



# Programme and Project Manual

Cooperation Programme Interreg V/A  
Greece-Italy (EL-IT) 2014-2020  
CCI:2014TC16RFCB020

The purpose of the *Programme and Project Manual* is to provide stakeholders and potential project applicants with appropriate and high-quality information about the Programme with regard to the overall strategy and objectives of the Programme, the management structure and further implementation arrangements for the Programme

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and Development



HELLENIC REPUBLIC  
**MINISTRY OF ECONOMY  
& DEVELOPMENT**

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## Abbreviations

Avg	Average
BAT	Province of Barletta-Andria-Trani
CBC	Cross-Border Co-operation
CSF	Common Strategic Framework
CPR	Commission Implementing Regulation
CSG	Community Strategic Guidelines
EAFRD	European Agricultural Fund for Rural Development
EIB	European Investment Bank
ELSTAT	Hellenic Statistical Authority
EMFF	European Maritime and Fisheries Fund
ERDF	European Regional Development Fund
ESI	European Structural and Investment Funds
ETC	European Territorial Cooperation
EU	European Union
EUSAIR	EU Strategy for the Adriatic and Ionian Region
FCC	Financial Control Committee
GDP	Gross Domestic Product
GNPPC	Gross National Product per capita
GR	Greece
GVA	Gross Value Added
HIT	Harmonised Implementation Tools
ICT	Information and Communication Technologies
IG	Integrated Guidelines

IP	Investment Priority
ISTAT	Italian National Institute of Statistics
IT	Italy
ITI	Integrated Territorial Investment
ITS	Intelligent Transport System
JMD	Joint Ministerial Decision
JPC	Joint Programming Committee
JS	Joint Secretariat
JTS	Joint Technical Secretariat
MA	Managing Authority
MOU	Management Organisation Unit
NSRF	National Strategic Reference Framework
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
OP	Operational Programme
PA	Priority Axis
PPM	Programme & Project Manual
PPP	Purchasing Power Parities
RES	Renewable Energy Sources
R&D	Research and Development
R&I	Research and Innovation
ROP	Regional Operational Programme
SAC	Special Areas for Conservation
SCI	Special Community Interest
SEA	Strategic Environmental assessment
SME	Small and Medium Sized Enterprise
SO	Specific Objective
SPA	Special Protected Areas
TEN	Trans-European Network

TO	Thematic Objective
WG	Working Group

## Glossary<sup>1</sup>

**'Union strategy for smart, sustainable and inclusive growth'** means the targets and shared objectives guiding the action of Member States and the Union set out in the Conclusions adopted by the European Council of 17 June 2010 as Annex I (New European Strategy for Jobs and Growth, EU Headline Targets), Council Recommendation of 13 July 2010 ( 1 ) and in Council Decision 2010/707/EU ( 2 ), and any revision of such targets and shared objectives

**'a strategic policy framework'** means a document or a set of documents established at national or regional level, which sets out a limited number of coherent priorities established on the basis of evidence and a timeframe for the implementation of those priorities and which may include a monitoring mechanism;

**'smart specialization strategy'** means the national or regional innovation strategies which set priorities in order to build competitive advantage by developing and matching research and innovation own strengths to business needs in order to address emerging opportunities and market developments in a coherent manner, while avoiding duplication and fragmentation of efforts; a smart specialization strategy may take the form of, or be included in, a national or regional research and innovation (R&I) strategic policy framework;

**'Fund-specific rules'** means the provisions laid down in, or established on the basis of, Part Three or Part Four of this Regulation or a Regulation governing one or more of the ESI Funds listed in the fourth paragraph of Article 1;

**'programming'** means the process of organisation, decision-making and allocation of financial resources in several stages, with the involvement of beneficiaries in accordance with Article 5, intended to implement, on a multi-annual basis, joint action by the Union and the Member States to achieve the objectives of the Union strategy for smart, sustainable and inclusive growth;

**'programme'** means an 'operational programme' as referred to in Part Three or Part Four of this Regulation and in the EMFF Regulation, and 'rural development programme' as referred to in the EAFRD Regulation;

<sup>1</sup> See Article 2 of Regulation (EU) No 1303/2013.

**'programme area'** means a geographical area covered by a specific programme or, in the case of a programme covering more than one category of region, the geographical area corresponding to each separate category of region;

**'priority'** in Parts Two and Four of this Regulation means the 'priority axis' referred to in Part Three of this Regulation for ERDF, ESF and the Cohesion Fund and the 'Union priority' referred to in the EMFF Regulation and in the EAFRD Regulation;

**'operation'** means a project, contract, action or group of projects selected by the managing authorities of the programmes concerned, or under their responsibility, that contributes to the objectives of a priority or priorities; in the context of financial instruments, an operation is constituted by the financial contributions from a programme to financial instruments and the subsequent financial support provided by those financial instruments;

**'beneficiary'** means a public or private body and, for the purposes of the EAFRD Regulation and of the EMFF Regulation only, a natural person, responsible for initiating or both initiating and implementing operations; and in the context of State aid schemes, as defined in point 13 of this Article, the body which receives the aid; and in the context of financial instruments under Title IV of Part Two of this Regulation, it means the body that implements the financial instrument or the fund of funds as appropriate;

**'financial instruments'** means financial instruments as defined in the Financial Regulation, save where otherwise provided in this Regulation; EN L 347/338 Official Journal of the European Union 20.12.2013

**'final recipient'** means a legal or natural person receiving financial support from a financial instrument;

**'State aid'** means the de minimis aid and other types of state aid included in the Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid and the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (General Block Exemption Regulation – GBER);

**'completed operation'** means an operation that has been physically completed or fully implemented and in respect of which all related payments have been made by beneficiaries and the corresponding public contribution has been paid to the beneficiaries;

**'public expenditure'** means any public contribution to the financing of operations the source of which is the budget of national, regional or local public authorities, the

budget of the Union related to the ESI Funds, the budget of public law bodies or the budget of associations of public authorities or of public law bodies and, for the purpose of determining the co-financing rate for ESF programmes or priorities, may include any financial resources collectively contributed by employers and workers;

**'public law body'** means body governed by public law within the meaning of point 9 of Article 1 of Directive 2004/18/EC of the European Parliament and of the Council (4) and any European grouping of territorial cooperation (EGTC) established in accordance with Regulation (EC) No 1082/2006 of the European Parliament and of the Council ( 5 ), regardless of whether the EGTC is considered to be a public law body or a private law body under the relevant national implementing provisions;

**'document'** means a paper or an electronic medium bearing information of relevance in the context of this Regulation;

**'intermediate body'** means any public or private body which acts under the responsibility of a managing or certifying authority, or which carries out duties on behalf of such an authority, in relation to beneficiaries implementing operations;

**'community-led local development strategy'** means a coherent set of operations the purpose of which is to meet local objectives and needs, and which contributes to achieving the Union strategy for smart, sustainable and inclusive growth, and which is designed and implemented by a local action group;

**'Partnership Agreement'** means a document prepared by a Member State with the involvement of beneficiaries in line with the multi-level governance approach, which sets out that Member State's strategy, priorities and arrangements for using the ESI Funds in an effective and efficient way so as to pursue the Union strategy for smart, sustainable and inclusive growth, and which is approved by the Commission following assessment and dialogue with the Member State concerned;

**'category of regions'** means the categorisation of regions as 'less developed regions', 'transition regions' or 'more developed regions' in accordance with Article 90(2);

**'request for payment'** means a payment application or declaration of expenditure submitted by the Member State to the Commission;

**'EIB'** means the European Investment Bank, the European Investment Fund or any subsidiary of the European Investment Bank;

**'Public private partnerships'** (PPPs) means forms of cooperation between public bodies and the private sector, which aim to improve the delivery of investments in infrastructure projects or other types of operations, delivering public services through risk sharing, pooling of private sector expertise or additional sources of capital;

**'PPP operation'** means an operation which is implemented or intended to be implemented under a public-private- partnership structure;



**'escrow account'** means a bank account covered by a written agreement between a managing authority or an intermediate body and the body implementing a financial instrument, or, in the case of a PPP operation, a written agreement between a public body beneficiary and the private beneficiary approved by the managing authority or an intermediate body, set up specifically to hold funds to be paid out after the eligibility period, exclusively for the purposes provided for in point (c) of Article 42(1), Article 42(2), Article 42(3) and Article 64, or a bank account set up on terms providing equivalent guarantees on the payments out of the funds; EN 20.12.2013 Official Journal of the European Union L 347/339

**'fund of funds'** means a fund set up with the objective of contributing support from a programme or programmes to several financial instruments. Where financial instruments are implemented through a fund of funds, the body implementing the fund of funds shall be considered to be the only beneficiary within the meaning of point 10 of this Article;

**'SME'** means a micro, small or medium sized enterprise as defined in Commission Recommendation 2003/361/EC ( 1 );

**'accounting year'**, means, for the purposes of Part Three and Part Four, the period from 1 July to 30 June, except for the first accounting year of the programming period, in respect of which it means the period from the start date for eligibility of expenditure until 30 June 2015. The final accounting year shall be from 1 July 2023 to 30 June 2024;

**'financial year'**, means, for the purposes of Part Three and Part Four, the period from 1 January to 31 December;

**'macro-regional strategy'** means the EUSAIR integrated framework endorsed by the European Council, which may be supported by the ESI Funds among others, to address common challenges faced by a defined geographical area relating to Member States and third countries located in the Adriatic and Ionian Sea geographical area which thereby benefit from strengthened cooperation contributing to achievement of economic, social and territorial cohesion;

**'sea basin strategy'** means a structured framework of cooperation in relation to a given geographical area, developed by Union institutions, Member States, their regions and where appropriate third countries sharing a sea basin; a sea basin strategy takes into account the geographic, climatic, economic and political specificities of the sea basin;

**'applicable ex ante conditionality'** means a concrete and precisely pre-defined critical factor, which is a prerequisite for and has a direct and genuine link to, and direct impact on, the effective and efficient achievement of a specific objective for an investment priority or a Union priority;

**'specific objective'** means the result to which an investment priority or Union priority contributes in a specific national or regional context through actions or measures undertaken within such a priority;

**'relevant country-specific recommendations adopted in accordance with Article 121(2) TFEU'** and **'relevant Council recommendations adopted in accordance with Article 148(4) TFEU'** mean recommendations relating to structural challenges which it is appropriate to address through multiannual investments that fall directly within the scope of the ESI Funds as set out in the Fund-specific Regulations;

**'irregularity'** means any breach of Union law or of national law resulting from an act or omission by the fund beneficiary involved in the implementation of the ESI Funds, which has, or would have, the effect of prejudicing the budget of the Union by charging an unjustified item of expenditure to the budget of the Union.

**'systemic irregularity'** means any irregularity, which may be of a recurring nature, with a high probability of occurrence in similar types of operations, which results from a serious deficiency in the effective functioning of a management and control system, including a failure to establish appropriate procedures in accordance with this Regulation and the Fund-specific rules;

**'serious deficiency in the effective functioning of a management and control system'** means, for the purposes of implementation of the Funds and the EMFF under Part Four, a deficiency for which substantial improvements in the system are required, which exposes the Funds and the EMFF to a significant risk of irregularities, and the existence of which is incompatible with an unqualified audit opinion on the functioning of the management and control system.

## Purpose and Content of the Programme and Project Manual

The purpose of the Greece Italy Programme and Project Manual (PPM) is to provide stakeholders and potential project applicants with appropriate and high-quality information about the Programme with regard to the overall strategy and objectives of the Programme, the management structure and further implementation arrangements for the Programme. The Greece Italy PPM does not replicate the cooperation programme, but adds depth and further elaboration to its content.

This PPM which will serve as an essential reference document for all bodies interested in:

- a. applying for funding under the *Co-operation Programme Interreg V/A Greece-Italy (GR-IT) 2014-2020* " (hereinafter the Programme) and
- b. implementing a project which has been selected for funding.

We hope that this Manual will provide practical information and concrete assistance to potential applicants when preparing and submitting a comprehensive project proposal or managing their approved project.

The Greece Italy PPM is one of the main programme documents and a major component of the Application Pack. The document presents specialized information for calls for proposals and it will be updated whenever necessary. There is an effort the information given in the main programme documents to be supplementary and not duplicated.

For additional information, please visit the Greece Italy website at [www.greece-italy.eu](http://www.greece-italy.eu).

# 1. Programme Guide

## 1.1. General Programme Information

### 1.1.1. Introduction to the Programme

The *Co-operation Programme Interreg V/A Greece-Italy (GR-IT) 2014-2020* links eleven (11) NUTS III level prefectures and six (6) provinces from two different EU member states, Greece and Italy.

The Programme has a total budget of EUR 123.176.896,47 and is co-financed by the European Regional Development Fund (ERDF) with a total amount of EUR 104.700.362 for the 2014-2020 period. The overall objective is to support strategic cross-border co-operation for a more prosperous and sustainable region across the Ionian Sea. Emphasis will be placed upon developing the foundations for a dynamic economy which fosters smart, sustainable and inclusive growth with the goal to improve the quality of life for those living in the region.

This Programme builds on the achievements of the previous 2007-2013 programming period, taking into consideration the results of the on-going evaluation and the current economic, environmental and social challenges across the Ionian maritime border between Greece and Italy.

The *Co-operation Programme Interreg V/A Greece-Italy (GR-IT) 2014-2020* covers the following areas:

NUTS I	NUTS II	NUTS III	
EL2 KENTRIKI ELLADA	EL21 Ipeiros	EL211	Arta
		EL212	Thesprotia
		EL213	Ioannina
		EL214	Preveza
	EL22 Ionia Nisia	EL221	Zakynthos
		EL222	Kerkyra
		EL223	Kefallinia
		EL224	Lefkada
	EL23 Dytiki Ellada	EL231	Aitolokarnania
		EL232	Achaia
		EL233	Ileia
ITF SUD	ITF4 Puglia	ITF43	Taranto
		ITF44	Brindisi
		ITF45	Lecce
		ITF46	Foggia
		ITF47	Bari

		ITF48	Barletta-Andria-Trani
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Table 1: Eligible GR-IT Co-operation Programme Area

### 1.1.2. Framework and Guidelines for the Programme

The regulatory framework for the *Co-operation Programme Interreg V/A Greece-Italy (GR-IT) 2014-2020* is provided by the regulations for cohesion policy 2014-2020. These are accompanied by a Common Strategic Framework (CSF) setting out key actions to address EU priorities and giving guidance to ensure coordination between funds.

The Europe 2020 strategy, together with the Territorial Agenda 2020, which connects smart, sustainable and inclusive growth to territorial cohesion, provides the overall strategic framework for EU cohesion policy 2014-2020 and, as such, for the GR-IT Programme.

### 1.1.3. Programme Strategy-Selected Thematic Objectives and Investment Priorities

The Programme strategy was prepared in line with the three growth objectives laid down by the EU in its Europe 2020 Strategy: smart, sustainable and inclusive growth, taking into account the distinctive regional features of the *Co-operation Programme Interreg V/A Greece-Italy (GR-IT) 2014-2020* Programme Area. Challenges have been translated into TOs and IPs with a strategic focus and a results-oriented approach.

