

# FREQUENTLY ASKED QUESTIONS

## Table of Content

<b>1. GENERAL PROGRAMME INFORMATION</b>	<b>2</b>
<b>2. APPLICATION PROCEDURE</b>	<b>4</b>
<b>3. ELIGIBLE PARTNERS AND PARTNERSHIP</b>	<b>6</b>
<b>4. PROJECT BUDGET</b>	<b>14</b>
<b>5. ASSESSMENT PROCEDURE</b>	<b>18</b>
<b>6. VERIFICATION OF EXPENDITURE</b>	<b>19</b>
<b>7. STATE AID - REVISED 22.03.2016</b>	<b>21</b>
<b>8. EMS - NEW 22.03.2016</b>	<b>21</b>

## 1. General programme information

### 1.1 What is the Interreg V B Adriatic Ionian (ADRION) Programme and its objective?

The Interreg V B Adriatic Ionian (ADRION) Programme is a programme based on the legal framework establishing the ESI Funds within the EU Cohesion Policy's objective "European Territorial Cooperation".

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"* 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.

Additionally, the ADRION programme must be seen as a strategic programme due to its direct alignment - geographically, thematically, and operationally - to the EU Strategy for the Adriatic and Ionian Region.

The programme financial envelope is composed of ERDF and IPAII funds.

### 1.2 What is the programme 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.

### **1.3 What is the EU Strategy for the Adriatic and Ionian Region?**

The geographical area covered by the ADRION Programme coincides with the one encompassed by the EU macro regional strategy for the Adriatic Ionian Region (EUSAIR), which offers a framework for policy coordination reflected in a joint action plan shared between several countries or regions.

A macro region is an area including the territory of several countries or regions which shares common features or challenges.

The EUSAIR was jointly developed by the countries and stakeholders of the Adriatic-Ionian Region with the support of the European Commission. EUSAIR was finally endorsed by the European Council in October 2014, in order to identify and address common challenges together.

Through the development and implementation of EUSAIR the Partner States actually aim at fostering coordination of interventions across all territories and policy areas in the Adriatic-Ionian Region and to add value to those actions which significantly contribute to address joint challenges and opportunities.

The Strategy is structured into 4 pillars; its action plan identifies topics for joint actions, defines the related targets and will be periodically revised to take into account achievements and changes in the Region.

### **1.4 How is the cooperation programme structured?**

ADRION is structure in 4 Priority Axis:

Priority Axis 1: Innovative and smart region;

Priority Axis 2: Sustainable Region;

Priority Axis 3: Connected Region;

Priority Axis 4: Supporting the governance of the EUSAIR.

Only priority axes 1-3 and related specific objectives are open to calls for proposals.

### **1.5 Is there any alignment between ADRION and EUSAIR?**

Priority Axis 1 on innovation addresses directly Pillar 1 on Blue Growth but also encompasses elements of the other three Pillars;

Priority Axis 2 on natural and cultural heritage and biodiversity addresses directly Pillar 4 on Sustainable Tourism through the Investment Priority (IP) 6c, but also Pillar 1 on Blue Growth and 3 on Environmental Quality through IP 6d;

Priority Axis 3 on sustainable transport and mobility addresses directly Pillar 2 on connecting the Region and indirectly Pillar 3 through the promotion of environmental friendly low carbon transport and also Pillar 4 as a prerequisite for tourism.

It should be highlighted that the alignment is not comprehensive, as not all the ADRION topics are present in EUSAIR, and not all EUSAIR ones are mirrored in ADRION.

Please consult also annexes 2 and 3 to the Programme Manual.

### **1.6 What is the overall programme budget of the three Priority Axes open to call for proposals along the programme life time?**

The total programme budget is of MEUR 118 million, out of which MEUR 99 of Union support (ERDF and IPAII).

The budget of the 3 priority axes open to call for proposals is the following:

	Union support		National counterpart	Total funding
	ERDF	IPA II		
<b>Priority Axis 1</b>	16.693.547	2.998.111	3.475.815	23.167.473
<b>Priority Axis 2</b>	38.395.155	7.077.221	8.024.538	53.496.914
<b>Priority Axis 3</b>	15.024.191	2.684.333	3.125.034	20.833.558
<b>TOTAL</b>	<b>70.112.893</b>	<b>12.759.665</b>	<b>14.625.387</b>	<b>97.497.945</b>

### 1.7 What is the programme management structure?

The main decision making body of the ADRION programme is the Monitoring Committee, composed of the representatives of the 8 Partner States involved in the programme.

