrainian or Russian) together with the Summary in English. To be submitted also as an electronic file (doc or pdf format);

Note: Projects including an infrastructure component amounting from 50 000 EUR up to 1 million EUR have to fill in the point 3.5 *Brief Feasibility Study* of the Full Application Form.

Annex A9 (only for infrastructural projects as mentioned in point 2.3.2 of the Manual Part I) – These annexes will be generated automatically with the use of the Programme e-application software. A unique checksum shall be attributed to the document.

FOR POLISH LEAD BENEFICIARIES/BENEFICIARIES:

A self-declaration that either the building permission or its equivalent (e.g. notification of works component – *zgłoszenie robot budowlanych*) will be submitted in case of project award not later than 5 months after the date of the award notification letter. If the project implementation does not require a building permission or its equivalent a self declaration with the reference to the relevant national regulation should be annexed that the works activities are not the subject of a building permission or its equivalent.

FOR BELARUSIAN LEAD BENEFICIARIES/BENEFICIARIES:

A self-declaration that the following documents will be submitted in case of project award not later than 5 months after the date of the award notification letter:

“Decision of the local executive and administrative body on permission of the facility construction (Решение местного исполнительного и распорядительного органа о разрешении строительства объекта)”.

If the project implementation does not require a building permission or its equivalent a self declaration with the reference to the relevant national regulation should be annexed that the works activities are not the subject of a building permission or its equivalent. In case of successful beneficiaries, if the project implementation requires a building permission or its equivalent, it will have to be submitted once available after the grant contract signature.

FOR UKRAINIAN LEAD BENEFICIARIES/BENEFICIARIES:

A self-declaration that the following documents (depending on the construction object complexity as listed below) will be submitted in case of project award not later than 6 months after the date of the award notification letter:

- for construction objects of I- III category of complexity: positive expertise Decision should be provided before signature of the grant contract, and then after the grant contract signature once available a registered Declaration on the beginning of construction works should be provided;
- for construction objects of IV and V category of complexity: positive expertise Decision should be provided before signature of the grant contract, and then after the grant contract signature once available a Building permission should be provided.

If the project implementation does not require a building permission or its equivalent (Declaration on the beginning of construction works) a self declaration with the reference to the relevant national regulation should be annexed that the works activities are not the subject of a building permission or its equivalent.

Annex A10 (for all investment and infrastructural projects as mentioned in point 2.3.2 of the Manual Part I)

– Declaration of the lead beneficiary/beneficiary on the right for the land/real estate disposal for the construction/supplies purposes. Please note that this annex will be generated automatically with the use of the Programme e-application software. A unique checksum shall be attributed to the document.

Annex A11 (for infrastructural project as mentioned in point 2.3.2 of the Manual Part I)

– maps, project location sketches (simply presenting the location of the project). This annex will be generated automatically with the use of the Programme e-application software. A unique checksum shall be attributed to the document.

Annex A12 (for infrastructural project as mentioned in point 2.3.2 of the Manual Part I):

FOR POLISH LEAD BENEFICIARIES/BENEFICIARIES:

Decyzja o środowiskowych uwarunkowaniach. If not applicable – a written statement issued by the relevant institution must be provided.

FOR UKRAINIAN LEAD BENEFICIARIES/BENEFICIARIES:

1. Conclusion of the State Ecological Expertise issued by the relevant public body (EN) Висновок державної екологічної експертизи виданий відповідним державним органом (UKR) and
 2. Environmental Impact Assessment (EIA) as the part of Technical Documentation according to the National Construction Standards A.2.2-1-2003 (ДБН А.2.2-1-2003) (EN) – Оцінка впливу на навколишнє середовище як частина технічної документації згідно ДБН А.2.2-1-2003 (UKR)
- If not applicable – a written statement issued by the relevant institution must be provided.

FOR BELARUSIAN LEAD BENEFICIARIES/ BENEFICIARIES:

1. Conclusion of the State Ecological Expertise issued by the Ministry (or its regional bodies) of Natural Resources and Environmental Protection of the Republic of Belarus (Russian: Заключение государственной экологической экспертизы, выданное Министерством природных ресурсов и охраны окружающей среды Республики Беларусь либо его территориальными органами) and
2. Report on the Environmental Impact Assessment (Russian: Отчет о результатах проведения оценки воздействия на окружающую среду).

In case the above mentioned documents are not obligatory, the relevant letter, issued by the Ministry for Natural Resources and Environmental Protection of the Republic of Belarus (or its regional bodies), should be submitted.

ADDITIONAL REMARK FOR UKRAINIAN AND BELARUSIAN LEAD BENEFICIARIES/BENEFICIARIES:

If the project is listed in Annex I to the Directive 2011/92/EU of the European Parliament and of the Council 13 December 2011 on the assessment of the effects of certain public and private projects on the environment, the following documents as proof of the compliance with the 2011/92/EU should be provided:

- a) a copy of the non-technical summary- a document which has been used during the public consultations,
- b) information about the consultation with the public (when, where, information about public hearings, etc) and the environmental authorities, as well as other Member States, if transboundary consultations are applicable;
- c) a copy of the development consent, the information about mitigation and compensatory measures, and main considerations on which the decision is based including information about the public participation process.

EIA should be also in line with the UN/ECE Espoo Convention on Environmental Impact Assessment in a Transboundary Context of 25 February 1991.

If the project is covered by Annex II and the competent authority has determined that there is no need for the full EIA procedure for the project, the beneficiaries have to provide an explanation on the reasons and to give the thresholds, criteria or case by case examination carried out to reach the conclusion that the project has no significant environmental effects.

Annex A13 (for all infrastructural and investment projects as mentioned in point 2.3.2 of the Manual Part I) The Declaration of the lead beneficiary/beneficiaries on maintaining the projects results and objectives for at least five years after project completion. Please note that this annex will

be generated automatically with the use of the Programme e-application software. A unique checksum shall be attributed to the document.

Annex A14 (for projects including an infrastructure component of at least 1 million EUR, described in budget as infrastructure component - line 6)- a detailed description of the capacity building component. Please note that this annex will be generated automatically with the use of the Programme e-application software. A unique checksum shall be attributed to the document.

Annex A15 Other necessary documents required by Polish/Belarusian/Ukrainian law – please specify and add next point e.g. A15, A16 etc.

A set of supporting documents (annexes A1-A15) to be attached to the Full Application Form depends on the nature of the project (soft, investment or infrastructure).

All supporting documents must be supplied in original or duly certified copies with appropriate e-version. In case of photocopies or scanned versions they must be certified as a true copy by the authorised person in the lead beneficiary/beneficiary organisation.

Below you will find information on the way each annex should be submitted:

| Annex | ELECTRONIC (pdf/doc or generated automatically with a checksum) | PAPER |
|---|---|-------|
| A0 – Contact details | X- checksum | X |
| A1 – Partnership statements of beneficiaries | X- checksum | X |
| A2 – Statutes or other relevant documents | X | |
| A3 – Copies of the profit and loss account and the balance sheets | X | |
| A4 – The lead beneficiary declaration on ensuring the funds necessary to project implementation | X- checksum | X |
| A5 – If applicable, authorisation from the lead beneficiary | X | X |
| A6 – Register document | X | X |
| A7 – Declaration on the entitlement to the recovery of VAT | X- checksum | X |
| A8 – Full feasibility study | X | X |
| A9 – Self-declaration on the building permission or its equivalent | X- checksum | X |
| A10 – Declaration of the lead beneficiary/beneficiary on the right for the land/real estate disposal for the construction/supplies purposes | X- checksum | X |
| A11 – Maps, project location sketches | X | |
| A12 – Environmental documents | X | X |
| A13 – Declaration of the lead beneficiary/beneficiaries on maintaining the projects results and objectives for at least five years | X- checksum | X |
| A14 – Detailed description of the capacity building component | X- checksum | X |
| A15 – Other necessary documents required by Polish/Belarusian/Ukrainian law | X | X |

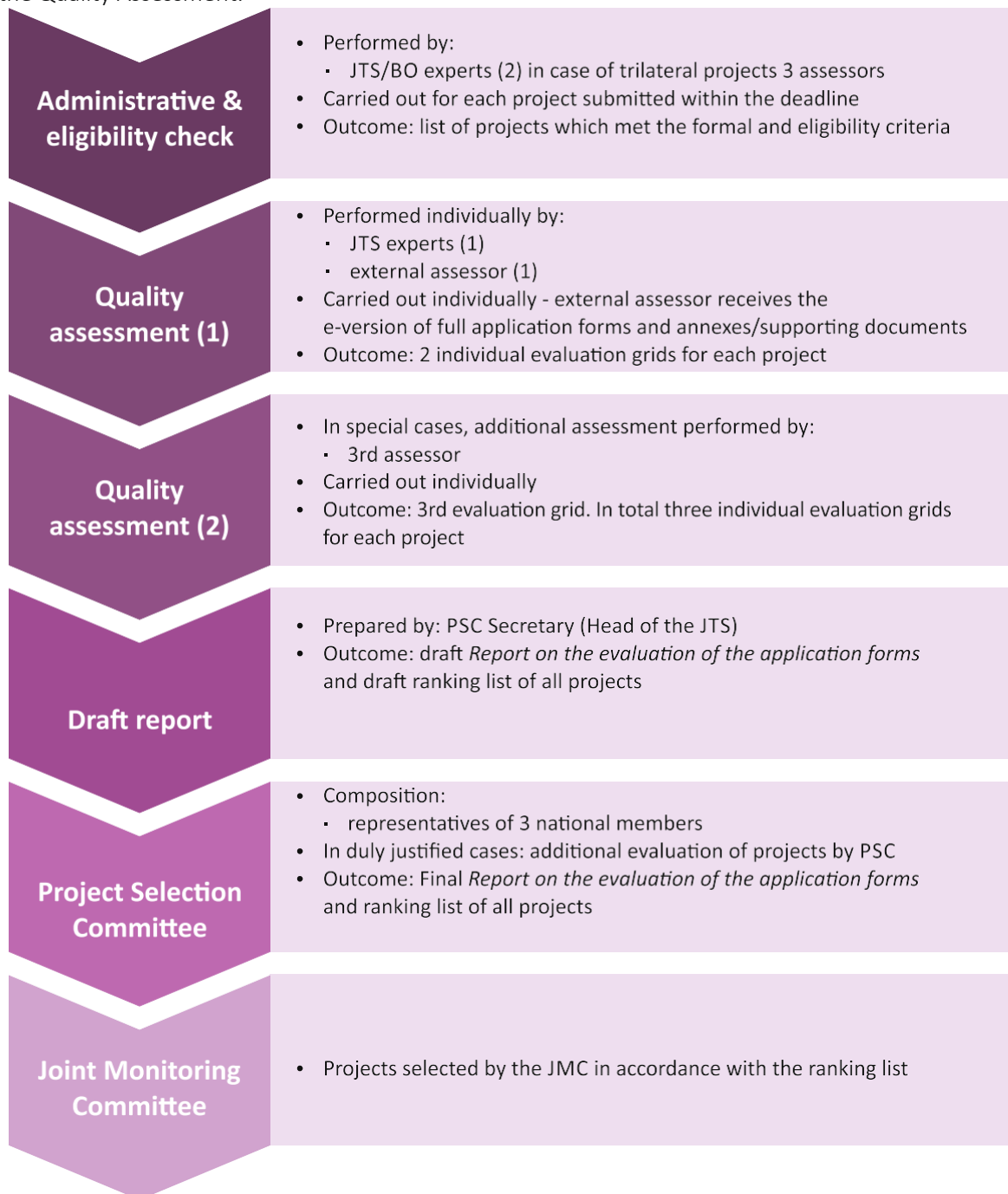
Please note that the Full Application Form must be submitted in English, except for the following documents which should be provided in the original language (i.e. Polish, Ukrainian or Russian): Annexes A2, A3, A5, A6, A8, A9, A12 and A15.

