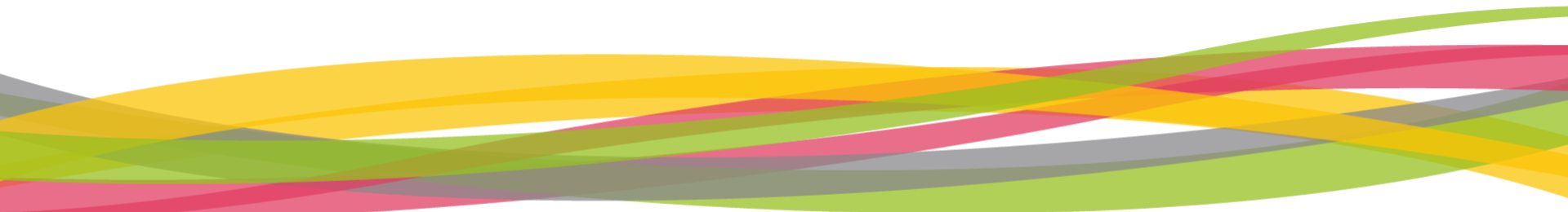
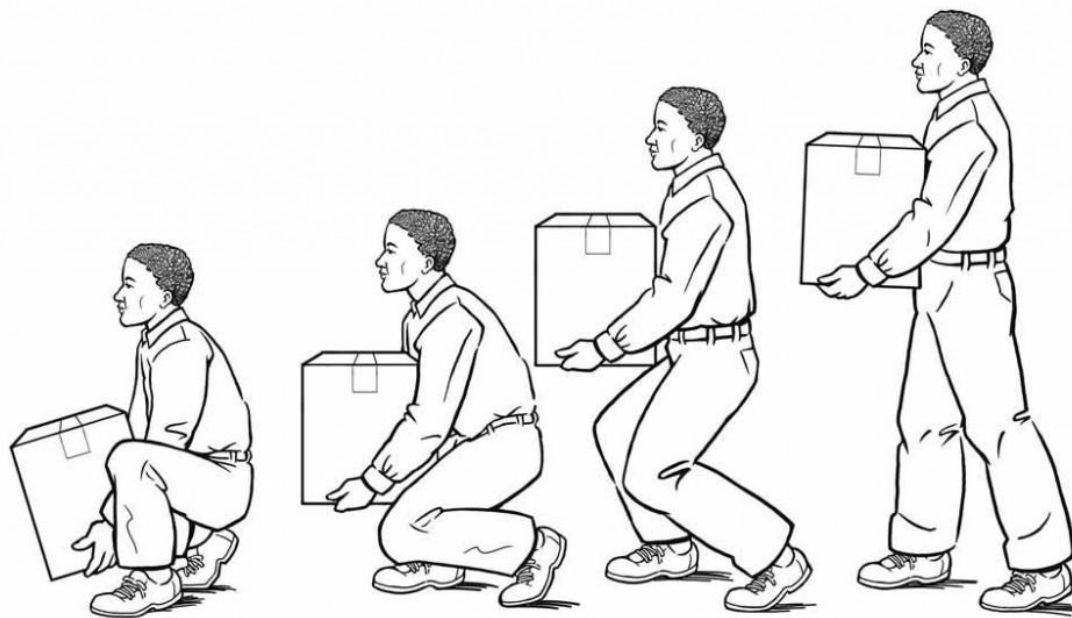


Technical Session – Safe Handling of the Administrative Burden



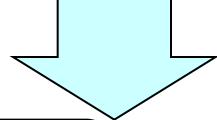
What are we trying to do?

- + The new factsheets
- + Advance checking of contracts, infrastructure, costs outside the area etc.
- + Error rates, control and audit
- + 90 day rule requires more certainty and speed

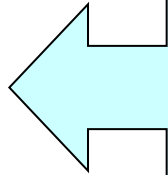
This session

- + Group 1: Staff, Office & Admin, Travel
- + Group 2: External experts, Investments, Tender
- + Group 3: Shared Costs, Partnership roles, Partnership Agreement
- + Group 4: Private sector, State aid, Revenue
- + Group 5: Exchange rate, Audit trail, Letters of Intent, In-kind, Location
- + Group 6: Reporting, Publicity, Changes, Indicators

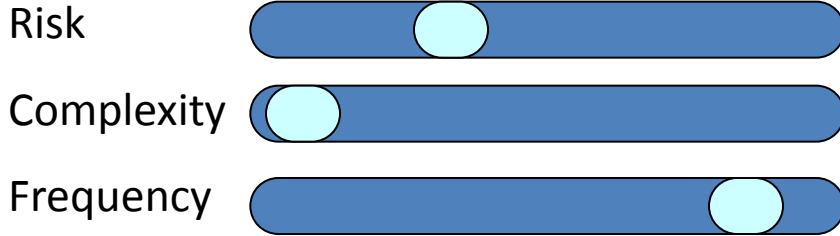
How serious if it goes wrong?



