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Eligibility and procurement

MA/JS of the Interreg IPA CBC Italy-Albania-Montenegro
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Item 04

Key eligibility rules

KEY PRINCIPLES



- ✓ **Principles economy**: the resources used shall be made available in due time, in appropriate quantity and quality and at the best price.
- ✓ **Principles of efficiency and effectiveness**: the best relationship between resources employed and attainment of the specific objectives set.
- ✓ **Necessary for activities** (AF) / reasonable
- ✓ **Actually incurred and paid** in eligible period/ area/ partner

TYPE OF COSTS



- ✓ **Real costs**: Verifiable and documented reimbursement of eligible costs actually incurred and paid;
- ✓ **Simplified costs**: flat-rate financing (O&A costs), determined by the application of a percentage to one or more defined categories of costs.

VERIFIABLE ACCOUNTING



- ✓ Identified in **separate or integrated** accounts
- ✓ Beneficiaries may have a separate set of accounts specifically for the project, or may include the project's accounts in their own accounting system, ensuring that the project's **records are still easily identifiable**
- ✓ The account system shall be run in accordance with the accounting rules that apply in the country concerned.

INELIGIBLE EXPENDITURES



See Manual and art. 69
CPR, 43 IPA IR, 2 DR, e.g.:

- ✓ No double financing,
- ✓ No recoverable VAT,
- ✓ No fines,
- ✓ Gifts > 50 €, etc. etc.

PLEASE CHECK!

- ✓ Exchange rate of the month of submission to FLC
- ✓ Expenditures comply with EU, Programme and National rules

ELIGIBILITY RULES



ETC eligibility EC Del. Reg. no. 481/2014

- ✓ Staff
- ✓ Office and administration (O&A)
- ✓ Travel and accommodation (T&A)
- ✓ External experts and services (External)
- ✓ Equipment
- ✓ Infrastructure and works (Works)

STAFF



- ✓ Full time
- ✓ Part time fixed % / flexible no. of hrs.
- ✓ Hourly contract

Attention to calculation methods: E.g. of hourly gross cost: Total gross costs / 1720 hrs.

Attention to contract nature: e.g. internal staff equivalent

AUDIT TRAIL STAFF



Required documents	Real Cost					20% flat rate
	Full Time	Part Time			Hourly rate set in the contract	
		Fixed %	Flexible n. hours (hourly rate on annual basis)	Flexible n. hours (hourly rate on monthly basis)		
Recruitment procedure documents of new staff involved in project activities (if relevant)	✓	✓	✓	✓	✓	X
Employment/work contract	✓	✓	✓	✓	✓	X
Official assignment to the project	✓	✓	✓	✓	✓	X
Gross Salary/Hourly Rate Sheet	✓	✓	✓	✓	✓	X
Pay-slips	✓	✓	✓	✓	✓	X
Periodic task report	✓	✓	X	X	X	X
Timesheet	X	X	✓	✓	✓	X
Salary payment documents	✓	✓	✓	✓	✓	X
Payment documents concerning any other costs directly linked to salary	✓	✓	✓	✓	✓	X

OFFICE AND ADMINISTRATION



Real costs / flat rate (15% of eligible Staff)

Exhaustive list in art. 4 ETC eligibility:

- ✓ 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 project partner organisation
- ✓ archives
- ✓ maintenance, cleaning and repairs
- ✓ security



OFFICE AND ADMINISTRATION (2)



- ✓ IT system support of an administrative nature, linked to the implementation of the operation
- ✓ 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

Attention: do not include in other budget lines!

TRAVEL AND ACCOMMODATION



Real costs occurred by staff, in line with principle of sound financial management:

- ✓ travel costs (e.g. tickets),
- ✓ meals costs,
- ✓ accommodation costs,
- ✓ visa costs,
- ✓ daily allowances.

Attention: do not include external experts costs!

EXTERNAL EXPERTS AND SERVICES



- ✓ All specific expertise/services needed for projects, incl. e.g. experts travel costs, financial guarantees costs for private partners, etc.

