



COMMISSION REGULATION (EC) No 448/2004

(Most relevant aspects within INTERREG III C)

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INTRODUCTION

- ✓ Commission Regulation (EC) No 448/2004 gives the overall framework for eligibility of expenditure, but does not provide close answers to all eligibility problems.
- ✓ Due to its nature, with projects being implemented by large partnerships coming from different countries, INTERREG III C must establish flexible rules.
- ✓ For these reasons, national regulations have a higher impact in INTERREG III C than in other Programmes.



INTRODUCTION

- ✓ INTERREG III C is mainly based on so-called „human costs“ and eligibility problems are in most of the cases due to insufficient supporting documents more than to the nature of the costs themselves.
- ✓ Appart from the quality of probing documents, other eligibility problems are oftenly linked to:
 - lack of relation between costs and workplan
 - not respect of eligibility starting date
 - not respect of public procurement rules
 - not respect of publicity requirements



INTRODUCTION

Even if all rules must be observed, the **main rules** in Regulation 448/2004 that should be taken into account when implementing INTERREG III C Projects are:

- ✓ **Rule No 1:** Expenditure actually paid out
- ✓ **Rule No 2:** Accounting treatment of receipts
- ✓ **Rule No 3:** Financial and other charges and legal expenses
- ✓ **Rule No 7:** VAT and other taxes and charges
- ✓ **Rule No 11:** Costs incurred in managing and implementing the Structural Funds



OVERVIEW

Main activities financed by the INTERREG III C Projects:

- ✓ Studies, investigations, preparation of future projects
- ✓ Training, seminars, workshops, conferences, study tours, joint meetings
- ✓ Marketing strategies and activities
- ✓ Information and PR activities
- ✓ Management and coordination
- ✓ Pilot and demonstration projects



What costs are eligible for ERDF funding?

- ✓ It was actually paid out (supporting documents).
- ✓ The bodies concerned, the subject matter, time and place can be allocated to a project that was duly approved, implemented and settled within the scope of a specific programme.
- ✓ Its amount seems adequate for achieving the purpose of the project, and it
- ✓ Is not in contradiction with specific eligibility criteria.



OVERVIEW

Budget lines of the INTERREG IIIC Projects:

- ✓ Staff costs
- ✓ Administration costs
- ✓ External expertise
- ✓ Travel and accommodation
- ✓ Meetings and events
- ✓ Promotion costs
- ✓ Investments
- ✓ Project Funds
- ✓ Other eligible costs



STAFF COSTS

Staff costs involving personnel costs (including salary, tax, employer's contribution for national security schemes, etc. – all calculated in accordance with the **national legislation**) based on regular employment contracts used in the respective partner institution. These costs must be certified on the basis of:

- documents which permit the **identification of real costs** paid by the partner concerned;
- **time-sheets**, record of tasks carried out in the framework of operation;
- evidence of **calculations** for the determination of the value of staff time used for the operation.



ADMINISTRATION COSTS

All **direct** general costs (office rent, mail, fax, phone, copying costs, consumables, etc.) and **indirect** general costs (overheads):

- related to the operation's activities;
- based on real costs and
- calculated on a pro rata basis according to a duly justified, fair and equitable method).

Note: Overhead costs linked to the services provided by external experts must be listed in the budget line „External expertise“.



EXTERNAL EXPERTISE

Costs paid on the basis of **contracts** and against **invoices** to external service providers who are sub-contracted to carry out certain tasks of the operation.

Public procurement rules must be observed in selecting a company or individual to provide external expertise.

Note: External expertise related to meetings and events, and promotion should not occur under External expertise but under the relevant budget lines.



TRAVEL AND ACCOMODATION

This category includes:

- Travel and accomodation costs
- Travel and subsistence allowances

As a general rule, the **most economic** way of transport must be used.

Daily allowances and accomodation costs must be in line with the conditions set for **public authorities** of the respective Member State.

For **public equivalent bodies**, these costs must also be in line with the statutory procedures.



MEETINGS AND EVENTS

Costs related to the organisation of meetings:

- renting of premises and equipment,
- interpretation,
- printing...

These costs:

- shall be paid on the basis of **contracts** with and the **invoices** from the service providers
- Public procurement rules must be observed in selecting company or individual, which will carry out the assignment.



PROMOTION COSTS

Are press releases, inserts in newspapers, leaflets, TV shows, brochures, newsletters and other publication costs not linked to specific events or seminars. These costs:

- shall be paid on the basis of **contracts** with and the **invoices** from the service providers
- Public procurement rules must be observed in selecting company or individual, which will carry out the assignment.



INVESTMENTS

These are purchases, construction or repair works carried out within the framework of the operation on the basis of contracts and paid against invoices.

Small-scale **infrastructure investments** are seen as an investment grant, meaning that costs for depreciation of the subsidised investment cannot be accounted for.

Depreciation of **equipment** is eligible expenditure as far as conditions set forth in Rule No 1.6 of Regulation 448/2004 are respected.

These costs should not exceed **15% of the ERDF contribution**.



PROJECT FUNDS

Funding reserved for subprojects to be selected within the framework of an RFO, based on an open call for proposals and the consequent assessment and selection of applications.

OTHER COSTS

They must be relevant to the operation and its nature must be specified.

PREPARATION COSTS

Eligible only for successful operations approved by the Steering Committee.



THANKS FOR YOUR ATTENTION !