It is clear that the overall objective of the Programme is to support strategic GR-IT cross-border co-operation for a more prosperous and sustainable region across the maritime border. Emphasis will be placed upon developing the foundations for a dynamic economy which fosters smart, sustainable and inclusive growth with the goal to improve the quality of life for those living in the cross-border region, especially in times of economic crisis such as these.

Accordingly, the specific objectives of the programme are:

- ➡ To exploit in a sustainable way, the endogenous potential of the cross-border GR-IT Programme Area;
- ➡ To promote the cross-border Area's integration and connectivity to fields which are important to its development, in full complementarity with EUSAIR;
- ➡ To act as a policy driver to tackle common challenges and needs in specific policy fields where cross-border cooperation is expected to deliver practical results

Furthermore, the programme is expected to increase the efficiency of administrative procedures and reduce the administrative burden for the beneficiaries, while targeting the most relevant interventions, in order to ensure the success of programme implementation.

In line with the above, the Programme has been structured as follows:

A core strategy, which includes:

- ➡ Four Thematic Objectives no 1, no 3, no 6, and no 7
- ➡ Two cross-cutting guiding principles from TO 10 and TO 11, by focusing the programme on inclusive growth and thus incorporating interventions, such as:
  - investing in education, skills and lifelong learning by developing education and training infrastructure (TO 10)
  - enhancing institutional capacity and an efficient public administration by strengthening of institutional capacity and the efficiency of public administrations and public services related to implementation of the ERDF,

and in support of actions in institutional capacity and in the efficiency of public administration supported by the ESF (TO 11).

The selected TOs correspond clearly to the smart and sustainable growth pillars of the Europe 2020 strategy and are translated into the three programme priority axes:

PRIORITY AXIS 1: INNOVATION & COMPETITIVENESS

PRIORITY AXIS 2: INTEGRATED ENVIRONMENTAL MANAGEMENT

PRIORITY AXIS 3: MULTIMODAL SUSTAINABLE TRANSPORT SYSTEM

THEMATIC OBJECTIVES	FOCUS ON SMART GROWTH	FOCUS ON SUSTAINABLE GROWTH	FOCUS ON INCLUSIVE GROWTH	
(1) strengthening research, technological development and innovation				CORE STRATEGY
(3) enhancing the competitiveness of SMEs				
(6) protecting the environment and promoting resource efficiency				
(7) promoting sustainable transport and removing bottlenecks in key network infrastructures				
(2) enhancing access to and use and quality of ICT				
(4) supporting the shift towards a low-carbon economy in all sectors				
(5) promoting climate change adaptation, risk prevention and management				
(8) promoting employment and supporting labour mobility				
9) promoting social inclusion and combating poverty				
(10) investing in education, skills and lifelong learning by developing education and training infrastructure				CROSS-CUTTING THEMES
(11) enhancing institutional capacity and an efficient public administration				

PRIORITY AXIS	Thematic Objective	Investment Priority		Specific Objectives	
PA 1: Innovation and Competitiveness	1 STRENGTHENING RESEARCH, TECHNOLOGICAL DEVELOPMENT AND INNOVATION	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	1.1	Delivering innovation support services and developing clusters across borders to foster competitiveness
	3 ENHANCING THE COMPETITIVENESS OF SMALL AND MEDIUM-SIZED ENTERPRISES	3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and foster the creation of new firms, including through business incubators	1.2	Supporting the incubation of innovative specialized micro and small enterprises in thematic sectors of interest of the Programme Area
PA 2: Integrated Environmental Management	6 PRESERVING AND PROTECTING THE ENVIRONMENT AND PROMOTING RESOURCE EFFICIENCY	6c	Conserving, protecting, promoting and developing natural and cultural heritage	2.1	Valorisation of cultural heritage and natural resources as a territorial asset of the Programme Area
		6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	2.2	Improving joint management and governance plans for biodiversity of coastal and rural ecosystems, paying attention on natural resources and protected areas and development of environmental protection measures
		6f	Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution	2.3	Developing and testing of innovative technologies/ tools to reduce marine and air pollution
PA 3: Multimodal Sustainable Transport System	7 PROMOTING TRANSPORT AND REMOVING BOTTLENECKS IN KEY NETWORK INFRASTRUCTURES	7b	Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes.	3.1	Boosting maritime transport, short-sea shipping capacity and cross-border ferry connectivity
		7c	Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility	3.2	Improving cross-border coordination among transport stakeholders on introducing multimodal environmentally-friendly solutions

### Cross-cutting Themes

The element of inclusive growth will have a significant place in the GR-IT programme as a cross-cutting theme and shall reinforce the impact of the four primarily selected TOs:

#### 1.1.3.1.1. Promoting education, skills and lifelong learning



The need to invest in skills and lifelong learning by developing and implementing joint education, vocational training and training schemes is evident. The Programme Area is characterised by high unemployment rates, exacerbated by the crisis in certain regions, while long term and youth unemployment are far above the EU average. It also suffers from market fragmentation and limited labour force skills. Against the background of the current economic crisis, support for entrepreneurship was identified as crucial in order to maximise the impact and effectiveness of the interventions. Under cross-border cooperation opportunities, entrepreneurship can nurture new skills, foster innovation and open up new markets through networks, partnerships and training.

Cross-border cooperation partnerships can provide a powerful platform to address entrepreneurship skills along with the SMEs' thematic support. As a result, the necessity to improve management skills has been dealt with in almost all the Objectives and in particular in sectors of special interest to the Programme Area relating to Tourism and Culture, Cultural and Creative Industries, Food-Industry and Blue Growth.

#### **1.1.3.1.2. Enhancing Institutional capacity of Public Authorities and Stakeholders and Efficient Public Administration**

This approach focuses on strengthening the institutional capacity and the efficiency of public administrations and public services by promoting legal and administrative cooperation and cooperation between citizens and institutions and by developing and/or coordinating macro-regional and sea-basin strategies. A common vision in programming bilateral interventions should help in creating a wider favourable economic and / or social environment for the whole Programme Area, by mobilizing additional resources, ensuring synergies with parallel programmes and context policies and by promoting innovative tools and managing schemes adapted to new EU framework and procedures.

The "capacity building" actions will increase the competence of the public sector in the Programme Area with regard to management, surveillance, monitoring and skills of EU Programme, promoting territorial integration.

Regional, National and cross border Transport Plans, and the promotion of innovations for sustainable and non-polluting transportation.

## **1.2. Management of the programme**

### **1.2.1. The management structure of the Programme**

This following section describes the implementation structure of the Programme 2014-2020 and, specifically, bodies acting as Managing Authority (MA), Certifying Authority (CA), Audit Authority (AA) and Joint Secretariat (JS). It also defines the tasks of each of the involved body, including the Monitoring Committee (MC) and describes the relations between the different bodies in the various processes necessary for the Programme implementation.

The programme language is English. During the MC as well as in other meetings the members may use also the Greek and Italian languages.

### **1.2.2. Joint implementation structure and division of tasks between the different bodies**

#### **Monitoring Committee (MC)**

The main function of the MC is specified in the Article 49 and Article 110 of Regulation (EU) N.1303/2013. The Monitoring Committee of the programme is set up within three months of the date of notification to the Member State of the Commission decision adopting the programme.

The composition of the Monitoring Committee of the Programme is decided by the participating Member States, taking into account that Member States shall be equally represented and complying with the partnership principle in managing, monitoring and evaluating the operations in all stages of programme implementation. The representatives of Member States shall come from national, regional and local authorities, as well as from economic and social beneficiaries.

On its own initiative or at the request of the Monitoring Committee, the European Commission's representative shall participate in an advisory capacity in the meetings of the Monitoring Committee.

The decisions of the Monitoring Committee are taken by consensus. Both Greek and Italian languages can be used at the meetings of the Monitoring Committee.

The Monitoring Committee shall be responsible for the functions set out in article 49 of Regulation (EU) N. 1303/2013, and it shall review implementation of the programme and progress made towards achieving its objectives. In doing so, it shall have regard to the financial data, common and programme-specific indicators, including changes in the value of result indicators and progress towards quantified

target values, and the milestones defined in the performance framework referred to in Article 21 of Regulation (EU) N.1303/2013 and, where relevant, the results of qualitative analyses.

### **Managing Authority**

The Managing Authority of the CP GR-IT 2014-2020 is the Managing Authority of the European Territorial Cooperation Programmes, Leoforos Georgikis Scholis 65, 57001 Pilea, Thessaloniki, [www.interreg.gr](http://www.interreg.gr). It is under the auspices of the Greek Ministry of Economy, and Development.

The MA is responsible for coordination of the Programming Document elaboration, its submission for approval by the EC, for the overall management of the implementation, for the comprising of the annual Reporting to the EC, the approval of implementation manuals and certain projects' modifications.

The Managing Authority of the Programme will be assisted by the Joint Secretariat and shall be responsible for managing and implementing the programme in accordance with the principle of sound financial management. It carries out the functions described in Article 125 of the Regulation (EU) N. 1303/2013 (CPR) and Article 23 of Regulation (EU) N.1299/2013 (ETC).

The MA is responsible for coordination of the Programming Document elaboration, its submission for approval by the EC, for the overall management of the implementation, comprising annual reporting to EC, approval of implementation manuals and certain projects modifications.

### **Certifying Authority**

The Special Service «Certifying and Verifications Authority of Co-funded Programmes», Units A, B and C, Ministry of Economy, and Development, which is designated as the Certifying Authority, according to the Article 24 of Regulation (EU) N.1299/2014 (ETC), shall carry out the functions envisaged in Article 126 of Regulation (EU) N. 1303/2014 (CPR).

In particular, the CA is responsible for drawing up and submitting to the Commission payment applications and certifying that are based on verifiable supporting documents and have been subject to verifications by the Managing Authority before being sent to the Commission.

The CA is also responsible for drawing up the annual accounts, certifying the completeness, accuracy and veracity of the annual accounts and that the expenditure entered in the accounts complies with applicable EU and national rules

and has been incurred in respect of operations selected for funding, in accordance with the criteria applicable to the operational programme and complying with EU and national rules.

### **Audit Authority**

The Audit Authority will carry out its functions in accordance with Articles 123, 124, 127 and 128 of the Regulation (EU) N. 1303/2013 (CPR) and Articles 21 and 25 of the Regulation (EU) N. 1299/2013 (ETC). The Audit Authority of this Programme is the Financial Control Committee (EDEL), set up following the decision of the Minister of Economy, Infrastructures, Maritime affairs and Tourism, at the Ministry of Finance – General Accounting Office of the State. The Financial Audit Committee consists of seven members and is independent of the Managing and Certifying Authorities.

The Audit Authority ensures that audits are carried out on the proper functioning of management and control system of the operational programme and on an appropriate sample of operations on the basis of the declared expenditure. It draws up an audit opinion on the annual accounts for the preceding accounting year and an annual control report setting out findings of the audits carried out during the preceding accounting year.

The Audit Authority shall within eight months of adoption of the programme, prepare an audit strategy of performance and audits. The audit strategy shall set out the audit methodology, the sampling method for audits on projects and the planning of audits in relation to the current accounting year and the two subsequent accounting years.

### **Group of Auditors**

The AA of the OP shall be assisted by a Group of Auditors comprising of a representative appointed by the Greek State and a representative appointed by the Italian State. carrying out the duties provided for in article 127 of Regulation (EU) N.1303/2013. The Group of Auditors shall be set up within three months of the decision approving the Programme. The Group shall draw up its own rules of procedure and shall be chaired by the AA of the Programme, in accordance with article 25(2) of Regulation 1299/2014.

The Auditors shall be functionally independent of controllers who carry out verifications under Article 23 of Regulation 1299/2014.

### **Audits carried out under the responsibility of the Audit Authority**

Where audits and controls are carried out by a body other than the AA, the latter shall ensure that such bodies have the necessary functional independence. The decision on the body carrying out the system audits and the checks on expenditure

will be taken by the AA and the Group of Auditors during the process of designing the audit strategy of the Programme.

In the framework of an audit strategy, audits shall be carried out on the basis of an annual plan approved by the AA. Special audits not coming under a plan shall also be carried out, where appropriate.

When identified problems relate to the functioning of the management and control system, entailing therefore a risk for other operations under the Programme, the Financial Control Committee shall ensure that a further investigation is carried out, including additional audits where appropriate in order to determine the gravity of the problems.

Each EU Member State shall be responsible for the audits carried out on its territory. The AA shall in the implementation of its tasks, act in full accordance with Greek institutional, legal and financial provisions.

#### **Joint Secretariat and its decentralised structures**

Puglia Region, in agreement with the Managing Authority (MA), after consultation with the participating Member States shall set up a Joint Secretariat (JS) under the responsibility of Puglia Region and the Managing Authority (Article 23 par.2, Regulation 1299/2014).

The JS shall be hosted by Puglia Region and will be located in Bari.

The JS shall undertake the day-to-day implementation of the Programme and shall assist the Managing Authority and the Monitoring Committee in carrying out their respective duties.

The JS shall be composed of a core body in Puglia and two decentralised structures. The JS recruitment will be activated in the start-up phase of the Programme by a joint recruitment committee. The principles of transparency, equal opportunity and non-discrimination between males and females shall be taken into consideration in the recruitment of the JS staff.

Puglia Region, where the core JS shall be hosted, in agreement with the Managing Authority, will recruit the core JS staff in line with EU and National (Italian) public procurement procedures, taking into consideration the agreed Terms of Reference laying down individual job descriptions suitable for the implementation of the JS tasks.

The JS decentralised structures to be set up in Greece shall include:

One (1) branch in Thessaloniki within the Managing Authority of the Programme

One (1) antenna in Kerkyra in the Region of Ionian Islands

The JS branch in Thessaloniki shall bridge the gap between the core JS and MA, at least by:

- Ensuring daily representation of JS to the MA for all programme issues including those related to Greek beneficiaries.
- Ensuring daily the provision of information and support to the MA
- Solving issues regarding the MIS and/or programme financing (e.g. payment claims), participating in relation to the certifying authority Ensuring smooth project national co-financing of the projects

The Antenna in Kerkyra shall have a continuous overview of the Programme implementation and represent the JS in the Greek eligible Programme regions.

The staff of the decentralised structures will be selected and recruited by the MA according to the European and National (Greek) public procurement rules.

The daily function of all JS structures shall be set up in agreement with and under the supervision and guidance of the MA. The entire JS system is expected to support the MA and report to it.

### **Info Contact Points**

The ICPs will be located in Ioannina and in Patras. Their tasks are to ensure that the goals of the CP are communicated to potential beneficiaries and other stakeholders in Greece and to serve as national information points for the projects' preparation, submission and implementation steps. They are synergic with the activities of the JS. In particular, they:

- support the applicants and beneficiaries at local level;
- assist the project generation, application and implementation process;
- contribute to information and publicity actions in Greece.

