

Annex 4

Operational Programme II (2014-2020)

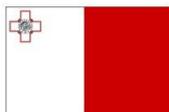
Investing in human capital to create more opportunities and promote the wellbeing of society

Eligibility Rules

Version 2

European Social Fund (2014-2020)

Planning and Priorities Coordination Division



Operational Programme II – European Structural and Investment Funds 2014-2020
“Investing in human capital to create more opportunities and promote the well-being of society”

Project part-financed by the European Social Fund
Co-financing rate: 80% European Union Funds; 20% National Funds



PREFACE

Effective date: 1st January 2014

The following Regulations are used as the basis for rules on eligibility of expenditure for the implementation of operations under Operational Programme II (OP II) funded through the European Social Fund (ESF)¹:

Common Provision Regulation (CPR) - Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund²;

The ESF Regulation - Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006³;

The Commission Implementing Regulation (EU) N. 215/2014 of 7th March 2014 - laying down rules for implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund with regard to methodologies for climate change support, the determination of milestones and targets in the performance framework and the nomenclature of categories of intervention for the European Structural and Investment Fund.

The Commission delegated Regulation (EU) N. 480/2014 of 3 March 2014 - supplementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund.

The Commission Implementing Regulation (EU) No 184/2014 of 25 February 2014 - laying down pursuant to Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund, the terms

¹ The Eligibility rules for operations funded under State Aid Measures will follow a different set of eligibility rules provided that these are not in conflict with the Regulations governing the fund

² In the CPR, eligibility provisions can be found under: Article 65 – Eligibility; Article 66 – Forms of finance, Article 67 – Forms of grants and repayable assistance, Article 68- Flat rate financing for indirect costs and staff costs concerning grants and repayable assistance; Article 69 - Specific eligibility rules for grants and repayable assistance; Article 70 - Eligibility of operations depending on location

³ In the ESF Regulation, eligibility provisions can be found under: eligibility provisions can be found under Article 3 – Scope of support; Article 13 – Eligibility of expenditure; Article 14 – Simplified cost options

Cohesion Policy 2014 – 2020

and conditions applicable to the electronic data exchange system between the Member States and the Commission and adopting pursuant to Regulation (EU) No 1299/2013 of the European Parliament and of the Council on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal, the nomenclature of the categories of intervention for support from the European Regional Development Fund under the European territorial cooperation goal.

INTRODUCTION

Article 65(1) of the CPR provides that rules on eligibility of expenditure shall be determined on the basis of national rules, except where specific rules are laid down in, or on the basis of, this Regulation or the Fund-specific rules. Hence, the national eligibility rules are being established by the Managing Authority in accordance with the CPR and the Fund-specific Regulations.

This document thus forms part of the legal basis for the implementation of operations co-financed by Operational Programme II (ESF) for the 2014-20 programming period. It should be read together with the Programme and Fund-specific conditions as laid down in Article 69(3) of the CPR and Article 13 of the ESF Regulation and any subsequent amendments that the Commission may lay down from time to time.

Applicants should ensure that operation proposals are drafted on the basis of these eligibility rules. Once operation proposals are approved, Beneficiaries **must** comply with the said eligibility rules. Failure to do so could lead to financial corrections of up to 100% of the grant allocation.

The Managing Authority may issue revisions and updates to the eligibility rules, as required.

Operations funded under State Aid measures will also follow specific guidance notes issued by the IBs for each scheme on the eligible actions, among others. The Intermediate Body⁴ shall draw up these guidance notes in relation to Aid Schemes implemented under Article 107 and 108 of the Treaty, provided that these are not in conflict with the Regulations governing the Fund.

In the case of Technical Assistance funded under ESF Programme, separate specific guidance is applicable.

