

Interreg IPA Cross-border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020

2nd Call for proposals

Guidelines for Applicants

Deadline for submission of applications: 20 December 2018

<http://www.interreg-hr-ba-me2014-2020.eu/>

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Legal Basis

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| The Guidelines for Applicants of the 2 nd Call for Proposals are prepared taking into account the following legal basis: | |
| CPR | REGULATION (EU) No 1303/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 |
| ETC Regulation | REGULATION (EU) No 1299/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal |
| IPA II Regulation | REGULATION (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) |
| IPA II Implementing Regulation (IPA II IR) | Commission Implementing Regulation (EU) No 447/2014 of 2 May 2014 on the specific rules for implementing Regulation (EU) No 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession assistance (IPA II) |
| Financial Regulation | 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 and repealing Council Regulation (EC, Euratom) No 1605/2002 Regulation (EU, EURATOM) No 547/2014 of the European Parliament and of the Council of 15 May 2014 amending Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union |
| Delegated Financial Regulation | Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union |

| | |
|---|--|
| Delegated ETC Regulation | Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for Cooperation programmes |
| Interreg IPA Cooperation Programme | Interreg IPA Cross-border Cooperation Programme Croatia–Bosnia and Herzegovina – Montenegro 2014-2020 approved by the European Commission Decision No C(2015)6026 of 24/11/2015 Interreg IPA Cross-border Cooperation Programme Croatia–Bosnia and Herzegovina – Montenegro 2014-2020 Version 2.1 approved by the European Commission Implementing Decision No C(2017) 6267 of 14/09/2017 |
| Programme Rules on Eligibility of Expenditures | This document defines rules on eligibility of expenditures and provides guidance for the beneficiaries requesting IPA II ¹ co-funding as well as for Programme management bodies including First Level Controllers as regards the funding conditions and certification of expenditures in the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina – Montenegro 2014-2020. Programme rules are applicable for all beneficiaries from the participating countries and for all operations ² financed by Programme. Programme rules are available on Programme website: www.interreg-hr-ba-me2014-2020.eu . |

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|---|--|
| Operations contracted within the 2 nd Call for Proposals shall be implemented taking into account the following: | |
| Programme Visibility Guidelines | This document provides advice and guidance on communication activities within Programme projects. Project partners shall follow these Guidelines to ensure adequate visibility of EU contribution to IPA cross-border cooperation projects for the financing period 2014-2020, so that public awareness of the EU action is strengthened, and that a consistent image of EU support is created in the entire Programme area. |
| Project Implementation Manual | The Project Implementation Manual (PIM) is intended to guide Lead Partners (LPs) and Project Partners (PPs) in the implementation of the projects (on questions related to administrative and financial management, public procurement, reporting and other Programme related requirements). |

¹ The Programme is co-financed from ERDF (Croatia) and IPA II (Bosnia and Herzegovina and Montenegro) Funds, as defined in Cooperation Programme.

² Application = Operation = Project.

| | |
|--------------------------------|--|
| Relevant national rules | Relevant national rules applicable to the Lead Beneficiary and Project Partners. |
|--------------------------------|--|

1. GENERAL INFORMATION

The Guidelines for Applicants (hereinafter GfA) for the 2nd Call for Proposals (hereinafter CfP) within the Interreg IPA Cross-border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 aim to provide practical information to the applicants for the successful submission of the applications.

This document presents general information on the Programme (including overview of the Programme: eligible cross-border area, priority axes and specific objectives, Programme indicators, Programme management structure, financial allocation for the CfP, etc.), the application procedure, the assessment and selection criteria, the decision procedure and other practical information.

The Application Package for the 2nd CfP consists of:

Guidelines for Applicants and annexes

1. Template of the Lead Partner Statement;
2. Template of the Project Partner Statement;
3. State-Aid Self-Assessment Questionnaire;
4. Template of the Partnership Pre-Agreement;
5. Model of Subsidy Contract;
6. Model of Partnership Agreement;
7. Achievement of the Programme output indicators.

The Application Package is available on the Programme web site: www.interreg-hr-ba-me2014-2020.eu.

1.1. Overview of the Programme

The Interreg IPA Cross-border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 (hereinafter the Programme) has been prepared in line with the above listed legislation. The Programme is the result of a co-operative effort coordinated by the Managing Authority together with the Croatian, Bosnian and Herzegovinian and Montenegrin national, regional, local authorities and other relevant bodies that were involved in preparation of the Programme. The European Commission has approved the Programme on 24 November 2015. The modified version of the Cooperation Programme

(version 2.1. including performance framework) has been approved by the European Commission on 14 September 2017.

Detailed information can be found in Cooperation Programme and corresponding annexes, which are available on the Programme web site: www.interreg-hr-ba-me2014-2020.eu.

1.1.1. Programme strategy

The overall aim of this Programme is to strengthen the social, economic and territorial development of the Programme area through the implementation of joint interventions in the areas of health and social care, environment protection and sustainable energy, development of sustainable tourism as well as sustainable use of cultural and natural heritage assets and strengthening of competitiveness and business environment.

The Programme is perceived as the instrument for the implementation of EU cohesion policy as the main investment tool for delivering Europe 2020 goals: smart, sustainable and inclusive growth that is to be achieved by concentrating on more effective investments in education, research and innovation, move towards a low-carbon economy and job creation and poverty reduction thus focusing on five ambitious goals in the areas of employment, innovation, education, poverty reduction and climate/energy.

The Programme provides the opportunity for participating countries to continue their cross-border cooperation established in the financial perspective 2007-2013.

The designed Programme strategy seeks to reduce barriers to development by promoting sustainable and integrated territorial approaches. It aims to strengthen existing or to make use of yet untapped potentials in order to support territorial integration, which shall ultimately result in creation of growth and jobs.

The Programme consists of the following **four (4) priority axes**³:

- 1. Priority axis 1 – “Improving the quality of services in public health and social care sector”** - aims to improve the quality of facilities, services and skills in the areas of public health and social welfare.
- 2. Priority axis 2 – “Protecting the environment and nature, improving risk prevention and promoting sustainable energy and energy efficiency”** - directly responds to the environment and nature protection challenges, risk prevention improvement needs in the area of disaster response capability and aims at strengthening the usage of renewable energies thus improving energy efficiency.

³ For more information on priority axes, please see section 2. Priority Axes of the Cooperation Programme.

3. **Priority axis 3 – “Contributing to the development of tourism and preserving cultural and natural heritage”** - aims at further strengthening, diversification and integration of cross-border tourism potential in the Programme area as well as preservation, better management and sustainable use of cultural and natural heritage assets by addressing common challenges through cross-border cooperation.
4. **Priority axis 4 – “Enhancing competitiveness and developing business environment in the Programme area”** - addresses the main challenges and needs related to enhancing the competitiveness and development of business environment in the Programme area through implementing cross-border business support actions aiming at strengthening cooperation between business support institutions, education and research organisations, clusters and entrepreneurs with aim to develop new products/services/patents/trademarks in the Programme area.

Note: Priority axis 5 – “Technical Assistance” is not subject of open Calls for Proposals, as it provides funding exclusively for the management of the Programme.

The selected Priority axes reflect the needs and challenges of the Programme area. Each Priority axis consists of at least one specific objective, which represents a positive change that the Programme aims to achieve in the cross-border area.

| Priority axis (PA) | ↔ | Specific objective (SO) |
|---|---|---|
| 1. Improving the quality of the services in public health and social care sector | | 1.1. To improve the quality of the services in public health and social care sector across the borders |
| 2. Protecting the environment and nature, improving risk prevention and promoting sustainable energy and energy efficiency | | 2.1. To promote and improve environment and nature protection and management systems for risk prevention 2.2. To promote utilization of renewable energy resources and energy efficiency |
| 3. Contributing to the development of tourism and preserving cultural and natural heritage | | 3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage |
| 4. Enhancing competitiveness and developing business environment in the Programme area | | 4.1. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of |

| | |
|--|--|
| | business environment in the programme area |
|--|--|

In order to apply for funding under this CfP, an Application **must refer only to one** of the above-mentioned **Priority axes** and **one Programme specific objective**, even in case of an Application where some activities might also fall under more than one priority axis. The 2ndCfP is open to four (4) above-listed priority axes.

1.1.2. Programme area

The Programme area covers the following NUTS III regions⁴ in the cross border territory:

| PROGRAMME AREA | |
|-------------------------------|--|
| CROATIA | Brod-Posavina County, Vukovar-Srijem County, Karlovac County, Sisak-Moslavina County, Lika-Senj County, Zadar County, Šibenik-Knin County, Split-Dalmatia County, Dubrovnik-Neretva County, Bjelovar-Bilogora County, Požega-Slavonia County, Zagreb County |
| BOSNIA AND HERZEGOVINA | Brčko District of Bosnia and Herzegovina and 109 municipalities: Bijeljina, Teočak, Ugljevik, Lopare, Tuzla, Lukavac, Čelić, Srebrenik, Petrovo, Gračanica, Doboj Istok, Gradačac, Pelagićevo, Donji Žabar, Orašje, Domaljevac-Šamac, Šamac, Modriča, Vukosavlje, Odžak, Brod, Srebrenica, Bratunac, Milići, Han-Pijesak, Vlasenica, Kladanj, Šekovići, Kalesija, Osmaci, Zvornik, Banovići, Živinice, Sapna, Prnjavor, Srbac, Laktaši, Čelinac, Kotor Varoš, Kneževo, Dobretići, Šipovo, Jajce, Jezero, Mrkonjić Grad, Banja Luka, Gradiška, Kozarska Dubica, Prijedor, Oštra Luka, Sanski Most, Ključ, Ribnik, Glamoč, Bosansko Grahovo, Drvar, Istočni Drvar, Petrovac, Bosanski Petrovac, Bosanska Krupa, Krupa na Uni, Novi Grad, Kostajnica, Bužim, Velika Kladuša, Cazin, Bihać, Doboj, Derventa, Prozor/Rama, Konjic, Nevesinje, Gacko, Bileća, Trebinje, Ravno, Ljubinje, Berkovići, Mostar, Jablanica, Kupres, Kupres (RS), Tomislavgrad, Posušje, Široki Brijeg, Čitluk, Stolac, Neum, Čapljina, Ljubuški, Grude, Livno, Istočni Mostar, Doboj Jug, Kakanj, Maglaj, Tešanj, Usora, Zavidovići, Zenica, Žepče, Bugojno, Busovača, Donji Vakuf, Gornji Vakuf-Uskoplje, Novi Travnik, Travnik, Vitez, Teslić |
| MONTENEGRO | Herceg Novi, Kotor, Tivat, Budva, Bar, Ulcinj, Cetinje, Danilovgrad, Nikšić, Podgorica. |

⁴ NUTS level III regions (or equivalent regions in the non-MS) covered by the cross-border cooperation programme.

