

## ***FAQs for implementation***

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### **Operational Issues**

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- 1. Question: Our externalized contracts will be paid mainly in national currency because, generally, the contractors are national ones and between legal persons of the same nationality the payments in currencies other than the national ones are not allowed. However, there is no interdiction for the procurement procedure to be organized and the contract to be awarded in EUR, as long as the payments are made in national currency. Please clarify if PIM contains a recommendation or a requirement to have the procurement procedures use national currencies instead of EUR currency.**

Answer: The PIM says that the amounts indicated in the ENI CBC IR and in the programme rules are all in euro, while in the actual procurement procedures **mainly** national currency will be used. However, it does not forbid to organize procurement procedure and have payments in Euros as well. All costs incurred in any other currency than Euros will be converted into Euros by using the exchange rates of the Commission of the month during which the expenditure was submitted for verification.

- 1. Question: According to PIM, for the staff costs, there is the rule on not allowing to use a different hourly rate within the same labor contract. The salaries within the partners organizations are negotiated and contracted in national currency, while the salaries costs for the project activities are budgeted and reported in EUR currency. No matter how much time one will invest in financial planning, there will appear differences in the hourly rates between the salaries reported for the project (budgeted in EUR, paid monthly in national currency and reported yearly in EUR) and the salaries paid for the part time for other tasks within the same organization (budgeted in national currency, paid monthly in national currency and evaluated yearly in EUR). In other words, having the same exact values for the hourly rates of these two-part times is an objectively impossible task.**

**How can we avoid having differences in the hourly rates between the salaries reported for the project and the salaries paid outside the project in the same organization?**

Answer:

Planning the Budget the Beneficiary shall include the **indicative costs** for unit rate (hour, day, month) for particular positions. The actual hourly rates are fixed in the employment contracts and will be paid in national currency. During the reporting the incurred costs are converted into Euros by using the exchange rates of the Commission of the month during which the expenditure was submitted for verification (GC Article 6.6).

The conversion in Euros is used for the reporting purposes and calculating the grant payments and does not influence the amount of the hourly rate fixed in the employment contracts in national currency.

At the same time hourly rates indicated in the employment contracts for the project internal staff should not differ from the hourly rates of the internal staff working outside the project

- 2. Question: There are two mechanisms intended to finance operating costs: *project dedicated office* and *administrative costs*. This section covers only the way the administrative costs are to be justified and reported (flat rate based). Please let us know what mechanism should be applied to the costs budgeted as project dedicated office? Are they to be considered as subcontracted costs (procurement procedures being mandatory)? What happens if at this moment there already are under implementation multiannual contracts (utilities, Internet, etc.)? Or these costs are to be reported flat rate based, too?**

Answer: Only for administrative costs the flat rate rule applies which means no need to provide for supporting documents. For any other budget chapters, in order to be eligible, costs have to be supported by invoices or documents of equivalent probative value. Please also adapt the administrative costs to the actual number of staff that has to be supported. Please also make sure your organizations rules are followed too and make sure these are clear enough for the eligibility check of the expenditure.

Under "Project dedicated office" line, all costs that are directly linked with the project premises and are necessary and directly attributed to the project are not reported under "administrative costs" can be reported. In case of multiannual contracts, the necessary proof documents will be the invoices and payment documents (payment orders, account extracts etc) and other available accounting documents.

- 3. Question: on the unit cost for the office and administration costs: In the budgets, we have unit costs for different items and total costs per line (e.g: per diems, expenses for utilities etc). The representatives of First Level Control Directorate told us that when performing verification of expenses they will closely look to unit costs as estimated in the budget as well, not only to total budget line; but this may be problematic because for example for utilities we only placed a medium estimate/month, and during winter times we will have higher expenses and during summer lower expenses. Could you please advice on how to proceed with this aspect so we can have our expenses eligible?**

Answer: Please revise these costs prior to the 12 months reporting so that the unitary cost is aligned with your actual expenses as well. One can calculate an average per month and update the budget by requesting a budget modification and/ or in the description of the budget line the information that there will be a different winter/ summer threshold can be introduced so that the difference becomes more transparent.

- 4. Question: Can beneficiaries conclude civil law contracts under budget section 1 "Human Resources" or only labor contracts?**

Answer: The PIM gives the specific instruction on the expenditure verification under the budget section 1 "Human Resources":

*For staff costs, the following documents must be provided for reporting, controlling or audit purposes:*

- *Employment/work contract and/ or an appointment decision with the Lead Beneficiary or one of the Beneficiaries; the appointment decision needs to be aligned with specific national or organizational rules;*
- *Updated job descriptions providing information on responsibilities related to the project;*
- *Payroll data, pay slips (**never invoices or acts of performance**);*

- Timesheets (in case of staff not dedicated 100% of time to the project);
- Proof of payment of salaries and employment taxes; social security charges

Thus, we would draw your attention to the eligibility rules for the mentioned costs.

Cost of external expertise and services are supported by the civil law contracts and must be placed under the budget heading **4 "Service"**. These contracts are intended to engage support or to gain from exterior knowledge in the areas, which are not covered internally (within the partnership or project team) and require additional external support.

- 5. Question: One of our member state partner is a public financed university. Please help us clarify if, at this moment, our partner university is to receive 5% state co-financing or 10%.**

Answer: For the member state beneficiaries, the state co-financing is maximum 5% with the exception of the bodies 100% funded through state's central budget, in which case the state co-finance is 10%. In case the beneficiary is not 100% funded through state's central budget, the minimum 10% co-financing is covered as 5% beneficiary's share and 5% through the National Authority. Please also refer to your respective National Authority in order to clarify the exact type of organization you have as partner and the exact state co-financing percentage.

