

**Interreg V B ADRIATIC-IONIAN  
COOPERATION PROGRAMME 2014-2020**

**“ADRION”**

**Programme Manual  
Priority Axis 4  
Version 1.0 April 2016**

**Disclaimer:**

The present manual intends to provide useful information for applicants. It does not replace or overrule the official EU Regulations and Adriatic Ionian Cooperation Programme.

**List of acronyms**

<b>ADRION</b>	INTERREG V-B Adriatic-Ionian Transnational Cooperation Programme 2014 - 2020
<b>AF</b>	application form
<b>CP</b>	cooperation programme
<b>ESI FUNDS</b>	European Investment and Structural Funds
<b>ERDF</b>	European Regional Development Fund
<b>ETC</b>	European Territorial Cooperation
<b>EUSAIR</b>	European Union Strategy for Adriatic and Ionian Region
<b>ERDF Partner States</b>	Croatia, Greece, Italy, Slovenia
<b>IP</b>	investment priority
<b>IPA</b>	Instrument for Pre-Accession Assistance
<b>IPA Partner States</b>	Albania, Bosnia and Herzegovina, Montenegro, Serbia
<b>JS</b>	joint secretariat
<b>MA</b>	managing authority
<b>MC</b>	monitoring committee
<b>NCP</b>	national contact point
<b>PA</b>	priority axis
<b>Partner States</b>	Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Montenegro, Serbia, Slovenia
<b>PRAG</b>	Practical Guide to Contract Procedures for EU External Actions
<b>SO</b>	specific objective
<b>TO</b>	thematic objective
<i>Lead partner, lead beneficiary and lead applicant have been used as synonyms</i>	
<i>Project partner and project beneficiary have been used as synonyms</i>	
<i>Operation and project have been used as synonyms</i>	

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**GENERAL INFORMATION ON THE ADRIATIC-IONIAN PROGRAMME**

## **1 Introduction**

This Programme Manual is based on the legal framework establishing the ESI Funds, the Interreg Adriatic-Ionian V B (ADRION) Cooperation Programme and the decisions adopted by the ADRION MC.

The Manual intends to give guidance to the submission of the application of the strategic project within Priority Axis 4, aimed at supporting the coordination and implementation of the European Union Strategy for Adriatic and Ionian Region (EUSAIR).

The present document does not replace the legal framework upon which the Programme has been drafted: applicants are warmly advised to carefully read the Cooperation Programme (CP) and the other legal documents mentioned in the following pages.

Further guidelines and information on the submission of the project proposal are available on the ADRION web site [www.interregadrion.eu](http://www.interregadrion.eu).

## 2 Legal and strategic framework

The legal framework supporting the ADRION Programme is the following:

### Programme documents

- The Interreg V B Adriatic Ionian – ADRION - Cooperation Programme document adopted by the European Commission on 20 October 2015, Decision C(2015)7147;
- The Interreg ADRION Programme Strategic Environmental Assessment;
- The Ex - ante evaluation of the Adriatic-Ionian Cooperation Programme 2014-2020.

### European Structural and Investment Funds 2014-2020: Key regulations

- Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 on common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and on general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006;
- Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006;
- Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal;
- Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002;
- Commission implementing decision of 16 June 2014 setting up the list of regions and areas eligible for funding from the European Regional Development Fund under the cross-border and transnational components of the European territorial cooperation goal for the period 2014 to 2020;
- Regulation (EU) No 1302/2013 of the European Parliament and of the Council of 17 December 2013 amending Regulation (EC) No 1082/2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and functioning of such groupings;
- 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;
- Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes;
- Directives and rules on public procurement.

### Strategic framework

- EUROPE 2020: A strategy for smart, sustainable and inclusive growth, Communication from the Commission, COM(2010)2020 final;
- Territorial Agenda of the European Union 2020: Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions, Gödöllő, May 2011;

- Sixth Report on Economic, Social and Territorial Cohesion: Investment for jobs and growth. Promoting development and good governance in EU regions and cities, European Commission, July 2014.

### **Macro-regional strategy**

- Endorsement of the European Union Strategy for the Adriatic and Ionian Region (EUSAIR), European Council, Brussels, 23-24 October 2014;
- Council conclusions on the European Union Strategy for the Adriatic and Ionian Region (EUSAIR) - General Affairs Council meeting - Brussels, 29 September 2014;
- 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(2014) 357 final;
- 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 concerning the European Union Strategy for the Adriatic and Ionian Region SWD(2014) 190 final;
- Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the governance of macro-regional strategies - 20.05.2014 - COM(2014) 284 final;
- Joint statement of the representatives of the countries participating in the EU Strategy for the Adriatic and Ionian region on a governance and management system, set up in partnership with the European Commission, for the implementation of the strategy. Brussels, 18 November 2014.

Kindly note that the above list is not exhaustive and it only includes the most relevant legislation.

### **Additional documents**

- The present Programme Manual;
- Other publications (e.g.: manuals and fact sheets) published on the programme web site.

For reference and further documentation please consult the following websites:

[http://ec.europa.eu/regional\\_policy/en/information/legislation/regulations/](http://ec.europa.eu/regional_policy/en/information/legislation/regulations/)

[http://ec.europa.eu/regional\\_policy/en/information/legislation/delegated-acts/](http://ec.europa.eu/regional_policy/en/information/legislation/delegated-acts/)

[http://ec.europa.eu/regional\\_policy/en/information/legislation/implementing-acts/](http://ec.europa.eu/regional_policy/en/information/legislation/implementing-acts/)

[http://ec.europa.eu/enlargement/instruments/overview/index\\_en.htm](http://ec.europa.eu/enlargement/instruments/overview/index_en.htm)

<http://www.adriatic-ionian.eu>

[http://ec.europa.eu/regional\\_policy/en/policy/cooperation/macro-regional-strategies/](http://ec.europa.eu/regional_policy/en/policy/cooperation/macro-regional-strategies/)



### 3 ADRION programme in a nutshell

The ADRION overall objective is to act as a policy driver and governance innovator fostering European integration among Partner States (Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Montenegro, Serbia, Slovenia), taking advantage from the rich natural, cultural and human resources surrounding the Adriatic and Ionian seas and enhancing economic, social and territorial cohesion in the Programme area.

ADRION intends to contribute to *“the harmonious development of the Union’s territory (...) and to strengthen cooperation by means of actions conducive to integrated territorial development linked to the Union’s cohesion policy priorities”*<sup>1</sup> through the funding of project proposals aimed at positively contributing to the needs and challenges of the living conditions in the ADRION area (economic activities, quality of the environment, safety, etc.), rather than highlighting on the needs of a limited number of partners.

#### 3.1 Programme eligible area

The ADRION Programme includes a wide transnational area with more than 70 million inhabitants, and has distinct physical, environmental, socio-economic and cultural characteristics. Hence, it addresses all three dimensions of sustainability, including social, economic and environmental aspects but also institutional elements.

The Programme eligible area involves 8 Partner States primarily surrounding the Adriatic and Ionian Sea basin and covering an important terrestrial surface as well. Four countries are EU Member States, whereas the other four are candidate or potential candidate countries.

##### EU Partner States:

- Croatia (NUTS regions: Jadranska Hrvatska; Kontinentalna Hrvatska);
- Greece (NUTS regions: Anatoliki Makedonia, Thraki; Kentriki Makedonia; Dytiki Makedonia; Thessalia; Ipeiros; Ionia Nisia; Dytiki Ellada; Sterea Ellada; Peloponnisos; Attiki; Voreio Aigaio; Notio Aigaio; Kriti);
- Italy (NUTS regions: Abruzzo, Basilicata, Calabria, Emilia-Romagna, Friuli-Venezia Giulia, Lombardia, Marche, Molise, Provincia Autonoma di Bolzano, Provincia Autonoma di Trento, Puglia, Sicilia, Umbria, Veneto);
- Slovenia: (NUTS regions: Vzhodna Slovenija; Zahodna Slovenija).

##### Non-EU Partner States:

- Albania;
- Bosnia and Herzegovina;
- Montenegro;
- Serbia.

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<sup>1</sup>Recitals No 4 and 6 of Regulation (EU) No 1299/2013.



The EU Member States benefit from ERDF funds (hereinafter: ERDF Partner States), whereas the others from IPA II (IPA) contribution (hereinafter: IPA Partner States).

### **3.2 ADRION programme budget**

The overall programme budget amounts to EUR 117.918.198, out of which EUR 99.156.616 of EU public resources (EUR 83.467.729 ERDF and EUR 15.688.887 IPA funds).

### **3.3 ADRION Cooperation Programme structure**

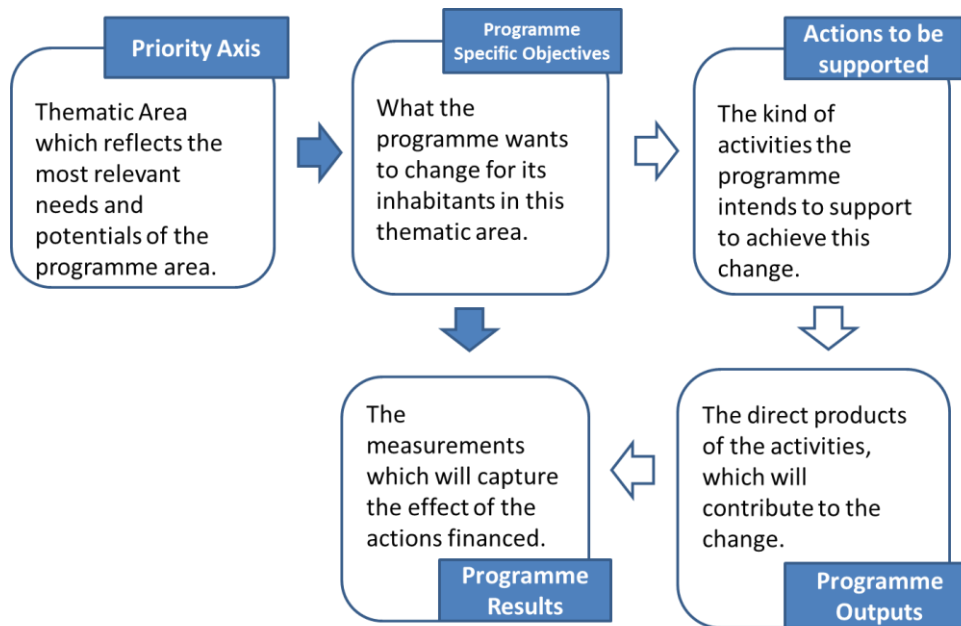
As all the Cooperation Programmes approved in the 2014-2020 programming period, ADRION is based on a result oriented approach too, and follows a programme intervention logic aimed at defining its structure and goals in accordance with the Regulation (EU) No 1299/2013.

The result oriented approach is based on:

- a) Result orientation of the programme;
- b) Programme monitoring through indicators;
- c) Definition of a performance framework whose targets must be reached in 2018;
- d) Evaluation and reporting.

The programme intervention logic is the theoretical framework that structures and visualises the entire logical and sequential process adopted by the programme to define its thematic and specific objectives aimed at contributing in reaching the expected change within the programme area.

The programme structure is characterised by Priority Axes, Specific Objectives, actions to be supported, outputs and results each other closely interlinked.