Map 1. Geographical structure of the Programme area⁵



Specific territories targeted

Taking into account that common potentials and challenges have been identified throughout the **whole Programme area**, no specific territories will be targeted under the specific Priority Axis. Therefore, the supported projects can be implemented throughout the whole Programme area.

However, the Programme may finance activities, performed **outside the programme area up to the limit of 20%** of the support from the Union **at Programme level**. For more information, please see section 2.3.

⁵ Map of the Programme area is Annex 3 to Cooperation Programme.

1.2. Programme management structure

In line with relevant EU Regulations, the Programme management structure is the following:

Managing Authority (MA) – Agency for Regional Development of the Republic of Croatia, Directorate for Managing Cooperation Programmes is designated to perform the functions of the Managing Authority under the Interreg – IPA CBC Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 Programme. The Managing Authority is responsible for managing the cooperation programme in accordance with the principle of sound financial management in line with EU regulations. Furthermore, the Managing Authority will perform its functions in line with relevant regulations, more specifically in line with Annex 10 of Cooperation Programme. Inter alia, the MA is responsible for launching the Call for Proposals and contracting the Operations.

National Authority (NA) – National authorities of the participating countries, Ministry of Regional Development and EU Funds of the Republic of Croatia, Directorate for European Integration of the Council of Ministers of Bosnia and Herzegovina and Prime Minister's Office - European Integration Office of Montenegro are responsible for setting up and ensuring efficient functioning of the respective national control systems, as well as all other relevant responsibilities, in line with Article 74 of the CPR and Annex 13 of the Cooperation Programme.

Joint Monitoring Committee (JMC) – shall review the overall effectiveness, quality and coherence of the implementation of all actions towards meeting the objectives set out in the cross-border programme, the financing agreements and the relevant strategy papers. It may make recommendations for corrective actions whenever needed. Members of the JMC represent the participating countries on policy and administrative level and thus ensure a transparent approach in monitoring the programme implementation. In line with Article 39 (1) of IPA II Implementing Regulation, Operations under this Programme shall be selected by the JMC.

Joint Secretariat (JS) – the JS assists the MA and the JMC in carrying out their respective functions. The JS undertakes the day-to-day implementation of the programme in line with Annex 17 of the Cooperation Programme. In that respect, JS will provide support to the applicants in project development phase and beneficiaries in project implementation phase.

1.3. Financial allocation and sizes of grants

The **overall budget of the Programme** for period 2014-2020 is **67.241.552 EUR** out of which an EU funding (Programme amount in the percentage of 85%) is **57.155.316 EUR** and 10.086.236 EUR represents national funding (15%).

The 2nd Call for Proposals covers the Programme budget for the years **2017 (partially), 2018, 2019 and 2020 (partially)**. The total available funds within 2nd CFP for Priority axes 1, 2, 3 and 4 for these years is **25.966.626 EUR** out of which **22.579.675 EUR** represents the EU funding (Programme amount) and the remaining **3.386.951 EUR** represents the national funding.

The total amount (in EURO) **allocated for the 2nd CFP** is broken down per Priority axis as follows:

| Priority Axis | Union (EU) funding (in EUR) | National co-financing (in EUR) ⁶ | Total (in EUR) |
|-----------------|--------------------------------|--|-------------------|
| Priority Axis 1 | 3.742.370 | 561.356 | 4.303.726 |
| Priority Axis 2 | 5.999.504 | 899.926 | 6.899.430 |
| Priority Axis 3 | 8.146.290 | 1.221.944 | 9.368.234 |
| Priority Axis 4 | 4.691.511 | 703.727 | 5.395.238 |
| TOTAL | 22.579.675 | 3.386.951 | 25.966.626 |

The **EU will finance max. 85%** of the total eligible expenditures and the **applicants (beneficiaries) shall provide min. 15% co-financing**.

Each Partner is a financing partner and must ensure at least 15% of co-financing of its part of the Operation budget.

Each Partner must have a budget of at least 10% of total Operation budget.⁷

Each eligible cost under all expenditure categories (including preparatory and closure costs) is reimbursed applying the Programme co-financing rate (max. 85%).

Based on the Subsidy contract concluded between the Lead Beneficiary and the MA, the **Lead Beneficiary** is entitled to receive an **advance payment, on behalf of the partnership, at the amount of maximum 10%** from the total cost of the Operation.

After completion of the assessment process and respecting scores obtained, **four (4) ranking lists** will be created (one ranking list for each priority axis: the list of provisionally selected and the reserve list of applications and the list of rejected applications).

⁶ At the Operation level national co-financing (min. 15%) is ensured by the project partners from all three participating countries (includes the contributions from state budgets, regional/local budgets). National co-financing cannot be ensured from other EU budget/Fund.

⁷ E.g. if a total Operation budget is 1.000.000,00 EUR, one Project Partner's budget must be at least 100.000,00 EUR.

The JMC reserves the right:

- to re-allocate the remaining funds between priority axes (for example, if the allocation indicated for the specific priority axis cannot be used due to the insufficient quality or number of applications received or due to the underachievement of programme indicators);
- not to use all available funds allocated under this CfP in order to re-allocate additional funds to 3rd targeted CfP under which the achievement of certain indicators will be ensured;
- to contract more funds than available under this CfP/Programme (overcontracting);
- to replace any selected application that fails to sign the Subsidy Contract.

Any **grant requested**⁸ under this CfP must fall between the following **minimum and maximum** amounts (per each Operation):

| Priority Axis | Min (in EUR) | Max (in EUR) |
|-----------------|--------------|--------------|
| Priority Axis 1 | 400.000,00 | 1.000.000,00 |
| Priority Axis 2 | 500.000,00 | 2.000.000,00 |
| Priority Axis 3 | 400.000,00 | 2.000.000,00 |
| Priority Axis 4 | 400.000,00 | 1.500.000,00 |

Any grant requested under this CfP **must fall between the following minimum and maximum percentages (%)** of total eligible expenditures of the Operation:

| | |
|--------------------------------|--|
| Minimum percentage (%): | 20% of the total eligible expenditures of the Operation |
| Maximum percentage (%): | 85% of the total eligible expenditures of the Operation |

1.4. Implementation period

The planned implementation period of an Operation/Project for the:

- **PA2 shall not be shorter than 18 months nor exceed 30 months;**
- **PA1, PA3 and PA4 shall not be shorter than 18 months nor exceed 24 months.**

⁸ Please note that grant refers to EU contribution only (excluding national contribution) and applies to entire Operation's budget and not to individual partner's budget.

1.5. Intervention logic and Programme indicators

The European Union requires programmes of the 2014-2020 programming period to follow a result-oriented approach through coherent intervention logic. As programmes have to demonstrate their clear contribution to the objectives of the Europe 2020 Strategy and to the achievement of economic, social and territorial cohesion, the Projects are also required to establish a clear result-oriented approach contributing to the achievement of specific objectives thus result indicators of the Programme. The project intervention logic should logically reflect the path of the project and the necessary steps that will lead to a change the project seeks to achieve. It should be clear, simple and easy to monitor and implement. The coherence of the project intervention logic (projects main and specific objectives, activities, outputs and results) should follow logically the programme intervention logic (specific objectives, actions, outputs and result indicators).

The indicators are measurable units used to assess the efficiency and effectiveness of the implementation of the Programme. They serve as a tool for monitoring and evaluation of the extent to which the Programme has achieved its objectives and how efficiently:

- **Output indicators** - measure the achievement of the quantitative targets of the Programme at the level of a specific objective.
- **Result indicators** - measure the level of achievement of the intended positive change defined by a specific objective.

Important:

1. **Project main (overall) objective has to clearly target one Programme specific objective within the chosen Priority axis.**
2. **Project specific objective needs to show direct contribution to the project main (overall) objective.**
3. **Each project (and respective results) must contribute to the achievement of a Programme result indicator and this contribution has to be clearly described, demonstrated and verifiable (measurable in numbers or percentage).**
4. **Project activities and related deliverables need to contribute to the project outputs (project outputs represent outcomes obtained following the implementation of project activities).**
5. **Project outputs need to be captured by the Programme output indicators. Project outputs and Programme output indicators need to have the same measurement unit.**

Priority Axis 1 - Intervention logic:

| PA1 | Improving quality of the services in public health and social care sector | BASELINE VALUE | TARGET VALUE (2023) |
|--------------------|--|-----------------------|----------------------------|
| Specific objective | To improve the quality of the services in public health and social care sector across the borders | | |
| Result indicator | The level of accessibility and availability of the services within public health care sector | 44% (2015) | 75% |
| Output indicator 1 | Number of jointly developed and/or implemented tools and services that enable better quality of health and/or social care services | 0 | 11 |
| Output indicator 2 | Number of participants in joint education and training schemes on health and/or social care | 0 | 343 |
| Output indicator 3 | Population covered with improved health and/or social care services | 0 | 300.000 |

Priority Axis 2 - Intervention logic

| PA2 | Protecting the environment and nature, improving risk prevention and promoting sustainable energy and energy efficiency | BASELINE VALUE | TARGET VALUE (2023) |
|----------------------|---|-----------------------|----------------------------|
| Specific objective 1 | To promote and improve environment and nature protection and management systems for risk prevention | | |
| Result indicator | Disaster response capability in the programme area | 55% (2015) | 89% |
| Output indicator 1 | Surface area of habits supported in order to attain a better conservation status (ha) | 0 | 14 |

| | | | |
|--------------------|---|---|---------|
| Output indicator 2 | Area covered by improved emergency preparedness and risk prevention systems (km2) | 0 | 17 |
| Output indicator 3 | Population benefiting from flood protection measures | 0 | 150.000 |

| PA2 | Protecting the environment and nature, improving risk prevention and promoting sustainable energy and energy efficiency | BASELINE VALUE | TARGET VALUE (2023) |
|----------------------|---|-------------------------|----------------------------|
| Specific objective 2 | To promote utilization of renewable energy resources and energy efficiency | | |
| Result indicator | Energy consumption by public buildings in the programme area (kWh) | 2.697.101.345,25 (2010) | 2.508.304.251,08 |
| Output indicator | Additional capacity of renewable energy production (MW) | 0 | 32 |

