

European Territorial Cooperation

2007 – 2013

Planning and Priorities Coordination Division
Office of the Prime Minister



European Territorial Cooperation 2007 - 2013

- Italia – Malta
- Med
- IVC
- ENPI
- ESPON II
- INTERACT II



Project application stage

- Eligibility
- Budgetary allocation
- Activities
- Lead partner

Project application stage

- Double financing
- Environmental issues and permits
- Tender dossiers
- Approvals

Obligation on LP

- Main contact point – signs contract with the MA, represents all partners in the relationships with other parties, maintains contact with management bodies and provides information as required.
- The Lead Partner takes on the responsibility for management, communication, implementation and co-ordination of activities among the partners.
- The full administrative and financial responsibility for the project lies on the Lead Partner.



Obligation on Partner

- Territorial cooperation projects must comply with the N+ 3 rule: expenses must be disbursed within three years from the starting date of the project (N+2 rule to follow)
- Prepare financial documents to submit claims [*e.g. contracts / direct orders, invoices, receipts timesheets, payslips, proof of payment -- all documentation should be authenticated*]
- Submit claim to PPCD for verification according to the requirements of the programme for the First Level Control
- Submit progress report to PPCD



Co financing element

- 15% for Maltese partners
- Co financing element may be covered by means of staff costs
- However, staff costs should not exceed 35% of the total budgetary allocation

Details on budget and eligibility

- Financial planning: funds are received on a reimbursement basis (no advance payment)
- Project partners can only present claims for reimbursement of expenses actually paid
- Refer to the subsidy contract signed between the Managing Authority of the Programme and the Lead Partner
- Refer to the approved application form and the respective work-packages

Starting point eligibility of expenditure

- The starting point of an INTERREG IVC project is the date of approval of the project by the Monitoring Committee - until the 'finalisation month' as quoted in the application form.
- The project duration should cater for 2/3 additional months for activities related to project closure
- Preparation Costs: eligible only for successful projects approved by the MC and if they were incurred between 1 January 2007 and the date of submission of the application form.

Procurement

- All project partners, including non public organisations should follow the principle of transparency
- the procurement of goods and services and the recruitment of staff should be carried out according to national and EU legislation

Main categories of eligible expenditure



Staff costs

- Internal: those staff members who have a normal working contract with the organisation and who dedicate a number of their normal working hours to the project
- May contribute towards the 15% co financing element



Calculating the hourly rate

- Leave and national holidays should be deducted from the total eligible working hours.
- Total eligible working hours – [V / L + public + national holidays]
For 2007: 2080 hours - [192 hours + 80 hours]
= 1808 hours or 226 days
- Divide the gross pay (plus NI and any fixed bonuses) by the total eligible working hours

  

External experts and services (1)

- Staff specifically employed or assigned to carry out certain tasks for the project. These might include:
 - External project coordination
 - Website design
 - External event organisation
 - Room rental and catering
 - Interpretation services
- These costs have to be specified, budgeted and reported under the budget line *external expertise and services* and must be listed in the application form.

External experts and services cont (2)

- Catering costs, coffee breaks, meals or refreshments are eligible as long as they form part of a conference or meeting
- Attendance sheets should always be circulated during conferences and presented with the respective claims
- Attendance fees should be deducted

External experts and services cont (3)

- The external expertise budget may also include the travel cost of external speakers and external participants in project meetings and events.
- Remember that public procurement rules must always be observed

Travel expenditure



Is only eligible if it is:

- Incurred in the EU regions which are eligible to participate in the respective programme
- Carried out by personnel employed by the partner organisation officially listed in the application form and relates to their participation in meetings
- Directly related to the implementation of the project

Per diem allowance

- All participants (including non public organisations) must refer to MFIN Circular 1 / 2008 on travel

Administration costs

- Direct general costs include costs such as rent of office, mail, fax, phone, copying costs, consumables etc which are totally dedicated to the project
- Indirect general costs These include overheads related to the project's activities, e.g. rent, telephone bills, copying costs, consumables which should be calculated on a pro rata basis

Purchase of equipment

- Not full cost: depreciation unless it is necessary for the successful implementation of the project
- Procurement of PCs – liaise with PPCD before these are procured
- Only equipment which has been initially planned and budgeted for in the application form can be eligible

Revenue



- Revenue received up to the end of the programme represents income and should be deducted
- Eligible costs are total costs minus project related revenue



VAT

- VAT is eligible expenditure if it is genuinely borne by the final beneficiary
- In the case of government departments, VAT is not an eligible cost



Audit costs

- All project partners are requested to submit a signed and stamped audit certificate with every claim for reimbursement
- Auditors should check that costs have been incurred
 - in line with approved project application forms
 - they represent services rendered/ goods delivered
 - national and EU rules have been observed...

Internal / external costs?

- Internal staff costs, as long as they have been included in the approved budget and work packages of the project and that
 - a) the person carrying out the audit is an auditor / accountant / financial controller
 - b) he / she is not involved in the direct implementation of the project
- External: refer to the list of audit firms/ partners / auditors. **Remember: public procurement rules must be observed!**

Ineligible expenditure

- Voluntary staff costs (IVC)
- expenditure incurred after the project implementation period
- Representational costs [e.g. gifts etc]
- Procurement which does not add value to the project
- Penalties, fines and law expenses
- Interest on overdue payments



Ineligible expenditure

- Project costs which cannot be clearly allocated to one of the project organisers or partners [e.g. invoices addressed to another person or institution or invoices not paid by the project organiser]
- Project costs that are not in line with the project's **approved** content
- Purchase of vehicles [cars, lorries, boats etc]

... list is not exhaustive...



Financial control

Member States are required to conduct first level and second level control checks

- verification of delivery of products and services
- reality of expenditure claimed
- compliance with the Commission decision on the programme
- compliance with national and EU rules on eligibility
- compliance with other national and EU rules on public procurement, State Aid, protection of the environment and equality of opportunity
- publicity requirements



Audit trail

- Each partner must maintain a clear audit trail
- File all relevant documentation until the end of 2020
- Documentation to keep for audit purposes: subsidy contract, application forms, receipts, invoices, tender evaluation, contracts, claims made etc



Publicity



- In Maltese or in English !
- Refer to publicity guidelines (logos, emblems etc)
- Refer to co financing element, programme (IT-MT, IVC, Med, ENPI)

PPCD contact details

Planning & Priorities Coordination Division
Office of the Prime Minister
13, St. Paul's Street
Valletta

Tel: + 356 2200 1864/5/6/7 /1147

Fax: + 356 2200 1141

www.ppcd.gov.mt

Contact persons

- Celia Mintoff
celia.mintoff@gov.mt
- Aldo Formosa
aldo.formosa@gov.mt
- Lorenzo Vella
lorenzo.vella@gov.mt
- Caroline Borg
caroline.b.borg@gov.mt
- Henri Caruana
henri.caruana@gov.mt



Thank you
for your attention