In accordance with what above and with specific reference to the Priority Axis No 4 subject of the present manual:

- The priority axis corresponds to the thematic objective No 11 as described in art. 9 of the Regulation (EU) No 1303/2013 and to the relative investment priority as described in art. 5 of Regulation (EU) No 1301/2013;
- The priority axis includes one specific objective and one expected result related to the specific objective;
- It contains a description of the type and examples of actions to be supported under the investment priority and its expected contribution to the specific objective;
- It has one output indicator characterised by a quantified target value expected to contribute to the specific objective result (number of events and meetings of the EUSAIR governance structures);
- One result indicator related to the specific objective of the Priority Axis. It refers to the effects on direct beneficiaries. It provides information on changes to, for example, the behaviour, or the capacity or performance of beneficiaries (the status of management capacities of EUSAIR governance structures to effectively implement the EUSAIR and its Action plan, achieving their objectives and targets) or financial (e.g.: amount of reimbursed expenditure).

### **3.4 Goals and objective of the Priority Axis No 4**

The Specific Objective of the Priority Axis No 4 is to “*Facilitate the coordination and implementation of the EUSAIR by enhancing the institutional capacity of public administrations and key stakeholders and by assisting the progress of implementation of joint priorities*”.

The expected result is devoted to the support – coordination and implementation - of the macro regional strategy EUSAIR; more specifically, it is aimed at building up the capacity of the governance actors and stakeholders to effectively implement the macro regional strategy EUSAIR.

As reported in the Cooperation Programme, the operational support to the EUSAIR governance actors and stakeholders in their respective roles may include the following indicative activities:

- Providing day-to-day operational and logistic support to the Governing Board (GB) and the Thematic Steering Groups (TSG);
- Assisting the TSGs in 'match making' activities, bringing together project promoters and financiers;
- Providing assistance in developing project concepts (seed money, pilot actions, preparatory actions, etc.);
- Supporting preparation of macro-regional actions/projects, in coordination with the TSGs;
- Supporting the TSGs in monitoring, reporting and evaluation;
- Facilitating the development and functioning of a stakeholders platform;
- Facilitating visibility through promotion of an Adriatic Ionian profile, as well as awareness-raising, including management of a EUSAIR website and the staging of events (incl. the annual EUSAIR Forum);
- Assisting the GB in the preparation of the annual EUSAIR Forum;
- Supporting the building of the knowledge base, including collection of reliable and comparable data for establishing sound baselines and developing relevant, evidence-based result indicators and plausible targets;
- Facilitating dialogue with bodies in charge of the implementation of programmes/financial instruments regarding how best to mobilise funding for actions under the different pillars.

#### 3.4.1 Key project milestones and performance indicators

According to the Cooperation Programme the strategic project has to deliver the following outputs and contribute to the realization of the following outcome (result):

Year	Output indicator	Result indicator	Institution in charge of implementation/verifications
2017		Improvement of the status of management capacities of EUSAIR governance structures to effectively implement the EUSAIR and its Action Plan, achieving their objectives and targets <sup>2</sup>	MA/JS
2018	Realization of at least 12 events and meetings of the EUSAIR governance structure <i>(cumulative quantification)</i> Certification of expenditure of at least EUR 977.599 (ERDF+IPA)		Strategic project partners
2019			
2020		Improvement of the status of management capacities of EUSAIR governance structures to effectively implement the EUSAIR and its Action Plan, achieving their objectives and targets	MA/JS
2021			

<sup>2</sup> Measured through surveys (questionnaires) addressed to the members of EUSAIR GB and TSGs.

<b>2022</b>			
<b>2023</b>		Improvement of the status of management capacities of EUSAIR governance structures to effectively implement the EUSAIR and its Action Plan, achieving their objectives and targets	MA/JS
<b>2023</b>	Realization of at least 120 events and meetings of the EUSAIR governance structure <i>(cumulative quantification)</i>		Strategic project

The Priority Axis No 4 intervention logic is provided in Annex 1.

In addition to what above, the Programme has elaborated a sub-set of output indicators to be realized within the end of the project implementation:

<b>Output indicator</b>	<b>Quantification</b>
No. of strategic macro regional project concepts/actions accompanied <sup>3</sup>	10
No. financial dialogues <sup>4</sup>	5

### **3.5 Financial allocation to Priority Axis No 4**

The Priority Axis No 4 total funding amounts to EUR 11. 501.171,00 out of which EUR 8.346.773,00 of ERDF funds and EUR 1.429.222,00 of IPA II funds (85% of the total):

	<b>ERDF</b>	<b>IPA II</b>	<b>National counterpart</b>	<b>Total funding</b>
<b>Priority Axis 4</b>	8.346.773,00	1.429.222,00	1.725.176,00	11.501.171,00

EU project partners from Croatia, Greece, Italy and Slovenia shall benefit from ERDF funds, project partners from Albania, Bosnia and Herzegovina, Montenegro and Serbia shall benefit from IPA funds.

Should the strategic project spend more than what approved by the MC, the EU contribution shall not be increased accordingly.

The availability of IPA funds is subject to the signature of the Financing Agreement between the ADRION Programme MA, the European Commission and each one of the concerned IPA Partner State.

<sup>3</sup> An action is to be understood according to the definition provided in the EUSAIR Action Plan: the intervention which countries and stakeholders carry out in order to address the different topics. It can be a new approach, an increased coordination in policy making, policy review, support to a process already engaged, a networking initiative, etc. An action may not necessarily require financing. All actions should be understood without prejudice to existing EU competences and requirements of the EU acquis.

<sup>4</sup> Each EUSAIR Pillar will be engaged in financial dialogue processes with the MAs of several programmes or with financial institutions. Financial dialogues may include e.g.: meetings, conferences, workshops, forums.

### **3.6 Strategic project key principles**

The implementation of the Priority Axis No 4 shall be done through a strategic project operating until 31 December 2022.

The decision of supporting EUSAIR through a strategic project implies that it has to follow the rules applicable to standard operations (funded under Priority Axes 1-3), both with regard to the submission of the project proposal (present in this manual) and its further implementation, in particular:

- a) The respect of the programme rules, in particular eligibility of expenditure and reporting rules;
- b) The lead partner principle;
- c) The setting in place of an adequate audit trail regarding expenditure incurred and payments made and recorded and stored on commonly accepted data carriers;
- d) The liabilities of the partners in case irregularities are detected.

Project implementation rules shall be included in the Implementing Manual.

The strategic project is to be considered a capacity building project in its entirety: the rules as in art. 20 of Regulation (EU) 1299/2013 do not apply to the project (i.e.: no limitations to the implementation of activities of the EU partners outside the EU Programme area; the activities must however be planned beforehand or be communicated to the MA/JS in advance).

As far as the activities to be implemented are concerned, they must take in due account those tools and/or services already present on the territory or offered by the European Commission in order to optimise the efficient use of public resources. Existing tools and/or services can be adjusted according to the needs of the macro region and the creation of new tools duplicating what already available should be avoided (e.g.: databases on financial sources, tools for partners' identification etc.).

Additionally, special attention should be paid in planning those activities supporting the EUSAIR Governing Board and the Thematic Steering Groups meetings to optimise travel and accommodation costs (e.g.: one travel to attend more than one meeting when possible).

Finally, the strategic project shall not direct grant projects.

## **4 Horizontal principles**

### **4.1 Equality between men and women and non-discrimination**

The strategic project must respect the following horizontal aspects highlighted in EU regulations and in the ADRIAN Cooperation Programme, namely:

- **Equal opportunities and non-discrimination:**

The strategic project has to ensure that the activities implemented do not generate sex discrimination of any kind (sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation) and to explain how the equal opportunity principle is rooted in the project design and implementation. The project is encouraged to foresee measures or actions to promote equal opportunities and preventing any discrimination.

- **Equality between men and women:**

The strategic project has to ensure that the activities implemented are in line with the principle of equality between men and women and to demonstrate how this principle is rooted in the project design and implementation.

In addition to what above, the following cross-cutting issues must be addressed:

- Wide-spread take-up and use of Information and Communication Technologies (ICT);
- Social cohesion and social innovation;
- Promotion of data availability and knowledge management according to the “open data” principle;

The strategic project shall practically demonstrate its contribution not only to the expected result and specific objective, but should also be conceived, designed and implemented to ensure that the aforementioned principles are actually promoted and practically implemented (see Section 1 and Section 8 of the CP).

#### **4.2 Sustainable development**

The ADRION programme invites to promote eco-innovation, i.e.: aiming to make a more sustainable use of natural resources.

The implementation of specific measures to reduce the environmental impact can, indicatively, include:

- 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.

## **5 State Aid discipline**

Any public support granted by public funds must respect the State Aid discipline applicable at the point of time when the public support is granted.

According to Article 107 (ex. Article 87) of the Treaty on the Functioning of the European Union, State Aid is defined as any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods.

In relation to the above, the presence of State Aid can be confirmed only if all the following 5 points (cumulative criteria) are fulfilled:

- 1) The measure must confer a benefit or advantage on the recipient which it would not otherwise have received (which is always the case for any Interreg programme);
- 2) It must be granted by a EU Member State or through State resources (which is always the case for any Interreg programme);

- 3) It must selectively favour certain undertakings or the production of certain goods;
- 4) It must distort or threaten to distort competition;
- 5) It must affect trade between EU Member States.

State Aid discipline applies to undertaking, i.e.: an entity engaged in an economic nature and which offers goods and services in competition (actual or potential) with other operators active in the market, carrying out activities of an economic nature, devoted to the production and marketing of goods and services in the market. The concept of undertaking is very wide and also includes all private and public firms and the entirety of what they produce. Activities carried out within the framework of statutory tasks normally performed by public authorities do not fall within the concept of an undertaking, in view of their non-business purposes and procedures.

In the evaluation of the existence of a potential State Aid issue, the nature of the beneficiary is therefore not relevant since, as said, even a not-profit organisation can be engaged in economic activities. The main element to take into account is the nature of the activities that the partner institution and the project intend to implement through the public funding<sup>5</sup>.

**Due to the specificities of the ADRION Programme and to ensure equal treatment among all beneficiaries, the State Aid discipline shall apply both to ERDF and IPA project partners.**

Applicants are invited to check the ADRION programme web site for further information and may also consult the relevant national authorities to obtain more specific information on rules and limitations concerning State Aid.

### **5.1 How to deal with State Aid**

The ADRION Programme shall treat State Aid relevant activities in accordance with the *de minimis* Regulation<sup>6</sup> which foresees:

- The ceiling for the aid covered by the *de minimis* rule is EUR 200 000 (cash grant equivalent) over any three tax year period;
- The ceiling applies per EU Member State; in the case of ADRION Programme the aid will be considered as granted by Italy (location of the MA) and will not cumulate with State Aid under *de minimis* regime granted by another EU Member States;
- The ceiling will apply to the total of all public assistance considered to be *de minimis* aid. The ceiling applies to aid of all kinds, irrespective of the form it takes or the objective pursued.

The regulation only applies to “transparent” forms of aid, which means aid for which it is possible to determine in advance the gross grant equivalent without needing to undertake a risk assessment.

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<sup>5</sup>Further information on State Aid can be found on the European Commission’s DG Competition website: [http://ec.europa.eu/competition/state\\_aid/overview/index\\_en.html](http://ec.europa.eu/competition/state_aid/overview/index_en.html) where also comprehensive guidelines on the notion of State aid are available.

The INTERACT programme has also summarised a list of questions and answers on this topic: [http://admin.interact-eu.net/downloads/9263/Questions\\_Answers\\_ETC\\_and\\_State\\_Aid\\_April\\_2015.pdf](http://admin.interact-eu.net/downloads/9263/Questions_Answers_ETC_and_State_Aid_April_2015.pdf).