## **Bank accounts and exchange rate**

- 6. Question: The provisions of the 2<sup>nd</sup> Call requested dedicated bank accounts exclusively for the Lead Partner and exclusively for the account in EUR currency where the value of the grant was to be transferred (pre-financing, interim payments and balance). This is why only the Lead Partner bank account is part of the grant contract, being identified by a FIF (Financial Identification Form). As this provision is different from the provision of the Call concerning the bank accounts, please confirm us that dedicated bank accounts for the partners is mandatory. Also, please let us know if this requirement concerns the account opened in EUR, in national currency or both of them.**

Answer: In case the Lead Applicant does not have EURO account **at the moment of the application** the existing account in national currency should be declared in the Financial identification form. However, before the Contract signature it should provide the Managing Authority with the Financial identification form with the bank account in EURO. All Ukrainian Project Participants are obliged opening a bank account by any of the state-owned banks.

The Lead Beneficiary and the Beneficiaries have to have **dedicated bank accounts** in Euro opened **specifically** for the implementation of the Project, in order to allow for the identifications of the funds received. However, the Lead Beneficiary and the Beneficiaries may have a different bank account opened in their national currency for transfers dedicated to co-financing and for other operations related exclusively to project implementation, if necessary.

- 7. Question: According to the provisions of the contract, the costs will be converted into EUR by using the exchange rates of the Commission of the month during which the expenditure was submitted for verification. Please clarify if this recommendation within the Manual has the same meaning or it**

**contains a requirement to use the monthly exchange rates of the Commission instead of the national exchange rates (e.g. daily national banks exchange rates), whenever a conversion from EUR into national currency is necessary during implementation (e.g. when a contractor is issuing an invoice).**

Answer: For all costs incurred other than the Euro, the exchange rates of the Commission of the month during which the expenditure was submitted for verification according to GC Article 6.6 shall be used. In order to verify if the procurement procedure is above or below the threshold the exchange rate may be "monthly accounting rate of the Commission", which can be found in the Inforeuro website at the following URL address: [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/index\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_en.cfm)

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## **Amendment of the Grant Contract**

### **8. Question: can some budget lines be changed or transferred to another budget line?**

Answer: Article 16 Amendment of the Contract of the Grant Contract gives the detailed clarification on this issue, saying that amendments of the budget is limited to a **transfer** between items within the same main budget heading including **cancellation** or **introduction** of an item, or a transfer between main budget headings involving a variation of 20% or less of the amount originally entered (or as modified by addendum) in relation to each concerned main heading for eligible costs. The Lead Beneficiary may amend the Budget and/or Description of the Project and shall inform the Joint Technical Secretariat accordingly.

### **9. Question: Is there a possibility to reallocate some money (savings) to Human Resources as well, introducing a new position in HR? There are some savings in organizing meetings budget lines for all partners, and we expect that there will be more savings on these lines up to end of this year.**

Answer: see above

### **10. Question: The application form and the budget are integral part of the GC. According to PIM, the GC can be amended according to Article 16 of the Grant Contract.**

Answer: Where the amendment to the Budget and/or Description of the Project does not affect the basic purpose of the Project and the financial impact is limited to a transfer between items within the same main budget heading including cancellation or introduction of an item, or a transfer between main budget headings involving a variation of 20% or less of the amount originally entered (or as modified by addendum) in relation to each concerned main heading for eligible costs, the Lead Beneficiary may amend the Budget and/or Description of the Project and shall inform the Joint Technical Secretariat accordingly.

Amendments, however, cannot change the purpose or effect of making changes to the GC that would call into question the grant award decision and cannot increase the maximum amount established in the contract.

The following issues may be subject to addendum:

- Changes in the partnership;

- Significant budget reallocations like a transfer between main budget headings involving a variation of more than 20% of the amount originally entered (or as modified by addendum);
- Extension of the implementation period (by period of maximum 6 months).

Other types of modifications (not requiring addendum) can also be as listed below:

- the amendment to the Budget or Description of the Project that does not affect the basic purpose of the project; and
- a transfer between items within the same main budget heading including cancellation or introduction of an item with limited financial impact or
- a transfer between main budget headings involving a variation of 20% or less of the amount originally entered (or as modified by addendum) in relation to each concerned main heading for eligible costs.

The Lead Beneficiary shall submit such amendments collected during the concerned reporting period in form of a "request for modification(s)" for approval to the Joint Technical Secretariat by the end of the reporting period but in the interim or final report at the latest. This method may not be used to amend the headings for indirect costs, or the amounts or rates of simplified cost options defined in the Contract.

The Lead Beneficiary can also choose to notify the JTS on modifications that are not subject to addendum in advance, before the date the changes shall be implemented, in order to get an opinion of the JTS or a confirmation that the proposed change is not subject to an addendum.

## Procurement

**11.Question: The estimated value of the procurement procedure is planned at the stage of the project preparation and fixed in the part of the Application Form "Procurement Plan", what may be updated during the contracting phase. At the moment of the launching of the tender procedure by the Beneficiary the type of the procedure must be defined using "monthly accounting rate of the Commission", which can be found in the Inforeuro website. The correctness of the tender procedure to be used is also the point for the verification done by the national control/audit, who will apply the exchange rate for the month when the report is sent to them for examination. How to avoid a risk of defining wrong procurement procedure because of using the exchange rates applicable in different period of project life.**

Answer: Exchange rate fluctuations are expected during the project cycle, from the development of the budget during the submission of the project proposal, beginning of the project implementation period (when the Procurement Plan, part of the Application Form has to be prepared), and actual moment of the launching of the tender procedures.

You need to ensure the use of the right procurement procedure, in accordance with the threshold in Euro. Please check the conversion to national currency when preparing your procurement plan and again before launching the procedure. We strongly recommend to **indicate the conversion rate in the tender documents in order to facilitate the work of the national controllers/auditors carrying out the expenditure.** In this case the exchange rate may be "monthly accounting rate of the Commission", which can be found in

the Inforeuro website at the following URL address:  
[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/index\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_en.cfm)

The rule on the exchange rate used is a rule that comes from the Implementing Regulation and is adopted at the level of the Programme.

