

Interreg



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IPA ADRION

**INTERREG VI-B IPA ADRIATIC IONIAN PROGRAMME
IPA ADRION**

**IMPLEMENTATION MANUAL
PRIORITY AXIS No 4**

Draft

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List of abbreviations:

| | |
|---|--|
| IPA ADRION | INTERREG VI-B IPA Adriatic-Ionian Cooperation Programme |
| AF | Application Form |
| AP | Associated Partner |
| JEMS | Joint electronic monitoring system |
| ENI | European Neighbourhood Instrument |
| ESI FUNDS | European Investment and Structural Funds |
| ERDF | European Regional Development Fund |
| ETC | European Territorial Cooperation |
| EUSAIR | European Union Strategy for Adriatic and Ionian Region |
| EUSAIR GB | European Union Strategy for Adriatic and Ionian Region Governing Board |
| EUSAIR TSGs | European Union Strategy for Adriatic and Ionian Region Thematic Steering Groups |
| ERDF Participating Countries | Croatia, Greece, Italy, Slovenia |
| ICT | Information and Communication Technologies |
| IPA III | Instrument for Pre-Accession Assistance |
| IPA Participating Countries | Albania, Bosnia and Herzegovina, Montenegro, Serbia and North Macedonia |
| JS | Joint Secretariat |
| LP | Lead partner |
| MA | Managing Authority |
| MC | Monitoring Committee |
| NCP | National Contact Point |
| IPA ADRION Participating countries | Croatia, Greece, Italy, Slovenia, Albania, Bosnia and Herzegovina, Montenegro, Serbia, North Macedonia, San Marino |
| PP | Project Partner |
| PRAG | Practical Guide to contract procedures for EU external actions |
| S.O. | Specific Objective |
| <i>Lead Partner (LP), Lead beneficiary and Lead applicant have been used as synonyms</i> | |
| <i>Project Partner (PP) and project beneficiary have been used as synonyms</i> | |
| <i>Associates Partner (AP) and Associated Organisation (AO) have been used as synonyms, also in JEMS.</i> | |
| <i>Operation and project have been used as synonyms</i> | |

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IPA ADRION legal and institutional framework

Disclaimer

The present manual has been drafted taking into account the IPA ADRION MC decisions as reported in the Application Manual for Priority Axis 4 – Strategic Projects and the structure of the Implementation Manual for the strategic project of ADRION 2014-2020. It complements and/or integrate the content of the subsidy contract and partnership agreement.

1. Overall legal framework

An overview on the legal framework supporting the Interreg VI-B Adriatic-Ionian programme (IPA ADRION) is provided (non-exhaustive list); eventual amendments and implementing/delegate acts of the listed Regulations must be considered as well:

EU key regulations

- Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012
- Regulation (EU) No 2021/1060 of the European Parliament and of the Council of 24 June 2021, laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund, and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy, and repealing Council Regulation (EC) No 1303/2013, hereinafter referred to as CPR Regulation;
- Regulation (EU) No 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund, and repealing Regulation (EC) No 1301/2013, hereinafter referred to as ERDF Regulation;
- Regulation (EU) No 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial goal (Interreg) supported by the European Regional Development Fund and external financing instruments, and repealing Regulation (EC) No 1299/2013, hereinafter referred to as Interreg Regulation;
- Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing directive 95/46/EC (General Data Protection Regulation, GDPR);
- Regulation (EU) No 2021/1529 of the European Parliament and of the Council of 15 September 2021, establishing the instrument for Pre-Accession Assistance (IPA III), hereinafter referred to as IPA III Regulation;
- Articles 107 and 108 of the Treaty on the Functioning of the European Union, Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty; Delegated and Implementing acts, as well as all applicable decisions and rulings in the field of state aid;
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- Directives and rules on public procurement;

- Delegated and Implementing acts as well as all applicable decisions;

Programme documents

- The INTERREG VI-B IPA Adriatic Ionian Cooperation Programme, approved by the European Commission (EC) on 30 November 2022 (Decision number C(2022)8953);
- The Interreg IPA ADRION Environmental Screening Report;
- Financing agreements, signed between the IPA participating countries, the European Commission and the country hosting the IPA ADRION Managing Authority (MA).

Granted partners shall also be subject to:

- The laws of the Republic of Italy applicable to this contractual relationship to the contractual relationship between the MA and the Lead Partner (LP);
- National rules applicable to the lead and project partners (PPs) and their activities;
- All other EU legislation and the underlying principles applicable to the LP and the PPs, including the legislation laying down provisions on competition and entry into the markets, the protection of the environment, and equal opportunities between men and women;
- Project data, comprising but not limited to latest project documentation such as application form and all project information available in the electronic system.

All manuals, guidelines and any other documents relevant for project implementation (e.g., application manual, implementation manual) in their latest version, shall be delivered to the LPs during the project implementation.

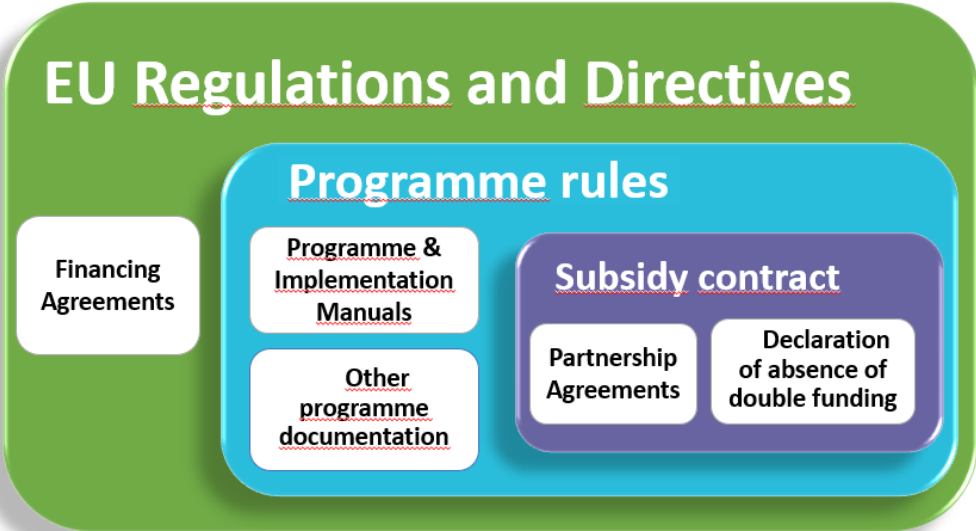
Key documents on the EU strategy of the Adriatic and Ionian region

- Endorsement of the European Union Strategy for the Adriatic and Ionian Region (EUSAIR), European Council, Brussels, 23-24 October 2014;
- Council conclusions on the implementation of EU macro-regional strategies – 2 December 2020;
- Addendum to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the European Union Strategy for the Adriatic and Ionian Region COM(2020) 132 final – 2 April 2020 - related to the inclusion of North Macedonia as the ninth EUSAIR participating country;
- Addendum to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the European Union Strategy for the Adriatic and Ionian Region, COM(2022) 44 final – 14 February 2022 - related to the inclusion of San Marino as the tenth EUSAIR participating country.
- Commission staff working document - Action Plan - Accompanying the document - Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the European Union Strategy for the Adriatic and Ionian Region SWD(2020) 57 final
- Commission Staff Working Document accompanying the document Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the implementation of EU macro-regional strategies – COM(2022) 705 final

Documents, templates, off-line forms and a regularly updated FAQs section pertaining to all IPA ADRION granted projects are available on IPA ADRION web site; those specifically elaborated for the strategic projects shall be directly sent to the lead partners of the affected projects.

All PPs must obey the EU and programme rules applicable to the IPA ADRION programme as listed above.

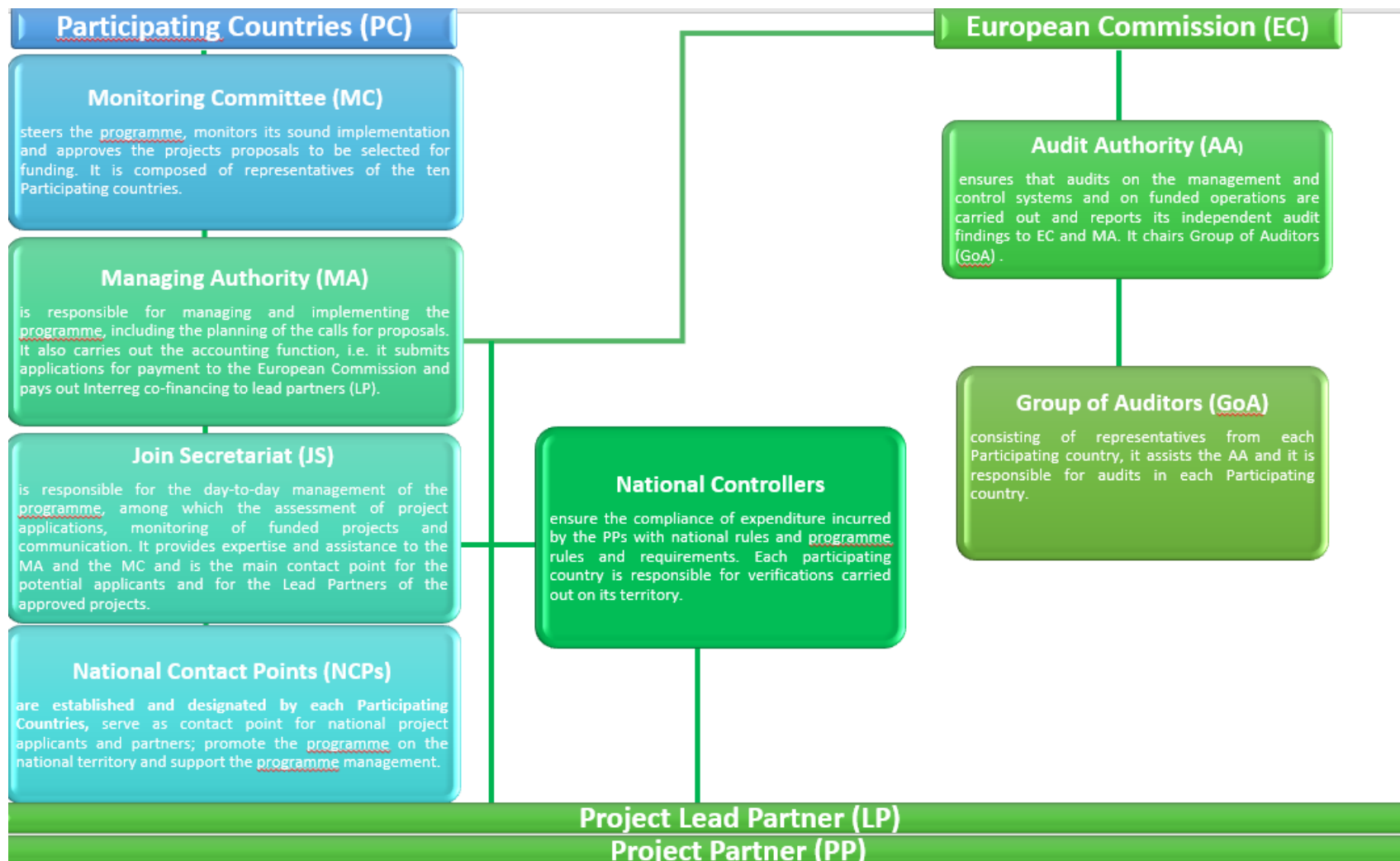
The project implementation is framed by two key legal documents, the subsidy contract and the partnership agreement, whose characteristics are provided in the paragraphs below.



2. IPA ADRION institutional framework

All Interreg programmes are characterised by the same programme management structure and bodies in accordance with EU Regulations. The Interreg regulation defines the management structure and the tasks of the involved bodies.

The picture below provides an overview on the bodies involved: each of them has specific roles in project monitoring that will be explained along the present document.



Project legal framework

2.1 Subsidy contract

The subsidy contract constitutes the main legal framework for the implementation of the project. It is an agreement that regulates the relations between the MA and the LP, which acts on behalf of the entire partnership in compliance to the “Lead Partner principle”. The Subsidy Contract confirms the final Interreg funds allocation to the project, sets out the conditions for support and the implementing arrangements. It is drawn up in Euro.

It is structured in several articles containing the main following information:

- Legal framework and contractual basis;
- Award of subsidy and general conditions;
- Duration of the project and of the contract;
- Object of use and eligibility of expenditure;
- Reporting obligations and payment;
- Verification of expenditure;
- Project coordination and finance management;
- Information and communication, publicity and intellectual property rights;
- Representation of project partners, lead partner liability and third parties;
- Modification to the project and amendments of the Subsidy Contract;
- Assignment and legal succession;
- Financial controls and audits;
- Withdrawal and recovery of unduly paid Interreg funds;
- De-commitment of the project budget;
- Durability of operation, ownership, use of outputs and contribution to the programme results;
- Termination and repayment;
- Advance payment;
- Working language;
- Force majeure;
- Complaints and litigation;
- Final provisions

The template of the subsidy contract is approved by the MC and cannot be modified. The subsidy contract must be considered as an offer of the MA to the LP.

MA/JS shall proceed with the verification of the existence of the signatory person and its power of signature, before the subsidy contract is awarded.

LP has one month for accepting the subsidy offer sent by the MA/JS. Following the aforementioned deadline, the MA offer loses its validity, unless MA agrees to prolong it.

In case of acceptance, the subsidy contract can either be digitally signed or hand signed by those LPs which do not have digital signature: in the latter case, the LP is required to send back to the MA two copies of the document, dated, initialled in each page and signed in full in the last one. The MA signs last and sends back a countersigned copy.

Amendments of the subsidy contracts may be signed first by the MA.

Attachments to the subsidy contract

The following documents are annexed to the subsidy contract:

- a) The final approved application form (hereinafter: AF);
- b) A declaration – signed by the LP on behalf of the entire partnership – attesting the absence of double funding for the implementation of activities object of the subsidy following the receiving of public funds for the implementation of the same activities after the approval of the AF;
- c) The *IPA ADRION Payment Form-Grant Form* requiring information on LP bank account, which is necessary for the Emilia-Romagna regional administration for proceeding with project payments.

Templates of the aforementioned documents shall be provided by the MA.

2.2 Partnership Agreement

The arrangements between the LP and its PPs are defined in the partnership agreement, which contains the legal framework to be respected by all PPs.

It formalizes the distribution of responsibilities within the partnership, LP/PPs' rights and obligations, as well as provisions aimed at ensuring the sound financial management and arrangements for recovering amounts unduly paid.

IPA ADRION MA offers a model of partnership agreement including the minimum requirements the document must contain in relation to the obligations set forth in the subsidy contract.

The partnership agreement transfers LP duties and obligations subject of the subsidy contract to PPs; similarly to the subsidy contract, the partnership agreement is structured in several articles containing the following information:

- Legal framework;
- Definitions;
- Specific conditions for project partners of San Marino;
- Subject of the Partnership Agreement;
- Duration of the partnership agreement;
- Object of use and eligibility of expenditure;
- Activities of Project Participants in the project;
- Obligations and responsibilities of the Lead Partner;
- Obligation of the Project Partners;
- Project steering committee;
- Reporting obligations of the Project partners;
- Verification of expenditure;
- Modifications, withdrawal from obligations;
- Information and communication, publicity and branding;
- Cooperation with third parties, assignment, legal succession;
- Liability;
- Financial controls and audits;

- Irregularities, withdrawal and recovery of unduly paid Interreg funds;
- Conflict of interests;
- Decommitment of project budget;
- Advance payment;
- Durability of operation, ownership, use of outputs and contribution to the achievement of programme results;
- Confidentiality;
- Working language;
- Duration and right of termination;
- Force majeure;
- Applicable law;
- Final provisions.

Further elements may be included in the partnership agreement to better suit it with the specificities of the project: they must, however, be in line and in accordance with the programme legal framework, specific rules and objectives.

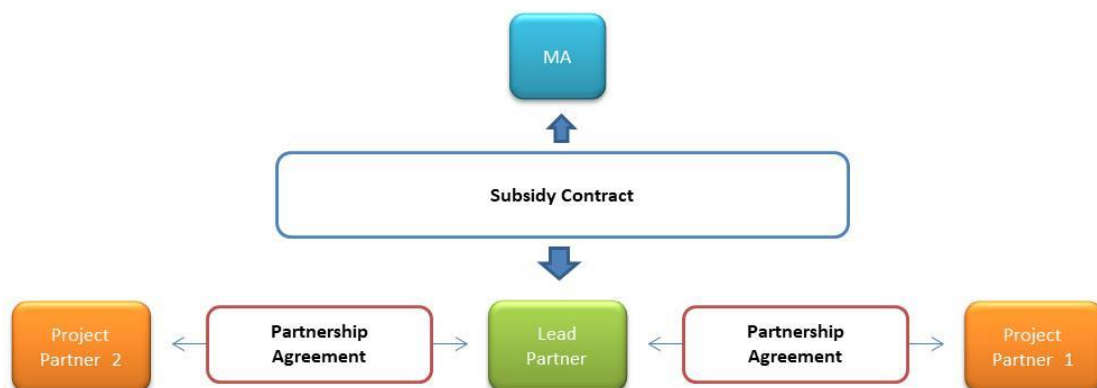
The partnership agreement is signed by the LP and the PPs adopting one of the following options:

- a) One single document signed by all members of the partnership;
- b) Bilateral documents signed between the LP and each PP; if this option is chosen, a special clause must be included in the document reporting this condition.

The partnership agreement must be signed no later than two months after the signature of the subsidy contract and in any case before any request for payment or for receiving advance payments by PPs.

Evidence of the signature of the partnership agreement must be provided by the LP in JEMS i.e. date of signature and upload of the document); the MA reserves the right to check the truthfulness of the LP declaration and if the partnership agreement fulfils all the necessary legal requirements.

In case of project and/or partner changes and/or amendments of the Subsidy Contract following major project changes, the partnership agreement must be amended accordingly and signed by the entire partnership. It is responsibility of the LP to ensure that the legal framework is regularly updated following project modifications and related information regularly uploaded on JEMS as described above (please also refer to the paragraph *Project modifications*).



Advance payment, if applicable, and incurred verified expenditure shall be paid by MA only upon conditions that both the Subsidy Contract and the Partnership Agreement are signed.

Project expenditure is considered eligible if it has been incurred and paid between 4 September 2023 and the project end date as indicated in the approved AF. The following exceptions apply: a) preparation costs; b) costs related to the fulfilment of project administrative obligations as in art. 3.3 of the Subsidy Contract.

2.3 Overview of the legal documentation to be submitted

Having regard to the information provided in the previous paragraphs, the table below summarizes the documents to be provided by the project:

| Document | How to submit it | Note |
|--|--|--|
| <i>Subsidy contract</i> | In case of valid digital signature: via email to MA certified email address In case of hand signature: paper copy via mail to MA offices | To be signed within one month from the receiving of the MA offer |
| <i>Declaration on the absence of double funding</i> | In case of valid digital signature: via email to MA certified email address In case of hand signature: paper copy to be provided via mail to MA offices | To be signed by the LP legal representative on behalf of the partnership |
| <i>IPA ADRION Payment Form-Grant Form</i> | In case of valid digital signature: via email to MA certified email address In case of hand signature: paper copy to be provided via mail to MA offices | |
| <i>Partnership agreement</i> | Upload on JEMS; Information on date of signature reported in the specific JEMS section. | To be signed within 2 months from the signature of the subsidy contract |

2.4 Responsibilities of the LP and PPs

Obligations of the LPs and PPs are laid down in the Subsidy Contract and in the Partnership Agreement respectively.

