



EUROPEAN REGIONAL
DEVELOPMENT FUND

Legal Framework and Financial Management

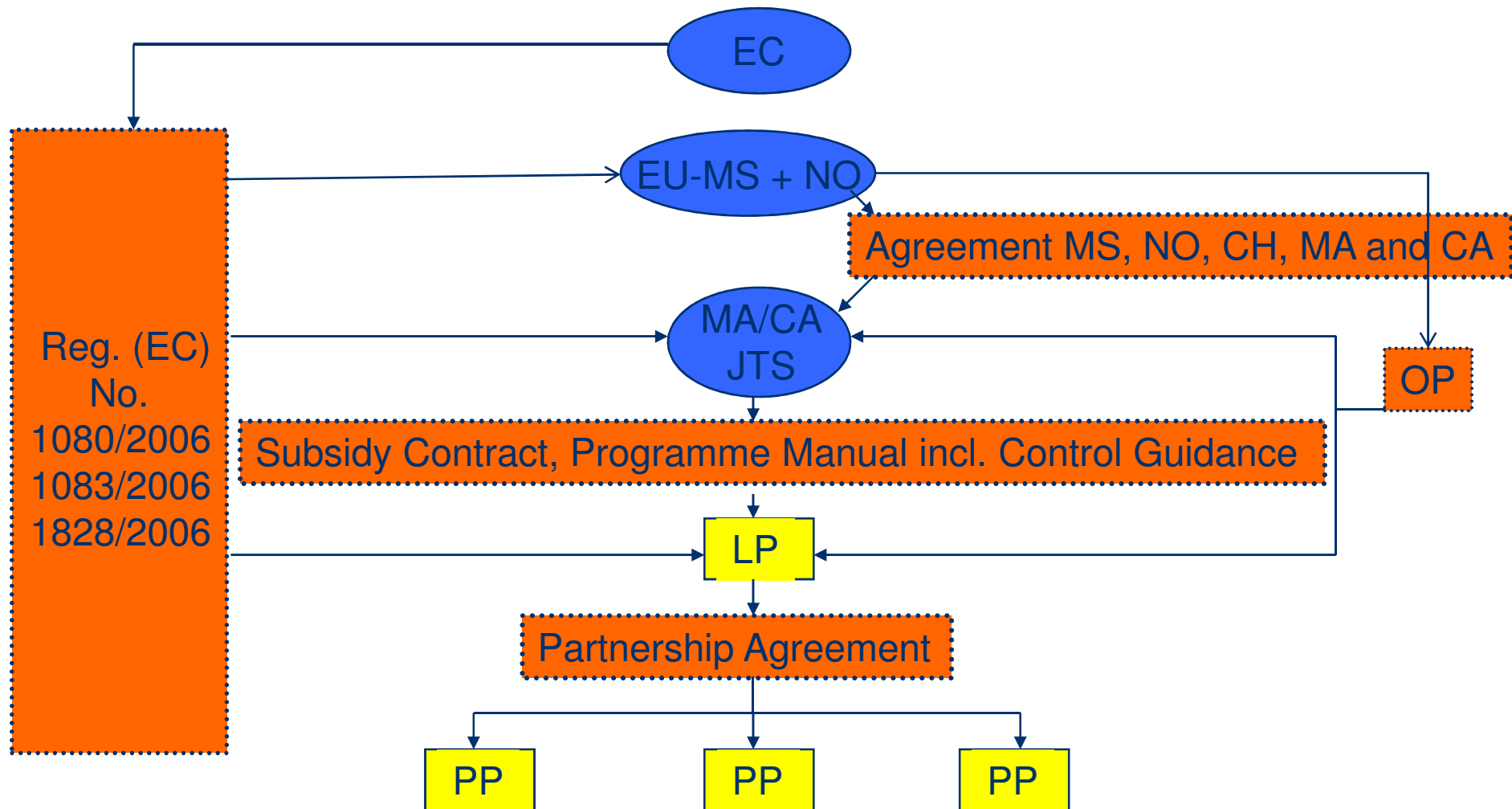
Adaptation of a presentation by Erwin Siweris, Deputy Programme Director, JTS
at the Finance Seminar held in Brussels on the 11th and 12th June 2009

Subproject potential applicants training I4W

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Overview EC Regulations and Programme Documents