Priority Axis 3 - Intervention logic:

| PA3 | Contributing development of tourism and preserving cultural and natural heritage | BASELINE VALUE | TARGET VALUE (2023) |
|--------------------|--|-----------------------|----------------------------|
| Specific objective | To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage | | |
| Result indicator | Increase in arrivals of non-residents staying in hotels and similar establishments | 73.522.546 (2012) | 73.591.990 |
| Output indicator | Number of joint tourism offers/products developed and/or implemented and promoted | 0 | 23 |

| | | | |
|--------------------|--|---|-----|
| 1 | | | |
| Output indicator 2 | Number of tourism providers with (international) certifications and standards | 0 | 10 |
| Output indicator 3 | Number of tourism supporting facilities and/or tourism infrastructure developed and/or improved | 0 | 13 |
| Output indicator 4 | Number of sustainable management plans for cultural and natural heritage sites developed and/or implemented | 0 | 7 |
| Output indicator 5 | Number of participants trained in quality assurance, standardization on cultural and natural heritage and destination management | 0 | 343 |
| Output indicator 6 | Number of cultural and natural assets developed and/or improved | 0 | 14 |

Priority axis 4 - Intervention logic:

| PA4 | Enhancing competitiveness and developing business environment in the programme area | BASELINE VALUE | TARGET VALUE (2023) |
|--------------------|---|----------------|---------------------|
| Specific objective | To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area | | |
| Result indicator | Range of cluster activities enhancing innovation, new technologies and ICT solutions | 33 (2015) | 49 |
| Output indicator 1 | Number of cross-border business cluster and/or networks developed and/or implemented | 0 | 11 |
| Output indicator | Number of business support institutions supported | 0 | 17 |

| | | | |
|--------------------|--|---|----|
| 2 | | | |
| Output indicator 3 | Number of laboratories and/or competence centres jointly used by the entrepreneurs developed or improved | 0 | 16 |
| Output indicator 4 | Number of enterprises and business support institutions cooperating with research institutions | 0 | 23 |

1.6. State Aid and De minimis

State Aid

State Aid is usually understood to be the aid given to an economic undertaking that is seen as distorting or threatening to distort competition in the internal market.

State Aid is present when all of the following criteria are met:

- Existence of state resources: the aid is granted from the state or state resources (including national, regional or local authorities, a private or public intermediate body appointed by the state, etc.);
- Selectivity: the aid facilitates only the development of certain entrepreneurships or of certain products;
- Economic advantage: the aid constitutes an economic advantage that the undertaking would not have received in the normal courses of business. An indirect advantage may also be granted (indirect State Aid) if the funds received by entities which are direct beneficiaries of the programmes are channelled to only certain undertakings/groups of undertakings;
- Effect on competition and trade: the aid distorts, or has the potential to distort, competition and trade within the European Union.

Please note that the **first two criteria are always present** in the context of the EU funded operations.

Important:

All applicants are obliged to fill in the State Aid Self-Assessment Questionnaire in order to assess whether the Operation activities represent State Aid.

De Minimis

The De Minimis Regulation defines a ceiling under which the aid has a negligible impact on trade and competition. The maximum amount of aid granted to a single recipient (undertaking) should not exceed

EUR 200.000 over a period of three fiscal years. This ceiling takes into account all public assistance given as de minimis funding for the current and previous two fiscal years, which can take various forms (grants, loans, subsidised contracts, etc.).

The application of de minimis rule includes the obligation to ensure that the de minimis threshold is not exceeded at the moment of awarding the grant.

De minimis aid cannot be cumulated with any other aid grant.

Important note:

The applicants must report any de-minimis support granted over the past three fiscal years within the LP Statement and PP Statement.

1.7. Revenue generating projects

Revenues represent cash in-flows directly paid by external users for the goods or services provided by the operation. The most common revenues are entrance fees for events, charges for films, DVDs, books and publications, payments for the use of infrastructure, sale or rent of land or buildings, or payments for services minus any operating costs and replacement costs of short-life equipment incurred during the corresponding period (net revenue).

Revenues in the application phase

The LP/PP is responsible for estimating the respective revenues and net revenues in the Application. Revenues are planned as a separate category within the budget and the total operation budget will be automatically reduced for the planned net revenues within eMS.

The methods for calculation of the net revenues are given in Articles 15-19 of the Regulation No 480/2014.

Revenues during implementation period

Revenues generated by the operation activities during the implementation of the operation, which are not deducted in the application phase, must be reported within the Partner Progress Reports and they will be deducted from the eligible expenditure.

Revenues after closure of the operation

If an Operation expects to have any revenues within three years after the closure, the beneficiaries have to report the respective net revenues to the MA within Final Progress Report since these revenues have to be deducted from the final payment application submitted to the EU Commission.

The exemption remains in place for all operations under EUR 1.000.000 which do not have to take account of revenue and net revenue after Operation closure. For those operations, monitoring of revenue and net revenue should be performed only during the implementation of the Operation.

Revenues and net revenues occurred during the implementation and/or within 3 years after the closure of the Operation are not eligible within this Programme and shall be deducted from the eligible EU contribution of the Operation.

For more details on State Aid, De-minimis, and Revenues, please consult Programme Rules on Eligibility of Expenditures.

1.8. Contributions in kind

Contributions in kind are not applicable under this Call for Proposals.

GENERAL:

For further details on Programme objectives, Programme strategy, Programme indicators, priority axis and other, please refer to the Cooperation Programme document available on Programme website: <http://www.interreg-hr-ba-me2014-2020.eu/> .

2. RULES OF THE 2nd CALL FOR PROPOSALS

The funding under the Interreg IPA Cross-border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 shall be made available to the applicants through an **open Call for Proposals**. The Managing Authority launches the 2nd Call for Proposals through **one step application** procedure.⁹ These Guidelines set out rules for the submission and selection of the applications to be funded from 2ndCfP.

2.1. Cross-border relevance

The Interreg IPA Cross-border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 shall support operations, which deliver direct cross-border impact and benefits for the project partners/ target groups /project area /programme area. The Project should clearly demonstrate the importance of the cross-border approach to the topic addressed and demonstrate that the project overall objective and result could not have been achieved without the involvement of the cross-border element.

Direct cross-border impact is understood in terms of respecting the following **cooperation criteria** as they are defined below: joint development, joint staffing, joint implementation and joint financing.

- **Joint development** means that the Application must be designed in close cooperation of the partners from both sides of the border. The Application must clearly show joint ideas and priorities reflected in the development of joint activities. The Lead Applicant¹⁰ is the coordinator of this process, but all partners should be included in/contribute to the development of the project idea from the beginning.
- **Joint implementation** means that the implementation of project activities must be coordinated/implemented jointly by all project partners resulting in contribution to project overall objective and project result. Moreover, a number of separately implemented activities on different sides of the border must contribute to one joint project objective/result in order to consider this criterion met. Please note that the Lead Partner bears the responsibility for the overall project implementation and each Project Partner takes responsibility for implementing its part of the project activities.
- **Joint staffing** means that the proposed project staff will be jointly involved in the implementation of the project activities (among partners on both sides of the borders). Staff

⁹ **MA reserves the right not to take responsibility if the problems with e-MS encountered (due to submission of the large number of applications few days before CfP is closed) and to prolong the deadline for submission of the applications.**

¹⁰ The Lead Partner is a synonym for the Lead Applicant. In case of selection by the JMC, the Lead Applicant becomes the Lead Beneficiary.

members should coordinate their activities with others involved in the project activities and exchange information regularly. However, unnecessary overlapping of similar functions within the Project team should be avoided.

- **Joint financing** means that there will be only one subsidy contract per operation. The project has a joint budget with funding allocated to partners according to the activities they are carrying out.

Each Operation has to fulfil at least three (3) of the described cross-border cooperation criteria, out of which joint development and joint implementation are mandatory. In addition to the two (2) mandatory criteria, each operation has to fulfil joint staffing or joint financing criteria.

2.2. Horizontal principles

The following Programme horizontal themes shall be observed by all applicants in the development and implementation of their applications (operations):

a) Sustainable development – activities that relate to the biodiversity and environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, energy efficiency and renewable energy, green entrepreneurship, business focused on sustainable development, preventions of investments with considerable negative environmental and climate effects and overall sustainability;

b) Equal opportunities and non-discrimination – promotion of equal opportunities and prevention of any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the Programme and, in particular, in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination, and in particular, the requirements of ensuring accessibility for persons with disabilities;

c) Equality between men and women – promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at Programme and Operation level.

2.3. Eligibility criteria

The submission of applications is open to all applicants that meet the eligibility criteria set below.

In order to be eligible for funding under the Programme, the applications should meet three following sets of eligibility criteria:

1. Eligibility of applicants (Lead Partner and Project Partners);
2. Eligibility of activities;
3. Eligibility of expenditures.

2.3.1. Eligibility of applicants (Lead Partner and Project Partners)

In order to be eligible for a grant, **the applicant/partner must** meet all of the following criteria:

1. be a **non-profit-making** legal person/entity¹¹ established by a public or a private law for the purposes of public interest or specific purpose of meeting the needs of general interest¹²;
2. be **established**¹³ in the respecting participating country (Croatia, Bosnia and Herzegovina and/or Montenegro);
3. **Lead Applicant** has to be **registered at least 12 months** prior to the deadline for the submission of applications¹⁴.

IMPORTANT:

Please note that profit making companies and political parties/organizations are not eligible, neither as a Lead Partner nor as a Project Partner.

Applications, which do not comply with all the above described requirements, will not be eligible.

¹¹ Proven by statute and/or articles of association/decision on establishment of the respective institution in accordance with the relevant law.

¹² Applicants owned by the state, regional/local government units (100%) shall be considered eligible for funding within this CfP. Shareholding companies (dionička/akcionarska društva) may be eligible for funding only when 100% owned by state, regional/local government units and when established for the purposes of public interest or specific purpose of meeting the needs of general interest.

