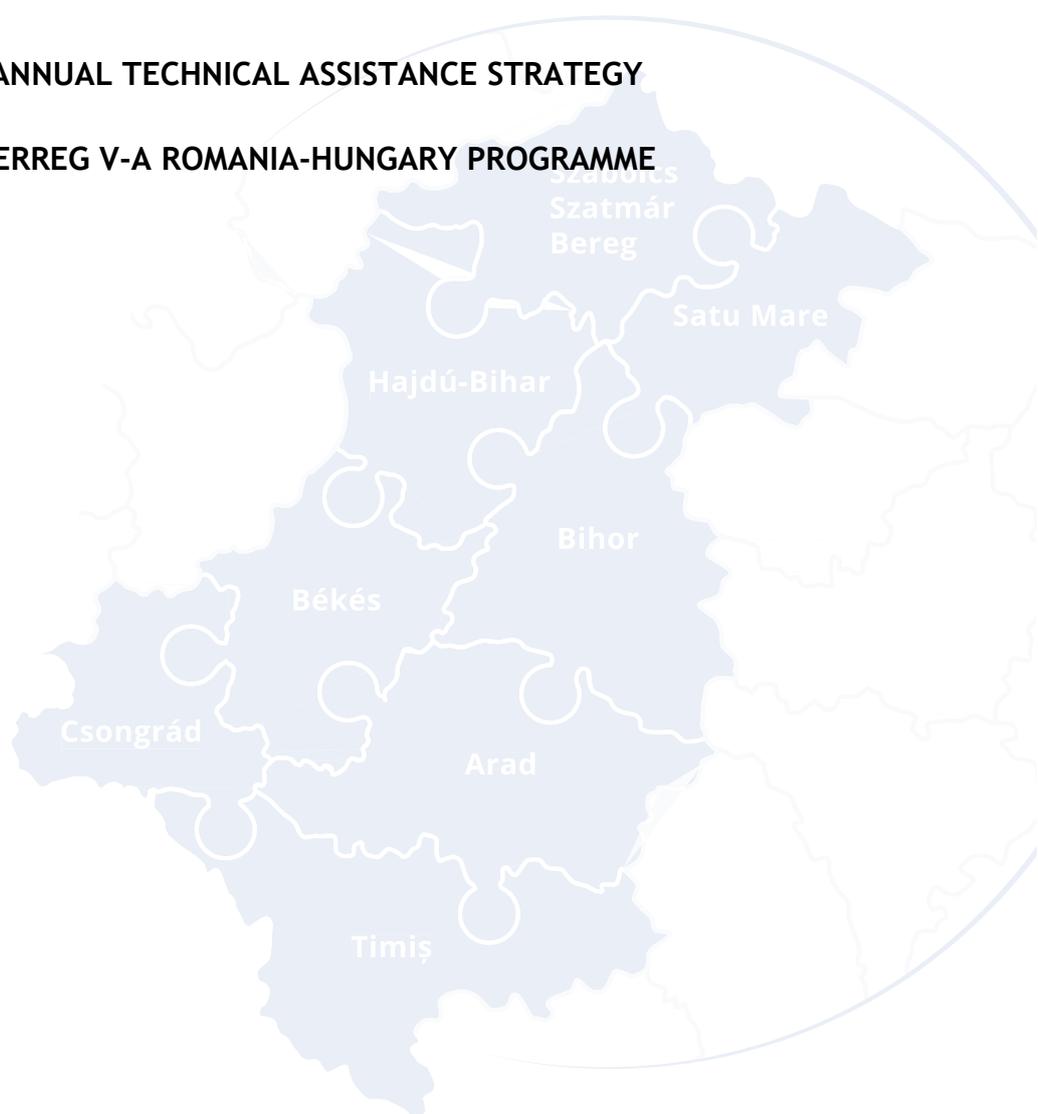


**MULTI-ANNUAL TECHNICAL ASSISTANCE STRATEGY  
FOR INTERREG V-A ROMANIA-HUNGARY PROGRAMME**



2017

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**ABBREVIATIONS**

|                     |   |
|---------------------|---|
| <b>AA</b>           | Audit Authority   |
| <b>AB</b>           | Audit Body in Hungary   |
| <b>BRECO Oradea</b> | Cross-Border Cooperation Regional Office Oradea for Romania-Hungary Border  |
| <b>FLC</b>          | First level control from Romania / Hungary  |
| <b>HUNA</b>         | Hungarian National Authority for Interreg V-A Romania-Hungary Programme   |
| <b>IPs</b>          | InfoPoints for Interreg V-A Romania-Hungary Programme hosted in Hungary in each eligible county, by the Széchenyi Programme Office, belonging to the International Coordination Unit carrying out separately their duties |
| <b>JS</b>           | Joint Secretariat   |
| <b>MA</b>           | Managing Authority for Interreg V-A Romania-Hungary Programme   |
| <b>MATAS</b>        | Multi-Annual Technical Assistance Strategy  |
| <b>MC</b>           | Monitoring Committee  |
| <b>MRDPAEF</b>      | Ministry of Regional Development Public Administration and European Funds   |
| <b>PMO</b>          | Prime Minister's Office - Hungary   |
| <b>TA</b>           | Technical Assistance  |

## **FOREWORD**

*At the initiative of a Member State, the ESI Funds may support actions for preparation, management, monitoring, evaluation, information and communication, networking, complaint resolution, and control and audit. The ESI Funds may be used by the Member State to support actions for the reduction of the administrative burden on beneficiaries, including electronic data exchange systems, and actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use those Funds. The ESI Funds may also be used to support actions to reinforce the capacity of relevant partners in line with point (e) of Article 5(3) and to support exchange of good practices between such partners. The actions referred to in this paragraph may concern previous and subsequent programming periods. (Article 59 of Council Regulation (EC) no. 1303/2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006).*

Based on the above, Interreg V-A Romania-Hungary Programme has a priority axis dedicated to the technical assistance for the implementation of the Programme (Priority Axis 7). The aim of this component is to achieve effective and efficient implementation of the Programme by supporting the preparatory, monitoring, administrative and technical assistance, evaluation, audit and control measures.