The Managing Authority is located in Bologna (Italy) at the Emilia-Romagna region *General Directorate, Territorial and negotiated planning. Agreements. European and International Relationships*. The Managing Authority is supported by the joint secretariat (also located in Bologna at the premises of the Managing Authority) and by a network of National Contact Points in each Partner State of the Programme.

## 2. Application procedure

### 2.1 How much funding will be allocated to the first call for proposals?

The call shall allocate around MEUR 33 – i.e.: 40% of the EU contribution of priority axes 1-3 budgets according to the following:

	ERDF	IPA II	Total EU contribution
<b>Priority Axis 1</b>	6.677.418,80	1.199.244,40	<b>7.876.663,20</b>
<b>Priority Axis 2</b>	15.358.062,00	2.830.888,40	<b>18.188.950,40</b>
<b>Priority Axis 3</b>	6.009.676,40	1.073.733,20	<b>7.083.409,60</b>
<b>TOTAL</b>	<b>28.045.157,20</b>	<b>5.103.866,00</b>	<b>33.149.023,20</b>

### 2.2 What is the project financial size?

Projects submitted within the framework of the ADRION Programme first call for proposals shall have an EU contribution request ranging from:

<b>EU contribution (ERDF + IPA)</b>	
<b>From: EUR 800.000</b>	<b>To: EUR 1.500.000</b>

In exceptional cases an increase or decrease of the amounts above of  $\pm 5\%$  can be accepted.

### **2.3 Which co-financing rate does it apply?**

The EU co-financing is up to 85%.

The remaining part (i.e.: at least 15%) has to be funded via:

- a) Public national contribution (at national, regional or local level) obtained via specific co-financing schemes at Partner State level or via own funds of the project partners with a public status. The co-financing of international organization falls under this category;
- b) Private national contribution refers to the amount of own funds provided by private bodies.

### **2.4 What is the timeline for the first call?**

The first call for proposals will be open from 1 February 2016 to 25 March 2016 (h: 17:00 CET).

### **2.5 What is the maximum project duration?**

As far as the first call for proposals is concerned, the project implementation shall not be longer than 24 months. Applicants shall indicate the start and end date in the application form, taking into account the necessary time for the evaluation process and contracting procedures. Approved operations will be offered the possibility of modifying this starting date and project duration as reported in the application form before the signature of the subsidy contract.

### **2.6 When will the approved projects be able to start?**

Indicatively, the projects should consider being able to start within the first quarter of 2017.

### **2.7 How can an application be submitted?**

Project proposals can be submitted only through the on-line system of the ADRION programme (e-MS). Other forms of submission shall not be accepted.

### **2.8 Who and how shall I register with the online submission system?**

Lead Applicants need 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 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).

Automatically generated email on successful submission will be sent to the email address of the contact person only.

## **2.9 How the document attesting that the legal representative of each partner (both financing and associated) should look like? NEW**

The declaration must be drafted in English. It must attest that the legal representative/delegated person holds the power of signature and representation. A guiding template is provided on the ADRION web site: the template is not binding and wants to be source of inspiration only, as the document attesting the power of signature or delegation must be in line with the national rules of the affected partner.

Each declaration must be accompanied by a copy of a valid identity document (e.g.: identity card, passport).

In case of approval of the project proposal, documents confirming the validity of delegations shall be asked to be delivered.

## **2.10 Who has to register in the on-line application system (eMS)? NEW**

The registration to the on-line system has to be done by the legal representative or the delegated person: it must be the same person (and email address) as reported in the Section 2 of the Application Form.

This person shall also be in charge of signing the Lead Applicant declaration to be attached to the on line application form.

The Legal representative will receive a notification e-mail containing a link to access the system.

The person indicated in the box "*Contact person*" (Partner section, Lead Applicant) will receive the notification concerning the project submission as well as future requests for information, if necessary.

## **3. Eligible partners and partnership**

### **3.1 What is the minimum requirement for a partnership?**

The minimum eligible partnership comprises at least three financing partners (directly contributing to the project implementation) from:

- At least 3 Partner States, out of which
- At least one partner must be from an ERDF Partner State.

### **3.2 What is the maximum size of the partnership?**

The partnership can be composed of up to 10 partners as recommendation; however, larger partnership can also be possible if duly justified.

### **3.3 Who can be a lead partner?**

The following bodies located in the ERDF Partner States shall be considered as eligible Lead Applicants:

- Public bodies (national, regional or local level), including associations formed by one or several regional or local authorities governed by public law;
- Bodies governed by public law, including associations formed by one or several bodies governed by public law;
- EGTC;
- Assimilated partners;
- International organizations acting under national law.