3.2.3 Project selection criteria and evaluation system

Full Application Form submitted to the JTS are subjected to a two-step evaluation procedure:

- Stage 1 – Administrative and Eligibility check;
- Stage 2 – Quality Assessment.

Applications which do not meet the criteria of the Administrative and Eligibility check will not be subject to the Quality Assessment.



Stages of Full Application Forms assessment

3.2.4 Stage 1 - administrative and eligibility check

The Administrative and Eligibility check of the Full Application Form is performed by the JTS and/or BOs experts.

Main steps of Administrative and Eligibility check:

1. All Full Application Forms delivered to the JTS shall be opened and numbered.

Only Full Application Forms that have met the deadline for submission will be subject to the Administrative and Eligibility check.

2. The JTS along with the Branch Offices' (BOs) experts verifies the completeness and correctness of the submitted documents.

The Administrative and Eligibility check is carried out in accordance with the evaluation criteria by at least two JTS/BOs assessors (in case of trilateral Polish-Belarusian-Ukrainian partnership there shall be three assessors) who prepare one joint evaluation grid.

3. If some of the criteria described in the Manual Part I are not fulfilled, the applicants will be asked to submit clarifications and/or corrections to their Full Application Forms.

Clarifications will be requested when information provided is unclear, missing or is incorrect. In this case the lead beneficiary will be asked to provide clarifications within the deadline set by the JTS but not later than within 14 calendar days since the request for clarification was sent via e-mail and fax. In case the applicant fails to correct the application/submit the clarification or submitted clarification/correction are not adequate, the application will be rejected. If any potential lead beneficiary/beneficiary proves to be ineligible, the project will be rejected. The rejected application will not be further evaluated.

4. *The administrative and eligibility check report* is prepared by the Head of the JTS and sent to the JMC for information purposes.
5. Following the Administrative and Eligibility check, the JTS will inform all lead beneficiaries via e-mail, whether their Full Application Forms met all the Administrative and Eligibility criteria and whether it will be the subject of the Quality Assessment. If the decision is negative, the reasons shall be given in the e-mail.
6. The lead beneficiaries shall be entitled to file a complaint in case they don't agree with the outcome of the Administrative and Eligibility check. For rules regarding complaints please see section APPEALS (3.4).

3.2.5 Stage 2 – quality assessment

The Quality Assessment is carried out in accordance with the evaluation criteria set out in the evaluation grid. Following aspects of the project will be assessed:

Strategic assessment criteria

1. Project's context (relevance and strategy)
How well is a need for the project justified?
2. Cooperation character
What added value does the cooperation bring?
3. Project's contribution to the Programme's expected results and outputs
To what extent will the project contribute to the achievement of Programme's objectives?
4. Partnership relevance
To what extent is the partnership composition relevant for the proposed project?

Operational assessment criteria

1. Management
To what extent are management structures and procedures in line with the project size, duration and needs?
2. Communication
To what extent are communication activities appropriate and forceful to reach the relevant target groups and stakeholders?
3. Work plan
To what extent is the work plan realistic, consistent and coherent?
4. Budget
To what extent does the project budget demonstrate value for money?
To what extent is the budget coherent and proportionate?
5. Sustainability

Main steps of the quality assessment:

1. Each Full Application Form shall be assessed by 1 internal assessor (JTS employee) and 1 external assessor. 2 independent evaluation grids shall be prepared for each application.
2. An additional 3rd assessment of the project shall be carried out whenever:
 - the total scores given by the initial two assessors diverge by more than 20 points and/or
 - only 1 of the total initial scores is above the threshold for overall admissibility of the proposals.In case of the 3rd assessment, the total score for the application is the arithmetical average of scores between the 3rd assessment and that initial assessment which is more similar⁸ to the 3rd assessment.
3. The draft *Report on the evaluation of the application forms* along with the draft ranking list of all Full Application Forms (according to their score, within the available allocation for the CfP for the Thematic Objective), including the list of reserve Full Application Forms is presented to the PSC before the meeting.
4. During the meeting, the PSC confirms that the assessment was carried out in accordance with all criteria.

If the PSC discovers irregularities in the evaluation it indicates which criteria, in its opinion, were violated. The PSC voting members then are obliged to carry out a new evaluation of the concerned Full Application Form. The draft ranking list shall be amended on the basis of the scores from this new evaluation. All such PSC decisions must be recorded and explained in the evaluation report, with reference to all criteria that were found violated.
5. Once the PSC voting members have agreed on the outcome of the assessment they sign the *Report on the evaluation of the application forms*.
6. Signed *Report on the evaluation of the application forms* shall be approved by the JMC.

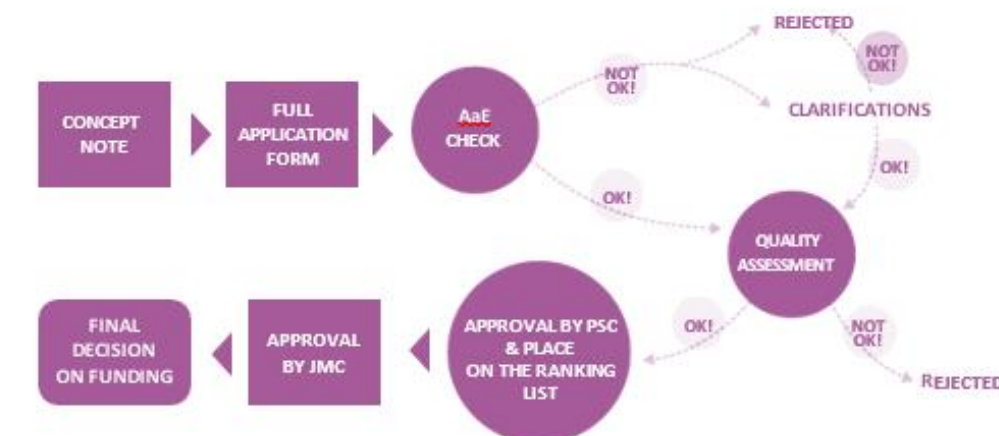
When taking decisions on granting funds to projects, the JMC shall endorse the results of the whole evaluation process. If the JMC decides not to follow all or part of the recommendations of the PSC, it shall explain its decision in writing.
7. After JMC meeting, the MA will send the list of approved projects to the EC to consult different DGs and EU Delegations in order to avoid any double funding of projects and to identify possible synergies. These consultations shall last 15 working days and take place before contracting. Following these consultations the JMC may decide to reject proposals previously approved.

⁸ In case of situation in which following the initial assessment, only one of the total initial scores is above the threshold for overall admissibility of the proposals, “more similar” are the assessments with the same final result – admission or rejection of the proposal.

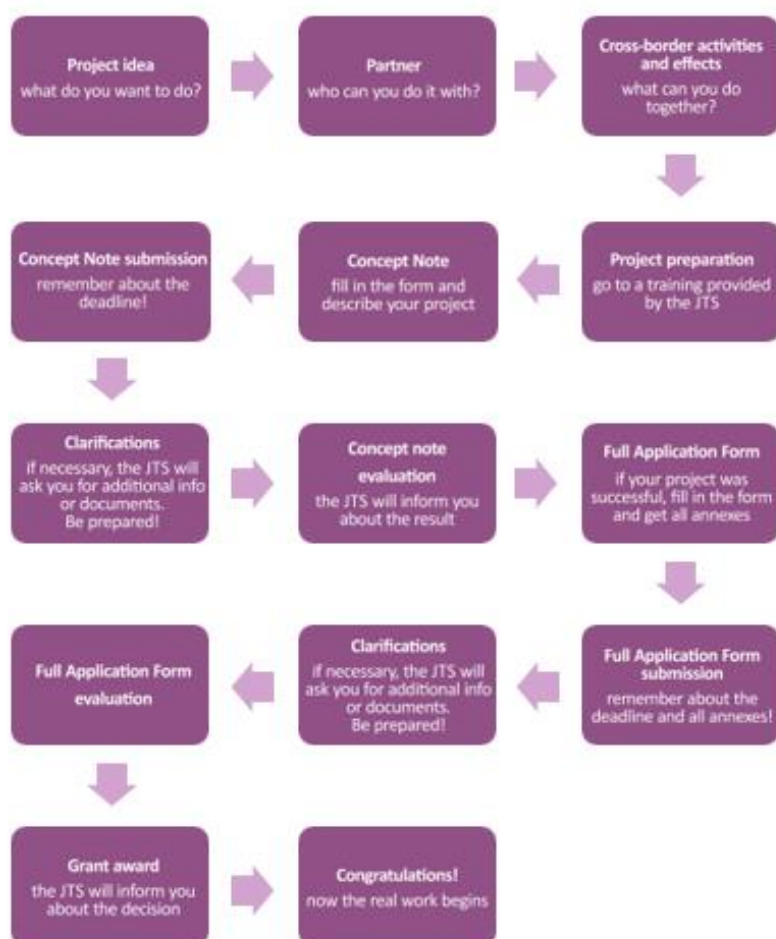
8. Following the JMC decision on the grant award, the JTS shall inform all applicants in writing of the JMC decision.

If the decision is negative, the reasons shall be given in the letter. Applicants will have a possibility to appeal from the results of the quality evaluation to the MA.

Further details regarding the procedures for the whole evaluation process will be laid down in the EAM and PSC Rules of procedure.⁹



How to apply?



⁹ The document needs to be approved by the JMC before the CfP and presented on the Programme website www.pbu2020.eu

3.3 Grant award decision

A ranking list of projects reflecting the scores given by the PSC and with the division on the Thematic Objectives is to be annexed to the *Report on the Evaluation of the Full Application Form*. Projects recommended for financing are those that following the Quality Assessment received the highest number of scores and are covered by the budget foreseen for each Thematic Objective within this CfP.

Following the JMC decision on the grant award, the JTS shall inform in writing all lead beneficiaries whether their applications were approved for support. If the decision is negative, the reasons for it shall be provided in the letter.

The JMC may approve the projects with recommendations. If the recommendations are not fulfilled by the lead beneficiary in the given timeframe before signing the grant contract with the MA, the project shall not be supported under the Programme.

The JMC may also establish a reserve list of projects, ranked by the scoring. If the lead beneficiary awarded a grant does not decide to follow the recommendations of the JMC or decides not to implement its project, the support may be recommended to a reserve project from the same Thematic Objective and priority, starting from the project ranked on the first place.

3.4 Appeals

Lead beneficiaries believing that they have been harmed by an error or irregularity during the assessment or in case the lead beneficiary does not agree with the final decision of the Project Selection Committee (in case of the Concept Note) or the JMC (in case of the Full Application Form) is entitled to file a complaint.

The complaint can be sent after each evaluation stage. The complaint can be filed in case the decision:

- infringes the rights stipulated in the Programme legal basis and Regulations of the European Union;
- presents an encroachment to the published CfP or the procedures regulating the evaluation process.

