

# **ADRION 5<sup>th</sup> call for proposals**

## **Financial elements**

## **and Public procurement**

**10 June 2022**

***Online event***

# General principles

## Sound financial management:

- The **principle of economy**: it requires that the resources used by the beneficiary in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price;
- The **principle of efficiency**: it concerns the best relationship between resources employed and results achieved;
- The **principle of effectiveness**: it concerns the attainment of the specific objectives set and the achievement of the intended results.
- Partners must be able to mobilize their finance resources immediately and to ensure both project implementation and the continuity of the organisation activities throughout the lifespan of the project.

## Eligibility of expenditure

- It has occurred in the **eligible period** (with the exception of preparation costs and project closure costs);
- It refers to costs **essential** for the implementation of the project and **in accordance with the approved AF**; it would not be incurred if the project is not carried out; it is inside the Programme area;
- It relates to a product or service foreseen in the approved AF and that **has been delivered** and complies with **publicity and information requirements**;
- It is **borne directly by the beneficiary** and supported by accounting documents justifying incurred expenses/payments (invoices, pay rolls...) except for costs calculated as flat rates and lump sums;
- It relates to an activity which has not benefitted from financial support by another public source (**no double funding**);
- It complies with the principle of **sound financial management**;
- It complies, with the applicable **public procurement rules**;
- It is registered in the beneficiary's accounts through a **separate accounting system**;
- It is not in contradiction with specific Programme rules;
- It has been **validated by an authorized national controller**.

# Not eligible expenditure

- In kind contributions;
- Interest on debt and purchase of land;
- Value added tax (VAT), if 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 where related to promotion, communication, publicity or information;
- Costs related to fluctuation of foreign exchange rate;
- Charges for national financial transactions.

## Programme also considers as not eligible the following expenditure:

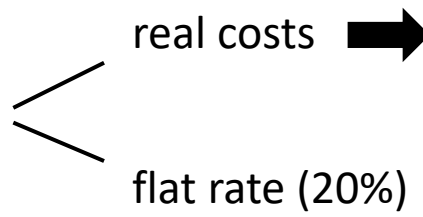
- The cost of taxis is not reimbursed, unless (i) it can be demonstrated that no public transport was available at the time and place needed; or (ii) local transportation is covered with a daily allowance provided by the internal rules of the concerned partner; or (iii) it is the most convenient transport mean;
- Costs for alcoholic beverages;
- Costs for the creation of a **project web site**, as ADRION will offer in its web site space for all funded projects in order to guarantee a coordinated visibility, unless duly justified.
- No gadgets for this call.