With reference to the lead partner principle and what reported in paragraph 2.1 (Subsidy Contract) the LP shall:

- Sign the subsidy contract and its eventual amendments with the MA on behalf of the entire partnership and guarantee the signature of the Partnership agreement by all PPs;
- Set in place a separate accounting system;
- Assume the responsibility for ensuring the implementation of the entire operation; in this respect it sets the coordination structure through the appointment of key figures (e.g.: a project

coordinator, a financial coordinator and a communication manager) operating for the entire partnership;

- Coordinate the activities and define a realistic timeline for ensuring the sound realization of what described in the AF and respect the deadlines included in the subsidy contract; to this end it must include deadlines in the partnership agreement for ensuring their respect if deemed necessary;
- Ensure arrangements with the other PPs comprising provisions able to guarantee the sound financial management of the funds allocated to the project;
- Ensure that all PPs – and in particular those with limited experience in Interreg project management – have all the necessary information and tools, and that all PPs know programme documents and apply the programme rules;
- Set in place the project steering group in order to discuss with the PPs and the Associated Partners, if any, the state of the art of the project, its implementation quality and timeline;
- Ensure the overall project quality in all the activities performed by the partnership and that the promised outputs as in the approved application are delivered in accordance with the set timeline;
- Ensure that all PPs respect the programme financial rules and that each PP sends the documentation on expenditure for the necessary verification within the set deadline;
- Ensure that expenditure presented by all PPs has been incurred in implementing the operation and corresponds to the activities agreed between all the beneficiaries, and is in accordance with the subsidy contract and that it has been verified by the controllers appointed by the participating country where the partner is located according to the specificities of the national system;
- Elaborate the request for payment to be sent to MA/JS;
- Receive the reimbursed amount from the IPA ADRION Programme on behalf of the entire partnership and timely transfer the paid shares to the PPs and in full. It shall also ensure that no amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce that amount for the other PPs;
- Guarantee the reimbursement of amounts unduly paid to the MA upon receiving a recovery order following the detection of an irregularity on behalf of the affected PPs(s) (itself or other PP (s));
- Ensure that all project documentation (e.g.: progress report etc.) shall be kept available for a period of for a 5-year period from 31 December of the year in which the last payment by the MA to the beneficiary, without prejudice to the rules governing State Aid;
- Coordinate the communication flow towards the MA/JS with regard to the timely submission of the progress reports and requests for reimbursement;
- Be responsible of the communication flow between the partnership and the IPA ADRION Programme (mainly with the JS and the MA); be in charge of spreading communication and information received by IPA ADRION Programme to its PPs, including the announcements to participate to seminars organized by the Programme;
- Contribute to the positive implementation of the programme by participating to surveys either organized by the programme or by other institutions;
- Monitor the project financial performance and request JS/MA for a budget modification if needed;
- Ensure prompt solutions of management problems (e.g.: change of partners, requests for revision of activities etc.) or *force majeure*;
- Ensure that, in case part of the funded activities are granted under the *de minimis* regime, all the necessary requirements are respected during project implementation by the affected PPs;

- Ensure that all activities are not funded by other public funds (national, European or granted by other international organizations);
- Ensure the setting up of an adequate exchange of information and synergies among the three strategic projects funded under Priority 4.

As far as the project partners are concerned and having regard to obligations set forth in the Partnership Agreement, each PP shall:

- Sign the Partnership Agreement;
- Set in place a separate accounting system;
- Adopt and implement all programme rules in order to implement the project in the most accurate way and keep itself updated by regularly checking IPA ADRION web site;
- Respect and implement project arrangements to ensure a sound project implementation and ensure that its expenditure has been verified by the/a controller appointed by its participating country;
- Assume responsibility towards the LP of repaying the received undue amount in case of irregularities in the declared expenditure;
- Ensure quality implementation of all the activities under its responsibility within the set timeline;
- Keep regular contacts with the LP and communicate its eventual difficulties emerging during the project implementation;
- Attend project steering groups in order to discuss with the partnership and the Associated Partners the state of the art of the project, its implementation quality and timeline;
- Ensure the appropriate involvement of the related Associated Partners;
- Prepare the partner report, [submit to the National controller by the set deadline](#), and ensure that it is validated by the appointed national controller;
- Provide the LP with the relevant information, data and material to be included in the progress reports;
- Provide the LP all financial data necessary for drafting the request for reimbursement to be sent to the JS;
- In case of recovery of funds, cooperate for their recovery in accordance with the set procedures and timeline;
- Promptly inform the LP in case of need of changes regarding its activities or status or involvement;
- Ensure that in case part of the funded activities are granted under the de minimis regime, all the necessary requirements are respected during project implementation;
- Ensure that all activities are not funded by other public funds (national, European or granted by other international organizations);
- Ensure the adequate storage of data (physical and/or electronic), in accordance with the requirements of the IPA ADRION programme and communicate it to the LP, including eventual changes on location;
- Ensure that all project documentation (e.g.: progress report etc.) shall be kept available for a period of for a 5-year period from 31 December of the year in which the last payment by the MA to the beneficiary, without prejudice to the rules governing State aid.

In order to implement all the above listed tasks, LP and PPs must ensure that part of their staff or of external experts in charge of contributing to their realization are devoted to the coordination and/or management of the activities.

Ideally, the LP and each PP – depending on their financial involvement share, type of activities and distribution of tasks within the partnership – should consider the involvement of a project officer (in charge of the content implementation), a finance officer (in charge of the finance management) and of a communication officer (responsible for promoting the project through “one voice” only).

The negotiation process

3. The negotiation process

The negotiation process is the period during which the project partnership has to comply with the requests for improvements set forth by the IPA ADRION MC.

The process is coordinated by the JS on behalf of the MA, which shall inform the MC on the outcomes of the process.

If necessary, the negotiation process can be supported by an event organized by the JS addressed to the LPs, during which the JS provides information on the programme requirements to be fulfilled as well as bilateral meetings with the projects.

During the negotiation process the LP must:

- a) Ensure that all PPs are aware of the conditions for improvement;
- b) Involve all PPs during the proposal revision, especially if conditions for improvement affect budget, the provision of additional information on planned outputs and deliverables;
- c) Revise the project proposal in accordance with the requests for improvement, related activities and budget; the revision of the AF must be done through JEMS and resubmitted, as many times until the conditions for improvements are fulfilled.
- d) Provide, if this is the case, updated information with regard to state aid (*de minimis*) of the affected PPs;
- e) Provide any further documentation/declarations requested during the negotiation process and aimed at ensuring the early project start.

All necessary changes must be performed during the negotiation period; IPA ADRION will not allow any request for project modification in the first six months of project implementation, unless they are of vital importance for the future project implementation.

After having submitted the revised AF via JEMS, the JS verifies whether all conditions are satisfactorily met and the availability of the required additional documentation, if requested.

It could be that – depending on the quality of the submitted revised AF – more than one negotiation round is necessary before considering the AF as finally approved.

All information regarding the negotiation process is further communicated to the MC.

All exchanges of information between the project and IPA ADRION programme authorities are done via [JEMSeMS](#) to the possible maximum extent.

If the LP cannot provide the requested documentation or the negotiation process is not successfully finalized within the time set forth by the MC, the MC shall be informed accordingly.

The end of the negotiation process is established by an official communication sent by MA/JS and the sending of the subsidy contract.

First implementation steps

4. Getting started

All projects must start implementing their activities **as soon as possible or from the beginning of 2024 at the latest** and set in place the requirements described in the following paragraphs.

4.1. Familiarity with the use of JEMS

JEMS is the main communication and monitoring tool along the project implementation: information in it contained must be always updated as the MA shall make reference to those data to proceed with the requests for payment.

It will be the responsibility of the LP to ensure the regular update of JEMS in case changes occur (e.g.: change of PPs or of controller in case of decentralized system etc.); depending on the type of change, the update can be done either directly by the LP or prior permission by the JS.

Beside the submission of the project proposal, JEMS ensures:

- a) Data integrity and confidentiality;
- b) Avoidance of submission of identification data more than once when fulfilling reporting documents;
- c) Data storage: relevant data and documents, in particular with regard to eligibility of expenditure and related audit trail must be uploaded on JEMS and be available to all bodies involved in monitoring, control, verification of expenditure, audit, implementation and evaluation activities, thus to reduce the administrative burden for the beneficiaries in sending the same information more than once to the different bodies, unless it reveals being outdated.

Once a project is contracted, the reporting section on JEMS becomes available to PPs.

All PPs must become JEMS users through registration. Usernames are to be communicated to the LP. The LP associates the PPs' username to give them users' right to access project's data and partner report by filling-in the *JEMUser assignment* section.

LP and PPs must consider password and login as confidential data.

IPA ADRION programme offers different user privileges according to different project users' needs (LP and PPs): only the LP can have access to all PPs and project reports.

The PP registration and further user assignment allow the PPs to draft their partner report (see paragraph *Project partner reporting*).

The following information must be uploaded on JEMS in the section Contracting :

| Section | Description |
|------------------------|--|
| Project Management | Information on the LP project management team (project, financial and communication manager) |
| Bank Information | PPs bank information details (in case two bank accounts are present, one must be reported in the <i>attachment</i> section) |
| First level controller | Information on the identified national controllers |
| User assignment | Information on the attribution by the LP of specific privileges through the usernames of each PP, allowing them to create and submit partner reports |
| Documents | Information on the location of the official project documents at the LP and PPs premises |

| | |
|-----------------------|--|
| Subsidy Contract | Upload of the last amendment of the subsidy contract signed. |
| Partnership Agreement | Information on when the agreement has been signed by the last PP and its further updates |

Information included in the table above must be provided by the LP as soon as available.

JEMS is in line with Regulation (EU) No 679/2016 - General Data Protection Regulation, GDPR - which introduces rules on data protection.

4.2. Setting in place of the project coordination and supervisory structure(s)

The LP, in cooperation with its PPs, ensures the setting in place of adequate project coordination structure(s) (e.g.: project steering group, coordination board, steering committee etc.) ensuring that all PPs are equally represented, including the Associated Partners.

If so wished, the project steering group can also involve representatives of institutions not directly involved in the project but that can contribute to its implementation or to the spreading of its outcomes.

The project steering group:

- Is the decision-making body at project level;
- Meets on a regular basis in order to adopt the necessary measures; in general it should have a proactive approach rather than reacting to already existing situations;
- Is ruled by its own procedures;
- Is usually supported by the LP project management staff in its role of decision maker.

Additionally, the project steering group should:

- a) Be responsible for monitoring the implemented activities and their quality;
- b) Be responsible for monitoring the contribution to programme output and result indicators in relation to the approved AF and to the achievement of the mid-term review targets;
- c) Be responsible for monitoring the financial and overall implementation performance and the eventual countermeasures to be adopted;
- d) Be informed and approve project deviations or changes, including changes within the partnership;
- e) Be responsible for the settlement of any disputes within the partnership;
- f) Be responsible for the setting in place of ad hoc working groups or task forces within the project, if necessary.

The LP must regularly inform and invite the MA/JS to the project steering group meetings. The MA/JS reserve the right to participate. Minutes of the meetings and signed participants' list must be delivered to the JS after the meeting and as attachments to the project progress reports.

4.3. Organization of the kick-off meeting

As a general rule, the project should consider starting its activities with a kick off meeting, with the aim of defining approaches, rules and internal deadlines within the partnership in accordance with the approved AF; decisions must be in line with the programme rules and requirements.

Indicatively, the kick off meeting should establish the management and coordination structures in charge of ensuring a good project management and coordination, as well as clear and shared understanding of the legal documents and [the national systems of control \(centralised or decentralised\) controllers' requirements](#) in the Participating Countries; and provide guidelines on the main qualitative elements to be guaranteed during implementation.

The kick-off meeting can coincide with the first steering group meeting or be – whole or in part - a public event. It must be organized as soon as possible.

4.4. Project Partner internal calendar in relation to the milestones and deadlines of the approved application form

With reference to the time-plan of the approved AF, the partnership shall draft and share an internal calendar of the activities to be performed and when in order to reach the project goals.

The calendar must also support the partnership in defining when – if this is the case – public procurement processes for hiring experts (including the identification of the controller for the verification of expenditure in Italy where the control system is decentralised) or purchasing goods and equipment have to start.

To ensure continuity and the necessary support to the macro-regional strategy, eligibility of expenditure shall start as from 4 September 2023, irrespective from the date of submission and approval of the strategic projects.

4.5. Necessary procedures and mechanisms within the project partner institutions to define the staff involved and separate accounting system

The involved partnership must be ready for implementing the planned activities ensuring that all the necessary internal administrative steps are in place. In particular, measures are to be adopted to ensure that staff costs to be ascribed to the project can be considered as eligible.

In case projects decide to report staff costs based on real costs, the affected partners must have a separate accounting system for project expenditure or an adequate accounting code to ensure the easy identification of expenditure to be ascribed to the project budget (see paragraph below).

4.6. Audit trail, adequate archive and retention of document

The audit trail is a comprehensive set of documents which provides a complete history of a project and evidence that proper procedures have been applied and outcomes achieved. Sound audit trail is a compulsory requirement both for the LP and PPs as reported both in the subsidy contract and in the partnership agreement.

Linked to the audit trail it is the need of ensuring the creation and regular update of a project archive where to store all relevant data, documents, pictures etc. related to the project implementation and of setting in place a separate accounting system or an adequate accounting code. Please note that, with reference to what reported in paragraph 4.1 lett. c), key documents must be uploaded on JEMS as well.

The audit trail allows the recording of all documentary evidence of the steps undertaken by the beneficiaries during the project implementation. The audit trail must include all documents related to the project, from the subsidy contract/partnership agreement to the report on the project closure (including the related amendments or revisions) as well as all accounting records and supporting documents.

| Type of document | Specifications |
|--|--|
| Subsidy contract | <ul style="list-style-type: none"> ▪ All versions ▪ Latest updated AF annexed to the subsidy |
| Partnership agreement | <ul style="list-style-type: none"> ▪ All versions |
| Reporting forms | <ul style="list-style-type: none"> ▪ All submitted documentation |
| PP reporting forms (if any) | <ul style="list-style-type: none"> ▪ All accepted documentation |
| First level control reports | <ul style="list-style-type: none"> ▪ All certificates and reports |
| For each expenditure | <ul style="list-style-type: none"> ▪ Information on the selection process - procurement procedure ▪ Contracts ▪ Received invoices ▪ Proofs of payment (bank statement or any other equivalent document with probative value extracted from a reliable accounting system) ▪ Documentation submitted to the controller and released by it |
| Further supporting document related to cost category budget lines | <ul style="list-style-type: none"> ▪ Time sheets (if applicable) ▪ All required documentation ▪ Reports |
| Outputs and deliverables produced | <ul style="list-style-type: none"> ▪ Adequate and relevant related documentation produced during the project lifetime ▪ Copy of deliverables produced (e.g.: gadgets, poster, etc.) |
| Transfer of funds to PPs (for LP only) | <ul style="list-style-type: none"> ▪ Registration of transfers |
| Output and result indicators | <ul style="list-style-type: none"> ▪ Evidence documentation attesting the quantification of the related output and result indicators |

As highlighted in the table above, the audit trail does not limit itself to the retention of invoices, but provides evidence on the process that brought to that specific decision, e.g.: the purchasing of that good/service from provider X instead from provider Y.

Documents part of the audit trail can be originals, certified true copies of the originals, or electronic versions stored on commonly accepted data carriers (including electronic only) in accordance with the respective LP and PPs national rules.

Where the PP maintains electronic versions of original documents, it has to comply with the procedure for certification of conformity of documents held on commonly accepted data carriers laid down by the national controllers (this procedure has to ensure that documentation kept - e.g.: scanned copies – comply with national legal requirements and can be relied on for audit purposes).

Electronic archives must comply with the relevant necessary security standards in accordance with the national law and that can be considered as reliable for verifications and audit purposes.

Where paper documents are the true/original source of the scanned documents and the latter cannot be relied on for audit purposes (e.g. due to incorrect or incomplete scanning of the document, indications that the documents may have been forged), it means that the procedure laid down has not been complied with, in which case corrective measures are required, including financial corrections where deemed appropriate.

All the supporting documents related to the project must remain available at the premises of each LP/PP at least for a period of five-year period starting from 31 December of the year in which the last payment by the managing authority to the beneficiary is made.

The time period shall be interrupted either in the case of legal proceedings or by a request of the Commission.

The documents referring to project activities and expenditure carried out in the framework State Aid *de minimis* must be retained for a period of 10 fiscal years from the date on which the aid was granted (date of signature of the subsidy contract).

At the closure of the projects, the MA/JS shall individually inform each LP and its national controller on the starting date of the above-mentioned retention period.

For the entire retention period, all bodies in charge of performing controls and audits are entitled to access the premises of LP and PPs benefitting from Interreg funds to check all relevant project documentation and accounts.

4.7. Initial visibility requirements obligations

As soon as the physical implementation of an Interreg operation involving physical investment or the purchase of equipment starts or purchased equipment is installed, the LP and PPs shall display, depending on its financial size and budget characteristics:

Poster - a poster (minimum size A3 or equivalent electronic display) with information about the project, the project logo and information about the co-funding of the project. This poster must be displayed at each project partner's premises, at a location readily visible to the public, such as the entrance area of a building. The programme will provide each contracted project with a template with the minimum requirements of the poster.

Billboards and plaques – in case the project envisages physical investments or purchase of equipment whose total cost exceed EUR 100,000, must display a durable plaque or billboard clearly visible to the public as soon as the physical implementation starts or the purchased equipment is installed. It should present the emblem of the Union in accordance with the technical characteristics laid down in Annex IX of CPR. Also certificates of attendance or any other documents intended for the public or participants of the funded project have to respect the aforementioned requirements.

The term 'Interreg' shall be used next to the emblem of the Union in accordance with Article 47 of Regulation (EU) 2021/ 1060.

4.8. Compliance with further technical requirements

Bank account

When allowed by internal beneficiary rules, a separate bank account or a sub-account for receiving project Interreg funds in Euro is strongly recommended.

Identification of the controller

In accordance with 46(3) of Regulation (EU) No 1059/2021 where the MA - and this is the case of IPA ADRION programme – does not directly carry out verifications attesting that products and services have been delivered and that expenditure declared by the beneficiaries has been paid in compliance with applicable law throughout the whole programme area, each Participating Country designates a body or persons responsible for carrying out such verifications in relation to PPs located in their own territory (also known as national controllers¹).

The national control systems set in place by the IPA ADRION Participating Country can be:

Centralized: the Participating Country appoints one body/institution in charge of performing the necessary verifications on expenditure of the PPs located on its territory. The Participating Country can also decide whether the service is free of charge or not.

Decentralized: the LP/PP located in that Participating Country has to identify its controller in accordance with the rules and procedures defined at national level. The identified controller can be external (i.e.: a single independent controller selected on the market) or internal (i.e.: in case of public bodies only: this option is applicable upon condition that the controller is independent from the department in charge of the project implementation). In both cases, the selected controller is subject to the approval of the approbation body appointed at national level for this purpose. Costs of verifications provided by independent controllers are eligible under [the budget line-cost category](#) external expertise.

In the following table an overview on the different systems in force in the IPA ADRION Participating Country is provided. Detailed and updated information is present both on the Interreg ADRION web site and on the web site of the National Contact Points (hereinafter: NCPs) and/or national controllers.

| Partner State | System type | Cost of control | Additional information |
|--------------------------------------|-------------------------------------|--------------------------|--|
| <i>Albania</i> | Information currently not available | | |
| <i>Bosnia and Herzegovina</i> | Centralised | Free of charge | |
| <i>Croatia</i> | Centralised | Free of charge | |
| <i>Greece</i> | Centralised | Free of charge | |
| <i>Italy</i> | Decentralized | Charged to beneficiaries | Controllers shall be selected by the Italian LP/PPs and they can be either external or internal: in the former case their identification must respect the procurement rules. The latter case applies only to public body: the controller can be appointed internally on condition that it is independent from the department in charge of the project implementation (financial and activities). |

¹ First level controllers – FLC - in the programming period 2021-2027 and on JEMS.

| | | | |
|------------------------|-------------------------------------|----------------|---|
| | | | Appointed controllers, regardless of whether internal or external, must be validated by the national <i>ad hoc</i> Committee. |
| Montenegro | Centralised | Free of charge | |
| North Macedonia | Information currently not available | | |
| Serbia | Centralised | Free of charge | |
| Slovenia | Centralised | Free of charge | |

Verification of expenditure is aimed at providing guarantee to the programme authorities that LP and PPs costs are accounted for and claimed in accordance and in compliance with the legal and financial provision of the EU Regulation, programme and national applicable rules.

