

Interreg - IPA CBC 
Hungary - Serbia

ELIGIBILITY AND PROCUREMENT RULES

LEAD BENEFICIARY SEMINAR

3-4 FEBRUARY 2021
(ONLINE EVENT)

JÁNOS HALÁSZ



A Program az Európai Unió
társfinanszírozásával valósul meg

*Jó szomszédok
a közös
jövőért*

CONTENT OF THE PRESENTATION

- Eligibility principles
- Revenues
- Procurement principles
- Procurement procedures



INTERREG-IPA Cross-border Cooperation Programme Hungary-Serbia

Eligibility Rules
of Expenditures

Approved by the Joint Monitoring Committee
on 25 February 2016

1st modification - 5 December 2016

2nd modification - 20 May 2019

3rd modification - 2 December 2019

ELSZÁMOLÁSI SEGÉDLET
az Interreg-IPA Magyarország-Szerbia
Együttműködési Program magyar
kedvezményezettjei számára

2017. október 4.



NATIONAL LEVEL PROCEDURES FOR FIRST LEVEL CONTROL

for the
Serbian Interreg-IPA Cross-Border Cooperation and Trans-
National Cooperation Programmes
under shared management
(FLC Manual and Annexes)

Version*	Date:	Approved by:
1.1.	30.12.2016.	Final version for approval
Name:	Dušan Čarkić (Acting Assistant Minister)	Date: 30.12.2016. Signature:

*History of modifications (insert rows if necessary)

- it relates to costs approved by the Joint Monitoring Committee
- it is incurred in the Programme area; (20 % eligibility rule – 1299/2013 Art 20)
- it is compliant with Programme rules, in particular with regard to the provisions of the Practical Guide to contract procedures for EC external actions (PraG)
- it is essential for the achievement of the project objectives/outputs
- it is not financed by other EU funds or other financial contributions from third parties;
- it complies with the principle of sound financial management that builds on the three principles of economy, efficiency and effectiveness;



- Costs related to fluctuation of foreign exchange rate;
- Recoverable Value Added Tax;
- Purchase, rent or leasing of real estate (except office rental for project purposes);
 - Exceptions can be made in well justified cases on a case by case basis by the JMC, e.g. for flood prevention
- Used equipment;
- Benefits apart from salary (cafeteria) which do not appear on payslips;
- ...



- Revenues foreseen at project application stage

Amount is indicated in the Application Form, the IPA contribution is already determined with consideration to the net revenue generated.

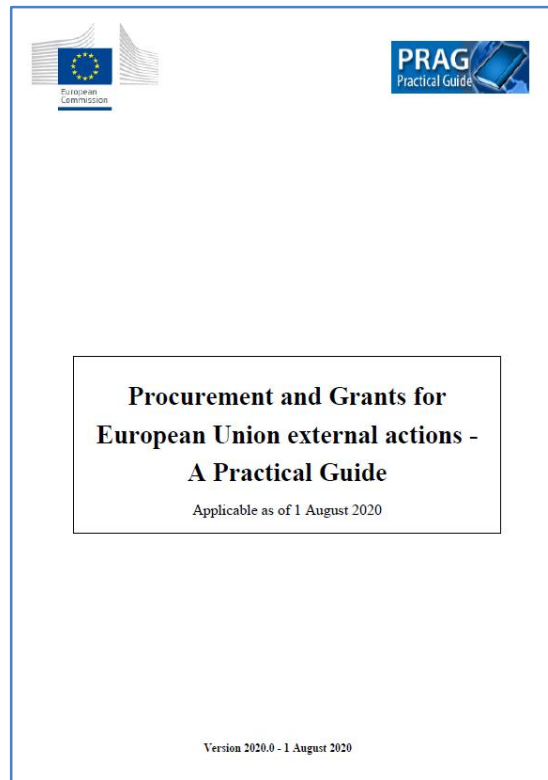
- Revenues generated during project implementation

The eligible expenditure shall be reduced by the net revenues which must be stated when reporting.

- Revenues generated after project closure

Not foreseen and/or not deducted at the application stage which are occurring after project closure have to be reported to the MA/JS. The corresponding IPA contribution has to be either withheld from the last instalment to the project or reimbursed to the MA.