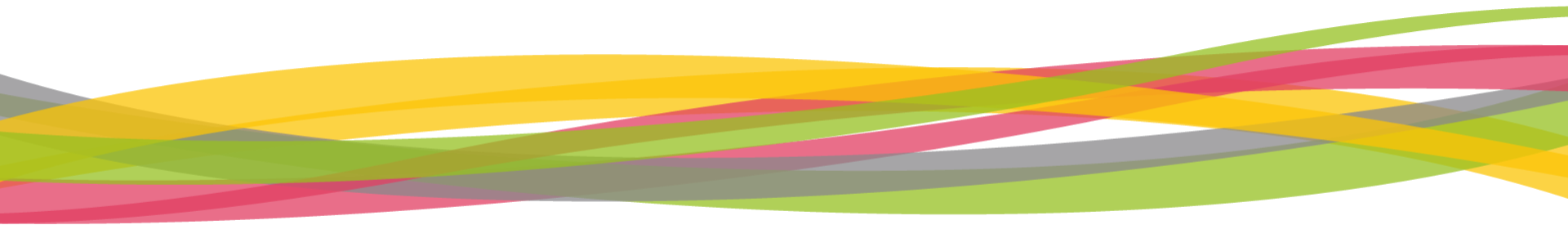
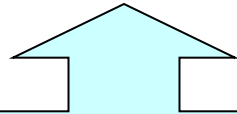
How hard is it to understand?



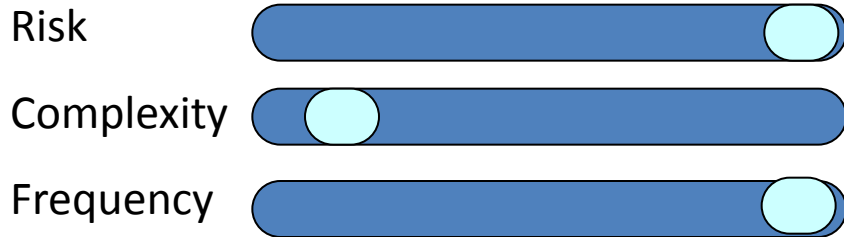
Rule Rating



How often will you have to use this?

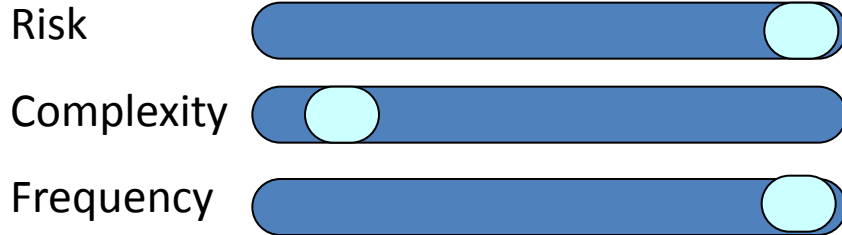


1. General Principles



- + Approved activities only
- + 50% funding – Paid as reimbursement
- + Beneficiaries in application only (except State Aid)
- + Costs required for implementing the project only
- + No double funding from EU sources (or other funds)

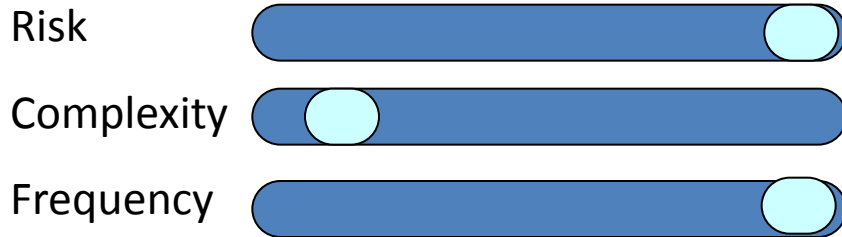
1. General Principles



+ NEVER paid:

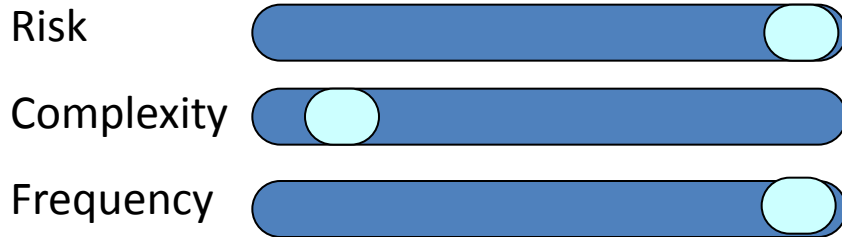
- Interest on debt
- VAT (refundable)
- Fines & penalties
- Exchange rate losses
- Aid to enterprises in difficulty
- Land purchase over 10% of project budget....most of the time....

2. Staff - Christian



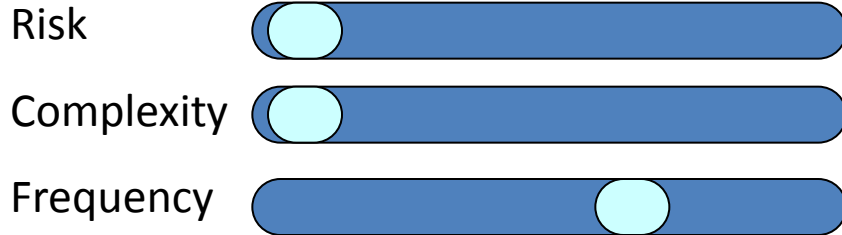
- + Flanders and Netherlands – alternative rules may apply
- + Staff full-time on the project. Gross costs. Contract or equivalent. No timesheets
- + Staff part-time with fixed percentage on the project. Fixed percentage of gross costs. Contract or equivalent. No timesheets.