Controllers' declarations must be attached to the request for payment to be submitted to MA/JS.

5. Advance payment

After the successful finalization of the legal framework – signature of the subsidy contract and partnership agreement, - the MA shall proceed with the payment of the advance amounts to IPA Lead and Project Partners for a total amount up to the envisaged costs reported in the forecast Interreg budget and related to the first year of implementation. The advance payment shall be compensated within the second project progress report submitted by the LP to the MA. In case the concerned IPA LP /PPs do not manage to submit enough validated expenditure for compensating the advance payment received within the first year of implementation, this will be discussed along with the mid-term review of the strategic projects.

Reporting and request for payment

6. The payment process

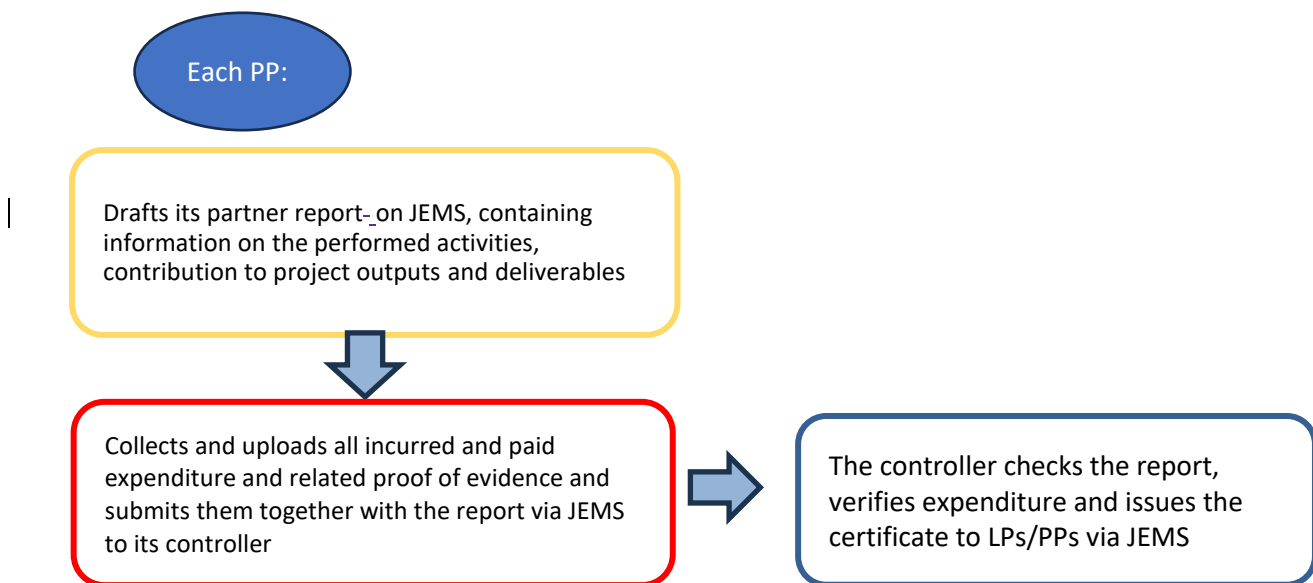
Without prejudice of the advance payment, the EU contribution is based on reimbursement, i.e.: funds are provided the project after its implementation of activities and demonstration of related incurred and paid costs in accordance with the set rules. Additionally, reimbursement of the IPA PPs can take place if the Financing Agreement between the IPA Participating Country(ies) where the IPA PP(s) is located, the European Commission and the MA has been signed.

The payment of EU contribution is related to the expenditure incurred and paid in a pre-defined reporting period as indicated in the approved AF on condition that the request for payment is accompanied by an activity and financing report and supported by documentation related to the verification of expenditure.

Each PP is involved in the reporting process; the LP coordinates it and submits the request for payment to the MA via the JS.

6.1 Project Partner Reporting

Overall, each PP – including the LP- must perform the following tasks:



All key deliverables produced by the projects on macro-regional level will be in English. However, deliverables or supporting documentation aimed at promoting the projects at national level may be produced in the national language of the participating country where they will be spread.

In case the PP has not implemented any activities and its expenditure in a reporting period amounts to EUR “0”, its partner report must be submitted to the controller in any case. The rule does not apply for preparation costs.

6.1.1 Partner report

The partner report must be written in English and be filled-in using JEMS and the related template. It is structured in a content and financial part.

Activities part

Each PP must draft a partner report which describes its contribution (i.e.: activities implemented) to project implementation along the set reporting period in accordance with the project work package(s).

Each PP is asked to provide information on specific deliverables and outputs produced as well as information on the target groups reached as identified in the AF. The PP is also asked to inform about eventual problems faced during implementation or deviations in relation to the initial planned schedule.

Provision of information must be accurate, reliable and duly supported, if necessary, by realized documents (e.g.: a study, reports, participants' lists etc.) and/or pictures (e.g.: a picture attesting the organization of an event, a picture of a realized gadget).

Financial part

The partner report includes information on the incurred and paid expenditure. Each PP must upload on JEMS the amount of each expenditure item and the related invoice to the correct cost category: it is of vital importance that this activity is accurate. Carefully consider the necessary time for its fulfilment: in order to avoid delays both in verification of expenditure and in further payment, it is highly recommended that the LP/PPs upload its expenditure and the related documents on JEMS every time the expenditure has occurred.

The uploading must also be accompanied by a description of the main features at the level of each expenditure item. If one expenditure item is not correctly uploaded or if the overall uploading is not accurate, the controller may revert the report, thus potentially jeopardizing the project financial performance, with consequent de-commitment and potential loss of funds.

If cost category is based on real costs, the PP must upload, per each expenditure item, all the supporting documents to allow the controller to verify the existence and correctness of the audit trail (e.g.: invoices, process attesting the public procurement process). It is extremely important to correctly name each uploaded file, in order to ease the identification of its content. If more files relate to the same expenditure, it is convenient to group these files and to upload them as a zip folder. Each uploaded file must have a maximum size of 50 MB.

In order to comply with programme and project financial targets, expenditure reported in the partner report should refer to the last implementation period.

Some exceptions can, however, occur:

- The expenditure was paid after the end of the reporting period of implementation subject of the request for payment, and thus not processed by the controller;
- The certificate of expenditure was issued by the controller after the time limit set by the programme for including it in the concerned report;
- The verification was pending due to the clarification process between the PP and the controller;
- Verifications by the controller and/or the MA/JS were pending following the outcomes of controls and audits carried out at programme level or any other applicable control and audit;
- The amount to be verified was below the threshold set by controllers to issue a certification (in this respect please check the eventual presence of specific national rules).

All amounts entered in JEMS are in the currency in which they were paid.

The final exchange rate of the incurred expenditure in a currency other than Euro is automatically converted by JEMS using the monthly accounting exchange rate of the European Commission of the month during which the expenditure is submitted to the controller.

Once having finalized the upload and data insertion, JEMS automatically feeds the financial tables which shall display the expenditure per period and cost category.

Information on activities performed by PPs of San Marino shall refer ~~only~~ its contribution to activities ~~and~~ to the feeding of output indicators ~~and to general financial progress.~~

6.1.2 Verification of expenditure

Once submitted, the partner report (content and financial parts) becomes visible to the affected controller in charge of the necessary verifications.

It is suggested that the latest deadline to submit the partner report to the respective controller is 10 calendar days after the end date of the reporting period. In case the deadline is not respected, the controller might postpone the certification of part of the submitted expenditure to the next reporting period. Moreover, as some centralized systems have set in place their own rules with regard to the latest possible deadline for receiving requests for clarifications/provision of further information, etc., PPs are invited to check their eventual existence and to arrange accordingly.

Requests for additional clarifications by controllers shall be asked and submitted via JEMS or via email; irrespective to the chosen way, all requested documentation must be uploaded on JEMS by the controller at the end of the process.

The verifications performed by controllers are reported in the system through check lists and reports, which provide information on the type of controls performed, methodology of verification, risk based verification general description, description of findings, expenditure verification, quality of each report, conclusions, recommendations and follow up measures in view of the next partner report.

The following documents shall be issued by controller:

- First level control certificate;
- First level control check list;
- Control report.

The controller, following the outcomes of its checks can:

- a) Revise the amount claimed by reducing or increasing it (e.g.: following a miscalculation by beneficiary; the ineligibility of one or more costs);
- b) Reject the full cost claimed due to its ineligibility;
- c) Not verify the cost claimed: this can happen in case of, e.g.: lack of information, late submission of documentation by the PP, clarifications received by the PP but not considered as sufficient. In this case, the cost is not verified in the reporting period in subject.

If the verification of an item is pending, the controller can park the related expenditure.

When parked, the expenditure item is locked and will show up in next partner report.

The LP must not disclose to the controllers or to any other party give access the controllers to all information uploaded on JEMS, in view of protecting sensitive data. This would be considered as a violation of the separation of function and independence principles the project partners and controllers must comply with.

6.1.3 Declaration of the project partner

Each PP shall also provide a declaration attesting the absence of conditions reported in the paragraph “*Judicial and other proceedings*”.

The template of the declaration is provided by IPA ADRION and available on its web site.

6.2 Project report

In accordance with the reporting period and deadlines defined in the AF and subsidy contract, the project shall regularly inform the MA/JS on the progress of its implemented activities and of the advancement of expenditure through the project report. The project report consists of a financial and a content part. It is possible to submit only one part of the report (i.e.: only the content or the finance part) or both.

Only the LP is entitled to generate and submit project reports.

The project report is based on data and information provided by all PPs through their reporting (the LP is in charge of aggregating the provided information) and controllers’ certificates.

Notwithstanding the fact that the LP has the possibility of checking on JEMS the status of the PP report on activities and of verification of expenditure, it is important that the partnership defines internal deadlines for the PPs report submission to their controllers and ensure the completeness of the project report to be sent to MA/JS within the set deadlines. The LP, if duly justified, can submit the report without the reports of all PPs.

6.2.1 Report on activities

The LP is in charge of drafting the activity part of the project activity report based on the information provided by all PPs.

Information on project implementation shall be included in a template elaborated by MA/JS and downloadable from JEMS; some of its parts are automatically pre-filled by the system according to data included in the approved AF and in the previous project reports (cumulative data), thus to allow a comparison between the approved AF and the progress achieved through implementation.

Per each of the **project specific objectives** (as defined in the last version of the approved AF) it must be indicated the progress and level of achievements in relation to the period of reporting according to one of the following options:

- Fully achieved;
- Partly achieved;
- Not achieved.

In relation to each option, the LP must provide a brief explanation on it.

Per each WP the LP must provide a summary description of activities carried out, the contribution and involvement provided by each PP. Encountered problems, envisaged solutions and deviations in the initial planned activities must be depicted accordingly.

As far as **deliverables** are concerned, the LP must describe the progress achieved through the information included in each partner report. The relevant deliverables, when possible, (e.g.: a study, the agenda of an event and the participants list, the picture(s) of the promotional material realized etc.) must be attached to the report.

The LP has also to check the achievement of the envisaged output and result **indicators**, giving evidence and avoid double or multiple counting (e.g.: the participant to an event in counted more than once).

A cumulative overview of the achieved **main outputs and result indicators** is automatically generated by JEMS, based on the information provided in the WP section of the report.

With reference to the addressed **target groups**, JEMS automatically displays the target group categories selected in the AF.

Provision of accurate, qualitatively good and realistic information makes the monitoring of the received report smooth and speed up the time for payment.

6.2.2 *Project report on finance*

In accordance with art 26.1.c) of Interreg Regulation and art. 9.5 of the Subsidy Contract, the LP must ensure that expenditure presented by all its PPs has been verified by their appointed controller and that it corresponds to the agreed activities reported in the approved AF in accordance with the requirements of reporting. LP obligations can be carried out by the LP itself or by its controller.

Controls performed by the LP/LP controller shall ensure that:

- a) The declarations provided by PPs are complete;
- b) All incurred and paid eligible expenditure by each PP is supported by the relevant documentation of the controller²;
- c) All incurred and paid eligible expenditure is in line with the latest approved AF, is incurred for implementing the project and corresponds to the activities agreed between all the PPs. Any deviations from the AF, should they exist, have been properly described and justified in the project report;
- d) Amounts and activities reported are correctly integrated in the project report and give a correct description of the implementation and present status of the project;
- e) All obligations settled in the subsidy contract are respected;
- f) The overall incurred and paid expenditure is on track with regard to the planned expenditure or that it remains within the flexibility threshold set by the programme (see chapter *Modifications in operations*).

LP/LP controller's verification does not imply re-performing the checks already carried out at PP level, but ensuring that all relevant documentation is complete. In case information on verified

²JEMS displays the list of certificates issued by the controllers.

expenditure of PP(s) is missing (e.g.: lack of information in the checklist; the detection of a financial error and related correction has not been classified on JEMS-), the LP or its controller is entitled with the affected PP and its controller to get the necessary information before the submission of the report to the MA/JS. In case of persistent doubts, the LP may decide not to include that specific expenditure in the request for payment. If this case occurs, the JS must be consulted about.

6.2.3 Horizontal requirements and communication activities

The project report shall also include information how the project has contributed to mitigate the environmental impact and the respect of horizontal principles.

Since communication activities are included in thematic work packages, information on related performed activities should be provided accordingly.

6.3 MA/JS monitoring

After the official submission, the MA/JS analyse the received project progress reports.

Preliminary verifications performed by the JS are aimed at ensuring the administrative correctness and presence of the requested documents (e.g.: respect of deadlines, presence and completeness of controllers' declarations).

Monitoring verifications are intended to define the progress of each operation in relation to the planned project goals, performance and respect of programme rules through (see also the chapter on the mid-term review):

- a) Achievement of output and result indicators;
- b) Project deliverables;
- c) Communication activities and regular update of the project web pages hosted by IPA ADRION portal (at least every two months);
- d) Finance and activity implementation both at project and PP level;
- e) Appropriate use of budget flexibility rule and of specific programme finance rules;
- f) Respect of state aid requirements (if applicable);
- g) Respect of horizontal principles;
- h) Adoption of specific measures aimed at reducing environmental impact, such as, for example:
 - Use of video conferencing to reduce travelling;
 - Publications on FSC certified paper;
 - Use of "green public procurement" procedures and innovative public procurement where appropriate;
 - Use of short supply chains in the implementation of projects activities;
 - Raising awareness of partners, beneficiaries and target groups on sustainability issues;
 - Promotion of activities with limited use of energy and natural resources.

In case the information provided in the submitted project progress report is not sufficient, the MA/JS request the LP to provide integrations, clarifications and/or revise the progress report within a given deadline.

If necessary, provided clarifications can have as a follow up the revision and resubmission of the project progress report or of some of its attachments, and/or a review of the amount to be paid.

Additional checks are performed by the MA within its accounting function according to art. 47 of Interreg Regulation.

In addition to the checks described above, the MA/JS shall also carry out “desk checks”, i.e.: *ad hoc* verifications that will be performed through the analysis of documents specifically requested to the LP, e.g.: the verification of an expenditure through the analysis of the related invoice, public procurement process etc. (see chapter *Controls and audit*).

6.4 Request for payment

According to art. 5 of the Subsidy Contract (ref. to art 74 of CPR, subject to the availability of funding, the MA must ensure that the LP receives the amount included in the LP request for payment in full and no later than 80 days from the date of submission.

Eventual requests for provision of additional information by MA/JS or the need of further investigations following the presence of a possible irregularity affecting the expenditure concerned by the relevant national or European institutions interrupt the aforementioned programme obligation (art. 74.1 of the aforementioned Regulation).

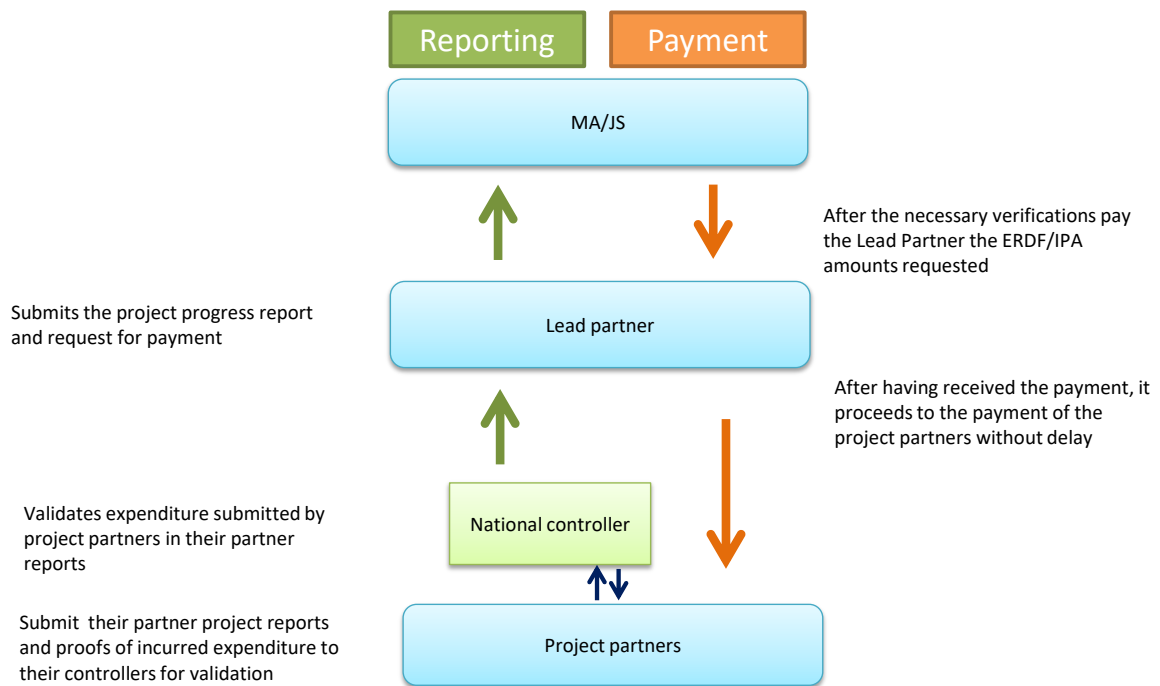
The LP concerned is informed in writing by MA/JS on the interruption and the reasons for it.

After the approval of the project progress report, the MA, within its accounting function, informs the LP about the payment via email and/or via JEMS (when the function of the latter will be available).-The communication also contains, if this is the case, the retention of the previously disbursed advance payment, its related amount and the affected PPs.

The MA transfers the payment of the EU co-financing to the bank account of the LP in Euro. No amount is deducted or withheld and no specific charge or other charge with equivalent effect is levied that would reduce the due amount.

The LP is responsible to transfer the PPs the total amount of their respective share of Interreg funding as quickly as possible and in full. No amount is deducted or withheld and no specific charge or other charge with equivalent effect is levied by the LP that would reduce the amount due to the PPs (ref. to art. 5.15 of the subsidy contract). Information on EU funds share transfer must be provided to MA/JS in the declaration attached to the following project progress report. MA/JS reserve the right to make checks and adopt steps, if necessary.

The picture below depicts the overall payment process:



As the MA is also in charge of transferring to the Italian LPs/PPs the corresponding share of the Italian rotation fund, such a payment shall be done according to the following:

- a) In case the LP is located , the shares of the Italian rotation fund shall be transferred to it. The Italian LP will be, in turn, responsible of transferring the share of the Italian rotation funds to the Italian partners, if present in the project partnership.

The LP shall ensure that the Italian PPs receive the total amount of their respective share of Italian rotation fund as quickly as possible and in full. No amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied by the LP that would reduce the amount due to the PPs.

- b) In case the LP is not located in Italy, the MA shall ensure the payment of the share of the Italian rotation fund directly to the Italian PP(s).

6.5 *Payment of preparation costs*

If foreseen in the approved AF, with the first progress report the LP may also asks for the payment of the expenditure related to the preparation costs on conditions that requirements set forth in the chapter *Project legal framework* are in place.

All cost categories with the exception of category “equipment” are eligible.

As preparation costs are considered as a *lump sum*, the concerned LP/PPs do not need to send the related invoices to their controllers for being validated.