The staff of the ICPs will be selected and recruited by the MA according to the European and Greek public procurement rules. The expenditure deriving from the functioning of the JS, its decentralized structures and of the ICPs will be paid from TA's budget.

The whole system of MA, JS and ICPs shall operate in cooperation and coordination in order to ensure efficient implementation. According to the needs during the programme implementation, ad hoc experts and/or support staff may be recruited for national authorities and for specific tasks, including additional administrative staff within the Branch office in Thessaloniki.

The JS structure operability is monitored along with programme implementation.

### **Body responsible for the report and opinion on the designation of the MA and CA**

The Audit Authority shall draw up a report and an opinion on the designation of the Managing and Certifying Authorities of the Programme after assessing the fulfilment by the authorities of the criteria relating to the internal control environment, risk management, management and control activities, and monitoring set out in Annex XIII of Regulation (EU) N.1303/2013.

### **Body responsible for making payments to beneficiaries**

The body responsible for making payments to beneficiaries shall be the Certifying Authority for the Programme.

### **Development and Selection of Operations**

The Joint Secretariat (JS) prepares the material for the call for proposals and submits it to the Managing Authority (MA). The MA examines the material and submits it to the Monitoring Committee (MC) for approval. At this point, the MA shall launch the call for proposals via relevant information channels such as the Programme website as well as national and local channels, informing potential beneficiaries about financing, the particular conditions and requirements applicable to their eligibility under the call, the criteria and the procedure for selecting operations, the main obligations to be undertaken by beneficiaries in case that an operation is selected for funding under the OP, etc. The MC may set up a steering committee that acts under its responsibility for the selection of operations.

The JS checks the eligibility criteria of applications. Proposals that are not eligible are rejected by the decision of the MC. The JS while performing the eligibility checks of application makes certain that:

- proposals are submitted within the deadline;
- all standard documents required are completed;
- potential beneficiaries participating in the proposals are eligible.

The JS proceeds to the quality assessment of proposals, based on the operations' selection criteria as approved by the MC. In evaluating proposals, the JS may be assisted by external experts carrying out a technical/scientific evaluation.

The MA ensures that the evaluation procedure is carried out in accordance with the requirements of the call for proposals and the approved selection criteria. All projects receiving funds have to meet the following indicative quality requirements:

- Cross-border relevance;
- Partnership relevance;

- Relevance to the topic theme;
- Compliance with horizontal principles and cross-cutting priorities;
- Concrete, sustainable and measurable outputs and results;
- Project sustainability according to its most important dimension (e.g. institutional, economic, environmental);
- Sound project communication strategy, tools and actions;
- Effective management methodology, with reference to technical capabilities and its innovative aspects;
- Sound budget in terms of distribution among beneficiaries, budget lines, spending periodical provisions, etc.);
- Criteria for eligibility of expenditure according to Article 18 Reg. 1299/2013.

### **Resolution of complaints**

Project lead applicants will have the possibility to submit to MA complaints related to decisions of project assessment and selection, to MA/JS decisions and to financial controls. The procedures set in place for the resolution of complaints are differentiated in relation to the matter concerned. A procedure will be set up in the relevant programme documents and will be communicated to applicants and beneficiaries. All complaints are submitted to MA.

#### *1. Complaints regarding the selection of operations:*

The two Member States shall set up a joint, separate an independent from the Joint Monitoring Committee, committee for the review of any complaint addressed to the Managing Authority regarding the selection of operations made by the Joint Monitoring Committee under a given call for proposals. The obligation to provide administrative/judicial review for unsuccessful applicants is not necessarily covered by the complaints system. This Joint Complaint Committee will be formed by two participants of the Managing Authority and two representatives of the JS. It will evaluate the relevant complaints and give an opinion to the Joint Monitoring Committee that will take the final decision. The Managing Authority will send this decision to the interested parties and inform the applicants about their judicial rights under Greek law. All relevant procedures will be covered by Greek law since Greece hosts the Managing Authority of the Programme and any case will fall under the jurisdiction of the Greek Courts. Greece as the country hosting the Managing Authority of the Programme shall, upon request by the Commission, examine any complaints submitted to the Commission falling within the scope of its arrangements. The Managing Authority shall inform the Commission, upon request, of the results of those examinations.



*2. Complaints related to decision made by the MA/JS:*

During project implementation shall be submitted by the project lead beneficiary to the MA/JS that will examine and provide in due time an answer (in collaboration with the Programme bodies and the MC if necessary).

*3. Complaints related to the national control system:*

Project lead beneficiaries or beneficiaries, can submit a complaint related to the national control system set up in accordance with Article 23(4) of the Regulation (EU) to the relevant control authority of the respective MS following national procedures set in place in accordance with Article 74 (3) of Regulation (EU) n. 1393/2013 (CPR), keeping always in copy the MA/JS.

*4. All other types of complaints:*

Any further complaint regarding for instance the impact of the project, etc. could be submitted by the NGO's, citizens and the general public of the affected people in the implementation area directly to the MA of the Programme

## **Contracting**

Following the decision of the MC to approve applications recommended for funding, the MA and the Lead beneficiary sign a subsidy contract for each project.

The MA use a standard template for the subsidy contract approved by the MC which is developed in compliance with the applicable law of the Greek Republic and the principles of the institution hosting the MA.

The subsidy contract is addressed to the Lead beneficiary, appointed by the partnership, in accordance with Article 13 of the Regulation (EU) N.1299/2013, and is signed by the legal representative of the Lead beneficiary institution and by the MA.

## **Responsibilities of the Lead Beneficiary and of other Beneficiaries**

In accordance with Article 13 of the regulation (EU) No. 1299/2013, the Lead beneficiary shall assume overall responsibility for the application and implementation of the entire project, including the handling of ERDF funds. More specifically, the Lead beneficiary assumes the following responsibilities:

a) laying down the arrangements with other beneficiaries in an agreement comprising provisions that, inter alia, guarantee the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid;

(b) assuming responsibility for ensuring implementation of the entire operation;

(c) ensuring that expenditure presented by all beneficiaries has been incurred in implementing the operation and corresponds to the activities agreed between all the beneficiaries, and is in accordance with the document provided by the managing authority pursuant to Article 12(5) of Regulation (EU) N. 1299/2013;

(d) ensuring that the expenditure presented by other beneficiaries has been verified by a controller or controllers

The lead beneficiary shall also ensure that the other beneficiaries receive the total amount of the contribution from the funds as quickly as possible and in full. No amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce that amount for the other beneficiaries.

Each beneficiary participating in the operation shall assume responsibility in the event of any irregularity in the expenditure which it has declared.

### **Arrangement for management verification and related quality controls**

#### **Verification of expenditure**

In order to validate the expenditure, each Member State will set up a control system making it possible to verify the delivery of the products and services co-financed, the soundness of the expenditure declared for operations or parts of operations implemented on its territory, and the compliance of such expenditure and of related operations or parts of those operations with Community rules and its national rules. For this purpose, each Member State shall designate the controllers responsible for verifying the legality and regularity of the expenditure declared by each beneficiary participating in the operation.

In order to simplify administrative procedure and improve the management of the programme, the MA will promote harmonisation and coordination activities through the adoption of common standard levels and the control systems by establishing, through the support of the JS, a network of bodies/authorities in charge of the first level control.

The certification of expenditure for the Greek beneficiaries will be conducted under the responsibility of Unit C of the Managing Authority of European Territorial Cooperation Programmes, according to article 43 par.3 of Law 4314/2014.

As far as the Italian beneficiaries are concerned,

a) individual public or private beneficiaries, in line with Community and National legal framework, demand verification activities of operations or part of operations, ex art. 23 of Regulation (EU) N. 1299/2013, to qualified experts. The latter have to meet requirements of professionalism, honourability and independence and should be enrolled for at least three years with either the “Albo dei Dottori Commercialisti e degli Esperti Contabili” (Register of Chartered Accountants and Accounting Experts) or the “Registro dei Revisori Legali” (Register of Auditors)c, as referred to in the Legislative Decree 27 January 1992, N. 88.

b) public beneficiaries can, alternatively, demand verification activities of operations or part of operations to internal qualified structures of Bodies/Departments, provided that functional and hierarchic separation of management and control activities, as well as the functional independence of involved structures in the implementation of the project activities, are assured.

Puglia Region – Economate Service and Cash (Treasurership Section) will validate the choice made by Italian beneficiaries in order to assure that all required elements are /complied on. The Economate Service and Cash (Treasureship Section) will communicate the validation to the Managing Authority of the Programme.

The ceiling fee for external qualified controller should not exceed the 2% (VAT and social security included) of total beneficiary budget and foreseen as “external expertise” budget voice in the WP1 (work package) project budget.

### **Financial flow of Public Expenditure**

All projects have to be pre-financed by the project beneficiaries.

As regards the flow of verified expenditure, according to predefined deadlines, the Lead Beneficiary collects the certificates of all project beneficiaries issued by their respective FLC, and includes them in the respectively progress reports. In these documents, the Lead Beneficiary reports on progress achieved by the project partnership and on related eligible and validated expenditures and forwards them to the JS including a payment claim.

The JS, after conducting a preliminary check (completeness of data and eligibility of declared expenditure) in order to ensure the compliance of the project with the approved application form according to the requirements set forth in the Subsidy contract, transmits them, together with comments, to the Managing Authority.

The Managing Authority shall ensure that all the necessary information is available on the procedures and verifications carried out in relation to expenditure for the purpose of certification. The MA then transmits it to the Certifying Authority in order

to prepare and submit to the European Commission certified statements of expenditure and applications for payment. The Certifying Authority validates the payment claim and adopts all the necessary measures in case of irregularities or frauds.

The Managing Authority/Certifying Authority transmits to the Regione Puglia - Mediterranean Department -, the copy of payment claims.

The Certifying Authority receives ERDF contribution payments from the Commission and transmits the entire ERDF amount to the lead beneficiaries of operations. The lead beneficiaries are responsible for distributing, within 10 days, the ERDF contribution to the beneficiaries of the respective operation.

In parallel with the ERDF derogation to the Lead beneficiary, the Managing Authority/Certifying Authority gives details to the Region Puglia – European Cooperation Section- on the reimbursements due to Italian projects' beneficiaries.

### **Financial plan**

The financial appropriation from EU resources (ERDF) for the Greece-Italy cross-border cooperation Programme 2014-2020 is € 104 700 362 (85% of the Programme total amount). The national co-financing to be added (15% of the Programme total amount) equals to € 18 476 534).

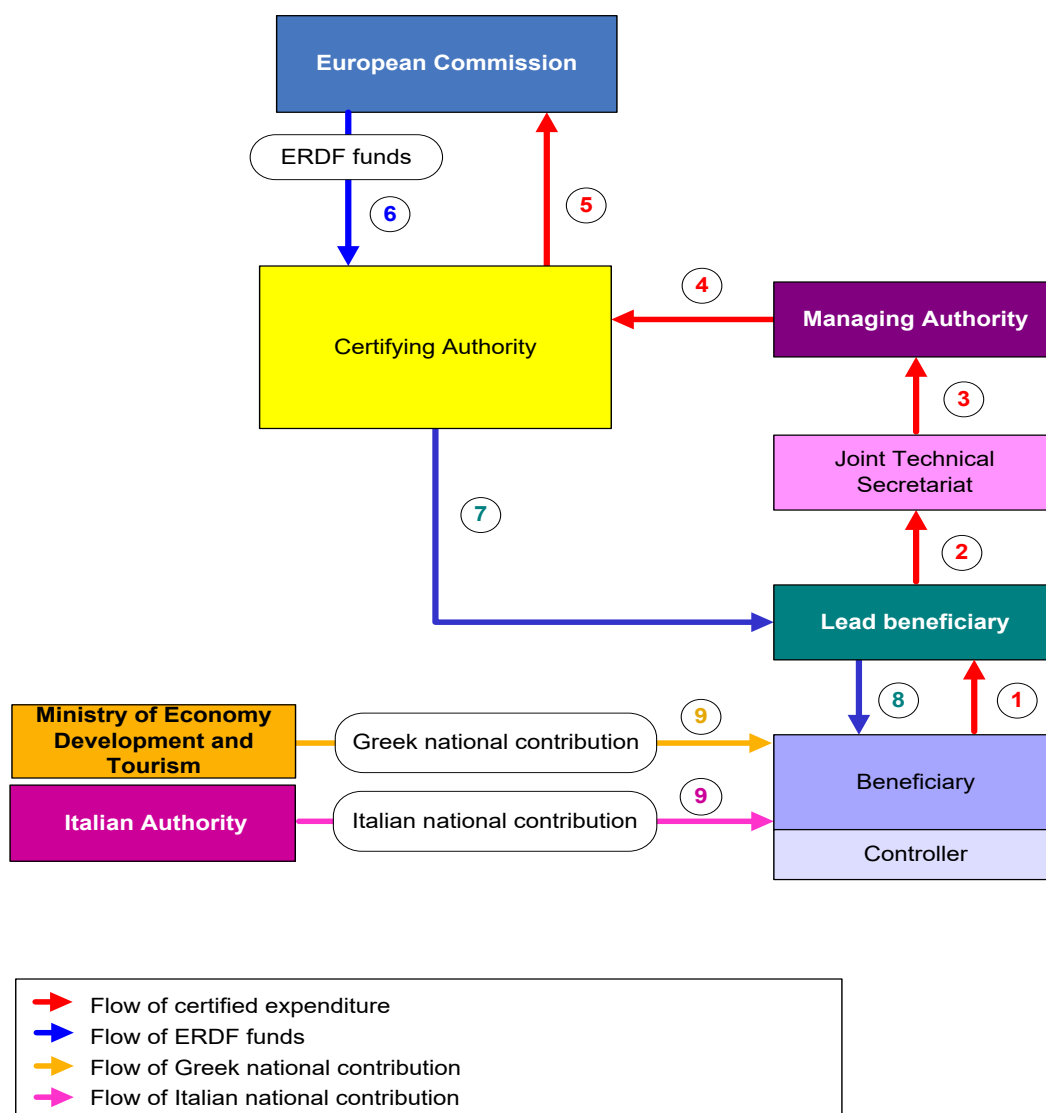
### **National co-financing**

The Greek national contribution is transferred from the Ministry of Economy, and Development to the beneficiaries.

As far as the Italian co-financing is concerned, the latter is granted according to the Italian Law and in compliance with the national mechanisms and procedures. The Regione Puglia - European Cooperation Section transfers to the Italian public beneficiaries only the due amount of national co-financing (15% of the total project's expenditure)

Italian private beneficiaries cannot benefit from national co-financing (15%) and have to use their own resources.

**DIAGRAM 2: CERTIFICATION OF EXPENDITURE AND FINANCIAL FLOW OF PUBLIC EXPENDITURE**



### Contribution of the Member States to the financing of technical assistance

At Programme level, the Technical Assistance (TA) is jointly financed by Greece and Italy. In accordance with Article 17 of the Regulation (EU) N. 1299/2013, the TA is financed by a maximum of 6% of the total ERDF amount allocated to the Programme and co-financed by the Member States participating in the Programme.

