

**Current financial developments in European  
Territorial Cooperation Programmes**

**10% RULE AND ITS APPLICATION  
TRANSNATIONAL COOPERATION PROGRAMME  
MADEIRA-AZORES-CANARIAS (MAC)  
2007-2013**



Governo dos Açores



Gobierno de Canarias



Governo da Madeira

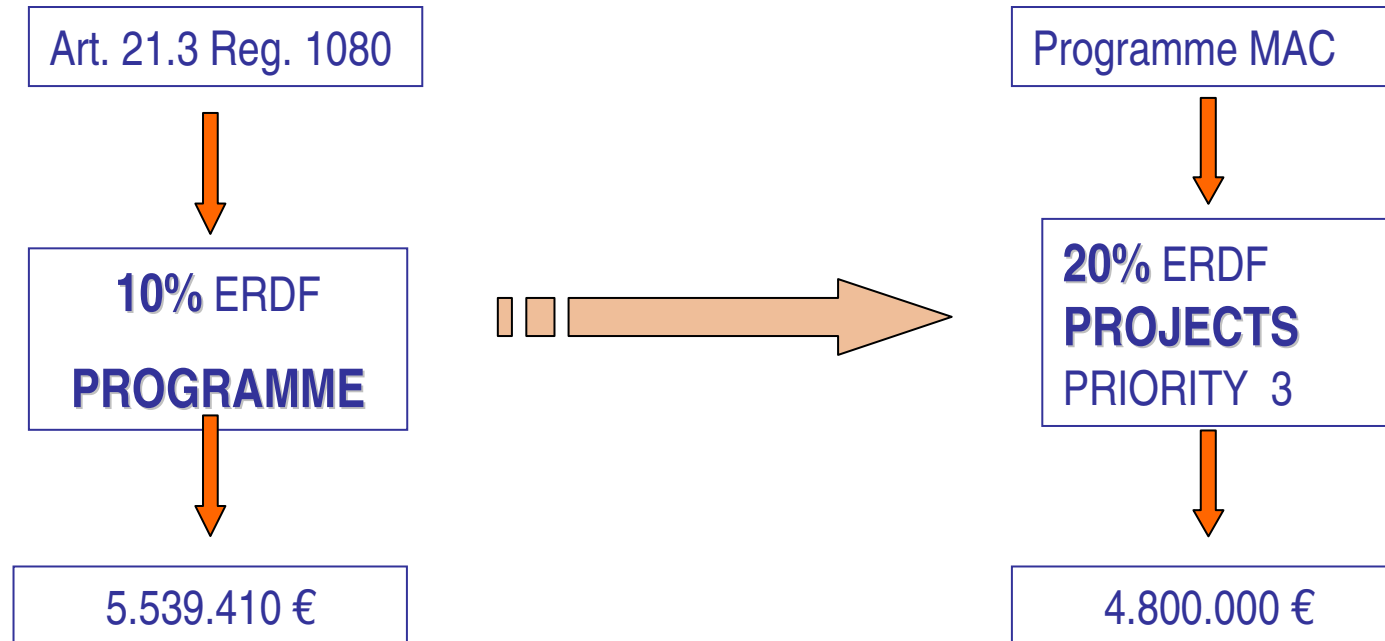
**Please note that this is an unofficial translation of the original presentation that is in Spanish. Neither INTERACT nor the MAC programme are responsible for the content.**



## General Programme Information MAC 2007-2013

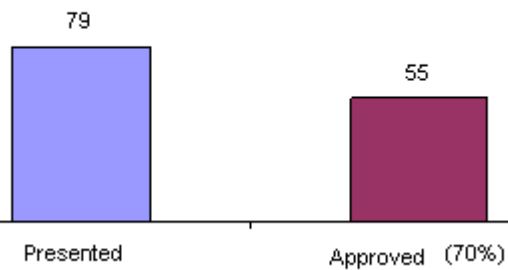
Priorities	Distribution (%)	TOTAL COST	Co-financement rate	ERDF
PRIORITY 1: To promote Investigation, Tecnology Development, innovation and information society	32,7 %	21.328.635	85%	18.129.344
PRIORITY 2: Reinforcement of enviromental management and risk prevention	18,0 %	11.695.416	85%	9.941.110
PRIORITY 3: Cooperation with third countries and coordination with Wider Neighbourhood	43,3 %	28.235.289	85%	24.000.000
PRIORITY 4: Technical Assistance	6,0 %	3.910.166	85%	3.323.646
<b>TOTAL</b>	<b>100%</b>	<b>65.169.506</b>	<b>85%</b>	<b>55.394.100</b>