⁴ In the case of OP II, the Intermediate Body in charge of the implementation of Aid Schemes under Article 107 of the Treaty is *Jobsplus*

PART I – GENERAL PROVISIONS

The eligibility of expenditure will be assessed against the following eligibility principles:

1. **Approved Operation:** the expenditure is incurred as part of an approved operation for which a Grant Agreement is subsequently drawn up and duly signed;
2. **Date when the expenditure is incurred:** the activity takes place within the eligibility period;
3. **Location – eligible territory:** expenditure incurred must be related to an operation implemented within/for the direct benefit of the eligible territory;
4. **Proof of expenditure:** presentation of invoices and/or deliverables (the latter, more applicable in the case of Simplified Cost Options) and supporting documents, as appropriate;
5. **Availability of documentation - retention period:** all supporting documents, as applicable, regarding expenditure supported by the Fund on approved operations are to be made available to the Managing Authority, the Programme auditors, the European Commission and the European Court of Auditors and any other stakeholders involved in the implementation and control of ESIF funding for a period of not less than three years from the submission of the accounts in which the expenditure of the operation is included, unless otherwise approved by the MA;
6. **Principles governing use of funding:** expenditure incurred must be in relation to operations that have been implemented in line with the principles of sound financial management and good governance and other general principles applicable to the use of funds;
7. **State Aid:** Operations that are deemed to involve State Aid need to be implemented in line with the applicable State Aid Regulations.

1. Approved Operations

The European Social Fund (ESF) is one of the five European Structural and Investment Funds (ESIF)⁵. The ESIF Funds provide support, through multi-annual programmes, which complements national intervention, to deliver the Union strategy for smart, sustainable and inclusive growth, as well as the Fund-specific missions pursuant to their Treaty-based objectives, including economic, social and territorial cohesion.

For expenditure to be eligible it must be in line with the priorities of the ESF Operational Programme II (OPII), entitled '*Investing in human capital to create more opportunities and promote the wellbeing of society*' and effectively contribute to the achievement of the relevant specific objective and expected results of the relevant Priority Axis.

Expenditure shall be eligible for a contribution from ESF only when incurred for operations approved by the Managing Authority, or in the case of Aid Schemes, approved by the Intermediate Body, in

⁵ During 2014-20 programming period, there is a single set of rules covering the EU's 5 structural and investment funds (ESIF): which are European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD) European Maritime & Fisheries Fund (EMFF). These are the main source of investment at EU level to help Member States to restore and increase growth and ensure a job rich recovery while ensuring sustainable development, in line with the Europe 2020 objectives

Cohesion Policy 2014 – 2020

accordance with criteria approved by the Monitoring Committee. The expenditure must be incurred as part of an approved operation for which an approval letter has been issued.

2. Date when expenditure is incurred - eligibility period

In accordance with Article 65(2) of the CPR, for expenditure to be considered eligible it must be incurred between 1st January 2014 and 31st December 2023. Moreover, in line with Article 65(6) of the CPR, operations which have been physically completed or fully implemented before the application for funding is submitted to the Managing Authority, cannot be considered as eligible for funding.

The Grant Agreement will determine the eligibility period of each particular operation. Expenditure incurred before the issue of the approval letter but after the 1st January 2014 can be considered eligible, unless otherwise stipulated in the approval letter.

In the case of Aid Schemes implemented under Article 107 and 108 of the Treaty, the date of eligibility cannot precede the date when the call for proposals by Intermediate Bodies is issued.

3. Location - eligible territory

In accordance with Article 70 of the CPR, operations co-financed by the ESF shall be implemented within/for the direct benefit of the eligible territory. The eligible territory for Operational Programme II is the whole territory of the Republic of Malta.

However, in line with Article 13 of the ESF Regulation, the Managing Authority may accept that an operation is implemented outside the programme area in line with the same article.

4. Proof of expenditure

- a) In line with Article 67(1) of the CPR, grants and repayable assistance may take any of the following forms: Reimbursement of eligible costs actually incurred and paid (direct costs);
- b) Standard scales of unit costs (simplified cost options);
- c) Lump sums not exceeding EUR 100,000 of public contribution (simplified cost options);
- d) Flat-rate financing determined by the application of a percentage to one or more defined categories of costs (simplified cost options);
- e) financing which is not linked to costs of the relevant operations, but it based on the fulfilment of conditions related to the realisation of progress in implementation or the achievement of objectives of programmes. The detailed modalities concerning the financing conditions and their application shall be set out in delegated acts adopted in accordance with the empowerment provided for in paragraph 5” (simplified cost options).