- Programme has to manage procurements of services, supplies and works in accordance with external aid rules, i.e. the provisions of Commission Decision C (2013) 1171 ‘Rules and procedures for services, supply and works contracts financed from the general budget of the European Communities for the purposes of cooperation with third countries’.
- Implementation Guidelines
- PRAG
- **National legislation is not applied**



- Transparency
- Same rules for all tenderers
- No conflict of interests
- Rule of origin (company and supplies)
- English language (Hungarian/Serbian for single tender procedures)

Participation in public procurement procedures is open to all natural and legal persons from the following countries:

- EU member states (27)
- EEA states (Lichtenstein, Norway, Iceland)
- Candidate and potential candidate states – IPA fund beneficiaries
- International organizations

- In line with Article 8 (4) of Regulation EU 236/2014 all supplies purchased under a procurement contract, or in accordance with a grant agreement, financed under this Regulation shall originate from an eligible country.
- However, they **may originate from any country** when the amount of the supplies to be purchased **is below** the threshold for the use of the simplified procedure (**100 000 EUR net**). The threshold is applicable by lots.

WHICH PROCEDURE TO APPLY

SUPPLY CONTRACTS	≥ EUR 300 000	< EUR 300 000 but ≥ EUR 100 000 Local open tender procedure	< EUR 100 000 but > EUR 20 000 Simplified procedure	≤ EUR 20 000 but > EUR 2500 Single tender	≤ EUR 2 500 Direct purchase
SERVICE CONTRACTS	International restricted or open tender procedure	> EUR 20 000 but < EUR 300 000 Simplified procedure			
WORKS CONTRACTS	≥ EUR 5 000 000 International open or International restricted tender procedure	< EUR 5 000 000 but ≥ EUR 300 000 Local open tender procedure	< EUR 300 000 but > EUR 20 000 Simplified procedure		

- under or equal 2500 EUR
- no documentation (offers, contract), but invoice is needed
- for Serbian partners, VAT exemption is needed
- no obligatory time frame

For all types of tender procedures: \leq EUR 20 000 but $>$ EUR 2 500

- three request for offers sent out
- one valid offer to receive for contracting
- Beneficiaries use simplified tender package (on national language) – available on the Programme's website
- Tenders have to remain open for minimum 7 days
- Beneficiaries are recommended to publish their tenders on their websites and the Programme's website.
 - In case of publication all interested companies must receive a request for offer.

Supply: >EUR 20 000 but < EUR 100 000;

Services & Works: > EUR 20 000 but < EUR 300 000;

- according to PraG rules and documentation
- Beneficiaries invite minimum 3 companies, but are strongly recommended to publish their tenders on their websites and the Programme's website.
 - In case of publication of a tender all interested companies must receive a request for offer.
- Practical Guide to contract procedures for EU external action (PraG)
 - <http://ec.europa.eu/europeaid/prag/document.do>
- Tenders have to remain open for minimum 30 days

Supply: < EUR 300 000 but ≥ EUR 100 000;

Works: < EUR 5 000 000 but ≥ EUR 300 000;

- according to PraG rules and documentation
- Beneficiaries are obliged to publish their tenders in local media and on their websites and the Programme's website.
 - In case of publication of a tender all interested companies must receive a request for offer.
- Practical Guide to contract procedures for EU external action (PraG)
 - <http://ec.europa.eu/europeaid/prag/document.do>
- Tenders have to remain open for minimum 30 days (supply), and 60 days (works)

Supply & Services: above EUR 300 000

Works: above EUR 5 000 000;

- according to PraG rules and documentation
- Beneficiaries are obliged to publish their tenders on TED (Tender electronic daily - <http://ted.europa.eu/>), and their websites.
 - In case of publication of a tender all interested companies must receive a request for offer.
- Practical Guide to contract procedures for EU external action (PraG)
 - <http://ec.europa.eu/europeaid/prag/document.do>

PLANNING OF PROCUREMENT

- Project related procurement are carried out separately in relation to other procurements conducted by the beneficiary
- PraG procedures must apply to all procurement (services, supplies and works) that are budgeted in the project
- According to the conditions defined by PraG, the lead beneficiary or the partner organizations implementing procurement act as contractor

- The Managing Authority has a zero tolerance policy to fraud and corruption, and has in place a control system that is designed to prevent and detect, as far as is practicable, acts of fraud and correct their impact, should they occur.
- Frauds can be reported to OLAF under the following link: https://ec.europa.eu/anti-fraud/contacts/fraud-reporting-form_hu

THANK YOU FOR YOUR ATTENTION!

**Interreg-IPA CBC Hungary-Serbia
Joint Secretariat**

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