## General Programme Information MAC 2007-2013

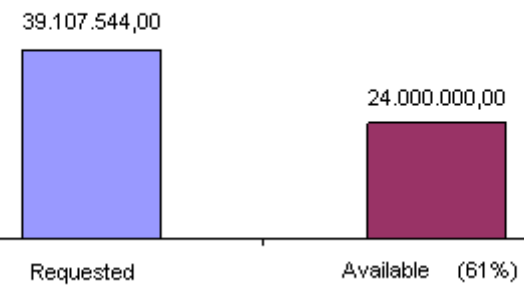


## PRIORITY 3 – Cooperation with Third Countries

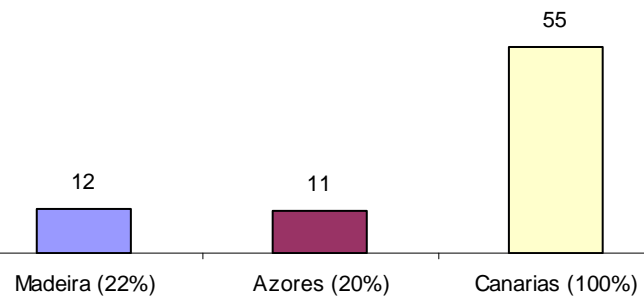
N° of projects presented vs. approved



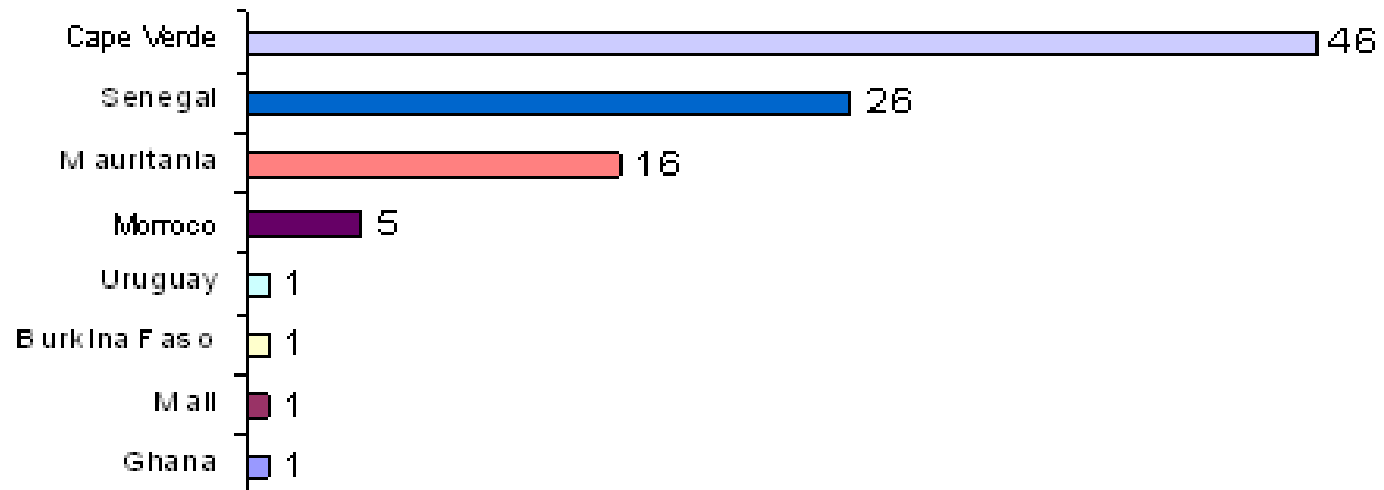
FEDER requested vs. available



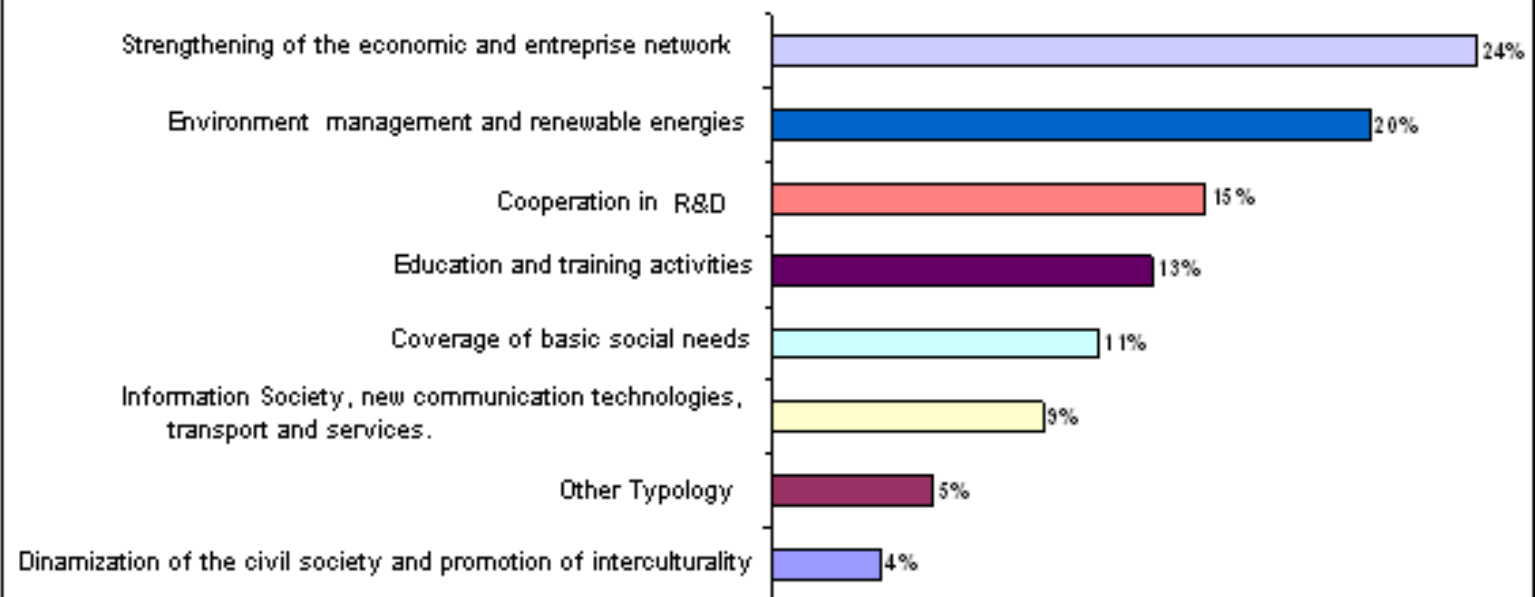
N° Projects in which each Region participates



### N° Projects in which Third Countries participate



### Typology of projects with Third Countries



## Application of Art. 21.3 of the Regulation (EC) nº 1080/2006

### 1<sup>a</sup> Expenditure in tangible assets, equipments and infrastructures

The equipment or infrastructure location criteria will be taken into consideration:

- ⇒ If the location is, exclusively, in a third country, it **WILL** count as ERDF Expenditure in third country.
- ⇒ If the location is situated in the programme cooperation area it **WILL NOT** count as ERDF Expenditure in third country.

## Application of Art. 21.3 of the Regulation (EC) n° 1080/2006

### 2º Travelling Expenses (includes accommodation and meals).-

- ⇒ The travelling made during the various coordination meetings of the partnership members, coming or not from third countries, and independently from the destination, **WILL NOT** count as Expenditure in third country **when such expenses are contracted by the cooperation area partners.**
- ⇒ The travelling made by the partners from the third country, covered by an EU partner, to the cooperation area in their capacity as experts with the aim of sharing their knowledge for the benefit of the mentioned partners **WILL NOT** count as third country expenses.
- ⇒ The travelling made by other people to the cooperation area coming from third countries that are not part of the partnership, being these expenses necessary for the projected activities **WILL NOT** be considered ERDF Expenditure in third country. This is because the **activity** is carried out in the cooperation area.
- ⇒ Travelling Expenses incurred by people coming from the cooperation area that are travelling to a third country in order to participate in some activity of the programme, **WILL** be considered as ERDF Expenditure in third country.

## Application of art. 21.3 of Regulation (EC) n° 1080/2006

### 3º Expenditure for the organisation of seminars or conferences.-

All necessary expenditure for the organization of the event, contracting panellists, rooms, technical personnel, hostess, etc. are to be included.

- ⇒ The expenditure of the organization incurred by partners of the cooperation area **WILL NOT** count as ERDF Expenditure in third country even if the event is actually held in a third country, if the expenditure has been contracted in the cooperation area.
- ⇒ The expenses of the organization of events contracted in third countries **WILL** be counted as ERDF expenditure in third country.