The total amount of resources for technical assistance equals to € 7,390,615.80 and will be jointly managed by the Managing Authority and by the Puglia Region, which host the JS.

An adequate amount of TA resources should be planned for recruiting the JS staff.

The Certifying Authority, according to the Article 134 of the Regulation (EU) N. 1303/2013, receives the annual quota for pre-financing and, within 10 working days, transfers to Regione Puglia (to a specific account) the 50% of the amount of the annual pre-financing in order to finance expenditures incurred by the JS or other expenditures for technical assistance approved by the Monitoring Committee. In order to facilitate that the Certifying Authority meets the deadlines, the European Commission should inform the Certifying Authority for the exact date of crediting the programme accounts.

A report on the payment situation shall be given by the MA to the MC on a regular basis. Use of interest raised by ERDF (after deduction of charges for transnational transactions) and ex-ante national contributions bank accounts, will be subject to a MC decision.

As for Italy, the funds are allocated on a non-interest bearing checking account opened at the National Bank of Italy.

### **Information and communication**

In line with Articles 115 and 116 of the Regulation (EU) N. 1303/2013 (CPR), a communication strategy will be drafted and submitted to the MC no later than 6 months after the adoption of the Programme to ensure transparency towards and information of relevant beneficiaries and stakeholders.

The strategy will define specific communication objectives, target audiences, messages as well as strategies and tools to support the achievement of wider programme goals. It will take into account detailed rules concerning information and communication measures as laid down in Article 115 and Annex XII of the CPR. The strategy will be valid for the whole programming period, complemented by annual work plans.

The overall responsibility for communications rests with the MA together with the JS. However, at national and regional levels, the Info Contact Points play a crucial role in complementing cross-border and European activities. Approved operations play in addition a key role in communicating project achievements on all levels.

The participating Member States shall support the MA to ensure effective application of the information and publicity requirements by taking appropriate steps to disseminate information and provide publicity within their territory.

### **Programme evaluation**

The Programme has been subject to an ex-ante evaluation of independent evaluators with the aim to improve its quality and to optimise the allocation of

budget resources. The recommendations of this evaluation have been taken into account during the drafting of this programme.

In accordance with Article 56 of the Regulation (EU) N. 1303/2013 (CPR), the MA will draw up an evaluation plan which will be approved by the MC in line with provisions as laid down in Article 110(2)(c) of the CPR.

In accordance with Article 56 of the CPR, evaluations will be carried out to assess the effectiveness, efficiency and impact of the Programme. During the programming period, evaluation will assess how support from the funds has contributed to the objectives for each Priority Axis and also the territorial coverage of the Programme Area. All evaluations, recommendations and follow-up actions will be examined and approved by the MC.

In compliance with Article 57 of the CPR, the ex-post evaluation lies in the responsibility of the European Commission together with the Member States.

#### **Management and monitoring system**

The relevant documents that have been produced or collected during the implementation of the Programme must be archived in compliance with the enforced European and national law of Programme Participating Countries.

The access to documents is ensured to anyone having the right to access and without threatening the protection of personal data or any ownership right regarding industrial or commercial secret or intellectual property. The right of access is ruled in compliance with the national law of Programme Participating Countries.

All Programme Authorities have to ensure transparency of any procedure that will generate rights toward third part and how to active the access-to-file procedure, first of all by publishing the notices/information at the Programme website or other Institutional website recognised by the Programme.

The meta-data produced, collect or stored by the Programme shall be publish as anonymous and statistical data and shareable in the common informatics forms (Excel, CVS, etc.).

For the Programme needs the Greek MIS service, will be utilized in compliance with the following aspects:

- data integrity and confidentiality;
- authentication of the sender within the meaning of Directive 1999/93/EC4;
- storage in compliance with retention rules defined in Article 140 of the CPR;

- secure transfer of data;
- availability during and outside standard office hours (except for technical maintenance activities);
- accessibility by the MS and the beneficiaries either directly or via an interface for automatic synchronisation and recording of data with national, regional and local computer management systems;
- protection of privacy of personal data for individuals and commercial confidentiality for legal entities with respect to the information processed (according to Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector and Directive 1995/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data).

In order to transfer data to the EC, the administration system of the MIS shall facilitate interoperability with the Union frameworks as required by Article 122(3) of the CPR.



### 1.3. Financial arrangements

Approved on 15 December 2015 by the European Commission, the Programme has a total budget of €123.176.896. The total financing consists of €104.700.362 (85%) ERDF funding and 18.476.534 (15%) national contribution. ERDF and national /co-financing rates are common for both countries. (See table below)

Priority Axis	Fund	Union support (a)	National counterpart	Indicative breakdown of the national counterpart		Total funding	Co-financing rate
			(b) = (c) + (d))			(e) = (a) + (b) (2)	(f) = (a)/(e)
				National Public funding (c)	National private funding (1) (d)		
INNOVATION & COMPETITIVENESS	ERDF	29.316.101	5.173.430	5.173.430		34.489.531	85%
INTEGRATED ENVIRONMENTAL MANAGEMENT	ERDF	40.833.141	7.205.849	7.205.849		48.038.990	85%
MULTIMODAL SUSTAINABLE TRANSPORT SYSTEM	ERDF	28.269.099	4.988.665	4.988.665		33.257.764	85%
TECHNICAL ASSISTANCE	ERDF	6.282.021	1.108.593	1.108.593	0	7.390.614	85%
<b>Total</b>	<b>ERDF</b>	<b>104.700.362</b>	<b>18.476.537</b>	<b>18.476.537</b>	<b>0</b>	<b>123.176.896</b>	<b>85%</b>
<b>Total</b>	<b>Total all Funds</b>	<b>104.700.362</b>	<b>18.476.537</b>	<b>18.476.537</b>	<b>0</b>	<b>123.176.899</b>	<b>85%</b>

#### 1.3.1. Breakdown by Priority Axis and Thematic Objective

This breakdown is required in order to fulfil the requirement set out under (Article 7(2) (d) (ii) to specify for priority axes, which combine investment priorities from different thematic objectives, the amount of total financial appropriation and the national co-financing for each of the corresponding thematic objectives. Where each priority axis corresponds to a single thematic objective, this table will not require a breakdown below the level of a priority axis.

Priority Axis	Thematic Objective	Union support	National counterpart	Total funding
Priority Axis 1	Thematic objective 1	16.228.556	2.863.863	19.092.419
	Thematic objective 3	13.087.545	2.309.567	15.397.112
Priority Axis 2	Thematic objective 6	40.833.141	7.205.849	48.038.990
Priority Axis 3	Thematic objective 7	28.269.099	4.988.665	33.257.764
Priority Axis 4	Technical assistance	6.282.021	1.108.593	7.390.614
<b>TOTAL</b>		<b>104.700.362</b>	<b>18.476.537</b>	<b>123.176.899</b>

## 2. Project guide

### 2.1. Project application guidelines

These are the Project Application Guidelines, which will serve as an essential reference document for all bodies interested in applying for funding under the Calls for Project Proposals within the framework of the INTERREG V-A 'Greece-Italy 2014-2020 Cooperation Programme (hereinafter the Programme).

The Project Application Guidelines includes information about:

- The development of a project idea/proposal;
- Project Partnership;
- The submission procedure;
- General Eligibility Criteria
- Filling in the Application Form;
- Eligibility of Expenditure and Budget Categories;
- The development and selection of operations;

It is advised that those interested in submitting a proposal under the Programme, examine carefully – in addition to the present Manual - the Programme Document which is available on the website of the Cooperation Programme at [www.greece-italy.eu/](http://www.greece-italy.eu/), of the Managing Authority of European Territorial Cooperation Programmes in Greece (hereinafter the Managing Authority) at [www.interreg.gr](http://www.interreg.gr), and Region Puglia website [www.europuglia.it](http://www.europuglia.it)

Moreover, in preparing their proposal, interested parties may contact the core Joint Secretariat hosted in Bari (Puglia region) and the branch office hosted in Thessaloniki to get support in planning their proposals in accordance with the strategic aims of the Programme. Info Points in Patras and Ioannina along with the antenna in Corfu shall also be providing information to interested parties.

#### 2.1.1. General Eligibility Criteria

The Regulations defining the general eligibility criteria are the following:

- EU legislation:

:

- Regulation No 1299/2013 that lay down the general rules governing the support of the European Regional Development Fund (ERDF) to the European territorial cooperation goal,
- Regulation No 1303/2013 laying down the general provisions for ERDF and other ESIF
- Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006;
- Financial Regulation (EU) 966/2012 on financial rules applicable to the general budget of the Union and its implementing act (EC delegated Regulation no. 1268/2012);
- Commission Delegated Regulation (EC) 481/2014 on eligibility of expenditure – specific rules for cooperation programmes.

National legislation:

- Greek national legislation, as in force
- Ministerial Decision for the Management and Control Systems of the European Territorial Cooperation Objective Operational Programmes, as in force (for Greek beneficiaries, see annex)
- Italian national legislation, as in force
- Presidential Decree no. 22 of 5 February 2018 setting out the rules regarding the eligibility of the expenditure categories that are co-funded by the 2014-2020 Structural Funds
- Law n. 136 of 13 August 2010 on Traceability of financial flows

➤ Specific Regulatory Framework:

- Public procurements
- State aid
- Environmental rules
- Non-discrimination and equal opportunities
- Programme, Call for proposals, Programme and Project manual, Guidance on management verification, etc.

**All applicants are strongly recommended to consult these documents before submitting a proposal and start building their projects.**

### 2.1.2. Procedures for call of proposals

The Joint Secretariat prepares the material for the call for proposals and submits it to the Managing Authority. The Managing Authority examines the material and when accepted submits it to the Monitoring Committee for approval.

Then, the Managing Authority shall launch the call for proposals, informing potential beneficiaries about financing, the particular conditions and requirements applicable to their eligibility under the call, the criteria and the procedure for selecting operations, the main obligations to be undertaken by beneficiaries in case that an operation is selected for funding under the cross-border cooperation programme etc. The evaluation criteria aim to maximise the result-oriented approach to be applied by the programme for projects able to deliver concrete and visible outputs and results, in response to well identified challenges affecting the programme area and addressing development needs in an integrated manner.

Potential beneficiaries prepare a proposal in cooperation with the lead beneficiary, who submits it to the Joint Secretariat and receives a reference number.

With respect to the launching of the call for proposals, the Joint Secretariat shall check the proposals and make certain that:

1. proposals are submitted within the deadline;
2. all standard documents required are completed;
3. beneficiaries are eligible.

It shall then carry out an evaluation of proposals based on the operations selection criteria, approved by the Joint Monitoring Committee and submit all the material to the Managing Authority. After the Managing Authority makes sure that the procedure for evaluating proposals was carried out in accordance with the terms of the call for proposals and the approved operations selection criteria, it submits to the Joint Monitoring Committee:

- ✓ the project fiches of the submitted project proposals;
- ✓ a ranking list of the evaluated project proposals;
- ✓ all evaluation forms.

In evaluating proposals, the Joint Secretariat may be assisted by external experts, selected in agreement with the participating countries.

The Joint Monitoring Committee conducts the procedure for the selection of the operations to be funded and has the ultimate responsibility for the selection of operations.

Following the selection of the operations by JMC, the Managing Authority shall contract the lead beneficiaries of the selected operations.

All projects receiving funds have to meet the following quality requirements:

- Cross-border relevance;
- Partnership relevance;
- Concrete outputs and measurable results;
- Sustainable outputs and results;
- Coherent approach;
- Sound project communication strategy and tools;
- Effective management;
- Sound budget.

Different types of calls are expected to be launched: thematic calls, targeted calls, ordinary calls, calls for strategic projects, etc. As a general principle, the Programme is committed, across all priorities, to sustainable development and promotion of equality between men and women and non-discrimination, which will also be reflected in the evaluation criteria.

### 2.1.3. Project idea/proposal Development

The following chapter provides potential applicants with the essential information that they need to start developing partnerships, as well as the fundamental requirements which have to form the basis of each project application.

#### **Do you have an idea for a cross border project?**

Project development is the phase in which **an idea** is translated into specific objectives and activities, and is presented as a proposal. The starting point in defining a project idea is to identify the **need**. At the idea stage, every project developer needs to combine the programme's priorities with what the regions on both sides really need.

In this sense,

**Programme documents** - The Cooperation Programme includes a detailed analysis of the strengths and weaknesses of the Programme area, as well as the sorts of actions that the Programme is willing to finance. Try to assess how the project idea fits into the Programme context through careful studying of its priorities and main indicative actions by thematic objectives, indicative target groups and the Programme target / output and result indicators by priority axis. Therefore, a careful study of the Programme document as well as other strategic documents (national and/or regional development plans, regional smart specialisation strategy, specific local policies, other field-specific strategies or guidelines, etc.) is crucial for the applicants in developing good project ideas.

**Needs assessment** - A background assessment of needs with particular focus on the target groups, addressing specific problems, will definitely support project design. In this capacity any current situation analysis should offer important insights.

**Stakeholders** - Involve key stakeholders. Their views – as end users – may contribute to further develop the project idea given that they have a crucial role in using the results of the project.

Over time and with the input of beneficiaries, the idea will be developed to include activities and objectives.

#### **What makes a “good beneficiary”?**

Finding beneficiaries is not the difficult part in developing a partnership. Finding the **right** beneficiary is the main challenge. With the right ones involved in a cross-border partnership, a project idea - documented in a clear and simple way - can be turned into a unified set of actions, well targeted to the identified needs.

The development of a partnership is not an easy task as - before it becomes solid and efficient – it involves a number of stages such as:

1. **Networking actions:** The initial stage is identifying the beneficiary, meeting them and learning about their interests, needs and skills. Make a choice based on their experience, their knowledge and specialisation of the chosen field, their experience in developing and implementing relevant project ideas, their complementarities, which will support and guarantee exchange of knowhow, their shared needs, their knowledge of the Programme area, their financial capacity (they must also have the capacity to ensure the temporary availability of funds until they are reimbursed by the Programme, as well as the capacity to ensure their financing for non-eligible expenditures of the project), their relevant institutional status and their commitment even from the very first steps of project generation and development. Face to face meetings prove to be of great benefit. A relevant procedure will be presented during the Info Days for the calls.
2. **Communicating the project idea:** Give a structured presentation to potential beneficiaries and to key stakeholders to help them understand the purpose, objectives, activities and context. Let them assess and decide whether they want to get involved.
3. **Joint project development:** Challenging them by letting them shape the objectives and the expected results, so as to reflect their own needs. Consultation among beneficiaries is crucial, given that their early involvement in the design of the project will ensure that it will be based on joint/common needs, skills and interests.
4. **Ensure beneficiaries' commitment:** A beneficiary that is not committed to the project creates a serious risk of project failure, not only during the development phase, but also during the implementation phase, in case it is approved. It is important to define actions and allocate responsibilities to meet joint objectives. Beneficiaries should be flexible to negotiate with the others members of the partnership about their roles and responsibilities, in order to achieve common understanding, ownership and commitment. A realistic and achievable project plan increases beneficiaries' commitment. Identify what each beneficiary brings to the project and what expects to get from it.