<sup>6</sup>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.



In order to allow the necessary verifications, all applicants shall fill-in the State Aid declaration which is part of the Application Package.

However, in case the grant would distort or threaten competition by favouring some project partners, the Programme shall identify possible measures and conditions the project will have to apply in order to minimize or annulling the State Aid relevance of the identified project activities/outputs. If this is not possible, the Programme shall adopt measures to ensure the respect of the *de minimis* rule.

## **6 The Programme language**

The official language of the ADRION Programme is English. All deliveries, documents, tools and communication activities of the Programme management bodies will be in English; this language will also be used in all communication with the applicants and beneficiaries and among the project beneficiaries themselves.

Potential beneficiaries can receive information in their national language by the corresponding National Contact Points (NCPs), who, if they deem it relevant, can also translate the Programme documentation in their own language.

English version of documentation and correspondence is however the only binding one.

**THE TERMS OF REFERENCE OF THE STRATEGIC PROJECT: KEY ELEMENTS**

## **7 The strategic project Terms of Reference**

The ADRION programme shall allocate the overall amount devoted to the Priority Axis No 4 (see paragraph 3.5) for the implementation of a strategic project which shall support the implementation of the EUSAIR strategy.

The related Terms of Reference and Application Package shall be submitted to the ADRION MC for approval; it will not be subject to publication.

After the MC approval, the MA/JS shall send the application package to the appointed lead applicant of the strategic project (see paragraph 8.2).

## **8 Project partnership**

The project proposal must involve partners located in the Programme geographical area (see paragraph 3.1) previously identified by the Working Group TO11.

The minimum eligible partnership comprises at least one financing partner per Partner States involved in the Programme.

### **8.1 Eligible partners**

Eligible partners shall be national, regional and local public authorities previously identified by the Working Group Thematic Objective 11 (TO11) appointed by the Programme Task Force (in charge of the drafting the ADRION Programme):

- Government Office for Development and European Cohesion Policy - Slovenia (Lead Applicant);
- Ministry of the Foreign Affairs of Albania (Project Partner);
- Directorate for European Integration of Council of Ministers of Bosnia and Herzegovina (Project Partner);
- Ministry of Tourism (Croatia) (Project Partner);
- Special Service for Strategy, Planning and Evaluation Ministry of Economy, Development and Tourism (Greece) (Project Partner);
- Ministry of Foreign Affairs and European Integration (Montenegro) (Project Partner);
- Ministry of Foreign Affairs of the Republic of Serbia (Serbia) (Project Partner);
- Public institute for entrepreneurship promotion and project development of the Municipality of Izola (Slovenia);
- Marche Region (Italy) (Project Partner).

They must have their official seat and the seat of operations in the country/part of the country included in the Programme area (with the exceptions reported under the sub-paragraph "*Assimilated partners*").

#### *Assimilated partners*

In order to overcome to the Programme geographical constraints applying to Italy, those Italian public national authorities which are competent in their scope of action for certain parts of the eligible area but

which are located outside of it (i.e.: Ministries) are considered as assimilated partners, with equal rights and obligations to applicants located within the programme area.

#### *Other indications regarding the eligibility of partners*

All partners must ensure that:

- They have adequate human and technical resources to ensure a sound project implementation and management;
- Their administrative involvement in the project does not undermine their daily activities;
- Their financial commitment within the project is adequate to their size and capacity;
- They have the capacity of advancing payments for the implementation of project activities and eventual delays in reimbursement of EU contributions will not undermine their capacity of implementing the foreseen activities within the project.

Only the legal entities eligible for funding and listed in the Application Form (AF) may report their costs. In order to ensure a proper audit trail the MA needs to know which organisations receive programme funding and whether they are eligible according to the programme rules.

#### *Associated partners*

The ADRION Programme foresees the involvement of *associated partners*, i.e.: those bodies willing to be involved in a project with an observer or associated status without financially contributing to the project. The associated institutions do not account for the partnership minimum requirements; all expenditure incurred by these bodies shall be finally borne by any of the institutions acting as financing partners in order to be considered as eligible. The associated institutions must not act as service providers in order not to enter in conflict with public procurement rules.

The partnership must demonstrate the benefits that the involved associated partner shall bring to the project and its follow up. Expenditure incurred by these bodies shall be limited to the reimbursement of travel and accommodation costs related to their participation in project meetings.

Associated partners can also be located outside the Programme area.

### **8.2 Lead applicant**

According to art. 13 of the Regulation (EU) No 1299/2013 “*where there are (two or) more beneficiaries of an operation in a cooperation programme, one of them shall be designed by all the beneficiaries as lead beneficiary*” (lead partner principle).

## **9 Partners’ obligations**

Eligible partners shall be directly responsible for preparation and implementation of their share of project’s activities within the partnership.

### **9.1 Lead partner responsibility**

The partner designated by all partners to act as lead partner (art. 13 of Regulation (EU) No 1299/2014) assumes the following responsibilities:

- a) Is responsible for the coordination of the drafting of the project application and of its submission on behalf of the entire partnership. In case clarifications are necessary during the assessment phase, the JS will address to it;
- b) Signs a subsidy contract on behalf of the entire partnership with the MA;
- c) Ensures arrangements with the other partners comprising provisions able to guarantee the sound financial management of the funds allocated to the project and arrangements for recovering the amounts unduly paid (a template of the subsidy contract and partnership agreement shall be elaborated by the Programme and downloadable from the Programme web site);
- d) Assumes 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;
- e) Ensures that expenditure presented by all partners 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;
- f) Ensures that the expenditure presented by all partners has been verified by the controllers appointed by the country where the partner is located according to the specificities of the national system;
- g) Ensures that the promised outputs as in the approved application are delivered in accordance with the set timeline;
- h) Receives the reimbursed amount from the Programme on behalf of the entire partnership and transfers the due amounts to its partners as soon as possible without deducting any amount or specific charge;
- i) Guarantees 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 partner(s) (itself or project partner);
- j) Ensures that all project documentation (e.g.: progress report etc.) shall be kept available for a period of two years from 31 December following the submission of the payment request of the MA to the European Commission including the final expenditure of the completed projects or otherwise required by the specific legislation (e.g.: State Aid). The time period referred to shall be interrupted either in the case of legal proceedings or by a duly justified request of the Commission;
- k) Coordinates the communication flow towards the MA/JS with regard to the timely submission of the progress reports and requests for reimbursement;
- l) Is responsible of the communication flow between the partnership and the Programme (mainly with the JS and the MA), it is in charge of spreading communication and information received by the Programme to its project partners, including the announcements to participate to seminars organized by the Programme;
- m) Ensures prompt solutions of management problems (e.g.: change of partners, requests for revision of activities etc.).

## **9.2 Project partner responsibility**

Each project partner carries out activities planned in the approved AF within the deadline agreed at Programme and partnership level. Each project partner shall:

- a) Assume responsibility towards the lead partner of repaying the received undue amount and it assumes its responsibility in case of irregularities in the expenditure it has declared;
- b) Carry out information and communication measures for the public about the project activities;
- c) Ensure that all project documentation (e.g.: progress report etc.) shall be kept available for a period of two years from 31 December following the submission of the payment request of the MA to the European Commission including the final expenditure of the completed projects or otherwise required by the specific legislation (e.g.: State Aid). The time period referred to shall be interrupted either in the case of legal proceedings or by a duly justified request of the Commission.

Obligations of the lead partner and project partners are laid down in the Subsidy Contract and in the Partnership Agreement respectively.

The Subsidy Contract determines the rights and responsibilities of the lead partner – according to the lead partner principle –, the conditions for the project implementation, requirements for reporting, financial controls, litigation etc.

The Partnership Agreement transfers rights and responsibilities from the lead partner to the project partners.

Detailed information on these two legal documents shall be provided on the ADRION web site.

## **10 Exclusion criteria**

### **10.1 Exclusion from participation**

According to art. 106 of Regulation (EU) No 966/2012, potential beneficiaries might be excluded if any of the following conditions apply:

- They are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- They or persons having powers of representation, decision making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Partner State which has the force of res judicata;
- They have been guilty of grave professional misconduct proven by any means which the contracting authority can justify, including by decisions of the European Investment Bank and international organisations;
- They are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;
- They - or persons having powers of representation, decision making or control over them - have been the subject of a judgment which has the force of res judicata for fraud, corruption,

involvement in a criminal organisation, money laundering or any other illegal activity, where such illegal activity is detrimental to the Union's financial interests;

- They are subject to an administrative penalty imposed by any contracting authority for behaviours mentioned above.

### **10.2 Exclusion from subsidy**

According to art. 107 of Regulation (EU) No 966/2012 applicants will not be granted financial assistance if, in the course of the grant award procedure, they:

- Are subject to a conflict of interests;
- Are guilty of misrepresentation in supplying the information required by the Programme as a condition of participation in the grant award procedure or fail to supply this information;
- Find themselves in one of the situations of exclusion, referred to in the previous paragraph.

## **11 Ways of cooperation within a project proposal**

The cooperation among partners shall be compulsorily characterised by the following elements (art 12.4 of Regulation (EU) No 1299/2013):

- Development of the operation;
- Implementation of the operation.

Additionally, ADRION requires that also financing of operation is to be considered as compulsory.

The partners can also cooperate in staffing the operation (optional).

**Cooperation in the development of the operation**

All partners shall contribute to the project idea generation and mirror their ideas and actions. They will also define how they intend to work together and the tasks distribution, having regard to their knowledge and experience. The development of activities should not consider the realization of “mirror” activities, i.e.: the same activities to be implemented by all partners, but a real distribution of tasks according to their skills and abilities, which shall be available for the benefit of the entire partnership. The Lead Partner plays a coordination role of the process.

**Cooperation in the implementation of the operation**

Under the overall coordination of the Lead Partner, the partnership starts the implementation of the approved operation. The implementation refers both to the realization of activities described in the approved application form and to the internal management activities. Activities must properly be carried out and coordinated: it is not enough that activities run in parallel: There must be clear content based links between what is happening on different sides of the border and regular contact between them. The Lead Partner is responsible for ensuring that activities are properly coordinated, that schedules are kept and that the right quality levels are achieved.

**Cooperation in the financing of the operation**

The project is characterized by one budget which is the sum of each partner allocation. According to the lead partner principle characterizing the ETC projects, the financial responsibility of the project budget vis-à-vis the Programme lies within the lead partner, whereas a partnership agreement is signed between the lead and the project partners mirroring the subsidy contract duties and obligations. The partner budget mirrors the partners’ responsibilities within the project.

**Cooperation in the staffing of the operation**

The project defines its internal organization attributing roles and the necessary staff to fulfil them. Duplication of functions are to be avoided: the project shall have only 1 joint project coordinator, 1 joint financial manager etc., who will keep regular contacts with the partners for the fulfilment of their tasks.

While the presence/absence of the first three dimensions of cooperation is considered as a condition of eligibility of project proposals, their actual shaping in project proposals will be also qualitatively assessed, whereas the fourth dimension (joint staffing) will be evaluated only as a quality element.

## 12 Project duration

The strategic project shall be finalized within 31 December 2022. The lead applicant shall indicate the start and end date in the AF, taking into account the necessary time for the evaluation process and contracting procedures. The approved operation will be offered the possibility of modifying its starting date and project duration as reported in the AF before the signature of the subsidy contract.