¹³ To be determined based on the organization's statutes and/or articles of the association/decision on establishment, which should demonstrate that it has been established by an instrument governed by the national law of the country concerned and that its head office is located in Croatia and/or Bosnia and Herzegovina and/or Montenegro. In this respect, any legal entity whose head office has been established in another country cannot be considered an eligible applicant, even if the legal person/entity is registered in Croatia, Bosnia and Herzegovina or Montenegro or a 'Memorandum of Understanding' has been concluded.

¹⁴ This criterion does not apply to other Project Partners.

Indicative list of potential applicants under each specific Priority axis is given below:

| Priority axis | Potential applicants (Lead Partner and Project Partners) |
|---|---|
| <p>1. Improving the quality of the services in public health and social care sector</p> | <p>Legal personalities that can contribute to improving facilities, services and skills in the area of public health and social care throughout the programme area such as: NGOs, organisations responsible for providing social and health services, public/non-profit organisations including institutes, universities, colleges, educational institutions (e.g. primary and secondary schools), public institutions for adult education/learning, local and regional government bodies, development agencies, health care institutions, public elderly homes, regional and local public authorities, employment services, chambers of commerce, chambers of trades and crafts and business support institutions.</p> |
| <p>2. Protecting the environment and nature, improving risk prevention and promoting sustainable energy and energy efficiency</p> | <p>Legal personalities that can contribute to the improvement in the area of natural resources, management systems for risk prevention, energy production and energy efficiency throughout the programme area such as: NGO's, public utility companies (e.g. water management companies, public electrical companies, etc.), public energy agencies, public institutions (e.g. institutes and other research organisations, development agencies national/regional/local institutions responsible for environment and nature, etc.), educational and research institutions (for example, universities, faculties, open universities, adult education institutions, primary and secondary schools etc.), local and regional authorities, business support institutions, etc.</p> |
| <p>3. Contributing to the development of tourism and preserving cultural and natural heritage</p> | <p>Legal personalities that can contribute to improving in the area of tourism and management of cultural and natural heritage throughout the programme area such as: NGOs (for example citizens associations, development agencies, local action groups, chambers of commerce, chambers of crafts and trades, chambers of agriculture, clusters, expert associations etc.), public institutions (for example, institutes and other research organisations, development agencies national/regional/local institutions responsible for environment and nature, national/regional/local institutions responsible for culture including museums, libraries and theatres, etc.), educational institutions (for example universities, faculties, open universities, adult education institutions, primary and secondary schools etc.), local and regional authorities, tourist boards and organisations, business supporting organisations, organisations dealing with cultural and natural heritage, including museums, libraries, and theatres, etc.</p> |
| <p>4. Enhancing competitiveness and developing</p> | <p>Legal personalities that can contribute to enhancing competitiveness and developing business environment and investment in the programme area such as: NGOs (for example, citizens associations, development agencies, local action groups, chambers of commerce, chambers of trades and crafts, chambers of</p> |

| | |
|--|--|
| <p>business environment in the programme area</p> | <p>agriculture, expert associations, clusters, producers associations, sector associations, and SME networks, etc.), public institutions (for example, institutes and other research organisations, development agencies, national/regional/local institutions responsible for economy, research and training institutes, etc.), educational institutions (for example, universities, faculties, open universities, colleges, adult education institutions, primary and secondary schools etc.), local and regional public authorities, local and regional government bodies, business supporting organisations (for examples entrepreneurship centres and incubators, business zones and parks, etc.), cooperatives, etc.</p> |
|--|--|

Applicants are not eligible to participate in 2nd CFP if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation, arising from a similar procedure provided for in the national legislation or EU regulations;
- b) they have been convicted of an offence concerning professional conduct by a judgment which has the force of res judicata (i.e., against which no appeal is possible);
- c) they are guilty of serious professional misconduct proven by any means;
- d) they have not fulfilled obligations relating to the payment of debts to the consolidated state budget;
- e) they have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the Communities or national financial interests;
- f) they have been declared to be in serious breach of contract for failure to comply with their contractual obligations in connection with a procurement procedure or other grant award procedure financed by the Community or national budget.

Applicants are also excluded from participation in 2nd CFP or the award of financial support if, at the time of the 2nd CFP, they:

- g) are subject to a conflict of interests; the conflict of interests represents any circumstances that may affect the assessment or implementation process, in an objective and impartial manner. Such circumstances may result from economic interests, political or national preferences or family connections;
- h) are guilty of misrepresentation in supplying the information required by the Managing Authority/Joint Secretariat as a condition of participation in the call for proposals or fail to supply this information;
- i) have attempted to obtain confidential information or influence the assessment bodies during the assessment process of current or previous calls for proposals.

In the cases referred to in points (a), (c), (d), (f), (h) and (i) above, the exclusion applies for a period of two years from the time when the infringement is established. In the cases referred to in points (b) and (e), the exclusion applies for a period of four years from the date of notification of the judgment.

IMPORTANT:

The Lead Partner (LP) and Project Partners (PP) by signing the Statements (LP Statement and PP Statement) will declare that they do not fall into any of the above categories.

In case of the potential conflict of interest with the staff members of the Programme structures/bodies (Managing Authority, National Authority, Certifying Authority, Audit Authority, Joint Monitoring Committee and Joint Secretariat), the applicant must immediately inform the Managing Authority.

Should any of the Programme bodies suspect of any misconduct with regard to the ineligibility or exclusion criteria mentioned above, a clarification may be requested from the applicant(s).

Please note that the unprofessional conduct of the partners that were involved in the implementation of the projects (operations) financed from 2007 – 2013 cooperation programmes such as fraud or unjustified withdrawal may be taken into account during assessment process.

Lead Partner principle and partnership requirements

All organizations, participating under 2nd CfP, are called **partners**. All partners must have legal, financial and operational capacity to participate in the Programme. For each Application a “**Lead Partner**” (LP) must be **appointed among the project partners** prior to the submission of the application. The Lead Partner will be responsible for the development and submission of the application and in case of positive decision for financing will sign the Subsidy contract with the Managing Authority. The Lead Partner takes over the role of the “engine” of the partnership, coordinating the work of the partners and being also the link between the project and the Programme bodies (MA and JS).

VERY IMPORTANT:

Partnership must consist of at least two (2) partners from different participating countries out of which one must be from Member State. The maximum number of partners in application is six (6) including the Lead Partner. Otherwise, the application will be rejected.

However, this Call will award applications that include partners from all three (3) participating countries (Croatia, Bosnia and Herzegovina and Montenegro). Applications with real trilateral partnership are highly encouraged which is reflected in the Quality assessment grid through direct award of additional 4 points under C1 Relevance and strategy.

Partnership may not be accepted when established between actors responding to the same name and belonging to the same mother organisation (e.g. two branches or “sister” organisation), irrespective of the fact that they are established in each of the three participating countries.

Under the 2nd CFP one institution / organization may be **selected for funding as a Lead Partner** in maximum **two (2) Operations** within different Priority axes¹⁵. Applicant applying as a Lead Partner may be Project Partner in any other Application at the same time. Project Partner may take part and be selected for funding in more than one Operation under this Call for Proposals.

NOTE:

All partners must sign a **Partnership Pre-Agreement** in the preparation phase and a **Partnership Agreement** in the implementation phase, which stipulate their rights and duties within the Operation.

IMPORTANT:

Person appointed by the Lead Partner as a Project Manager/Coordinator who will be responsible for overall coordination of project management must have at least 2 years of the professional work experience. Knowledge and experience in managing EU projects should be an asset. During budget optimization phase, before signing the Contract, MA/JS may request CV of appointed person. In case of newly employed Project Manager/Coordinator, above-mentioned requirements shall be taken into account by Lead Partner institution.

2.3.2. Eligibility of activities

The activities enlisted under bullet points represent the themes of the projects to be developed. In accordance with the Programme’s intervention logic, the implementation of the enlisted activities should lead to the achievement of programme indicators and the attainment of corresponding specific objectives and result indicators:

| Priority axis | Specific Objective | Examples of eligible actions under this Call for proposals |
|---|---|--|
| 1. Improving the quality of the services in public health and social care sector | 1.1. To improve the quality of the services in public health and social care sector across the borders | <ul style="list-style-type: none"> - Providing support to public health and social care institutions in improving accessibility and effectiveness (e.g. small infrastructure and equipment), including related pilot projects. - Developing and implementing joint lifelong learning, education and training programmes addressing skills and capacity strengthening needs in the area of health and social care. - Developing and implementing joint activities on enhancing the quality of health care and social care services (e.g. joint health services delivery, promoting healthy lifestyles and active and |

¹⁵If an institution/organization is selected for funding in more than two (2) Operations as a Lead Partner, only two (2) best-ranked applications respecting the scores obtained may be funded. Other applications may be placed on the reserve list. In case when Operations obtained same total score, Operation with higher score obtained for Relevance will be proposed for funding.

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|---|---|---|
| | | <p>healthy aging, disease prevention implementation plan, etc.)</p> <ul style="list-style-type: none"> - Implementing ICT solutions in order to improve public health and social care services. - Developing schemes and using ICT tools for establishing networking structures for the purpose of common disaster response across the borders. - Joint strengthening of health care and social care for vulnerable groups with focus on children, elderly, disabled, people receiving social care and long-term unemployed older women. - Awareness rising activities aiming at promotion of different types of services available for vulnerable groups. - Networking of organisations (e.g. health care and social care institutions, family centres, education institutions, etc.) in order to create joint activities for enhancing accessibility to health and social services. - Implementing exchange of experience concerning the identification, transfer and dissemination of good practices and innovative approaches as well support to the sustainability and implementation of the Cross-border Healthcare Directive (2011/24) and European Reference Networks, especially in relation to the aims of territorial cohesion, including territorial aspects and harmonious development of Union territory. |
| <p>2. Protecting the environment and nature, improving risk prevention and promoting sustainable energy and energy efficiency</p> | <p>2.1. To promote and improve environment and nature protection and management systems for risk prevention</p> | <ul style="list-style-type: none"> - Developing and implementing joint management initiatives in the area of environment and nature protection (e.g. monitoring and exchange of data, biodiversity and geo-diversity maps, management plans for nature protected areas of cross-border interest, marine protected areas, maritime spatial planning and integrated coastal management for cross-border areas, etc.) - Implementing joint actions in the area of monitoring and managing environmental protection addressing locally specific cross-border priorities and/or contributing to implementation of higher-level regional initiatives such as Sava River Basin Management Plan and the EU Strategy for the Adriatic and Ionian Region. - Implementing joint initiatives for designation and preservation of cross-border habitats (including large carnivore habitats) and ecosystems with high biodiversity value, including protection and restoration of coastal wetland areas and karst fields relevant for the Adriatic Flyway. - Implementing awareness raising activities, information campaigns and education and training concerning environmental and nature protection. - Improving emergency preparedness and risk prevention |