Additional fluctuations may take place during the project implementation, once the procurement contracts are awarded. Please note that the rate used to check the compliance with the thresholds for the type of procedure will NOT be the same one than during the reporting of the expenditure. In accordance with the Programme rules, the exchange for reporting will be the exchange rates of the Commission of the **month during which the expenditure was submitted for verification** (GC Article 6.6).

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Such fluctuations may have negative impact on the procurement procedure in case when the contract value is bordering the thresholds.

*(Example for UA and RO private entities)* for example the value of the supply contract at the moment of the tender launching is equivalent to 19 500 Euro (award on the basis of single tender). During the verification examination the applicable exchange rate can fluctuate this amount to the 21 000 Euro (competitive negotiated procedure).

Thus in order to minimize the financial risks and ineligibility in such cases we recommend to choose procedure for the higher thresholds which contain stricter requirements.

#### **12.Question: What procurement rules and procedures shall Romanian NGOs use?**

Answer: Governmental Order 1284/ 2016 (O.G) does not apply to cross border cooperation Programmes – Art 5, hence the Programme bodies decided on a compromise to fill in the legislative void on the procurement rules and procedures for Romanian private beneficiaries. According to the IR 897, article 52.2 applies to NGOs, but below the threshold of 60.000 EUR, even the Regulation does not mention specific rules. As a consequence, the guidelines (Annex 3 of PIM) on procurement for Romanian private beneficiaries was elaborated by TESIM and endorsed by the Programme. As a general rule, the national legislations shall be followed on procurement. In case it is missing, the mentioned guidelines are to be taken as a reference and recommendation. In case you have a different practice at the level of your NGO or certain preference in terms of templates – please feel free to use them as long as you observe the Programme’s recommendations as well.

In conclusion, the procurements templates suggested by PIM’s Annex 3 shall be used as recommendations and the rules and thresholds presented in the annex are mandatory.

#### **13.Question on the document “Guide on procurement by private project beneficiaries in Romania” - section 4. Which type of procedure? 4.4. Direct award (payment against invoice)**

For the amount of the procurement (service, supply, works) up to 2.500€ the procedure of the direct award is applied when the payment can be done against the invoice.

Even though it is possible to accept payments up to 2.500€ against the invoice without prior formal acceptance of a tender, the beneficiary is highly recommended to **have more than**

**one offer** even by e mail or from internet. Otherwise the Beneficiary should provide an explanation of the reasons for the choice and how 'best value for money' or 'the lowest price' principles were observed.

Irrespective the amounts concerned, all procurements must be awarded to the tender offering best value for money, or as appropriate, to the tender offering the lowest price and respect the general principles of avoidance of conflict of interest, transparency, fair competition, equal treatment, proportionality and non-discrimination.

The mentioned above information is applicable also for the Ukrainian private entities.

**14.Question: it is not clear if the templates and forms are mandatory or not. There are phrases where they are referred as "recommended" and phrases where are referred as "compulsory". As you know, the templates within the PRAG are recommended models and can be modified and adapted to the specific of the implemented procurement procedure. What is relevant and important in PRAG are the main principles, and not the templates themselves. This is why, we would like to ask you to let us know if, according to the Programme, the indicated templates within this Guide are mandatory as they are, or they are just recommended models and can be modified and adapted? The same question concerning to the templates attached to the Guide.**

Answer: Article 52.2 of the ENI CBC Implementing Rules (EC Regulation 897/2014) stipulates that tender documents **must be drafted according to the best international practice**. The practical guide on contract procedures for European Union external action (PRAG) is recognized as the best international practice in the in preparing and implementing procurement procedures.

Annexes 2 and 3 Guide on procurement by private project beneficiaries in Ukraine and in Romania to the PIM are developed by the TESIM project and establish proper balance between the necessary formal and legal requirements of the PRAG and the capabilities and interest of the project beneficiaries. The Guide is adapted to the concrete needs of the private non-profit organizations and it is structured by type of procedure. The templates in the Guide are a simplification of the PRAG ones and may be used as an alternative to PRAG templates, which are compulsory for more complex procedures. Programme **strongly** advices to use the available mentioned documents which can be found on the Programme web site <https://huskroua-cbc.eu/documents/project-implementation-documents> in order to secure the eligibility of the expenditure during the verification.

The Romanian and Ukrainian private entities are advised to follow the above rule for their own benefit and take the templates from the PIM's annex as examples which can be adapted to the best of their needs.

**15.Question: on the document "Guide on procurement by private project beneficiaries in Romania" – section 4. Which type of procedure? 4.5.2. Evaluation documents and reports for single tenders**

The mentioned document mentions (pp. 42): *"The recommended set of documents for evaluation is: (...)*

*We provide a set of recommended documents, but remember that the evaluation grid and the negotiation report for single tender are compulsory in any case"*

Answer: Please feel to use either the PRAG templates or the ones recommended in the Annex. Either way, in order to clarify, please use the annexes under the rule of "recommended".

**16.Question: on public procurement in Ukraine and using CPV codes: Our partner - a public institutions in Ukraine - has to purchase medical equipment of 370,000 euro, following the Ukrainian legislation for public acquisition; in this particular case the procedure appeared to be "International open tender for contracts of EUR 300,000 or more".**

**As interpreted by the partner representatives in the acquisition domain, as there are 5 CPV codes involved, separate procedures should be implemented, meaning one procedure for each CPV code to be purchased; this means that each of the 5 procedures has an estimated value below the threshold of 132,000 euros, the mandatory threshold for the open tender procedure.**

**Given the different interpretations on this case, please advise us on the appropriate procedure to follow and on the regulations that should prevail within the project.**

Answer: As a general and overarching rule, procurement procedures and thresholds shall follow the national legislation of the country where the Beneficiary is located (Ukraine).