All eligible bodies located in IPA Partner States can participate to projects only as partners.

### 3.4 Who can be a project partner?

All bodies/institutions interested in being part of a project proposal must fulfil all the following criteria (exception related to the Assimilated partners” are provided in a separate question):

- **Established under the national law of one of the Partner States participating in the Programme.** Nationality will be determined on the basis of the organisation's statute/articles of incorporation which should demonstrate that it has been established by an instrument governed by the internal law of a country participating to the Programme. In this respect, any legal entity whose statute has been established under the national law of a country not participating to the programme cannot be considered an eligible partner, even if it has established branches/offices legally registered under the national law of a Country participating to the Programme;
- **Have their official seat and their 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*”);
- Be endowed with **legal personality**.

In addition to what above, eligible partners shall be:

- **National, regional and local public bodies** (including EGTCs in the meaning of Article 2(16) of Regulation (EU) No 1303/2013, (see the sub-paragraph “*European Grouping of Territorial Cooperation*”) and associations formed by one or several of such public bodies;
- **Body governed by public law**, and associations constituted by one or several bodies governed by public law, as defined in Article 2(4) of Directive 2014/24/EU on public procurement, i.e. bodies that have all of the following characteristics:
  - (a) They are established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;
  - (b) They have legal personality; and
  - (c) They are financed, for the most part, by the State, regional or local authorities, or by other bodies governed by public law; or are subject to management supervision by those authorities or bodies; or have an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law;
- **Private bodies**, including private companies, having legal personality and operational from at least 2 fiscal years at the time of submission of the candidature;
- **International organisations** acting under the national law of one of the Partner States participating to the Programme operational from at least 2 fiscal years at the time of submission of the candidature.

Finally, applicants are strongly advised to **carefully check the indicative list of potential beneficiaries included in the description of each Programme Priority Axis, namely section 2 of the ADRION CP**: such lists are referred to the typologies of beneficiaries that can best contribute to the Programme specific objectives.

### 3.5 Which institution can be considered an “Assimilated partners”?

In order to overcome to the Programme geographical constraints applying to Italy, those Italian public authorities or bodies governed by public law which are competent in their scope of action for certain parts of the eligible area but which are located outside of it (e.g.: Ministries) are considered as assimilated partners, with equal rights and obligations to applicants located within the programme area.

The attribution of the characteristic of assimilated applicant to an Italian institution located outside the Programme area shall be duly justified in the project application and further assessed with the support of the Italian National Contact Point.

### 3.6 Can financing partners outside the programme area but within EU participate in a project?

Partners outside the programme area but within the EU cannot participate as financing partners to the projects. The only exception refers to the assimilated partners (see specific FAQs).

### 3.7 Are other forms of participation within the projects possible?

The other possible forms of participation within a project are:

#### *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 beneficiaries 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 reimbursement of travel and accommodation costs related to their participation in project meetings.

Associated partners can also be located outside the Programme area.

#### *Participation of Non-EU Partners located outside the Programme area*

The Programme allows the participation of financing partners from non-EU countries outside the Programme area. Participation is open to public institutions located in Third Countries not included in the Programme area: their financial participation cannot be, however, supported with Programme funds. Interested organizations from Third Countries shall search for other sources of funding (e.g.: ENI, IPA II, United Nation) or use their own funds. Third Countries participation shall not count for the fulfilment of the minimum eligible partnership size requirement.

### 3.8 What are the lead partner responsibilities?

The partner designated by all beneficiaries to act as lead beneficiary (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 Joint Secretariat (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 are 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.).

### 3.9 What are the project partner responsibilities?

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 partners 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.

### 3.10 What requirements apply to private project partners? REVISED

Private partners can participate on condition that:

- they have been constituted from at least 2 financial years;
- specific criteria, aimed at ensuring their financial capacity, are met.

Private partners, both commercial and non-commercial are therefore asked to perform a self-assessment financial viability check aimed at verifying if they:

- a. Have the ability in managing the project budget;
- b. Have the capacity in incurring expenditure in advance;
- c. Have the ability in managing the project along the project duration.

