

Infrastructure and works¹

Fact sheet on eligibility of infrastructure expenditure and costs of works²

December 2018

Definition

Expenditure for the financing of infrastructure and construction works. Infrastructure and works covers costs related to investments in infrastructure that do not fall into the scope of any other budget line. This includes costs for site preparation, delivery, handling, installation, renovation, and purchase of land, when applicable.

General principles

- Costs of infrastructure and construction works are eligible if no other EU funds have contributed towards financing of the same expenditure item, i.e. no double funding is permissible (Article 65(11) Common Provisions Regulation (EU) 1303/2013).
- All costs are subject to applicable public procurement rules and each partner organisation is responsible for ensuring that these rules have been respected.
- All investments in infrastructure must comply with the applicable EU and programme information and publicity rules.

Costs of infrastructure and construction works are eligible if they have been approved by the programme.

Budget line specific rules

- Full costs of infrastructure and construction works that form part of the project are eligible, i.e. no depreciation is eligible.
- Documents specifying the ownership of land and/or buildings where the works will be carried out must be provided.

¹ Rules on eligibility of infrastructure expenditure and costs of works do not concern programmes that do not finance investments in infrastructure and do not have a budget line 'Infrastructure and costs' – this fact sheet is not relevant to such programmes.

² Guidance provided in this fact sheet takes account of provisions of the regulatory framework 2014-2020 and practices in use by ETC programmes in 2014-2020. The fact sheet is by no means a legally binding document.

- Purchase of land cannot exceed 10% of the total eligible expenditure of the project. In the case of derelict sites and sites formerly in industrial use, which comprise buildings, the purchase price cannot exceed 15% of the total eligible expenditure. In exceptional and duly justified cases, a higher percentage can be permitted for projects concerning environmental conservation, provided it has been approved by the programme (Article 59(3)(b) Common Provisions Regulation (EU) 1303/2013).
- Provision of land as in-kind contribution is eligible (Article 69(1) Common Provisions Regulation (EU) 1303/2013), if the value of the contribution does not exceed the generally accepted price on the market and it can be independently assessed and verified.
- All compulsory requirements set by the EU and national legislation related to the respective investment in infrastructure must be fulfilled (e.g. feasibility studies, environmental impact assessments, building permissions, etc.).

Audit trail

The following main documents must be available for control purposes:

- evidence of the procurement process (announcement, selection, award) in line with the national procurement rules or the EU procurement rules depending on the amount of the contract;
- a contract or a written agreement laying down the services to be provided with a clear reference to the project and the programme. For contracts paid on the basis of a daily fee, the daily rate together with the number of days contracted and the total amount of the contract must be included in the contract. Any changes to the contract must comply with the public procurement rules and must be documented;
- an invoice or a request for reimbursement providing all relevant information in line with the applicable accountancy rules;
- evidence of work;
- proof of payment.

Eligible and ineligible costs

The Interact Matrix of costs presents further examples of eligible and ineligible costs under this budget line.

Programme-specific conditions

- Rules on eligibility of infrastructure expenditure and costs of construction works do not apply to programmes that do not finance investments in infrastructure.
- In the case of purchase of land and real estate, some programmes require a document explaining a direct link between the purchase and objectives of the project, and/or a certificate from an independent qualified expert confirming that the purchase price does not exceed the market value.
- The Monitoring Committee of the programme can establish that no in-kind contribution is eligible under this budget line.