The *preparatory phase* for the elaboration of the project proposal and the time needed for project administrative and financial closure shall be separately considered, i.e. added to the implementation period.

The preparatory phase can start as from 1<sup>st</sup> January 2014 and ends the day before the submission of the project proposal; it can be financially supported by the Programme only in case of project approval. Any preparation costs incurred by the partnership shall be indicated in the AF, under the specific budget line(s) concerned and included under the budget of the affected partners.

The preparation costs shall have the form of a lump sum reimbursement: this means that in case of project approval, preparation costs shall be reimbursed to partners with no need to present invoices or other administrative justification for the incurred costs.

Details on the preparation costs are provided in the paragraph 18.1.4.

The *implementation phase* starts with the date of signature of the subsidy contract or with an earlier date if the project so decides: in this latter case the partnership decides, at its own risk, to start the project implementation irrespective the decision for funding of the MC.

Planned activities shall be implemented within the indicated project start and end date.

The *project closure phase* refers to the finalization of all the legal and administrative obligations related to the granted activities and to the incurred expenditure. It includes 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 can last not more than 3 months.

Details on how to structure the project activities are provided in paragraph 17.1 “*project work packages*”.

### **13 Funding method**

ADRION contribution is limited to a co-financing rate up to 85% of eligible costs for all partners (i.e.: both benefitting from ERDF and IPA contribution).

The share of expenditure (at least 15%) not covered by ERDF or IPA funds shall be ensured by national co-financing sources, i.e.: public funding provided by central, regional or local public authorities, obtained either through specific-co-financing schemes established at Partner State level or directly provided by the public body involved in the projects<sup>7</sup>;

<sup>7</sup> In the Application Form, lead partner and project partners’ declaration public funding is disentangled in *Automatic public contribution* and *Other public contribution*.

Each financing partner involved in the strategic project proposal, shall declare the nature of its co-financing while submitting the AF (see paragraph 17) in the form of a declaration.

A general overview on the national co-financing systems of the ADRION Partner States is available on the Programme website.

## 14 Project budget

The system of financing is a budget-based grant (eligible costs). The grant is financed through the reimbursement of eligible costs and will be calculated on the basis of a detailed estimated budget, indicating clearly the costs that are eligible for ERDF/IPA funding. The involved partners shall ensure stable and sufficient sources of finance to ensure both project implementation and the continuity of the organisation activities throughout the lifespan of the project.

The EU grant may not have the purpose or effect of producing a profit for the beneficiaries (profit is defined as a surplus of receipts over eligible costs incurred by the beneficiaries).

The budget of the project must be drafted following the real cost principle<sup>8</sup>, fully accomplishing the principles of adequacy of costs and sound financial management. As provided under chapter 7 of the Regulation (EU, Euratom) No 966/2012 the principle of sound financial management builds on the following three principles:

- The **principle of economy**: it requires that the resources used by the beneficiary in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price;
- The **principle of efficiency**: it concerns the best relationship between resources employed and results achieved;
- The **principle of effectiveness**: it concerns the attainment of the specific objectives set and the achievement of the intended results.

### 14.1 Use of Euro

The budget must be drawn up in Euro. The project applicants not based in the Euro zone are advised to draft their budget share using the monthly official exchange rate of the month of approval of the Terms of Reference by the MC, keeping in mind that reimbursement - based on actually incurred expenditure - will have to be converted into Euro by the beneficiaries using the monthly accounting exchange rate of the Commission in the month during which such expenditure will be submitted for verification to the national controller.

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.

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<sup>8</sup> Except for preparation costs and when simplified cost options (flat rate) are used for calculating costs under staff and office and administrative expenditure.

## **14.2 Hierarchy of rules on eligibility of expenditure**

Three levels of rules apply to the eligibility of expenditure in the framework of all Interreg programmes, including ADRION. The following list expressly refers to the hierarchy of rules to be respected as far as the financial rules are concerned and **it is applicable both to ERDF and IPA project partners.**

### EU Regulations:

- Regulation (EU, Euratom) No 966/2012 (Financial regulation) on the financial rules applicable to the general budget of the Union;
- Regulation (EU) No 1303/2013 laying down common provisions;
- Regulation (EU) No 1301/2013 on the European Regional Development Fund (its art 3 refers to the scope of support from the ERDF);
- Regulation (EU) No 1299/2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal (reference to articles No 18, 19, 20, 27 and 28);
- Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes;
- Regulation (EU) No 236/2014 (Common implementing regulation) laying down common rules and procedures for the implementation of the Union's instruments for financing external action as far as the application of public procurement is concerned.

### Programme rules

- ADRION Cooperation Programme;
- Programme Manual and other Programme guidance documents to projects issued by the MA/MC/JS (e.g.: Guidance on communication, Implementation Manual).

**Only in case there are no EU level and/or Programme level provisions or they do not offer detailed provisions, national, regional or local legislation and institutional rules apply.**

### National rules

- National legislation;
- Local and/or regional legislation;
- Institutional rules and regulations.

**National rules cannot prejudice or restrict the rules established at a higher level (EU and programme rules). Stricter programme and national rules may apply only in areas that are not precisely regulated at the EU level or where EU Regulations provide the Partner States with a discretionary power to set such rules.**

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

### 14.3 General eligibility requirements

In the following paragraphs a set of financial rules are presented: **they are applicable both to ERDF and IPA partners.**

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

- It has occurred in the eligible period defined by the Programme and within the eligible period related to the duration of the project (with the exception of preparation costs and project closure costs);
- It refers to costs occurred for the implementation of the project and in accordance with the proposal approved by the MC or its subsequent revisions approved by the Programme implementing bodies, if any;
- 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 project proposal and that has been delivered and complies with publicity and information requirements;
- It is borne directly 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 referred to above (efficiency, effectiveness and economy);
- It complies, if required, to the public procurement rules applicable in that Partner State;
- 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 has been validated by an authorised national controller.

In accordance with the scope of support of the Regulation (EU) No 1301/2014 the following activities **shall not be supported**:

- a) The decommissioning or the construction of nuclear power stations;
- b) Investment to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC;
- c) The manufacturing, processing and marketing of tobacco and tobacco products;
- d) Undertakings in difficulty, as defined under Union State aid rules<sup>9</sup>;
- e) Investment in airport infrastructure unless related to environmental protection or accompanied by investment necessary to mitigate or reduce its negative environmental impact.

Without prejudice to the specific Programme rules defined in the specific paragraph, the following expenditure is considered **as not eligible** (reference to art. 69 of Regulation (EU) No 1303/2014 and art. 2 of Delegated Regulation (EU) No 481/2014):

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<sup>9</sup>Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty (OJ C 249, 31.07.2014).

- 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);
- Interest on debt;
- Purchase of land;
- Recoverable value added tax (VAT), except where it is not recoverable under national VAT legislation;
- Fines, financial penalties and expenditure on legal disputes and litigation;
- Costs for gifts, except those not exceeding EUR 50 per gift where related to promotion, communication, publicity or information;
- Costs related to fluctuation of foreign exchange rate;
- Charges for national financial transactions.

The Programme also considers as not eligible the following expenditure:

- Under travel and accommodation budget line, the cost of taxis shall not be reimbursed, except when (i) it can be demonstrated that no public transport was available at the time and place needed or (ii) local transportation is covered with a daily allowance provided for by the internal rules of the concerned partner;
- Costs for alcoholic beverages;
- Heavy investments, infrastructures and works, as described by the Directive 2014/24/EU (annex II).

Additionally, 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. Further information shall be provided in the Implementation Manual.

**Finally, the practice of shared costs shall not be allowed, i.e.: the costs incurred for activities carried out by one partner - or under its responsibility by a sub-contractor – and covered by more than one project partner (the practice of splitting cost items paid by one partner among project partners), even in cases where such activity is for the benefit of the whole project partnership. The budget allocated to a project partner shall fully reflect the activities actually implemented by that partner.**

#### **14.4 Project budget lines**

Project budgets submitted to ADRION must be structured according to the following budget lines: (as provided for by the Delegated Regulation (EU) No 481/2014:

- a) Staff costs;
- b) Office and administrative expenditure;
- c) Travel and accommodation costs;
- d) External expertise and services costs;
- e) Equipment expenditure.

Please note that these budget lines do not apply to all work packages as described in paragraph 17.1.

The information provided herewith is intended to help applicants to properly allocate costs to each budget line during the application phase.

Detailed guidance on how to report such costs, together with specific information on the national first level control systems in place in each Partner State, will be provided in the Implementation Manual, expected to be published after the approval for funding of the strategic project.

#### *14.4.1 Staff costs*

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

Staff costs shall be budgeted and reimbursed according to one of two options:

1. real costs;
2. flat rate of 20% of direct costs other than staff costs<sup>10</sup>.

The choice is made at partner level and cannot be changed during the project implementation.

#### *Staff costs reimbursed based on real costs*

Eligible expenditure under this budget line is limited to:

**Salary payments** related to the activities which the entity would not carry out if the operation 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 to natural persons working for the beneficiary under a contract other than an employment/work 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, on 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.

If those conditions are not met, this expenditure must be allocated under budget line External expertise and services costs.

**Any other 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 country and/or institution where the individual staff member is working;

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<sup>10</sup>Direct costs other than staff costs are: travel and accommodation costs; external expertise and services costs; equipment expenditure.

- Not recoverable by the employer.

Methods for calculating the eligible staff cost vary according to the type of assignment to any individual staff member, as specified below:

1. **full time:** an employee dedicated 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 partner structure. No registration of the working time (e.g. time sheets) is required. In such cases the **total of the gross employment cost is eligible.**
2. **part-time with a fixed percentage of time worked per month:** an employee dedicated to the project by a fixed percentage of his/her working time. This percentage is set out in a document issued by the partner 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 cases the **fixed percentage of the gross employment cost is eligible.**
3. **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. In such case the hourly rate shall be calculated according to the following:

*hourly rate = latest documented annual gross employment cost/1720 (standard annual working time fixed by Regulation (EU) No 481/2014).*

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.

4. **contracted on an hourly basis:** an employee is contracted on an hourly basis and dedicates a certain number of hours to work on the project. The staff costs are calculated on the basis of the hourly rate fixed in the employment/work contract. Data from the working time registration system (e.g. time sheets) providing information on the number of hours spent per month on the project are required. Eligible staff cost shall result by multiplying the hourly rate by the number of hours actually worked on the project by each concerned individual.

#### *Staff costs reimbursed according to the flat rate*

Staff costs of any beneficiary choosing this option will be reimbursed for an amount equal to 20% of the sum of costs under all other budget lines, except “staff costs” and “office and administrative expenditure”, without the need of submitting any employment/work contract, any invoice or document having equivalent value nor any proof of payment;

The following table intends to support the choice between staff costs based on real costs and flat rate highlighting pros and cons:

Staff costs reimbursed based on real costs	Staff costs reimbursed base on flat rate (20% of the direct costs other than staff costs)
<b>Project elaboration</b>	
Partnership can decide, in principle, the extent of involvement of their staff;	Ceiling for staff costs;
Project appraisal shall be aimed at verifying whether the staff costs are proportioned with the proposed activities and in accordance with average personnel costs expenditure within the programme area;	Project appraisal shall be aimed at verifying whether the staff costs are in accordance with the proposed activities;

<b>Project implementation</b>	
Adequate audit trail of the necessary documentation shall be kept in accordance with the rules set above to get the reimbursement of staff costs;	No accountancy is foreseen (i.e.: no provision of supporting documentation shall be provided to first level controllers);  When reporting staff costs, the distribution of costs between work packages shall reflect the distribution between work packages of the respective direct costs (e.g. costs for external experts and equipment amount to 40% of work package 1 and 60% of work package 2; thus 40% of staff costs shall be allocated to work package 1 and 60% to work package 2);
Staff costs expenditure shall be prior validated by the national controller to be reimbursed;	Staff costs shall not be subject to the validation of national controllers to get reimbursed;
Staff costs can be revised (increased or decreased) during the project implementation.	Flat rate option must be kept along the entire project implementation;
	Staff costs are automatically generated in the work package if costs under one or more of the following budget lines: travel and accommodation, external experts and services, and equipment are budgeted.