Ukrainian beneficiaries, in accordance with the provisions of the Financing Agreement, also need to comply with the rules stipulated in the ENI CBC Implementing Regulation (EU) no 897/2014. Articles 53 to 55 of the ENI CBC IR define the type of procedure and thresholds for services, supplies and works. Moreover Article 9 of the Special Conditions of the Financing Agreements stipulate that: "...For the avoidance of doubt, lower thresholds than those set out in title VI Chapter 4 of Implementing Regulation (EU) no 897/2014 may be applied by beneficiaries or the CBC partner country". This clause applies to the public bodies, as the thresholds in the national legislation are lower and the national legislation is mandatory for these bodies.

Factsheet on procurement by project public beneficiaries in Ukraine prepared by the TESIM project describes the compliance of the national regulation requirements with points ENI CBC Implementing Rules for the procurement above 60,000 €. Please read this document additionally.

In the particular described case the procedure of the open tender should be used. At the same time we would like to draw your attention to the artificial splitting of large contracts into the smaller units so that they fall below the thresholds. Such splitting must be avoided.

The web site of the HUSKROUA Programme maybe proposed for you as free platform for the announcement and the source of publication needed for this type of procedure.

**17.Question: In case of purchase of goods/services under budget lines below 2500 Euro (payments against invoices), e.g. legal services, post services, notary services, telephone/internet, consumables and others do we have to ask each time for at least two price proposals or we may simply go to the supplier and buy the things/services we need?**



Following the PIM, Annex II and II Guide on procurement by private project beneficiaries in Romania and in Ukraine, the purchase up to 2.500€ go through the direct award or just order payment against invoice without prior acceptance of a tender.

The PIM contains further explanation: "Since any procurement has to either demonstrate the best value for money, or as appropriate, the lowest price (article 52.2(a) of ENI CBC IR), **whenever possible, have more than one offer, even if only by e-mail.** It is not compulsory, but highly recommended. If you have only one offer or even no offer at all, please provide an explanation of the reasons for the choice and how 'best value for money' or 'the lowest price' principles were observed;"

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Please note that the budgetary commitment against which the invoice is paid has to be validated before the contracting authority enters into the corresponding 'legal commitment'. In this context, such legal commitment may take the form of an agreement, a pro-forma invoice, a written acceptance of a quotation, a booking confirmation, an order form, etc.

So in case of the post services, office phone connection and similar services with the restricted representation on the market or state monopoly *you should not require a price offer.* State monopoly (post office) or just one supplier in the region (in the case of notary services) is a proper reason for direct award.

**18.Can we interpret point 21.2 of the Article 21 of the Grant Contract "Contract addresses" which contain audit data as direct award of the auditor services without procurement procedure?**

Article 21 of the Grant Contract "Contract addresses", point 21.2 contains the data of the audit company. This point of the Grant Contract is backed up by the Article 6.7 of the Grant Contract which imposes the obligation on the Beneficiaries to provide an expenditure verification report after each 12 months period and for any request for further pre-financing payment.

The point 21.2 has *informative meaning* and should be filled in at the contracting stage due to the requirement of the Grant Contract template. The audit company may only be selected by the Beneficiaries from so called Long List of the auditors adopted by the Decree of the Ministry of Finance of Ukraine (Ukrainian CCP) on March, the 14, 2019.

However choosing the audit company from the Long List in any case **does not relieve** the UA Beneficiary from procurement obligations.

So even if the name of the audit company is fixed in the Grant Contract the UA Beneficiary is still obliged to follow procurement procedure and thresholds foreseen by the national legislation (or Programme rules in case of the private entities) and complemented by the ENI CBC Implementing Rules (Regulation No 897/2014).

By setting the concrete name of the audit company in the Grant Contract the UA Beneficiary **cannot** restrict other audit companies from the Long List from participation in the tender for service procurement.

## Communication

### **19.Question: on the use of the EU logo as visibility requirements. Can we use a translated version of the Programme's and of the EU logo?**

Answer: Please use the official English version of the Programme and EU logo as per the *Communication and Visibility Manual* annexes. One can translate the phrase that follows the EU emblem: "The Project is co-financed by the European" into national languages though.

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### **20.Question: on the *Communication and Visibility Manual for Grant Beneficiaries* - Section "3.2 Information campaigns, events, visits, stakeholder meetings" (page 7 and 8).**

Please let us know what are the expectations set in relation to the following text of the manual: "*The Joint Technical Secretariat and its Branch Offices in participating regions shall be closely involved in the preparation and implementation of such events, including contacts with the media.*"; "*must be approved by, and coordinated with, the Joint Technical Secretariat and its Branch Offices in participating regions*"; "*must coordinate the text with the Joint Technical Secretariat and its Branch Offices*"?

Answer: the beneficiaries have to request the approval from the JTS for the visibility elements on different communication items that are being published, purchased or released: press-releases, publications, promo materials, videos etc. However, the JTS shall not be consulted on elements that have to do with social media campaign (Facebook or Twitter posting) or giving interviews in the media.

### **21.Question: Who should approve press-releases and other communication activities? Either the JTS or the branch offices?**

Answer: Every project in implementation has a dedicated project manager from the JTS who shall be involved and informed on the operations of the project. On the other hand, the BOs ensure a JTS presence in the territory and have a more day to day communication with the project beneficiaries.

The beneficiaries are supposed to send the press releases or any other visibility materials to the JTS first of all, and BO in case of need will assist the JTS in this task.

### **22. While getting the approval of the communication materials, beneficiaries must send visualization materials to the Lead Beneficiary, and the Lead Beneficiary sends JTS managers?**

Answer: In order to simplify the approval procedure and to shorten the timing it requires, materials can be submitted directly to Communication manager in JTS given that Lead Beneficiary and Programme manager are put in CC.

