

# CENTRAL EUROPE PROGRAMME 2007-2013



CENTRAL EUROPE  
NATIONAL INFODAY  
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## Project budgeting & Finance Management

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PROGRAMME

## 1) PARTNERSHIP and FUNDING

- Partnership requirements
- Geographic scope of partners and activities
- Funding and National Co-financing

## 2) BUDGETING AND FINANCE MANAGEMENT

- Budget break downs
- Eligibility of costs
- Specific financial issues



## Who can participate ?

- National, regional and local public authorities
- Public Equivalent Bodies
- International Organisations
  - Under national law / Under international law
- Private institutions including private companies

# PARTNERSHIP



## Minimum partnership requirements:

At least:

three financing partners;  
from at least three countries;  
with at least two of the partners located in EU  
CENTRAL EUROPE regions.

Recommended maximum number of partners: from 8 to 12  
(AF: up to 25 partners);

Partners involved in a balanced way;

Associated institutions acting as observers and without financial contribution can be included in the project.

# FUNDING and CO-FINANCING



LP/Partners from EU CENTRAL EUROPE -  
Up to 75% ERDF contribution /25% National co-financing:  
Austria, Germany, Italy

LP/Partners from EU CENTRAL EUROPE -  
Up to 85% ERDF contribution /15% National co-financing:  
Czech Republic, Hungary, Poland, Slovakia, Slovenia

Compliance with State Aid has to be ensured.

In case State Aid discipline applies, *de minimis* regime will be used.



# CO-FINANCING



Partners from EU, but outside CENTRAL EUROPE -  
100% National Co-financing:

Own funds

(no 20% flexibility will be applied in the 1<sup>st</sup> call)

Partners from Third Countries:

ENPI / IPA funds (if available)

Own funds



# LEAD PARTNER REQUIREMENTS

## Geographic and legal status



### Lead Partner can only be:

#### Located in the EU CENTRAL EUROPE area

- o Public authorities
- o PEB
- o International Organisations acting under national law
- o Public authorities and PEB located outside of the area but competent for certain type of actions (for IT and DE) - ASSIMILATED PARTNERS



# PARTNERS' REQUIREMENTS

## Geographic and legal status



### Partners can be:

Located inside or **outside** the CENTRAL EUROPE area

- o All types of Institutions that apply for being LP

In addition:

- o International Organisations acting under international law
- o Private institutions including private companies



# LOCATION OF ACTIVITIES Outside CENTRAL EUROPE (EU)



Activities implemented in the EU territory but outside the EU CENTRAL EUROPE area:

- o Only if for the benefit of the Programme area
- o Expenditure will be ERDF co-financed only if incurred by a EU CENTRAL EUROPE partner
- o Expenditure incurred by EU partners outside the EU CENTRAL EUROPE area will be funded by partners own funds (no ERDF co-financing)



# LOCATION OF ACTIVITIES Outside EU-territory



## Activities implemented in the territory outside the EU:

- Only if for the benefit of the Programme area
- Expenditures will be ERDF co-financed only if spent under the responsibility of a EU CENTRAL EUROPE partner (up to 10% of total ERDF project contribution)
- In case of expenditure incurred in UA, an UA partner out of the 5 UA-regions participating in the programme area must be involved in the partnership
- Expenditure incurred by Third Country partners will be funded by partners' own funds (no ERDF co-financing) or by ENPI and IPA funds

## General principles / Quality:

- Realistic
- Consistent with work plan
- Cost efficient (Value for money)



# BUDGET BREAK DOWNS (AF)



## Budget break downs:

- Budget table by work packages and budget lines
- Budget table by work packages and 6-monthly reporting periods
- Budget table by work packages and LP/Partners



# BUDGET LINES (AF)



## Budget lines:

- Staff costs
- Administration costs (direct and indirect costs)
- External expertise
- Travel and accommodation
- Meetings and events
- Promotion costs
- Equipment
- Investments (Infrastructure and works)
- Other



# BUDGET TABLES (example)



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Seite 1

Automatic transfer of data

Table 6: Budget break down # 3

LP	VP 0	VP 1	VP 2	VP 3	VP 4	VP 5	VP 6	Total	%
Partner 2									
Partner 3									
Partner 4									
Partner 5									
Partner 6									
Partner 7									
Partner 8									
Partner 9								70.000,00	
Partner 10								100.000,00	
Partner 11									
Partner 12									
Partner 13									
Partner 14									
Partner 15									
Partner 16									
Partner 17									
Partner 18									
Partner 19									
Partner 20									
Partner 21									
Partner 22									
Partner 23									
Partner 24									
Partner 25									
<b>Total</b>								<b>470.000,00  </b>	
<b>VP Reference</b>	20.000,00	100.000,00	110.000,00	110.000,00	30.000,00	100.000,00			
<b>%</b>	4,26%	21,28%	23,40%	23,40%	6,38%	21,28%			

The total amounts of VP 0 mismatch by -20.000,00 | with Section 3!  
 The total amounts of VP 1 mismatch by -100.000,00 | with Section 3!  
 The total amounts of VP 2 mismatch by -110.000,00 | with Section 3!  
 The total amounts of VP 3 mismatch by -110.000,00 | with Section 3!  
 The total amounts of VP 4 mismatch by -30.000,00 | with Section 3!  
 The total amounts of VP 5 mismatch by -100.000,00 | with Section 3!

Automatic transfer of data

ERROR messages



# DISTRIBUTING vs SHARING COSTS



## Different options:

- Option 1 - Every partner is fully responsible and pays for a specific service / purchase 😊
  - Every partner in charge of all steps: tendering process - contract with service provider - invoice - payment - FLC
- Option 2: Mixed system
  - 1 partner in charge of tendering process /
  - every partner responsible for the other steps
- Option 3: Common costs (in justified cases only)
  - 1 partner in charge of all steps (from tendering until payment and FLC) - and gets paid-back by partners

**Options 2 and 3: PLEASE ENSURE ACCEPTANCE ON NATIONAL LEVEL**

# ELIGIBILITY OF COSTS

## Period



### Preparation costs / Implementation costs

- Total eligible costs (= budgets from EU CENTRAL EUROPE partners: ERDF and National Co-financing)
- Preparation costs:
  - Eligible as from 01 January 2007 until submission of AF
  - Max total eligible costs: € 20.000,--
- Implementation and Closure costs:
  - Implementation: At the earliest, costs are eligible as from day after submission of the application
  - Closure: costs are eligible until deadline for submission of final reports

# ELIGIBILITY OF COSTS

## General requirements



### Eligibility rules on different levels:

- o Structural Funds rules
- o National rules
- o Programme rules
  - o E.g. in-kind contribution

**In order to be considered as eligible, expenditure must have been actually paid out and its amount must be justified by accounting documents having a probative value equivalent to invoices**

## Spending forecast / Decommitment:

- The reporting periods run on a 6-monthly basis
  - Based on actual payments in each period
  - Activities and related payments shall be inserted in different periods, if applicable
  - Artificial splitting of total costs should be avoided
  
- Decommitment
  - If spending targets are not reached, it might be that the Programme will be obliged to reduce the budget of already approved projects



## Specific rules to be respected:

(subject to particular scrutiny during FLC checks) (during FLC checks)

- o Competition and Public procurement rules
  - o This rule also applies to Preparation costs
  
- o Publicity and information rules
  - o Main requirements are laid down in Art 8 of General Regulation



# CONTACT/UPDATES



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Updates: Please register on our website and we will keep you posted!

Thank you for your attention!



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