2. Staff - Christian

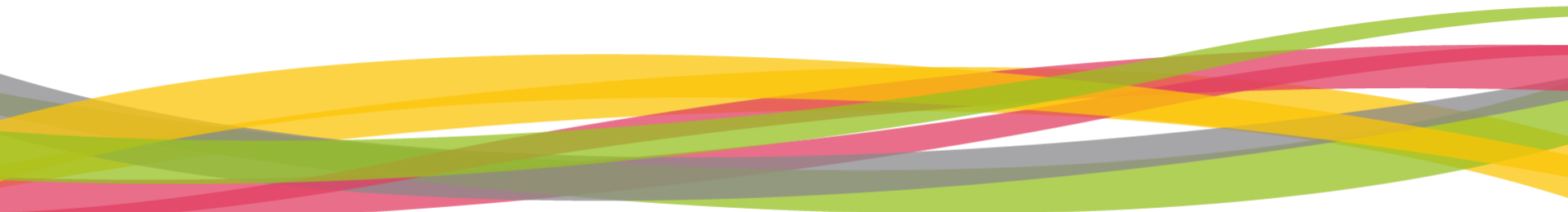


- + Staff part-time with variable hours on the project. Staff costs = Hours worked x Hourly rate. Hourly rate = Gross employment costs/Contracted working hours or 1720 hours per annum
- + Timesheets for 100% of employees time...
- + Staff paid by the hour: Document hourly rate + register hours worked

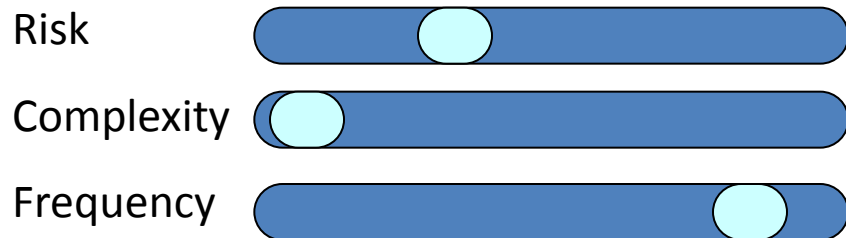
3. Office and Administration ('Overheads') - Christoffer



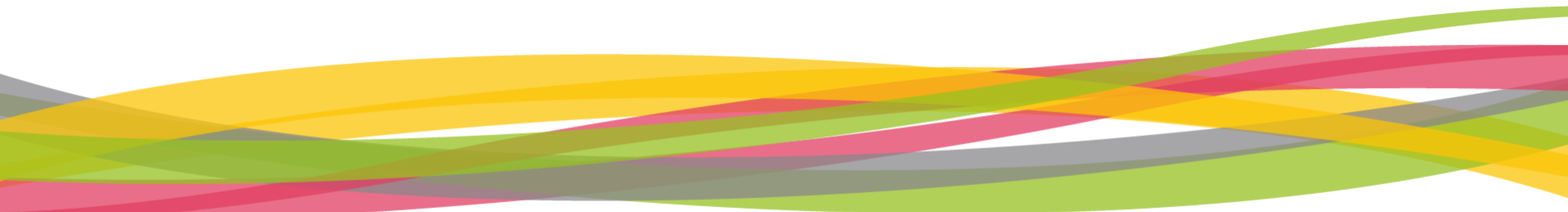
- + 15% of verified staff costs
- + Auto-calculated by Online Monitoring System
- + Basta!