The controllers check the correctness of the attributed amounts to the eligible cost categories and if the requested amount is within the ceiling set forth by IPA ADRION.

The template of the request for payment of preparation costs at PP and project level is provided by IPA ADRION.

The requested amount is transferred by the MA to the bank account of the LP which is responsible to transfer the shares of the lump sum to the concerned PPs in accordance with what reported in the AF.

Obligations regarding the transfer of funds in full and without delays as described in the previous paragraph apply.

7. Monitoring of the performance and mid-term review

As indicated in the Application Manual ISO1 – Priority Axis 4 Strategic projects and the Annex 3 of the programming document “*By December 2026, the three projects shall be subject by a mid-term assessment by the Managing Authority to analyse the financial and content achievements in relation to the approved projects. The outcomes of the review shall be presented to IPA ADRION Monitoring Committee. The IPA ADRION Monitoring Committee’s decisions shall enhance both the effectiveness of the support to EUSAIR and the overall IPA ADRION performance*”.

The aim of the mid-term review is to check at a certain phase of the project implementation that it is on track and does not significantly deviate from the approved objectives and project milestones and targets.

The mid-term review exercise complements reporting and is based on objective data.

The LPs should timely and accurately start the collection of the necessary documents and information aimed at evidencing the project state of play in a detailed way (e.g.: contracts signed; accurate calculation of staff costs; tenders launched/to be launched, evidence of achieved output indicators etc).

A detailed calendar for the submission of the requested documentation shall be communicated to the LPs in due time.

From an operational point of view, the mid-term review is focused on the verification of the achievement of the following targets by September 2026:

1. *Project budget spending performance vs forecast expenditure irrespective de-commitment at programme level is of at least 875%:*

The minimum expenditure incurred by the project until September 2026 is of 7585% of the spending forecast. Evidence of the incurred expenditure must be provided through its submission to national controllers for the necessary verification.

The analysis of the financial performance also considers the capacity of IPA PPs of having compensated the received advance payment within the second project progress report.

2. *Project quantification of output indicators is of at least 75% of the planned quantified output indicators.*

Quantification of output indicators shall be provided through documentation evidencing the achieved target.

3. *Respect of work plan implementation:*

Documentation of the respect of the work plan through f the planned deliverables and outputs

4. *Delivery of planned outputs*

Evidence of the delivery of the planned outputs through the provision of copy/evidence of planned deliverable.

The review shall also be accompanied by the following analysis/documentation by the LP:

- a) Provision of an overview on the forthcoming activities to be implemented and their respective financial absorption.
- b) Analysis of potential risks and problems emerged, project deviations and delays, as well as the mitigation measures undertaken/to be undertaken, along with the need of eventual project modifications (content and financial modifications etc).

Collected information shall be analysed by MA/JS and submitted to the MC which will be in charge of deciding on the next steps to be adopted regarding the projects.

In case of underspending, the amount resulting from the difference between the afore-accepted underspending and the spent amount will be deducted and, following the MC decision, may be transferred to the other two strategic projects.

Finally, at the end of the mid-term review, the strategic projects shall also be offered the possibility of revising their work plan keeping safe the compulsory activities to be implemented. The revised work plan shall be as detailed as possible. If requested, MA/JS can provide feedback, guidance and recommendations to the projects and their partnerships while revising their work plans. Based on MC decisions, follow up actions may also be set in place.

8. Financial planning and de-commitment

As a general rule, the monitoring activities provide an overview of the advancement in project implementation, allows the programme to verify the compliance of the implemented activities with the approved ones indicated in application form, as well as the programme rules. It also provides an overview on the partnership ability in managing the project activities and meeting the set targets.

Data are regularly collected, analysed and communicated to the MC.

Approved budget and spending plans must be carefully respected. If Interreg funds are not spent according to the defined schedule, projects underspending may result in the programme impossibility to meet its financial targets, with consequent de-commitment of unspent funds by the European Commission. As a consequence of that, the commitments already granted to projects will have to be reduced.

In order to mitigate the underspending risk, the MA/JS recommend to carefully plan project activities in due advance – in particular with reference to those PPs with high allocations in single periods - in order to meet the project obligations in terms of financial spending and activities implemented.

In this regard, also after the midterm review, the definition of a monitoring plan clearly setting the different reporting targets and milestones both from a content (deliverables and outputs) and financial point of view at project and partner level is highly recommended.

In case de-commitment at programme level occurs and reduction of already granted funds is necessary, the MC decision on the extent according to which projects will be affected by budget reduction will be based on an assessment of the projects spending forecast and the actual projects spending rate.

Detailed rules and procedures shall be set in place after the mid-term review.

Modifications in operations

9. Project modifications

During project implementation several endogenous or exogenous situations may take place thus to require a modification of the planned activities or of the actors involved.

Modifications can affect:

- a) The partnership;
- b) The activities, including deliverables, on conditions that they do not alter the overall project goals and objectives;
- c) The work plan;
- d) The budget (reallocation between PPs and/or cost categories, as long as the maximum amount of funding awarded per is not exceeded and provisions related to State Aid discipline are respected).

Modifications cannot refer to:

- a) Spending forecast per period unless linked to significant changes in the project work plan as described in the present manual;
- b) Contribution to the programme result(s);
- c) Orientation towards equality between men and women and non-discrimination;
- d) Positive or neutral orientation towards environment;
- e) Quantification of chosen output and result indicators and/or their removal;
- f) Change of initial choice regarding real/simplified costs in relation to cost category as indicated in the approved AF.

Depending on the impact on the project set-up, modifications can be considered of minor or major relevance.

9.1 Minor modifications

Minor modifications are considered those changes that do not have substantial impact on the overall project goals and implementation. They are mainly characterized by an administrative or technical character (i.e.: information on data storage, modification of LP bank account). The PPs must inform the LP about the need of minor changes without delay.

The list of minor modifications is detailed below.

If necessary, the MA/JS can ask for support to the NCPs for the necessary verifications.

9.1.1 Administrative minor modifications

These modifications can include:

- Change of bank account and/or storage of project documents;
- Change of LP/PP contact data (name, telephone, email address, etc.) not affecting its legal status or its legal succession;
- Change of contact data of the project, finance or communication manager;

- Change of legal representative of the LP/PP (the request must be supported by valid relevant supporting documents);
- Change of VAT number (the request must be supported by valid relevant supporting documents and must be included in the report, so that the controller is informed about it);
- Change of LP/PP name without consequences on the legal status or on its legal succession (the request must be supported by valid relevant supporting documents);

In all the mentioned cases, in order to start the modification process, the LP has to inform the JS as soon as possible on the need of changing administrative information. If necessary, the JS opens the concerned section(s) in JEMS, where the LP can then update information and upload relevant documents as needed.

If necessary, the subsidy contract is updated accordingly.

9.1.2 Work plan and financial adjustment

The project may introduce minor adjustments in the work plan and within the same cost category upon condition that they do not affect the strategic approach of the project and do not jeopardize the project implementation by the foreseen end date.

These may be related to a change of format of an activity or deliverable, to the implementation timeline of a single activity/deliverable and/or (main) output delivery, to the involvement of PPs in a work package or activity, or to small reallocation within the same cost category line while keeping its total amount per PP unchanged.

The following **cannot** be considered minor adjustments:

- Reduction of the quantity/quality or changing the nature of the planned outputs ~~and deliverables~~;
- Reduction of the target values of output and result indicators and target groups.

How to proceed

A preliminary communication must be sent to the JS via email by the LP.

In case of MA/JS approval, the incurred modifications must be included and described both in the partner and in the project report. A justification and, whenever necessary, an explanation on the possible consequences of the adjustment, must also be provided.

Examples:

Instead of carrying out a workshop addressed to stakeholders during month 12 of project implementation, the project decides to realize targeted interviews to be performed on occasion of a wide international event where all stakeholders shall be present can be more effective. Interviews shall take place in month 15 of project implementation. As a result, an output that includes stakeholder opinions will be delivered at the end of month 15.

The initially planned travels to be performed by the entire partnership resulted having a saving of EUR 2.000 by PP3. The saved amount can be used for allowing PP3 to attend a capitalization event in Venice. The attendance to the event, not initially foreseen, can be reported in the

deviation section of the partner report (and afterwards in the project report) after having obtained the approval of the MA/JS.

9.1.3 Budget flexibility

- It might happen that the project has the need for small budget modifications. Budget flexibility allows projects to reallocate amounts between cost categories according to the implementation need for an increase up to 20% of the value of the cost category. The reference budget according to which the budget flexibility can be calculated is the one of the latest approved AF.

When applying the flexibility, the LP and PPs must consider the following:

- The total budgets of LP/PPs cannot be exceeded;
- The total budget of the project cannot be exceeded; this means that an increase in a certain cost category has to result in a decrease of another cost category(ies);
- The budget for State Aid relevant activities (according to the *de minimis* Regulation) cannot be exceeded, either at PP or at project level (if applicable);
- The spending plan per period cannot be changed;
- Budget reallocation among the different cost categories cannot alter the general character (objectives, outputs and result) of the approved project;
- Certain cost categories cannot be reduced to the extent that they would alter the relevance of the involved PPs (i.e.: extreme reduction of staff costs), or affect core deliverables (i.e. considerably reducing the costs of equipment);
- If changes affect cost category staff costs, the affected LP/PP must also take into account consequences to the cost category “office and administrative costs” and, if it is the case, the cost category “travel and accommodation”, if it is calculated as flat rate.
- Changes affecting a cost category used as base line for other cost categories calculated as flat rates, mirrors on the overall budget of the LP/PP.
- The 20% limits threshold is considered cumulative for the cost category at project level;
- In case a PP already received Interreg co-financing following the payment of preparation costs and/or expenditure incurred and paid in previous reporting periods, those parts of the budget cannot be changed;
- The LP has the responsibility to monitor the respect of thresholds.
- Budget flexibility shall not apply in the first six months of project implementation, apart for exceptional cases which must be approved by the JS/MA.
- It is not possible to change the calculation of a cost category from flat rate to real costs and viceversa.

[The 20% threshold is to be understood cumulatively at project level for the cost category that is going to be increased.](#)

| Example: | | |
|---------------------------------------|--|--------------------------|
| <u>Cost category –(planned value)</u> | <u>Cost category –(reported value)</u> | <u>Difference</u> |
| <u>CCBL1 – EUR 600.000</u> | <u>EUR 540.000</u> | <u>EUR – 60.000</u> |
| <u>CCBL3 – EUR 300.000</u> | <u>EUR 360.000</u> | <u>EUR +60.000 (20%)</u> |

How to proceed

The budget modification must be reported in the “deviation” section of the partner and project report, with a detailed explanation of the reasons, the amounts and the consequences of the modification. At the submission of the project progress report, the JS will verify that the expenditure per cost category is within the allowed thresholds. In case the modification exceeds the allowed thresholds, the exceeding amounts per cost category will not be considered as eligible.

9.2 Major modifications

Major modifications are considered any deviation from the latest version of the AF other than those listed under “minor modifications”. Major changes are described in the following paragraphs; all of them have to be prior communicated to MA/JS. In some cases, the approval of the Monitoring Committee (hereinafter: MC) will be necessary. If deemed appropriate, the MA/JS can ask for support to the NCPs.

Due to their relevance, some major changes require an amendment of the subsidy contract and/or of the partnership agreement. However, this is not always necessary. It should be always kept in mind that the valid application form for controls and verifications is the most recent version approved in JEMS.

Major changes must be duly justified and cannot take place in the first six months’ of implementation, unless – and this is the case of changes in the partnership – they are of vital importance for the future project implementation. It is strongly recommended that major modifications are submitted at least three months before the project end.

Details on how to proceed in JEMS will be make available once the set up and customisation of the dedicated sections will be ready.

9.2.1 Changes in the partnership

During project implementation it can happen that a PP or even the LP decides to leave the partnership.

Due to the strategic relevance of the projects, such a circumstance should not take place unless unavoidable exogenous or endogenous situations. Should this circumstance happen, the LP and the remaining PPs must find a solution in agreement with the rules and procedures defined below.

Due to the different structure of the strategic projects in terms of partnership, not all the possible changes in the partnership listed below, can apply without jeopardizing the eligibility of the project as indicated in the Application Manual and being in contrast with the overall eligibility rules reported in the Interreg Regulation.

Changes in the partnership shall be valid retroactively starting from the date when the written request is submitted to the MA via the JS. Request for changes can be submitted up to three months before the project ending date (except for point D, for which this deadline is not applicable).

a) A partner decides to withdraw, and it is not replaced.

Partner's withdrawn must be communicated to the MC.

The non-replacement of a PP must be counterchecked with the confirmation of the presence of the eligibility requirements at partnership level.

If this circumstance takes place, the planned activities linked to this PP must be deleted from the project and its budget revised accordingly. Budget decrease must be mirrored in the budget spending plan following the period when the MA/JS received the communication of withdrawn sent by the LP.

The partnership must demonstrate that the withdrawn PP does not jeopardize the effectiveness of the project and that planned outputs and goals shall be ensured.

In case the withdrawn PP already received Programme payments related to preparation costs and/or expenditure incurred and validated, it retains its share of preparation costs and/or paid amount.

In case the withdrawing partner received an advance payment by the Programme and did not manage to submit enough validated expenditure for compensating the advance payment received, the exceeding amount must be recovered by the LP and returned to the MA.

The withdrawn PP must in any case respect the obligations of documents retention for the time duration as reported in the subsidy contract/partnership agreement.

In case an Associated Partner withdraws and is not replaced, such a decision implies a revision of the PP budget supporting its costs.

b) A withdrawn partner/lead partner is replaced by another partner already present within the partnership, which takes over the remaining activities.

Partnership replacement is possible prior authorisation from the MC.

PP replacement can be done through a higher activity and financing involvement of PP(s) already present in the partnership . In case the withdrawn PP/LP was implementing State Aid relevant activities, activities can be taken over before their implementation only.

In case the withdrawn PP/LP has already received Programme payments related to preparation costs and/or expenditure incurred and validated, it retains its share of preparation costs and/or paid amount.

In case the withdrawing partner received an advance payment by the Programme and did not manage to submit enough validated expenditure for compensating the advance payment received, the exceeding amount must be recovered by the LP and returned to the MA.

The withdrawn PP/LP must respect the obligations of documents retention for the time duration as reported in the subsidy contract/partnership agreement and solve all pending situations (e.g.: repayment of undue funds).

The replacing LP/PP(s) shall take over the left budget of the withdrawn LP/PP; it must demonstrate to have the necessary skills and expertise to efficiently implement the remaining tasks left by the withdrawn PP.

In case it is the LP to withdraw, the PP intending to replace it must additionally demonstrate its capacity in managing and coordinating projects.

- c) A withdrawn lead partner/partner/associated partner is replaced by a new partner, which takes over the remaining activities:

Partnership replacement is possible prior authorisation from the MC.

The withdrawn LP/PP can be replaced by a new institution which takes over the remaining activities.

LP/PP replacement can be done through the inclusion of a new organization, possibly located in the same Participating Country.

In case the new organization has to implement State Aid relevant activities, they can be taken over before or after their implementation only.

The new identified organization must demonstrate to have the necessary skills and expertise to efficiently implement the remaining tasks.

Its total budget shall be the difference between what initially planned for the withdrawn PP and what already spent and paid by it.

The withdrawn PP must respect the obligations of documents retention for the time duration as reported in the subsidy contract/partnership agreement and solve all pending situations (e.g.: repayment of undue funds).

In case an Associated Partner withdraws, it can be replaced on condition that the replacing organization demonstrates its contribution to the partnership. Such a change could imply a change of the PP supporting its costs.

- d) The lead partner/partner is experiencing a structural or legal change, such as legal status change and legal succession.

The change is possible on condition that the new entity takes over all duties and obligations of its predecessor (e.g.: retention of document, respect of internal audit trail, eventual follow-up of irregularities etc.) and that IPA ADRION partners eligibility requirements are respected.

Legal status change is possible prior authorisation from the JS/MA.

9.2.2 Changes in project budget

During project implementation it can happen that a budget revision of an amount higher than what ruled by the automatic flexibility is necessary mainly related to the revision of activities/work plan

Request for major budget changes can refer to budget reallocation between PPs and/or cost categories and provisions related to State Aid discipline, if applicable, are respected. [Request for changes can be submitted up to three months before the project ending date.](#)

The request for budget change cannot:

- a) Affect the budget of activities considered as State Aid relevant and subject to the *de minimis* rule;
- b) Be related to preparation costs;
- c) Affect spending forecast per period unless linked to significant changes in the project work plan;

- d) Be related to expenditure already incurred and paid;
- e) Make one or more PP budget irrelevant – and consequent its activities - within the project.

Budget re-allocation between different cost categories is possible prior authorisation from the JS/MA and MC.

9.2.3 Changes in the work plan

A project may change its approach towards the achievements it is expected to be reached on condition that the requested changes:

- a) Do not alter the overall project goals and objectives;
- b) Do not alter the output and result indicators and their quantification;
- c) Do not alter the orientation towards equality between men and women and non-discrimination;
- d) Do not revise the positive or neutral orientation towards environment;
- e) In case State Aid relevant activities are present, changes do not affect them when they are in the middle of implementation;
- f) Do not make a PP contribution irrelevant with regard to its contribution to project implementation.

The request for changes in activities may require a budget revision.

The request to modify an activity/output must be duly justified and submitted not later than one month before the planned change takes place.

~~The requests for modification of activities/outputs must be duly justified and submitted no later than one month before the activities/outputs should take place according to the project work plan.~~

Changes in the work plan are possible prior authorisation from the JS/MA.

Example:

A project initially planned to sign an agreement among relevant stakeholders operating in the Adriatic and Ionian seas to improve sustainable aquaculture activities. During its implementation, the project considered more effective to join an existing network already fully operating which could expand with an Adriatic-Ionian branch. The change would ensure the reaching of the goal and would be more effective for the involved partners benefitting from more contacts and already existing structures offered by the existing network.

9.2.4 Changes in the overall project budget and project duration

Following the mid-term assessment conducted by December 2026, the Monitoring Committee will decide whether the three projects will increase their respective budget and extend their duration.

Eligibility of expenditure

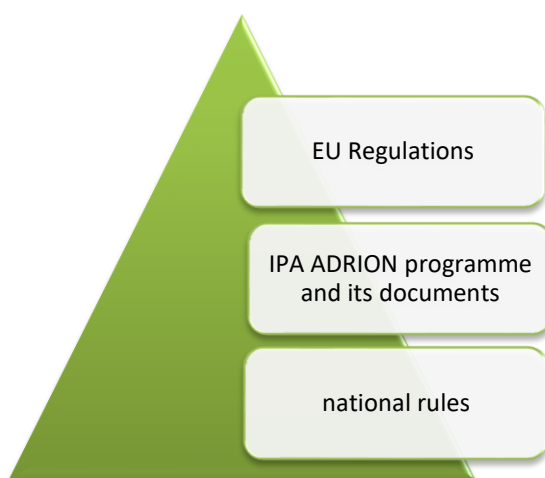
10. Hierarchy of rules on eligibility of expenditure

Rules on eligibility of expenditure must obey the following hierarchy: EU Regulations apply, followed by IPA ADRION programme rules. Only in case there are no EU or programme provisions, or they do not offer enough details, national, regional or local legislation and institutional rules can apply.

National rules cannot prejudice the rules established by EU regulations.

If national rules are stricter than EU or Programme ones, they must be applied.

The legal norms and documents reported in paragraph 2 of the present manual are those applicable both to ERDF and IPA partners³.



The following list expressly refers to the hierarchy of rules to be respected and **it is applicable to all Interreg partners.**

Whenever different sets of rules apply to ERDF and IPA beneficiaries, these are expressly indicated in the paragraphs and sub-paragraphs below.

11. General eligibility provisions and requirements

The following set of financial rules is applicable both to ERDF and IPA PPs.