The MA shall be responsible for handling the complaint. Therefore, all the complaints shall be submitted to the MA via the JTS not later than 21 calendar days (as evidenced by the date of dispatch, the postmark or the date of the deposit slip) after the respective letter from the JTS was sent by fax or e-mail. Any complaint submitted after the deadline will be rejected.

The complaint has to be:

- written in English;
- sent to the MA via the JTS by fax (+48 22 201 97 25) or e-mail (pbu@pbu2020.eu) which should be followed by original sent by the regular mail at the address of the JTS;
- signed by the legal representative of the lead beneficiary;
- contain a clear and articulate reference to the nature of the encroachment based on the Programme legal basis, EU Regulations, and procedures for the CfP.

The MA shall answer within 45 calendar days of receipt of the complaint by fax or e-mail (which should be followed by the regular mail). The reply to the appeal represents the final decision of the MA regarding the application.

4. Support of the Programme

Appropriate preparation of the project idea is a key factor of its later success. That is why the Programme bodies from the beginning of the Call for proposals will provide electronic tools and will organise a number of different events in all three countries which shall facilitate the generation of project Concept Notes and to support the beneficiaries in the project ideas development. The Programme will support the applicants level during both steps of the application process.

4.1. Support in preparing the Concept Notes

The Concept Note should present a justification behind the project. The project idea should be brief but precise. It is the first of two steps in a regular project application. Therefore, a high quality Concept Note is a prerequisite to receive invitation to develop a Full Application Form.

A. Programme website

All the Programme documents necessary for submitting a Concept Note are available on the Programme website www.pbu2020.eu upon the opening of the call. The English version of the information is official and binding but the same content for information purposes will be available also in national languages. The programme website provides a series of thematic factsheets which explain in detail the most important aspects of the cross-border cooperation projects. These factsheets highlight the information which should be considered by the applicants when designing their projects. Also, the e-self assessment of the project idea will be available for the applicants. At the same time, the website will offer the answers to frequently asked questions, as well as a timeline, news and information on events.

B. Partner Search

The open Partner Search Forum was organised by the Programme on 28 September 2016 in Lublin. A complete documentation of the event is available on the programme website. The Forum proved a high interest in the Programme, that is why all the project ideas presented during this event are published on the Programme website in order to facilitate generation of project ideas and partner search. It provides a place for new potential applicants to submit or search for project ideas and profiles of potential partners. Please note, that project ideas shall be submitted only through a web-based tool.

C. Feedback on project ideas and consultations

The Programme invites the potential applicants to consult the project ideas with the employees of the Joint Technical Secretariat (JTS) and the Branch Offices. A written feedback on the requirements of the Call for proposals could be received as an answer to the questions sent by email at pbu@pbu2020.eu. Questions will be answered at least once a week by a selected group of the Programme experts.

When filling in the Concept Note, the JTS and all the Branch Offices offer also individual consultations on the project idea and partnership. Such individual consultations will start with the launch of the call. The consultation request by the lead beneficiary shall be sent from the Programme website. It should be accompanied by a brief preliminary description of the project idea – for this purpose, a project ideas should be already prepared by the applicants. It is recommended to avoid requesting consultations at the very last moment before the closure of the call in order to allow sufficient time for further elaborating the application. Please note, that not more than one individual consultation per project idea will be offered. Consultations will be also limited in time (one will last a maximum of 15 minutes) but for questions of a more general nature the JTS and the Branch Offices can be addressed at any time.

D. Trainings for applicants

Basic information on the procedures and requirements of the call for proposals together with a draft of the Concept Note will be presented during the trainings organised in each eligible region of the Programme area. It will also provide the information on the so-far experiences and lessons learnt. The open registration will be organised on the website where the applicants can see a full list of all the events organised in their region. These trainings will be conducted in national languages. Where possible, the trainings will be web-streamed. At the same time, such information as well as other national specific requirements may be also received during the Open Days which will be organised during the call for proposals in the premises of the JTS (Warsaw) and all three Branch Offices (Rzeszów/Lviv/Brest) on a regular basis at least once a week. The interested applicants shall register their participation in these events in advance.

E. Lead beneficiary training

As a final support, the Programme invites the potential lead beneficiaries for a special training that shall be

addressed at projects which are at an advanced stage of their development. These events shall be organised in Rzeszów, Białystok, Lviv and Brest and will focus on how to fill in the relevant sections of the Concept Note. The training is a mix of theoretical plenary information and practical workshop exercises. Applicants will also have the opportunity to discuss their project ideas with their partners who will be invited for a second day of this two-days-long event. Back-to-back with the lead beneficiary seminar, open and individual consultations may be arranged with potential beneficiaries.

4.2. Support in preparing the Full Application Form

The Full Application Form should elaborate in more details the project methodology and the forecasted activities. Also, a complete set of additional Annexes should be submitted. That is why, a number of different tools and events will be provided by the Programme in order to support the invited applicants in preparation of the Full Application Form.

A Programme website

All the Programme documents necessary for submitting a Full Application Form will be available on the Programme website www.pbu2020.eu once the successful Concept Notes are selected. More detailed guidelines on how to draft the application and its annexes will be elaborated and published for applicants.

B Project development workshops

The applicants are expected to participate in the trainings on the project development workshops which will take place shortly after the launch of second step of the call. Participation will be strictly limited to the applicants representing only the projects invited to submit the Full Application Form. The aim of these workshops is to provide the applicants with knowledge on how to fill in the application using the dedicated e-software. The JTS will present also the requirements towards the annexes which are to be attached to the application. Back-to-back with the workshops, open and individual consultations with the JTS will be offered. For registration and updates on the project development workshops please check the Programme website. These trainings will be conducted in national languages. At the same time, such information as well as other national specific requirements may be also received during the Open Days which will be organised upon request in the premises of the JTS (Warsaw) and the Branch Offices (Rzeszów/Lviv/Brest).

C Individual consultations with the JTS

Individual consultations on all aspects of an application (content, financial and communication issues) are offered by the JTS when filling in the Full Application Form. Consultations are recommended as a follow-up to participation in the trainings for applicant. If a project cannot participate in the lead beneficiary training, an individual consultation becomes highly recommended before submitting the full application form. This consultation aims at providing technical advice focusing on the work plan and budget and will cover all content, financial and communication issues. Not more than one individual consultation will be granted to the same project proposal and it will last a maximum of one hour (indicatively 30 minutes for content issues and 30 minutes for financial issues).

5. Payments

Lead beneficiaries of projects selected for financing will have to choose one of the following options of receiving funds from MA.

Option 1

Pre-financing EUR representing maximum 35% of the grant foreseen for the implementation of the Project will be paid by the MA within 30 days as from the date of approval by the Joint Technical Secretariat of correct documents provided along with the signed Contract:

- i) request for payment conforming to the model which is provided on the Programme website;
- ii) partnership agreement signed by all Beneficiaries;
- iii) the financial guarantee if required.

- iv) valid building permission or its equivalent, if applicable;
- v) decision of the International Technical Assistance Commission or Resolution of the Council of Ministers of the Republic of Belarus about the project approval (depending on the applied procedure of the project approval) – applicable only for project with Belarusian beneficiaries.

Interim payment: EUR representing maximum 50% of the grant foreseen for the implementation of the Project will be paid by the MA within 60 days as from the date of approval by the Joint Technical Secretariat of correct:

- i) request for payment conforming to the model which will be provided on the Programme website;
- ii) interim progress report (narrative and financial parts);
- iii) expenditure verification certificates of all project Beneficiaries;
- iv) the financial guarantee if required.

Final balance payment resulting from the expenditures incurred within the project during its whole period of implementation and the prior pre-financing, paid by the MA within 60 days as from the date of approval by the Joint Technical Secretariat of correct:

- i) request for payment conforming to the model which will be provided on the Programme website;
- ii) final progress report (narrative and financial parts) submitted to the MA not later than 3 months after the implementation period as defined in the Grant Contract;
- iii) expenditure verification certificates of all project Beneficiaries.

Each payment date might be prolonged if the documents delivered to the Joint Technical Secretariat require correction.



Option 2

In case of all activities the Project will be pre-financed by the Lead Beneficiary/Beneficiaries and the expenditures incurred will be reimbursed (applicable only at the request of the Lead Beneficiary).

A maximum of 100% of the sum referred to in Annex IV and in § 5 section 2, , paid by the Managing Authority within 60 days as from the date of:

Final balance(one-off) payment:EUR representing the difference between 100% of the grant foreseen for the implementation of the Project and the expenditures incurred within the project during its whole period of implementation , paid by the MA within 60 days as from the date of approval by the Joint Technical Secretariat of correct :

- i) request for payment conforming to the model which will be provided on the Programme website;
- ii) project final report (narrative and financial parts) submitted to the MA not later than 3 months after the implementation period as defined in the Grant Contract;
- iii) expenditure verification certificates of all project Beneficiaries.

The payment date might be prolonged if the documents delivered to the Joint Technical Secretariat require correction.



6. Cost eligibility criteria

The budget headings and related eligibility rules of the Programme are structured according to the requirements of the applicable EU regulations, in particular the Regulation (EU) No 236/2014, The Regulation (EU) No 232/2014 and the Regulation (EU) No 897/2014. The eligibility rules laid down in this Manual on the basis of art. 4 of the Regulation (EU) No 897/2014 cannot be overruled.

6.1. Settlement of costs incurred by beneficiaries

In order to simplify implementation of projects, the following forms of settlement of costs incurred by beneficiaries may be used:

- a) settlement of the eligible costs actually incurred (real costs). Eligible costs shall be calculated in advance in the project budget on the basis of costs which will be actually incurred by the beneficiary. When claiming those costs beneficiaries shall prove by relevant supporting documents that the expenditures have been incurred and paid;
- b) flat-rate financing. Indirect (administrative) costs shall be clearly identified in advance in the project budget based on calculations made by the applicant. Appropriate justification of the percentage rate of the flat rate will need to be provided in the Full Application Form, i.e. description of applied methodology. When claiming those costs beneficiaries will not need to prove by relevant documents that the expenditures have been incurred and paid;
- c) lump sums. Grants shall cover certain specific categories of eligible costs (staff costs or preparation of strong partnerships) which shall be clearly identified in advance in the project budget. Beneficiaries can claim those costs only up to the certain threshold, in this case beneficiaries will not need to prove by relevant documents that the expenditures have been incurred and paid;

In any case, grants shall not have the purpose or effect of producing a profit within the framework of the project.

6.2. Eligible Costs

Only “eligible costs” can be financed by the grant. The costs must be presented in the project budget. The categories of costs considered as eligible and non-eligible are indicated below. The budget is both a cost estimate and a ceiling for “eligible costs”. Please note that the eligible costs must be based on real costs based on supporting documents.

