

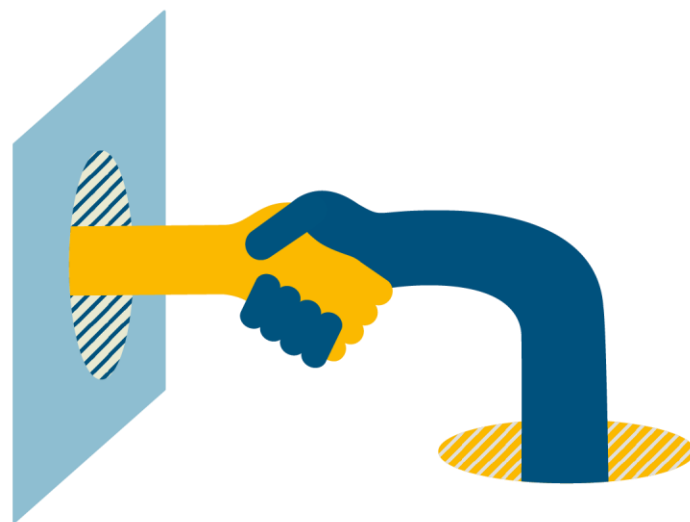
Rules on eligibility of expenditure 2014-2020

Financial management of IPA Programme

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Dimensions of eligibility - discussed today

WHAT FINANCED? – scope of intervention and types of activities	WHICH COSTS? – expenditure categories and types of costs ✓ <i>Fact sheets on budget lines</i>
WHEN? – time period	HOW CALCULATED? – calculation of eligible expenditure, including simplified cost options ✓ <i>Guidance on SCO</i>
WHERE? – geographical location	HOW JUSTIFIED? – audit trail



WHAT FINANCED? - scope of support from IPA II (Annex III, Reg. 231/2014)

- Employment, labour mobility, social and cultural inclusion
- Environment, climate change adaptation and mitigation, risk prevention and management
- Sustainable transport and public infrastructure
- Tourism, cultural and natural heritage
- Youth, education and skills
- Local and regional governance, planning and administrative capacity of local and regional authorities
- Competitiveness, business environment, SMEs, trade, investment
- Research, technological development, innovation, ICT

Within the thematic priorities selected by the programme.



NOT FINANCED - negative list (Art 43, Impl. Reg. 447/2014)

- Decommissioning and construction of nuclear power stations
- Reduction of greenhouse gas emissions from activities falling under the Emissions Trade Scheme
- Manufacturing, processing and marketing of tobacco and tobacco products
- Undertakings in difficulties (EU State aid rules)
- Airport infrastructure unless related to environmental protection or accompanied by mitigating measures



WHAT COSTS? - categories of expenditure

EU level

- Expenditure categories listed in Art 18, ETC Reg. 1299/2013

- Staff costs
- Office and administrative expenditure
- Travel and accommodation costs
- External expertise and services costs
- Equipment expenditure

- Specific rules defined in the Del. Reg. 481/2014

Programme level and national level

- Additional rules but general rules set out in CPR 1303/2013 respected



WHAT COSTS? - ineligible expenditure (non-exhaustive list)

- **Art 43, Imp. Reg. 447/2014**

- Interest on debt
- Purchase of land not built on or land built on in the amount exceeding 10% of the total eligible expenditure of the operation
- Recoverable VAT

- **Art 2, Del. Reg. 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 currency



WHEN? - timeframe for the eligibility of expenditure (Art 43, Impl. Reg. 447/2014)

- Expenditure must be incurred by the beneficiary and paid within the period:
- Beneficiary located in MS
 - 1 January 2014 – 31 December 2023
- Beneficiary located in IPA II
 - After the date of submission of the programme
- No support to operations physically completed/fully implemented before the submission of the application for funding.



HOW CALCULATED? - depending on the reimbursement option

Real costs	<ul style="list-style-type: none">➤ Rules defined in the Del. Reg. 481/2014
Simplified cost options <ul style="list-style-type: none">• Flat rate• Standard scale of unit cost• Lump sum (max EUR 100.000 public contribution)	<ul style="list-style-type: none">➤ Options applied in 2007-2013 ('acquis')➤ Options enshrined in Reg. 1303/2013 and the Reg. 1299/2013➤ Ex-ante calculation, based on a fair, equitable and verifiable method

WHERE? - location (Art 44, Impl. Reg. 447/2014)

- Operations and related expenditure – *in the programme area*.
- Exception: *outside the programme area* (both inside and outside the EU)
- under conditions (Article 44.2 and 44.3)



Example: HU-SRB IPA CBC 2007-2013

An operation (all or part of it) outside the programme area

Conditions:

- a) Operation is of benefit for the programme area
- b) Ceiling of 20% of the Union support to all operations outside respected at programme level
- c) Management, control and audit obligations

Derogation for *technical assistance, promotional activities and capacity-building*:

- only (a) + (c), but not (b)



Travel and accommodation expenditure - specific rules (Art 5, Del. Reg. 481/2014)

Additional rules: expenditure under the 20% ceiling

All partners:

- Travel and accommodation linked to technical assistance, promotional activities, capacity-building – no ceiling

Partners located outside:

- All travel and accommodation costs, regardless of the travel destination (*in* or *outside*) – 20% ceiling

Partners located inside:

- Travel and accommodation costs, travel *outside* – no ceiling
 - Exception for meals, accommodation and local travel costs, if not covered by daily allowances – 20% ceiling



WHAT COSTS? HOW CALCULATED? HOW JUSTIFIED? - fact sheets

- 5 + 1 fact sheets

- Staff costs
- Office and administration
- Travel and accommodation
- External expertise and services
- Equipment
- *Infrastructure and works*

Available on INTERACT website
www.interact-eu.net

- Matrix of costs – examples of costs under each of the budget lines



Cooperation works

All materials will be available on:

www.interact-eu.net

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