As a general rule, expenditure is eligible for funding if it fulfils all the following general eligibility requirements:

- It has incurred and paid within the eligible period related to the duration of the project as defined in the last version of the AF; exceptions refer to *preparation costs* and *project closure costs*:

Preparation costs have the form of a lump sum and refer to any costs incurred by the partnership (Lead partner and/or project partners) of the approved projects for the preparation of the application form for an amount of EUR 50.000 (EU and national contribution), on condition they have been included in the AF. If a single beneficiary receives any public subsidy for project

³ All regulations are available in their latest version in the EUR-Lex database of European Union Law at <https://eur-lex.europa.eu/homepage.html>.

preparation or application, it shall be excluded from the lump sum for project preparation (i.e.: lump sum to be shared among the other beneficiaries only).

Any costs incurred by the projects between the date of submission of the AF and the date of signature of the subsidy contract (i.e.: between the end of the preparation period and the start of the implementation period) for fulfilling the conditions for improvement cannot be claimed as preparation costs they are not considered part of the preparation costs. PPs do not need to provide any justification or supporting documents for the preparation costs, which will be included and verified by first level controllers in the first Project Progress Report.

Project closure costs refer to the finalization of all the legal and administrative obligations related to the granted activities, including the preparation of the last progress report, the final report and the reconciliation with the initial granted amount, if necessary; these activities take place after the project official finalization of activities reported in the AF and are generally included in the last request for payment; eligible cost categories are Staff costs, Office and Administrative costs, Travel and Accommodation and External expertise and services. It refers to costs incurred and paid for the implementation of the project and in accordance with the AF approved by the MC or its eventual subsequent approved revisions. Detailed information shall be provided afterwards through ad hoc communication/factsheets.

- It refers to costs incurred and paid for the implementation of the project and in accordance with the AF approved by the MC or its eventual subsequent approved revisions;
- It is essential for the implementation of the project, and it would not be incurred if the project is not carried out;
- It relates to a product or service foreseen in the approved AF that has been delivered and complies with publicity and information requirements;
- It is directly borne by the beneficiary and supported by accounting documents justifying incurred expenses/payments (invoices, pay rolls...) except for costs calculated as flat rates and lump sums;
- It relates to an activity which has not benefitted from financial support by another public source (double funding);
- It complies with the principle of sound financial management (efficiency, effectiveness and economy);
- It complies, if required, to the public procurement rules applicable in that Participating Country and/or with Programme rules;
- It is registered in the beneficiary's accounts through a separate accounting system or an adequate accounting code set in place specifically for the project;
- It is not in contradiction with specific Programme rules;
- It is verified by an authorised national controller.

12. Non-supported activities and non-eligible expenditure

Without prejudice to the specific Programme rules defined in the specific paragraph, the following expenditure is considered as **not eligible** (reference to art. 64 of Regulation (EU) No 1060/2021):

The following costs are **not eligible**:

- a) Fines, financial penalties and expenditure on legal disputes and litigation;
- b) Costs of gifts;
- c) Costs related to fluctuation of foreign exchange rate;

- d) Charges for national financial transactions;
- e) In kind contributions (in the form of provision of works, goods, services, land and real estate for which no cash payment supported by invoices, or documents of equivalent probative value, has been made);
- f) Interest on debt;
- g) Purchase of land;
- h) Second hand equipment (unless falling under the conditions described in paragraph *Equipment costs*);
- i) Fees or sub-contracting between beneficiaries of a same project for services, equipment, infrastructure and works carried out within the project;
- j) value added tax ("VAT"), except:
 - (i) for operations the total cost of which is below EUR 5 000 000 (including VAT);
 - (ii) for operations the total cost of which is at least EUR 5 000 000 (including VAT) where it is non-recoverable under national VAT legislation;
- k) Project expenditure split among PPs (i.e. sharing of "common costs").

The IPA ADRION Programme also considers as **not eligible** the following expenditure:

- a) Under the travel and accommodation ~~cost category budget line~~, the cost of taxi is not reimbursed, unless it is the only or the most convenient transport mean (or in other duly justified cases, e.g., for the transport of heavy material);
- b) The costs for the creation of a project web site: unless otherwise specified, the IPA ADRION programme offers dedicated web site space on its own website for all funded projects to guarantee a coordinated visibility. A personalized project web site is eligible only if expressly mentioned in the approved AF;
- c) Heavy investments, infrastructures and works.
- d) Revenues, i.e.: cash in-flows *directly paid by users* for the goods and/or services provided by the project, such as charges borne directly by users for the use of infrastructure, sale or rent of land or buildings, or payments for services shall reduce the eligible expenditure and consequently the granted amount.

13. Project ~~cost categories~~budget lines

In this paragraph, specific provisions on eligibility, reporting and audit trail are given on the following five cost categories applicable to the IPA ADRION programme and based on the requirements of the set forth in CPR and Interreg Regulation:

1. Staff costs;
2. Office and administrative expenditure;
3. Travel and accommodation costs;
4. External expertise and services costs;
5. Equipment expenditure.

13.1 ~~Cost category~~ Budget line – staff costs

Staff costs refer to the gross employment costs of staff employed by the beneficiary institution (LP or PP) for implementing the project. Staff can either be already employed by the beneficiary or specifically contracted.

Staff costs are budgeted and reimbursed according to one of the following options:

- a) Real costs, calculated as explained below;
- b) Flat rate of 20% of the direct costs other than staff.

The choice, between real and flat rate, is made at PP level during the project preparation and cannot be changed during the project implementation.

13.1.1 Staff costs reimbursed based on real costs

Eligible expenditure under this ~~cost category~~ ~~budget line~~ is limited to:

- **Payment of staff** involved in activities (salary) which the body involved would not carry out if the project concerned was not undertaken, fixed in an employment document (employment contract or appointment decision) or by law, relating to responsibilities specified in the job description of the staff member concerned.
- **Payments of natural persons other than staff** working for the beneficiary under a contract other than an employment/work contract; such a contract may be assimilated to salary payments and such costs are eligible under staff costs only when the following conditions are met:
 - The person works under the beneficiary's instructions and, unless otherwise agreed with the beneficiary, at the beneficiary's premises;
 - The result of the work carried out belongs to the beneficiary;
 - The costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary;
 - The conditions under which a natural person can work under such a contract must be clarified by the LP/PPs to their controllers through the provision of relevant information with regard to the national law and their institutional regulations in force (IPA ADRION does not provide a generally applicable definition of the term as national regulations regarding this issue might be different from country to country).

As far as the Italian contract typology Co.co.co or Co.co.pro is concerned, please refer to the document elaborated by the Italian Ministry of Economy and Finance – IGRUE related to the operations financed in the framework of the ETC programmes (*“Manuale per la Rendicontazione ed i Controlli in relazione alla spesa dei programmi di Cooperazione Territoriale Europea”*).

In case of persons specifically hired for project activities through recruitment agencies and if it is the recruitment agency to pay them, these costs cannot be included and reported under the ~~cost category~~ “Staff costs” ~~budget line~~, but they must be reported under the ~~cost category~~ “External expertise and service costs” ~~budget line~~. As recruitment agencies are considered as service providers, they must always be selected according to transparent procurement rules.

If the conditions listed above are not met, the persons' costs must be allocated under ~~cost category~~ ~~budget line~~ “External expertise and services costs”.

The following conditions apply:

- Costs directly linked to salary payments incurred and paid by the employer (such as employment taxes and social security including pensions) as covered by Regulation (EC) No 883/2004 provided that they are:
 - Fixed in an employment document or by law in accordance with the legislation referred to in the employment document and with standard practices in the participating country and/or organization where the individual staff member is working; these costs, generally paid at a later moment in relation to payments to staff, can be charged together with the actual payment incurred to staff as an exemption to the general rule, according to which eligible costs refer to those paid by the beneficiary.
 - Not recoverable by the employer.
- Taxable benefits are only eligible if foreseen in the signed contract, national or internal regulations and they are in line with the employment policy of the beneficiary organisation (*ad hoc* regulations applicable only to the granted project are not allowed). They must be directly linked to the salary payments and figure on the payslip;
- Unjustified *ad-hoc* salary increases or bonuses for project purposes are not eligible;
- Where foreseen by the employment document, overtime is eligible, provided it is in conformity with national legislation and the standard practice of the beneficiary. Overtime of an employee working part-time in the project can only be eligible if transparently and proportionally allocated to the project;
- In case of contractual changes for staff working in the project, the method for calculating staff costs may also be adapted to the changed conditions (see below).

Staff costs must be calculated individually for each staff member charged to the project; they can be cumulatively reported on JEMS if accepted by the respective controller.

Calculation of staff costs⁴

Methods for calculating eligible staff cost, as foreseen in the art.39 of Regulation No 1059/2021 are the following:

1. **Full time:** an employee devotes 100% of his/her working time to the project. The full-time assignment to the project must be included in the employment/work contract or in a specific statement/order issued by the LP/PP institution. No registration of the working time (e.g. time sheets) is required. In such a case the **total of the gross employment cost is eligible.**

Staff costs=total of the gross employment cost

2. **Part-time with a fixed percentage of time worked per month:** an employee devotes the project a fixed percentage of his/her working time. This percentage is set out in a document issued by the LP/PP at the beginning of the project, and/or in the same employment/work contract. No registration of the working time (e.g. time sheets) is required. In such a case the **fixed percentage of the gross employment cost is eligible.**

Staff costs=fixed percentage of the gross employment cost

⁴Types of contract must be checked with national controllers first.

Part-time with a flexible number of hours worked per month: an employee dedicated to the project by a flexible percentage of his/her working time. For the purposes of determining direct staff costs, an hourly rate may be calculated in one of the following ways:

(a) by dividing the latest documented annual gross employment costs by 1720 hours for persons working full time, or by a corresponding pro-rata of 1720 hours, for persons working part-time;¹⁶

(b) by dividing the latest documented monthly gross employment costs by the average monthly working time of the person concerned in accordance with applicable national rules referred to in the employment or work contract or an appointment decision (both referred to as the employment document).

Hourly rate = annual gross employment cost/1.720 hours

Eligible staff cost shall result by multiplying the hourly rate by the number of hours actually worked on the project by each concerned staff, as resulting from the working time registration system (e.g. time sheets) covering 100% of the actual working time of the individual concerned.

Example of calculation:

12 months gross employment cost: EUR 36.000

Hourly rate: EUR 36.000 / 1.720 = EUR 20,93

Total monthly hours worked for the project: 80

Costs to be monthly charged to the project: EUR 20,93 X 80 =EUR 1.674,4

A single calculation method for each employee makes the audit trail, as well as the documentation and monitoring of the relevant costs, more transparent and easier to follow.

Documents for the audit trail

In case real costs are chosen, the following main documents must be available for validation and control purposes:

Full-time

- Employment/work contract or an appointed decision/contract considered as an employment document;
- Job description providing information on responsibilities related to the project;
- Periodic staff report with a summary description of the tasks carried out and the outputs achieved by the employee in the project reporting period;
- Payslips or other documents of equivalent probative value;
- Proof of payment of salaries and employer's contribution;
- No registration of the working time is required.

Part-time assignment with a fixed time

- Employment/work contract or an appointed decision/contract considered as an employment document;

- Document setting out the percentage of time to be worked on the project per month (if not specified in the contract);
- Monthly calculation for each reporting period;
- Periodic staff report with a summary description of the tasks carried out and the outputs achieved by the employee in the project reporting period and signed both by the employee and his/her supervisor;
- Job description providing information on responsibilities related to the project;
- Payslips or other documents of equivalent probative value;
- Proof of payment of salaries and employer's contribution;
- No registration of the working time is required.

For those employees whose contract does not require time sheets, it is asked a periodic staff report with a summary description of the tasks carried out and the outputs achieved by the employee in the project reporting period to be included in each partner report. For staff working full-time on the project or part-time with a fixed percentage, the periodic staff report shall also contain an indicative breakdown of the time worked in each work package as well as specific information on missions carried out by the employee in the period. The periodic staff report must be signed both by the employee and her/his supervisor.

Specific conditions applying to all contract types

The employment document and/or the official assignment to the project, signed both the by employer (delegated person) and the employee at the beginning of the assignment, must include at least the following information:

- Statement on the percentage of the employee's working time on the project (100 % if working full-time or whether its part time work is entirely devoted to the project);
- If the employee is working part-time on the project and is involved in other EU and/ or national co-funded projects, name and funding reference of the concerned project(s) as well as a statement on the expected percentage of the employee's working time on each co-funded project;
- Specification of the ~~work package(s) to which the employee is assigned and of the~~ duration of the assignment to the project;
- Description of the main tasks to be performed and main deliverables and outputs to be produced by the employee within the duration of the assignment to the project, making reference to the outputs and deliverables as foreseen in the AF.

In case of changes in the assignment (e.g. shift of tasks resulting in a change in the percentage of time worked in the project), also the employment document and/or official assignment must be revised. In turn, the calculation of costs which can be claimed in the project must be adapted to the changed assignment.

Overview: calculation and documentation of staff costs

| Type of assignment | Eligible costs | Time sheets | Required documentation |
|---|--|---|--|
| Full time | 100% of the gross employment costs | NO | <ul style="list-style-type: none"> • Employment/work contract or an appointed decision/contract considered as an employment document; • Job description providing information on tasks related to the project; • Periodic staff report with a summary description of the tasks carried out and the outputs achieved by the employee in the project reporting period; • Payslips or other documents of equivalent probative value; • Proof of payment of salaries and employer's contribution. |
| Part-time with a fixed percentage of time worked per month | The fixed percentage of the gross employment per month | NO | <ul style="list-style-type: none"> • Employment/work contract or an appointed decision/contract considered as an employment document; • Document setting out the percentage of time to be worked on the project per month (if not specified in the contract); • Monthly calculation for each reporting period; • Periodic staff report with a summary description of the tasks carried out and the outputs achieved by the employee in the project reporting period; • Job description providing information on responsibilities related to the project; • Payslips or other documents of equivalent probative value; • Proof of payment of salaries and employer's contribution. |
| Part-time with a flexible number of hours worked per month | <p>The number of hours devoted to the project multiplied by the identified hourly rate.</p> <p>The hourly rate is calculated by dividing the latest documented annual gross employment cost/1720 hours</p> | <p>YES</p> <p>Timesheet must cover 100% of the actual working time of the employee)</p> | <ul style="list-style-type: none"> • Employment/work contract or an appointed decision/contract considered as an employment document (including information on the monthly working time); • Job description providing information on responsibilities related to the project; • Calculation of the monthly gross employment costs based on the hours registered in the time sheet and the identified hourly rate; • Document stating the latest documented annual gross employment cost; • Payslips or other documents of equivalent probative value; • Proof of payment of salaries and employer's contribution. |

13.1.2 Staff costs reimbursed according to flat rate calculation

Staff costs calculated according to flat rate are paid for an amount equal to 20% of the sum of the costs incurred and paid in the reporting period under all the other cost categories ~~budget lines~~, except “staff costs” and “office and administrative expenditure”:

- Travel and accommodation costs;
- External expertise and services costs;
- Equipment expenditure.

If direct costs used as calculation basis for determining staff costs are found to be ineligible, the determined staff costs are re-calculated and reduced accordingly.

Chosen flat rate option during project preparation cannot be changed during project implementation and will apply to all staff members of the LP/PP institution.

Documents for the audit trail

For staff costs calculated through flat rate, beneficiaries do not need to document that staff expenditure has been incurred and paid or that the amount corresponds to reality: as a consequence of that no documentation on staff costs needs to be provided to the national controller.

The controller can, however, ask the beneficiary’s legal representative (or delegated person) to certify the existence of at least one person of staff or a natural person working for the Interreg partner under a contract, (e.g., by providing registration at the social insurance agency or annual payroll account, a work contract or another type of contract which can be assimilated to a work contract).

The veracity of self-declarations certifying that staff/owners of the beneficiary are working in the project may be checked by any of the programme bodies entitled to perform controls and audit.

13.2 Cost category Budget line – Office and administrative expenditure

Office and administrative costs are calculated as a flat rate of 15% of eligible staff costs (no matter whether they are calculated as real costs or flat rate).

Office and administrative costs is limited to:

- a) Office rent;
- b) Insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g., fire, theft insurances);
- c) Utilities (e.g., electricity, heating, water);
- d) Office supplies;
- e) General accounting provided inside the beneficiary organisation;
- f) Archives;
- g) Maintenance, cleaning and repairs;
- h) Security;
- i) IT systems;
- j) Communication (e.g., telephone, fax, internet, postal services, business cards);

- k) Bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened;
- l) Charges for transnational financial transactions.

The above list is exhaustive, and no additional types of costs can be added to this list.

No detailed budget needs to be drafted since the expenditure is automatically calculated by JEMS both in the application phase and when submitting financial progress reports.

Example for the calculation of 15% flat rate:

Reported eligible staff costs: EUR 15.000

Eligible Office and administrative costs: EUR 15.000 X 15%= EUR 2.250

The calculation for office and administrative costs is done automatically in every project report, taking into account the amount of eligible staff costs. The calculated expenditure is not checked by the controller and does not require any accountancy. However, if part of staff costs used as calculation basis for determining the amount of office and administrative expenditure is found to be ineligible, the corresponding amount of office and administrative expenditure shall be reduced accordingly.

No further justification or supporting document is needed from the PPs.

Office and administrative expenditure shall not be claimed as direct cost under any other cost category.

If no staff costs are declared in one reporting period, no office and administrative cost will be calculated and reimbursed.

In order to avoid any double financing, PPs cannot report any cost item listed above in any other [cost category budget line](#).

Please note that if an external expert is contracted to repair the IT system or support beneficiary administration office, its costs is to be charged under the [cost category budget line](#) “external expertise and services”.

Documents for the audit trail

The calculation for office and administrative expenditure is done automatically in every partner report taking into account the amount of eligible staff costs. The calculated expenditure is not checked by the controller and does not require any accountancy.

However, if part of staff costs used as calculation basis for determining the amount of office and administrative expenditure is found to be ineligible, the corresponding amount of office and administrative expenditure shall be reduced accordingly.

13.3 Cost category Budget line – travel and accommodation costs

Expenditure under this ~~cost category budget line~~ refers to the costs incurred by the beneficiary organisation for travels and accommodation incurred and paid inside or outside the programme area, of its own staff necessary for the delivery of the project.

Travel and accommodation costs can be calculated according to the following options:

- A) Flat rate of 15% of the direct staff costs of IPA beneficiaries; flat rate of 10% of the direct staff costs of ERDF beneficiaries;
- B) Real costs.

The choice, between real and flat rate, is made at PP level during the project preparation and cannot be changed during the project implementation.

13.3.1 Travel and accommodation costs reimbursed based on real costs

Eligible expenditure under this ~~cost category budget line~~ is limited to:

- a) Travel costs (such as tickets⁵, travel and car insurance, fuel, car mileage, toll, and parking fees);
- b) The cost of meals;
- c) Accommodation costs;
- d) Visa costs;
- e) Daily allowances.

The above list is exhaustive, and no additional types of costs can be added to this list.

Any cost element listed in points a) to d) covered by a daily allowance shall not be reimbursed in addition to the daily allowance.

Travel and accommodation costs of external experts and service providers including speakers, chairpersons, teachers, fall under external expertise and services costs.

Direct payment of expenditure for cost elements listed in points a) to d) by an employee of the beneficiary shall be supported by a proof of reimbursement by the beneficiary to that employee.

The following conditions apply:

- Travel and accommodation costs must clearly link to any project's activities and be essential for their effective delivery; the duration of the mission must be clearly in line with its purpose
- Costs must be definitely borne by the beneficiary organisation (direct payment by a staff member of the partner organisation must be supported by a proof of reimbursement from the employer);
- The principle of sound financial management shall guide to the choice of transport and accommodation. In line with the result-oriented policy approach, effectiveness should be the leading principle. In the second instance, cost-efficiency should be ensured, taking into account the entire cost of the mission (travel cost, staff costs related to the travel, etc.). In particular:
 - Beneficiaries must always choose the most economical modes of transport. Exceptions from this principle must be duly justified in each case;

⁵ Proofs of delivery can include current technological progresses: e.g.: boarding passes should not be required for the audit trail or as proof of delivery as they in the current practice do not prove delivery of the journey.