The proof of expenditure will vary depending on which of the below categories the expenditure falls.

For **direct costs**, the Beneficiary is to provide the following documentation:

- **Invoice:** an invoice is a request for payment indicating the amount due from a customer to pay for delivered goods, services or works. The invoice must include all the information as requested by the applicable national legislation.
- **Receipt:** a receipt is a confirmation of payment, acknowledging that payment for a particular good, service or works has been received.

Invoices and receipts must reflect the goods/services/works procured (as per contract) and delivered to the Beneficiary’s satisfaction. The relevant provisions of the Value Added Tax Act (Chapter 406) in respect of the issuance of fiscal receipts shall apply.

Cohesion Policy 2014 – 2020

In the case of payments related to contracts of/for employment or equivalent supporting documentation shall be provided.

In the case of **Simplified Cost Options (SCOs)** listed in points (b), (c), (d) and (e) above, the amounts which will be approved by the MA shall be established in line with the CPR and the applicable Commission guidance. The Grant Agreement signed between the Beneficiary and the Managing Authority will set out the method to be applied for determining the eligible costs of the action and the conditions for the payment.

With regard to proof of payment, the Managing Authority might issue guidance from time-to-time. All information will be available on the Managing Authority's website www.eufunds.gov.mt.

5. Availability of Documentation – Retention period

Beneficiaries are required to retain documents as indicated for not less than three years after from 31st December following the submission of the accounts in which the expenditure of the operation is included in line with Article 140(1). These should be kept in an acceptable format so that they can be made available as required by the Managing Authority, the Programme auditors, the Certifying Authority, the European Commission and the Court of Auditors, unless otherwise decided by the MA.

6. Principles governing use of funding

Expenditure incurred must be in relation to operations implemented in line with the principles of sound financial management and good governance as well as other general principles applicable to the use of public funds. The principles of non-discrimination, equality of treatment, transparency, mutual recognition, and proportionality shall apply in all procurement and/or recruitment and selection procedures supported by the public funds.

7. State Aid

In case the Managing Authority approves operations that would be deemed to have State Aid implications, the Beneficiary needs to bind itself to implement the said operation in line with the applicable State Aid Rules.

PART II – SPECIFIC PROVISIONS

The Beneficiary should take note of the following provisions, before entering into the merit of the eligibility rules.

- **Obligatory use of Simplified Costs: Flat Rate and Small Operations**

The Common Provisions Regulation (CPR – Regulation 1303/2013) includes options for the ESI Funds to calculate the eligible expenditure of grants and repayable assistance on the basis of real costs, but also on the basis of flat rate financing, standard scales of unit costs, lump sums and financing not linked to costs.

In line with the Commission drive toward simplification in the implementation of ESIF programme for the 2014-2020, there are two categories of **obligatory simplified costs**, which the MA will apply automatically on approved operations.

These are the rules on the Flat Rate on Indirect Costs and in the case of ‘Small Operations’.

- **Flat rates on Indirect costs**

Indirect costs are costs which are not or cannot be connected directly to an individual activity including administrative expenses, related to the implementation of the ESF funded operation.

These costs can be declared on a flat-rate basis, according to the table below in line with Article 68(a) of the CPR:

Table 1: ESF Flat Rates on Indirect Costs⁶

Operation Value Thresholds	Ministries / Departments	Public Entities	Non-Governmental Organisations	Public Employment Service
Large Operations > / = €3,000,000	8%	8%	/	25%
Medium Operations > / = €750,000 and < 3,000,000	25%	25%	/	25%
Small Operations < €750,000	25%	25%	25%	25%

The flat rate on indirect costs will be calculated on the basis of direct eligible expenditure⁷.

⁶ Effective as at date of the publication of this revised document.

⁷ Direct costs are those costs which are directly related to an individual activity of the entity, where the link with this individual activity can be demonstrated.

Cohesion Policy 2014 – 2020

The above rates include the following costs:

- Operation administration;
- Child care costs to the training participants;
- Publicity costs (with the exception of publicity campaigns);
- Consumables directly related to the operation.