#### 14.4.2 Office and administrative expenditure

It covers operating and administrative expenditure incurred by the beneficiary organisation that supports the delivery of project activities. Cost items comprised in the budget line are the following (exhaustive list):

- Office rent;
- Insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurances);
- Utilities (e.g. electricity, heating, water);
- Office supplies;
- General accounting provided inside the beneficiary organisation;
- Archives;
- Maintenance, cleaning and repairs;
- Security;
- IT systems;
- Communication (e.g. telephone, fax, internet, postal services, business cards);
- Bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened;
- Charges for transnational financial transactions.

Office and administrative expenditure shall be reimbursed by the Programme according to a flat rate of 10% of eligible staff costs. No detailed budget needs to be planned for this budget line since the expenditure shall be automatically calculated by the on line system for the applications submission (e-MS), both in the application phase and when submitting financial progress reports. This expenditure will be reimbursed without the need of submitting any invoice or document having equivalent value or any proof of payment.



### 14.4.3 Travel and accommodation costs

Expenditure under this budget line refers to the costs incurred by the partner organisation for travels and accommodation of its own staff necessary for the delivery of the project.

The following items are eligible under this budget line:

- Travel costs (e.g. tickets, travel and car insurance, fuel, car mileage, toll, and parking fees);
- Meals costs;
- Accommodation costs;
- Visa costs;
- Daily allowances.

The following principles apply:

1. Travel and accommodation costs must clearly link to any project's activities and be essential for their effective delivery;
2. 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);
3. The principle of sound financial management should 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;
  - 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 Commission and applicable throughout the programme area shall apply. They shall be considered as maximum ceilings<sup>11</sup>. The amounts exceeding such values shall be in any case considered not eligible;
4. 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 (ref: Article 65.11 of Regulation (EU) No 1303/2013). 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 costs of:

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<sup>11</sup>[http://ec.europa.eu/research/participants/data/ref/fp7/89566/flat-rates-subsistence\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/fp7/89566/flat-rates-subsistence_en.pdf).

- a) External experts and service providers including speakers, chairpersons, teachers, etc. shall be reimbursed under the external expertise and services budget line; the same applies to travel and accommodation costs;
- b) Associated partners can only be claimed under the external expertise and services budget line. The Associated partners shall be requested to indicate in their Declaration (see paragraph 16) which financing partner shall fund their travel and accommodation expenditure.

**In case of approval of project proposals, costs for travel and accommodation for attending programme or national authorities meetings and events shall be considered as eligible: it is advisable that some additional budget is allocated to attend these events.**

#### 14.4.4 External expertise and services costs

This 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 project 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<sup>12</sup>.

In particular:

**EU beneficiaries** shall respect EU Directives and their respective national legislation on public procurement, depending on the amount concerned.

Furthermore, whenever public bodies 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.

**IPA beneficiaries** shall refer to Article 45 – *Procurement* – of the Regulation (EU) No 447/2014 on the specific rules for implementing Regulation (EU) No 231/2014 establishing an Instrument for Pre-accession assistance (IPA II) says that “*For the award of service, supply and work contracts, by beneficiaries the procurement procedures shall follow the provisions of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012 and of Chapter 3 of Title II of Part Two of Delegated Regulation (EU) No 1268/2012 which apply in the whole programme area, both on the Member State and on the IPA II beneficiary/ies' territory*”. This means that the EU External Action procurement rules are to be used (PRAG) with regard to services, supplies and works contracts awarded through transnational grant<sup>13</sup>.

<sup>12</sup>([http://ec.europa.eu/internal\\_market/publicprocurement/docs/keydocs/communication\\_en.pdf](http://ec.europa.eu/internal_market/publicprocurement/docs/keydocs/communication_en.pdf)follow

<sup>13</sup>Information on the Practical Guide to Contract Procedures for EU External Actions (PRAG) can be found in: [http://ec.europa.eu/europeaid/prag/?header\\_description=DEVCO+Prag+to+financial+and+contractual+procedures+a+pplicable+to+external+actions+financed+from+the+general+budget+of+the+EU+and+from+the+11th+EDF&header\\_keywords=ePrag%2C+europa](http://ec.europa.eu/europeaid/prag/?header_description=DEVCO+Prag+to+financial+and+contractual+procedures+a+pplicable+to+external+actions+financed+from+the+general+budget+of+the+EU+and+from+the+11th+EDF&header_keywords=ePrag%2C+europa)

In case of procurements of goods and/or services of an amount for which national legislations or internal rules of beneficiaries allow direct granting of contracts and for private beneficiaries the following Programme rules shall be respected:

*Contracts below EUR 2.500 (plus VAT):* beneficiaries must perform and document the execution of adequate market researches (e.g. through collecting bids, using centralised e-procurement services, etc.) from at least three independent external providers.

*Contracts of more than EUR 2.500 (plus VAT):* beneficiaries must perform and document the execution of adequate market researches (e.g. through collecting bids, using centralised e-procurement services, etc.) from at least from five independent external providers.

Contracts shall be awarded to the bidders offering best value for money, i.e. the economically most advantageous bid. Documentary evidence of the competitive procedure carried out shall be submitted to national First Level Control, including evidence of comparative evaluation of bids and evaluation criteria applied for awarding the contract.

Detailed information shall be provided in the Implementation Manual.

Expenditure of external expertise and service costs shall be limited to the following:

- a) Studies or surveys (e.g. evaluations, strategies, concept notes, design plans, handbooks);
- b) Training (e.g. venue and trainers);
- c) Translations;
- d) IT systems, modifications and updates (e.g. setting-up and/or update of a project IT system);
- e) Promotion, communication, publicity or information;
- f) Financial management;
- g) Services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- h) Participation in events (e.g. registration fees);
- i) Legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- j) Intellectual property rights;
- k) Verification and validation of expenditure carried out by authorized national controllers;
- l) Provision of guarantees by a bank or other financial institution where required by the programme;
- m) Travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;
- n) Other specific expertise and services needed for the project.

Eventual costs for promotional material (e.g.: gadgets) must be allocated under this budget line and will be considered as eligible only if it is demonstrated its efficacy in reaching one or more target groups. It is recommended that its expenditure will not be higher than 0.5% of the total eligible budget unless duly justified.

External expertise and services 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 project partner.

Costs referring to project-related tasks sub-contracted by the beneficiary to in-house bodies are eligible under 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 costs 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.

#### *14.4.5 Equipment expenditure*

This budget line covers costs related to equipment purchased, rented or leased by a beneficiary which is essential for the implementation of the project and for carrying out project activities.

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

Eligible cost items under this budget line are:

- Office equipment;
- IT hardware and software;
- Furniture and fittings;
- Laboratory equipment;
- Machines and instruments,
- Tools or devices;
- Vehicles;
- Other specific equipment needed for the project.

In principle, the above mentioned equipment items can be grouped into the following categories:

- (i) 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. When the exclusive use for project purposes and activities cannot be demonstrated, such costs are deemed to be covered under the office and administration budget line;
- (ii) Equipment considered as functional to the implementation of pilot actions. It can be a tool or a device that remains in use by the target group after the completion of the project.

Cost items accounted under the equipment budget line cannot be reimbursed under any other budget line.

Costs of office equipment already in possession of the beneficiary organisation and used to carry out project activities are not eligible under this budget line, as such costs are already covered under the budget line office and administration.

Depreciation costs of equipment should be charged to the time period when the equipment is used for the project purposes.

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

- Equipment item is exclusively used for the project implementation;
- The depreciation period is shorter than the time lap between the purchase of the equipment and the end of the project;
- Equipment item is not depreciable (e.g. low value asset) according to the national legislation of the concerned partner.

Moreover, the equipment cannot be sold (i.e.: change of owner) for at least 5 years after the project end date.

The selection of the suppliers for the purchasing, rental and/or leasing of any equipment item shall comply with the relevant EU and national public procurement law in force, and in case of the IPA partners, with the PRAG rules in line with the provisions of the Financial Regulation.

In case of procurement of equipment of an amount for which national legislation or internal rules of beneficiaries allow direct granting of contracts and for private beneficiaries the following Programme rules apply:

*Contracts below EUR 2.500 (plus VAT):* beneficiaries must perform and document the execution of adequate market researches (e.g. through collecting bids, using centralised e-procurement services, etc.) from at least three independent external providers.

*Contracts of more than EUR 2.500 (plus VAT):* beneficiaries must perform and document the execution of adequate market researches (e.g. through collecting bids, using centralised e-procurement services, etc.) from at least from five independent external providers.

Contracts shall be awarded to the bidders offering best value for money, i.e. the economically most advantageous bid. Documentary evidence of the competitive procedure carried out shall be submitted to national First Level Control, including evidence of comparative evaluation of bids and evaluation criteria applied for awarding the contract.

Contracts shall be awarded to the bidders offering best value for money, i.e. the economically most advantageous bid.

Documentary evidence of the competitive procedure carried out shall be submitted to national controllers, including evidence of comparative evaluation of bids and evaluation criteria applied for awarding the contract.

Detailed information shall be provided in the Implementation Manual.

**PROCEDURE FOR SUBMISSION AND SELECTION OF THE STRATEGIC PROJECT**

## 15 The Application Package

As reported in paragraph 7, the Terms of Reference and the Application Package for the submission of the strategic project are approved by the MC.

The approved documentation shall be sent by the MA/JS to the lead applicant, which shall forward to the project partners.

The Application Package contains:

- The present manual;
- The ADRION Cooperation Programme;
- The off-line Application Form (AF);
- The compulsory annexes (templates) to be filled in and attached to the AF:
  - Lead Applicant and State aid declarations;
  - Project partner and State aid declarations;
  - Declaration of interest by each associated partners (if any).

Declarations must be dated, stamped, signed in blue ink by the legal representative (or his/her authorized delegated person), and on headed paper and scanned and uploaded to the programme on line system while submitting the application form.

Declarations signed by the legal representative/delegated person must be accompanied by a document attesting that he/she holds the power of signature and representation and by a valid identity document (e.g. identity card, passport).

## 16 Submission of the strategic project

The project application must be submitted through the online application system (e-MS) available on the programme web site [www. interregadrion.eu](http://www.interregadrion.eu) (guidelines for the use of the e-MS are available in the programme web site).

The lead applicant needs to be registered to get an ID and password on the e-MS system to be able to create and submit valid application forms on behalf of the entire partnership.

The application must be drawn up in English, using the online form specifically designed for this purpose.

It must be submitted by the deadline (date and CET time) mentioned in the Terms of Reference, using the online AF.

No other method of submission of an application will be accepted. If the application is submitted in any other way it cannot be received.