6.2.1 General rules regarding the cost eligibility

Eligible costs are costs actually incurred by the lead beneficiary/beneficiary which meet all of the following criteria:

- a) they are incurred during the implementation period of the project. In particular:
 - i. costs relating to services and works shall relate to activities performed during the implementation

period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Signature of a contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services, works or supplies after expiry of the implementation period do not meet this requirement; cash transfers between the lead beneficiary and the other beneficiaries may not be considered as costs incurred;

- ii. costs incurred (i.e. services/supplies/works contracted, invoiced and accepted) should be paid before the submission of the final reports;
 - iii. an exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the project, which may be incurred after the implementation period of the project;
 - iv. procedures to award contracts, as referred to in Art. 52 of the IR¹⁰ and following, may have been initiated and contracts may be concluded by the beneficiary(ies) before the start of the implementation period of the project, provided the provisions of Art. 52 of the IR and following have been respected;
- b) they are indicated in the project's estimated overall budget;
 - c) they are necessary for the project implementation;
 - d) they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary (separate accounts shall be created for the project purpose) and determined according to the accounting standards and the usual cost accounting practices applicable to the beneficiary;
 - e) they comply with the requirements of applicable tax and social legislation;
 - f) they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency;
 - g) they are supported by invoices or documents of equivalent probative value.

6.2.2 Eligibility of preparatory costs

Only beneficiaries with whom a grant contract is signed, could claim the reimbursement of preparatory costs. No grant may be awarded retroactively for projects already completed.

Concerns projects with infrastructure component- in order to support beneficiaries in financing the **preparation of studies and documentation related to infrastructure component**, a grant may be awarded retroactively to cover such costs. However, these costs could be considered as eligible where the beneficiary can demonstrate the need to start the project before the contract is signed. Costs eligible for financing shall however **not have been incurred prior to the date of the submission of the Concept Note** to the Joint Technical Secretariat.

Concerns all projects- to allow the **preparation of strong partnerships**, costs incurred before submission of the grant application by projects to which a grant has been awarded are eligible provided that the following conditions are also met:

- they are incurred after the publication of the call for proposals;
- they are limited to travel and subsistence costs of staff employed by the beneficiaries, provided they meet the conditions of point 6.2.3 (b) below;
- they do not exceed 5 000 EUR (they can be claimed in the amount of 5 000 EUR).

Preparation of strong partnerships costs may be claimed as a lump sum only - 5000 EUR per project.

6.2.3 Eligibility of direct costs

The following direct costs of the beneficiary shall be eligible:

- a) the costs of staff assigned to the project under the following cumulative conditions:

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Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument

- I. they relate to the costs of activities which the beneficiary would not carry out if the project was not undertaken;
- II. they must not exceed those normally borne by the beneficiary unless it is demonstrated that this is essential to carry out the project;
- III. they relate to actual gross salaries including social security charges and other remuneration-related costs;
- b) travel and subsistence costs of staff and other persons taking part in the project, provided they exceed neither the costs normally paid by the beneficiary according to its rules and regulations nor the rates published by the Commission at the time of the mission if reimbursed on the basis of lump sums, unit costs or flat rate financing;
- c) purchase or rental costs for equipment (new or used) and supplies specifically for the purpose of the project, provided they correspond to market prices;
- d) the cost of consumables specifically purchased for the project;
- e) costs entailed by contracts awarded by the beneficiaries for the purposes of the project;
- f) costs deriving directly from requirements imposed by the IR and the project (such as information and visibility operations, evaluations, external audits, translations) including financial service costs (such as costs of bank transfers and financial guarantees).

6.2.4 Eligibility of indirect (administrative) costs

Indirect costs may be calculated on a flat-rate of up to 7 % of eligible direct costs per project, excluding costs incurred in relation to the provision of infrastructure, provided that the rate is calculated on the basis of a fair, equitable and verifiable calculation method.

As indirect costs for a project shall be considered those eligible costs which may not be identified as specific costs directly linked to the implementation of the project and may not be booked to it directly according to the conditions of eligibility as defined in Article 48 of IR. For example, administrative costs may include costs of running the beneficiary's office (or part of the office) that is in his possession and is used for the day-to-day implementation of the project. Administrative costs may not include ineligible costs or costs already declared under another cost item or heading of the budget of the project.

6.3. Non-eligible Costs

6.3.1 List of non-eligible costs

The following costs relating to the implementation of the project shall not be considered eligible:

- a) debts and debt service charges (interest);
- b) provisions for losses or liabilities;
- c) costs declared by the beneficiary and already financed by the Union budget;
- d) purchases of land or buildings for an amount exceeding 10% of the eligible expenditure of the project concerned;
- e) exchange-rate losses;
- f) duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation, unless otherwise provided in appropriate provisions negotiated with CBC partner countries;
- g) loans to third parties;
- h) fines, financial penalties and expenses of litigation;
- i) contributions in kind (as defined in Art. 14(1) of the IR);
- j) other costs specified as ineligible in the budget heading description.

6.3.2 Contribution in kind

Any provision of non-financial resources free of charge by a third party shall be considered as contributions in kind at project level. Contributions in kind are not eligible costs and may not be considered as a part of the minimum 10 % co-financing by the lead beneficiary/beneficiary.

The cost of staff assigned to a project shall not be considered a contribution in kind and may be considered as a part of the minimum 10 % co-financing presented in the budget when paid by the lead beneficiary/beneficiaries.

Notwithstanding the above, if the description of the action as proposed by the lead beneficiary foresees the contributions in kind, such contributions have to be clearly presented in the application form but must not be presented in the project budget.

6.4. Competition and public procurement

6.4.1 Beneficiaries based in Poland

Beneficiaries based in Poland have to comply with Polish law on public procurement. This law is compliant with the Union legislation applicable to procurement procedures.

Preparing and conducting public procurement, as well as awarding a contract within the project, should be carried out in a manner that guarantees compliance with the principle of transparency, fair competition and equal treatment of contractors, including potential contractors. In addition, with respect to all contracts awarded within the project, regardless of their value, the manner of selecting a contractor and awarding authority, it is required that the principle of sound financial management is complied with. Thus, this must be in accordance with the principles of economy, efficiency and effectiveness and the reasonability of spending public funds as well as with other conditions for the eligibility of expenditures as specified in the Programme.

In order to implement competition and public procurement principles referred to above, contracts within the project have to be awarded pursuant to EU and national regulations on tendering and awarding contracts if the regulations are applicable in awarding the given contract.

6.4.2 International organisations

Where the **beneficiary is an international organisation**, it may apply its own procurement rules if they offer guarantees equivalent to internationally accepted standards.

6.4.3 General requirements for Beneficiaries from Belarus and Ukraine

Beneficiaries from Belarus and Ukraine have to comply with rules set in Art. 52-56 of the IR, namely:

- a) the contract shall be awarded to the tender offering best value for money, or as appropriate, to the tender offering the lowest price, while avoiding any conflict of interests;
- b) for contracts with a value of more than EUR 60 000¹², the following rules shall also apply:
 - i. an evaluation committee shall be set up to evaluate applications and/or tenders on the basis of the exclusion, selection and award criteria published by the beneficiary in advance in the tender documents. The committee must have an odd number of members with all the technical and administrative capacities necessary to give an informed opinion on the tenders/applications;
 - ii. sufficient transparency, fair competition and adequate ex-ante publicity must be ensured;
 - iii. equal treatment, proportionality and non-discrimination shall be ensured;
 - iv. tender documents must be drafted according to best international practice;

¹² Please note, that the limit, foreseen by the IR, has been decreased by the Programme to **EUR 20 000**.

- v. deadlines for submitting applications or tenders must be long enough to give interested parties a reasonable period to prepare their tenders;
- vi. candidates or tenderers shall be excluded from participating in a procurement procedure if they fall within one of the situations described in Art. 106(1) of Regulation (EU, Euratom) No 966/2012. Candidates or tenderers must certify that they are not in one of these situations. In addition, contracts may not be awarded to candidates or tenderers which, during the procurement procedure fall within one of the situations referred to in Art. 107 of Regulation (EU, Euratom) No 966/2012¹³;
- vii. procurement procedures set out in art. 53 to 56 of the IR shall be followed.

6.4.4 Special requirements for Beneficiaries from Belarus and Ukraine

Depending on the nationality and form of ownership of the Beneficiary and **alongside with the relevant provisions of the sub-charter 6.4** the following special requirements shall apply:

- a) all beneficiaries based in Belarus
 - have to comply with the requirements of the *General Rules of Procurement* set in the Annex 10 to this Manual.
- b) beneficiaries based in Ukraine:
 - public entities **have to comply with Ukrainian law on public procurement**. When procuring services, supplies and works **below the threshold stipulated in the Ukrainian law** on public procurement for the use of Prozorro, the contracting authorities have to comply with the *General Rules of Procurement* set in the Annex 10 to this Manual.
 - all private entities have to comply with the requirements of the *General Rules of Procurement* set in the Annex 10 to this Manual.

Important!

General Rules of Procurement for beneficiaries from Ukraine and Belarus are presented in the Annex 10 to this Manual.

6.4.5 The principle of competitiveness

Preparing and conducting public procurement, as well as awarding a contract within the project, should be carried out in a manner that guarantees compliance with the principle of fair competition and equal treatment of contractors.

6.4.5.1 Specific rules for Polish beneficiaries.

Beneficiaries based in Poland have to comply with the following specific rules of awarding contracts under the project:

1.1. Contracts awarded under projects

¹³ Replaced by Regulation (EU, Euratom) 2018/1046 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012

- 1) The beneficiary is obliged to prepare and conduct the procedure of awarding contracts with an estimated value exceeding PLN 50,000. PLN net¹⁴, i.e. excluding value added tax (VAT), in the manner ensuring transparency and maintaining fair competition and equal treatment of contractors. The above requirements are met by means of Public Procurement Law (further: PPL) application or the competition principle, described in Section 1.2 of this Sub-chapter¹⁵
- 2) Expenditures under the project must be incurred in a transparent, reasonable and effective manner.
- 3) If the beneficiary is a public administration body, in accordance with Article 5(2)(1) of the Act of 24 April 2003 on public benefit activity and voluntary work it may entrust the implementation of public tasks under the procedure specified in the Act. In case of above mentioned entrustment the procedures specified in Section 1.2 of this Sub-chapter shall not apply.
- 4) If, pursuant to effective regulations other than the PPL, provisions of the PPL no longer apply, the beneficiary referred to in Article 3 of the PPL conducts a public procurement procedure in compliance with those regulations. In such a case the procedures specified in Section 1.2 shall not apply.
- 5) The procedures specified in Section 1.2 of this Sub-chapter do not apply to:
 - a) contracts referred to in Article 4 of the PPL, except for contracts referred to in Article 4(8) of the PPL, whereas the award of a contract for the acquisition of ownership or other rights to the existing buildings or real property by an entity other than the contracting authority within the meaning of the PPL without application of the principle of competitiveness is only possible when no personal or capital ties referred to in Section 1.2(2)(a) exist,
 - b) contracts specified in Article 4d of the PPL;
 - c) expenditures settled by simplified methods referred to in the Programme Manual;
 - d) contracts awarded by the beneficiaries selected in accordance with the procedure specified in the Act on public-private partnership or in the Act on concession for construction works or services in order to implement the project under a public- private partnership (hybrid project¹⁶)
 - e) contracts, subject of which are services provided in the scope of research and development works carried out in the project by persons constituting the human resources of the beneficiary indicated in the approved FAF.

¹⁴ Determination of the value of the contract shall be made no earlier than 3 months before the date of initiation of the contract award procedure, if the subject of the contract are deliveries or services, and not earlier than 6 months before the date of initiation of the contract award procedure, if the subject of the contract are construction works. Whenever in this subsection the value is expressed in the euro, the average exchange rate of the zloty against the euro constituting the basis for the conversion of the value of orders is determined based on the provisions issued on the basis of Article 35 (3) PPL.