## Application of art. 21.3 of Regulation (EC) nº 1080/2006

### 4º Hired equipment needed to carry out an activity.-

The followed criteria in this case is the place where the hired equipment will be definitely located

- ⇒ The equipment hired by an EU partner **WILL NOT** be considered as ERDF Expenditure in third country if it is located is the cooperation area.
- ⇒ The equipment hired by an EU partner **WILL** be considered ERDF Expenditure in third country if it is located in a third country.

## Application of art. 21.3 of Regulation (EC) n° 1080/2006

### 5° Expenditure for advertising, promotion and dissemination.-

Normally the criteria that predominates is the benefit that such expenses would mean for the promotion of the cofinanced projects, of the programme and of the structural funds:

- ⇒ The equipment that a partner from the cooperation area hires in order to promote or disseminate activities or results of the project as a whole, even if it also promotes the activities or results in third countries, it **WILL NOT** be considered ERDF Expenditure in third country.
- ⇒ If the promotion is carried out exclusively in third countries it **WILL** be considered ERDF Expenditure in third country. We are referring to cases such as newspaper advertisements, radio broadcasting, TV advertising carried out in third countries.

## Application of art. 21.3 of Regulation (EC) nº 1080/2006

### 6º Expenditure for elaborating studies or reports.-

Normally it is quite difficult to determinate the location of this kind of expenditure. Therefore, for this expenditure, which importance for the project and convenience for the European community have already been assessed in the application form, it is convenient to consider the location of the head office of the supplier of such services:

- ⇒ The studies or reports hired to providers of a third country **WILL** be considered ERDF Expenditure in third country. An **exception** will be, when dealing with a study or report to be elaborated in the cooperation area of the programme, in this case it **WILL NOT** be considered ERDF Expenditure in third country.
- ⇒ The studies or reports hired to providers within the cooperation area **WILL NOT** be considered ERDF Expenditure in third country.

## Application of art. 21.3 of Regulation (EC) nº 1080/2006

### 7º Other services contracted.-

In the case of other services hired, different from the ones considered previously, and that are necessary for the realization of the activities foreseen in the application form, in order to determine if they are ERDF Expenditures in third country the location where the contract took place will be considered.

- Other services contracted by an EU partner **WILL NOT** considered ERDF expenditure in third country if they are contracted in the cooperation area.
- Other services contracted by an EU partner **WILL** not be considered ERDF expenditure in third country if they are contracted in the third country.

## Application of art. 21.3 of Regulation (EC) nº 1080/2006

### 8º Staff costs.-

When allocating staff costs of the partners of the cooperation area hired or assigned to the project, we will consider the following cases:

- ⇒ If the staff is recruited under the regulations of any EU Member State, it **WILL NOT** be considered as ERDF Expenditure in third country.
- ⇒ If the staff is recruited under the regulations of a third country, it **WILL** be considered as ERDF Expenditure in third country.

## Application of art. 21.3 of Regulation (EC) nº 1080/2006

### 9º Programme Technical Assistance Expenditure.-

All expenditure incurred in the management, monitoring, evaluation, verification and control of the co financed projects, including those that necessarily have to be carried out in third countries, **WILL NOT** count as ERDF Expenditure in third country.

## Application of art. 21.3 of Regulation (EC) n° 1080/2006

### SUMMARY

#### ARE CONSIDERED WITHIN THE LIMIT OF 10%

1. EXPENDITURES ON EQUIPMENT AND INFRASTRUCTURES LOCATED IN THIRD COUNTRIES.
2. EXPENDITURES ON TRAVELLING TO THIRD COUNTRIES OF PEOPLE COMING FROM THE COOPERATION AREA TO PARTICIPATE IN ANY OF THE FORESEEN ACTIVITIES.
3. EXPENDITURES ON THE ORGANIZATION OF EVENTS CONTRACTED IN THIRD COUNTRIES.
4. EXPENDITURES ON RENTED MATERIAL LOCATED IN THIRD COUNTRIES.
5. EXPENDITURES ON PROMOTION MATERIAL AND ADVERTISING IF THE PROMOTION TAKES PLACE EXCLUSIVELY IN THIRD COUNTRIES.
6. EXPENDITURE ON STUDIES AND REPORTS HIRED TO PROVIDERS FROM THIRD COUNTRIES (EXCEPT IF THE STUDIES ARE ELABORATED IN THE EU AREA)
7. EXPENDITURES OF CONTRACTING OTHER SERVICES IF THEY ARE HIRED IN THIRD COUNTRIES.
8. STAFF COSTS IF THEY ARE RECRUITED UNDER THE REGULATION OF A THIRD COUNTRY.