### **23.What is the algorithm for the approval of the Project-level visibility materials: Beneficiary-lead beneficiary-JTS?**

Answer: there are 2 possible algorithms. *Beneficiary-Lead Beneficiary-JTS Communication manager + JTS Programme manager in CC* or *Beneficiary-JTS Communication manager + Lead Beneficiary and JTS Programme manager in CC*. Both ways can be used.

## Reporting

**24.Question: During the previous Programme (HUSKROUA CBC 2007-2013) the consolidated reports were submitted by the Lead Applicant to the national controllers and only afterwards to the JTS. Should we understand that in the current Programme this step will be skipped and, after the consolidated report is prepared, it will be submitted directly to the JTS? This information is very important because it has a high impact over the deadlines.**

Answer: Indeed, every beneficiary submits the report for expenditure verification to the national controllers/ audit and the consolidated version of the report including the expenditure verification reports of all Beneficiaries are prepared and submitted by the Lead Beneficiary to the JTS. The Consolidated report is not verified by the national controllers/ audit.

**25.Question: Will the platform IMIS be available for reporting (starting with e.g. October 2020)?**

Answer: The reporting will be facilitated through another IT platform, other than IMIS. The platform and instructions on reporting will be made available to beneficiaries in due time.

**26.Question: Is it possible to have a template of interim narrative and financial report?**

Answer: The reporting templates are being developed by the JTS and will be published on the Programme web site as soon as they are ready for the awareness and introduction. It is important to underline that the reporting documents will be prepared by the Beneficiaries and Controllers (Auditors) using new Reporting Module of the on line platform Interregplus. Taking into account the technical specifications of the mentioned system the JTS draws attention of the Beneficiaries that the design and formatting of the reporting documents generated automatically by the on line platform Interregplus may differ from the published ones. However, there will be no difference from the point of content and requirements.

**27.If there is a need to upload to the I+ system scanned Timesheets? How to fill in the cumulative Timesheet?**

Answer:

The Timesheets should be uploaded to the system as the supporting documents to the part-time work. For this purpose the system section "Documents" can be used. The cumulative timesheet is developed in order to sum up the % of the part time work of one person employed in different projects. Thus if one person is involved in different projects he or she has to indicate the corresponding % of the working time in each project.

**28.Who is signing the second page of the Timesheet – employee or the financial manager?**

Answer: Timesheet is signed by the employee and by the person who is entitled to supervise the tasks performed by the employee (head of unit for example).

**29.What to do if we already have signed the service contract with the audit company not using the Programme template?**

Answer: The approach of the JTS to the mentioned problem is the following: those UA PUBLIC entities which already signed the service contracts with audit companies and already made payment(s) shall make the corresponding addendums to valid contracts using Programme templates

- those UA PUBLIC entities which just already signed the contracts but no payments were made also shall make the corresponding addendums to valid contracts using Programme templates
- UA PUBLIC entities must use Programme templates while making the procurement for the audit services

- those UA PRIVATE entities which already signed the service contracts (with the payments or not) must re-sign them using Programme template

Using other templates than Programme ones will lead to the ineligibility of costs !

### **30. Is it mandatory to download supporting documents for the Human Resources to the I+ system and what are these documents?**

Answer: It is necessary to upload supporting documents to the system as it will give the background for the controlling bodies as well as for the JTS to verify and check the eligibility of reported costs. The list of the supporting documents for the section Human Recourses and the eligibility rules are set in the Project Implementation Manual, chapter 5:

"For staff costs, the following documents must be provided for reporting, controlling or audit purposes:

- Employment/work contract and/ or an appointment decision with the Lead Beneficiary or one of the Beneficiaries; the appointment decision needs to be aligned with specific national or organizational rules;
- Updated job descriptions providing information on responsibilities related to the project;
- Payroll data, pay slips (never invoices or acts of performance);
- Timesheets (in case of staff not dedicated 100% of time to the project);
- Proof of payment of salaries and employment taxes; social security charges."

### **31. What is the deadline for the beneficiary to submit a report in the system?**

Answer: The chapter 6 of the PIM regulates the timeframe for the submission **in the I+ system** reports. It says that the Beneficiaries have to submit their Interim reports within **15 days** after the end of the reporting period into **the I+ system**. The final reports have to be submitted **to the system** within **30 days** after the end of the implementation period. The Project Report (consolidated report) has to be submitted by the Lead Beneficiary for the verification to the JTS within **3 months** after the end of the reporting period.

*In case the Interreg + system is not functional to provide an expenditure verification report, the deadline defined for the Beneficiary to submit the Beneficiary report and the Lead Beneficiary to submit the consolidated Project interim and final reports with all approved expenditure verification reports for the first 12 months period shall be prolonged with maximum **6 months** depending on the availability of the functional system.*

### **32. What conversion rate we should indicate when introducing data to the I+ expenditure on the procurement?**

Answer: The point 6.6 of the Grant Contract says that for reporting the monthly accounting exchange rate of the Commission of the month during which the expenditure was submitted for examination to the national control or auditor **via the I+ system** should be used.

All the expenditure introduced into the system will be converted using the same, mentioned above exchange rate.

The official rates are available at the following internet address:  
[https://ec.europa.eu/info/funding-tenders/how-eu-funding-works/information-contractors-and-beneficiaries/exchange-rate-infoeuro\\_en](https://ec.europa.eu/info/funding-tenders/how-eu-funding-works/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en)

**33. Shall we translate from Ukrainian into English the procurement documentation for the purpose of reporting?**

Answer: There is no need to translate procurement documentation for the reporting purposes from the national languages to English.