| | | |
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| | | <p>systems that addresses existing as well as expected cross-border hazards (fires, floods, draughts, hazardous pollution events, including trans boundary air and water pollution and other natural disasters) through, for example: mapping of water pollution hazards in the flood zones, adopting comprehensive multi-hazard framework to risk management and communication, harmonizing information about risks using internationally accepted definitions and guidelines, addressing priority gaps and needs for exchanging available data, developing and/or implementing plans that specify standard operating procedures on local level (who, what, when, how and with whom) based on higher level initiatives for disaster management.</p> <ul style="list-style-type: none"> - Implementing cross-border measures and tools for reducing or mitigating environmental problems and risks, including small-scale infrastructure and equipment. - Implementing joint interventions in case of accidents and natural disasters and establishment of strong cooperation between the emergency centres, including small-scale infrastructure and equipment. |
| | <p>2.2. To promote utilization of renewable energy resources and energy efficiency</p> | <ul style="list-style-type: none"> - Developing and implementing joint pilot and demonstration projects on innovative technologies and solutions in the field of energy efficiency and renewable energy resources. - Joint investing in public infrastructure on sustainable energy and energy efficiency. - Joint incentives in order to improve planning and regulatory framework in the area of renewable energy resources and energy efficiency (e.g. analyses, comparisons, recommendation, local/regional action plans, etc.). - Implementing transfer of knowledge (awareness rising), dissemination of experience, exchange of good practice and capacity building on the utilization of renewable energy resources and energy efficiency. - Elaboration of joint studies and documentation on (the utilization of) renewable energy resources and energy efficiency. |
| <p>3. Contributing to the development of tourism and preserving cultural and</p> | <p>3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better</p> | <ul style="list-style-type: none"> - Developing, promoting and branding of joint tourism niches, services and products including the development and diversification of joint tourism activities and sustainable tourism offer, inter alia, by including other relevant sectors (e.g. agriculture, organic food supply, handicrafts and other local products, culture, sustainable transport, etc.) in order to develop projects in ecotourism, hunting, rural, mountain, excursion, cultural, adventure, religious, nautical, conference, health, wellness and spa tourism. |



| | | |
|--------------------------------|---|---|
| <p>natural heritage</p> | <p>management and sustainable use of cultural and natural heritage</p> | <ul style="list-style-type: none"> - Developing complementary services in tourist offer. - Promoting and introducing (international) certifications and standards, in order to improve the quality of tourism providers and their services. - Supporting development and improvement of destination management capacity building in tourism sector (e.g. by developing destination management skills and focusing on enhancing quality (e.g. standardisation) and integration of offers, tourist destination development, management, marketing and promotion). - Implementing cross-border networking of institutions and dissemination of good practices and innovative approaches in tourism sector, including support to establishment and development of clusters. - Developing the cross-border tourism offer including the development of innovative products and services and using ICT and other technologies (e.g. GPS routes, booking systems). - Developing and improving small-scale cross-border tourism infrastructure such as: walking paths, cycling routes, hiking, riding trails, signposting, visitor centres, etc. - Implementing joint incentives of integrating culture, nature and leisure activities into sustainable tourism offer in the programme area taking care of preservation of nature and cultural protected areas (e.g. marine and coastal environment, historical and cultural sites, etc). - Valuating, preserving, restoring and reviving (e.g. animation of site) cultural, historical and natural heritage assets (e.g. UNESCO and other historical and cultural sites and landscapes), including enabling or improving access to them, but at the same time preserving marine and coastal environment. - Enabling joint cultural cooperation initiatives including creation of joint cultural events such as cultural festivals, cultural exchanges, joint theatre performances or joint/traveling exhibitions. - Developing and implementing training programs in quality assurance systems and different types of standardisation (e.g. ISO certification, etc.) on cultural and natural heritage. - Implementing investments in certification including training, equipment supply but also small scale infrastructure on cultural and natural heritage. - Developing and promoting public cultural and heritage services. |
| <p>4. Enhancing</p> | <p>4.1. To enhance</p> | <ul style="list-style-type: none"> - Supporting business support institutions and establishment of and support to existing and new business related sectorial |



| | | |
|---|--|---|
| <p>competitiveness and developing business environment in the programme area</p> | <p>institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area</p> | <p>networks and organisations in order to enhance standardisation, product protection, marketing and development of cross-border markets.</p> <ul style="list-style-type: none"> - Developing and supporting existing business clusters and/or networks of SMEs in applying ICT, innovation and new technologies in order to develop and promote common products for local cross-border and international markets. - Implementing actions aiming at networking, dissemination of good practices and innovative approaches and cooperation between business support institutions, clusters and SMEs at national, regional and local level in the programme area. - Supporting business support institutions in improving the capacity of entrepreneurs including micro entrepreneurs such as family farms/households regarding marketing, branding, market research, e-business, competitiveness and education and training in entrepreneurship skills. - Increasing cooperation between research institutions, clusters, businesses, public sector & development organisations to stimulate innovation and entrepreneurship to improve business innovativeness and technology based on smart specialization approach. - Supporting actions related to development of innovative products and services (e.g. patents, industrial design, trademark and innovation etc.). - Promoting and introducing (international) certifications and standards of existing and new products and services. - Implementing joint research and development activities involving the research and educational centres in the programme area in order to increase competitiveness. - Implementing cross-border development, adaptation and exchange of best practices in application of ICT, new technologies, processes, products or services to be directly used by the enterprises between the clusters or groups of business, R&D and education institutions. - Establishing and supporting development agencies, technological and competence centres, laboratories and local ICT infrastructure for common use by the enterprises in the programme area in order to upgrade the existing and develop new products, services, processes or prototypes. |
|---|--|---|

Activities outside Programme area

The Programme may finance activities, performed outside the Programme area up to the limit of 20% of the support from the Union at the Programme level, ensuring that they are for the benefit of the

programme area and the conditions of the Article 44(2) of Commission Implementing regulation (EU) No 447/2014 of 2 May 2014 are satisfied.

Such proposal (that all or part of an operation is implemented outside the programme area) may be accepted, provided that all the following conditions are satisfied:

- a) the operation is for the benefit of the programme area;
- b) the total amount allocated under the cross-border cooperation programme to operations located outside the programme area **does not exceed 20% of the support from the Union at Programme level**;
- c) the obligations of the managing and audit authorities in relation to management, control and audit concerning the operation are fulfilled by the cross-border cooperation programme authorities or they enter into agreements with authorities in the Member State or Participating countries in which the operation is implemented;
- d) **justification** is provided within the Application Form.

2.3.3. Eligibility of expenditures

In order to be considered eligible, expenditures under Interreg IPA CBC Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 have to fulfil all of the following criteria:

- they incurred during the implementation period of the Operation, with the exception of preparatory costs and closure costs;
- they are indicated in the Application/budget of the Operation;
- they are necessary for the implementation of the Operation which is the subject of the grant;
- they are identifiable, verifiable and documented (e.g. contract, invoice, order form), in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
- they comply with the requirements of applicable tax and social security legislation;
- they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency;
- they incurred in accordance with the relevant EU legislation, Programme rules, national legislation, and other relevant documents (e.g. Financing Agreement);
- they are not listed as an ineligible expenditure;
- they are not double funded (i.e. they are not financed from other sources under the Union Funds or other (national) Funds);

- one expenditure item cannot be covered under more than one expenditure category or under more than one budget line under a given expenditure category;
- amounts declared in partner progress reports/statement of expenditure do not exceed amounts in the approved operation budget (in line with the provisions of the Subsidy Contract/Addenda/accepted modifications);
- co-financing rate (as stipulated in the Subsidy Contract) is applied to each eligible cost under all expenditure categories (including preparatory and closure costs).

The following expenditures **shall not be eligible** for funding under Interreg IPA CBC Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020:

In line with Article 43(2) of IPA IR:

- interest on debt;
- value added tax (VAT) except where it is non-recoverable under national VAT legislation;
- the decommissioning and the construction of nuclear power stations;
- investment to achieve the reduction of greenhouse gas emissions from activities falling under Annex I to Directive 2003/87/EC of the European Parliament and of the Council;
- the manufacturing, processing and marketing of tobacco and tobacco products;
- undertakings in difficulties as defined under the Union's State aid rules;
- investment in airport infrastructure unless related to environmental protection or accompanied by investment necessary to mitigate or reduce its negative environmental impact;
- the purchase of land not built on and land built on exceeding 10% of the total eligible expenditure for the operation concerned shall be eligible for funding under IPA II cross-border cooperation assistance. For derelict sites, for sites formerly in industrial use which comprise buildings, and for operations concerning environmental conservation, this limit shall be increased to 15%;
- operations shall not be selected for IPA II assistance where they have been physically completed or fully implemented before the application for funding under the cross-border cooperation programme is submitted by the beneficiary to the Managing Authority, irrespective of whether all related payments have been made by the beneficiary.

In line with Articles 65(11) and 69(1) of CPR:

- the expenditure item included in the statement of expenditure which received support from another Fund or Union instrument, or support from the same Fund under another programme;
- contributions in kind.

In line with Article 2 of Regulation No 481/2014:

- fines, financial penalties and expenditure on legal disputes and litigation;

- costs of gifts, except those not exceeding EUR 50 per gift where related to promotion, communication, publicity or information;
- costs related to fluctuation of foreign exchange rate.

Other ineligible expenditures as defined by the Programme:

- consultant fees between partners for services and work carried out within the operation;
- contracting of employees of the beneficiary and partner organisations as external experts (e.g. as freelancers, translators, IT experts, etc.);
- unjustified ad-hoc salary bonuses that are not directly attributable to operation delivery;
- alcohol, except in duly justified cases, when related to the operation theme/subject¹⁶;
- purchases of equipment not indicated in the Application or specifically approved during operation implementation by the relevant programme body;
- equipment purchased from another project partner;
- cost for infrastructure and works outside the programme area;
- shared costs;
- charges for national financial transactions;
- costs of audits and evaluations at operation level.