In case of private commercial partner 3 out of 4 of the following criteria shall be met:

Liquidity rate:	the ratio "current assets" / "current liabilities" is higher than 1
Debt rate:	the ratio "total debts" / "total assets" is lower than 0.8
Subvention rate*	the ratio "total grant requested divided by the number of project years" / "shareholders' equity" is lower than 1
Operating profit rate*	there is a positive operational profit

*\*The non-fulfilment of one of these two criteria can nevertheless lead to the acceptance of the private partner*

In case of private non-commercial partner (e.g.: NGOs) 2 out of 3 of the following criteria shall be respected:

Liquidity rate:	the ratio "current assets" / "current liabilities" is higher than 1
Debt rate:	the ratio "total debts" / "total assets" is lower than 0.8
Subvention rate	the ratio "total grant requested divided by the number of project years" / "subsidies" is lower than 1

The self-assessment shall be part of the documentation to be submitted together with the Application Form.

### 3.11 What does ADRION fund?

With reference to the first call for proposals, ADRION shall mainly support the delivery of the following outputs:

- Networking structures;
- Joint management systems and cooperation agreements;
- Strategies and Action Plans;
- Methodologies and Tools;
- Pilot Actions (small scale investments and demonstration projects).

### 3.12 What are “small scale investments”? NEW

The definition of small scale investment is provided at page 29 of the Cooperation Programme: *As a transnational cooperation programme, the ADRION Programme will neither support heavy investments, development of large infrastructures nor scientific and technology research as such. Investments in small scales facilities or infrastructures might be supported in duly justified cases in the case of pilot projects and territorial experiences. The ADRION Programme shall support in particular intangible or “soft” actions which could potentially have a long term effect and contribute to the visibility to the Programme (studies and research, networking, dissemination of knowledge and data, etc.)*. In relation to what above, the definition of pilot action is provided at page 12-13 of the Programme Manual: **“Pilot action: to be understood as testing, evaluating and/or demonstrating the feasibility, effectiveness and replicability in a transnational perspective. It must have an experimental or demonstration character. It can cover either the testing of innovative solutions or the demonstration of the application of existing solutions to a certain territory/sector. Additionally, it shall be limited in its scope (area, duration, scale etc.) being unprecedented in a comparable environment. A pilot action includes a clear transnational effect being jointly strived for and evaluated by the partnership, showing a clear potential to be transferred to other institutions and/or territories beyond the project.**

### 3.13 How many programme priorities or specific objectives can a project address?

Under the terms of the first call for proposals, a project proposal must focus on one Priority Axis and one of its related Specific Objectives.

### 3.14 Is it possible to an institution to participate to more than one project proposal? NEW

The programme does not set any limit to the participation of one institution to project proposals. In case an institution is involved in more than one approved operations, the programme shall check its capability (e.g.: staff, financial capacity etc.) in implementing all of them and ensuring the proposed deliverables within the set deadlines.

### 3.15 How can I ensure consistency with regard to the measurement of the output indicators in the Application form and Programme output indicators? REVISED

In order to ensure the necessary consistency while measuring the project output indicators vis-à-vis the programme indicators, kindly refer to the following tables:

#### Priority Axis 1:

ID	Output Indicator	Measurement unit
COI_1	Number of enterprises cooperating with research institutions	Enterprises (Number)
OI_1b.1_1	Number of supported transnational cooperation networks and clusters	Number
OI_1b.1_2	Number of strategies and action plans developed by transnational innovation networks and clusters	Number

#### Priority Axis 2:

##### Specific Objective 2.1

ID	Output Indicator	Measurement unit
OI_6c.1_1	Number of supported transnational cooperation networks	Number
OI_6c.1_2	Number of strategies and action plans developed in the field of natural and cultural heritage and tourism	Number
OI_6c.1_3	Number of small scale investments and demonstration projects	Number
COI_2	Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Visits/year (Number)

##### Specific Objective 2.2

ID	Output Indicator	Measurement unit
OI_6d.1_1	Number of supported transnational cooperation networks	Number
OI_6d.1_2	Number of strategies and action plans developed in the field of environmental protection	Number

#### Priority Axis 3:

ID	Output Indicator	Measurement unit
OI_7c.1_1	Number of supported transnational cooperation networks in the field of environment-friendly and low-carbon transport systems	Number
OI_7c.1_2	Number of strategies and action plans developed in the field of environment-	Number

	friendly and low-carbon transport systems	
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Applicants are invited to check the list of output indicators reported in each Specific Objective of the Cooperation Programme.

### **3.16 Which key elements must be taken into account while drafting the project proposal? NEW**

Applicants must carefully read the ADRION Cooperation Programme to meet its goals and objectives as well as follow the project intervention logic in order to define project objectives and outcomes. The project intervention logic has to be coherent and has to highlight the changes the project intends to bring with regard to the present situation.