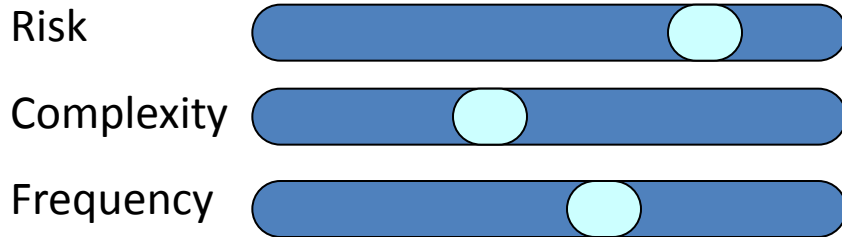
4. Travel and Accommodation



- + Real costs
- + Value for money
- + Justification

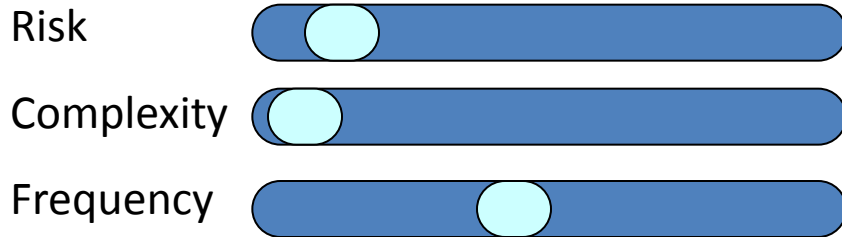


5. External Experts & Services

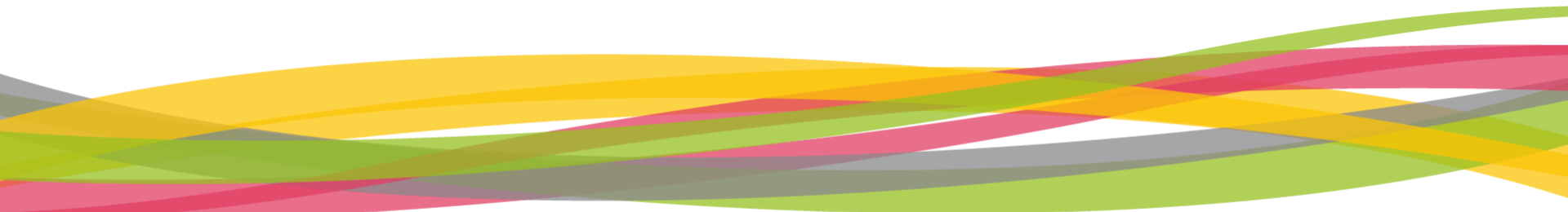


- + Procurement! Including project management and first level control
- + In the application
- + ‘We could only find one guy’ - Bad excuses don’t work...

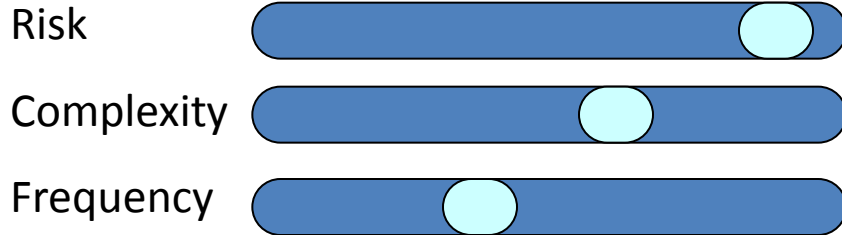
6. Equipment and Infrastructure



- + Regular equipment vs Specialist equipment
- + Procurement
- + After the project...?

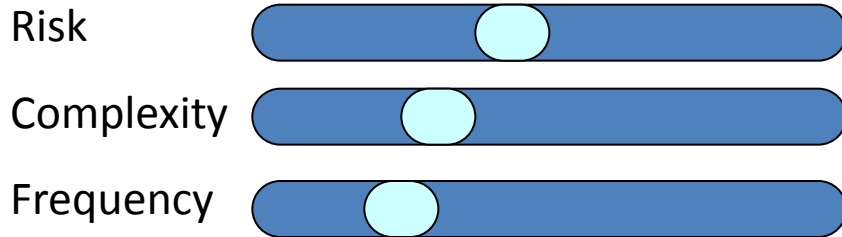


11. Tender - Jesper



- + **Key message:** All contracts for any amount over €5,000 are offered to a range of bidders and advertisement and selection procedures must be documented.
- + 4 rules to consider (over EU threshold; below EU threshold/ national / organisational; below €5,000)
- + Documenting a procurement process
- + 3 offer rule

8. Shared Costs - Christian



- + Share tasks but not costs
- + Split larger invoices
- + Internal reimbursements (watch out for VAT!)

8. Shared Costs - Christian

+ Costs paid by and reimbursed to LB (only)

D.2 - Project budget – overview per beneficiary / per budget line

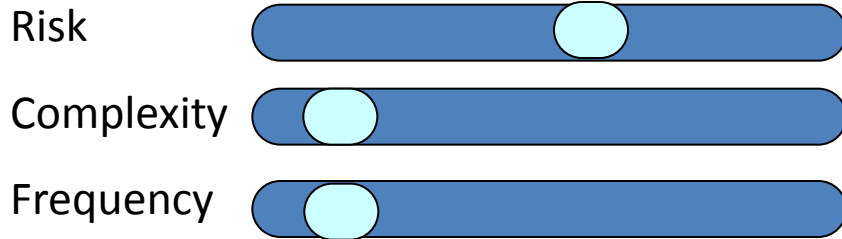
Beneficiary	Staff costs	Office and admin.	Travel and accommodat	External expertise	Equipment	Infrastruc- ture	TOTAL BUDGET	(Net revenue)	TOTAL ELIGIBLE BUDGET
LB	500.000	75.000	20.000	350.000	300.000		1.245.000	(50.000)	1.195.000
PP2	20.000	3.000					23.000		23.000
PP3	300.000	45.000	15.000		20.000		380.000		380.000
PP4	-	-	35.000				35.000		35.000
PP5	10.000	1.500					11.500		11.500
Total	830.000	124.500	70.000	350.000	320.000	-	1.694.500	(50.000)	1.644.500

Shared cost amount related to the remaining partnership

D.2.1 - Shared costs to be claimed from other beneficiaries

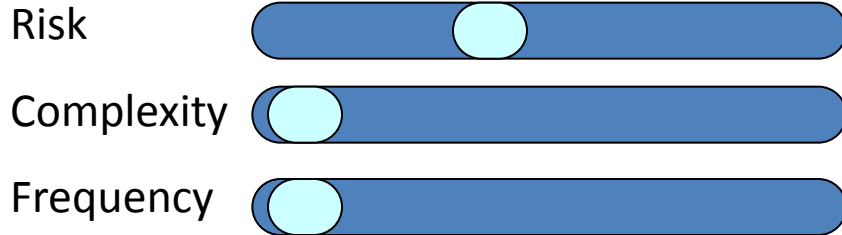
Beneficiary	Staff costs	Office and admin.	Travel and accommodat	External expertise	Equipment	Infrastruc- ture	TOTAL
LB	40.000	6.000					46.000
Total	40.000	6.000	-	-	-	-	46.000