¹⁵ In accordance with the rules governing the disbursement of ESIF funds, EU funds are aimed at implementing a strategy for smart, sustainable and inclusive growth. These goals are implemented by spending funds in a way that ensures the creation of, among others, high quality jobs or environmental protection. In relation with the above for contracts which value exceed the amounts specified in §1 point 1 of the Regulation of the Minister of Development and Finance of 22 December 2017 on the value of orders and competitions, on which the obligation to submit notices to the Publications Office of the European Union is required, it should be considered to oblige contractors to comply with labor law, social law, environmental law.

¹⁶ Detailed regulations regarding hybrid projects can be found in the Guidelines on issues related to the preparation of investment projects, including income-generating projects and hybrid projects for the years 2014-2020.

6) Contracting authorities may be exempt from the obligation to follow the procedures specified in Section 1.2 of this Sub-chapter with regard to awarding contracts in the following cases:¹⁷

- a) where, as a result of a proper implementation of principle of competitiveness specified in Section 1.2 of this Sub-chapter, no offer fulfilling request for proposal was received; conclusion of an agreement on the implementation of the contract with the exception of the principle of competitiveness is possible when the original terms of the contract have not been substantially changed,
- b) where the contract may only be performed by a sole contractor for any of the following reasons:
 - i.
lack of competition for technical reasons of objective nature; i.e. there is only one contractor who is the only one who can execute the order,
 - ii.
the subject of the contract is covered by the protection of exclusive rights, including intellectual property rights; i.e. there is only one contractor who has the exclusive right to dispose of the object of the contract, and this right is subject to statutory protection.

The exemption may apply, unless there is an alternative or substitutive solution and lack of competition results from artificial narrowing down of the parameters of the contract;
- c) where the supplies, services or construction works may only be provided by one contractor, in the case of contracts relating to creative or artistic activity;
- d) in the case of contracts to which the principle of competitiveness applies, where the deadlines referred to in Section 1.2 of this Sub-Chapter cannot be kept due to the urgent need to award the contract which could not have been foreseen, such urgent need have not resulted from any action or negligence of the contracting authority;
- e) in the case of contracts to which the principle of competitiveness applies, where the contract must be performed immediately and the deadlines referred to in Section 1.2 of this Sub-Chapter cannot be met due to the extraordinary situation which could not have been foreseen (e.g. natural disasters, catastrophes, breakdowns, unexpected accidents), and such extraordinary situation have not resulted from any action or negligence of the contracting authority;
- f) where the contract for supplies concerns items produced solely for research, experimentation, scientific or development purposes, which do not lead to mass production by the contracting authority aimed at achieving economic viability or coverage of research and development costs;
- g) where the contracting authority awards contracts for additional supplies to a contractor selected in accordance with the principle of competitiveness, and contracts consist in partial replacement of the supplied products or installations or in increasing the current supplies or in development of the existing installations, and a change of contractor would lead to a purchase of materials of different technical properties, which would result in technical incompatibility or disproportionately serious technical problems with the use and maintenance of such products or installations. Duration of an agreement on additional supplies cannot exceed three years;

¹⁷ The circumstances specified in Points 7 and 8 of this Section allowing for non-application of the procedures should be interpreted in the context of the interpretation of relevant provisions of the PPL, i.e. Articles 62 and 67, which permit to apply a non-competitive procedure if specific conditions are met.

- h) where the contracting authority awards supplementary contracts for services or construction works provided for in the request for quotation to a contractor selected in accordance with the principle of competitiveness within three years from the date of award of the main contract, supplementary contracts consisting in repetition of similar services or construction works;
 - i) where the contract concerns supplies on particularly favourable conditions due to liquidation of operations of a third entity, or due to enforcement or bankruptcy proceedings;
 - j) where the contract for supplies is executed on a commodity market within the meaning of regulations on commodity markets, including commodity markets of other European Economic Area member states;
 - k) where the contract is awarded by a foreign service post within the meaning of foreign service regulations;
 - l) where the contract is awarded for the exclusive purposes of a military unit within the meaning of regulations governing the use or stay of the Polish Armed Forces outside the territory of the Republic of Poland.
- 7) Contracting authorities may be exempt from the obligation to follow the procedures specified in this Sub-chapter in the cases specified in Article 67(1)(12) through (15) of the PPL. Such option applies solely to the entities specified in that provision.
- 8) Fulfilment of the conditions allowing for exemption from the obligation to follow the procedures specified in Points 6 and 7 must be proved in writing.
- 9) The basis for determining the value of the contract is the total estimated net remuneration of the contractor, excluding value added tax (VAT), determined with due diligence, taking into account possible orders referred to in point 6 (h). (e.g. in the approved FAF or in the note from the estimation). Understatement of the estimated value of the contract or its division resulting in the lowering of its estimated value is forbidden. In determination of the value of the contract, the three identities must be jointly met¹⁸:
- a) services, supplies and construction works are identical in terms of type or function (subject identity);
 - b) contract may be awarded at the same time (time identity);
 - c) contract may be performed by a sole contractor (contractor identity).
- If a contract is awarded in parts (for specific economic, organisational or functional reasons), contract value is determined as total value of its respective parts¹⁹.
- 10) In the case of contracts performed by beneficiaries who are not contracting authorities within the meaning of the PPL, contract value is determined with regard to a specific project. Entities that are awarding entities in the meaning of the PPL shall as first step assess the value of the contract in accordance with the provisions of the PPL. After finding that the estimated value of the contract determined on the basis of the PPL does not exceed the value indicated in article 4 (8) of the PPL or in

¹⁸ The listed circumstances should be interpreted in line with the interpretation of the provisions of the PPL relating to estimation of the value of the contract.

¹⁹ In the case of beneficiaries obliged to apply the PPL, it does not concern the contracts referred to in Article 6a of the PPL.

the case of sector contracts - the value indicated in the regulations issued on the basis of article 11(8) of the PPL, determine the value of their contracts in relation to a given project.

- 11) If the beneficiary violates the terms and procedures of soliciting a public contract defined in this Subchapter, all or part of the expenditures related to this public contract may be considered ineligible by the FLC, pursuant to the Ordinance of the minister competent for regional development issued on the basis of Article 24(13) of the implementation act.

1.2. Specific conditions for the performance of public contracts by entities obliged to apply the principle of competitiveness

- 1) The beneficiary awards the contract under the project in accordance with the principle of competitiveness in a situation:
 - a) where the beneficiary is not the contracting authority within the meaning of the PPL and the value of the contract exceeds PLN 50,000 net, i.e. excluding value added tax (VAT);
 - b) where the beneficiary is the contracting authority within the meaning of the PPL and the value of the contract is equal to or lower than the amount specified in Article 4(8) of the PPL, while exceeds PLN 50,000 net, i.e. excluding value added tax (VAT), or where the contract is a sectoral contract with the value that is lower than the amount specified in the regulations issued on the basis of Article 11(8) of the PPL while exceeds PLN 50,000 net, i.e. excluding value added tax (VAT).
- 2) In order to prevent a conflict of interests:
 - a) in the case of beneficiaries not being the contracting authorities within the meaning of the PPL, contracts cannot be awarded to entities with personal or capital ties to such beneficiaries, excluding sectoral contracts and the contracts referred to in Sub-chapter 1.1(6)(g) or (h)
 - b) persons carrying out the activities relating to contractor selection procedure on behalf of the contracting authority, in particular persons participating in the tender evaluation process, cannot have any personal or capital ties to the contractors who submitted tenders. Such persons should be impartial and objective.
- 3) Capital or personal ties mean mutual relationships between the beneficiary or persons authorised to undertake obligations on behalf of the beneficiary, or persons carrying out the activities relating to contractor selection procedure on behalf of the beneficiary, and the contractor, consisting in particular in:
 - a) participation as a partner in a partnership or a civil law partnership;
 - b) holding of at least 10% of shares or stocks, unless the effective regulations provide for a lower threshold;
 - c) performance of the function of a member of the supervisory or management body, a proxy or an attorney;
 - d) being a spouse, relative by lineal consanguinity or affinity, secondary relative in the second degree of consanguinity or the second degree of affinity, or in a relationship of adoption, care or guardianship.

In the case the FLC finds the award of the contract to an entity with ties other than those listed in (a) through (d), the FLC is obliged to demonstrate the existence of a breach of the principle of competitiveness through an existing link prior to reducing the eligible expenditure.

- 4) In the case of beneficiaries being the contracting authority within the meaning of the PPL, the principle of competitiveness will be considered satisfied if the public contract procedure is conducted based on the PPL.
- 5) The subject of the contract is described in an unambiguous and exhaustive way, using precise and understandable terms, taking into account all requirements and circumstances that may affect the preparation of the offer. The subject of the contract cannot be described by indicating the trademarks, patents or origin, source or special process that characterizes products or services provided by a specific contractor, if this could lead to privilege or elimination of some contractors or products, unless justified by the specificity of the subject of the contract and the contracting authority cannot describe the subject of the order by means of sufficiently precise terms, and the indication is accompanied by the words "or equivalent".
- 6) For business confidentiality reasons, it is possible to limit the scope of the description of the subject of the contract, but the contracting authority is obligated to share the supplemented description of the subject of the contract to a potential contractor who has committed to confidentiality in relation to the information provided, in a timely manner to prepare and submit the offer.
- 7) The subject of the contract is described by the names and codes specified in the Common Procurement Vocabulary referred to in Regulation (EC) No. 2195/2002 of the European Parliament and of the Council of 5 November 2002 on the Common Procurement Vocabulary (CPV) (OJ L 340 of 16.12.2002, p. 1, as amended; Special edition in Polish: Chapter 06, Volume 005, p. 3)²⁰.
- 8) Conditions of participation in the contract award procedure and description of the methodology of evaluation of their fulfilment, provided such conditions are included in the request for quotation referred to in Point 11 (a), are determined proportionally to the subject of the contract so as to ensure fair competition and equal treatment of contractors. The beneficiary cannot specify any conditions that would exceed the requirements sufficient for proper performance of the contract.
- 9) The criteria for the evaluation of tenders submitted under the contract award procedure are formulated in the manner guaranteeing fair competition and equal treatment of contractors, whereas:
 - a) each tender evaluation criterion must refer to a specific subject of the contract;
 - b) each criterion (and description of its application) must be formulated in a clear and precise manner so that all well-informed tenderers could interpret it identically with due diligence;
 - c) the weights (significance) of respective criteria should be defined in the manner allowing for selection of the best possible tender;
 - d) tender evaluation criteria cannot relate to the properties of the contractor, in particular to their economic, technical or financial credibility. This reservation does not apply to contracts for social services and other special services²¹, nor to non- priority contracts in the field of defence and security²²;

²⁰ Common Procurement Vocabulary is available e.g. at: <http://kodv.uzp.gov.pl>

²¹ The list of social services and other special services forms Annex XIV to Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94 of 28.03.2014, p. 65) and Annex XVII to Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94 of 28.03.2014, p. 243).