The right time to involve potential beneficiaries to the development of a project idea is as **soon as possible**, given that the project should be a combination of needs and contributions of all the beneficiaries involved. Participating in a cross border



cooperation project implies that the project idea reflects the needs of all beneficiaries.

**Attention!!**

**Check the rules on participation and eligibility before approaching beneficiaries.**

**How to define the content?**

Do not forget that Programme requirements and project ideas have to be **aligned**. There is no point in developing a project if it does not fit in the Programme. Projects need to collaborate on cross border activities that directly relate to addressing the priorities and objectives, as set out in the operational Programme.

Steps to follow:

1. The project needs to strongly demonstrate its cross border focus and show the true spirit of collaboration and according to Art.12 par 4 in Reg.1299/2013 *“Beneficiaries shall cooperate in the development and implementation of operations. In addition, they shall cooperate in the staffing or the financing of operations, or in both”*. In addition, keep in mind that the aim of cross border cooperation is to integrate areas divided by national borders that face common problems that require common solutions.
2. If the project proposal includes infrastructure, it should take into account the Member state’s risk assessments made in compliance with EU Civil protection legislation (Decision 1313/2013/EC on the Union civil protection mechanism) for the evaluation of the project’s vulnerability to disaster risks, including longer-term expected effects from climate change.
3. All project proposals should meet the requirements of the General Regulation (Regulation (EU) 1303/2013 of the European Parliament and of the Council laying down common provisions on the ERDF, the ESF, the Cohesion Fund, the EAFRD and the, article 7 concerning the implementation of the principles of non-discrimination and accessibility to persons with disabilities.
4. The project should take into account one or more horizontal issues of the Programme: sustainable development, equal opportunities and non-discrimination, equality between men and women.
5. The project should complement and not duplicate other projects being carried out in the Programme area. Follow on projects financed from past INTERREG Programmes is not enough. Projects need to show how they build on past experiences by bringing in something new.
6. The project has to be realistic rather than attractive. Set the objectives as concrete, as quantifiable and as realistic as they could be.

7. Map out how objectives could be realized through a detailed action plan. The more precisely the goals are formulated the more effectively the project runs.
8. Demonstrate common added value. In practice, this means that the issue addressed is of such nature that it cannot be satisfactorily tackled within one member-state only and that cooperation improves the quality of results compared to the possible achievements of a beneficiary working alone. Results can also be of relevance to the wider cooperation area and can potentially be transferred to other parts of the region.
9. Have a regular contact with Programme management structures – Managing Authority and/or Joint Secretariat and/or Cross Border Info Point for clarifications on Programme priorities/objectives/activities.

**Attention!**

**Keep in mind that a cross-border partnership is not enough: ideas and activities must be cross-border too.**

Applicants must pay particular attention to the characteristics of each thematic priority taken into consideration in the formulation of the guiding principles for the selection of operations of the Programme. The project proposals should fulfil completely the obligatory requirements set in the evaluation criteria of the Call for proposal in order to be ranked for funding.

#### **2.1.4. Submission procedure**

In order to submit a project proposal, Applicants must refer to the Applicant's Package and to all relevant documents. Project Proposals should be submitted according to the guidelines provided in the respective call for Proposals.

The exact list of the needed documents, formal characteristics and modalities of submission will be determined by each Call for Proposal. JS may also request additional documentation for clarification of the above issues, during the evaluation procedure.

#### **2.1.5. Project Partnership - Eligibility of Beneficiaries**

A project should include at least one beneficiary from each country (Greece and Italy) and according to Art.12 par 4 in Reg.1299/2013 *"Beneficiaries shall cooperate*

*in the development and implementation of operations. In addition, they shall cooperate in the staffing or the financing of operations, or in both". Partnerships should co-operate in the following ways:*

- **Development of the operation**

All beneficiaries should contribute to the development of the project. Beneficiaries should define how the project will operate, i.e. development of objectives and outcomes, budget, timing and responsibilities for work packages and tasks required to achieve the objectives.

Beneficiaries should identify the knowledge and experience that each one of them brings to the project, as well as what each beneficiaries expects to get from the project.

- **Implementation of the operation**

The Lead Beneficiary should bear the overall responsibility for the project. All beneficiaries should undertake responsibilities for different parts of the implementation.

Each beneficiary responsible for a work package should coordinate and ensure that planned activities are carried out, interim targets are met and unexpected challenges to implementation are dealt with.

Several beneficiaries may contribute to each work package.

In addition, the beneficiaries shall cooperate in either one of the following ways or both:

- **Staffing of the operation**

All beneficiaries should have a defined role and allocate staff to fulfil this role. Staff members should coordinate their activities with others involved in the activity or work package, and exchange information regularly.

There should be no unnecessary duplication of functions in different beneficiary organisations.

- **Financing of the operation**

The project should have a budget with funding allocated to beneficiaries according to the activities they are carrying out (the budget split should reflect beneficiary responsibilities).

The budget should include annual spending targets and spending targets per work package.

The total number of beneficiaries will be defined in the relative call. All beneficiaries must have **clear roles** in the development and implementation of the project.

In order to be eligible for co-funding, the Lead Beneficiary and beneficiaries **must be**:

- a. national, regional or local **public bodies**
- b. **bodies governed by public law<sup>2</sup>**, or according to the national legislations, having legal personality, other than legal entities defined under paragraph a, established for the specific purpose of meeting needs in the general interest (needs not having an industrial or commercial character) and which fulfil at least one of the following conditions:
  1. be financed, for the most part, by national, regional or local authorities, or other bodies governed by public law or
  2. be subject to management supervision by those bodies or
  3. have an administrative, managerial or supervisory board, where more than half of its members are appointed by the national, regional or local authorities, or by other bodies governed by public law;
- c. **private organisations**, non-profit organisations founded according to private law can be eligible under the following conditions as a whole::
  - they are not established with the goal to obtain profit,
  - they do not distribute profits to the shareholders
  - they operate for at least one year before the launch of the specific call for proposals. This rule is also applicable for the local/regional subsidiary/branch offices.
- d. **International Organizations** in compliance with article 43 of EC Delegated Regulation no. 1268/2012.

Bodies governed by public law (under category b. above) and private organisations (under category c. above) must be operational for at least 12 months before the launching of the call for proposals. If a body governed by public law or a private organization is participating through a branch located at the Programme area, the branch must be operational for at least 12 months before the launching of the call for proposals.

It should be noted that **private companies, not falling under the conditions listed at point (c) are not eligible.**

**Moreover, all applicants shall be directly responsible for the preparation and management of the project with their beneficiaries, not acting as an intermediary**

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<sup>2</sup> Bodies governed by public law as defined in Article 2(4) of Directive 2014/24/EU

In order to be considered for funding, all the above actors should ensure that they are entitled to public co-financing. The managerial adequacy of beneficiaries will be examined through the Project Selection Criteria.

For each proposal, a **Lead Beneficiary** shall be designated, with the capacity to start the implementation of the project as quickly as possible, to maintain and further specify in detail the strategic, holistic and interdisciplinary, synthetic and synergy creating, character of the intervention, to exploit the immediate results of the intervention [in a way that this can (a) act as a demonstration project for future mainstreaming, (b) acquire a wider sectoral scope or territorial coverage], and to concentrate all available managerial, financing and know-how resources and focus them on the project.

Each applicant can participate as Lead Beneficiary in no more than one project proposal per Specific Objective. If an applicant does not conform to the previous rule as explicitly stated above, **all of its project applications will be rejected.**

**Neither an International Organisation nor a private body may assume the leadership of the project.**

#### **Beneficiaries' Location**

In principle to become a project beneficiary, an organisation has to be located (decisive is the legal address of the organisation) in the eligible area of the Programme. Organisations located outside the Programme's eligible area are encouraged to be involved in the projects as associated partners without allocated budget.

However, if a beneficiary is located outside the Programme area and has a local/regional subsidiary/branch office established in the programme area, it will receive full ERDF funding.

Funding granted by the Programme to all beneficiaries indicated above is subject to the EU rules on State Aid within the meaning of Article 107 of the Treaty on the functioning of the European Union. Every beneficiary should comply with the rules on State Aid regarding the activities of its project and comply with the relevant

assessment made by the JS of the Programme during its evaluation phase. Therefore, all potential beneficiaries should fill in the State Aid Declaration form when applying for funding. The conditions and modalities to comply with these rules are specified under section 2.1.5.3.1 of the Project Manual.

In principle, all activities of a project should take place within the eligible Programme area. If a project plans to finance activities or events outside the eligible Programme area, expressly and clearly necessary in order to achieve the project results and in duly justified cases, this is possible in the context of cooperation Programmes having regard that Article 20 of Regulation (EU) No 1299/2013 is respected and the total amount allocated to activities located outside the Programme area shall not exceed 20% of the support from the ERDF at Programme level. The 20% threshold of ERDF at Programme level will be brought down to the project level. If activities (including travel and accommodation) and/ or events are planned outside the Programme area, the following conditions need to be satisfied: a) the activity and/ or event are for the benefit of the Programme area; b) the activity and/ or event are essential for the implementation of the project; c) the implementation and/ or the relevance of the activity and/ or the event have been approved by the Programme beforehand.

In any case, activities that needed to be implemented outside the Programme eligible area must be foreseen in the AF or previously and expressly approved by the MC by a written procedure.

**Attention!**

**All activities implemented outside the Programme area should be described in a single dedicated WP in the Application form.**

## **Beneficiaries**

### **2.1.5.1.1. The Lead beneficiary**

The Lead Beneficiary shall:

- (a) lay down the arrangements with other beneficiaries in an agreement comprising provisions that, inter alia, guarantee the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid;
- (b) assume responsibility for ensuring implementation of the entire operation;

(c) ensure that expenditure presented by all beneficiaries has been incurred in implementing the operation and corresponds to the activities agreed between all the beneficiaries, and is in accordance with the document provided by the managing authority pursuant to Article 12(5);

(d) ensure that the expenditure presented by other beneficiaries has been verified by a controller or controllers where this verification is not carried out by the managing authority pursuant to Article 23(3).

If not otherwise specified in the arrangements laid down in accordance to point (a) of paragraph 2 the lead beneficiary shall ensure that the other beneficiaries receive the total amount of the contribution from the funds as quickly as possible and in full. No amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce that amount for the other beneficiaries.

#### **2.1.5.1.2. The beneficiaries**

All beneficiaries participate in designing and implementing the project by carrying out the activities assigned to them in the approved application. The expenses generated are eligible in the same way as those incurred by the Lead Beneficiary. They must therefore, satisfy the same eligibility criteria as the ones applicable for the Lead Beneficiary.

Indicatively, the beneficiaries' responsibilities entail that they:

1. Ensure the implementation of the project activities under their responsibility according to the project plan and the contract signed with the Beneficiary;
2. Cooperate with the other project beneficiaries in the implementation of the project, the reporting and the monitoring, as deemed necessary. Key project conclusions, changes to project strategy and other important decisions should be made jointly;
3. Prepare and submit to the Lead Beneficiary financial and progress reports, including all supporting documentation, to be used for the verification of expenses per each of the reporting periods established for the project, and ensure full cooperation and assistance, for the timely and accurate performance of verification;
4. Assume responsibility in the event of any irregularity in the expenditure they have declared, and repay the Lead Beneficiary the amounts unduly received.

The specifics pertaining to the cooperation between the lead beneficiary and the beneficiaries are defined in the Partnership Declaration (at the stage of the submission of the project proposal) and, in detail, in the Partnership Agreement (at

the stage of implementation when a project is selected for funding)<sup>3</sup>, signed by all parties involved in the partnership.

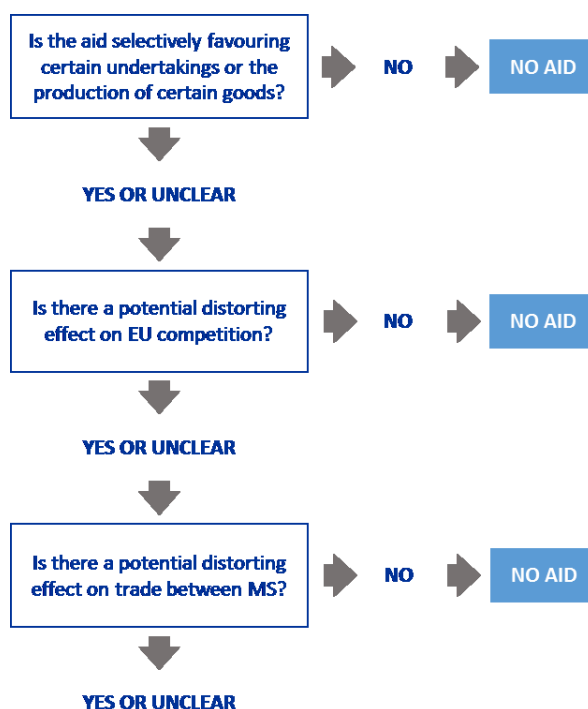
#### 2.1.5.1.3. State aid<sup>4</sup>

##### What is the State Aid

According to Article 107 (ex. Article 87) of the Treaty on the Functioning of the European Union (TFEU), State aid is defined as any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favoring certain undertakings or the production of certain goods.

Based on this definition, it can be concluded that there is State aid only if ALL the following 5 points (cumulative criteria) are fulfilled:

1) The measure must confer a benefit or advantage on the recipient which it would not otherwise have received (which is always the case for any ETC Programme);



<sup>4</sup> This section only concerns EU partners funded by ERDF. Legal basis to be taken into account as far as state aids are concerned:

- The Treaty on the functioning of the European Union: Articles 107 and 108.
- Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de Minimis aid.
- Regulation (EU) No 651/2014 and its amendments that provide State aid by adopting a General Block of Exemption in different sectors (briefly called as GBER Regulation).



- 2) It must be granted by a Member State or through State resources (which is always the case for any ETC Programme);
- 3) It must selectively favor certain undertakings or the production of certain goods<sup>5</sup>;
- 4) It must distort or threaten to distort competition;
- 5) It must affect trade between Member States.

### Who is concerned by State Aid

An **undertaking** is an entity engaged in an economic activity in the context of the proposed project. It is not the legal status (public or private) but the nature of the activities that the applicant intends to implement that determines whether the State aid has to be respected or not.

Any project partner offering goods and services in the market in the context of the proposed project is thus an undertaking, regardless of its legal status, the way it is financed and whether its aim is to make profit or not.

Even if an entity provides the goods or services free of charge or is financed entirely by the state, it can be subject of the State aid rules. State aid rules apply thus to both public and private partners.

This concept of undertaking is very wide and may include SMEs, large companies, public bodies, NGOs, associations, universities, etc.

Activities carried out within the framework of statutory tasks normally performed by public authorities do not fall within the concept of an undertaking, in view of their non-business purposes and procedures, but in some cases, however, local public or administrative bodies may be considered to be similar to undertakings.