13. Partnership Roles and Responsibilities -Kira



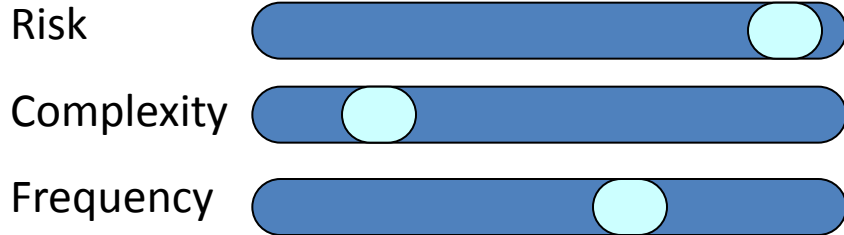
- + **Key message:** Every project has a Lead Beneficiary with overall responsibility for ensuring the project is delivered according to plan
- + All beneficiaries – responsible for own activities and accuracy of expenditure
- + Responsibilities of Lead Beneficiary and First Level Control
- + Local partnerships: Co-ordinating and Co-beneficiaries

14. Partnership Agreement

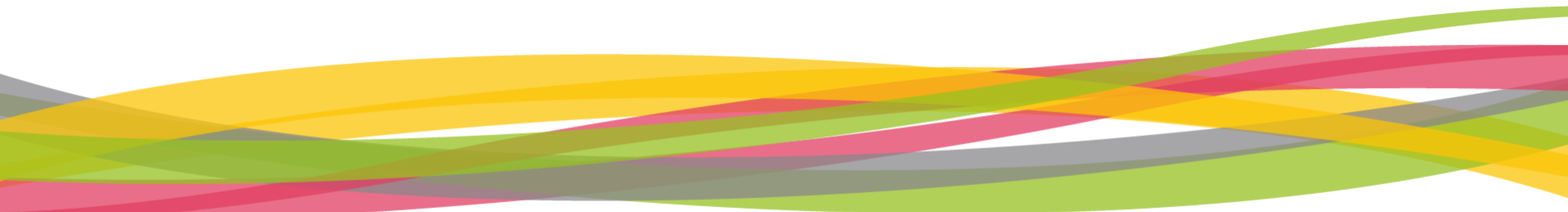


- + Must have a **SIGNED** agreement to get paid
- + Include deliverables
- + Include financial flows – shared costs and corrections

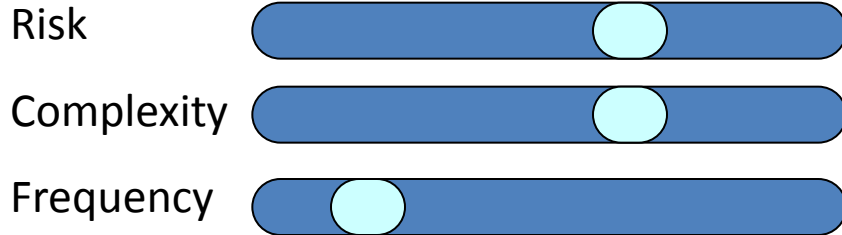
15. Private Sector Beneficiaries



- + Private sector partners are a risk factor
- + State aid, documentation, revenue, tendering
- + Monitor and assist them



16. State Aid - Isabella



Private and public beneficiaries – dependent on activities

- revenue generation, now or in future?
- competitive advantage?
- distortion of competition?

Applying under a State Aid Scheme

- De Minimis: Max €200,000 over 3 fiscal years
- Self-declaration

16. State Aid

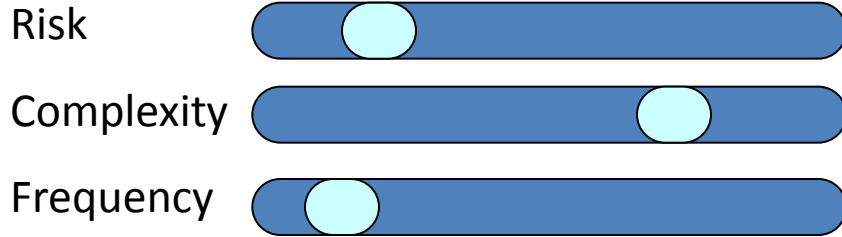
General Block Exemption Regulation (GBER):

- Article 20 only in North Sea Region programme
- SMEs only
- €2 million max
- Only for costs of participating in a European Territorial Cooperation project