- Accommodation costs can be accepted if they are in the middle price range, while higher price ranges must be duly justified in each case;
- Beneficiaries must respect either their ordinary internal rules for travel and accommodation costs (if any), or respect any maximum ceiling for travel and hotel costs established at national level, whichever is stricter;
- In the absence of internal and/or national rules, maximum ceilings for travel and accommodation established by the European Commission and applicable throughout the IPA ADRION programme area shall apply. They shall be considered as maximum ceilings⁶. The amounts exceeding such values shall be in any case considered not eligible.
- Any expenditure item defined as travel costs, accommodation costs, costs of meals or visa costs that is already covered by a daily allowance, cannot be accounted for and reimbursed in addition to the daily allowance, i.e., no double funding is allowed (the reimbursement of daily allowances must be reduced if costs have been partially covered by third parties, e.g. breakfast included in the hotel fee, lunch or dinner paid by the organisers of a meeting/event). Beneficiaries shall choose the accounting method (daily allowance or direct costs) which is closer to their ordinary practice and/or internal rules.

~~Travel and accommodation outside the IPA ADRION programme area must be clearly indicated in the AF or, if they are not explicitly foreseen in the AF but are clearly linked to the outputs and results of the projects, they must be duly justified in the reports and subject to approval by MA/JS.~~

Travel and accommodation outside the IPA ADRION programme area (e.g.: meetings and events organized by European institutions in Brussels; participation to thematic events, fairs etc.) must be clearly indicated in the AF or, if they are not explicitly foreseen in the application form but they are clearly linked to the outputs and results of the projects, they must be duly justified in the reports and subject to approval by the MA/JS.

Unused travel tickets are not eligible, unless the not performed mission was caused by *force majeure* and duly documented.

As far as costs of taxis and other specific programme rules are concerned, please also refer to paragraph devoted to ineligible expenditure of the present manual.

Travel and accommodation costs of external experts and service providers including speakers, chairpersons, teachers, etc. and of Associated Partners, such as the partner institution employees not engaged in the project implementation can only be claimed under the [cost category](#) external expertise and services [budget line](#).

Costs of Associated Partners can only be claimed under the [cost category](#) external expertise and services [budget line](#).

Travels and accommodation of third country PPs shall be paid with their own funds.

Documents for the audit trail

In case real costs apply, the following documents must be provided to the controller for validation and control purposes:

⁶ https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/unit-cost-decision-travel_en.pdf

- Authorisation of mission of the employee(s) travelling, bearing information on the destination and the start and end date of the mission;
- Proof of expenditure (e.g. invoice of travel agent, flight or train ticket, boarding pass);
- Reimbursement request from the employee either based on daily allowance or on real costs. When claiming on a real cost basis all necessary documents proving the costs incurred and paid must be provided (e.g.: bus or metro tickets, meal receipts);
- Mileage calculation sheet or invoices, if an employee or company car is used; it has to include a statement of the distance covered, the cost per unit according to national or institutional rules (if applicable) and total cost;
- Other supporting documents (e.g. invitation, agenda);
- Proof of payment of costs directly paid by the beneficiary and/or proof of reimbursement to the employee (e.g. extract from a reliable accounting system of the beneficiary, bank statement).

13.3.2 Travel and accommodation costs reimbursed according to flat rate calculation

The flat rate defined in the approved AF shall be automatically applied by the given PP for reporting travel and accommodation costs in each reporting period.

If part of the Staff costs used as calculation basis for determining the amount of Travel and accommodation costs is found to be ineligible, the corresponding amount of Travel and accommodation expenditure shall be automatically reduced accordingly. The chosen option cannot be changed during project implementation.

In case the flat rate method is applied, the flat rate covers all items mentioned under the real costs option.

Example for the calculation:

Reported eligible staff costs (irrespective if based on real costs or flat rate): EUR 30.000

IPA participating countries eligible Travel and Accommodation costs = 30.000 EUR X 15% = 4.500 EUR

ERDF participating countries eligible Travel and Accommodation costs = 30.000 EUR X 10% = 3.000 EUR

In case Travel and Accommodation costs are calculated as a flat rate of Staff costs calculated as a flat rate, they cannot be included in the basis to calculate the amount of the Staff costs.

Comprehensive calculation of flat rates

Example A:

Costs based on real costs:

External expertise and service: 45.000 EUR

Equipment: 25.000 EUR

Costs based on flat rate:

Staff costs: 20% of (45.000+25.000) = EUR 14.000

Office and administrative costs: 15% of 14.000 = EUR 2.100

IPA beneficiary Travel and accommodation costs: 15% of EUR 14.000 = EUR 2.100

ERDF beneficiary Travel and accommodation costs: 10% of 14.000 = EUR 1.400

Example B:

Costs based on real costs:

Staff costs: EUR 12.000

External expertise and service: EUR 25.000

Equipment: EUR 15.000

Costs based on flat rate:

Office and administrative costs: 15% of EUR 12.000 = EUR 1.800

IPA beneficiary Travel and accommodation costs: 15% of EUR 12.000 = EUR 1.800

ERDF beneficiary Travel and accommodation costs: 10% of EUR 12.000 = EUR 1.200

Documents for the audit trail

If travel and accommodation costs are calculated through flat rate, beneficiaries do not need to document that the expenditure has been incurred and paid or that the amount corresponds to reality: as a consequence of that, no documentation needs to be provided to the national controller, who can, however, requires evidence of either a mission order or report or a recording of a meeting or similar evidence for at least one trip in the project's lifetime.

13.4 Cost category Budget-line – External expertise and service costs

Expenditure of external expertise and service costs shall be limited to the following services and expertise provided by a public or private body or natural person, other than the beneficiary, and all PPs:

- a) Studies or surveys (such as evaluations, strategies, concept notes, design plans, handbooks);
- b) Training;
- c) Translations;
- d) Development, modifications and updates to IT systems and website;
- e) Promotion, communication, publicity, promotional items and activities or information linked to an operation or to a programme as such;
- f) Financial management;
- g) Services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- h) Participation in events (such as registration fees);
- i) Legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- j) Intellectual property rights;

- k) Verifications pursuant to point (a) of Article 74(1) of Regulation (EU) 2021/1060 and Article 46(1) of this Regulation;
- l) Omissis⁷
- m) Omissis⁸
- n) The provision of guarantees by a bank or other financial institution where required by Union or national law or in a programming document adopted by the Monitoring Committee;
- o) Travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;
- p) Other specific expertise and services needed for operations.

The above list is exhaustive, and no additional types of costs can be added to this list.

Eventual costs for promotional material (e.g.: leaflets, brochures, gadgets etc.) must be allocated under this [cost category budget line](#) and will be considered as eligible only if it is demonstrated its efficacy in reaching one or more target groups is demonstrated.

General principles of eligibility

Irrespective to the simplified approach adopted for the implementation of the strategic projects, it will not reduce the compliance of the management and control system with the key requirements as listed in annex 11 of CPR, in particular: Appropriate procedures for confirming that the expenditure entered into the accounts is legal and regular. (key requirement 9);

- ~~Effective system to ensure that all documents necessary for the audit trail are held (key requirement 5);~~
- ~~Appropriate procedures for confirming that the expenditure entered into the accounts is legal and regular (key requirement 9);~~
- ~~Appropriate procedures for drawing up and submission of payment applications and of accounts and confirming completeness, accuracy and veracity of the accounts (key requirement 10);~~

As a general principle, external expertise and services have to be duly specified in the full AF by describing at least the nature and quantity of the expertise/service, the link to the relevant deliverable or output as listed in the work plan and the related budget of the concerned PP.

Costs referring to project-related tasks sub-contracted by the beneficiary to in-house bodies are eligible under [the cost category external expertise and service budget line](#) on condition that the following is met:

- Costs incurred by the in-house body are charged on a real cost basis without any profit margin;
- The sub-contracting to the in-house body of project related tasks complies with national and institutional public procurement provisions in force.

⁷ The content of this point is not relevant for beneficiaries

⁸ The content of this point is not relevant for beneficiaries

This ~~cost category budget line~~ covers costs paid by beneficiaries to external experts and service providers on the basis of contracts or written agreements and against invoices or requests for reimbursement.

Sub-contracting between beneficiaries inside the same project partnership is not allowed.

Beneficiaries can sub-contract to external experts and service providers only tasks or activities which are essential for the implementation of the project.

When awarding external expertise and service contracts, all Interreg partners must ensure that EU and national rules on public procurement are respected, in accordance with the amount of the contract. All contracts must comply with the basic principles of transparency, non-discrimination and equal treatment as defined in the EC Treaty and the Commission Interpretative Communication on the Community law applicable to contract awards below the EU thresholds.

Beneficiaries shall respect relevant public procurement rules in force.

Furthermore, whenever public bodies or bodies governed by public law have defined internal rules for the purchase of goods and service below the minimum thresholds set by national laws, such internal rules must be respected.

Details are provided in paragraph “*Public contracts between entities within the public sector*”.

To be accepted for reimbursement by IPA ADRION, the expenditure listed above has to fulfil the following conditions:

- External expertise and services costs have to be duly specified in the AF by describing at least the nature and quantity of the expertise/service, the link to the relevant deliverable or output as listed in the work plan and the related budget of the concerned LP/PP;
- The task is essential for the project;
- The price of the external service or expertise has been calculated reasonably and according to the standard rates of the Partner State where the PP concluding the contract is located;
- The Programme, relevant national legislation or community rules regarding public procurement have been applied;
- The basic principles of transparency, non-discrimination and equal treatment laid down in the EC Treaty have been respected for all contracts;
- Where applicable, deliverables produced by experts/service providers must respect the relevant branding requirements as provided for in chapter *Communication activities*;
- Contractual advances in accordance with normal commercial law and practice, stipulated in a contract between the beneficiary and the expert/service provider, supported by receipted invoices (e.g. advance payment for an expert carrying out a study) are eligible but depend on later confirmation that the service has been properly and timely delivered;
- Travel and accommodation costs for the EUSAIR Governing Board and/or Thematic Steering Group members, who work in the same institution as the LP or PP but in a different departments and have not been considered as staff members of the project, must be charged under the ~~cost category budget line~~ external expertise;
- Travel and accommodation costs for beneficiary’s legal representatives (e.g.: mayors, etc.) not considered as staff members of the project must be included under the ~~cost category budget line~~ external expertise.

LP/PP/Associated Partner employees cannot be paid as expert for the project.

Public Procurement rules

When awarding external expertise and service contracts all PPs - irrespective their legal status - must ensure that EU, programme, and national rules on public procurement are respected, in accordance with the amount of the contract.

Rules may differ depending on the amount of the contract and the country of origin of the awarding institution. Failure to comply with the procurement rules may have financial consequences, i.e.: reduction of the EU payment based on the type and significance of the non-compliance (see chapter *Public procurement*).

Documents for the audit trail

The following documents must be provided to the controller:

- Documentary evidence of the competitive procedure carried out must be submitted to national controllers, including evidence of comparative evaluation of offers and evaluation criteria applied for awarding the contract;
- Contract or written agreements laying down the services to be provided with a clear reference to the project and the programme. For experts paid on the basis of a daily/hourly fee, the daily/hourly rate together with the number of days/hours contracted and the total amount of the contract must be provided. Any changes to the contract must comply with the applicable procurement rules and must be documented;
- Invoice or request for payment providing all relevant information in line with the applicable accountancy rules as well as references to the project and the programme and a detailed description of the services provided in line with the contents of the contract. For experts paid on the basis of a daily/hourly fee, the invoice must include a clear quantification of the days/hours charged, price per unit and total price;
- Deliverables produced (e.g. studies, promotional materials) or, where applicable, documentation of the delivery (e.g. in case of events: agenda, list of participants, photo-documentation, etc.);
- Proof of payment (e.g. extract from a reliable accounting system of the beneficiary, bank statement).

13.5 Cost category Budget line – Equipment expenditure

This cost category budget line covers costs related to equipment essential for the implementation of the project.

Cost for equipment is only eligible if foreseen in the approved AF. During project implementation, purchase of any equipment not explicitly mentioned in the AF must be subject to approval by the MA/JS.

Eligible cost items under this cost category budget line are:

1. Office equipment;
2. IT hardware and software;
3. Furniture and fittings;
4. Laboratory equipment;
5. Machines and instruments,
6. Tools or devices;

7. Vehicles;
8. Other specific equipment needed for the project.

Equipment from another project partner cannot be purchased, rented or leased.

Costs for the purchase of second-hand equipment may be eligible subject to the following conditions:

- a) No other assistance has been received for it from the Interreg funds or from the funds listed in point (a) of Article 1(1) of Regulation (EU) 2021/1060;
- b) Its price does not exceed the generally accepted price on the market in question; and
- c) It has the technical characteristics necessary for the operation and complies with applicable norms and standards.

In principle, the above-mentioned equipment items can be grouped according to the following:

- a) Equipment necessary for the project implementation: i.e.: a tool or device used to carry out project activities and necessary for the delivery of the project outputs and, therefore, used for that scope. Under this category there is, for example, the equipment for general office use as computers, office furniture, printers, cameras, etc. upon condition that it is for the exclusive use for the project and it can be demonstrated.
- b) Equipment considered as thematic and functional to the implementation of pilot actions (.).

Irrespective to the simplified approach adopted for the implementation of the strategic projects, it will not reduce the compliance of the management and control system with the key requirements as listed in annex 11 of CPR, in particular: appropriate procedures for confirming that the expenditure entered into the accounts is legal and regular.

- ~~• Effective system to ensure that all documents necessary for the audit trail are held (key requirement 5);~~
- ~~• Appropriate procedures for confirming that the expenditure entered into the accounts is legal and regular (key requirement 9);~~
- ~~• Appropriate procedures for drawing up and submission of payment applications and of accounts and confirming completeness, accuracy and veracity of the accounts (key requirement 10).~~

As a general principle, full cost for equipment will be eligible. ~~for all project equipment grouped under letter a) and b) above (purchased before or during the project lifetime) only depreciation costs can be allocated to the project.~~ For equipment rented or leased for certain period during the project lifetime, rental or leasing costs for the respective period are eligible.

~~The calculation of depreciation or equivalent division of shares of equipment must be done according to a justified and equitable method and be in line with the national or institutional regulations. Equipment depreciation costs are related to the time period when the equipment is used for the project purposes.~~

In case of equipment that was purchased before the project start and not fully depreciated before and used for the project purposes, only the depreciation for the relevant project period is eligible.

Overall, equipment purchase must comply with the following principles:

- It is not financed from any other financial instrument (e.g. EU, national, international);

- It is not included under any other [cost category budget line](#);
- It was not purchased by another PP;
- It is purchased respecting the relevant public procurement procedures;
- Purchase costs of second-hand equipment can be eligible provided that:
 - No other assistance has been received for it from ERDF/IPA/Interreg Funds;
 - Its price does not exceed the generally accepted price on the market;
 - It has the technical characteristics necessary for the project and complies with applicable norms and standards;
- It was not fully depreciated at the time of project start;
- It complies with the visibility rules set by Regulation (EU) No 1059/2021 art. 36 and Detailed guidance regarding the requirements is provided under Chapter *Communication activities*.

The full cost of equipment is eligible when the following conditions are satisfied:

- Equipment item is exclusively used for the project implementation;

AND

- The depreciation period is shorter than the time lap between the purchase of the equipment and the end of the project;

OR

- Equipment item is not depreciable (e.g. low value asset) according to the national legislation of the concerned partner.

Please consider that:

- Costs of office equipment already in possession of the beneficiary organisation and used to carry out project activities are not eligible under this [cost category budget line](#), as such costs are already covered under the [cost category budget line](#) office and administration;
- Consumables related to office equipment used to carry out the daily work of the project staff (e.g. paper, toners etc.), including the use of mobile phones and other devices purchased as part of a subscription contract for communication services, cannot be included under this [cost category budget line](#) and must be covered under [the cost category budget line](#) Office and administrative expenditure;
- The existence of office equipment and its clear identification can be verified in the framework of on-the-spot verifications on projects performed by controllers. In case that equipment items are not checked on-the-spot, controllers shall verify their existence by other means of verification (as e.g. photo documentation).

Public Procurement rules

Thresholds and applicable procurement procedures are described in the *ad hoc* chapter.

Documents for the audit trail

- Evidence of the selection procedure, in line with EU, national or programme procurement rules, depending on the amount contracted, including documentary evidence of the competitive procedure carried out including evidence of comparative evaluation of offers and evaluation criteria applied for awarding the contract;
- In case the purchase of equipment also includes the provision of assistance to the purchased good, the daily/hourly rate together with the number of days/hours contracted and the total amount of the contract must be provided. Any changes to the contract must comply with the applicable procurement rules and must be documented;
- In case of assets subject to depreciation, a calculation scheme of depreciation;
- Proof of payment (e.g. extract from a reliable accounting system of the beneficiary, bank statement).

Eligible invoices and use of Euro

14. Eligible invoices and annulment

After having been paid, each invoice must be annulled in order to avoid double funding. The annulment can be done by the mean of a stamp or another adequate method for marking the invoices related to the project containing the following information:

- Information that the expenditure has been co-funded by IPA ADRION programme;
- The number and/or acronym of the project;
- In case of invoices or other probative document covering different cost items, a statement on the share of expenditure claimed in the concerned project;
- (For Italian PPs only): the CUP number (Codice Unico di Progetto).

If invoices or any other probative documents are available only electronically (i.e. no original can be identified) the minimum information listed above has to be incorporated in the subject and/or in the body of the electronic document.

15. Use of Euro

Financial reporting of a project must occur in Euro and the programme will pay Interreg contribution in Euro.

The exchange rate used for accounting expenditure might be different from the one used for the purpose of drafting the budget. Costs related to fluctuation of foreign exchange rate are not eligible.

In accordance with art. 38.5 of Interreg Regulation and by way of derogation from point (c) of Article 76(1) of CPR, expenditure incurred and paid in a currency other than Euro shall be converted into euro by each beneficiary coming from countries which have not adopted the euro as their currency using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification. Such a conversion will be automatically converted into Euro by JEMS. The conversion shall be automatically done as many times as necessary during the uploading of invoices until the submission of the LP/PPs expenditure to their controllers for verification. Eventual further submission of missing documents, clarifications etc. on that expenditure shall not be considered for the conversion⁹.

In the case of on-the-spot verification of expenditure by the controller (i.e. without submission of documents to the controller by the beneficiary) the date of submission corresponds to the date of execution of the on-the-spot control.

⁹ Information on exchange rate can be found in: https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-inforeuro_en

Public procurement

16. Public procurement – General principles

When awarding contracts for the purchase of goods or services all LPs/PPS, - irrespective of their legal status - must ensure that the applicable rules on public procurement are respected.

Public procurement ensures that suitable and qualified contractors are chosen without bias and that the best price vs. quality ratio or the best price is obtained. As a consequence of that, also procurement procedures must obey the principles of transparency, proportionality, equal treatment and non-discrimination.

Detailed guidance on public procurement can be found in the EC document “*Guidance for practitioners on the avoidance of the most common errors in public procurement of projects funded by the European Structural and Investment Funds*”¹⁰.

Some rules may however differ depending on the amount of the contract and of the Participating Country of the awarding institution. Failure to comply with the procurement rules may have financial consequences, by means of application of correction rates based on the type of non-compliance¹¹.

The hierarchy of rules to be respected is:

- EU rules¹² (in particular 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) and amended by Commission Delegated Regulation (EU) 2017/2365 Directive 2014/24/EU of the European Parliament and of the Council in respect of the application thresholds for the procedures for the award of contracts¹³ to be respected by ERDF PPs.

The EU Directive is subject to its transposition into national legislations. Procurement rules at national level could be different with regard to the type of procedure to be adopted, contract value etc.

- Financing Agreement concluded between the relevant IPA Participating Country, the European Commission and the Managing Authority, and Financial Regulation (Regulation (EU, Euratom) No 2018/1046, if relevant, to be respected by IPA PPs.
- National rules of Participating Countries;
- IPA ADRION programme rules;
- Institutional rules of the LPs/PP involved.