In the evaluation of the existence of a potential State aid issue, the nature of the beneficiary is therefore not relevant since, as said, even a not-profit organisation can be engaged in economic activities. In consequence, **the main element to be assessed for state aid is the nature of the activities that the partner institution and the project intend to implement through the public funding.**

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<sup>5</sup> With the meaning of the Article 107(1) TFEU in comparison with other undertakings in a comparable legal and factual situation in the light of the objective pursued by the measure concerned.

The MA/JS, in consultation with NA, will perform checks on development of state aid activities from the projects' beneficiaries. In cases of state aid activities, the Managing Authority will decrease the funding accordingly, acting in compliance with the application of interested Regulation.

The public aid considered for the applicable aid ceiling comprises all aids granted by the national, regional or local authorities, regardless of whether the resources are provided from domestic sources or are partly financed by the European Union.

### How to deal with State Aid

In the case of the Co-operation Programme Interreg V-A Greece-Italy (EL-IT) 2014-2020, State aid relevant activities are financed only if they are in compliance with the *de minimis* or the GBER Regulation.

#### *De minimis rule*

In cases for which a potential State aid issue was identified, partners may apply the *de minimis* rule.

To benefit from the *de minimis* rule, aid has to satisfy the following criteria:

- In the *de minimis* Regulation it has been clarified in article 3(2) that the total amount of *de minimis* aid granted per Member State to a single undertaking shall not exceed EUR 200 000 (or the enforced different ceiling) over a period of three fiscal years.
- The ceiling applies per Member State. Granting country of the *de minimis* aid will be considered the country in which the beneficiary is located.
- The ceiling will apply to the total of all public assistance considered to be *de minimis* aid.
- The ceiling applies to aid of all kinds, irrespective of the form it takes or the objective pursued.
- The regulation only applies to “transparent” forms of aid, which means aid for which it is possible to determine in advance the gross grant equivalent without needing to undertake a risk assessment.

The decision on whether to apply the *de minimis* Regulation is to be made by the applicants themselves, taking into account the information included below. Project partners should consider carefully the implications before opting for the *de minimis* funding.

More information can be found at:

([http://ec.europa.eu/competition/state\\_aid/overview/index\\_en.html](http://ec.europa.eu/competition/state_aid/overview/index_en.html)) ([http://ec.europa.eu/competition/state\\_aid/overview/index\\_en.html](http://ec.europa.eu/competition/state_aid/overview/index_en.html)) where also comprehensive guidelines on the notion of State aid will be soon made available.

The INTERACT programme has also summarized a list of questions and answers on this topic:

[http://admin.interacteu.net/downloads/9263/Questions\\_Answers\\_ETC\\_and\\_State\\_Aid\\_April\\_2015.pdf](http://admin.interacteu.net/downloads/9263/Questions_Answers_ETC_and_State_Aid_April_2015.pdf)

Applicants may also consult the relevant national authorities to obtain more specific information on rules and limitations concerning State aid.

Each applicant should fill in the State Aid declaration that is attached to the Call for proposals and in case the project is approved for funding then the beneficiary receiving funds under the *de minimis* rule can be asked to fill in a more detailed “*de minimis* declaration” provided by the Member State where it is located, in order to enable the national system of each Member State to monitor the accumulation of the *de minimis* aid received per beneficiary.

### 2.1.6. Project Budget - Eligibility of expenditure

#### Introduction

**The projects’ budget range is specified in each call for proposals.**

#### General Eligibility Criteria

The Regulations defining the eligibility rules of the expenditures are the following:

- Regulation 1299/2013 (European Territorial Cooperation) as in force (with Commission Delegated Regulation (EU) No 481/2014)
- Regulation 1301/2013 (European Development Fund) as in force
- Regulation 1303/2013 (Common Provisions) as in force

All applicants are strongly recommended to consult these documents before submitting a proposal and start building their projects.

Other Legal Framework documents the general rules of eligibility are the following:

- Greek national legislation, as in force
- Ministerial Decision for the Management and Control Systems of the European Territorial Cooperation Objective Operational Programmes, as in force (concerns Greek beneficiaries)
- Italian national legislation, as in force
- Internal rules on the eligibility of expenditure for operations under the INTERREG “Greece – Italy 2014-2020” Cooperation Programme, as in force

**As a general rule, ERDF costs shall be eligible for funding if:**

- they have been incurred and paid out within the time frame in which expenditure can take place. Under no circumstances can the final date of eligibility of expenditure exceed the 31st of December 2023
- they are directly related to the project either for the development or implementation of the project and they are planned in the approved project budget;
- they follow the “real cost” principle; costs which have been actually incurred and paid by the project beneficiaries and they can be supported by original invoices or other accounting documents of equivalent probative value;
- they have been incurred in the programme area of the European Territorial Cooperation Programme “Greece – Italy 2014-2020”;
- they have been incurred without to infringe the national and EU rules;
- they are in compliance with the principles of efficiency, economy and expediency of all actions. Especially the cost/benefit ratio has to be ensured.

#### **Period of eligibility of expenditure**

The starting date for eligible expenditure is **1/1/2014**. The closing date of the eligibility period of the expenditure should be the end date of the subsidy contract in force. Under no circumstances the final date of eligibility of expenditure can exceed the **31st of December 2023**.

#### **Reserve list of projects**

The procedure of the creation of the Reserve list will be further described in the relevant text call.

## **Project Budget Lines**

**The project expenditures under the Programme are divided into six Budget categories. These Budget categories are:**

- A. Staff;
- B. Office and administration;
- C. Travel and accommodation;
- D. External expertise and services;
- E. Equipment;
- F. Infrastructure and Works.

For each Budget category, a description of the expenditure that falls under the Budget category is provided. More concrete guidance about the verification process and the audit trail to verify these expenditures (necessary documents, invoices etc) for each Budget Category will be provided **in the Guidance on Management Verification document**.

### **Staff Costs**

Staff costs consist of costs for staff members employed by the beneficiary organisation, as listed in the application form and who are formally engaged to work full time or part time on the implementation of the project:

- a. full-time
- b. part-time
  - part-time with a fixed percentage of time dedicated to the beneficiary per month
  - part-time with a flexible number of hours worked on the project per month
- c. contracted on an hourly or working daily basis

“Staff costs” must be in line with the employment/work contract, and costs of natural persons working for the beneficiary organisation under a contract other than an employment/work contract and receiving salary payments.

### **General principles**

- Staff costs **must relate to activities which the beneficiary organisation would not carry out if the project was not undertaken.**
- Overheads and any other office and administration costs cannot be included under this budget category.
- Daily allowances and any other travel and accommodation costs cannot be included under this budget category.

The following options for calculating staff costs are available in this Programme:

1. Staff costs calculated as up to **20% flat rate of direct costs** other than staff costs
2. Staff costs calculated **on a real cost basis**

**Attention!**

**The option selected applies on a beneficiary level for the entire project period. (i.e. Each beneficiary should select either the flat rate or the real costs calculation option which will remain unchanged through the entire project period). This must be declared in the Application form in the Partnership Section.**

- **Option 1: Staff costs calculated as 20 % flat rate of direct costs**

A project implemented exclusively through public procurement of works, goods or services can use only the real cost calculation of staff costs according to Article 67(4) of the Common Provision Regulation 1303/2013.

If the beneficiary outsources the entire implementation of all or part of the project via public procurement contracts, the simplified cost options (flat rate calculation of staff costs) cannot be applied to those parts of the project which are subject to public procurement contracts. (p. 12 EGESIF14\_007)

**Table 1: Staff costs: Example where the flat rate calculation cannot apply**

	Total Project activities	Total project budget
	<b>Extent of Procurement with significant effect on the project</b>	
	External expertise and services	250.000€
	Equipment	300.000€
	Infrastructure	350.000€
<b>A</b>	<b>Total Direct Costs with significant effect to be outsourced</b>	<b>900.000€</b>
<b>B</b>	<b>Maximum Flat rate for calculation of Staff Cost can apply</b>	<b>0,00%</b>
<b>C</b>	<b>Staff Costs, calculated on flat rate basis, of the entire project (A*B)</b>	<b>0,00€</b>

<b>C1</b>	<b>Staff Costs (real cost calculation)</b>	<b>20.000€</b>
<b>D</b>	<b>Total Project budget (A+C+C1)</b>	<b>920.000€</b>

For staff costs calculated on flat rate basis option, the calculation of staff costs is based on a flat rate of up to 20% of the direct costs other than the staff costs. In the case of flat rate option, the extent of procurement of some of the categories of costs by the beneficiary could have an impact on the proportion of calculated costs. Therefore, direct costs linked to projects or part of them, subject to public procurement contracts that constitute the biggest part of the project (have a significant proportion of calculated costs), according to the application form, should be excluded from the calculation basis on which the flat rate is to be applied. It is therefore recommended that only the part of the project that entails procurement of small scale contracts could be taken as basis for the calculation of the flat rate cost option for possible staff costs. This part is estimated to be of approximately 20% of the procured project's budget.

If the beneficiary itself implements a project (meaning keeping full control of the management and implementation of the project), the flat rate is applicable, even if some of the categories of costs within the project are procured (e.g. some of the project implementation costs like cleaning services, external expertise, purchase of furniture, etc.).

**Table 2: Staff costs: Example of flat rate calculation**

	<b>Extent of Procurement with significant effect on the project</b>	
	External expertise and services	200.000€
	Equipment	200.000€
	Infrastructure	300.000€
<b>A</b>	<b>Total Direct Costs with significant effect to be outsourced</b>	<b>700.000€</b>
	Travel and Accommodation	30.000€
	External expertise ( <i>external experts, cleaning services, etc.</i> )	80.000€

	Equipment (furniture)	10.000€
<b>B</b>	<b>Total Direct Costs with limited effect to be outsourced</b>	<b>120.000€</b>
<b>C</b>	<b>Maximum Flat rate for calculation of Staff Cost</b>	<b>20,00%</b>
<b>D</b>	<b>Maximum Eligible Staff Costs of the entire project (B*C)</b>	<b>24.000€</b>
	<b>Total Project budget (A+B+D)</b>	<b>844.000€</b>

In any case the beneficiaries should justify their choice of the flat rate cost option and indicate the categories of costs that allow the application of the flat rate cost option. During the project evaluation process the stated by the beneficiaries' calculation of the flat rate costs will be checked and will be subject to revision in cases where the procurement of works, goods and services with significant effect on the project is taken into consideration in the calculation of the staff costs.

According to the project beneficiaries' estimations regarding the needs for staff costs the percentage can be lower. Each beneficiary will have to provide the rationale of the staff costs estimations in the Justification of the Budget document even when the flat rate option is selected. The participation of the beneficiaries' staff must be linked to specific project deliverables according to their role and expertise.

**Attention!**

When the 20% flat rate option is applied, it has to be proved that the project beneficiary has at least one permanent employee (e.g. by providing a registration at the social insurance agency or other related documents) to be appointed for the project.

**Attention!**

**The flat rate is linked to the eligibility and verification of other direct costs.** Should financial corrections be necessary (e.g. due to deficiencies in procurements) or in



case of discounts in tenders leading to smaller eligible direct costs on a project level, the basis for calculation of the flat rate will reduce correspondingly and this will result in a **lower** amount of staff costs that can be **verified and co-funded**.

- **Option 2: Staff costs calculated on a real cost basis**

Using this method, the beneficiary will claim the actual costs they have incurred from employing staff who work on the project. According to Article 3 Commission Delegated Regulation (EU) No 481/2014, expenditure on staff costs shall consist of gross employment costs of staff employed by the beneficiary in one of the following ways:

- a. full time; (i.e. Person employed by the Beneficiary organisation, and working fully on the project;)
- b. part-time with a fixed percentage of time worked per month; (i.e. Person employed by the Beneficiary organisation, working partly for the project on a fixed percentage;)
- c. part-time with a flexible number of hours worked per month (i.e. Person employed by the Beneficiary organisation, working partly for the project on a number of hours per month) or
- d. on an hourly or working daily basis (i.e. Person employed by the Beneficiary organisation, who does not have a fixed number of hours/days per month and is paid at an hourly/days rate).

**The Audit trail and verification process for each one of the above, mentioned categories will be defined in the Guidance on Management Verification document.**

**Attention!**

1. Staff costs do not cover the expenses of externals; externals should be budgeted under the “External Expertise and services” category.
2. Overheads and any other office and administration costs related to staff costs are included in the Office and administration (O&A) expenditure.
3. Daily allowances and any other travel and accommodation costs related to staff costs are included in the “Travel and Accommodation” budget category.

**Office and Administration expenditure**

They cover operating and administrative expenses of the beneficiary organisation that support delivery of project activities. According to regulation 481/2014 the office and administration expenditure shall be limited to the following elements:

- a) office rent

- b) insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurances)
- c) utilities (e.g. electricity, heating, water)
- d) office supplies
- e) general accounting provided inside the beneficiary organisation
- f) archives
- g) maintenance, cleaning and repairs
- h) security
- i) IT systems
- j) communication (e.g. telephone, fax, internet, postal services, business cards)
- k) bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened
- l) charges for transnational financial transactions

The following options for calculating O&A are available in this **Programme**:

1. Real costs, or
2. Flat rate of (up to) 15% of **staff costs**.

**In both cases the Office and Administration expenditures cannot exceed the 4% of the total beneficiary's budget.**

In case the Flat rate calculation method is adopted, the following example provides an overview on the approach.

**Example:** Project X – Beneficiary Y calculates O&A costs using the 15% flat rate of staff costs option:

**Table 5: Office and administration Costs: Example of flat rate calculation**

<b>A</b>	Travel and accommodation	10.000€
	External expertise and services	20.000€
	Equipment	30.000€
<b>B</b>	<b>Staff Cost (either on Real Costs basis or Flat Rate)</b>	<b>12.000€</b>
<b>C</b>	<b>Eligible O&amp;A Costs (B*15%)</b>	<b>12.000€*0,15=1.800</b>
<b>D</b>	<b>Total Project budget (A+C)</b>	<b>73.800€</b>

The office and administration expenditure shall be eligible if they are related to the implementation of the project, charged to the project proportionately and calculated on a fair and duly justified distribution method.

**Attention!**

**The option selected applies on a beneficiary level for the entire project period.** (I.e. **Each beneficiary** should follow either the flat rate or the real costs calculation option which will remain unchanged through the entire project period. This must be declared in the Application form in the **Partnership Section**.)

**Travel and Accommodation:**

This budget category includes all the expenses for each of the project's beneficiary for the travel and accommodation costs of the staff personnel involved in the project with the condition that they are directly related to the activities of the project. Travel and Accommodation costs involve:

- (a) travel costs (e.g. tickets, travel and car insurance, fuel, car mileage, toll, and parking fees)
- (b) the costs of meals
- (c) accommodation costs
- (d) visa costs, if necessary
- (e) daily allowances

**External Expertise and services**

Costs paid on the basis of contracts and against invoices to external service providers, who are sub-contracted to carry out certain tasks of the project.