If the Managing Authority has approved a flat rate covering indirect costs in the Grant Agreement, this rate is eligible subject to the conditions in the agreement and those listed below:

1. Eligible expenditure approved by the MA is the basis for the calculation of the indirect costs. Any reduction in these direct costs (i.e. in relation to the estimated budget or following a financial correction) will have an impact on the flat-rate amount of indirect costs, which will be validated by the Managing Authority;
2. The flat rate does not apply to ERDF type of expenditure.

The costs outlined as forming part of the new flat rate for indirect costs can **no longer be considered as direct costs to the operation**. However, should the Beneficiary opt for another type of flat rate in line with Article 68 of the CPR (with the approval of the MA), the above costs can be considered for financing as direct costs through ESF as long as they are not already covered by the chosen flat rate.

It is important to remember that simplified costs as defined under Articles 67 and 68 of EU Reg. 1303/2013 are only applicable in the case of grants and repayable assistance.

Simplified costs cannot be used where an operation or an operation forming part of an operation is outsourced and implemented exclusively through one public procurement procedure for the applicable works, goods or services.

- **Small operations**

In line with Article 67(2)(a) of the CPR, operations co-funded through ESF whose public support does not exceed €100,000 will need to submit their application using simplified cost options. The type of simplified cost option used can take the form of standard scales of unit costs, lump sums or flat rates.

The above is not applicable to operations receiving support within the framework of a State Aid scheme that does not constitute *de minimis* aid.

If flat-rate financing is applied, the other direct costs of the operation can be reimbursed based on actual costs incurred and paid.

- **Publicity measures covered by indirect costs**

As specified above, publicity measures excluding awareness campaign (*Rule 5 below*) are already included in the flat rate for indirect costs as established under Article 68(a) of the CPR. Nevertheless, in order to meet the requirements set in the Commission Regulation (EU) No 1303/2013, with specific reference to Annex XII, and the Implementation Regulation (EU) 821/2014, Beneficiaries **must ensure** that adequate publicity is given to the operation with a view to:

- a. Make potential participants aware of the opportunities offered/created;
- b. Make the general public aware of the role of the European Union and European funding;
- c. Ensure transparency of the assistance concerned; and

Cohesion Policy 2014 – 2020

d. Increase visibility and awareness.

Given that the provision of adequate publicity is an obligation prescribed in the regulatory framework, the beneficiary shall ensure that those taking part in the operation have been informed of this funding. Materials and any publicity material related to funded operations, used by the Beneficiary and any major correspondence, including contracts signed with third parties, certificates issued directly by the Beneficiary, attendance sheets, etc. must include an acknowledgement of EU funding. When implementing these communication tools, it is important that note is taken of Articles 3, 4 and 5 of the Implementation Regulation (EU) 821/2014 which specify the technical characteristics of information and communication measures for operations and Annex II of the same Regulation which outlines the graphic standards for creating the Union emblem and the definition of standard colours. Information and publicity measures shall include requirements as indicated in the Visual Identity Guidelines available at <https://eufunds.gov.mt/en/Operational%20Programmes/Publicity/Pages/Cohesion-Policy-2014-2020.aspx>.

Rule No. 1: Training Costs

▪ *Staff costs*

In the case of full-time (incl. reduced) or fixed part-time⁸ staff working exclusively on the operation, the latest documented annual employment cost for the position will be required. This consists of the basic wage, statutory bonuses, social security contributions paid by the employer; and any allowances associated to the position for which the person is being employed and specifically approved by the MA. No other allowances are to be included in the calculation. Using this data, beneficiaries would need to determine the value (unit cost) to be claimed for every pay period or for every set of pay periods. In the case of entities outside the public service and where no collective agreement exists or when a full 12 consecutive months are not available for the said position, the unit cost is to be determined using as a reference the public service collective agreement for similar posts. The determination of similar posts would need to be approved by the MA. Each Beneficiary will need to provide the workings used in order to calculate this unit cost using latest available data using methodology template provided. In order to simplify and avoid requiring pro-rata calculation of costs claimed including entitlements for the above type of staff costs, the first and last pay periods are not to be claimed when these are not worked in full.