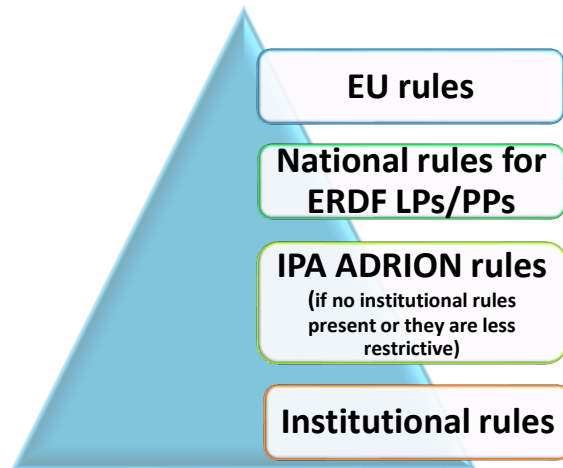
¹⁰ http://ec.europa.eu/regional_policy/en/policy/how/improving-investment/public-procurement/guide/

¹¹ Commission Decision of 14.5.2019 laying down the guidelines for determining financial corrections to be made to expenditure financed by the Union for non - compliance with the applicable rules on public procurement and ANNEX for determining financial corrections to be made on expenditure financed by the Union under shared management in case of non-compliance with the applicable rules on public procurement.

¹² More information on EU rules on public procurement can be found at the following link:

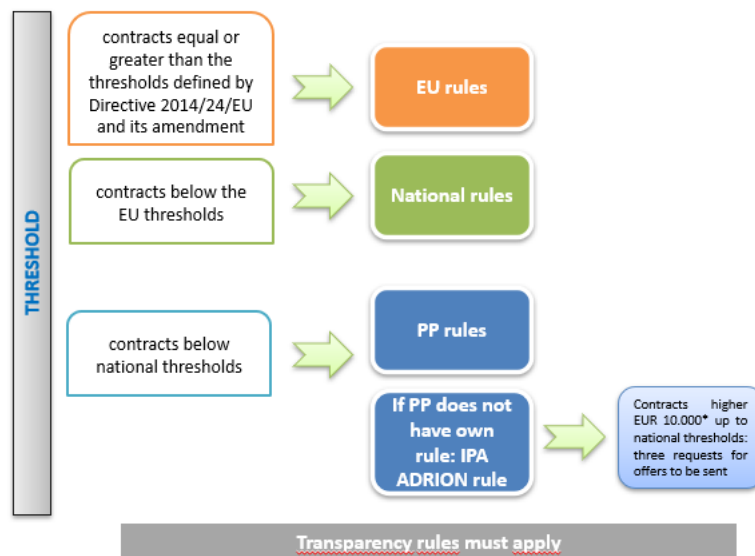
https://ec.europa.eu/growth/single-market/public-procurement_en

¹³ Other relevant EU Directives are: No 2014/23 (EU), No 2014/25 (EU), No 89/665/EEC and No 92/13/EEC.



16.1 Public procurement for ERDF partners

The picture below provides an overview on the rules to be respected by ERDF LPs/PPs:



*VAT excluded, in cases where VAT exemption is possible.

The European rules ensure that the award of contracts of higher value for the provision of public goods and services must be fair, equitable, transparent and non-discriminatory.

Thresholds defined by the Directive 2014/24/EU and its amendment can be found in https://ec.europa.eu/growth/single-market/public-procurement/rules-implementation/thresholds_en

For tenders of lower value however, national rules apply, which nevertheless have to respect general principles of EU law.

For contracts higher than EUR 10.000 up to national thresholds, beneficiaries must perform and document the execution of adequate market researches (e.g. through collecting bids, using centralised e-procurement services, etc.) and the request for offers from at least three independent external providers (i.e.: three requests to be sent). Contracts for procurement of supplies and/or services shall be awarded to the bidders according to national awarding criteria.

The bidders should be given sufficient time for submission of their offers.

Procedure must be properly documented: market research activities, method of selection of the offer and to evaluate the quality of the offer in relation to the request, invoice and proof of payment.

If the national rules/beneficiary's organization has defined stricter procedures for buying goods/services below the national threshold than the one set by IPA ADRION, the beneficiary's organization rules apply.

Below EUR 5.000, no specific rules are set at programme level, however, national/institutional rules, if any, shall be applied. LP/PPs must always respect the principles of effectiveness, efficiency and economy in all their purchases.

16.1.1 Public contracts between entities within the public sector

Art. 12 of Directive 2014/24/EU defines rules to be applied in public contracts between entities within the public sector.

In case of **in-house sub-contracting**:

- The contracting authority exercises over the contracted in-house body a control which is similar to that which it exercises over its own departments;
- More than 80 % of the activities of the controlled body are carried out for the controlling contracting authority;
- There is no direct private capital participation in the controlled body¹⁴.

When all three of the above conditions for an in-house contracting are given, the in-house body can be contracted by the beneficiary through a direct award. Costs of the contracted in-house body must always be charged on a real-costs basis, thus without any profit margin.

Such costs shall be accounted under the [cost category budget line](#) "External expertise and service costs".

The above provisions concerning in-house contracting apply also to international organisations receiving funds within IPA ADRION projects.

In case of **contracts for the cooperation between public bodies**: also in this case requirements deriving from the EU Directive on public procurement, in particular art. 12, apply.

In case of sub-contracting to in-house bodies, or in case of costs referring to cooperation between public bodies, costs must always be charged on a real-costs basis, i.e.: without any profit margin (with the exception of office and administrative expenditure, to be calculated as a flat rate of 15% of eligible direct staff costs).

¹⁴ With the exception of non- controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the controlled body.

Such costs shall be accounted under the **cost category budget line** “External expertise and service costs”; general and specific provisions on eligibility, reporting and audit trail, as outlined in this manual, are to be respected in full by the sub-contracted body (the in-house or public authority cooperating with the project beneficiary).

Guidance on public procurement can be found in: https://ec.europa.eu/regional_policy/information-sources/publications/guidelines/2018/public-procurement-guidance-for-practitioners-2018_en

16.2 Public procurement for IPA partners

The picture below provides an overview on the rules to be respected by IPA PPs:



To comply with the above-mentioned public procurement rules, IPA beneficiaries shall refer to the Practical guide on contract procedures for European Union external action (PRAG)¹⁵. The version of PRAG to be used shall be the one in force at the time of the initiation of the relevant procurement procedure.

When contracts are subdivided in lots, the total estimated value of the contract shall be considered when selecting the procedure to be applied. The procurement must not be split artificially to circumvent the procurement threshold.

16.3 Overall general rules to be respected (for all partners)

Based on the Commission Interpretative Communication on the Community law applicable to contract awards not or not fully subject to the provisions of the Public Procurement Directives - (2006/C 179/02) 24¹⁶, IPA ADRION has adopted the following rules:

Advertising

The LP/PPs must ensure that tenders are advertised proportionately to their value: ordinarily tenders must be advertised in proportionate way thus to ensure opportunities also for transnational providers.

The principle of proportionality applies if administrative and other costs associated with certain procedures are not justified in light of the value of the contract. This needs to be decided on a case-by-case basis by the contracting authority also in charge of defining how and with which tools adequately advertise the tender (it is recommended at least the publication of the tender notice on

¹⁵ <https://wikis.ec.europa.eu/display/ExactExternalWiki/ePRAG>

¹⁶ [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52006XC0801\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52006XC0801(01)&from=EN)

the contracting authority web site). In order to reduce the administrative burden, IPA ADRION LPs/PPs must advertise public procurement above EUR 20.000 if not otherwise ruled by EU, national or beneficiary institution rules.

Language

Use of national language can be used when conditions reported in the “*Commission Interpretative Communication on the Community law applicable to contract awards not or not fully subject to the provisions of the Public Procurement Directives*” are present.

In case national language is used, IPA ADRION MA/JS reserve the right to ask LPs/PPs for summary translation in English any time.

Avoidance of conflict of interest

LPs and PP are responsible in ensuring that the appropriate measures are taken to minimize any conflict of interest during the procurement process, ensuring transparency and fair treatment towards all tenderers. National rules regulating this topic must be taken into account.

All tender procedures must ensure the presence of all the necessary measures aimed at avoiding any conflicts of interest potentially affecting staff members acting as contracting authority (including members of a procurement service provider acting on behalf of the contracting authority) directly involved in the conduct of the procurement procedure. MA/JS and any other institutions devoted to controls and audit may check the respect of the aforementioned requirement for all tendering process, including those below threshold.

Record keeping

Clear and easy to follow audit trail for all steps of the procurement procedure must be ensured. In this regard, LPs and PP are obliged to keep record of all communication with potential contractors (e-mails, letters, etc.). It is therefore strongly recommended to always communicate with potential contractors in writing. The relevant audit trail must also be uploaded on JEMS to facilitate the verification of expenditure by controllers.

16.4 Errors, irregularities and fraud in the procedure

Tenderers which have made false declarations, made substantial errors, committed irregularities or fraud also in the past may be excluded from participation in all procurements for a maximum of five years from the date on which the infringement is established, following an adversarial procedure with the contractor.

Tenderers or candidates which have made false declarations, or which have committed substantial errors, or irregularities, or fraud, may also be subject to financial corrections in accordance with the Commission Decision of 14 May 2019¹⁷ and the related “*Annex to the Commission Decision laying down the guidelines for determining financial corrections to be made to expenditure financed by the Union for non-compliance with the applicable rules on public procurement*”¹⁸.

Financial corrections shall apply in order to exclude from Union financing expenditure that is in breach of applicable law (cf. Article 144 of Regulation (EU) No 1303/2013 and Article 101(8) of Regulation (EU, Euratom) 2018/1046. The irregularity may, however, be quantifiable with precision or not. The financial impact of an irregularity is quantified with precision if it is possible, based on

¹⁷ <http://ec.europa.eu/transparency/regdoc/rep/3/2013/EN/C-2013-9527-F1-EN-MAIN.PDF>

¹⁸ https://ec.europa.eu/regional_policy/sources/docgener/informat/2014/GL_corrections_pp_irregularities_annex_EN.pdf

an examination of the individual cases, to calculate the exact amount of expenditure wrongly declared to the Commission for reimbursement; in such cases, the financial correction must be calculated precisely.

In the case of irregularities in public procurement, it is not possible to precisely quantify the financial impact due to the nature of the irregularity. Therefore, in such cases, a flat rate correction is to be applied to the affected expenditure taking into account the nature and gravity of the irregularities, in accordance with set criteria described in the aforementioned attachment (~~ref. to footnote No 25~~).

Irregularities in the area of public procurement (irrespective whether it falls within the scope of the Treaty and under national public procurement law) are analysed in accordance with the objective of protecting the financial interests of the Union and the compliance with Union law (in particular, the principles of transparency, non-discrimination, equal treatment, proportionality, and legal certainty). Moreover, financial corrections can only be applied if the irregularity at stake has or could have a financial impact on the Union budget. For cases where a breach of public procurement rules is only of a formal nature without any actual or potential financial impact, no financial correction is warranted.

Where the tendering procedure proves to have been subject to substantial errors, irregularities or fraud, the national controller, the MA or any other institutions entitled to controls may suspend or even cancel it. In case of detected errors, irregularities or fraud during the tendering procedure or after the signature of the contract, the service provision or purchase of goods can suffer from countermeasures and not be subject to payment by MA.

State Aid

19 State Aid (*de minimis*)

Each approved strategic operation has been subject to *ad hoc* State Aid verifications during the assessment process.

In case of presence of State Aid activities, *de minimis* rule applies to the affected partner(s), specific contractual conditions are present in the Subsidy Contract shall be mirrored in the partnership agreement accordingly.

Their respect will be checked both by the MA/JS and by the controllers of the affected LP/PPs during the project implementation.

De minimis contribution shall be granted by Italy; past, present and future further *de minimis* amounts shall be cumulated with those granted by Italy.

Indirect State Aid granted to third parties outside the partnership

In case State Aid is granted to beneficiaries which are not project PPs but benefit from the activities implemented by the latter (e.g.: free training activities, consultancy, access to research facilities for companies, vouchers etc.), indirect beneficiaries shall benefit from a maximum contribution of EUR 20.000,00 according to art. 20 a) of GBER¹⁹. The affected LPs/PPs must ensure and further monitor these beneficiaries and ensure that State Aid rules are duly respected. Information must be reported in the project progress report as well.

¹⁹ Article 20 of Regulation (EU) No.651/2014, introduced by the amending Regulation (EU) No 2021/1237

Resolution of complaints

18 Resolution of complaints during project implementation

Complaints related to decisions made by MA/JS during project implementation

Any complaints related to acts and/or decisions of the MA/JS or of the MC during project implementation on the basis of the application of the rules set forth in the subsidy contract must be submitted by the LP to the MA/JS.

The submission of a complaint must be received no later than 10 working days from the reception of the MA/JS communication containing the decision in relation to which the LP intends to send its objection.

The MA informs the LP in due time whether the MA is competent to investigate and to decide on the issue (including further steps to be taken and provisional timeline) or if the issue does not fall into its sphere of competence.

If the MC is competent to investigate and decide on the submitted complaint, the MA/JS shall inform it in order to decide upon.

The final decision on the complaint is communicated by the MA to the LP in writing.

The MA/MC decision will be final, binding to all parties and not subject to any further complaint proceedings within the Programme if the complaint is based on the same grounds.

Complaints related to the national control system

In case of complaint by a beneficiary following the outcomes of the verification process, each national control system has to set in place its national procedures. Information on how to submit a complaint by the beneficiary is available on the relevant national authorities or on the dedicated IPA ADRION NCP page on IPA ADRION web site.

Controls and audit

19 Controls and audit

Several levels of control are carried out during the project life cycle by the IPA ADRION institutions.

National controllers validate expenditure of LPs/PPs following procedures and performing checks in accordance with a harmonised approach in force in the entire IPA ADRION programme area.

The MA – via the JS - performs monitoring controls when receive the request for payments by the LPs on behalf of the project partnerships. Controls address to the delivery of outputs, compliance with EU and programme rules.

Further controls performed by MA shall be based on the prior identification of programme major risks and on a sampling method through which projects are identified and further subject to additional checks. Any finding detected in the course of the sample checks will have to be corrected by the LPs and PPs. In case of severe financial findings are detected, the affected LP/PPs shall be excluded from future Interreg payments as long as the findings are considered as lifted by the MA.

As IPA ADRION is a zero tolerance fraud programme, the MA shall also adopt a proactive, structured and targeted approach to manage the risk of fraud, *also through fraud-risk self-assessment tools*.

Granted operations are also subject to audits performed by the Audit Authority (AA) to ensure the Commission that management and control systems function effectively and that expenditure included in the accounts submitted to the Commission is legal and regular. Audit are based on a sample of operations selected by the Commission.

Audit work shall be carried out in accordance with internationally accepted audit standards. AA checks are carried out at the premises of selected beneficiaries. During the checks performance, the AA is assisted by the Group of Auditors (GoA), composed of members from each of the IPA ADRION Participating Countries and responsible for performing and organizing second level control in their country and reporting back any findings to the AA.

Finally, further institutions, i.e.: the European Commission, the European Court of Auditors (ECA), the European Anti-fraud office (OLAF), the auditing bodies responsible at Participating Countries level are entitled to audit the proper use of EU funds by the LP and PPs or to arrange that such audits are performed by authorized persons. The LPs and the PPs shall be notified in due time about any audit to be carried out on their expenditure.

In relation to the above, LPs and PPs must allow the controllers and auditors to arrange the foreseen checks by:

- Giving any requested information about the project;
- Giving access to the accounting books and accounting documents and other documentation related to the project, whereby the auditing bodies decide on this relation;
- Giving access to business premises during the ordinary business hours and also beyond these hours by arrangement and allow them to carry out checks related to the project;
- In case of audited PP, providing the LP with any information needed related to such an audit with no delay.

If, as a result of the controls and audit, any expenditure results being non eligible, the procedure asin art. 13 of the Subsidy Contract shall apply and reported in the following chapter. The LP shall ensure the fulfilment of the necessary actions also in relation to its PPs.

The provisions described above only apply to beneficiaries of Interreg funds.

20 Irregularities and financial corrections

In order to safeguard the budget of the Union, financial corrections are applied when irregularities are detected.

An irregularity is, as stated in art. 2(31) of Regulation (EU) No 1060/2011³ “*irregularity’ means any breach of applicable law, resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the budget of the Union by charging unjustified expenditure to that budget*”;

According to art. 1(2) of Regulation (EC, Euratom) No 2988/95²⁰, an irregularity “*is any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure*”.

Where the definition of an irregularity set out in the two Regulations above is relevant, the applicable Union or national rules on public contracts must be considered as well to form part of the law to which that definition refers.

As a consequence of that, an irregularity may occur at any moment in the project cycle, from programming through to audit, ex post monitoring or evaluation. Checks at any stage of project implementation may indicate that the conditions to be met by a beneficiary after project completion are not being respected.

An irregularity does not need to have resulted in ineligible expenditure being declared by the Participating Country to the Commission as eligible. Even if it is detected before related expenditure is declared to the Commission as eligible, it is an irregularity, since it “would have” prejudiced the EU budget if it had not been detected.

An irregularity also includes - but it is not limited to – suspected fraud and established fraud:

a **suspected fraud** is an irregularity that gives rise to the initiation of administrative or judicial proceedings at national level in order to establish the presence of intentional behaviour, in particular fraud, as referred to in art. 1(1) (a) of the Convention drawn up on the basis of art. K.3 of the Treaty on European Union on the protection of the European Communities’ financial interests; a **fraud** – within the meaning of a deliberate act of deception intended for personal gain causing a loss to another party, is “*the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by, or on behalf of the European Communities, non-disclosure of information in violation of a specific obligation, with the same effect and the misapplication of such funds for purposes other than those for which they were originally granted*”.

The recovery of the irregular amount is in charge of the LP; in case the irregularity lays within a partner, the latter shall repay the lead partner.

Detected irregularities shall:

- Be corrected by controller or by the LP before the submission of the project progress report to the MA/JS;
- Be deducted by the MA/JS during verification of project progress reports;
- Be addressed by the MA within its accounting function during its verifications before including the amount in the request for payment to the EC.

²⁰ Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests.

Irregularities shall be reported to OLAF (the European Anti-Fraud Office) if their amount exceeds EUR 10.000 IPA or ERDF, or if they involve fraud of any value. As an exception of this rule, the following irregularities do not need to be reported to OLAF; namely where:

- a) The irregularity consists solely of the failure to execute, in whole or in part, an operation included in the co-financed operational programme owing to the bankruptcy of the beneficiary;
- b) The beneficiary voluntarily brings to the attention of the MA/CA and before detection by either authority, whether before or after the payment of the public contribution;
- c) They are detected and corrected by the controller/MA before inclusion of the expenditure concerned in a statement of expenditure submitted to the EC.

In all other cases, in particular those preceding a bankruptcy or in cases of suspected fraud, the detected irregularities and the associated preventive and corrective measures shall be reported to the EC.

All detected irregularities must be corrected, no matter whether they are intentional or not. Once it is detected an irregularity in one expenditure that has already been paid out to the project, the amount will be deducted from the next project report or remaining payments can be suspended.

In cases where the amount cannot be corrected by deducting it from the next project report, the MA shall, if necessary, in consultation with the respective Participating Country concerned, and by informing the MC, ask from the LP to pay back the amount to the programme. In case of closed projects, the LP is obliged to transfer the unduly paid out funds to the MA.

The repayment amount is due within one month following the date of receiving the letter by which the MA asserts the repayment claim; the due date shall be stated explicitly in the order for recovery.

Recovery procedure is reported in art. 13 of the Subsidy Contract.

No recovery shall take place in case the amount unduly paid does not exceed EUR 250,00 Interreg funds (not including interest) to an operation in a given accounting year.