IMPORTANT:

Please note that providing **financial support to third parties (sub-granting)** is not allowed.

2.3.3.1. Eligible expenditure categories

Commission Delegated Regulation (EU) No 481/2014 establishes specific rules on eligibility of expenditures. It defines the list of costs that are eligible under the **7 categories of expenditures**:

- 1. Staff costs,**
- 2. Office and administrative expenditure,**
- 3. Travel and accommodation costs,**
- 4. External expertise and services costs,**
- 5. Equipment expenditure,**
- 6. Infrastructure and works expenditure,**
- 7. Preparatory and closure costs.**

Specific provisions for each expenditure category are stated in the Programme Rules on Eligibility of Expenditures.

¹⁶ Wine is considered as food, in line with the EU and national legislation.



Please note that the maximum amount planned for expenditure category 1. Staff costs shall not exceed 30 % of the total eligible cost at the Operation level, whereas for operations with total value of 1.000.000,00 EUR or more, the maximum amount planned for the expenditure category 1. Staff costs shall not exceed 20% of the total eligible cost at the Operation level.

Please note that each Project Partner shall include staff costs as a category of expenditure in its respective partner budget, meaning that each Project Partner must plan at least one person working on project.

In order to properly plan the Operation budget, applicants are strongly recommended to consult Programme Rules on Eligibility of Expenditures available on <http://www.interreg-hr-ba-me2014-2020.eu/>

2.3.3.2. Value Added Tax (VAT)

In line with Article 43(2) of IPA IR, value added tax shall not be supported by the cross-border cooperation programme, except where it is **non-recoverable** according to the national VAT legislation.

In that respect, value added tax (VAT) is eligible, if the following conditions are fulfilled:

- a) it is not recoverable by any means (under national VAT legislation);
- b) it is established that it is borne by the beneficiary;
- c) it is clearly identified in the invoice.

Croatia: Please note that in accordance with the current procedures applied in the Republic of Croatia, VAT is eligible if it cannot be refunded in line with the national legislation. The VAT Statement issued by the relevant institution should be presented.

Croatian beneficiaries are obliged to present the declaration on the VAT status (VAT Statement) issued by the authorized institution within the First Progress Report. In case the VAT status changes during the operation implementation, the new Statement on VAT status has to be presented with the first subsequent Partner Progress Report. The change of VAT status entails change in the Application (Subsidy Contract).

Bosnia and Herzegovina: Please note that the Bosnian and Herzegovinian beneficiaries are obliged to follow relevant national procedure for the exemption of the VAT. The legal basis for the VAT exemption is the following: Instruction on claiming the customs duties and taxation payment exemption in accordance with the Framework Agreement between Bosnia and Herzegovina and the Commission of the European Communities on the rules for cooperation to implement EC financial assistance to Bosnia and Herzegovina under the Instrument for Pre-Accession Assistance (IPA), (Official Gazette No. 91, from 30 November 2015).

Montenegro: Please note that Montenegrin beneficiaries are obliged to follow the relevant national procedure for the exemption of VAT. The legal basis for the VAT exemption is the following: *Rulebook of the procedure for exemption from payment of VAT of investors and the delivery of certain products and services* (Ministry of Finance of Montenegro, Official Gazette of Montenegro, No. 17/15 of 17 April 2015, 68/15 of 08 December 2015) and *Instructions of conducting the procedure related to exemption from payment of VAT for projects financed by the European Union (EU)*.

2.3.3.3. In house contracting

In house contracting is considered as contracting of the bodies governed by the public law (in house provider), which are controlled by the contracting authority (beneficiary) for the purchase of goods, services and works.

IMPORTANT:

Please note that the intention of in house contracting must be indicated in the Application.

This kind of contracting represents an exemption from the public procurement procedure if the conditions for in-house contracting given by the EU regulations are fulfilled¹⁷.

Expenditure referring to tasks contracted with the in-house provider by the beneficiary (including staff and travel and accommodation costs) shall be planned under external expertise and services expenditure category if the following conditions are met:

- costs incurred by the in-house provider are charged on a real costs basis without any profit margin;
- the contracting of the in-house provider complies **with the national** public procurement rules.

When preparing the project proposals, the applicants are strongly recommended to assess carefully whether the contractual relationships they plan to enter actually fulfil the abovementioned conditions.

¹⁷ 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

3. HOW TO APPLY

3.1. The content of Application package

The **Application package** for the 2nd CfP can be downloaded from the Programme website: www.interreg-hr-ba-me2014-2020.eu and consists of the following documents:

The Guidelines for Applicants (GfA) and the following annexes:

1. Template of the Lead Partner Statement;
2. Template of the Project Partner Statement;
3. State Aid Self-Assessment Questionnaire;
4. Template of the Partnership Pre-Agreement;
5. Model of the Subsidy Contract;
6. Model of the Partnership Agreement;
7. Achievement of the Programme output indicators.

To apply projects for funding under this CfP applicants must use the **eMS (electronic Monitoring System)**. Applications shall be filled in accordance with the **Application Manual: instructions on how to fill in the Application** (including the budget) and submitted in accordance with the Guidelines for Applicants.

The **official language** of the Programme is **English**. Therefore, the application and all communication between the applicants and the Programme bodies is carried out in **English language**. Information in the eMS as well as the official correspondence must be treated accordingly.

3.2. How to send the applications

Applications will be filled in and submitted through the online submission system – electronic Monitoring System (eMS).

The application **must be submitted by the Lead Partner (LP)** solely through the online eMS. The submitted application **must contain all the required data** and the required accompanying documents, which are considered as **annexes to the Application** and have to be uploaded **as scanned documents** (signed by the legal representative of the Lead or Project Partners' organisation) in the eMS.

Original versions of the documents uploaded in the eMS must be provided to the Managing Authority/Joint Secretariat upon request and prior to the contracting.

Please note that only the Application and the published annexes that have to be filled in and uploaded in the eMS will be assessed:

1. **Application (including budget),**
2. **Annexes:**
 1. Lead Partner Statement;
 2. Project Partner Statement;
 3. State Aid Self-Assessment Questionnaire;
 4. Partnership Pre-Agreement.
3. **Supporting documents for eligibility check**
 - a) **The registration acts** (in accordance with the relevant national law) of each partner;¹⁸
 - b) **Statutes or** articles of association/decision on establishment of each partner.¹⁹

For the purpose of the **eligibility check of all project partners**, including the Lead Partner (LP), the supporting documents should be annexed to the Application (scanned as PDF and uploaded via eMS).

It is therefore of the utmost importance that these documents contain **ALL** the relevant information concerning the Operation. **No additional annexes should be sent.**

Note: In cases when the supporting documents are neither in English nor in the language of the participating countries (Croatian, official languages of Bosnia and Herzegovina, Montenegrin), a translation into English must be attached and will prevail for the purpose of the eligibility check.

Applications sent by any other means (e.g. by fax or by e-mail) or delivered to the address **will be rejected**. **Hand-written** applications will not be accepted. Incomplete applications **may be rejected**.

¹⁸ Where the applicant/partner is a public body created by a law (e.g. Units of local and regional self-government (towns/cities, municipalities, counties, districts, regions, etc.), instead of a registration act, a direct reference or copy of the said law must be provided.

¹⁹ Where the applicant/partner is a public body created by a law (e.g. Units of local and regional self-government (towns/cities, municipalities, counties, districts, regions, etc.), instead of a statute or articles of association/decision on establishment a direct reference to the said law/legal act must be provided.

3.3. Deadline for the submission of applications

The deadline for the submission of applications is **20 December 2018, 12:00h** as evidenced by the date and time of the submission of the application within the eMS.

Submission of the **applications after the deadline will not be possible within eMS.**

3.4. Further information

Information days related to 2nd CfP will be held **in all participating countries**: Croatia, Bosnia and Herzegovina and Montenegro.

The exact dates and locations of Information days will be published in advance on the following web sites:

- Programme website: www.interreg-hr-ba-me2014-2020.eu
- Managing Authority's website: www.arr.hr
- National Authorities websites:
 - Ministry of Regional Development and EU funds: <https://razvoj.gov.hr/>
 - Directorate for European Integration of the Council of Ministers of Bosnia and Herzegovina: www.dei.gov.ba
 - Prime Minister's Office - European Integration Office of Montenegro: <http://www.kei.gov.me/kancelarija>

Questions related to the 2nd CfP may be sent in writing via e-mail no later than **10 days before the deadline for the submission of applications**, indicating clearly the reference to the CfP. Clarifications to the questions received after this date will not be provided.

E-mail address: js@interreg-hr-ba-me2014-2020.eu

To ensure equal treatment of all applicants, questions and answers will be published and **updated regularly** on the Programme website: www.interreg-hr-ba-me2014-2020.eu. It is therefore advisable to consult the abovementioned website regularly in order to be informed of the questions and answers published.

4. ASSESSMENT AND SELECTION OF APPLICATIONS

4.1. Assessment and selection

In accordance with Article 39 of the Commission Implementing Regulation (EU) No 447/2014, the selection of operations under the Interreg IPA CBC Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 is the responsibility of the Joint Monitoring Committee (JMC) following a standardized assessment procedure.

For the 2nd CFP, the JMC will set up the Joint Steering Committee (JSC) acting under its responsibility for the selection of operations. The selection of operations is based on the assessment of the received applications following the standardized procedure, which safeguards the principles of transparency and equal treatment.

The assessment process will be conducted in two steps:

1. **Administrative compliance and eligibility check;**
2. **Quality assessment.**

The assessment and selection criteria are prepared in line with the Cooperation Programme Interreg IPA CBC Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 by the Managing Authority (MA) together with the National Authorities (NAs) and the Joint Secretariat (JS) and approved by the Joint Monitoring Committee (JMC).

Step 1: Administrative compliance and eligibility check

The administrative compliance and the eligibility check will be performed by the Joint Secretariat under the responsibility of the Joint Steering Committee respecting the administrative and eligibility checklist.