Overview EC Regulations and Programme Documents

1605/2002 Financial Regulation for EC budget

- Article 17: principles of sound financial management

=> Principles of ECONOMY, EFFICIENCY AND EFFECTIVENESS

=> SMART Objectives

Overview EC Regulations and Programme Documents

1083/2006 General Regulation for Structural Funds

- Article 15: additionality
- Article 69: information and publicity
- Article 90: availability of documents ('archiving period')
- Articles 93 to 97: automatic decommitment

1080/2006 Structural Funds Regulation

- Article 7 + 13: eligibility of expenditure (eg. irrecoverable VAT)
- Article 16: control system
- Article 17: financial management (eg. treatment of irregularities)
- Article 20: responsibility of lead beneficiary
- Article 21: special conditions governing the location of operations (10% rule for implementing parts of an operation outside the EU)

Overview EC Regulations and Programme Documents

1828/2006 Implementing Regulation

- Article 8: responsibilities of beneficiaries relating to information and publicity measures for the public
- Article 15: audit trail
- Article 16: audits of operations
- Articles 48 to 53: eligibility of expenditure

Overview EC Regulations and Programme Documents

Operational Programme

- Main programme document defining the strategy, topics, types of operations, eligible area, target groups, management structure and financial resources

Agreement between EU-Member States, Norway, Switzerland, Managing Authority and Certifying Authority

- Allocation of tasks, responsibilities and liabilities between the EU Member States, Norway, Switzerland and the Managing Authority and the Certifying Authority for the implementation of the programme

Subsidy Contract

Principles (mutatis mutandis for contract between I4W Lead Partner and Subproject Lead Participant)

- Between the Managing Authority (MA) and the Lead Partner (LP)
"Lead Partner Principle"
- Determines the rights and responsibilities of the Lead Partner and the Managing Authority

Details

Article 1 Award of subsidy and amount awarded

Article 2 (1): eligibility period

Article 2 (2): flexibility rules

Article 3 (6): payment forecast (payments not requested in time and in full as indicated in the payment forecast above may be lost)

Article 7: publicity rules

Article 9: audit rights

Partnership Agreement

Principles

- Between the LP and the project partners in the project and between Lead Participant and Participants in subprojects
- Determines the rights and responsibilities of the LP and the project partners (same for subprojects)
- Obligation to sign a partnership agreement
 - Regulation (EC) No. 1080/2006, Article 20:
“The lead beneficiary shall lay down arrangements for its relations with the beneficiaries participating in the operation in an agreement [...]”
- Model agreement proposes provisions needed for the most important subjects concerning the implementation of a project. It has to be adjusted to the individual needs, the legal and administrative framework of the partners

Who is eligible?

- Public bodies
- Bodies governed by public law
 - (a) no industrial or commercial character
 - (b) legal personality
 - (c) - the most part financed by the State, regional or local authorities or other bodies governed by public law or
 - management supervision of these bodies
 - or
 - administrative, managerial or supervisory board more than half of whose members are appointed by these bodies

Eligible costs

- Staff
- Administration
- Travel & accommodation
- External expertise & services

Programme Manual

- Provides further details for planning and implementing an INTERREG IVC project
- Provides also information and guidelines for controllers, Lead Partners and project partners on the requirements and on the scope of the financial reporting and control work

Programme Manual

- Particularly relevant for financial managers and controllers:
 - Chapter 2.4 “Details on Budget and Eligibility”
 - Chapter 2.4.2 “The Budget Lines”
 - Chapter 4.3 “Reporting”
 - Chapter 4.3.4 “First Level Control”
 - Chapter 4.4 “Changes in Project Implementation”
 - Chapter 4.6 “Publicity and Information Requirements”

Programme Manual

- Particularly relevant for financial managers and controllers:
 - Annex 5: standard control confirmations (LP, PP, shared costs)
 - Annex 6: control report template (incl. control checklist)
 - Annex 7: publicity requirement specifications
 - Annex 8: Fact sheets on financial matters (staff, administration, public procurement)

Country specific requirements

- Specific section on programme website
- description of control system by MS / NO
- any other country specific information (e.g. national guidance documents)

Downloads

All documents available for download here:

<http://www.interreg4c.eu/programme.html>

<http://www.interreg4c.eu/projects.html>