In this regard, one relevant aspect you should consider is whether your project proposal can contribute to at least two programme outputs

Moreover, you should verify to which extent your project proposal matches with the indicative actions of the identified Specific Objective as listed in the Cooperation Programme: even if they are “indicative”, they give you good indications on the actions the programme intends to fund; additionally, you should ensure that your project matches with the expected results (different per each specific objective) and with the overall objective of the programme which 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”.

Reference to past funded operation is highly appreciated; however the new project must provide a step ahead in order to avoid the repetition of already funded activities in particular with regard to those partners involved in approved operations also in the past.

The definition of the partnership is highly relevant: in particular, each partner must have a specific role, coherent with its financial allocation and able to contribute to the improvement of the sector subject of the project proposal also after the project completion.

Do not forget to carefully define the target group(s) benefitting from the activities of your project proposal.

As a general suggestion, kindly check the assessment criteria according to which your project proposal shall be appraised in order to identify potential elements of weaknesses where you have to put more efforts.

### **3.17 Can a partner only dealing with project coordination, management, communication or knowledge management be involved in a project proposal? NEW**

As a general principle, as far as the role covered by the partners within the project is concerned, public and private entities whose ordinary main scope of activities and whose role in the project consists mainly in project coordination, management, communication or knowledge management, cannot be considered as eligible partner/beneficiary. The involvement of such bodies in the project should be, instead, as external service providers to be contracted following the applicable public procurement procedures.

### **3.18 What shall be described in the boxes “Partnership Concept” and what in “Strategic Partnership” of the application form? NEW**

In the box “Partnership Concept” it has to be provided information about the partnership and its characteristics, whereas in the box “Strategic Partnership” it has to be indicated how – in principle - a good partnership in the framework of the identified project objective should be. In this respect it has to be defined where the competences are located (they could or could not match with those reported in the box above – Partnership Concept). Please note that whereas in the first box the verbs are in the present tense, here you have “should” and clear reference to “a project objective”.

## **4. Project budget**

### **4.1 Which rules of eligibility have to be observed?**

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, i.e.: all general rules mainly referred to the ERDF and IPA as far as public procurement is concerned (PRAG);

Programme rules, as outlined in the Programme Manual;

National rules, which include national, regional and or/local legislation, institutional rules and regulations.

### **4.2 Which is the eligible expenditure?**

Eligible expenditure is grouped in budget lines in accordance with Regulation (EU) No 481/2014:

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

### **4.3 What is the start and end date of project eligibility of expenditure?**

Expenditure is eligible as from the 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 Monitoring Committee.

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

Costs for project closure refer to the finalization of all the legal and administrative obligations related to the granted activities and to 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 application form and can last not more than 3 months.

#### 4.4 Are preparation costs reimbursed?

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 Application Form, under the specific budget line(s) concerned and included under the budget of the affected partners.