²² The list of non-priority services in the fields of defence and security forms Annex II to Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service

- e) price can be the only criterion for the evaluation of offers., Apart from the price requirements, it is recommended to include other requirements relating to the subject of the contract, such as quality, functionality, technical parameters, environmental, social, innovative aspects, maintenance, contract performance deadline, operating costs and organization, professional qualifications and experience of persons appointed to perform the contract, if they can have a significant impact on the quality of the contract.
- 10) The deadline for submitting an offer (the date when the offer is received by the contracting authority decides) is at least 7 days for deliveries and services, at least 14 days for construction works and for sectorial contracts with a value lower than the amount specified in the regulations issued on the basis of Article 11 (8) of PPL. For contracts with an estimate value equal to or greater than the amounts specified in §1 point 1 of the Regulation of the Minister of Development and Finance of 22 December 2017 on the value of orders and competitions, on which the obligation to submit notices to the Publications Office of the European Union is required, the deadline is at least 30 days. The period starts on the day following the day the offer inquiry is made public and ends on the last day. If the deadline ends on a Saturday or a public holiday, the due date is the day following the day or days off from work.
- 11) In order to comply with the principle of competitiveness, the beneficiary should:
- a) publish the request for quotation in line with the conditions referred to in Point 12 or 13, including at least:
 - i. description of the subject of the contract,
 - ii. conditions of participation in the procedure and description of the methodology of evaluation of the fulfilment of those conditions, whereas determination of participation conditions is not mandatory;
 - iii. tender evaluation criteria;
 - iv. information about the weights in points or per cent attributed to respective criteria of tender evaluation;
 - v. description of the methodology of awarding points for the fulfilment of a specific criterion of tender evaluation;
 - vi. deadline for submitting offers;
 - vii. agreement performance deadline;
 - viii. information about the required lack of personal or capital ties referred to in Point (2)(a) (i-ii)²³;
 - ix. determination of conditions of material amendment of the agreement executed as a result of the contract award procedure, if the contracting authority allows it;
 - x. information about the possibility of awarding a contract in the form of separate lots, if the contracting authority allows it;
 - xi. description of how to present variant offers and the minimum conditions that variant offers must meet, along with selected assessment criteria, if the contracting authority requires or permits their submission;

contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC (OJ L 2009.216.76, as amended).

²³ Not applicable to entities being contracting authorities within the meaning of the PPL.

- xii. information about the planned contracts referred to in Section 1.1 (6)(h), about their scope and the conditions on which the contracts will be awarded, if the contracting authority allows it.
- b) select the best tender from the tenders submitted by the contractors who meet the conditions of participation in the procedure, based on the evaluation criteria defined in the request for quotation. Tender selection is documented by the report on the contract award procedure referred to in point 16. The procedure may end with the selection of several contractors, when the contracting authority allows separate lots.
- 12) Publication of the request for quotation by the beneficiary involves registration of such request in the competitiveness database^{24 25}. In case the operational functionality of such database is suspended, which has been confirmed by a relevant communication of the minister competent for regional development – the beneficiary directs the request for quotation to at least three potential contractors, if three potential contractors for a given contract exist on the market, and publishes the request at least on the beneficiary's website, if the beneficiary has such website. **Publication of the request for quotation means initiating the procurement procedure under the project**
- 13) Where due to the specific nature of the project an entity, that applies for the funds, begins to implement the project at its own risk before signing the subsidy contract, publication of the request for quotation by the entity involves registration of such request in the competitiveness database²⁶. In case the operational functionality of such database is suspended, which has been confirmed by a relevant communication of the minister competent for regional development – the entity directs the request for quotation to at least three potential contractors, if three potential contractors for a given contract exist on the market, and publishes the request at least on the beneficiary's website. **Publication of the request for quotation means initiating the procurement procedure under the project.**
- 14) The request for quotation may be amended before the end of deadline for submission of tenders provided for in the request for quotation. In such situation, information about the amendment should be included in the request for quotation published in accordance with Point 12 or 13. Such information should contain at least the date of publication of the amended request for quotation and the description of the amendments. The contracting authority extends the deadline for the submission of tenders for the period required for tender adjustment if it is necessary due to the scope of the amendments.
- 15) The content of questions regarding the request for quotation along with the explanations of the contracting authority is published in accordance with points 12 or 13.
- 16) The report on the contract award procedure (in writing) should include at least:
- a) list of tenders submitted in response to the request for quotation with indication of the dates when the tenders were received by the contracting authority;
 - b) information about the fulfilment of the condition referred to in Point (2)(a);

²⁴ Website indicated in the communication of the minister competent for development, used for publication of requests for quotation (<https://bazakonkurencyjnosci.funduszeuropejskie.gov.pl/>).

²⁵ Publication of request for quotation in the competitiveness database takes place in the module "I want to add an advert - I am an Applicant (Ordering - Applicant). In the "Call for proposal number (* required)" field, enter the following number: PLSK.01.01.00-IP.01-00-PBU/16

²⁶ Publication of request for quotation in the competitiveness database takes place also in the module "I want to add an advert - I am an Applicant (Ordering - Applicant). In the "Call for proposal number (* required)" field, enter the following number: PLSK.01.01.00-IP.01-00-PBU/16

- c) information about the fulfilment of the conditions of participation in the procedure by contractors, if such conditions were formulated;
 - d) information about the weights in points or per cent attributed to respective criteria of tender evaluation and the methodology of awarding points to respective contractors for the fulfilment of a specific criterion;
 - e) identification of the selected tender with justification of such selection,
 - f) date of preparation of the report and signature of the contracting authority,
 - g) the following appendices:
 - i. confirmation of publication of the request for quotation in the manner specified in Point 12 or 13, along with amendments to the request for quotation referred to in point 14, if they have been made;
 - ii. submitted tenders,
 - iii. declarations of lack of ties with the contractors who submitted tenders, signed by the contracting authority and persons carrying out the activities relating to contractor selection procedure on behalf of the contracting authority, including participation in the tender evaluation process (i.e. the ties referred to in Point 2(b)).
- 17) Information about the result of the procedure is published in the same manner as the request for quotation. Information about the result of the procedure should include at least the name of chosen contractor, its location and price of the contract. Upon request of the contractor who submitted tender, the contracting authority is obliged to provide access to the report on the contract award procedure for such contractor, excluding the tenders covered by business confidentiality²⁷.
- 18) After the completion of the procedure described in this Section, an agreement with the contractor is **concluded in a written or electronic form (together with a qualified electronic signature)**. If the contracting authority allows awarding a contract in the form of separate lots, the procedure may result in selection of more than one contractor. If the selected contractor withdraws from the execution of the agreement with the contracting authority, the agreement can be concluded with other contractor with the second highest number of points awarded in the contract award procedure.
- 19) Provisions of the executed agreement may not be materially amended²⁸ with regard to the content of tender on the basis of which the contractor was selected, unless:
- a) possibility to amend the agreement was provided for by the contracting authority in the request for quotation and conditions of such amendment were specified, unless they result in a change of the nature of the agreement;

²⁷ Business confidentiality should be understood in accordance with the regulations on combating unfair competition (Act of 16 April 1993 on combating unfair competition, Dz. U. of 2018, item 419)

²⁸ An amendment is considered material if it changes the general nature of the agreement with regard to the nature of the agreement in its initial wording, or if it does not change the general nature of the agreement and at least one of the following circumstances occurs: the amendment introduces conditions which, were they formulated in the course of the contract award procedure, would result in a situation where other contractors participated or could have participated in the procedure, or other tenders could be accepted, or the amendment affects the economic balance of the agreement to the benefit of the contractor in the manner originally unforeseen in the agreement, or the amendment significantly broadens or narrows the scope of services and obligations resulting from the agreement, or consists in the replacement of the contractor to whom the contracting authority awarded the contract with a new contractor in cases other than listed in (d).

- b) the amendments relate to additional supplies, services or construction works by the current contractor that had not been covered by the main contract, provided such supplies, services or construction works are necessary and the following conditions are jointly met:
 - i. contractor cannot be changed for economic or technical reasons, in particular due to replacement potential or interoperability of the equipment, services or installations covered by the main contract;
 - ii. change of contractor could cause serious inconvenience or significant increase in costs for the contracting authority;
 - iii. the value of each subsequent amendment does not exceed 50% of the value of the contract initially determined in the agreement;
- c) the amendment does not change the nature of the agreement and the following conditions are jointly met:
 - i. the agreement must be amended for reasons the contracting authority could not have foreseen when acting with due diligence;
 - ii. the value of the amendment does not exceed 50% of the value of the contract initially determined in the agreement;
- d) the contractor to whom the contracting authority awarded the contract is to be replaced by a new contractor:
 - i. on the basis of the contractual provisions referred to in (a);
 - ii. as a result of a merger, division, transformation, bankruptcy, restructuring or acquisition of the current contractor or their enterprise, provided that the new contractor meets the conditions of participation in the procedure, is not subject to exclusion and the replacement does not require any other material amendments to the agreement;
 - iii. as a result of taking over the contractor's obligations towards their subcontractors by the contracting authority; in case of change of subcontractor, the contracting authority may conclude a contract with a new subcontractor without changing the terms of the contract, taking into account payments made for the work carried out so far,
- e) the amendment does not change the nature of the agreement and the total value of amendments does not exceed the amounts specified in §1 point 1 of the Regulation of the Minister of Development and Finance of 22 December 2017 on the value of orders and competitions, on which the obligation to submit notices to the Publications Office of the European Union is required, and at the same time it does not exceed 10% of the value of the contract initially determined in the agreement in the case of supplies and services or, in the case of construction works, it does not exceed 15% of the value of the contract initially determined in the agreement.

1.3. The most common breaches in the area of awarding public contracts are related to the:

- a) dividing or underrating the estimated value of the contract in order to avoid the application of the law;
- b) conducting the procedure in the wrong manner (e.g. the award of contracts using non-competitive procedures where there are no grounds for applying such procedures; in the case of priority services, the application of the procedure dedicated to non-priority services);

- c) non-competitive description of the subject of the contract by the groundless indication of trademarks, patents or the origin of goods, without allowing the equivalent tender submission and description of equivalence;
- d) setting improper deadlines for tender submission or illegal shortening of deadlines for the tender submission;
- e) determining improper conditions of participation in the public contract award procedure, leading to discrimination of contractors;
- f) determining the conditions of participation in the public contract award procedure that exceed the needs necessary to achieve contract objectives;
- g) demanding from consortium members to jointly meet all conditions of participation in the procedure;
- h) demanding submission of documents not required by the regulations;
- i) demanding proof of experience in the performance of contracts co-financed from EU or national funds where it is not necessary to confirm the contractor's abilities to perform the contract;
- j) non-compliance with the regulations on publishing the contract notice or any amendments thereto;
- k) illegal restriction of subcontracting;
- l) setting the improper tender evaluation criteria;
- m) conducting the procedure in breach of the principle of transparency, fair competition or equal treatment of contractors;
- n) illegal amendment of the content of the agreement concluded with the contractor.

1.4. The most common breaches in the area of awarding contracts in accordance with the principle of competitiveness are related to the:

- a) dividing or underrating the estimated value of the contract in order to avoid the application of the principle of competitiveness;
- b) failure to publish the request for quotation on a dedicated website if such website was created;
- c) if no website dedicated to the publication of requests for quotation was created, failure to send the request for quotation to the required number of potential contractors, or failure to publish the request for quotation on the contracting authority's website, if the contracting authority has such website;
- d) failure to define the tender evaluation criteria;
- e) setting deadlines for tender submission in the manner preventing potential contractors from submitting their tenders;
- f) execution of an agreement with an entity having personal or capital ties to the contracting authority, if other potential contractor for a given public contract exists on the market;
- g) failure to publish or improper publishing of information about the selection of the best tender;
- h) concluding a verbal agreement.

