



***ADRION 2° call for proposals***  
***Priority Axis 2***  
***Financial aspects***

**Tirana, 11 April 2018**

## Priority Axis 2 - Second call: Overall budget and project budget

### Available programme budget:

	ERDF	IPA	Total EU contribution
Priority Axis 2	29.197.521,05	5.156.505,45	<b>34.354.026,50</b>

- EU co-financing: up to 85% for all partners;
- Projects financial size: **up to maximum EUR 2.500.000 EU contribution** (ERDF + IPA II)
- Total project financial size (with partners co-financing): **up to maximum EUR 2.941.176;**
- Ratio between ERDF and IPA funds 85:15; **projects are warmly invited to respect the ratio 85:15.**

## Priority Axis 2 - Second call: Overall budget and project budget

If programme contribution = EUR 34.354.026,50

and

Project size = maximum EUR 2.500.000,00

then number of financed project

=



## Priority Axis 2 - Second call: expenditure

## Hierarchy of rules on eligibility of

Rules defined in EU legal framework

Reg. (EU) No 1303/2013

Reg. (EU) No 1301/2013

Reg. (EU) No 1299/2013

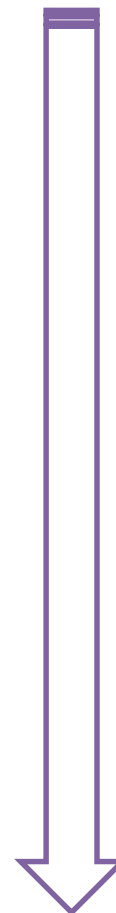
Del .Reg. (EU) No 481/2014

### **Programme** rules

- Established jointly by the Partner States;
- Apply to the programme as a whole;
- Without prejudice to the rules on EU level.

### **National** rules

For any other matters not covered by EU rules and programme rules or  
If national rules are stricter than those prescribed by EU.



## Priority Axis 2 - Second call: Budget lines

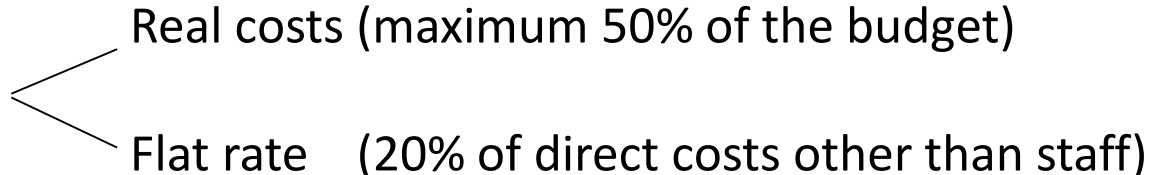
- **Staff costs** - Maximum 50% of the total project budget
- **Office and administration** - Flat rate: 10% of staff costs
- **Travel and accommodation** - OK in the programme area; with restrictions outside the programme area
- **External expertise and services** - Recommended no more than 50% of the total budget
- **Equipment**
  - a) for general office use - Depreciation applies
  - b) thematic (pilot actions) – Fully eligible

Preparation costs: lump sum (maximum EUR 11.800)

Preparation costs: all budget lines except equipment

Promotional costs: maximum 1% of total budget (if not, duly justified)

## Priority Axis 2 - Second call: Staff costs

Staff costs – 2 options: 

- Real costs (maximum 50% of the budget)
- Flat rate (20% of direct costs other than staff)

### REAL COSTS

- Staff costs can be higher than the amount foreseen by the flat rate option;
- Budget evaluated during the assessment;
- To be validated by national controllers before being reimbursed;
- Adequate audit trail is necessary;
- More detailed information required in the AF.

### FLAT RATE

- Maximum ceiling;
- No accountancy is requested;
- No validation by national controllers is required to get the reimbursement;
- No specific information required in the AF.

**Decision is taken at partner level; it cannot be changed during the project implementation.**

## Priority Axis 2 - Second call: Office and administrative expenditure

- Calculated as flat rate (10% of Staff costs);
- Must refer to the list of expenditure reported in the Programme Manual;
- Automatically calculated in the AF (no details required);
- No accountancy requested.