**The practice of shared costs is not allowed**

## Financial aspects of the Call

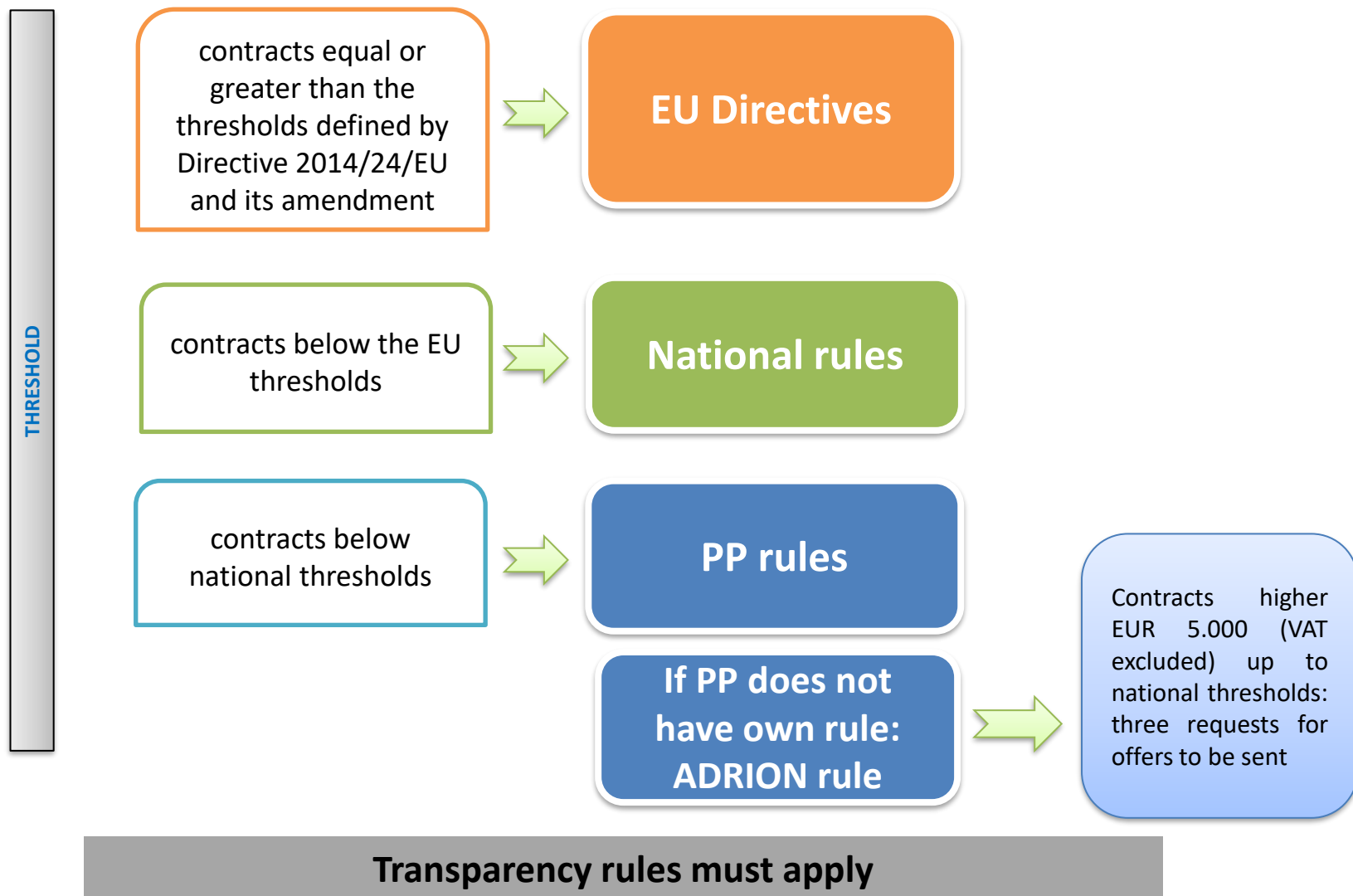
- Project EU budget (EU co-financing) is up to EUR 1.000.000,00, out of which up to EUR 750.000,00 ERDF and up to EUR 250.000,00 IPA II;
- ADRION EU contribution will be limited to a co-financing rate up to 85%;
- Advance payment = up to 30% ONLY for IPA partners (pre-financing will be allocated according to the availability of funds by the Programme);
- The advance payment shall be compensated at the project closure. In case the project partner(s) which has benefitted from the advance payment has submitted a lower amount of verified expenditure, it will be asked to return the undue paid amount;
- Preparation costs is optional, up to 11.800 (lump sum); it can be requested submitting a “report 0” right after the signature of the Subsidy Contract and the Partnership Agreement;
- Flat rate mandatory for Office and Administration (10%) and optional for Staff Costs (20% of other direct costs);
- There will be only 1 reporting period.

# Budget lines

- Staff costs: 
  - Full time
  - Part-time with fix percentage per month
  - Part-time with flexible percentage per month
  - Hourly basis
- Office and administrative expenditure: flat rate (10%)
- Travel and accommodation costs: only for project Staff. Please include some costs for participation to Programme's events.
- External expertise and services costs: Start procedures **ASAP** !!!
- Equipment: Pay attention to the depreciation rule.

**For each expenditure number of unit and unit type/cost must be indicated.**

# Public procurement rules for ERDF partners



# Public procurement rules for IPA partners

## Practical Guide to Contract Procedures for EU External Actions (PRAG)

<b>SERVICE CONTRACTS</b>	<b>≥ EUR 300 000</b>  International restricted or open tender procedure	<b>&lt; EUR 300 000</b>  Simplified procedure		<b>≤ EUR 20 000</b>  <b>but</b> <b>&gt; EUR 2 500</b>  Single tender
<b>SUPPLY CONTRACTS</b>	<b>≥ EUR 300 000</b>  International restricted or open tender procedure	<b>&lt; EUR 300 000</b> <b>but</b> <b>≥ EUR 100 000</b>  Local open tender procedure	<b>&lt; EUR 100 000</b> <b>but</b> <b>&gt; EUR 20 000</b>  Simplified procedure	A payment can be done against invoice without prior acceptance of a tender if the expenditure is <b>≤ EUR 2 500*</b> *budgetary commitment validated before entering into “legal commitment”

<https://wikis.ec.europa.eu/display/ExactExternalWiki/ePRAG>



## Public procurement: general rules

- Visibility;
- No artificial splitting to circumvent the procurement thresholds;
- Avoidance of conflict of interest;
- Record keeping;
- **Given the short duration of the project, the partnership must be aware of the necessity of well-organised public procurement procedures to select external experts for the timely implementation of tasks foreseen.**