21 Judicial and other proceedings (incl. bankruptcy)

According to art. 136 of Regulation (EU) No 2018/1046 (financial regulation), the absence of the following conditions for exclusion from getting the grant must be regularly confirmed by LPs/PPs in each request for payment²¹:

1. Bankrupt, insolvency or winding-up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended, or it is in any analogous situation arising from a similar procedure provided for under Union or national law;
2. Breach of obligations related to the payment of taxes or social security contributions in accordance with the applicable law and confirmed by a final judgement or a final administrative decision;
3. Grave professional misconduct by having violated applicable laws or regulations or ethical standards to which the entity belongs; wrongful conduct denoting negligence or intent;
4. Fraud and corruption confirmed by a final judgement or a final administrative decision;
5. Criminal conduct;
6. Significant deficiencies in complying with main obligations in the implementation of a legal commitment financed by the budget which has: i) led to the early termination of a legal commitment; ii) led to the application of liquidated damages or other contractual penalties; or iii) been discovered by an authorising officer, OLAF or the Court of Auditors following checks, audits or investigations;

²¹ Self-declarations were already requested at the time of submitting the project proposals.

7. Irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95 confirmed by a final judgement or a final administrative decision;
8. Creation of an entity in a different jurisdiction with the intent to circumvent fiscal, social or any other legal obligations in the jurisdiction of its registered office, central administration or principal place of business established by a final judgement or a final administrative decision.
9. Beneficiaries considered as undertaking in difficulty, unless authorised under *de minimis* aid or temporary State aid rules established to address exceptional circumstances shall not be granted.

Project indicators

As reported in the Application Manual, the strategic projects shall ensure the achievement of the following output and result indicators according to the quantification reported in the approved AF:

Indicators that can be chosen by the strategic projects, namely:

| Output indicator definition | Result Indicator definition |
|---|---|
| <p>RCO 118 - Organisations cooperating for the multi-level governance of macroregional strategies</p> <p>The indicator counts the legal entities/ organisations supported by the programme, listed in the financing agreements (subsidy contract), contributing to the multi-level governance of macroregional strategies.</p> <p>As a concept, the multi-level governance refers to collective decision-making processes where authority and influence are shared between stakeholders operating at multiple levels of governance and in different policy sectors. This concept may be customised and understood according to the context of each macroregional strategy.</p> | <p>RCR 84 - Organisations cooperating across borders after project lifetime</p> <p>The indicator counts the organisations cooperating across borders after the completion of the supported projects.</p> <p>The organisations are legal entities involved in project implementation, counted within RCO 118.</p> <p>The cooperation concept should be based on a formal agreement among the parties to continue cooperation, after the end of the project.</p> <p>The cooperation agreements may be established during the implementation of the project or within 3 months from the project end date.</p> |
| <p>RCO 81 – Participations in joint actions across borders</p> <p>The indicator counts the number of participations in joint actions across borders implemented in the supported projects.</p> <p>Joint actions across borders may include, for instance, exchange activities or exchange visits organized with partners across borders.</p> <p>Participations (i.e. number of persons attending a joint action across borders - e.g. citizens, volunteers, students, pupils, public officials, etc.) are counted for each joint action organised on the basis of attendance lists or other relevant means of quantification.</p> <p>A joint action is considered as the action organised with the involvement of organizations from at least two participating countries.</p> | <p>RCR 85 – Participation in joint actions across borders after the project completion</p> <p>The indicator counts the participations in joint actions across borders after the completion of the project, organised by all or some of the former partners or associated organisations within the project, as a continuation of cooperation.</p> <p>Joint actions across borders could include, for instance, exchange activities or exchange visits organized with participants from at least two countries of the programme area.</p> |
| <p>RCO 115 – Public events across borders jointly organized</p> | |

| | |
|--|--|
| <p>The indicator counts the events across border jointly organised by the partners of the supported projects.</p> <p>A public event across borders must be understood as a joint action which has been advertised through relevant means, to the general public of the area covered by the programme.</p> <p>A joint action is considered as the action organised with the involvement of organizations from at least two participating countries.</p> <p>A public event across borders should involve participants from at least two countries of the programme area.</p> | |
|--|--|

Shall be considered as achieved only if the LP shall be able provide evidence of their achievement as reported in the table above (e.g.: formal agreement, in written form, among the parties, evidence on the number of persons attending a joint action etc.). Demonstrated quantification of output indicators shall be one of the performance targets to be checked during the mid-term review.

Detailed explanation of the indicators and how to provide evidence is reported in Annex 1.

Communication and visibility rules

This chapter focuses on the formal requirements when implementing communication activities, as stated in Interreg regulation (EU) 2021/1059 and article 8 of the subsidy contract. Being co-financed by public funds, projects must make their funding source public for transparency reasons.

The LP and PP of each strategic project shall acknowledge support from an Interreg fund by:

- (a) providing on the partner's official website or social media sites, where such sites exist, a short description of the Interreg operation, proportionate to the level of support provided by an Interreg fund, including its aims and results, and highlighting the financial support from the Interreg fund;
- (b) providing a statement highlighting the support from an Interreg fund in a visible manner on documents and communication material relating to the implementation of the Interreg operation, intended for the general public or for participants;
- (c) displaying durable plaques or billboards clearly visible to the public, presenting the emblem of the Union in accordance with the technical characteristics laid down in Annex IX of Regulation (EU) 2021/1060, as soon as the physical implementation of an Interreg operation involving physical investment or the purchase of equipment starts or purchased equipment is installed, with regard to operations supported by an Interreg fund, the total cost of which exceeds EUR 100 000;
- (e) organising a communication event and involving the Commission and the responsible managing authority in a timely manner.

Visibility of Interreg operations on Partner's official websites

Financing partners' institutional websites, including third country PP, shall display on their institutional websites the following information about the project:

- Project logo;
- Short description including project aims and results;
- Link to the IPA ADRION website where the project is officially hosted.

The display of such information does not necessarily need to be displayed in the homepage of the institutional website. However, the dedicated webpage or section of the institutional website must be visible and easily reachable, emphasizing the EU financial support received.

Project logo and brand

Project logos will be based on the Interreg visibility features. IPA ADRION will provide each project with a logo following all related visibility requirements. It must be featured on all documentation, presentations, print material, promotional material or any other communication products developed by the project. No other project logos can be created; their costs shall not be considered as eligible. The Project Brand Book shall sets out the rules to be observed in the use of the logo and shall be available on the programme web site.

If other logos are displayed in addition to the project logo, the European Union emblem (i.e. the flag in the Interreg logo) shall have at least the same size, measured in height or width, as the biggest of the other logos. Please consult the JS in case of doubt about using the logo.

On websites and their subpages, web and smartphone applications, social media and other digital platforms and implementations, the logo has to be displayed in a prominent position. Position and size shall be appropriate to the scale of the material or document being used. When the project logo is displayed on a website or other electronic application, it shall be visible inside the viewing area of a digital devise without requiring a user to scroll down the page.

On communication products such as conference bags, exhibition roll-ups or presentations, it also has to be placed in a prominent place.

Each partner of an Interreg operation shall acknowledge support from an Interreg fund, including resources reused for financial instruments in accordance with Article 62 of Regulation (EU) 2021/1060, to the Interreg operation by:

Priority logos

IPA ADRION adopts the logos provided by Interact for its Priority: these invariable colours and icons must be used whenever reference to priority axis or its content is made in the documentation and communication material produced. Further specifications and instructions on the colours of the different priority axes, as well as of thematic icons for different priority axes can be found in the IPA ADRION Brand book.

Poster

Each project must produce a poster (minimum size A3 or equivalent electronic display) with information about the project, the project logo and information about the co-funding of the project. This poster must be displayed at each project partner's premises, at a location readily visible to the public, such as the entrance area of a building. The programme will provide each contracted project with a template with the minimum requirements of the poster.

Statement on the Interreg support

In addition to the project logo, a statement highlighting the support from an Interreg fund shall be displayed in a visible manner on all documents and communication material intended for the general public or for participants to projects events or activities. There are no fixed sentences in this respect, as the most important aspect is that you state that the project is co-funded by the European Union through the Interreg IPA ADRION programme. This sentence is an extra reference to the text included directly in the project logo "Co-funded by the European Union".

Billboards and plaques

For physical investments or purchase of equipment whose total cost exceed EUR 100,000, each project must display a durable plaque or billboard clearly visible to the public as soon as the physical implementation starts or the purchased equipment is installed. It should present the emblem of the Union in accordance with the technical characteristics laid down in Annex IX of Regulation (EU) 2021/1060. Also certificates of attendance or any other documents intended for the public or participants of the funded project have to respect the aforementioned requirements.

Stickers

For any object purchased by the project, such as PC, cameras or any other small ones, it is recommended to apply stickers with the logo of the Project, in order to ensure that EU support is visible.

Project websites

Project websites are provided by the Programme. Each contracted project will receive access to a dedicated project website hosted on the programme website www.interreg-ipa-adrion.eu. Each sub-website will provide basic information about the project and offer sections for the project to use. Each project should plan sufficient resources (esp. staff costs) to run the project website. Project websites must be online within six months after approval, and should be regularly updated.

~~No costs for website construction, design and maintenance are eligible but only those related to the content development and update. A personalized project web site is eligible only if expressly mentioned in the approved AF.~~ Please refer to the JS for any additional information deemed necessary to avoid any ineligible costs.

Promotional material

Promotional materials are branded items which are distributed to raise awareness of stakeholders. They may be produced only if: they appear to be **strictly necessary** to project communication activities and clearly serve the objectives of the project communication strategy. All promotional material should be in line with the guidelines of the European Commission. Particular items, such as awards, should be priorly approved by the JS/MA. ~~Products from the following list may be produced if strategically required by the projects' communication activities:~~

- ~~• Pens and pencils;~~
- ~~• Notepads;~~
- ~~• USB sticks;~~
- ~~• Bags (e.g. cotton, linen, paper);~~
- ~~• Roll ups;~~

~~All promotional materials should be produced in an environmentally friendly way (e.g.: FSC-certified paper).~~

~~Additional giveaways and promotional products are only allowed if sufficiently justified in the AF and approved by the MA/JS. Promotional products are by definition produced in larger quantities; scale production is one key difference between promotional products and gifts.~~

Project gifts

They are not meant to raise awareness but rather to improve relations. They help to express gratitude to one specific person while respecting applicable rules against corruption. An example of gift could be a bouquet of flowers wrapped with a band holding the project logo, handed over to the host or an important speaker at a project event. Costs of gift are not eligible.

Disclaimer

Any notice or publication relating to the project made in any form and by any means, including Internet (e.g.: leaflet, brochure, publication, press release, document, website, and social media profiles), must state that it only reflects the author's view and that the programme authorities are not liable for any use that may be made of the information contained therein. The following disclaimer must be used:

"This has been produced with the financial assistance of the European Union. The content of the document/product/event/website is the sole responsibility of beneficiary's name/name of PP/LP and can under no circumstances be regarded as reflecting the position of the European Union and/or IPA ADRION programme authorities".

The disclaimer shall be placed at the bottom of the back page of a single-leaf printed material, or at the bottom of the last or back cover page of a multi-page document.

Financial consequences linked to branding

Please note that projects risk financial consequences when they disregard EU and programme branding requirements. Where remedial actions have not been put into place, the managing authority may cancel up to 2% of the co-financing granted to the beneficiary concerned. The financial cuts will be applied to the concerned partner(s) and take into account the principle of proportionality. Project partners are invited to read the legal requirements and technical specification set out in the EU regulations: Article 36 of the Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 Articles 47 and 50 of the Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 Annex IX of the Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021.

The JS offers its support to check the correctness of produced communication deliverables before their final realization to avoid the risk of budget reduction.

Project closure

22 Project closure

The final request for payment must be sent within three months after the date of project end. It must include all incurred and paid expenditure of the reference period - and of previous periods (if still to be verified).

All project costs must be paid out, at the latest, thirty days following the project's end date. Staff expenses (including social charges) related to the final month of the project may be reimbursed beyond this date, but not later than the date on which the last project progress report must be submitted.

In relation to the above, it is strongly recommended that final events and/or deliverables are finalized not at the very closure of the project, in order to ensure their due payment.

Project closing and final payment cannot be initiated if other processes related to the project are not closed such as audit report, irregularity and recovery procedures. In those cases, the final payment to the project is suspended until the closing of other processes.

Transfer of funds from the LP to PPs must be done without delays: the MA/JS reserve the right to check that transfer of funds has been successfully finalized.

LP and PPs shall be obliged to keep projects documents for a 5-year period from 31 December of the year in which the last payment by the MA to the beneficiary is made. The retention period shall be of 10 years in case the *de minimis* regime applies.

23 Final report

After the finalisation of the project implementation, within the last project progress report, the LP must prepare the final report.

The final report contains a comprehensive overview of the project achievements mainly focused on qualitative elements, e.g.: the project contribution to programme and project objectives, the outputs delivered, how the relevant target groups were involved and how they will use these outputs; the measures ensuring durability and transferability of the outputs, the added value of cooperating on transnational level.

The final report shall be sent to the MA via JS at the latest three months after the project end date.

24 Durability and ownership

Durability of project results is a cornerstone to ensure long lasting benefits to the territories where the project is implemented. Projects must ensure that what achieved is durable and will be further implemented/continued also after its finalization.

All project's main outputs produced during the project implementation must remain in the ownership of the LP or PPs for at least five years after the project end date. If the envisaged time span, as defined by art. 65 of CPR, cannot be met, the MA via the JS shall be immediately informed by the concerned LP or PP: the MA shall recover the unduly paid Interreg contribution in proportion to the period for which the requirements have not been fulfilled.

The project's webpage, if developed during project implementation and financed by the Programme, has to be maintained for at least five years after the project end date.

Ownership, and (joint) intellectual property rights of project outputs belong to the LP and PPs. The LP must ensure the dissemination of project outputs and results amongst a wide public. Furthermore, the MA, the JS and the NCPs of IPA ADRION can make use of project outputs and achievement for communication purposes.

Annex 1 - Overview on outputs and result indicators devoted to Priority Axis 4

OUTPUT INDICATORS

RCO 81 “Participations in joint actions across borders”

| | |
|---|--|
| Indicator code | RCO 81 |
| Indicator name | Participations in joint actions across borders |
| Measurement Unit | participations |
| Type of indicator | output |
| Definition | <p>The indicator counts the number of participations in joint actions across borders implemented in the supported projects.</p> <p>Joint actions across borders may include, for instance, exchange activities or exchange visits organized with partners across borders.</p> <p>Participations (i.e. number of persons attending a joint action across borders - e.g. citizens, volunteers, students, pupils, public officials, etc.) are counted for each joint action organised on the basis of attendance lists or other relevant means of quantification.</p> <p>A joint action is considered as the action organised with the involvement of organizations from at least two participating countries.</p> |
| Data Collection | IPA ADRION Electronic Monitoring system (JEMS) |
| Time of measurement | Upon finalisation as foreseen in AF |
| Indications on counting and reporting | <ul style="list-style-type: none"> ○ Participations in public events organized in supported projects should not be counted under this indicator, as these events are counted under RCO 115; ○ Participation in internal project meetings of the partners should not be counted under this indicator; ○ The joint actions relevant for this indicator (i.e. RCO81) should not have as main topic gender equality, equal opportunities and social exclusion. ○ Participations in joint training schemes for which the training organisers intend to record the confirmed completions / intend to issue certificates of completion should not be counted under this indicator. ○ Double counting must be avoided at project level. |
| Minimum requirements of output formalization | The document of formalization must provide clear evidence of each joint action organized (e.g. content of the joint action; list of participants etc), demonstrating also that it has been organized with the involvement of at least two participating countries. |
| Corresponding Result Indicator | RCR 85 “Participations in joint actions across borders after project completion” |

RCO 115 “Public events across borders jointly organised”

| | |
|-----------------------|---|
| Indicator code | RCO115 |
| Indicator name | Public events across borders jointly organised |

| | |
|---|--|
| Measurement Unit | Public events |
| Type of indicator | output |
| Definition | <p>The indicator counts the events across border jointly organised by the partners of the supported projects.</p> <p>A public event across borders must be understood as a joint action which has been advertised through relevant means, to the general public of the area covered by the programme.</p> <p>A joint action is considered as the action organised with the involvement of organizations from at least two participating countries.</p> <p>A public event across borders should involve participants from at least two countries of the programme area.</p> |
| Data Collection | IPA ADRION Electronic Monitoring system (JEMS) |
| Time of measurement | Upon finalisation as foreseen in AF |
| Indications on counting and reporting | <ul style="list-style-type: none"> • The indicator counts the number of events, not the number of participations in public events. • The participation of the project staff in public events is not sufficient for ensuring the condition of participants from at least two countries of the programme area. |
| Minimum requirements of output formalization | <p>The document of formalization must contain detailed information on the public events organized:</p> <ul style="list-style-type: none"> - Agenda of the events, presentations, list of participants. - Demonstrate that the event has been widely advertised, covering the programme area. - Demonstrate that the event has been jointly organized and involved participants from at least two participating countries of the programme area. |
| Corresponding Indicator | n.a |

RCO 118 “Organisations cooperating for the multi-level governance of macroregional strategies”

| | |
|--------------------------|---|
| Indicator code | RCO118 |
| Indicator name | Organisations cooperating for the multi-level governance of macroregional strategies |
| Measurement Unit | Organisations |
| Type of indicator | Output |
| Definition | <p>The indicator counts the legal entities supported by the programme, listed in the financing agreements, contributing to the multi-level governance of macroregional strategies.</p> <p>As a concept, the multi-level governance refers to collective decision-making processes where authority and influence are shared between stakeholders operating at multiple levels of governance and in different policy sectors. This concept may be customised and understood according to the context of each macroregional strategy.</p> |
| Data Collection | IPA ADRION Electronic Monitoring system (JEMS) |

| | |
|---|---|
| Time of measurement | Upon finalisation as foreseen in AF |
| Indications on counting and reporting | <ul style="list-style-type: none"> The indicator counts the project partners (PPs, ASPs) involved in the project |
| Minimum requirements of output formalization | na |
| Corresponding Indicator | RCR 84 “Organisations cooperating across borders after project completion” |

RESULT INDICATORS

RCR 84 - Organisations cooperating across borders after project lifetime

| | |
|--|---|
| Indicator code | RCR 84 |
| Indicator name | Organisations cooperating across borders after project lifetime |
| Measurement Unit | Organisations |
| Type of indicator | Result |
| Definition | The indicator counts the organisations cooperating across borders after the completion of the supported projects. The organisations are legal entities involved in project implementation, as project partners and associated ones. |
| Data Collection | IPA ADRION Electronic Monitoring system (JEMS) |
| Time of measurement | Upon project finalisation or submission of the last project report (3 months from the project end date) |
| Indications on counting and reporting | 1. The target value must be equal to or less than the value reported under the output indicator RCO 118. |
| Formalization | The cooperation concept should be based on a formal agreement among the parties to continue cooperation, after the end of the project. The formal cooperation agreement must contain the goal of the cooperation, duties and responsibilities of the parties, the activities to be performed in cooperation and duration after the project end date. The document attesting the formal agreement among the parties (i.e. signed expression of interest; memorandum of understanding etc) may be established during the implementation of the project or within one year after the project completion. The sustained cooperation does not have to cover the same topic as addressed by the completed project. |
| Corresponding Output Indicator | RCO 87 “Organisations cooperating across borders” |

RCR 85 “Participations in joint actions across borders after project completion”

| | |
|--------------------------|---|
| Indicator code | RCR 85 |
| Indicator name | Participations in joint actions across borders after project completion |
| Measurement Unit | participations |
| Type of indicator | result |
| Definition | The indicator counts the participations in joint actions across borders after the completion of the project , organised by all or some of the former partners or associated organisations within the project, as a continuation of cooperation. Joint actions across borders could include, for instance, exchange activities or exchange visits organized with participants from at least two countries of the programme area. |
| Data Collection | IPA ADRION Electronic Monitoring system (JEMS) |

| | |
|--|--|
| Time of measurement | At the submission of the last project report (3 months from the project end date) |
| Indications on counting and reporting | <ol style="list-style-type: none"> 1. Participations (i.e. number of persons attending a joint action across borders) are counted for each joint action organised on the basis of attendance lists or other relevant means of quantification. 2. For the definition of this indicator, the joint action includes training schemes. |
| Formalization | The document of formalization must provide clear evidence of each joint action organized (e.g. content of the joint action; list of participants etc), demonstrating also that it has been organized with the involvement of at least two participating countries. |
| Corresponding Output Indicator | RCO 81 "Participations in joint actions across borders" |