**34. How to report about the indirect costs?**

Answer: No supporting documents have to be produced to justify these costs during reporting. However, the MA may request supporting evidence to verify the actual calculation method during the project implementation period.

**35. Is it obligatory to upload to the system supporting documents for the procurement? Shall we upload all the price offers from tender participants?**

Answer: Non-compliance with the national or Programme public procurement rules as for example using the wrong procurement procedures, artificially splitting lots during the procurement process etc. identified in the Programme documents as the potential risk which may lead to the irregularities.

That is why the following supporting documents should be uploaded into the system:

- Documentation of the procurement process: invitation to tender, received tenders, evaluation grids;
- Contracts or written agreements laying down the works and infrastructure making a clear reference to the project and the Programme. Any changes to the contract must comply with the applicable procurement rules and must be documented;
- Proof of payments (e.g. bank statements) and delivery (e.g. Certification of performance);
- Documents attesting delivery and receipt;
- Actual outputs;
- If applicable, after the finalization of the works, but at latest with the final beneficiary report the usage permit issued by the relevant authority;
- Legal documents specifying the ownership (at the latest by the end of the Project)

For **payments up to 2.500€ against invoice** without prior formal acceptance of a tender, the beneficiary has to upload supporting documents which need to prove that the basic principles of the procurement are respected:

- price offer (upload more than one offer, even if only got by e-mail);
- contract or any other supporting document (invoice, receipt, consignment note, cash receipt, settlement receipt, travel document, etc.)
- proof of payments;

**36. Shall we upload to I+ documents regarding the expenditure which are less than 2500 Euro?**

Answer:

Any documents regarding expenditure incurred and paid should be uploaded to the I+ system due to that fact that the system aggregates all the introduced amounts and sums up the amount of the total reported costs. The amount of the total reported costs will be verified and send to the JTS for checking and initiating the next payment.

**37. Shall we upload photos to the I+ as the proof of the reconstruction or meetings?**

Answer:

The PIM provides the Beneficiaries with the additional requirements on the supporting documents for the purpose of the reporting. These are the following:

- Photos from events organized within the project;
- Photos of works and/ or equipment purchased;
- Promotional materials;

This shall serve in order to allow for smooth reporting, controlling or audit.

**38. How to reflect correctly in the report the goods purchased with VAT at the expense of the ENI grant? Question from the Ukrainian Beneficiary**

Answer: VAT is not eligible cost for Ukrainian beneficiary. According to the Financial Agreement, all costs are tax exempted. In order to enable Ukrainian suppliers to receive the VAT exemption, the Beneficiaries has to pass the procedure of the state registration of a project in the Directorate of the coordination of the international technical assistance, Secretary of the Cabinet of Ministries in Ukraine.

If the goods (services) were already purchased and the VAT amount is paid and indicated in the supporting documents (invoice, act of performance) this amount must not be accepted by the controlling bodies.

A beneficiary should include in the interim/final report amounts of money paid without VAT, even if VAT was paid. For example, a beneficiary purchased a railroad ticket and paid 600 UAH, including VAT 100 UAH. In this case only 500 UAH should be included in the report. If a beneficiary includes in the report 600 UAH including VAT 100 UAH, 100 UAH will be recognized as ineligible costs.

**39. Where can we find the specific national communication on reporting based on the country we are based in?**

Answer: Specific guidelines on reporting for Hungarian beneficiaries and Slovak and Romanian can be found on the website of the programme under section "Documents for Implementation": <https://huskroua-cbc.eu/documents/project-implementation-documents>

**40. For each invoice do we have to include how much is ENI grant and how much is own co- financing?**

Answer: No, just the total amount has to be specified and no breakout amounts have to be mentioned.

**41. Should the invitations for procurement from private beneficiaries be made public without the use of Prozorro (up to € 20,000)? If so, on what resources can we use?**

Answer: As explained in the TESIM guide for procurement by private beneficiaries (p.6), a procurement with values is more than EUR 2500 EUR and less than EUR 20 000 requires evaluation at least two bids. According to procurement principles, stated on pp. 14-15 of the mentioned above TESIM guide, all procurement procedures must be based on principals of transparency, fair competition, equal treatment, proportionality, and non-discrimination. One of the key factors to follow these principles, is to make the information about procurement public.

Please pay attention to the p. of the TESIM guide: "Even though the single procedure, as described in PRAG allows inviting only one tenderer, the MAs and NA jointly agreed that at least two offers will be evaluated by the beneficiary for procurement procedures between 2.500€ and 20.000€. Additionally, article 52.2(a) of the ENI CBC obliges that the contract is awarded to the tender offering best value for money, or as appropriate, to the tender offering the lowest price. Having two offers would allow the contracting authority to justify more easily either best value for money or the lowest price was chosen and:

- increase openness of the procedure by increasing competition,
- increase the possibility to get a better value for money.”

Thus, increasing the openness of information about the procurement procedure is a direct responsibility of the beneficiary. A private beneficiary may use Prozorro (it is not prohibited), or public information about procurement on the program website, its own website, or other local (Ukrainian resources) such as ГУРТ (<https://gurt.org.ua/news/>)

**42. And if the procurement is made by a private entity, from what amount is a declaration of honor required? At purchases 2500 - 20000 it is necessary?**

Answer: The declaration of honor is required, which is explained in paragraph 4.5.2. of TESIM guide for procurement by private beneficiaries

**43. What documents can be used to justify the choice of supplier for the amount of purchase up to 50 thousand UAH?**

Answer: According to best procurement practices, it is recommended that the beneficiary invite at least two participants for procurement up to EUR 2500 (p.4.4 of TESIM guide for private beneficiaries). Received invoices can be used for confirmation, including those received via email. If there is no such confirmation, the beneficiary must explain in writing why the selection of the supplier meets the required criteria.