Pursuant to the Regulation (EU) No 481/2014 Article 6, expenditure on external expertise and service are limited to the following services and expertise provided by an organisation other than the project beneficiary:

- studies or surveys (e.g. evaluations, strategies, concept notes, design plans, handbooks);
- training;
- translations;
- IT systems and website development, modifications and updates;
- promotion, communication, publicity or information linked to a project or to a cooperation programme as such;
- project and financial management;
- services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- participation in events (e.g. registration fees);
- verifications under Article 125(4)(a) of Regulation (EU) No 1303/2013 and Article 23(4) of Regulation (EU) No 1299/2013;

- certification and audit costs at programme level under Articles 126 and 127 of Regulation (EU) No 1303/2013;
- the provision of guarantees by a bank or other financial institution where required by Union or national law or in a programming document adopted by the monitoring committee;
- travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;
- other specific expertise and services needed for operations

Travel and accommodation costs of the external experts involved in the project with the condition that they are directly related to the activities of the project must be reported under the budget voice “external expertise”, and should be clearly described in the relevant contract. In this case, they need to be listed and clearly identified in the invoice or reimbursement request of external expert.

**These costs must correspond to current market prices and must be adequately justified.**

#### **Equipment expenditure**

Costs for the purchasing of equipment are eligible under the condition that equipment is necessary for the project implementation and is foreseen in the approved application form.

There should be an analytical description of the technical specifications and a costing (Specification of Budget Costs).

#### **Infrastructure and Works**

Expenditure for Infrastructure and Works are eligible with the condition that the cross-border impact of the investment is demonstrated and the activity is approved in the Application Form. The contractor cannot be a Beneficiary in the project. The description of the works expenditure should be provided by Bill of Quantities and Cost, submitted together with the Specification of budget cost.

#### **Special Categories of costs and budget limits**

##### **2.1.6.1.1. Preparation Costs**

Costs within the budget lines ***“staff costs, travel and accommodation costs and external expertise and services”***, which have been incurred for the preparation of the project, are eligible for funding in accordance to the following conditions:

- If the services were invoiced or activities were implemented according to the national legislations, from 1<sup>st</sup> January 2014. **The related payments should have been actually made after 1st of January 2014 and/or during the implementation of the project. The related payments should have been actually made preferably in the first request for verification.**
- If they show direct connection to the approved project and are included in the application form.;
- If they do not exceed the amount of 40.000€ at project level

The following preparation costs are eligible:

External expertise costs and/ or staff costs for the preparation of the application documents

- joint meetings for the preparation of the project
- travelling expenses directly related to joint meetings, including participation in info days for the call for proposals
- cost analysis and preparatory research reports for the project activities
- external expertise costs for the preparation of technical design studies
- other costs regarding licenses and permits fees, environmental impact assessment studies, technical assessment reports

**- Attention!**

Office and administration expenditure are not eligible under preparation costs.

#### **2.1.6.1.2. Management Costs**

Management costs should be included **only in WP1** of the Application form and concern the cost related to the administrative activities to be implemented for the efficient management and coordination of the project.

The management costs **of each project beneficiary** (Work Package 1) **should not exceed 10% of the total beneficiary's budget. For the Lead Beneficiary this percentage shall be limited to 15% of its budget.**

The following WP1 costs (if applicable) are not calculated in the percentage limit:

- Deliverable 1 X 1 "Preparation Activities" (where X is the number of the beneficiary).
- Any costs incurred for meeting and events and travel and accommodation of beneficiary's staff.

- Any costs incurred for the external first level controller. The ceiling fee for external qualified controller should not exceed the 2% (VAT and social security included) of total beneficiary budget.

#### 2.1.6.1.3. Information and publicity

**The WP2 Information & Publicity**, describing the Actions for carrying out the external communication of project efforts and outputs, dissemination of results etc. The WP2 budget cannot be exceeded the 15% of the total project budget, without limits at beneficiary level.

#### 2.1.6.1.4. Financing Activities located outside the Programme area

All activities implemented outside the Programme area should be described in a single dedicated WP in the Application form

### 2.1.7. Project Duration - Eligible Duration of Projects

The duration of projects is specified in each call for proposals.

### 2.1.8. How to fill in the Application Form

Specific instructions or clarifications concerning the electronic submission of the Application Form will be uploaded into the official website of the programme (<http://www.greece-italy.eu> )

### 2.1.9. Evaluation Procedure

After submission, each project proposal will be subjected to a two-phase evaluation procedure carried out by the Joint Secretariat and based on the selection criteria described below. In order to carry out the evaluation procedure, the JS may be assisted by external experts. The procedure, as well as the criteria for the selection of these experts, will be mutually agreed by the participating countries and will be approved by the Monitoring Committee. The exact criteria of project evaluation and the scoring methodology are described in the '**Project Selection Criteria**', which is a component of the Application Pack. Potential applicants are encouraged to study this document, prior to deciding to submit a project proposal.

The evaluation procedure is described in Annex of the call "Project Selection Criteria".

### **2.1.10. Information and publicity requirements for projects**

The implementation of the Information and Publicity Strategy should start as soon as the project has been approved. The project's requirements for communication activities are indicated in detail in the Project Beneficiaries Guidebook for Information and Publicity. This Guidebook is prepared in order to help the beneficiaries, who deal with Projects funded by the Programme to comply with EU Regulations and Guidelines and stay aligned with their responsibilities concerning information and publicity measures.

## 2.2. Project implementation guidelines

**This section will serve as an essential reference for all bodies interested in implementing a project that have been selected for funding and includes information about:**

1. Contracting of a Project Proposal
2. Reporting procedures
3. How to fill in the Progress Report
4. Payments /cash flows
5. Project modifications
6. First Level Control
7. De-Commitment of funds on project level

### 2.2.1. Contracting of a Project Proposal

#### **General**

On the basis of the Monitoring Committee's decision about selected project proposals, the Managing Authority shall sign a subsidy contract with the Lead Beneficiaries of the approved projects. The subsidy contract shall determine the rights and responsibilities of the aforementioned parties and shall describe the scope of activities to be carried out, the terms of funding, the requirements for reporting and financial controls, etc.

The Managing Authority will use a standard template for the subsidy contract approved by the JMC which is developed in compliance with the Programme's applicable rules and in accordance with the Greek law. The subsidy contract is addressed to the Lead Beneficiary, appointed by the partnership, in accordance to article 40 of Commission Implementing Regulation (EU) No 447/2014 and article 13 of the Regulation (EU) No 1299/2013, and is signed by the legal representative or the delegated or the person in charge of the Lead Beneficiary and by the Managing Authority. The signature of the Partnership Agreement is prerequisite for the subsidy contract. The Partnership Agreement will be signed between the Lead Beneficiary, the beneficiaries and the associated partners (where applicable) of the project. This Agreement shall define the rules of procedure regarding the work to be carried out for the implementation of the specified project activities and their duties and obligation within the Partnership.

#### **Preparation of the Subsidy Contract**

After the approval for funding of the project, the JS/MA informs officially the Lead Beneficiary about the result of the evaluation and the next steps. The Lead Beneficiary in cooperation with the project beneficiaries, need to proceed with



adjustments of the Application form and prepare all the necessary documentation required by the Call for proposals for the signature of the Subsidy Contract.

More specifically, as regards the Application form, the Lead beneficiary needs to:

- Comply with the evaluation indications or funding conditions regarding the physical object, the work breakdown structure, the budget (if applicable), etc.
- Adjust the project work plan and time table according to the actual needs, as there may be changes required compared to the initially project proposal submissions

As the finally approved Application form will be the reference document for all Project modifications to follow (if necessary), special emphasis will need to be placed by the project beneficiaries in order to consolidate an effective and realistic working plan. The final Application form and supporting documents will have to be agreed with the JS before the signature of the Subsidy Contract.

The process of consolidating the final Application form and preparing all supporting documents must not exceed the period of **two months** after the notification of the Lead beneficiary about the approved funding. The JS/MA reserves the right to extend this period for exceptional justified cases.

### **Setting Start-up milestones**

In order to ensure that the project will have a successful start-up, during the process before the signature of the subsidy Contract, along with the other official documents, the Lead beneficiary needs to submit to the JS/MA a specific time plan focusing on the first 6-9 months (around the 1/3 of the project duration) in order to set the milestones to be achieved for this period. This specific time plan should be reviewed, approved and monitored during the implementation of the project by the JS/MA and the respective Project officer.

At the end of the start-up period, or earlier if necessary according to the progress, the project shall undergo an internal review with the responsibility of the Lead Beneficiary in order to assess whether the milestones have been met for all beneficiaries. The results of this internal review shall be brought forward to the JS/MA and it shall be assessed whether corrective or any other actions are necessary. In case of major delays and non-achievement of the milestones leading to possible failure of the project scope, the JS/MA reserves the right to propose reduction of the physical object and/or reduction of the budget, given that the project remains operational.

## **Subsidy Contract signature and the accompanying documents**

For the closure of the Subsidy Contract preparation process, the following documents will need to be agreed with the JS.

The JS will provide the **Subsidy Contract** to the LB. It should be filled in by the LB and approved by the JS Project Officer before to be signed and stamped by the Lead Beneficiary, as well as, for the Partnership Agreement template which should be filled in by the Lead Beneficiary and approved by the JS Project Officer before to be signed by the partnership and associated partners (where available).

Moreover, the digital version of the following documents have to be uploaded into the MIS (section 2) of the programme by the Lead Beneficiary:

1. **The Partnership Agreement** (Template to be provided by the JS/MA). The pdf scanned copy of the original **stamped** and **signed** by all the participating beneficiaries and associated partners (where available)..
2. **The Justification of the Budget document (JoB)**. This must be the version finally agreed with the JS, signed and stamped by the Lead beneficiary which must be uploaded Both in excel and scanned copy (pdf) duly stamped and signed by the Lead Beneficiary.
3. **The Start-up Time Plan and Procurement Plan** as agreed with the JS/MA. Both in excel form already approved by the JS.
4. **The Decision of the designated bodies** of each Project Beneficiary, If not uploaded in MIS during the project proposal submission or a new decision that substitute the former, (e.g. Board of Directors, Municipal Board, Director, Service Manager, etc.) accepting to implement the project and **the compliance of the beneficiary with Article 71 of reg. 1303/2013 in cases of infrastructure and investment operations**. In case of special requirements regarding the content of the decisions, guidelines will be provided by the JS. Scanned versions of the decisions can be acceptable. The Lead Beneficiary needs to keep in the Project Folder all decisions of the beneficiaries.
5. **Any other supporting documents requested by the JS/MA**. According to the project characteristics, the JS reserves the right to ask for supplementary documents, in order to proceed to the signature of the Subsidy Contract. For instance, documents for issues related to infrastructure projects, financial capacity of beneficiaries, requests of administrative changes, etc., can be requested and should be submitted officially.

In a case a partnership modification occurs due to reasons of legal succession (i.e., a beneficiary will be absorbed by another entity), the above mention list of documents is not necessary in its entirety but only following documents will be requested:

- Contract addendum to Subsidy and Partnership Agreement;
- The Decision of the designated bodies of the new Project Beneficiary.

Once the documents are received and processed by the JS and Managing Authority, one of the copies of the Subsidy Contract is returned to the Lead beneficiary via official correspondence, signed and stamped by the Managing Authority. A pdf scanned copy of this original version must be filed in the MIS Project folder (section 2.5) by the JS Project Officer and a scanned version must be sent to all beneficiaries by the LB.

**The Partnership Agreement Document should explicitly define the internal rules of Procedure of the projects.** It is recommended that the members of the Joint Project Management Team (JPMT) of the project and the internal Project teams of the beneficiaries are designated at this stage of the project preparation and included in the Partnership Agreement. **In any case, the JPMT and the Project teams of the beneficiaries should be established within the first month from the Subsidy Contract signature.**

Finally, if the Subsidy Contract and/or the Partnership Agreement become amended due to any reason, amendments could be made by an addendum to the original signed version. The addendum needs to be stamped and signed by all the involved parties and subsequently become uploaded in MIS.

### 2.2.2. Reporting procedures

#### **General**

The Lead Beneficiary of the project, in accordance to article 13 par.1 of Regulation 1299/2013, is responsible for the submission through the MIS of the progress Reports on project implementation activities, according to the timetable referred to in the approved Application Form and the Project Implementation Manual as in force.

#### **Process for submitting the Progress Report**

Prior to filling in a progress Report, the Lead Beneficiary will collect documents concerning the expenditures made by all project beneficiaries (namely certificate, check list, Table of Expenditure designation letter), which must be signed by the allocated controller of the respective country. The verified expenditure certificates of all beneficiaries must be attached to the relevant progress Reports. The Lead Beneficiary will use the official Forms (Progress Reports) as in force, which are provided by the MA/JS. The digital version of the **Certificates of Verified expenditures can also be submitted through the MIS at random intervals as soon as they become available, These can be included in Reimbursement claims to the Commission at any time interval. However, these must always be attached to the Progress Reports in which they will be reported.**

Should the Project beneficiaries delay in submitting to the Lead Beneficiary their activity and financial Reports, the Lead Beneficiary will still abide by the deadlines for submission, updating and uploading the Reports when the missing information becomes available. However, if the Project beneficiaries delay in submitting to the Lead Beneficiary their table of verified expenditure, the Lead Beneficiary will add the missing information to the statement of the next Reporting period. All Reports must be submitted in English, which is the official language of the Cooperation Programme. Deliverables should be in English, unless specifically oriented towards a targeted audience, where only Greek or Italian can be used.

The Joint Secretariat receives and processes progress Reports, together with the necessary supporting documents. The Managing Authority has the final responsibility of providing its consent to the Certifying Authority, in order to enable the latter to proceed with payments of claims requested by the Lead Beneficiary.

#### **Submission deadlines**

The Lead Beneficiary will submit a progress Report to the JS **every six months**, in accordance to the following schedule:

January- June	30 <sup>th</sup> of July of the respective year
July – December	30 <sup>th</sup> of January of the following year

As indicated in the above table, the deadline for the submission of the Progress Report is 30 days from the end of the Reporting Period. Beneficiaries could send their expenditure to the designated controller more than once during the Reporting period.

Interim progress Reports may be requested by the Joint Secretariat/Managing Authority of the Programme for financial management reasons at any stage.

### **How to fill in the Progress Report**

Specific instructions or clarifications concerning the electronic submission of the Progress Report will be uploaded into the official website of the programme (<http://www.greece-italy.eu>)

### **Final Report and Project Closure**

The Final Report of the project (template and guidelines to be provided in the Annex to the Project Closure Manual) will be submitted through the MIS for approval at a certain time after the contractual end of the project and given that all verifications have been completed. The deadline for the submission of the Final Report will be decided by the Monitoring Committee.

A Project Closure Manual will be issued with all the necessary details regarding the Final Report and the Project Closure Procedures.