6.4.6 The conflict of interests

In order to avoid a conflict of interests, persons who conduct the activities associated with the procedure of

selecting the contractor on behalf of the contracting party, including participating in the evaluation of tenders, may not have **personal or capital ties** with the contractors. They should be impartial and objective.

A conflict of interests exists where the impartial and objective conducting the activities associated with the procedure of selecting the contractor by the project partner and persons authorised to incur liabilities on behalf of the project partner or persons performing actions connected with preparing and conducting the contractor selection procedure on behalf of the project partner is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other interest shared with the contractors.

Capital or personal ties are understood as mutual ties between the project partner and persons authorised to incur liabilities on behalf of the project partner or persons performing actions connected with preparing and conducting the contractor selection procedure on behalf of the project partner and the contractor which consist in particular of:

- a) acting as a partner in a civil partnership or a partnership,
- b) holding at least 10% of stocks or shares,
- c) acting as a member of the supervisory or management board, proxy, plenipotentiary,
- d) being a spouse, relative by lineal consanguinity or affinity, secondary relative in the second degree of consanguinity or the second degree of affinity, in a relationship of adoption, care or guardianship.

6.4.7 The rules of nationality and origin

The beneficiaries should follow the rules of **nationality and origin** set in Articles 8 and 9 of Regulation (EU) No 236/2014 of the European Parliament and of the Council.

1. The rule of nationality, that is, the eligibility conditions for the participation of economic operators in procurement procedures, is the same as the one applied in the Member States. Therefore, there is no restriction on nationality of tenderers.
2. The Common Implementing Rules (EC Regulation 236/2014) make reference to the threshold of the competitive negotiated procedure, which corresponds to EUR 100 000. When the value of the supplies to be purchased is below EUR 100 000 per purchase, the supplies do not have to originate from an eligible country (full untying).
3. In case of actions implemented under shared management with a Member State (as it is the case of the Programme), countries that are eligible under the rules of that Member State are also eligible. Since no restrictions regarding origin are foreseen by the Polish national rules, there is no restriction on the origin of supplies above EUR 100 000 per purchase²⁹.

6.4.8 The financial corrections

In case of **breach of the regulations or principles on the award of public contracts** (this applies to all project partners) or the Programme procurement principles, the relevant expenditure will be deemed, in whole or in part, ineligible and the financial correction will be made. According to the Art. 71 of the IR the Managing Authority shall make the financial corrections taking into account the nature and gravity of the irregularities and the financial loss and shall apply a proportionate financial correction. **The criteria for establishing the level of financial correction to be applied are indicated in Guidelines for determining financial corrections to be made to expenditure financed by the Union under shared management, for non-compliance with the rules on public procurement.**

Following Art. 48 point 3 of the IR, according to which the grant may be awarded retroactively, the beneficiaries

²⁹ In case any restrictions regarding origin are imposed in the Member State, they shall be followed both in the Member State and in the Programme countries as well.

who **launch the project before signing the grant contract** are obliged to follow the above regulations and principles on the award of public contracts. In case of breach of the regulations or principles on the award of public contracts the rules regarding the financial corrections mentioned above also apply.

Please be advised that public procurement procedures have to be well documented. Documents such as public procurement notes, terms of reference, offers/quotes, order forms, and contracts have to be available for financial control and audit purposes.

6.5. Project Budget and Description of the Budget Headings

6.5.1 Staff costs

Definition

Budget Heading “Staff costs” shall include costs related to the project management (e.g. costs of project coordinator, project manager, financial manager, project manager assistant etc).

It includes costs of management staff members employed by the lead beneficiary/beneficiary organisation, who are formally engaged to work on the project on:

- labour contract- full-time basis (an individual dedicates 100% of his/her working time to the project);
- labour contract- part-time basis:
 - part-time with a fixed percentage of time dedicated to the project per month (an individual dedicates a fixed percentage of his/her working time to the project);
 - part-time with a flexible number of hours worked on the project per month (an individual dedicates a flexible share of his/her working time to the project);
- contracts other than a labour contract.

Staff already employed in the organisation on the basis of labour contracts could be assigned to action by written orders of head of organization to carry out new tasks related to the project.

Specific requirements:

- Staff costs must relate to activities which the partner organisation would not carry out if the project was not undertaken.
- Costs must not exceed those normally borne by the beneficiary unless it is demonstrated that this is essential to carry out the project.
- Staff costs cover real costs paid out based on supporting documents.
- The following costs are eligible components of staff costs:
 - salary payments fixed in the labour contract, or an appointment decision/contract considered as an employment document or by law.
 - any other costs directly linked to the salary payments, incurred and paid by the employer, such as employment taxes and social security as long as they are obligatory in accordance with the legislation in the employer's country.
- The salary payments must relate to responsibilities specified in a job description of the individual staff member.
- Holidays and sick leaves covered by beneficiaries as resulting from the labour legislation in the employer's country are eligible.
- In exceptional duly justified cases overtime is eligible, provided it is in conformity with the national legislation and the employment policy of the beneficiary organisation, and it is actually paid to the staff member. Number of hours and information on tasks related to the project shall be clearly indicated in the written order to work in overtime.
- Staff costs must be calculated and reflected in the project budget individually for each staff position. If staff are not working full time on the project, the percentage should be indicated alongside the description of the item and reflected in the number of units (not the unit rate).
- Salaries of project management staff (project coordinator / project manager and financial manager) incurred during 3 months after the implementation period of the project shall be treated as costs relating to final reports and are eligible.

- Bonus payments are non-eligible, excepting cases when they are an obligatory component of salary in accordance with the employment policy of the beneficiary organisation or legislation in the employer's country.
- Unpaid voluntary work is non-eligible.
- Service contracts with legal entities cannot be concluded under this budget line. Forms of reimbursement

Staff costs can be settled by the programme either on the basis of:

- I. Lump sum (staff costs up to 50 000 EUR of eligible costs per project), or
- II. Real costs

Every beneficiary must decide on the reimbursement option and indicate the choice in the project budget. The same reimbursement option will apply to all project management staff members employed by all beneficiaries. It will be set for the entire project duration. The level of staff costs assigned to the every beneficiary participating in the project (including the lump sum share) should be stipulated in the Partnership Agreement.

I. Lump sum.

Beneficiaries may indicate an amount of up to 50 000 EUR of eligible costs per project as the project management staff costs in the budget line 1.1 Salaries of project management staff. By applying the lump sum option, beneficiaries do not need to prove by relevant documents that the expenditure has been incurred and paid, or that the lump sum corresponds to the reality.

II. Real costs.

In case the project management staff costs exceed 50 000 EUR they shall be settled on the basis of real costs. All the positions of management staff shall be indicated in project budget in a separate line providing number of units and unit cost. Depending on type of staff assignment beneficiaries shall prove that the expenditures have been incurred and paid by supporting documents as provided below. In such case, the following documents must be available for control purposes (examples of supporting documents):

Full-time assignment

- Labour contract or an appointment decision.
- Job description providing information on responsibilities related to the project.
- Payslips, payrolls or other documents of equivalent probative value.
- Written order to work in overtime.
- Proof of payment of salaries and the employer's contribution.
- No registration of the working time (e.g. timesheets) is required.

Part-time assignment with a fixed percentage of time worked on the project per month

- Labour contract or an appointment decision.
- Document setting out the percentage of time to be worked on the project per month (if not specified in the contract).
- Job description providing information on responsibilities related to the project.
- Payslips, payrolls or other documents of equivalent probative value.
- Written order to work in overtime.
- Proof of payment of salaries and the employer's contribution.
- No registration of the working time (e.g. timesheets) is required.

Part-time assignment with a flexible number of hours worked on the project per month

- Labour contract or an appointment decision/contract considered as an employment document (including information on the monthly working time).
- Job description including information on tasks related to the project.
- Payslips, payrolls or other documents of equivalent probative value.
- Written order to work in overtime.
- 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.

- Proof of payment of salaries and the employer's contribution.

Contract other than a labour contract

- Evidence of the procurement process (announcement, selection, award) in line with the national procurement rules (in case of beneficiaries from Poland) or procurement rules set up in the Art. 52.2 of the IR (in case of beneficiaries from Ukraine and Belarus) depending on the amount of the contract.
- Contract with clear reference to the project and the programme.
- Invoice providing all relevant information in line with the applicable accountancy rules.
- Service acceptance note.
- Proof of payment.

6.5.2 Travel and subsistence costs

Definition

Expenditure on travel and accommodation costs of the management staff of the lead beneficiary/beneficiary organisation related to the project implementation.

| Budget sub-heading | Examples of eligible costs |
|---------------------------------------|---|
| 2.1 Per diems for missions | |
| 2.1.1. Abroad missions | Cost of accommodation, daily allowance and/or meals of staff employed by the beneficiaries related to abroad missions |
| 2.1.2. Local missions | Cost of accommodation, daily allowance and/or meals of staff employed by the beneficiaries related to missions within the beneficiary country |
| 2.2 International travel | Cost of transportation (e.g. bus tickets, train tickets, flight tickets - economy class (first/business class is eligible just in exceptional duly justified cases), other travel tickets for the use of public transport (taxi is non-eligible), checked baggage, travel insurance, car insurance, fuel, parking fees) and visa cost (if needed) of staff employed by the beneficiaries related to abroad missions |
| 2.3 Local transportation | Cost of transportation (please see above) of staff employed by the beneficiaries related to missions within the beneficiary country |
| 2.4 Preparation of strong partnership | Cost of transportation, visa, accommodation, daily allowance and/or meals of staff employed by the beneficiaries related to joint preparation of the project |

Specific requirements:

As for the budget sub-heading 2.4.: Preparation of strong partnerships – see chapter 6.2.2. Budget sub-headings (except no 2.4):

- Travel and accommodation costs must clearly link to the project and be essential for effective implementation of the project activities.
- Costs must be borne by the lead beneficiary/beneficiary organisation. Direct payment by a staff member of the partner organisation must be supported by a proof of reimbursement from the employer.
- The principles of sound financial management and cost-efficiency should apply to the choice of transport and accommodation.
- Any expenditure item defined as travel costs, accommodation costs, costs of meals or visa costs that is already covered by a daily allowance, cannot be eligible in addition to the daily allowance, i.e. no double funding is allowed.
- Travel and accommodation costs of external experts and service providers as well as natural persons (e.g. speakers, teachers, etc.) engaged in the project events cannot be included under this budget line; they must be reported as service costs.
- Travel and accommodation costs must be justified by activities carried out within the project, e.g. participation in project meetings, project site visits, meetings with the programme bodies, seminars, conferences, etc.
- In duly justified cases costs of travel and accommodation related to activities outside the programme

area³⁰ are eligible.

- Maximum daily rates for hotel and subsistence should be respected, in accordance with the national legislation or internal policy of the beneficiary organisation. In any case, per diem rates cannot exceed the rates published by the EC. To be comparable with EC rates³¹, per diems reflected in the project budget shall cover accommodation, meals and local travel within the place of the mission and sundry expenses and should be understood as “overnight stays”, that is, “per night”.
- Travel and accommodation cost should be properly documented in line with the national legislation or internal policy of the partner organisation.