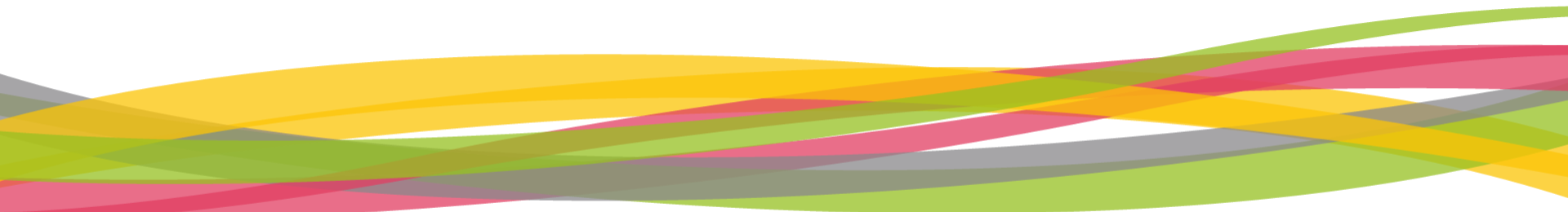
Always consider non-aid options!



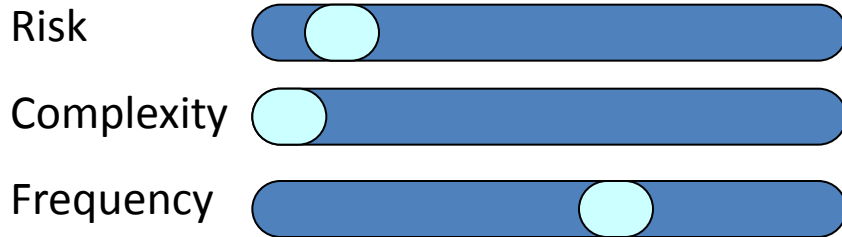
9. Revenue



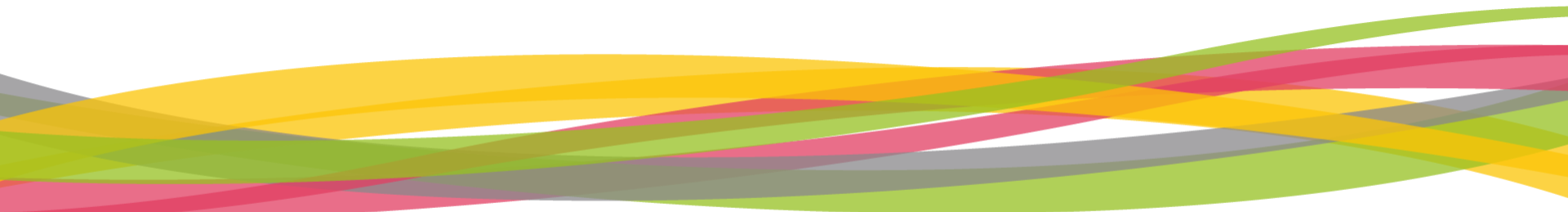
- + Net revenue
- + Some of this can't be used by most of you...
- + Three years after completion



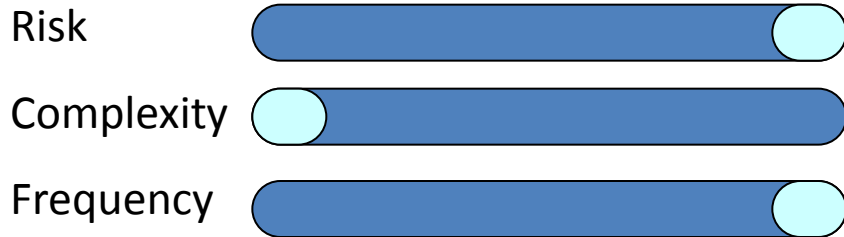
10. Exchange Rates



- + There is only right way to do it
- + Monthly rate for the month expenditure is submitted to FLC



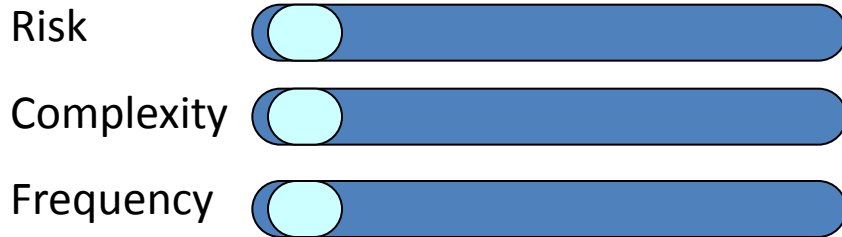
12. Documents required for the Audit Trail



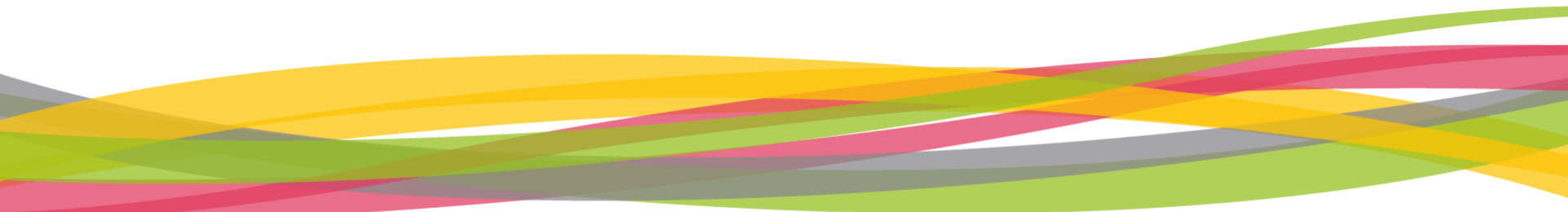
- + If it's not documented it never happened
- + What auditors hate...
- + More than 'correctness' - Eligibility