### **2.2.3. Payments/cash flows**

#### **ERDF**

The Certifying Authority receives ERDF contribution payments from the European Commission. The Certifying Authority will transfer the European Union's contribution to an interest-free bank account indicated by the Lead Beneficiary in the Application Form. Payments from the Certifying Authority to the Lead Beneficiary will be made in Euro (€). The Lead Beneficiary shall further transfer the respective European Union's contribution to the Project Beneficiaries **within thirty (30) calendar days of its receipt**. The amounts will be paid according to the flow of funds from the European Commission.

To provide a sound financial management, all Project Beneficiaries must have a dedicated **interest-free bank account** for the purpose of their project implementation.

Payment of the **eligible preparation cost** should be included preferably in the first progress Report or in the following ones during the first year of the project.

In case that the ERDF annual contribution (as stated in the Operational Programme) is automatically de-committed by the European Commission, in accordance with the EC Regulation 1303/2013, the Managing Authority reserves the right to consider the

possibility of reducing the approved ERDF budget of the project with respect to expenditure not carried out in accordance with the stipulated timetable.

In both cases the Monitoring Committee, after the proposal of the Managing Authority, may decide to reduce the budget of the project. If the reduction of the project budget is decided, the subsidy contract and respective annexes will be modified accordingly.

Eligibility of expenditures is subject to Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes.

### **National Contribution**

For Greek Beneficiaries the national contribution (15%) will be granted through the Public Investments Programme. As far as the Italian co-financing is concerned, the latter is granted according to the Italian Law and in compliance with the national mechanisms and procedures. The Region Puglia – European Cooperation Section transfers to the Italian public beneficiaries only the due amount of national co-financing (15% of the total project's expenditure).

The transfer of the National Contribution (as advance payment in the beginning of the project and as a remainder sum, if necessary, at the end of the project) is among the responsibilities of the Lead Beneficiary. The Lead Beneficiary shall transfer the respective National Contribution funds to the Project Beneficiaries **within thirty (30) calendar days of its receipt**.

## **2.2.4. Project modifications**

### **Introduction**

During the lifetime of a project, internal or external causes may bring minor or major changes. These changes are usually evident in the case of innovative actions. Nevertheless, in order to secure success during the implementation phase, beneficiaries need to follow a structured Form with a precise timetable and well-defined actions and results. The Application Form describes each project in detail, providing specific information such as timetables, financial information, budget forecasts etc. The Application Form together with the Subsidy Contract and Partnership Agreement provide the basis for project implementation. The Programme's Monitoring Committee approves projects based on the information provided in the Project Proposal comprising the Application Form and annexed documents. Therefore, the Lead Beneficiary and the Project Beneficiaries have a

maximum degree of freedom to develop the projects but are expected to follow the Call for Proposals. Changes occurring during the lifetime of a project in general should not affect this basis. Nonetheless, there may be cases for an inevitable exception leading to a project modification. The main objective of this chapter is to describe the procedures for the different categories of modifications related to project changes. It is important to note that **approval of project changes should not be considered as an automatic procedure.**

There are three levels of the project changes, considering the effect on the project structure and the body that will provide at each time the decision. These three levels are the following:

1. Adjustments by the Beneficiaries with notification of the Joint Secretariat / Managing Authority
2. Modifications approved by the Managing Authority
3. Modifications approved by the Joint Monitoring Committee

In all cases, the Lead Beneficiary must address to the JS any requests for modification of the project and, according to the proposed changes, the respective JS officer will define the procedure to be followed. In any of the above-mentioned cases, the request for modification must be duly justified and the Lead Beneficiary should ensure the consent of the partnership for its submission.

**It must be noted that the discounts of the contracts are not subject to modifications and any respective savings shall be returned to the Programme. Only in exceptional cases and in case of force majeure, these discounts can be re-used and/or re-allocated in the project through a modification approved by the Monitoring Committee.**

The specifications of each level, along with procedure to be followed are described in the following paragraphs.

#### **Adjustments with the consent of the Joint Secretariat**

The beneficiaries during the implementation of the project can proceed to the following adjustments:

1. Administrative Information in the Application form such as changes of contact details, addresses and other data of minor significance.
2. Modification of bank accounts.
3. Adjustment of the Specification/justification of budget cost that does not affect the scope of the project or any information in the Application form.

4. Adjustment of starting and ending dates of work packages without affecting the overall end date of the project.
5. Reallocation between the respective budget categories and/or work packages for amounts up to 10% of the total budget of the project. The percentage of the requested for reallocation amounts will be calculated compared to the Application form and project budget as approved with the signature of the Subsidy Contract. This will be applied only in cases where there is no change of the scope of the project.

**Procedure for the consent of the above-mentioned cases of project adjustments:**

The above adjustments should be officially notified to the Lead Beneficiary, who in turn has the responsibility to notify the JS/MA. In case of adjustment No.5, the Lead Beneficiary should submit an official notice to the JS electronically, stating and justifying the proposed adjustments prior to the request for verification of expenditures and in any case prior to the submission of the next progress report.

Together with the official notice, the LP must submit the following documents:

- 1) Request for project modification / notification for adjustment Form (Standard form - word Document) – Signed and stamped by the LB.
- 2) Budget modification sheet (Standard form - excel format) (in case the adjustment concerns budget modification)
- 3) In case of administrative changes, the LB also submits an updated **“Partner Details Form”** (Section C of the Application Form), properly stamped and signed by the relevant legal representative.

The JS/MA reserves the right not to approve adjustments in the following cases:

- a) They affect the objectives and expected results of the project (physical activities)
- b) The reallocation of budget categories and/or work packages is above 10% compared to the Application form and project budget as approved with the Subsidy Contract.

The JS/MA will provide their endorsement via electronic correspondence. This endorsement should be included in the folder for verification of expenditures.

**The above adjustments shall be integrated in the Application Form whenever considered necessary by the JS Project Officer, or with the next official version of Application Form, as to be derived by any subsequent modification falling into the levels of the Managing Authority approval or the Joint Monitoring Committee approval.**



As regards to bank accounts, the JS/MA reserves the right to object the choice of the type of account opened by the beneficiary. Bank account data of the **interest-free account** of the Lead Beneficiary must be submitted to the JS as soon as it becomes available and whenever it changes.

#### **Modifications approved by the Managing Authority**

- Reallocation between the respective budget categories or between actions for amounts up to 20% of the total budget of the project. The percentage of the requested amounts for reallocation will be calculated compared to the Application Form as approved with the signature of the Subsidy Contract.
- Extension of the date set for closing project implementation activities, if not affecting the achievement of the target set by the n+3 rule.
- Reallocation of resources between beneficiaries from the same Member State, at the same ERDF rate of contribution, which may result in a change equal to or less than 10% of the project budget (ERDF + National Co-financing). Reallocation of funds between beneficiaries may be accepted only if it does not involve an increase in the ERDF contribution of the project.

The procedure for the approval of the above-mentioned cases of project modifications is as follows:

After the approval of the modification proposal by the Joint Project Management Team (JPMT), the Lead Beneficiary submits an electronic request to the Joint Secretariat that forwards it to the Managing Authority of the Programme according to its internal rules of procedures. The Managing Authority decides upon the approval of the request, taking under consideration the information provided by the JS and replies to the JS about the decision. Subsequently, the JS informs the Lead Beneficiary via email about the final decision and the next steps to be followed.

#### **Modifications approved by the Monitoring Committee**

- Reallocation between the respective budget categories or between actions for amounts greater than 20% of the total budget of the project. The percentage of the requested amounts for reallocation will be calculated cumulatively upon previous modification request. Budget reallocation between Budget Lines over 20% of the total budget may occur only if the requested change does not alter the minimum requirements, the planned action, outputs and results and does not endanger the general project principle of co-operation. In addition to the above it is crucial for a project to keep constant those categories that are of crucial importance for the project implementation and the beneficiaries' cooperation.

- Reallocation of resources between beneficiaries from the same Member State, at the same ERDF rate of contribution, which may result in a change greater than 10% of the project budget (ERDF + National Participation).
- Changes to the nature of the project and in particular to the objectives and the expected results. In principle, it is not allowed to change the content of the project, especially the objectives and the expected results. However, in some cases, modification of the approved project structure might be necessary. These changes must be well justified and described as soon as they become evident.
- Modification to the composition of the partnership: In duly justified cases stemming from beneficiary's incapability or failure to meet the undertaken responsibilities to implement the project's activities, a modification of the partnership's composition may be approved. In order to replace a beneficiary from the already established project partnership, or add a new beneficiary, an important precondition is the agreement of all remaining beneficiaries. The Lead Beneficiary, which never can be replaced by another body (only a merging or succession case, stated by the law, is an admitted exemption), should inform the JS in writing, by submitting a request for modification in the partnership, providing a sound justification on the need of **replacement of the beneficiary in question**. In addition, the Lead Beneficiary should submit a written agreement of the partnership on the proposed replacement. The new proposed beneficiary should carry at least the same expertise and preferably be active in the same field of work as the one withdrawing, proving its competency to implement the allocated project activities without changing their nature, nor affecting the described deliverables and results, included in the approved Application Form. The JS will evaluate the new proposed beneficiary, taking into account the implementation of the project and the evaluation criteria set in the Project Implementation Manual. Therefore, all necessary documents foreseen for each beneficiary by the Call have to be submitted, as well. The final decision will be made by the Monitoring Committee. The withdrawing beneficiary should return any funds received to the Lead Beneficiary or to the appointed by the Joint Secretariat bank account.
- Budget modifications decided by the Monitoring Committee on the basis of sound financial management of the Programme.
- Reallocation of resources between beneficiaries from different Member States: In duly justified cases stemming from certain beneficiaries' incapability to meet the undertaken responsibilities related to the implementation of project activities, reallocation of activities and

corresponding funds might be approved among beneficiaries even from different Member States. Such a transfer of activities and accompanying budgets could be accommodated only within the framework of already approved project budget. The Lead Beneficiary should submit an official electronic request for modification to the JS, providing a comprehensive justification on the necessity of such activity transfer(s) among beneficiaries, together with a signed agreement of the partnership. The proposed changes in the project's implementation must not affect the nature of the project, the deliverables and the results as approved by the Monitoring Committee of the Programme. The JS will assess the proposal, taking into account all project parameters and will submit it to the Managing Authority. Where the agreement is granted, the request will be submitted for approval to the Monitoring Committee. The beneficiary, whose activities/funds are withdrawn, must return the corresponding funds. Reallocation of funds among beneficiaries may be accepted only when there is no increase in the ERDF contribution.

- Addition of new activities leading to the increase of the project budget: In case a project under implementation requires additional activities that will bring added value to the project but will lead to the increase of the budget of the project, the MA/JTS will first review these additions of new activities/deliverables before submitting them to the MC. The increase of the budget may be acceptable only if these new activities/deliverables aim also to the enhancement of the successful implementation of the entire Programme, its expected achievements and the capitalization of its outcomes.

**The procedure for the approval of the above-mentioned cases of project modifications is as follows:**

After the approval of the modification proposal by the Joint Project Management Team (JPMT), the Lead Beneficiary submits an electronic request to the Joint Secretariat that checks and pre-assesses the proposal in cases of necessary adjustments. Subsequently, the request is forwarded according to the internal rules of procedures to the Managing Authority of the Programme. The Managing Authority will take under consideration the information provided by the Joint Secretariat, present its proposal to the Monitoring Committee that will decide on the approval of the request.

**It must be noted that for all the modifications requiring approval by the Monitoring Committee, these shall be pre-assessed by the JS/MA. The modification**

**proposals that will be processed to the MC for approval will be accompanied by the proposal and views of the JS/MA about the changes.**

**Modifications following legal succession.** In a case a partnership modification occurs due to reasons of legal succession (i.e., a beneficiary will be absorbed by another entity), the Lead Beneficiary request should be sent to the JS accompanied by the relevant legislation that imposes this modification. No further supplementary evaluation by the JS is required in this case.

#### **Modifications related to infrastructure works**

For any modifications related to infrastructure works' contracts, the National Legislation applies to all cases (such as in cases of substitution tables) and the responsibility for approval remains to the legal bodies concerned and set by the legislation and not by the MA/JS. However, the MA/JS shall be informed **before the initiation of the National legislation procedure** about the necessary changes that need to be applied, in order to assess whether there is a modification to the scope and content of project. In case of objection, the aforementioned respective legal bodies will need to be informed.

A Programme specific methodology can be developed in cooperation between the JS/MA and the National Authorities, in case a participating country requires a more active involvement by the Programme in the process of infrastructure works modifications. If applicable, this process will be integrated in the Project Implementation manual as an Annex.

#### **Modifications requiring Subsidy Contract and Partnership agreement amendment**

The Subsidy Contract and Partnership Agreement are only modified when a specific article compared to the one in force is modified. **Indicatively**, these cases are the following:

- Article concerning the project duration
- Article concerning the partnership composition
- Article concerning the beneficiaries' budget for modifications leading to a beneficiary's overall budget increase or decrease.

No modification of these documents is required for internal budget modifications, given that none of their articles are modified.

In addition, there is no need for a Subsidy Contract modification in case the Application Form, as annex of the Subsidy contract, is modified if there is no modification of any of its articles.

### 2.2.5. First Level Control

The expenditures of the Greek beneficiaries will be verified by the first level Controllers who are members of Register monitored by the Unit C of the Managing Authority of “European Territorial Cooperation Programmes”. The Unit C shall also perform the Quality Control checks.

The expenditures of the Italian beneficiaries will be verified by the internal or external expert controller identified and appointed by the Italian final beneficiary. The Italian first level controller could be appointed by the Italian final beneficiary only after a successful authorization procedure before the Puglia Region – “Servizio Provveditorato ed Economato”. Any Italian first level controller, as well as, the Expenditure Validation Certificate issued by them, will subject to a quality control check carried by the Puglia Region – “Servizio Provveditorato ed Economato”.

The MA, with the assistance of the JS, may also perform additional checks specifically addressed at the verification of the quality standards of the control system set up by each Member State through: Verification of controller documents; Quality review of centralised systems.

Further information regarding the first level control procedures is available in the Guidance on Management Verifications, the Manual for Italian FLCs Accreditation and the Quality Checks Manual regarding the Italian FLCs.

### 2.2.6. De-commitment of funds on project beneficiary level

Following the de-commitment of ERDF funds on a Programme level, the MA/JS is faced with the task of imposing this reduction on the project beneficiaries.

In this sense, both qualitative and quantitative criteria will be in order to locate which project beneficiaries will be affected. Therefore, the JS/MA should take into consideration the following data for the project beneficiaries:

Qualitative and quantitative criteria

- The rate of implementation
- The level of implementation
- Problems encountered
- Non-achievement of the milestones set in paragraph 2.2.1.3

These criteria should be based according to the foreseen amount in the AF that will be spent during this period and the amount that will be sent for verification. A serious deviation of the beneficiaries from the payments’ and verifications’ plan and

in case of de-commitment on Programme level, the Managing Authority will reserve the right to reduce the funds of the beneficiaries concerned.