Examples of supporting documents.

The following documents must be available for control purposes:

- Agenda of the event (e.g. meeting/seminar/conference).
- Paid invoices (e.g. hotel bills, travel tickets).
- Appropriate calculation of daily allowance.
- Boarding passes.
- Appropriate calculation of car expenses (in case of travelling by company car).
- Mission report.
- Proofs of payment.
- Proofs that staff was assigned to the project activities (applicable in case of lump sum option for the staff costs settlement).

6.5.3 Equipment and supplies

Definition

Expenditure for the financing of equipment purchased or rented by a partner, necessary to achieve objectives of the project.

| Budget sub-heading | Examples of eligible costs |
|----------------------------------|--|
| 3.1 Purchase or rent of vehicles | Purchase or rent of vehicle (including rent of vehicle for local and abroad missions), fuel to run vehicles, maintenance and repair of vehicles, re- placement/spare parts for vehicles needed for the project, cost of insurance. |
| 3.2 Furniture | Furniture (including office furniture). |
| 3.3 Computer equipment | Desktop computers, laptops, tablets, monitors, keyboards, mice, printers, scanners, IT software, digital projectors, digital/video cameras, mobile phones, maintenance and repairs of computer equipment, replacement/ spare material for computer equipment needed for the project. |
| 3.4 Other (please specify) | Laboratory equipment, machines, instruments, tools, exhibition equipment, chemicals for a research activity, other goods needed for the project (not necessarily assimilated to equipment). |

Specific requirements:

- All costs are subject to applicable public procurement rules and each lead beneficiary/beneficiary is responsible for ensuring that these rules have been respected.
- Purchase cost of equipment is eligible, if it is used solely for the purpose of the project or the target group in line with objectives of the project and incurred within the eligible period.
- Full purchase cost of equipment (including cost of delivery and installation) is eligible, i.e. depreciation is non-eligible.

³⁰ Please note that activities may take place in other regions from the outside Programme area, but on the territory of Poland, Belarus or Ukraine.

³¹ http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm_en

- Purchase cost of used equipment is eligible, provided the equipment complies with applicable norms and standards.
- Provision of equipment as in-kind contribution is non-eligible.
- Equipment cannot be purchased or rented from another project beneficiary.
- Beneficiaries shall ensure that equipment is used in accordance with the project aims within five years of the project closure. Beneficiaries shall repay the Union contribution if it is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives. Sums unduly paid in respect of the project shall be recovered by the Managing Authority in proportion to the period for which the requirement has not been fulfilled.

Examples of supporting documents.

The following documents must be available for control purposes:

- Evidence of the procurement process (announcement, selection, award) in line with the national procurement rules (in case of beneficiaries from Poland) or procurement rules set up in the Art. 52.2 of the IR (in case of beneficiaries from Ukraine and Belarus) depending on the amount of the contract.
- Supply contract
- Invoice providing all relevant information in line with the applicable accountancy rules.
- Delivery note.
- Proof of payment.

6.5.4 Services

Definition

Cost of expertise and services related to the project implementation, with exception project management costs, provided by a public or private law body or a natural person other than the beneficiary.

| Budget sub-heading | Examples of eligible costs |
|---|--|
| 4.1 Salaries of technician staff (gross amounts) | Salary payments and other costs directly linked to the salary payments of technician staff assigned by the lead beneficiary/beneficiary for the project purpose. |
| 4.2 Publications | Publication of strategies, handbooks, research reports etc. not related to visibility actions. |
| 4.3 Studies, research | Evaluations (other than the evaluation of the project), external research, design plans, technical documentation (except in case when both design and execution of works are foreseen within the same project, in such case cost of technical documentation shall be included under the budget sub-heading 6. Infrastructure component), environmental impact assessment of an investment, investment feasibility study, other external expertise and services related to investments, travel and accommodation for service providers, etc., |
| 4.4 External audit costs | Cost of project expenditure verification. |
| 4.5 Evaluation costs | Evaluation of the project. |
| 4.6 Translation, interpreters | Translations (written or oral) not related to conferences, meetings and seminars . |
| 4.7 Financial services (bank guarantee costs, etc.) | Provision of guarantees by a bank or other financial institution, bank fees for opening and administrating the account(s) where the separate account is opened. |
| 4.8 Costs of conferences/seminars | Services related to organisation and implementation of events or meetings (e.g. rent of venue; catering, interpretation, external speakers), travel and accommodation for participants and speakers. |
| 4.9 Visibility actions | Services on promotion, communication, publicity, information (e.g. design, edit, print, distribution of brochures, leaflets, publications, etc., publishing of promotion articles, inserts in newspapers, press releases, visibility items, etc.), website development, modifications and update. |

| | |
|-----------------------------|--|
| 4.10 Other (please specify) | Notarial services, intellectual property rights, other services related to the project activities. |
|-----------------------------|--|

Specific requirements:

- Costs shall be strictly related to the project activities or derive directly from requirements imposed by the IR.
- Cost must be specifically incurred for the project, clearly identifiable and not covered by any other heading of cost.
- Costs are eligible if they have been approved in the project budget.
- Service costs are subject to applicable public procurement rules and each lead beneficiary/beneficiary is responsible for ensuring that these rules have been respected.
- Communication and visibility activities should be properly planned and budgeted at each stage of the project planning. These activities shall be in line with the relevant EU information and publicity requirements, set up in the Communication and Visibility Manual for EU External Actions³² and ENI CBC Communication Guide³³.
- Service contract cannot be awarded to another project beneficiary.
- Unpaid voluntary work is non-eligible. Examples of supporting documents.

The following documents must be available for control purposes:

- Evidence of the procurement process (announcement, selection, award) in line with the national procurement rules (in case of beneficiaries from Poland) or procurement rules set up in the Art. 52.2 of the IR (in case of beneficiaries from Ukraine and Belarus) depending on the amount of the contract.
- Contract laying down the service to be provided, with clear reference to the project and the programme.
- Invoice providing all relevant information in line with the applicable accountancy rules.
- Service acceptance note.
- Proof of payment.
- Sample of service contract results (e.g. visibility item, publication, handbook, published article etc.).
- Proofs of organised event (e.g. agenda, list of participants signed for the each day of event, photos, sample of distributed materials, presentations etc).
- Examples of supporting documents related to the technician staff employed by beneficiaries on the basis of labor law are listed in the chapter 6.5.1 „Staff costs” (applicable for the “real costs” option).

6.5.5 Infrastructure component (works, services, other activities related to planned works)

Definition

Expenditures for the financing of infrastructure and construction works. “Infrastructure and construction works” also covers costs related to creation of infrastructure that do not fall into the scope of other budget lines. This includes costs for site preparation, delivery, handling, installation, renovation, and purchase of land or building, other costs related to planned works, e.g.: costs of preparation of the technical documentation (applicable only in case when both design and execution of works are foreseen in the same project, in other cases cost of technical documentation shall be included under the budget line 4.3. Studies, research), costs of supplies including purchase of fixed assets etc, when applicable.

Specific requirements:

- All costs are subject to applicable public procurement rules and each lead beneficiary/beneficiary is responsible for ensuring that these rules have been respected.
- Full costs of infrastructure and construction works that form part of the project are eligible, i.e. no depreciation is eligible.
- Documents specifying the ownership of land and/or buildings where the works will be carried out must be provided.

³² http://ec.europa.eu/europeaid/work/visibility/index_en.htm

³³ http://admin.staging.enpi.interact-eu.net/downloads/8403/INTERACT_ENPI_ENI_CBC_Communication_Guide_06_2015.pdf

- Purchase of land or buildings cannot exceed 10% of the total eligible expenditure of the project.
- All compulsory requirements set by the EU and national legislation related to the respective investment in infrastructure must be fulfilled (e.g. feasibility studies, environmental impact assessments, building permission, etc.).
- EU visibility requirements regarding infrastructure-related actions shall be respected.
- Any project including an infrastructure component shall repay the Union contribution if, within five years of the project closure it is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives. Sums unduly paid in respect of the project shall be recovered by the Managing Authority in proportion to the period for which the requirement has not been fulfilled.

Examples of supporting documents.

The following documents must be available for control purposes:

- Evidence of the procurement process (announcement, selection, award) in line with the national procurement rules (in case of beneficiaries from Poland) or procurement rules set up in the Art. 52.2 of the IR (in case of beneficiaries from Ukraine and Belarus) depending on the amount of the contract.
- Contract laying down the works/infrastructure to be provided, with clear reference to the project and the programme.
- Invoice providing all relevant information in line with the applicable accountancy rules.
- Proof of works acceptance (interim and final).
- Proof of payment.

6.5.6 Administrative costs

Definition

Expenditure on office and administration costs. They cover operating and administrative expenses of the lead beneficiary/beneficiary organisation that support delivery of project activities.

Examples of eligible administrative costs: office rent, utilities (e.g. electricity, heating water), office supplies (e.g. pens, paper-clips, binders, paper, photocopy toner coffee/biscuits for small project meetings), archiving of documents, data archiving and storage, maintenance and cleaning of office premises, security, license fee for the use of software (e.g. accounting system), communication costs (e.g. telephone, mobile phone subscription, fax, Internet, postal services, charges to use Skype or other online applications for communication) etc.

Specific requirements:

- Administrative costs will be reimbursed by the programme on the basis of flat rate of up to 7% of eligible direct costs, excluding costs incurred in relation to the provision of infrastructure, provided that the rate is calculated on the basis of a fair, equitable and verifiable calculation method.
- As indirect costs for a project shall be considered those eligible costs which may not be identified as specific costs directly linked to the implementation of the project and may not be booked to it directly according to the conditions of eligibility as defined above. They may not include ineligible costs listed below or costs already declared under another cost item or heading of the budget of the project.
- Office equipment, IT hardware and software, and furniture cannot be included under this budget line; the cost must be reported as equipment expenditure. This does not include IT system support of an administrative nature; the cost falls under the services budget heading.
- Costs of control and audit of the project cannot be included under this budget line; they must be reported as services costs.

As a rule the flat-rate funding in respect of indirect costs does not need to be supported by accounting documents. However the lead beneficiary shall justify the requested percentage in the Full Application Form in accordance with the methodology adopted by the Programme.

ADDRESSES:

Managing Authority

Ministry of Investment and
Economic Development of Poland
3/5 Wspólna street
00-926 Warsaw, Poland

Joint Technical Secretariat

Centre for European Projects
39a Domaniewska street
02-672 Warsaw, Poland
tel. +48 22 378 31 00
e-mail: pbu@pbu2020.eu

Branch Office of the Joint Technical Secretariat in Lviv

5 Tyktora Str., Lviv, Ukraine
Tel./fax: +38 0322 61 02 59
e-mail: lviv@pl-by-ua.eu

Branch Office of the Joint Technical Secretariat in Brest

Brest Transboundary Infocentre
46, Sovetskaya Str., 224005 Brest, Belarus
Tel. : + 375 162 53 15 83
e-mail: brest@pl-by-ua.eu

Branch Office of the Joint Technical Secretariat in Rzeszów

Marshal's Office of the Podkarpackie Voivodeship
6 Poniatowskiego str., 35-026 Rzeszow, Poland
Tel. : +48 17 85 34 188
e-mail: rzeszow@pbu2020.eu