## Priority Axis 2 - Second call: Travel and accommodation

Only travel and accommodation of **staff costs**:

- Travel costs (e.g. tickets, travel and car insurance, fuel, car mileage, toll, and parking fees);
- Meals costs;
- Accommodation costs;
- Visa costs;
- Daily allowances.

- Always most economical transportation; exception must be justified;
- Expenditure item already covered by a daily allowance, cannot be accounted for and reimbursed in addition to the daily allowance (no double funding);
- Travel and accommodation costs of external experts and “associated partners” are reimbursed under budget line “external expertise and services costs”;
- Consider some budget to attend meetings organised by the Programme/National authorities;
- Limitations on eligibility of travel and accommodation costs outside the programme area.



## Priority Axis 2 - Second call: External expertise and services

- It refers to external expertise and services provided by a public or private body or a natural person (**no other partners acting as service providers!**):
  - Exhaustive list of eligible expenditure included in the Programme Manual;
  - Recommended not more than 50%.
- 
- Public procurement rules apply to all partners regardless their legal status: ERDF and Directive rules for ERDF partners; PRAG for IPA partners;
  - Specific thresholds defined by the Programme and below the national thresholds apply;
  - Costs related to project-related tasks sub-contracted by the beneficiary to in-house bodies are eligible under external expertise and service budget line on condition:
    - they are charged on a real costs basis without any profit margin;
    - sub-contracting complies with national and institutional public procurement provisions in force.

## Priority Axis 2 - Second call: Equipment expenditure

It refers to equipment purchased, rented or leased by a beneficiary for project implementation and clearly described in the application form:

- Office equipment;
- IT hardware and software;
- Furniture and fittings;
- Laboratory equipment;
- Machines and instruments,
- Tools or devices;
- Vehicles;
- Other specific equipment needed for the project.

### Equipment



a) for general office use as computers, office furniture, printers, cameras, etc. upon condition that it is for the exclusive use for the project (otherwise, in budget line Office and Administrative costs) - **Depreciation applies**

b) thematic (pilot actions) - **Fully eligible**

## Priority Axis 2 - Second call: Not eligible expenditure

### EU rules:

- In kind contributions;
- Interest on debt and Purchase of land;
- Recoverable value added tax (VAT), except where it is not recoverable under national VAT legislation;
- Fines, financial penalties and expenditure on legal disputes and litigation;
- Costs for gifts, except those not exceeding EUR 50 per gift;
- Costs related to fluctuation of foreign exchange rate;
- Charges for national financial transactions.

### ADRION rules:

- No **shared costs** among partners;
- Costs for **taxi**, except when no other public transport was available;
- Costs for **alcoholic** beverages;
- Costs for the creation of **a project web site** unless duly justified (there will be space for projects in ADRION website);
- Costs for **basic training courses** (english, basic office, etc.);
- No service providers between partners.

## Priority Axis 2 - Second call: How to draft the budget

# NO

- Artificial budget
- Inaccurate budget
- Costs roughly estimated
- There is time later to provide correct costs

# YES

- Balanced budget
- Detailed budget
- Clear and easy to understand
- Take your time now to build a realistic budget

WHY?

This is a **one-step-call**, therefore you will be evaluated for what you write in the project proposal

**Inaccurate budget = low score**

Only small adjustments will be possible before the signing of the contract

## Priority Axis 2 - Second call: Blocks on Budget section of eMS



**BLOCKS** (cannot submit the proposal through eMS if)

- Maximum EU Co-financing Project Budget (ERDF plus IPAll contributions) over EUR 2.500.000;
- For ERDF partners' activities Outside the Union part of the Programme Area: ERDF budget over 20% of the total ERDF project budget;
- A partner's budget over 20% of EU co-financing of the total project budget;
- A partner contribution does not match the target value of co-financing;
- Preparation costs over EUR 11.800;
- Staff costs over 50% of the total project budget;
- Staff cost: details on unit type and description not present;
- Travel and accommodation: details on unit type and description not present;
- External expertise and services: details on unit type and description not present;
- Equipment: details on unit type and description not present.



**WARNING** (eMS system alerts you if)

- External expertise and services budget over 50% of the total project budget.

Checked by evaluators (no eMS warning):

- Promotional costs under 1% of the total project budget;
- The sum of activity costs in a WP are coherent with the total budget of the WP.