In the case of staff working partially on an operation a further simplification will be applied using Article 68a(2) of (EU) 1303/2013, i.e. the 1720 hours equation using the methodology template provided by the MA. To this end, the beneficiary would establish a standard hourly rate for a given position.

Payments for unfair dismissal, redundancy payments, golden handshakes and payments into private pension schemes are not considered eligible.

▪ *By Contract for Service (Public procurement)*⁹

Beneficiaries may procure these services (i.e. training – related services) through public procurement procedures¹⁰, with due regard to the conditions laid down by prevailing Regulations¹¹.

⁸ With specific hours set within the employment contract

⁹ Although functions can be contracted out, the legal and financial responsibility of the operation remains with the Beneficiary. The Beneficiary should undertake regular checks itself on contracted management / supervision and regular reports must be maintained.

¹⁰ Or the principles of the public procurement regulations in the case of NGOs

¹¹ Reference should be made to the relevant legislation, including but not limited to the Public Procurement Regulations.

Cohesion Policy 2014 – 2020

Rule No. 2: Wage Subsidies

Wage subsidies, which lead to improved chances of employment (e.g. definite and reasonable periods of on-the-job training / apprenticeships) are eligible.

Rule No. 3: Travel and Subsistence Allowance

Expenditure related to travel is eligible provided that it represents the economy/economy equivalent cost of travel¹².

Subsistence allowance, including utilised contingency, shall be considered eligible in line with the provisions provided in the Overseas Travel MFIN Circular No. 1/2008 (as amended by MFEI No 5/2012 and subsequent amendments), if supported by the relevant documentation.

Rule No. 4: Research/Studies

Research/studies conducted in areas identified within OPII are eligible as long as the research/study contributes towards the objectives of the Priority Axis and Investment Priority under which the operation has been submitted.

Rule No. 5: Awareness Campaigns

Awareness campaigns conducted in areas identified within the OPII are eligible as long as:

- It contributes towards the objectives of the Priority Axis and Investment;
- It is linked to an evaluation able to demonstrate the impact of the campaign vis-a- vis the programme's expected results.

Rule No. 6: Financial and other charges and legal expenses

1. Bank Charges on Accounts

Where co-financing requires the opening of a separate bank account/s for the implementation of an ESF operation, the bank charges for opening and administering of such account/s are eligible.

2. Financial Charges

Interest on debt is not eligible, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy, which are eligible as per Article 69(3)(a) of the CPR.

Charges for financial transactions, foreign exchange commissions and losses, and other purely financial expenses are not eligible, unless incurred within the framework of a Financial Engineering operation.

In the case of Financial Engineering instruments, the eligibility of financial and other charges shall be assessed by the Managing Authority in terms of the objectives included in the agreement setting up the instrument.

¹² Travel costs may be reimbursed in line with the ERASMUS+ Programme, at the discretion of the MA.

Cohesion Policy 2014 – 2020

3. Legal Fees for Advice, Notarial Fees, the Costs of Technical or Financial Expertise and Accountancy or Audit Costs

The cost of legal fees for advice, notarial fees, technical or financial expertise and accountancy or audit services are not eligible.

4. Other Related Expenditure

Other expenditure including costs involved in the winding up of a company, bad debts, losses on exchange of currencies and service charges arising on finance leases, hire purchase and credit arrangements are not eligible.

Rule No. 7: VAT and other Taxes/Charges

In line with Article 69, para. 3 (c), of EU Reg. 1303/2013, value added tax costs shall not be eligible for a contribution from the ESI Funds, except where it is non-recoverable under national VAT legislation.

Rule No. 8: Consultancy Fees

Consultancy which is necessary during the preparation and/or implementation of a co-financed operation (e.g. drafting of application form, feasibility studies and Cost-Benefit analysis) are not eligible.

Rule No. 9: Fixed and mobile assets and financing of depreciation

Fixed assets¹³ procured as part of an operation are eligible in line with the principles outlined below. The purchase of mobile assets, such as cars, is considered not eligible unless otherwise approved by the Managing Authority.