Administrative and eligibility criteria - checklist

| # | Criteria | Description | Yes | No | N/A |
|----------|---|--|--------------------------|--------------------------|--------------------------|
| A | ADMINISTRATIVE CRITERIA | | | | |
| A.1 | All sections of the Application have been correctly filled in and the Application is written in English language. | <i>All relevant sections of the Application are filled in correctly (no automatic errors or missing information) and written in English, as the official</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



| | | | | | |
|----------|--|--|--------------------------|--------------------------|--------------------------|
| | | <i>language of the Programme.</i> | | | |
| A.2 | All obligatory annexes are submitted (uploaded as PDF or other applicable format) via eMS. | <p><i>The compulsory annexes have been filled in properly, signed by the legal representative and uploaded in the eMS:</i></p> <ul style="list-style-type: none"> - <i>Lead Partner Statement,</i> - <i>Project Partner Statement,</i> - <i>State-Aid Self-Assessment Questionnaire,</i> - <i>Partnership Pre-Agreement.</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| A.3 | Supporting documents are submitted (uploaded as PDF or other applicable format) via eMS. | <p><i>Supporting documents required for eligibility check of applicants/partners are uploaded (PDF) to the eMS:</i></p> <ul style="list-style-type: none"> - <i>The registration acts (in accordance with the relevant national law) of each partner;</i> - <i>Statutes or articles of the association/decision on the establishment of each partner.</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| B | ELIGIBILITY CRITERIA | | | | |
| B.1 | The Lead Partner (LP) is eligible organisation. | <p><i>The Lead Partner is:</i></p> <ol style="list-style-type: none"> <i>1. non-profit-making legal person/entity established by the public or private law for the purposes of public interest or specific purpose of meeting the needs of general interest;</i> <i>2. established in the respecting Participating Country (Croatia, Bosnia and Herzegovina and/or Montenegro);</i> <i>3. registered at least 12 months prior to the deadline for the submission of applications.</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



| | | | | | |
|-----|--|---|--------------------------|--------------------------|--------------------------|
| B.2 | All Project Partners (PP) are eligible organisations. | <p><i>The partners are:</i></p> <p><i>1. non-profit-making legal person/entity established by public or private law for the purposes of public interest or specific purpose of meeting needs of general interest;</i></p> <p><i>2. established in respecting Participating Country (Croatia, Bosnia and Herzegovina and/or Montenegro).</i></p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| B.3 | There is no evidence of double funding of activities. | <i>See declaration included in LP and PP Statement.</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| B.4 | State Aid/De-minimis compliance is taken into consideration. | <i>See State Aid Self-Assessment Questionnaire. See declaration included in LP and PP Statement.</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Administrative compliance and eligibility check is based on questions which can be answered with “Yes,” “No” or “Not applicable” for particular application.

Clarifications regarding application will be requested from the Lead Applicant only when the information provided within application is **unclear or missing** and thus prevents JSC from conducting an objective assessment. If any of the requested information is missing or is incorrect, the Application may be rejected on that sole basis and the application **will not be evaluated further**.

Only proposals that satisfy all the administrative and eligibility criteria will be subject to quality assessment.

Step 2: Quality assessment

Quality assessment will be performed by the assessment teams under the responsibility of the Joint Steering Committee (JSC) and with the support of JS. Assessment teams will be selected in line with the required expertise relevant for the Priority Axis. Each assessment team consists of two independent assessors therefore every Application is assessed by at least two assessors. Number and composition of

assessment teams which will be included in assessment process for this CfP depending on assessment strategy and number of received applications.

Quality assessment consists of three (3) sets of quality assessment criteria related to the quality of an Application and will be applied to those applications that have passed the administrative and eligibility check (in accordance to Article 39 of Commission Implementing Regulation (EU) No 447/2014):

1. Relevance criteria,
2. Operational criteria,
3. Sustainability criteria.

The quality assessment grid is structured according to the concerned assessment criteria, which are appraised using the following scale:

The quality assessment scale

| SCALE | | 1-2-3-4-5 |
|---------------------|---|--|
| excellent | 5 | <i>The Application fulfils the given criterion to an excellent level and the provided information is clear and coherent for assessing the criterion.</i> |
| very good | 4 | <i>The Application fulfils the given criterion to a very good level; however, some aspects of the given criterion lack certain clarity or coherence.</i> |
| sufficient | 3 | <i>The Application fulfils the given criterion to a sufficient level; however, some aspects of the given criterion have not been met fully or not explained in full clarity or detail.</i> |
| low | 2 | <i>The Application has serious shortcomings in fulfilling the given criterion and/or the provided information is of low quality.</i> |
| insufficient | 1 | <i>The Application does not fulfil the given criterion or information required is missing.</i> |
| SCALE | | 1-2-3 |
| excellent | 3 | <i>The Application fulfils the given criterion to an excellent level and the provided information is clear and coherent for assessing the criterion.</i> |



| | | |
|---------------------|--------------|--|
| sufficient | 2 | <i>The Application fulfils the given criterion to a sufficient level; however, some aspects of the given criterion have not been met fully or not explained in full clarity or detail.</i> |
| insufficient | 1 | <i>The Application does not fulfil the given criterion or information required is missing.</i> |
| SCALE | Score | The achievement of the Programme output indicators |
| | 10 | The project contributes to more than one ²⁰ programme output indicator marked as UA (underachieved) , the indicated targets are quantified correctly and realistic to be achieved until the end of project implementation. |
| | 8 | The project contributes to one programme output indicator marked as UA (underachieved) , the indicated targets are quantified correctly and realistic to be achieved until the end of project implementation. |
| | 6 | The project contributes to one programme output indicator marked as UA (underachieved) , the indicated targets are not quantified correctly (underestimated) , however are realistic to be achieved until the end of project implementation. |
| | 4 | The project contributes to one programme output indicator marked as UA (underachieved) , the indicated targets are quantified correctly , however not realistic to be achieved (overestimated) until the end of project implementation. |
| | 2 | The project contributes only to (one or more) programme output indicators marked as AA (already achieved) . |

The quality of the applications, including the proposed budget and capacity of the partners, will be assessed using Quality assessment grid:

²⁰ The exception to this refers to applications within Priority Axis 2 (Specific objectives 2.1 and 2.2) taking into account that only one Programme output indicator under these Specific objectives is currently marked as underachieved (UA). Thus, in case of Priority Axis 2 (Specific objectives 2.1 and 2.2) applications addressing the only Programme output indicator marked as underachieved (UA) will be treated as if they are addressing more than one Programme output indicator.



Quality assessment grid

| # | Assessment questions | Guiding principles for assessment | Numerical assessment | Section in Application |
|----------|---------------------------|--|----------------------|---|
| C | RELEVANCE CRITERIA | | | |
| C.1 | Relevance and strategy | <p><i>The Project includes project partners from all three participating countries (Croatia, Bosnia and Herzegovina and Montenegro) – there is a real trilateral partnership.</i></p> <p>Note: only projects with trilateral partnership will receive 4 points. In case of bilateral partnership (Croatia and Bosnia and Herzegovina or Croatia and Montenegro) project will not be awarded with score.</p> | 0-4 | |
| | | <p><i>The Project addresses common territorial challenges, joint assets and opportunities in the programme area - there is a real need for the project.</i></p> | 1-2-3-4-5 | Project description /Project relevance |
| | | <p><i>The Project makes use of available knowledge and builds on existing results and practices (capitalisation of previous projects, synergies, initiatives, cooperation; contribution to existing practices, solutions).</i></p> <p><i>The project introduces new</i></p> | 1-2-3 | Project description /Project relevance/ Project approach Project description /Project context/ |



| | | | | |
|-----|---|---|------------|--|
| | | <i>practices and solutions.</i> | | Knowledge potential |
| | | <i>The Project clearly contributes to a wider strategy on one or more policy levels (EU/macroregional/ national / regional/local).</i> | 1-2-3 | Project description /Project context |
| C.2 | Coherence of the Project's intervention logic and contribution to Programme's specific objectives, result indicators and output indicators | <i>The project main (overall) objective clearly contributes to the Programme specific objective within the chosen Priority axis.</i> | 1-2-3 | Project description /Project focus |
| | | <i>The expected project results clearly contribute to Programme result indicator.</i> <i>Project results are in accordance with the selected target group's needs.</i> <i>The contribution to Programme result indicator is clearly described, demonstrated and verifiable (measurable in numbers or percentage).</i> | 1-2-3-4-5 | Project description /Project focus/Work plan |
| | | <i>The achievement of the Programme output indicators</i> <i>– please see explanation under Quality assessment scale</i> <i>– please see Annex 7 Achievement of the Programme output indicators</i> | 2-4-6-8-10 | Project description /Project focus WP Implementation/Investment |



| | | | | |
|-----|---|---|-----------|--|
| | | <i>Project outputs captured by the Programme output indicators are clearly defined and described in details as regards to the link with the related activities and as regards to the methodology for the calculation of the target value. The description of the project outputs are clearly linked to the output title and the target value.</i> | 1-2-3-4-5 | Project description /Project focus WP Implementation/Investment |
| C.3 | Cooperation character and partnership approach | <i>The cross-border cooperation is needed to achieve the project's objectives and results. The Project's objectives and results cannot (or can only to some extent) be achieved without cross-border cooperation. The benefits for the project partners are clearly described.</i> | 1-2-3-4-5 | Partner Project description /Project relevance |
| | | <i>The Project involves relevant Partners and they prove the necessary experience and competence in the field concerned.</i> | 1-2-3 | Partner/WP Management |
| | | <i>Cooperation criteria are fulfilled: joint development (mandatory), joint implementation (mandatory), joint financing and joint staffing. The selected cooperation criteria are clearly described.</i> | 1-2-3-4-5 | Project description /Project relevance |



| D | OPERATIONAL CRITERIA | | | |
|-----|----------------------|---|-----------|---|
| D.1 | Management | <i>The Lead Partner demonstrates competency in managing EU funded projects or other international projects or can ensure adequate measures for management support.</i> | 1-2-3-4-5 | Partner/ Work plan/ Project Budget |
| | | <i>All partners play a defined, justified and active role in the Project partnership with clearly defined tasks and responsibilities (e.g. sharing of tasks is clear, logical and in line with partners' role in the Project and cross-border cooperation character).</i> | 1-2-3-4-5 | Work plan/Partn ership description |
| D.2 | Communication | <i>The communication approach/tactics chosen are appropriate to reach communication objectives. Communication activities and deliverables are appropriate to reach the relevant target groups.</i> | 1-2-3-4-5 | Work plan/ WP Communic ation Work plan/ Target groups |
| D.3 | Work packages | <i>Proposed activities are realistic, proportionate and will result with the appropriate deliverable. Activities are logically linked, described in detail (how, where, when and by whom they will be undertaken).</i> | 1-2-3-4-5 | Work plan |
| | | <i>All activities are necessary for the implementation and</i> | 1-2-3-4-5 | Work plan |