20. Letters of Intent

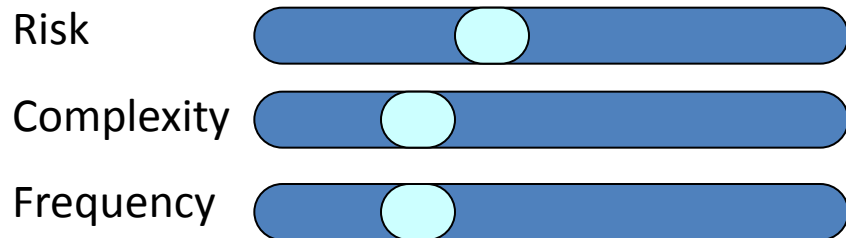


+ No letter? No project

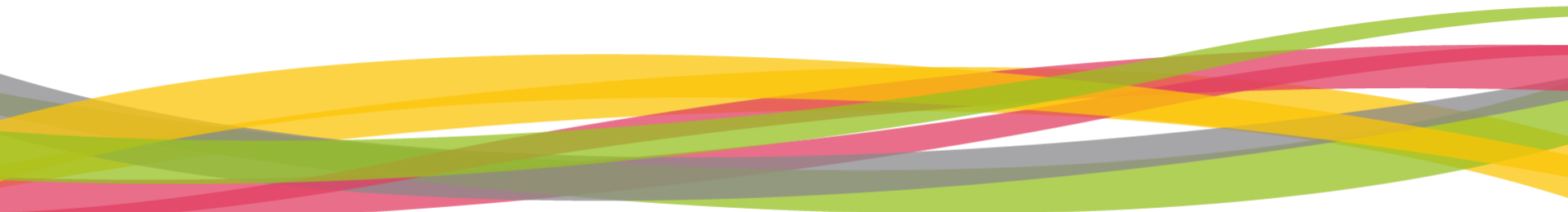




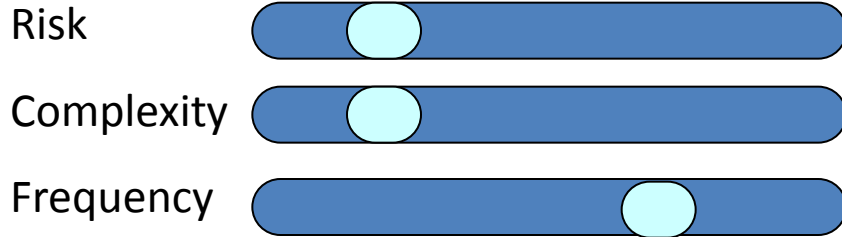
21. In-kind contributions



- + Voluntary work and 'gifts'
- + Challenge is setting value and documentation
- + Not too common....

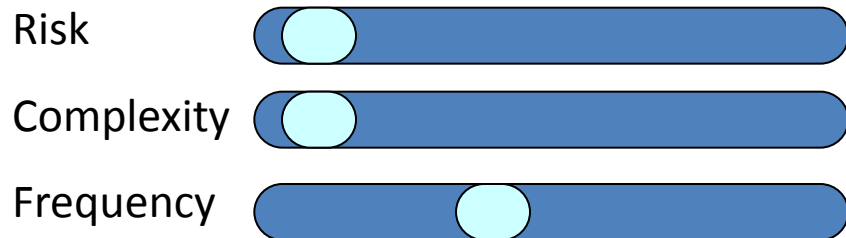


18. Location of Beneficiaries and Expenditure - Kira



- + **Key message:** As a basic rule all beneficiaries, activities and expenditure have to take place inside the boundaries of the North Sea Region.
- + Location of Lead Beneficiary
- + Partners outside programme area – 3 zones and special rules apply
 - Zone 1: The rest of the territory of Member States that are part of the North Sea Region (e.g. Berlin)
 - Zone 2: Member States which are not in the North Sea Region (e.g. Poland)
 - Zone 3: Non-EU countries outside the programme area (e.g. Iceland)
- + Location of expenditure – max 20% outside of programme area
- + Alternative arrangements: invited experts or contracted service providers

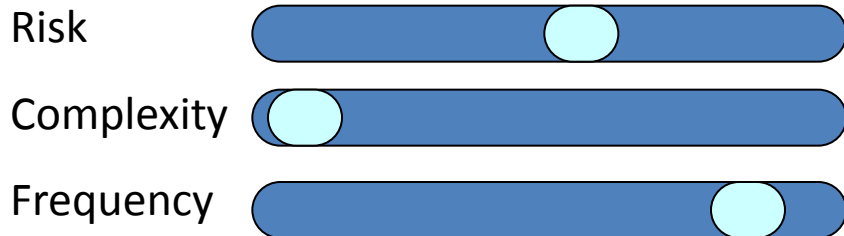
22. Reporting – Jesper



- + **Key message:** All reports are processed and paid within 90 days.
- + 3 reports (Basic Progress Report; Full Progress Report and Final Report)
- + Reporting every 6 months
- + 90 days (LB) and 15 days (FLC)