**44. Is it necessary to submit three price offers for each contract if the purchase amount is less than 10,000 euros?**

Answer: For the payments up to 2.500€ against invoice pls see the answer above. For the single tender within thresholds for services/supplies/works:  $\geq 2.500\text{€} < 20.000\text{€}$  the Beneficiary should upload the following in the I+:

- at least two price offers;
- if 2 price offers could not be collected there should be an explanation of the reasons for the choice and how 'best value for money' or 'the lowest price' principles were observed
- contract
- proof of payment

**45. The amount of the budget item is 12,000 euros (services on the creation of digital procurement). These works cannot be performed by one executor, can we conclude several contracts in one budget item? (Question from Private entity)**

Answer: The several contracts can be concluded in one budget line if it does not violate the principle of non-splitting procurement.

**46. If we (Public institution) sign a contract with an expert, a private person on the terms of the civil law contract will the social security contributions paid by us be accepted? Question from UA public institution**

Answer: The paid social contributions are eligible, if they are paid according to paragraph 1 of the article 4 of the Law "On collection and accounting for the single mandatory state social security contribution". Payments according paragraphs 4 and 5 of the article 4 of the Law "On collection and accounting for the single mandatory state social security contribution" are not eligible for the beneficiary, these payments must be made by a contracted person.

## On line system Interreg+ Reporting module

**47. Will the auditor verify expenditures via I+ system?**

Answer: Yes, the auditor receives the Beneficiary Report through the I+ system and has to perform the verification task in the system.

**48. Will I+ system display Grant Contract main data before we start reporting?  
This refers to the budget planned amounts, budget lines description**

Answer: Yes, all Beneficiaries will have access to the Project Part data and main data of the Project they are participating in the implementation.

**49. How to get the credentials to I+ system so we can start reporting?**

Answer: The INTERREG+ Office with the involvement of the JTS is going to request the Lead Beneficiary to fill in 'User registration form' collecting information for all Partners. Once your completed user registration form is received, the colleagues of the INTERREG+ Office will create all requested users and will send you the individual user credentials with all necessary information in a direct e-mail to the user e-mail address only. The method will be simplified later.

**50. In case of technical problem in I+ which service or person we should contact?**

Answer: Should you have any technical issue concerning INTERREG+ IT System functioning, please contact INTERREG+ Support Team at the [iplussupport@szpi.hu](mailto:iplussupport@szpi.hu) e-mail address. To support your case, please, provide a description of the problem with as much details as possible, and attach screenshots, of which the entire screen is visible. Additionally, please provide the Project (Part) ID and the username.

**51. What is conversion rate I+ will use?**

Answer: The point 6.6 of the Grant Contract says that for reporting the monthly accounting exchange rate of the Commission of the month during which the expenditure was submitted for examination to the national control or auditor **via the I+ system** should be used. All the expenditure introduced into the system will be converted using the same, mentioned above exchange rate. The official rates are available at the following internet address: [https://ec.europa.eu/info/funding-tenders/how-eu-funding-works/information-contractors-and-beneficiaries/exchange-rate-infoeuro\\_en](https://ec.europa.eu/info/funding-tenders/how-eu-funding-works/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en)

**52. What is the maxim size or number of the files in I+ for the section "Activity"?**

Answer: There is now restriction for the size or for the number of documents to be uploaded.

**53. Can there be several users in the I+ system for one project and can they edit information at the same time?**

Answer: Only one individual user credentials (Recording and/or Signatory users) will be delegated to one Project Part.

**54. Can one user have one login for several projects if they are performed by different organizations?**

Answer: Yes, in addition, we recommend to consider the below information before registering to the system:  
Every user needs a unique e-mail address for user creation – every e-mail can be registered only once in the system;  
A user can serve as Recording and/or Signatory user at the same time - if the same person can do both tasks, please consider having only one user;  
Multiple Project Parts can be assigned to the same user - if a Partner is participating in more than one project, please consider how many user you will need (keeping in mind that logging in with the same user simultaneously and working on either the same BR or different BRs is strongly discouraged, and may lead to loss of data).



**55. When entering the INTERREG+ as a user, for e.g LB, all beneficiaries will have access to all the data that is uploaded by all Beneficiaries? Editing/deleting access will have only recording/signatory user for each beneficiary right? For example, as LB will not be able to delete/modify data in B1 report/data, right?**

Answer: The Beneficiary report allows each Beneficiary (LB or Beneficiary) to report on its achievements, activities and sub-activities, costs and revenues if the case and procurement. At this stage, you cannot modify an activity that was part of the project application form, but to give an update on it. In addition, a LB will not be able to see what the other Beneficiaries are reporting. This will be possible only at the "Project Reporting" stage.

**56. Can I modify the input data in the Beneficiary Report if I want to?**

Answer: No, at this stage, a Beneficiary cannot do that, but can only provide an update. If significant change was introduced to an activity, this shall be notified to the JTS through the LB and the modifications shall be operated by the JTS before your reporting.

## State registration of the projects in Ukraine

**57. Question: regarding the state registration of the project in the Secretariat of the Cabinet of Ministers of Ukraine for Ukrainian Beneficiaries.**

Answer: The state registration of the projects is compulsory. The state registration of projects is the basis for the realization of the right to receiving the corresponding privileges such VAT exemption and custom duties, immunities provided by the Ukrainian legislation and the international agreements of Ukraine. The state registration is regulated by the relevant Ukrainian legislation, Decree of the Cabinet of Ministries of Ukraine No153 dated February 15, 2002 "On the unified system for raising, using and monitoring international technical assistance" <https://zakon.rada.gov.ua/laws/show/153-2002-%D0%BF>. The procedure of state registration is described in the Order of Involvement, Use and Monitoring of International Technical Assistance (Порядок залучення, використання та моніторингу міжнародної технічної допомоги)

The Secretariat of the Cabinet of Ministers of Ukraine is the state body responsible for conducting the procedure of the project registration.