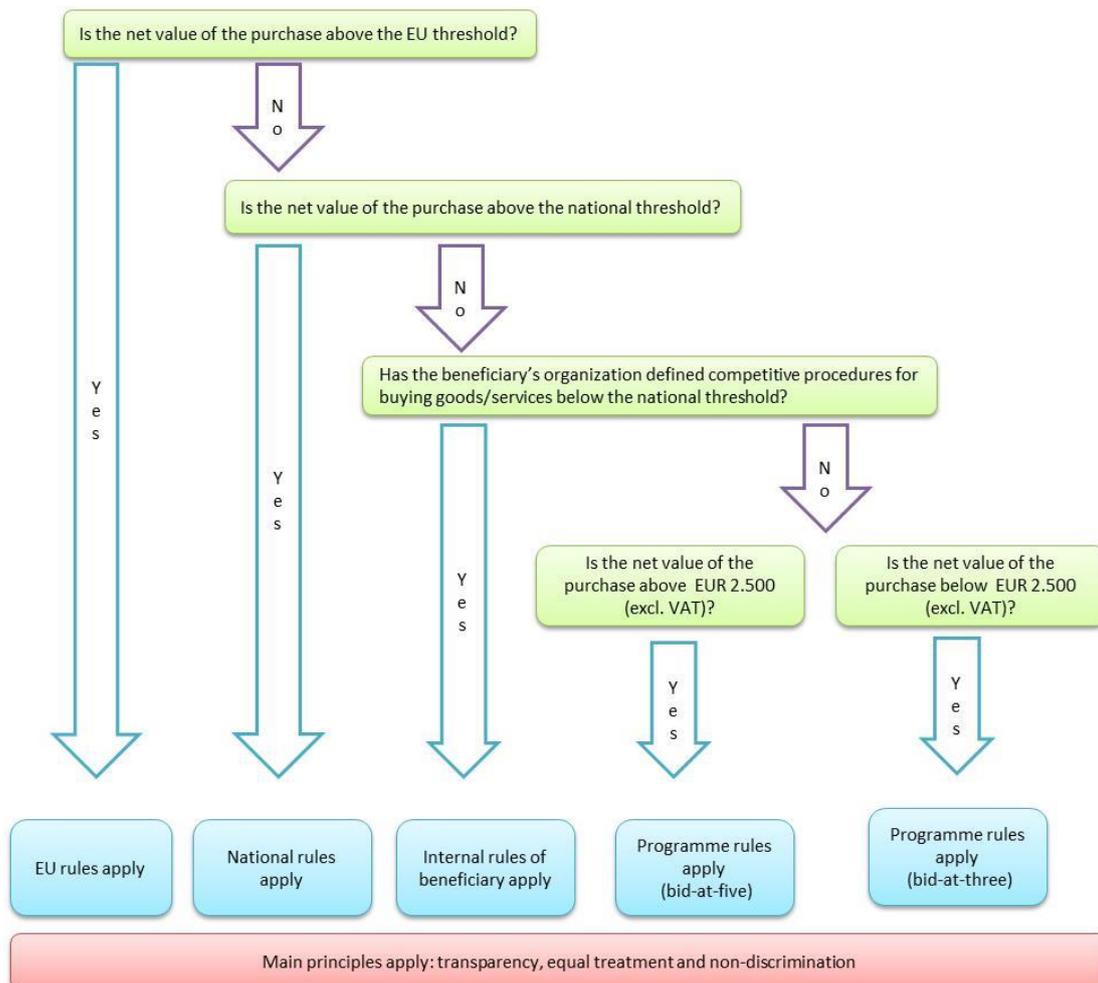
The preparation costs shall have the form of a lump sum reimbursement of max EUR 11.800 of total eligible expenditure per project: this means that in case of project approval, preparation costs shall be reimbursed to partners with no need to present invoices or other administrative justification for the incurred costs.

#### 4.5 Do rules on competition and public procurement have to be respected?

Acquisitions by means of public contracts of works, supplies or services from economic operators are subject to rules on public procurement. These rules aim at securing transparent and fair conditions for competing on the common market and have to be respected by beneficiaries.

Rules differ depending on the kind of goods and/or services to be purchased, as well as the value of the purchase and the legal status of the awarding institution. They are set at the following levels:

- EU rules;
- National rules;
- Programme rules.



#### **4.6 Are shared costs allowed?**

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.

#### **4.7 Is there a difference between management and administrative costs and how to budget them correctly?**

Project management (both content and financial) are various activities performed in order to implement the project whereas administrative costs are general costs that occur in an organization as a result of day to day activities. Consequently office and administration costs are automatically calculated on budget line office and administrative expenditure.

#### **4.8 Is it possible to have different calculation methods for staff costs within the partnership and within a partner organization? Does the lead partner or each project partner decide which method to use?**

The decision on the calculation methods has to be made by each project partner depending on their needs and organisational set-up. It is not possible to establish different calculation scheme for persons within the same organisation. The selected method for each partner must be kept throughout the project lifetime.

#### **4.9 It is possible to include staff costs for management of a partner organisation, which does not receive any salary?**

No. Only payments based on employment contracts are eligible.

#### **4.10 Is there a possibility of having other costs on the budget line Office and administrative expenditure than the predefined list of the Programme?**

The office and administration costs related to the project implementation will be calculated automatically on a flat rate basis of 10% of the eligible direct staff costs. As this is a simplified cost, the real costs will not be checked. The pre-defined list available in the Programme Manual is important to assure that these listed costs are not reported under any other budget line.

#### **4.11 What is meant with “project staff” in the description of budget line “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.

Travel costs of external speakers, guests or freelancers or other service providers have to be included under budget line External expertise and services costs.

#### **4.12 Under which budget line shall catering and meeting costs be allocated?**

Catering or meeting facilities provided by an external service provider should be reported under budget line External expertise and services costs.

#### **4.13 How strictly do projects have to follow the initial spending plan? Are deviations permitted?**

The spending plan should be calculated in a realistic way. Still, deviations are normal during the implementation. During implementation you can either report less or more expenditure than planned. However, severe and continuous underspending could lead to de-commitment of funds.