Attention: Public procurement rules (IPA, EU and national)

Attention: Sound financial management principle

EQUIPMENT



- ✓ General office equipment or specific for the activities

Attention: Depreciation according to national rules

Attention: IT Hardware acquired for project activities

Attention: EU, IPA, national public procurement!

INFRASTRUCTURES AND WORKS



- ✓ Infrastructure only if necessary in the scope of and to achieve the project objectives
- ✓ Cannot be the main scope of the project

Attention: Time planning

Attention: EU, IPA and national Public procurement rules

NATIONAL CONTROL SYSTEMS



- ✓ Centralised Systems (Albania – Montenegro)
- ✓ Decentralised System (Italy)

Minimum qualification requirements of controllers are set at national level, however the following requirements should be held by a controller:

- Preferably degree in accounting, finance and relevant fields;
- Work experience in control and audit, preferably in EU co-financed projects;
- Knowledge of relevant EU, programme and national rules;
- Command of English.

ITALIAN NULLA OSTA PROCEDURE FOR FLC



REQUIREMENTS FOR INTERNAL (public bodies)

- Independence requirements of the internal office identified;
- knowledge of the English language.

REQUIREMENTS FOR EXTERNAL (private/public)

- Public Procurement procedures
- National Register of the Chartered Accountants/ Auditor Accountant;
- Requirements of integrity, expertise, independence and knowledge

PUBLIC PROCUREMENT LEGAL BASIS



- Financial regulation 966/2012
- Delegated Regulation 1268/2012 (Rules of application of 966/2012)
- Directives for Italy (i.e. Directive 2014/24/EU)
- National Legislations (i.e. D.Lgs.50/2016 for Italy)
- Guidelines (i.e. PRAG, ANAC Guidelines, ect..)
- Tenders, Calls (Lex Specialis)

PUBLIC PROCUREMENT THRESHOLDS



FINANCIAL THRESHOLDS AND RELATED TENDERING PROCEDURES

Nature of Procurement	Financial thresholds and related Procedures (amount in EUR and excluding VAT)			
SERVICES	<p>≥ € 300.000</p> <ul style="list-style-type: none"> - International restricted tender procedure or - International open tender procedure 	<p>< € 300.000 but > € 20.000</p> <p>Frameworks contracts</p> <p>or</p> <p>Competitive negotiated procedure</p>		<p>≤ € 20.000</p> <p>Single tender</p> <p>For service and supply contracts payments for amounts less than or equal to EUR 2.500 in respect of item of expenditure may consist simply in payment against invoices without prior acceptance of a tender</p>
SUPPLIES	<p>≥ € 300.000</p> <p>International open tender procedure</p>	<p>< € 300.000 but ≥ € 100.000</p> <p>Local open tender procedure</p>	<p>< € 100.000 but > € 200.000</p> <p>Competitive negotiated procedure</p>	
WORKS	<p>≥ € 5.000.000</p> <ul style="list-style-type: none"> - International open tender procedure or - International restricted tender procedure 	<p>< € 5.000.000 but ≥ € 300.000</p> <p>Local open tender procedure</p>	<p>< € 300.000 but > € 20.000</p> <p>Competitive negotiated procedure</p>	

WORDS OF WARNING for procurement!



- ✓ Read the **manual** and get legal expertise (internal)!
- ✓ Check **national law**, as the strictest rule applies (e.g. lowest threshold between EU and national)!
- ✓ Public procurement applies also to **private** partners!
- ✓ Always apply principles of **transparency**, proportionality, equal treatment and non-discrimination!
- ✓ Check rule of origin!
- ✓ Check exclusion criteria!
- ✓ **PRAG** are useful! Regulation is binding!



URGENT TO DOs



- ✓ Carefully read the manual under “tools/ manual/ implementation” at **www.italy-albania-montenegro.eu**
- ✓ Italy: Nominate / contract your FLC!!
- ✓ Contact your national NIP and FLC (Albania/ Montenegro)
- ✓ For questions: js@italy-albania-montenegro.eu and officer in charge





QUESTIONS AND ANSWERS

THANKS FOR YOUR ATTENTION

Contacts

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www.italy-albania-montenegro.eu