Publicity Requirements - Rikke



Key message

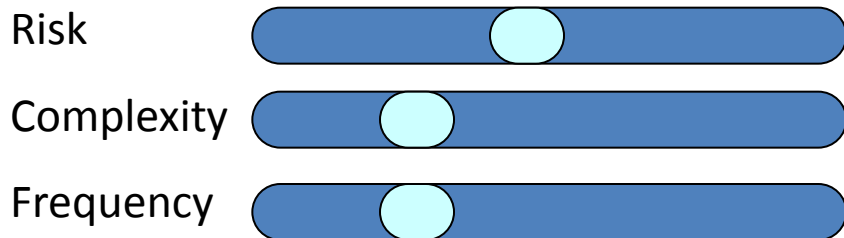
- + Accepting an EU grant means agreeing to promote the work of the European Union in the North Sea Region
- + All materials produced for distribution outside the partnership must clearly state EU funding
- + The programme's strategy is built on active and effective communication of project results

Requirements

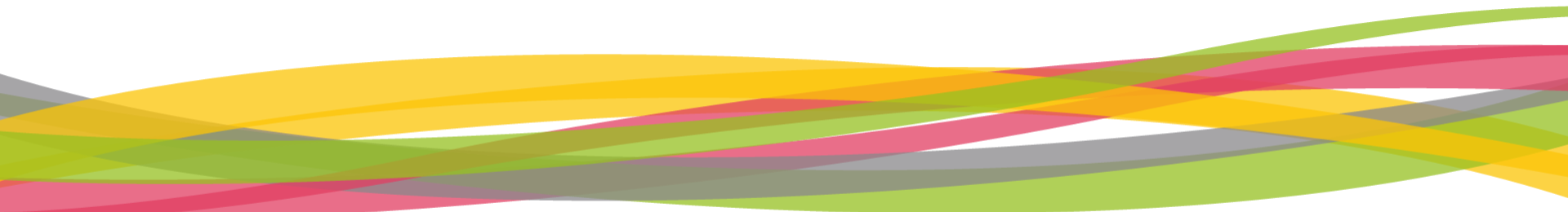
- + Set up and use website (webspace provided)
- + Use project logo provided by secretariat
- + Plaque/ billboard for infrastructure investments >500,000 EUR



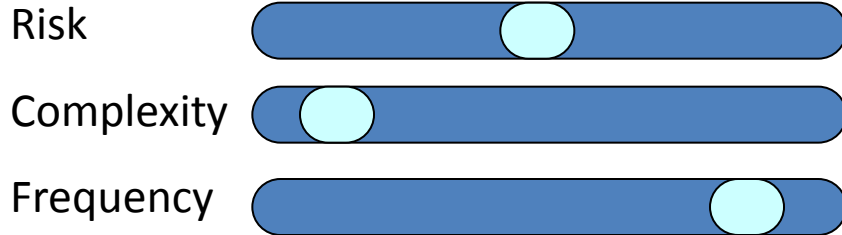
26. Changes



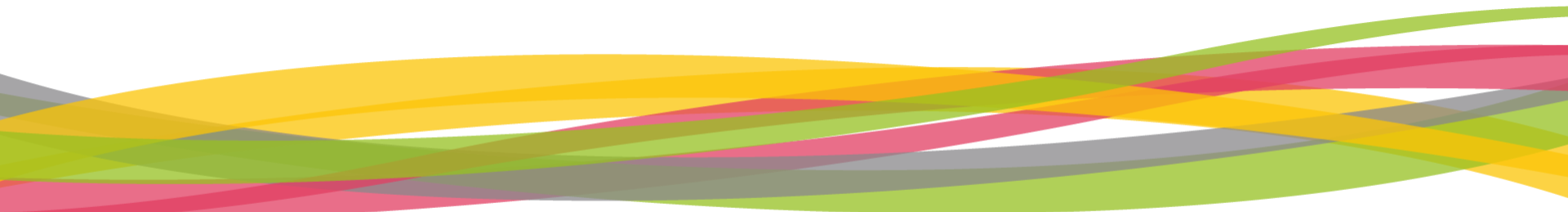
- + Minor changes
- + 10% budget flexibility
- + Maximum 2 major changes per project



23. Indicators



- + Deliverables, outputs & results
- + Don't be scared by the tables – the online application system will do most of the work for you!
- + Indicators matter! More than they used to



23. Indicators - Matt

Typical project?

+ 12 deliverables

+ 6 outputs

+ 3 results

Less is more...

How to select and use indicators



Select deliverables from the list of options based on main activities



Use the output indicator for the specific objective you are working with



Use all five compulsory output indicators as required by the European Commission



Explain how your project outputs and results contribute to Programme results



Set realistic targets for all indicators and plan how to collect data



Select your own project results to measure the quality of your output



Report on progress at least once a year



Progress on targets is important - if the Programme does not reach 85% of targets, the Commission may not pay all funds



Make sure you can provide evidence for the figures you report

Thanks you for your endurance

Final Fact Sheets online

www.northsearegion.eu

27 April at latest

Contact the Joint Secretariat for technical questions

