

CENTRAL EUROPE PROGRAMME 2007-2013



Partner Search Forum

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SUCCESS FACTORS FOR PROJECT DEVELOPMENT: focus on finances

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**“BUDGET AND COST-EFFECTIVENESS”
IS ONLY ONE CATEGORY OF THE
ASSESSMENT ...**

**...BUT THIS CATEGORY CAN MAKE
THE DIFFERENCE!**



OVERVIEW



BUDGETING PRINCIPLES

ASSESSMENT CRITERIA

APPLICATION FORM (Finances in 3 sections)

ELIGIBILITY

RELEVANT DOCUMENTS



SOUND FINANCIAL MANAGEMENT

- Principle of **ECONOMY**: resources [...] shall be made available in due time, in appropriate quantity and quality and at the best price.
- Principle of **EFFICIENCY**: best relationship between resources employed and results achieved.
- Principle of **EFFECTIVENESS**: attaining the specific objectives set and achieving the intended results.

The first two principles should be already incorporated when preparing the budget of your application.



PRACTICAL PRINCIPLE

- The total operation's budget should be the addition of the budget needed by all partners in order to implement their share of activities.



- Building your operation on the basis of the budget available is not a winning solution.



BUDGETING PRINCIPLES (3)



- Budget has to be closely linked to the work plan.
- Project-relation and project-relevance of all costs should be clearly demonstrated.
- Budget should be split into budget lines, reporting periods and partners' budgets in a transparent way.
- Budgeting has to be based on real costs.
- National, institutional and Programme's rules have to be respected.



ASSESSMENT CRITERIA (1)

VALUE FOR MONEY



VALUE FOR MONEY

- Coordination and communication costs should be related to project's duration and size of partnership.
- Costs of single thematic outputs/work packages should be in line with the actions proposed and with the time span.

REMEMBER:

- The guiding principle is the respect of the 3 "E" principles



ASSESSMENT CRITERIA (2) COHERENCE WITH WORK PLAN



COHERENCE WITH WORK PLAN

- Detailed description of activities and outputs allows for a proper assessment of the involved budgets.
- The distribution of the budget between single budget lines and reporting periods should be well justified.
- Costs for External experts, equipment, investments should be properly split into single items.

REMEMBER:

- The guiding principle is the coherence between the **foreseen activities** and the **financial resources** devoted to them.



ASSESSMENT CRITERIA (3) PARTNERS' BUDGETS



PARTNERS' BUDGETS

- Single partners' budgets should reflect their responsibilities in work packages.
- Partners should aim at defining a fair distribution of activities and their related costs among the entire partnership (no artificial splitting).

REMEMBER:

- The guiding principle is the transnationality - the budget should reflect the active participation of all partners.
- The share devoted to the **LP should not exceed 50% of the total project's ERDF.**



SPECIFIC REQUIREMENTS: INVESTMENTS



INVESTMENTS

- Only costs clearly **linked to Pilot Actions** corresponding to the investment category are to be included as investments. These include infrastructure works, equipment etc.
- Costs may refer either to an investment that will be set up ex-novo or to adapt an already existing infrastructure.
- **Public procurement rules** are to be followed when awarding contracts for works.



APPLICATION FORM FINANCES IN 3 SECTIONS



SECTION 3 (Work plan)

- Costs **per action** and total of each work package.

SECTION 4 (Partners)

- Budget of **each partner** according to funding sources.

SECTION 5 (Budget)

- Breakdown by work packages and **budget lines.**
- Breakdown by work packages and **reporting periods.**
- Breakdown by work packages and **partners.**
- Specification of **budget lines 3, 7, 8 and 9.**



TOTAL ELIGIBLE COSTS

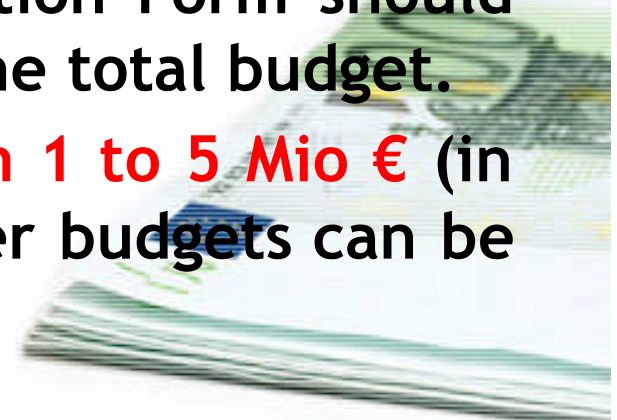


PRACTICAL PRINCIPLE

- The core reference in budgeting terms are the TOTAL ELIGIBLE COSTS:

**Budget from EU CENTRAL EUROPE partners
(ERDF + Partners' contributions)**

- Most financial sections of the Application Form should be built using exclusively this part of the total budget.
- Total eligible budget should range **from 1 to 5 Mio €** (in exceptional cases, also smaller or larger budgets can be funded).



PREPARATION COSTS

- Eligible as from 01/01/2007 until submission of AF.
- Max total eligible costs: € 20.000.
- If applicable, ensure respect of public procurement.

IMPLEMENTATION COSTS

- At the earliest, costs are eligible as from day after submission of the application.
- Project duration covers implementation phase.



REVELANT DOCUMENTS



DOCUMENTS TO BE CHECKED FOR FURTHER INFORMATION:

APPLICATION MANUAL 2nd CALL
CONTROL AND AUDIT GUIDELINES
IMPLEMENTATION MANUAL



Thank you for your attention!



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