The project proposal shall:

- Be submitted by the lead applicant on behalf of the entire partnership;
- Be submitted using the credentials of the lead applicant;
- Lead applicant's credentials (e.g.: email address) must coincide with the email address of the legal representative as reported in the section B of the application form. Generic email addresses (e.g.: [info@xxx.xx](mailto:info@xxx.xx) shall not be accepted).

The lead applicant shall ensure to have officially submitted its electronic AF and to have received an e-mail acknowledging receipt of their submission. The lead applicant shall regularly inform the other project partners on the communications received by the MA/JS.

At the stage of electronic submission of project proposal, no paper documents should be sent to the Programme MA/JS. Declarations in original shall be asked to the applicants only after the project proposal has been approved for funding.

## 17 Structure of the Application Form

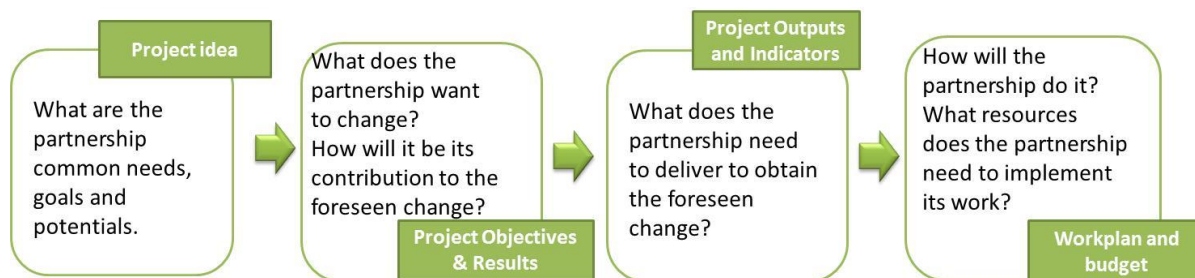
The Application Form is structured according to the following:

1. *Project summary;*
2. *Partnership;*
3. *Project description;*
4. *Work plan, structured according to work packages;*
5. *Project budget overview;*
6. *Partners' budget;*
7. *Attachments.*

The submitted project proposal needs to demonstrate:

- What it wants to change and why;
- What it needs to deliver to obtain the change;
- How it will do it and what resources it needs for it.

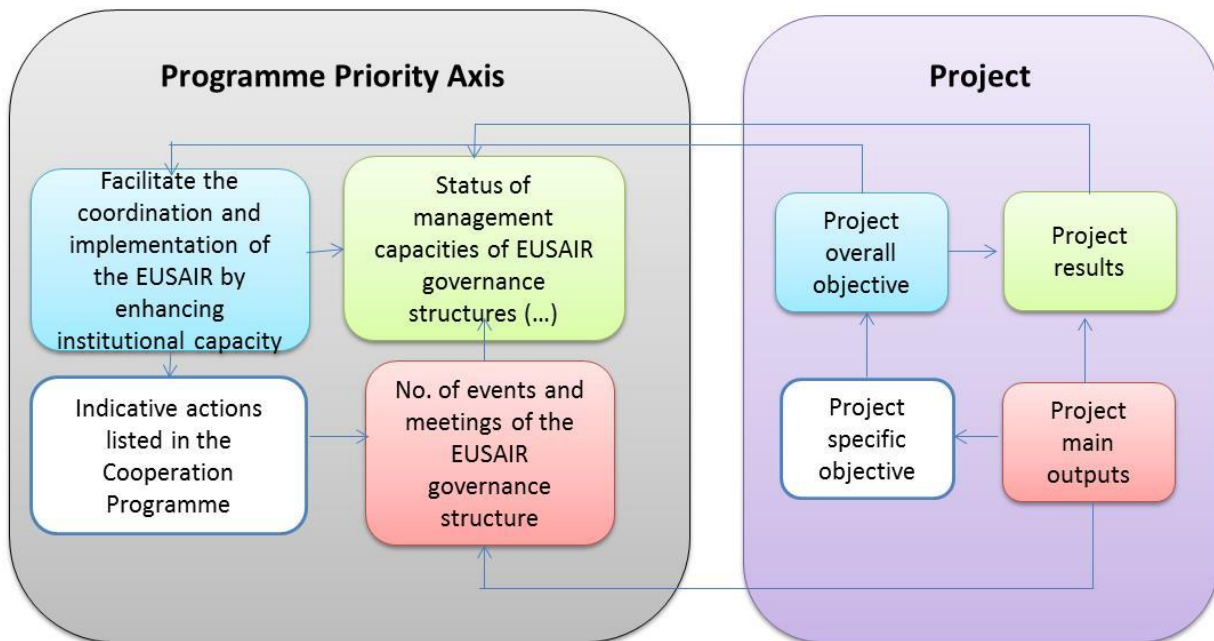
Its intervention logic can be visualized as follows:



The submitted project proposal must show a direct link to the programme intervention logic (see paragraph 3.3 and Annex 1) and its contribution to the programme objectives achievement:

- The project main overall objective contributes to the programme priority specific objective; the project overall objective describes the general, strategic and long term change the project intends to support for the benefit of the identified target group(s);
- The project specific objective describes the specific and immediate effects of the project that can be realistically achieved within the project life-time; The project result contributes to programme result, even if project results will not be directly aggregated on programme level, as programme result indicator measures the change in the whole programme area;
- The project outputs contribute to the achievement of programme outputs so they can be aggregated at programme level.





### 17.1 Project work packages

Project activities within the frame of the ADRIION Programme shall be organised around work packages, i.e.: a group of related project activities necessary to produce project deliverables and outputs. The organisation of the activities in work packages ensures a shared knowledge about the project's structure and objectives among all partners; additionally, it increases the capacities of the ADRIION Programme MA/JS to follow up the implementation of the expected activities and facilitates the procedures for reporting and accounting of expenditure.

Each work package, structured in activities, shall provide information on the partners involved, the description of the related deliverables and expected outputs, and the related budget.

More specifically, each work package is composed of defined activities and related deliverables and expected outputs:

- An activity is a specific task performed for which resources are used; the proposed activities shall have a logical sequence and for the direct benefit of the area concerned by the authorities involved in the project;
- A deliverable is a tangible or intangible object produced as a side-product of the project that contributes to the achievement of a project output. More than one deliverables can be necessary to produce one output;
- An output is what has actually been produced as a result of the funding given to the project. It shall be captured by an output indicator and directly contributes to the achievement of project result(s).

The partnership can structure its project proposal according to a maximum number work packages; some of them are, however, compulsory:

- a) Project management and coordination of activities;
- b) Communication;
- c) Project implementation – which can be disentangled in further 6 work packages.

### *17.1.1 Project management and coordination of activities*

In this work package the activities aim at ensuring a sound management and coordination of the project concerning both the overall project management and all aspects linked to the financial management must be described. It shall also provide proof on how the work between the partners involved by building a strong collaborative relationship is organized and distributed. The coordination (e.g.: regular project steering committees, project coordination unit) and management activities shall result in the successful implementation of the project as well as in the production and submission of the administrative documents for accounting of expenditure and reporting on the activities implemented.

Structure, responsibilities, and procedures for the day-to-day management and coordination (including whether it is foreseen the externalization of the management), the reporting and evaluation procedures, if foreseen, risk and quality management shall be included in this work package. The reporting shall take into account the reporting periods as described in the paragraph 17.1.5 and consists of the submission to the MA/JS of the request for reimbursement not later than 2 months after the end of the reporting period in subject.

The work package shall also include the activities related to the project closure that have to be finalized within 3 months after the official end date of the project: they include the submission of the required final administrative documents - the final progress report – the final payment claim and the eventual reconciliation with the initial granted amount, if necessary.

### *17.1.2 Communication activities*

The communication work package shall include the strategic planning of activities and clear indication of the target group(s) to address. Communication objectives (from the starting point to the most ambitious goal: *Raise awareness, Influence attitude, Increase knowledge, Change behavior*) must be specified and measurable.

The following elements shall be considered:

- Identification and definition of the objective, message, approach/tactics chosen and target group the project intends to achieve;
- Integration with the overall project strategy and project specific objectives;
- Quantification of the communication products (target values), detailed planning of their realization and estimated budget;
- Specification between internal (management) and external communication;
- Definition of the related budget;
- Interaction of the partners (e.g.: activities implemented at partner level, dissemination of results);
- Measurement of the efficiency of the planned communication activities;
- Provisions for feedback mechanisms and evaluation measures for the communication activities;
- Insurance of adequate capitalization of the project achievements (capturing knowledge produced by the project and drawing lessons on an ongoing basis).

**Compulsory deliverables are the elaboration of a EUSAIR communication strategy, the EUSAIR web site, and publications (either addressed to the wide public or to the EUSAIR Governing Board/Thematic Steering Groups).**

In order to ensure a shared and consistent brand identity of the ADRION programme a common brand identity has been developed. The strategic project shall be required to use an integrated project logo (template to be provided by the ADRION programme).

Additionally, in order to ensure accessibility, durability and consistency of the information, the strategic project will have its own dedicated page on the programme website, showcasing the project to a wide audience. The project page(s) will include a pre-filled information field completed by the programme, and dynamic information to be filled-in by projects.

Targeted information on these last aspects shall be provided in the Implementation Manual.

### *17.1.3 Project implementation*

The project implementation is the heart of the project and describes what the partnership intends to implement to reach the foreseen goals.

One up to six work packages can be devoted to describe the project implementation; it refers to a group of related project activities necessary for the realization of the described project outputs and goals.

The realization of pilot actions (e.g. demonstration activities, if foreseen) shall be included in one of these work packages.

### *17.1.4 Non-compulsory work packages*

#### *Preparation costs*

The approved projects which have successfully signed the Subsidy Contract and the Partnership Agreement with the MA are entitled to receive reimbursement of their preparation costs in the form of a lump-sum of max EUR 50.000 of total eligible expenditure per project<sup>14</sup>. That means that in case projects implement activities related to the preparation of the project proposal in the AF (the lump sum is not automatic), they will be reimbursed with no need to present invoices or other supporting documents for the incurred costs.

The reimbursement of preparation costs will follow the principles specified hereunder:

- Any preparatory costs incurred by the partnership must be indicated in the AF, under the specific budget line(s) concerned and included under the budget of the concerned partners;
- The formal request for reimbursement of the preparatory costs can be submitted by the lead partner only after the signature of the Subsidy Contract and Partnership Agreement;
- The amount of actual reimbursement will result from applying the co-financing rate applicable (up to 85%) to the respective preparatory cost budget of the concerned partners (e.g. to which the lump sum is allocated), as indicated in the AF;

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<sup>14</sup> Reimbursement shall take place if funds are available; if not they will be reimbursed together with the first request for reimbursement sent by the projects.

- The lump sum will be reimbursed to the lead partner; it will be its duty to transfer to its partners their respective shares, according to the approved preparatory costs;
- Any costs incurred by the project between the date of submission of the AF and the date of signature of the subsidy contract (between the end of the preparation period and the start of the implementation period) for negotiating/satisfying specific conditions for approval cannot be claimed as they are not considered part of the preparation costs;
- In case the project is not implemented or even started, the MA will recover the amounts of EU funds already reimbursed based on this lump-sum.

Under the Work Package Preparation costs all budget lines but equipment can be budgeted.

#### *17.1.5 Reporting periods*

The budget is structured according to six—monthly periods as from the project start date; they are used to measure the advancement of the project implementation and to ask for reimbursement to the Programme.

The six-months reporting period mirrors the amounts that will be spent – and paid – during that period; as a consequence of that, it partly reflects all the activities related budget planned in that period.