#### **4.14 What is State aid?**

State Aid is a fundamental principle to guarantee fair competition in the European Union. This principle is defined by a set of rules in the EU Treaty. State Aid rules may - under certain circumstances - lead to cuts of Programme co-financing to projects. In case activities have to be disciplined by the State Aid regulations, the latter apply to all partners (ERDF and IPA partners). Applicants and project finance managers should therefore become familiar with State Aid in the context of the ADRION programme by reading the website section on State Aid (under construction) and the Programme Manual.

#### **4.15 Are there any thresholds concerning budget lines and financial allocation to partners located in IPA and ERDF partner countries? NEW**

The Programme has not fixed any financial threshold at project level with regard to the overall involvement of ERDF and IPA partners, as it depends on the number of ERDF and IPA partners involved. Similarly, there are no ceilings in relation to the financial allocation per work packages which will be appraised during the assessment of the project proposal.

#### **4.16 In which budget line should expenditure related to the small scale investment be budgeted? NEW**

This expenditure has to be budgeted under the budget line equipment.

#### **4.17 How do we include staff costs in the budget table of the application form if we adopt real costs? NEW**

The following steps must be followed:

- a) Type the number of unit staff to be involved in the cell "Unit";
- b) Type in the cell "Amount for Unit" the average costs of the total staff costs;
- c) In the cell "Total" the final amount appears.

*Example:*

In the period 01-02.2017 – 31-07.2017 the staff involved is of 4 units for an overall amount of EUR 40.000.

You have to include:

- a) The number of unit staff: 4;
- b) The average costs amounts: EUR 10.000;
- c) The total will result in EUR 40.000.

Please note that the "Unit type" box does not need to be filled in.

#### **4.18 With regards to the section “C.6 Activities outside the Union part of the programme area” of the eMS system, is it compulsory to be filled in? NEW**

This section must be filled in only if your project proposal foresees – from the side of the ERDF partners – to implement activities in the IPA countries involved in the Programme area. Costs must be related to those activities.

## **5. Assessment procedure**

### **5.1 How are the received applications assessed?**

The assessment of the application is coordinated by the Managing Authority and performed by the Joint Secretariat, with the support of the National Contact Points for the assessment of eligibility of partners, and external experts.

In order to ensure equal, fair and transparent approach, the project proposals are assessed according to a set of criteria previously elaborated by the Programme, approved by the Monitoring Committee and detailed below:

Admissibility and Eligibility check: are aimed at verifying the respect of all formal and substantial minimum conditions of eligibility.

Only those proposals having positively passed the admissibility and eligibility checks will be subject to the assessment of their quality.

Qualitative evaluation is performed according to list of criteria and is aimed at assessing their degree of fulfilment by each project proposal and is divided into two steps:

1. Strategic assessment - whose main aim is to determine the extent of the project's contribution to the achievement of programme objectives (contribution to programme results), by addressing joint or common target group needs.

The appraisal criteria shall be:

- Project's context (relevance and strategy);
- Cooperation character;
- Partnership relevance;
- Project's contribution to programme's objectives.

Each criterion is composed of several sub-criteria measured according to scores (1 to 5).

Only those project proposals having reached a minimum score as for their strategic value will be subject to the assessment of their operational value.

An additional score is awarded to those operations which contribute to the implementation of the EUSAIR strategy.

2. Operational assessment - whose main aim is to assess the viability and the feasibility of the proposed project, as well as its value for money in terms of resources used in relation to the results delivered.

The appraisal criteria shall be:

- Management;
- Communication;

- Work plan;
- Budget.

Each criterion is composed of several sub-criteria measured according to scores (1 to 5).

Only those project proposals having reached a minimum score as for their operational value will be subject to further checks, aimed at determining the respect of the State Aid discipline and of no fraudulent behaviours.

Overall evaluation of proposals will result from summing up the evaluation scores of strategic, operational assessments and awarding score; the further aforementioned checks shall also be taken in due account.

## 5.2 Who will take the funding decisions?

The funding decision is adopted by the Monitoring Committee by consensus.

The results of the funding decisions are communicated to the Lead Applicant on behalf of the entire partnership. The Lead Applicant shall inform its partners as soon as possible.

## 5.3 What is the difference between a service provider and a partner?

The nature of the service provider's and the partner's activities is different. While the service provider does a specific work, defined in a contract, the partner participates to the project and co-finances it.