| | | | | |
|-----|---------------|--|-----------|--------------------------|
| | | <p><i>necessary in order for the planned projects outputs and results to be achieved.</i></p> <p><i>All activities will be implemented for the benefit of the Programme area (including activities outside the programme area if applicable).</i></p> | | |
| | | <p><i>Time plan is realistic and feasible (activities, deliverables and outputs are in a logical time sequence and can be achieved in given timeframe).</i></p> | 1-2-3 | Work plan |
| D.4 | Budget | <p><i>The overall budget reflects work plan and real partners' involvement (it is balanced compared to the planned activities per partner; financial allocation per expenditure category is in line with the work plan of activities).</i></p> <p><i>Costs in the budget reflect the narrative description of activities and deliverables.</i></p> | 1-2-3-4-5 | Project Budget/Work plan |
| | | <p><i>The project budget demonstrates value for money.</i></p> <p><i>The stated costs are realistically quantified and priced compared to the expected results and outputs (e.g. number of: consultancies, trips, brochures, participants) There are no overestimated or</i></p> | 1-2-3-4-5 | Project Budget |



| | | | | |
|------|---|--|-----------|------------------------------------|
| | | <p><i>underestimated amounts.</i></p> <p><i>There are no ineligible costs in the budget according to GfA point 2.3.3.</i></p> | | |
| | | <p><i>The proposed budget is well justified.</i></p> <p><i>The need for equipment purchases, engaging external expertise and infrastructure works (if applicable) is justified.</i></p> | 1-2-3-4-5 | Project Budget |
| D.5 | Project Risks | <p><i>Potential risks are relevant for the project and are clearly defined together with the mitigation measures.</i></p> | 1-2-3 | Project description /Project risks |
| E | SUSTAINABILITY CRITERIA | | | |
| E.1. | Sustainability, Durability And Transferability | <p><i>How will the project outputs be further used and how the sustainability will be ensured once the project has been finalised?</i></p> <p><i>Are there any follow-up activities, financial sources mentioned/planned?</i></p> <p><i>If applicable, how the project envisages durability of relevant project outputs?</i></p> | 1-2-3-4-5 | Project description /Project Focus |
| | | <p><i>Project outputs are applicable and replicable by other organisations/ regions/countries outside of</i></p> | 1-2-3-4-5 | Project description /Project Focus |

| | | | | |
|-----|------------------------------|---|-------|--|
| | | <i>the current partnership (transferability) – if not, it is justified.</i> | | |
| E.2 | Horizontal principles | <p><i>The project makes a positive contribution to sustainable development (environment).</i></p> <p><i>The project makes a positive contribution to equal opportunities and non-discrimination.</i></p> <p><i>The project makes a positive contribution to equality between men and women.</i></p> | 1-2-3 | Project description /Horizontal Principles |

Maximum scores in quality assessment:

| | ASSESSMENT CRITERIA | MAXIMUM SCORE |
|--------------|----------------------------|----------------------|
| C | RELEVANCE CRITERIA | 51 |
| D | OPERATIONAL CRITERIA | 46 |
| E | SUSTAINABILITY CRITERIA | 13 |
| TOTAL | | 110 |

Important:

In order to be considered for funding, an application must fulfil all the administrative and eligibility criteria and receive at least 78 points at the quality assessment.

Provisional selection of Operations

After the quality assessment, **four (4) ranking lists** will be established, one per each priority axis, listing the provisionally selected applications ranked in descending order with minimum of 78 points and within the available financial envelope, a reserve lists following the same criteria as well as list of rejected applications (under 78 points). The Joint Steering Committee will present these lists to the Joint Monitoring Committee (JMC) for final decision. JMC approves or rejects entire list/s.

JMC may decide to overcontract available Programme funds per Priority Axis to finance applications from the reserve list based on the contribution to the underachieved Programme output indicators.

Following the JMC decision on selection, any selected Application that fails to sign the Subsidy Contract may be replaced by another Application from the reserve list per each Priority Axis, based on the contribution to the underachieved Programme output indicators, however, in accordance with the JMC decision.

JMC decision on the approval/placement on the reserve lists/rejection of application together with assessment results will be communicated to each Lead Applicant through official letter signed by the MA. Upon receipt of the notification on JMC decision, Lead Applicant may request clarification from the MA or issue a formal complaint towards the decision of the JMC, following the complaint procedure described in these Guidelines for Applicants (Section 4.4.).

4.2. Contracting

Contracts with the Lead Applicants of the selected operations will be prepared on the standard template. Model of Subsidy contract is available as part of Application Package.

Additional supporting documents:

Before signing of the Subsidy Contract, negotiations with provisionally selected Lead Applicants will be performed in order to finalise the Contract (“budget optimisation”).

For Operations involving **infrastructure**, the following documents, where relevant, will be required in addition, prior to Subsidy Contract signature (contracting phase):

- legal documents specifying any legal right under the real-estate law concerning the land and/or buildings where the works will be carried out (proof of ownership or long term lease (10 years) of the land /assets (*if applicable*));
- where applicable, necessary permissions for the execution of the works, issued by the national/regional/local relevant authorities, such as:
 - project design (preliminary works design OR detailed works design including indicative bill of quantities),
 - legal permits and all necessary legal authorizations (e.g. location and construction permits, etc.).
 - environmental impact assessments (if applicable),
 - etc.

The additional supporting documents requested must be uploaded **via eMS** in the form of **scanned originals (PDF format)** showing legible stamps, signatures and dates of the said originals.

Before signing the Contract, negotiations with selected Lead Applicants will be performed in order to finalise Contract related to **budget optimisation** (budget adjustments, if necessary), as well as adjustments related to content (adjustments of the Application including proposed indicators) and timing (implementation period adjustments).

After signing the Subsidy Contract, the Lead Beneficiary is responsible for implementing of the EU financed Operation on behalf of all Project Partners.

4.3. Indicative timetable

| INDICATIVE TIMETABLE FOR 2 nd CALL FOR PROPOSALS | | |
|--|---|----------------|
| | DATE AND TIME ²¹ | |
| Information sessions: <ul style="list-style-type: none"> - Croatia, - Bosnia and Herzegovina, - Montenegro | To be confirmed and published at: www.interreg-hr-ba-me2014-2020.eu | |
| Deadline for requesting any clarifications related to 2 nd CfP | 10 days prior submission deadline | |
| Deadline for publication of Q&A on Programme web site | Regularly until closure of the CfP | |
| Deadline for submission of Application via eMS | 20 December 2018 | 12:00 h |
| Information to Lead Applicants on the results of assessment process/ JMC decision | June 2019 | |
| Budget optimization and contracting phase | July – September 2019 | |

²¹ Table contains provisional date and time. All times are in the time zone of the country where the Managing Authority is located.

4.4. Resolution of Complaints

The Lead Applicant, on behalf the partnership, has the right to file a complaint in case a failure affecting the JMC funding decision is suspected during the operation selection process. Failure means that the project proposal assessment or part of project proposal assessment did not comply with the selection criteria and/or with the procedures laid down in the Cooperation Programme and/or in the call-specific documents (Application Package).

Complaints against the project proposal selection process have to be submitted to the MA within 14 calendar days after the notification on the JMC decision regarding the Call for Proposals. In the complaint letter, the Lead Applicant should clearly specify what failures or mistakes have happened during the assessment of the Project proposal and support its claim with clear references to the relevant Programme documents (Cooperation Programme, Application Package or other call-specific documents) and Project proposal in question.

Prior to filing a formal complaint, the Lead Applicant may request additional clarification or technical or legal information from the MA within the timeframe available for submitting a complaint (14 calendar days). Request for clarification/information interrupts the deadline for submitting a complaint until the day of the reply by the MA to the Lead Applicant.

In case the Lead Applicant is not satisfied with the received additional information from the MA, it may decide to submit a formal complaint to the MA. In that case, the MA sends a confirmation of receipt of the written complaint.

The complaint has to comply with the following minimum requirements:

- the name and address of the Lead Applicant are indicated,
- the reference number of the Application in question is stated,
- reasons for the complaint are clearly described,
- the complaint is signed by the legal representative of the Lead Applicant.

If a complaint does not comply with the above stated requirements or includes an incomplete description of a case that does not allow MA or any involved body to perform a thorough assessment of a complaint, the MA may request further information from the Lead Applicant. If the information requested is not provided within the period of time as specified by the MA, the MA shall close the case without further investigation.

The MA shall inform in writing the Lead Applicant on the results of the examination of complaint.

Complaint must be submitted in writing with a clear indication of the following subject: **Complaint on the Joint Monitoring Committee decision**, by e-mail to the following address:

ma@interreg-hr-ba-me2014-2020.eu

or by regular post to the following address:

Agencija za regionalni razvoj Republike Hrvatske

Ured za Upravljanje programima suradnje

Upravljačko tijelo Interreg IPA Programa Prekogranične suradnje Hrvatska-Bosna i Hercegovina- Crna Gora 2014. – 2020.

Miramarska cesta 22, 10 000 Zagreb

4.5. Data protection

All personal data (such as names, addresses, CVs, etc.) will be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the European Community institutions and bodies and on the free movement of such data.

The applicant's replies to the questions in the AF are necessary to evaluate and further process the application in accordance with the specifications of the Call for Proposals. Personal data will be processed solely for that purpose by the JMC, JSC, MA and JS. Personal data may be transferred to third parties involved in the assessment process or in the grant management procedure, without prejudice of transfer to the bodies in charge of monitoring and inspection tasks in accordance with EU law.

In particular, for the purposes of safeguarding the financial interests of the Union, personal data may be transferred to internal audit services, to the European Court of Auditors, or to the European Anti-Fraud Office.

The results of the 2nd CFP are information of public nature and will be published on the programme web site: www.interreg-hr-ba-me2014-2020.eu

5. ANNEXES to GfA

1. Template of the Lead Partner Statement
2. Template of the Project Partner Statement
3. State Aid Self-Assessment Questionnaire
4. Template of the Partnership Pre-Agreement
5. Model of the Subsidy Contract
6. Model of the Partnership Agreement
7. Achievement of the Programme output indicators