## Control of ERDF Expenditure in Third Countries.

1. They are ERDF expenses , therefore, the complying with the ERDF Regulation must be guaranteed.
2. The principles of publicity, transparency and concurrence must be ensured.
3. **Eligible expenditures** are those that undoubtedly correspond to:
  - The nature of the cofinanced activity ;
  - They take place within the established deadlines;
  - They comply with, indispensably, the content of the EU Regulations referring to the eligibility of expenditure.
4. Also, depending on the nature of the operation or project, they must comply with the European and national legislations concerning contracts, environment, equal opportunities, publicity, etc.

## Control of ERDF Expenditure in Third Countries

### 5. Basic aspects to consider to justify the expenditure :

- ✓ Submission of invoices or other documents of equivalent probative value:
  - Supplier/ Creditor identification.
  - Invoice number.
  - Invoice itemization.
  - Programme label.
  - Applicable taxes.
- ✓ Compliance with the Regulations concerning contracts (Copy of record contract).
- ✓ Proof of payment of invoices:
  - Bank statements or cash flows.
  - Account statements or list of paid invoices.

## Control of ERDF Expenditure in Third Countries

6. How is this control carried out in practice in the MAC programme?

- I. Each **Beneficiary** uploads its invoices into the database and answers to all the questions formulated by the system. Among these questions there is the one : **Is this expenditure in Third Country?**
- II. The **Regional Coordinator** analyses, according to the before mentioned criteria, whether the question has been properly answered. In case of discrepancy with the beneficiary, either the beneficiary corrects this or the expenditure is considered ineligible.
- III. The analysis of the projects that do not exceed the limit of expenditure in third country is done by the **JTS**, through a report that is extracted from the database. This verification is carried out during JTS work of verification of payment claims.

## Control of ERDF Expenditure in Third Countries

MAC - EXTRANET - Microsoft Internet Explorer

Archivo Edición Ver Favoritos Herramientas Ayuda

Dirección <http://www.pct-mac.org/extranet/gastospagados?idProyecto=026e6474-0997-4d70-8ed1-5ff74267117e&idVersion=1&idSocio=4725240e-40fa-4fd7-ae15-21a200e0e>

**FORMULARIO DE CREDITURA**

**REPOSITORIO DE DOCUMENTOS**

**TAREAS DEL PROYECTO**

**GASTOS PAGADOS**

**DECLARACIONES**

**INFORMES DE PROYECTOS**

**¿Procedente de un gasto rechazado?\***  si  no

**Nº declaración socio:** 1

**Nº de orden\*:** 1 **Tipología del gasto\*:** Estudios e Informes

**Nº de factura/documento\*:** 1 **Fecha factura/documento\*:** 02/11/2009  
(dd/mm/aaaa)

**Fecha de pago\*:** 28/12/2009 **NIF/CIF Proveedor\*:** G35922632 **Proveedor\*:** BIODIVERSIDAD ATLAN  
(dd/mm/aaaa)

**Fecha Contable\*:** 28/12/2009 **Numero Asiento Contable\*:** 54052  
(dd/mm/aaaa)

**Montante factura (sin IGIC)\*:** 16.190,48 **IGIC:** 809,52

**IRPF:** 0,00 **Importe Imputado\*:** 17.000,00

**Forma de Pago\*:** Transferencia

**Objeto del gasto\*:** Estudio de diagnóstico para la implementación de las actividades del proyecto

**Actividades (1) \*:** Estudio diagnóstico para a implementação do GEOCI

**Actividades asociadas al Gasto**

**¿Es gasto en Tercer País?\***  si  no

**¿Es un gasto propio del Fondo Social Europeo?\***  si  no

**Importe validado:** 17.000,00

**Verificaciones Administrativas :**

**Presenta acreditación documental de la realidad física del gasto conforme a la guía**

**Observaciones:**

Listo

Inicio

15:37

## Control of ERDF Expenditure in Third Countries

In addition to the administrative verifications and in accordance to the “Plan of on the spot verifications” approved by the programmes, the Regional coordinators will carry out verifications on the spot when the projects will be well advanced in physical and financial terms.

The degree of verifications on the spot annually requested may vary and be lower depending on the efficiency and economy of resources, while dealing with expenditure in third countries, provided that this degree is reached at the end of the programming period 2007-2013.



**THANK YOU VERY MUCH FOR YOUR ATTENTION**

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