As a general principle, as far as the role covered by the partners within the project is concerned, public and private entities whose ordinary main scope of activities and whose role in the project consists mainly in project coordination, management, communication or knowledge management, cannot be considered as eligible partner/beneficiary. The involvement of such bodies in the project should be, instead, as external service providers to be contracted following the applicable public procurement procedures.

## 5.4 Should the Partnership Agreement regulate the rights and responsibilities of project partners associated organisations as well?

The partnership agreement shall only include project partners. Associated organisations do not have formal obligations towards the Programme as they do not generate or request Programme funds for their activities.

# 6. VERIFICATION OF EXPENDITURE

## 6.1 Overall information on the designated bodies or persons responsible for carrying out such verifications in relation to beneficiaries on its territory (the 'controller(s)') (ex art. 23 of the Regulation (EU) No 1299/2013) NEW

Please find below a summary table containing information the controllers at Partner State level.

Partner State	Responsible body for controls	Centralized/ decentralized system	How are the controls?
Slovenia	Control Division ETC, IPA and IFM programmes, European Territorial Cooperation and Financial mechanism Office,	Centralized	Free of charge

	Government Office for Development and European Cohesion Policy		
<b>Croatia</b>	Agency for regional development	Centralized	EUR 520,00 per reporting period EUR 300,00 for on the spot check
<b>Albania</b>	Central Finance and Contract Unit (CFCU), Ministry of Finance	Centralized	Free of charge
<b>Serbia</b>	Ministry of Finance – Republic of Serbia, Department for Contracting and Financing of EU Funded Programmes (CFCU), Division for FLC activities of projects financed under IPA component Cross-Border and Transnational Cooperation	Centralized	Free of charge
<b>Bosnia and Herzegovina</b>	Central Financing and Contracting Unit (CFCU) within the Ministry of Finance and Treasury (MFT).	Centralized	Free of charge
<b>Italy</b>	Agency for Territorial Cohesion	Decentralized  Controls shall be performed by: a) qualified controllers identified by the beneficiaries; controllers must have the necessary requirements of professionalism, integrity and independence, and included by at least three years in the register of certified public accountants; or, alternatively, in the register of Auditors referred to in Legislative Decree January 27, 2010, n. 39;  b) in case of public bodies beneficiaries, controls can be performed by their internal control structures, provided that they ensure functional separation from the offices responsible for carrying out the management of the operations financed by the Programme	Costs related to controls according to point a) not available

<b>Montenegro</b>	Central Financing and Contracting Unit (CFCU) within the Ministry of Finance	Centralized	Free of charge
<b>Greece</b>	Certifying and Verifying Authority – First Level Control Unit D within the Ministry of Economy, Development and Tourism	Centralized	Free of charge

In case costs for validation of expenditure are in charge of the projects (i.e.: they are not free of charge), they must be allocated under the budget line “external expertise and services” or, in case the controllers are performed within the partner institution, under the budget line “staff costs”.

## **7. STATE AID – REVISED 22.03.2016**

### **7.1 How to fill in the section on State Aid within the lead partner/partner declaration? REV 22.03.2016**

The section devoted to the info related to State Aid must be filled in by all partners, regardless their legal status.

The questions related to letters a), b) c) and d) must be filled-in in relation to the activities performed by the applicant/partner within the project proposal. If the activities of the applicant/partner within the project do not fall in any of the identified cases, the boxes of the aforementioned letters do not have to be filled-in.

Information requested at letter e) must be provided in any case.

Information related to table under letter f) must be provided only by those applicants/partners which have received in the current and in the three previous fiscal years grants according to the de minimis in Italy.

Amounts reported in the column “Amount of de minimis granted by Italy” and “Amount of the aid in EUR” must be the same and follow the instructions reported in the footnote No 4.

Fiscal year, or financial year is that period used for calculating annual financial statement; its starting and ending date is specified by the national law of the country where the company is located.

It is anyway always referred to a balance sheet closed and approved.

## **8. eMS – NEW 22.03.2016**

### **8.1 Uploading of attachments – NEW 22.03.2016**

We kindly remind that the documents can be uploaded to the eMS in one or more files (pdf format). However, the maximum size of EACH uploaded pdf file cannot exceed 12 MB.

### **8.2 Technical support for the eMS – NEW 22.03.2016**

The Managing Authority/Joint Secretariat will provide technical support to the applicants until Friday, 25 March 2016 h. 12:00 (CET) to allow the full compliance of potential requests by the Programme.

Any request has to be sent to [info@interregadrion.eu](mailto:info@interregadrion.eu)