If, for example, an activity is finalized at the end of its reporting period, its payment may take place in the following period (and related costs as well).

## **18 Assessment of the applications**

The assessment of the application is coordinated by the MA and performed by the JS, with the support of the NCPs.

In order to ensure equal, fair and transparent approach, the project proposal is assessed according to a set of criteria and sub-criteria previously elaborated by the Programme, approved by the MC and specified in the Annexes 2 and 3. The results of the assessment are reported in a project assessment grid to be prepared for the supporting the MC decision.

The MC is in charge of the final decision on the approval for funding.

**Only the information provided in the application form shall be subject to the assessment.**

### ***18.1 Admissibility and eligibility check***

The project proposal is examined against the admissibility and eligibility requirements as listed in Annex 2.

The verification of the presence of all the requirements is performed by the JS in cooperation with the NCPs when necessary.

The lead applicant and partners can be contacted by their NCPs for the submission of further documentation if deemed as necessary.

In case the MA/JS detects lack of the admissibility/eligibility requirements or the presence of other formal mistakes other than those listed in Annex 2, the lead applicant shall be duly informed by the JS to correct them; the correction may imply the resubmission of the project proposal and/or of its attachments.

## 18.2 Quality assessment

The quality assessment shall be performed by the JS.

The quality assessment intends to provide the MC with an overall picture containing relevant information to allow its decision for funding. It does not focus on those elements - relevance, quality of partnership - already ensured by the Working Group TO11 during its elaboration; indeed, it analyses those elements – like coherence, approach, quality of management, communication, work plan and budget – aimed at ensuring an efficient and effective support to EUSAIR.

The assessment is performed according to a list of criteria and sub-criteria and their fulfilment by the project proposal.

The quality assessment criteria focus on strategic and operational elements:

**Strategic assessment criteria** - whose main aim is to determine the coherence and contribution of the project proposal to the EUSAIR governance;

**Operational assessment criteria** - whose main aim is to assess the viability and the feasibility of the proposed activities, as well as their value for money in terms of resources used vs. foreseen achievements.

<b>Strategic criteria</b>
<i>Project's context (coherence and approach)</i>
<i>Cooperation character</i>
<i>Project's contribution to programme's objectives, expected results and outputs</i>
<i>Partnership contribution to EUSAIR</i>
<b>Operational criteria</b>
<i>Management</i>
<i>Communication</i>
<i>Work plan</i>
<i>Budget</i>

Each assessment criterion is composed of sub-criteria are listed in Annex 3.

Moreover, each sub-criterion will be attributed a score ranging from 1 to 5 according to the following grid:

<b>5</b>	<b>Excellent</b> – the section of the application analysed in accordance with the requirement of the criterion is of excellent quality and provides clear and coherent information
<b>4</b>	<b>Good</b> – the section of the application analysed in accordance with the requirement of the criterion is clear and contain minor shortcomings
<b>3</b>	<b>Adequate</b> -the section of the application analysed in accordance with the requirement of the criterion is sufficiently clear and requires further clarification from the applicant
<b>2</b>	<b>Sufficient</b> - the section of the application analysed in accordance with the requirement of the criterion is of low quality
<b>1</b>	<b>Poor</b> - the section of the application analysed in accordance with the requirement of the criterion does not meet the requirement/the information is not present

The total score of each criterion is the sum of the scores attributed to each sub-criterion.

The project proposal must reach at least an overall score of 75 out of 125 (i.e.: 60% of the overall maximum score).

In case the assessment reveals weaknesses, the lead applicant will be asked for revising the project proposal until it has reached a satisfactory quality so to ensure a future adequate project implementation. Conditions for approval (see paragraph 19) can nevertheless be proposed either by the JS or proposed by the MC itself.

### **18.3 State Aid check**

The State Aid check will be performed during the project evaluation and will be based on the examination of the AF and the lead applicant and project partners' declarations. The check is performed by external experts; in case of clarifications, the lead applicant may be contacted by the JS on behalf of the expert.

The analysis shall bring to one of the following outcomes:

- a) The project activities are not State Aid relevant;
- b) Some project activities are State Aid relevant (list shall be provided) but the application of the State Aid discipline (*de minimis*) can be avoided if specific countermeasures apply (list shall be provided);
- c) The application of the State Aid discipline for some activities cannot be avoided, bringing to the respect of the *de minimis* threshold to those specific activities and partners (list shall be provided).

In case letter b), or c) or both apply, references shall be included in the conditions for improvement and then in the Subsidy Contract in order to ensure their respect; additionally, they will be regularly checked by the MA/JS during the project implementation.

### **18.4 Anti-fraud checks**

The anti-fraud checks shall consist of the verification of the presence of fraudulent behaviours or other fraudulent practices by the partners involved in the project proposal.

The checks will be done at Partner State level by the relevant national authorities with the support of the NCPs and with the use of tools and practices currently in use (e.g.: cross checks with the national authorities administering other funds, knowledge of previous fraudulent applications and other fraudulent practice; use of EU databases).

### **18.5 Finalization of the project assessment grid**

The results of the assessment shall be reported in a project assessment grid to be submitted to the MC in charge of the funding decision.

## 19 Decision making and Communication to the lead applicant

The decision for funding is adopted by the MC by consensus.

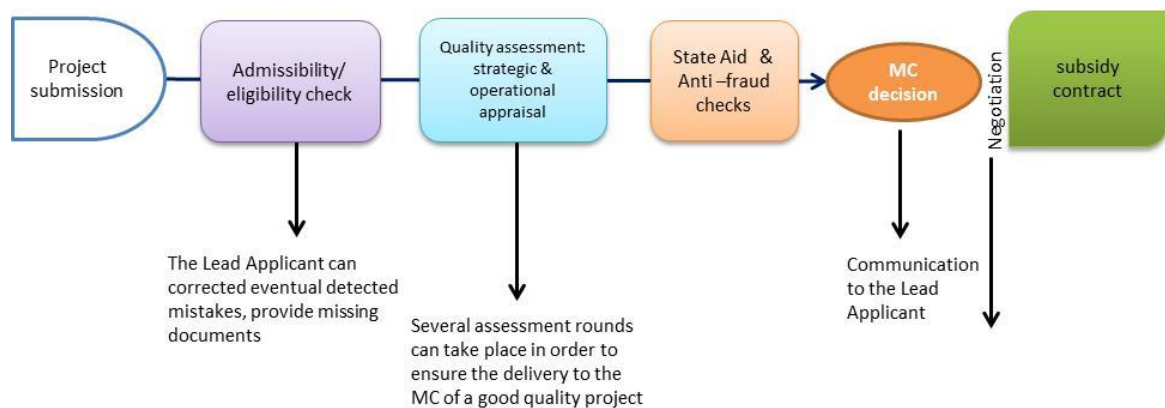
The project proposal can be:

- a) **Approved:** the proposal is considered ready to start, fulfilling the requested quality level and responding to the selection criteria;
- b) **Approved under conditions:** the proposal is considered approved provided that the lead partner and/or the project partners satisfy specific conditions within a given deadline.

If the project proposal is funded under conditions, the latter are approved by the MC too; conditions can address to the number or type of actions (e.g.: increased/reduction or change) vis-à-vis the project budget.

The lead partner shall be notified by MA/JS in written form about the MC decision. It shall immediately inform all the partners accordingly.

The picture below summarizes the assessment process:



Additionally:

- Under no circumstances the amount awarded may exceed the amount requested;
- The grant awarding does not establish an entitlement for subsequent years;
- In case additional funding from other sources is available, it will support additional activities than those funded by the Programme.

The approved operation shall be asked to deliver the MA/JS within the set deadline the originals of the partners' declarations uploaded to the e-MS when submitting the application and/or their updated version if any element therein has been modified as a consequence of the negotiation process between MA/JS and the lead partner.

## 20 Contractual provisions

*Update of the de minimis declaration*

As reported in paragraph 5, the *de minimis* ceiling applies both to IPA and ERDF project partners: in case the activities proposed in the approved operation by one or more ERDF or IPA project partners are State Aid relevant, and the *de minimis* regime has to be applied, the concerned partners shall provide, before the signature of the Subsidy Contract takes place, an updated declaration including the total amount of *de minimis* aid granted by Italy, where the MA is located, if any, other than the grant to be received by the ADRION programme.

#### *Principle of non-cumulative award (double funding)*

Lead and project partners must declare to inform the MA/JS on any EU or other public funding source, be international, national, regional or local, received after the signature of the Declarations signed at the time of the submission of the project proposal have changed.

If during the project implementation evidence emerges that an activity/item of expenditure which is being co-financed by ERDF/IPA funds of the ADRION programme, is at the same time being co-financed by any other public fund, the MA may impose the modification of the concerned activities and/or exclude from the eligible expenditure the item which would be double-financed.

#### *Contractual provisions*

If the subsidy is awarded, a Subsidy Contract, drawn up in Euro and detailing the conditions and percentage of funding, will be sent to the lead partner on behalf of the entire partnership. All procedures in view of formalising the obligations of the parties will be provided as well.

The Subsidy Contract will be signed by the MA and by the lead partner.

Two copies of the original Subsidy Contract shall be signed by the lead partner on behalf of all project partners and must be returned to the MA immediately. The MA will sign them last.

As far as the Partnership Agreement is concerned, the lead partner shall inform the MA about its signature by all partners.

False declarations detected after the approval of the project will imply the exclusion of the concerned project partner from the partnership; if false declarations are provided by the lead partner, the Subsidy Contract will not be signed or withdrawn.

#### *Payment procedure*

The requests for reimbursement shall be submitted by the lead partner on behalf of the entire partnership twice a year covering a six-month activity period. Project implementation rules and instructions for the requests for reimbursement shall be provided in the Implementation Manual.

## **21 Advance payment**

The signature of the Partnership Agreement is a condition for the disbursement of a pre-financing addressed both to ERDF and IPA partners up to EUR 1.000.000,00 ERDF and IPA contribution on condition that funds are under the availability of the MA.

The advance payment shall be compensated - in equal shares - with the first three payments due to the concerned partners, according to actually incurred and validated expenditure included in the related Progress Reports.

In case the concerned partners do not manage to submit enough validated expenditure for compensating the advance payment received, the MA/JS will further enquire in order to adopt the necessary steps.



## **22 Publicity by the Programme**

The MA, National Authorities and/or the European Commission may publish the list of operations, including:

- beneficiary name (only of legal entities; no natural persons shall be named);
- operation name;
- operation summary;
- operation start date;
- operation end date (expected date for physical completion or full implementation of the operation);
- total eligible budget allocated to the operation;
- Union co-financing rate, as per priority axis;
- operation postcode; or other appropriate location indicator;
- country;
- name of category of intervention for the operation.

## **23 Complaints procedure**

Any complaint related to the assessment and selection of the project proposal shall be addressed by the lead applicant, on behalf of the entire partnership, to the MA. The MA, with the support of the JS and/or experts, shall examine it and provide its position regarding the merit of the complaint.

Complaints received by project partners individually shall not be taken into consideration.

If the information provided by the MA is not considered as satisfactory, the lead applicant, on behalf of the entire partnership, has the right to start a formal complaint on the adopted decision not later than 10 working days after the receipt of the decision of the MC. Complaints received by project partners individually shall not be taken into consideration.

In this case, the MA will present the case for examination and final decision to a complaint committee composed by the MC and representatives of the MA.