The JTS prepares **the letter of request** for the state registration for Ukrainian Beneficiaries what is one of the obligatory document in the registration package. Please contact your project's manager in the JTS requesting the mentioned letter.

**58. Question: Why do the EU Lead Beneficiaries need to sign a procurement plan of UA partner in Ukrainian?**

Answer: Procurement plan of the supplies, services and works is the part of the package of the document needed for conducting the state registration of the cross border cooperation project in Ukraine. The procurement plan is drafted according to the form set in the Ukrainian legislation and has to be signed and sealed by the donor or the responsible executor of the project (i.e. the Lead beneficiary, who has signed the Grant Contract with the Managing Authority).

It is a requirement of the Order of Involvement, Use and Monitoring of International Technical Assistance (Порядок залучення, використання та моніторингу міжнародної технічної

допомоги), approved by Decree of the Cabinet of Ministries of Ukraine No153 dated February 15, 2002.

According to the chapter "State Registration of the Projects (Programmes)", article 14, last paragraph of the part two "For projects (programs) in which the beneficiary will simultaneously perform the functions of the recipient, the procurement plan is certified by the donor or executor and agreed by the beneficiary."

## **Role of the Branch Offices in the Programme**

### **59.Question: How can the BOs assist projects in implementation? Do the BOs have a controlling role? Are we supposed to provide any reports to the BOs?**

Answer: The HUSKROUA Programme has set branch offices in Kosice, Presov, Uzhhorod, Ivano-Frankivsk, Satu-Mare and Sighetu Marmatiei. The main tasks of the BOs is related to communication, dissemination of the information related to the Call for proposals. The BOs may also be involved in the assistance to the Managing Authority and JTS in the administrative and eligibility check, and implementation follow-up such as monitoring visits, participation in the public events. In no event, may the Branch Office be entrusted with a task involving exercise of public authority or the use of discretionary powers of judgment regarding projects.

The BOs are on site information offices help and assist the work of the JTS in publicising the activities related to the Programme.

The BOs do not have any controlling role and no reports shall be provided to the BOs. The BOs are in continuous communication with the JTS. Any visibility related materials which request a prior approval, shall be sent to the respective Programme Manager of the respective project. The PM can ask for the BO's assistance.

## **COVID Related questions**

### **60.Question: Due to cancellations, restriction to travel and conduct public events because of the COVID-19 pandemic, we will stay behind with Programme indicators. How can we handle this?**

Joint Operational Document requires that each priority shall set out indicators and corresponding targets in order to assess progress in programme implementation aimed at achievement of objectives. The pandemic situation may influence possibility to reach the target value of the indicators. Please be in touch with your project's manager in the JTS about your situation.

### **61.Question: Requesting extension for the project implementation connected to the activity delay due to the COVID-19 pandemic.**

When COVID-19 pandemic influences project in such a way that the planed activity has to be postponed and when necessary for successful implementation of the project work plan and realization of outputs, the projects can apply for prolonged implementation. The extension should be requested only in cases where delays cannot be handled otherwise and will be considered case by case.

**62.Question: Is there a possibility to ask for extension of the project, beyond 6 months as stipulated in the grant contract? It is not yet identified as a need, but we are not sure how the next months will evolve and if the situation with COVID 19 restrictions measures will provide adequate context for field trips and other activities that require presence in the field.**

According to Article 17.1 of the Grant Contract, [...] the project can be extended **only once and maximum with 6 months**. In the event of unforeseen and duly justified needs or circumstances, following a reasoned request from the Lead Beneficiary, the Joint Monitoring Committee may agree on further extension of the implementation period of a Project.

**63.Question: Delay in submission of the interim/final reports to the JTS due to the cancelation of the public events during the COVID-19 pandemic period.**

The Beneficiaries are obliged to submit project reports according to Article 6 of the Grant contract. Article 7.3 of the GC shall also be taken into account stating that « [...] where the consumption of the previous pre-financing is less than 100%, the amount of the new pre-financing payment shall be reduced by the unused amounts of the previous pre-financing payment”.

Please inform your project’s manager in the JTS about your situation and the reason of the possible delay.

**64.Question: Is it possible to submit a consolidated report, even if some partners have very little expenses (e.g. due to complex procurement procedures due to being contracting authority, and later on due to COVID 19 restrictions imposed at institution level- stopping all procurement procedures for unlimited period)?**

The Beneficiaries are obliged to submit project reports according to Article 6 of the Grant contract. Article 7.3 of the GC shall also be taken into account stating that « [...] where the consumption of the previous pre-financing is less than 100%, the amount of the new pre-financing payment shall be reduced by the unused amounts of the previous pre-financing payment”.

Please inform your project’s manager in the JTS about your situation and the reason of the possible delay.

**65.Question: It may be the case that after COVID 19, beneficiaries identify other risks as well, new ones, other ones compared to those specified in the initial application. It is recommended to place them in the risk management plan, when sending the report to JTS?**

Yes, it is highly recommended to fill in the risk management plan and subsequently to reflect on the contingency plan in the new context of the pandemic situation we have faced.

**66.Question: After COVID 19, the pre-financing method changed and expenditures of a project have to cover only 50% of the previous payment in order to get full amount of the next installment. Is the limit of 50% of the previous payments calculated on project level or beneficiary level?**

With the exception of the first instalment and of the second instalment in case of projects with infrastructure component or works requiring building permission, pre-financing may only be given if the part of the expenditure actually incurred which is financed by the Managing Authority (by applying the percentage set out in Article 3.2 of the Contract) stands at 50% of the previous payment on beneficiary level as supported by the corresponding interim reports and by the expenditure verification reports.

Where the consumption of the previous pre-financing on beneficiary level is less than 50%, the amount of the new pre-financing payment shall be reduced by the unused amounts of the previous pre-financing payment.