Purchase of second-hand equipment is considered eligible in duly justified cases, if specifically approved by the Managing Authority.

Where it is demonstrated that leasing of equipment and/or mobile assets results in more value for money than the purchasing of the same and it better addresses the scope of the operation, the cost of leasing such equipment is eligible for the period of time covered by operation's activity.

Depreciation is considered eligible in duly justified cases, if specifically approved by the Managing Authority, in which case the depreciation method should be provided in the Grant Agreement. In line with Article 69(2) of the CPR, where depreciation is approved, such expenditure can only be claimed from the operation if:

1. Community funds have not contributed towards the purchase of the same assets;
2. The assets are directly used by the operation;
3. The cost relates exclusively to the period of co-financing of the operation in question;
4. Working papers showing how the depreciation costs have been calculated are maintained by the Beneficiary; and

¹³ In line with Article 71 of the CPR, fixed assets purchased under the operation that are damaged or stolen must be replaced (to the same specifications or better) by the Beneficiary organization out of its own funds at no additional cost to the operation. Both original and replaced assets shall be included in the Beneficiary's inventory list.

Cohesion Policy 2014 – 2020

5. The method of calculating depreciation cost is in accordance with the relevant accountancy rules and with the Beneficiary organisation's accounting policy.

Rule No. 10: Renting

Expenditure incurred in relation to renting is eligible for contribution under ESF.

Charging an arbitrary fee for the use of one's own premises is not eligible.

The provision of rental subsidies (for a limited period) as an accompanying measure within operations aiming at supporting disadvantaged groups may also be eligible.

Rule No. 11: Transnational Cooperation

In line with article 10 of the Regulation (EU) No. 1304/2013 of the European Parliament and the Council, ESF shall support transnational cooperation with the aim of promoting mutual learning, thereby increasing the effectiveness of policies supported by the ESF. Transnational cooperation shall involve partners from at least two Member States.

Unless specifically authorised, eligible transnational partners must be located within the Union and include:

- a. Public Sector organisations, including Government Ministries, Departments, Entities, Authorities, Public Commissions, Public Sector Foundations, etc.
- b. Local Councils or their equivalent;
- c. Other organisations such as Social Partners and Voluntary Organisations (VOs) can also be eligible transnational partners, provided that they are set up already and are established for the specific purpose of meeting needs in the general interest and not having an industrial or commercial character.

Private individuals, undertakings and organisations having an economic/commercial nature are not considered as eligible transnational partners.

Expenses connected with the hosting of the foreign delegates (unless covered by the travel and subsistence allowances) as well as expenses linked for seminars in Malta, are considered eligible.

For the purposes of determining staff costs for training-related costs (both administrative and training, and subject to the approval of the MA), the hourly rate applicable may be calculated as outlined under Rule No. 1 (3). Part time employment shall be calculated on a pro-rata basis and to be agreed with the Managing Authority.

All the Rules listed in this document shall be equally applicable to transnational actions.

Rule No. 12: Hospitality

Hospitality costs may be considered as eligible in duly justified cases, if specifically approved by the Managing Authority. The scope of the hospitality needs to be linked to the activity and not mere entertainment and the costs incurred are reasonable.

Cohesion Policy 2014 – 2020

Rule No. 13: Cross-Financing

In line with Article 98(2) of the CPR, and without prejudice to the derogations laid down in the specific Funds' rules, ESF may finance, in a complementary manner and subject to a limit of 10% of Union funding for each Priority Axis of an operational programme, actions falling within the scope of assistance of the ERDF.

Rule No. 14: Revenue Generation

Operations, which generate revenue, are eligible. However, the revenue generated should be declared and deducted from the total operation's cost.

Rule No. 15: Maintenance/Repair Costs

Maintenance and/or repair costs associated with the funded operation being supported are not considered eligible.

Rule No. 16: Financial Engineering

Financial Instruments approved under OP11 are regulated by Articles 37 and 38 of the CPR and any other guidance issued by the Commission/MA.