In principle, the reasons for complaints must be well grounded and shall follow a specific procedure. Reasons for complaints shall only refer to the following reasons:

- a) The assessment does not take into account the information provided in the AF;
- b) The project assessment procedure has not followed what reported in the call for proposals and/or in the Programme Manual.

## **24 Data Protection**

All personal data (such as names, addresses, CVs, etc.) will be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of

individuals with regard to the processing of personal data by the European Community institutions and bodies and on the free movement of such data<sup>15</sup>.

The applicant's replies to the questions in the AF are necessary to evaluate and further process the grant application in accordance with the specifications of the call for proposals. Personal data will be processed solely for that purpose by the MA and JS. Personal data may be transferred on a need to know basis to third parties involved in the evaluation of applications or in the grant management procedure, without prejudice of transfer to the bodies in charge of monitoring and inspection tasks in accordance with EU law. In particular, for the purposes of safeguarding the financial interests of the Union, personal data may be transferred to internal audit services, to the European Court of Auditors, or to the European Anti-Fraud Office.

The applicant has the right of access to, and to rectify, the data concerning him or her. For any question relating to these data, please contact the MA/JS.

## **25 Contacts**

For any further information please contact:

- the NCP of your Partner State: coordinates are reported on the ADRION web site;
- The ADRION programme: [info@interregadrion.eu](mailto:info@interregadrion.eu)

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<sup>15</sup>Official Journal L 8, 12.1.2001.

## Annex 1 – Priority Axis 4 intervention logic

### Priority Axis 4 Supporting the governance of the EUSAIR

Investment Priority 11  
Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by developing and coordinating macro-regional and sea-basin strategies [art. 7 (b) Regulation (EU) No 1299/2013]

**Specific Objective 4.1**  
Facilitate the coordination and implementation of the EUSAIR by enhancing the institutional capacity of public administrations and key stakeholders and by passing the progress of implementation of joint priorities

#### Expected Results

- Built up capacity of governance actors and stakeholders to effectively implement EUSAIR.

#### Result indicator

The status of management capacities of EUSAIR governance structures to effectively implement the EUSAIR and its Action Plan, achieving their objectives and targets

### **Indicative action**

Within this framework, one Action is envisaged:

- Operational support to the key EUSAIR governance actors and stakeholders in their respective roles.

This action may include indicative activities such as:

- Providing day-to-day operational and logistic support to the GB and TSGs;
- Assisting the TSGs in 'match making' activities, bringing together project promoters and financiers;
- Providing assistance in developing project concepts (seed money, pilot actions, preparatory actions, etc.);
- Supporting preparation of macro-regional actions/projects, in coordination with the TSGs;
- Supporting the TSGs in monitoring, reporting and evaluation;
- Facilitating the development and functioning of a stakeholders platform;
- Facilitating visibility through promotion of an Adriatic Ionian profile, as well as awareness-raising, including management of a EUSAIR website and the staging of events (incl. the annual EUSAIR Forum);
- Assisting the GB in the preparation of the annual EUSAIR Forum;
- Supporting the building of the knowledge base, including collection of reliable and comparable data for establishing sound baselines and developing relevant, evidence-based result indicators and plausible targets;
- Facilitating dialogue with bodies in charge of the implementation of programmes/financial instruments regarding how best to mobilise funding for actions under the different pillars.

## Annex 2– Admissibility and Eligibility Criteria

### Admissibility criteria

1	Admissibility criteria	Admissibility questions	Consequence on failure
1.1	Use of on-line system	<p>Has the Application Form been submitted via the e-MS?</p> <p>Are the email addresses used for the registration and the one of the lead applicant reported in the section B1 of the Application Form the same?</p>	The proposal is not receivable
1.2	Timely submission	Has the Application Form be submitted within the set deadline? (29 April 2016, h: 17:00 CET time)	The proposal is not receivable
1.3	Completeness of the submitted Application form	<p>Have all the sections of the Application Form been filled in?</p> <p>Has the Application Form been filled in English?</p>	Request for correcting/integrating the detected mistake/missing information
1.4	Completeness and correctness of the partners' declarations	<p>Are the Annexes been submitted using the e-MS?</p> <p>Are the declarations (in one document) been submitted by the lead applicant?</p> <p>Are the declarations (in one document) been submitted by each of the project partners?</p> <p>In case of involvement of associated partner(s), is (are) the declaration(s) of interest been submitted?</p> <p>Have the annexes been filled in using the programme template?</p> <p>Have the annexes been used correctly (i.e.: not altered)?</p> <p>Have the annexes been completely filled-in and in English?</p> <p>Are per each annex (lead partner, project and associated partners declarations) above the following requirements present?</p> <ul style="list-style-type: none"> <li>○ It has been printed on headed paper;</li> <li>○ It has been stamped;</li> <li>○ It has been signed by the legal representative or his/her authorised delegated person;</li> <li>○ The signature is in blue ink;</li> </ul>	Request for correcting/integrating the detected mistake/missing documentation

1	Admissibility criteria	Admissibility questions	Consequence on failure
		<p>Is each declaration accompanied by a document attesting that the signatory/delegated person holds the power of signature and representation and by a valid identity document (e.g. identity card, passport)?</p> <p><i>(Whenever the same person signs more than one declaration, only one document attesting that the signatory holds the signatory power has to be provided).</i></p>	

### Eligibility criteria

2	Eligibility criteria	Eligibility questions	Consequence on failure
2.1	The project fulfils the minimum requirements for transnational partnerships	Does the project proposal have a minimum of one financing partner per Partner State?	The proposal is not receivable
2.3	Lead and project partners are eligible financing partners	Are the lead and project partners public authorities (national /regional/ local public bodies) previously identified by the Working Group TO 11?	The proposal is not receivable
2.4	Secured national co-financing	<p>Is the amount of the national co-financing indicated in the lead Applicant declaration equal or higher the amount of the national co-financing corresponding to the ERDF requested in the Application Form?</p> <p>Is the amount of the national co-financing indicated in the project partners' declaration equal or higher the amount of the national co-financing corresponding to the ERDF/IPA requested in the Application Form?</p>	Request for correcting the detected mistake
2.5	Requested EU co-financing	Is the requested EU co-financing in accordance with the financial allocation of the priority axis No 4?	Request for correcting the detected mistake
2.6	Project partners jointly cooperate	Do the partners cooperate in all the following ways: joint development, joint implementation and joint financing?	Request for correcting the detected mistake

2	Eligibility criteria	Eligibility questions	Consequence on failure
2.7	Project duration	Shall the project proposal be finalized on 31 December 2022?	Request for correcting the detected mistake

### Annex 3 – Quality Criteria

#### Strategic criteria

Criterion and sub-criterion numbering	Criterion name	Sub-criterion	
<b>3.1</b>	<b>Project's context</b>		
3.1.a		How coherent is the project proposal with the overall goal of providing support to EUSAIR implementation?	Max 5 points
3.1.b		How well does the project proposal support the EUSAIR Governing Board in its functions?	Max 5 points
3.1.c		How well does the project proposal support the EUSAIR Thematic Steering Groups in their functions?	Max 5 points
3.1.d		How well does the project proposal contribute to the programme horizontal principles: equal opportunities and non-discrimination, equality between men and women, sustainable development?	Max 5 points
<b>3.2</b>	<b>Cooperation character</b>		
3.2.a		Are the compulsory and optional ways of cooperation clearly described and consistent with the distribution of tasks and budget between partners?  Have they been adequately mirrored in the Work Packages?	Max 5 points
<b>3.3</b>	<b>Project's contribution to programme's objectives, expected results and outputs</b>		
3.3.a		Do project's results and main outputs clearly link to programme priority and its indicators? <ul style="list-style-type: none"> <li>○ The project overall objective clearly links to a programme specific objective;</li> <li>○ The project results clearly link to a programme result indicator;</li> <li>○ The project specific objectives clearly link to the project overall objective;</li> <li>○ The project main outputs clearly link to the project specific objectives;</li> <li>○ The project main outputs clearly link to programme output indicators.</li> </ul>	Max 5 points
3.3.b		Are results and main outputs in accordance with the selected target groups' needs which will use/benefit from them?	Max 5 points



3.3.c		Are results and main outputs specific and realistic?	Max 5 points
<b>3.4</b>	<b>Partnership contribution to EUSAIR</b>		
3.4.a		How will the involved partners support the EUSAIR governance structures at national level?	Max 5 points
3.4.b		How will the involved partners ensure the relations with the EU institutions?	Max 5 points

### Operational criteria

Criterion and sub-criterion numbering	Criterion name	Sub-criterion	
<b>5.1</b>	<b>Management</b>		
5.1.a		How well the foreseen management structures (e.g.: project steering committee, project coordination unit) are proportionate to the partnership and project size and needs and allow partners' involvement in decision-making? How has the coordination between all strategies (especially macro-regional) been envisaged?	Max 5 points
5.1.b		How well project management risks have been identified and mitigation measures foreseen?	Max 5 points
5.1.c		How well have the management procedures (such as reporting and evaluation procedures in the area of finance, project content, communication) been defined in a clear, transparent, efficient and effective way?	Max 5 points
<b>5.2</b>	<b>Communication</b>		
5.2.a		Are the communication objectives clearly linked to the project specific objectives? How well the communication activities are coherently integrated in the overall project strategy?	Max 5 points
5.2.b		Are the approach/tactics chosen appropriate to reach communication objectives?	Max 5 points
5.2.c		To which extent are the proposed information and dissemination activities able to achieve visibility among relevant target groups and stakeholders (e.g. the relevant target groups are clearly defined and cover the entire project area? The general approach towards each group is described through relevant channels, tailored activities, etc.)?	Max 5 points
5.2.d		How well does the project make provisions for feedback mechanisms and evaluation measures for the communication activities?	Max 5 points
<b>5.3</b>	<b>Work plan</b>		
5.3.a		Are the work plan and timing of activities, deliverables and outputs realistic, consistent and transparent? Is the overall project duration realistic to achieve the foreseen outputs?	Max 5 points
5.3.b		How well are activities, deliverables and outputs in a logical time-sequence?	Max 5 points
5.3.c		How well is the distribution of tasks among partners appropriate to their respective expertise (e.g. sharing of tasks is clear, logical, in line with partners' role in the project, etc.)?	Max 5 points

5.3.d		Is the time plan realistic and have any potential difficulties (contingencies) been correctly assessed?	Max 5 points
<b>5.4</b>	<b>Budget</b>		
5.4.a	<i>To what extent does the project budget demonstrate value for money?</i>	Are planned resources reasonable and sufficient to ensure project implementation?	Max 5 points
5.4.b		Is the project budget proportionate to the proposed work plan, main outputs and results aimed for?	Max 5 points
5.4.c	<i>To what extent does the project budget demonstrate value for money?</i>	Are the partners' budgets coherent with their respective role in project activities for each Work Package?	Max 5 points
5.4.d	<i>To what extent is the budget coherent and proportionate?</i>	<p>Is the budget clear and realistic?</p> <p>To which extent are in line:</p> <ul style="list-style-type: none"> <li>○ The financial allocation per budget line is with the work plan?</li> <li>○ The distribution of the budget per period with the work plan?</li> <li>○ The distribution of the budget per Work Package with the work plan?</li> </ul> <p>To which extent is justified the foreseen expenditure per budget line?</p> <p>Is the foreseen expenditure in line with the rules and recommendations reported in the Programme Manual?</p>	Max 5 points
			<b>MAX 125 points</b>