According to Article 17 of Regulation (EU) No 1299/2013, the limit for TA is determined in a maximum of 6% of the total ERDF amount allocated to the Programme.

According to Article 18 of Regulation (EU) No 1299/2013, the participating Member States, shall establish additional rules on eligibility of expenditure for the cooperation programme as a whole.

The Technical Assistance Priority Axis under this Programme:

- aims at supporting the implementation of the Programme, the involvement of relevant partners, as well as to increase capacity of institutions and beneficiaries in the Programme area for the cross-border actions;
- seeks in particular to achieve two SOs, namely:
  - a) to secure the core management for the implementation of the Programme (preparation, contracting, implementation, monitoring, evaluation, control and audit) and
  - b) to implement accompanying activities to support the generation and implementation of high-quality, result-oriented cross-border projects and partnerships in a way that the TA contributes to the effective and smooth management and implementation of the Programme;
- supports actions that enhance the capacity of applicants and beneficiaries to apply for and to use the Programme funds and that improve the administrative procedures while ensuring a proper verification and audit of project outputs and results under the quantitative and qualitative point of view;
- preparation of Programme processes and templates, Programme administration, monitoring, evaluation, communication, auditing and to improve the administrative capacity and the common working procedures of the Programme bodies and stakeholders.

According to the Government Decision No. 398/2015, with subsequent modifications, the Managing Authority for the Interreg V-A Romania-Hungary Programme is the Ministry of Regional Development, Public Administration and European Funds.

## LEGAL BASIS

- Regulation (EC) no. 1303/2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006;
- Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal;
- 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;
- European Commission Decision from 09.12.2015, adopting the Interreg V-A Romania-Hungary Programme;
- Signed agreement (exchange of letters) between Member States regarding the approval of the TA eligibility conditions (Annex 1 of the present MATAS), according to ETC Reg. 1299/2013.

## I. GENERAL CONSIDERATIONS

### I.1. Vision

Sound use of the resources in order to ensure efficient, effective and transparent management and implementation of the Interreg V-A Romania-Hungary Programme.

### I.2. Mission

Effectively support the actions that achieve effective and efficient implementation of the Interreg V-A Romania-Hungary Programme by supporting the preparatory, monitoring, administrative and technical assistance, evaluation, audit and control measures.

### I.3. Objectives

The overall aim of the strategy is to *ensure an effective and efficient Programme implementation* (Specific Objective of TA Priority Axis). To this end, the strategy's objectives refer to:

- Sound financial planning and effective use of the resources allocated to the TA priority, in order to cover the identified needs throughout the implementation of the Romania-Hungary Programme;
- Increase the administrative capacity of the Programme management bodies and beneficiaries;
- Reach high quality level of project applications;
- Increase the general level of information and awareness of the Programme and dissemination of results to ensure that the scope of the Programme is widely understood and that it is accessible to the maximum range of eligible partners.

### I.4. Strategy

MATAS is the framework document of all TA interventions dedicated to the Interreg V-A Romania-Hungary Programme and details the basic elements used to reach the objective, the actors involved in the strategy implementation, the eligible actions, general methodology and allocated resources for the TA.

## II. IMPLEMENTATION SYSTEM OF THE TA STRATEGY

The Multi-annual Technical Assistance Strategy is a framework document of all TA interventions dedicated to the Interreg V-A Romania-Hungary Programme and details the basic elements needed to achieve the Multi-annual TA Strategy objectives: the stakeholders involved in the implementation of the strategy, the eligible actions, the general methodology and the action plan for implementing the MATAS.

In order to best determine the contract TA needs, as well as prepare a viable TA Strategy, the following shall be considered:

- Communication Strategy and Annual Communication Plan;
- Evaluation Plan of the Programme;
- Action plans to be developed by the MA and the Programme structures for TA actions and implemented by the authorities involved in the Programme.

## II.1. The action plan for implementing the Multi-annual TA Strategy

Necessary steps for the implementation of the Multi-annual TA Strategy:

- Adoption of the Interreg V-A Romania-Hungary Programme;
- Approval of Memorandum of Implementation - arrangements between Member States involved in Interreg V-A Romania-Hungary Programme;
- Framework Agreement regarding the delegation of responsibilities to JS for the implementation of the Interreg V-A Romania-Hungary Programme;
- Signing the agreement (exchange of letters) between Member States regarding eligibility conditions, according to ETC Reg. 1299/2013;
- Signing the Framework Agreement on the implementation of tasks of the FLC RO to check the expenditure incurred by the Romanian beneficiaries under priority axes 1-6 of the Interreg V-A Romania-Hungary Programme;
- Signing the Framework Agreement on the implementation of tasks of the FLC HU to check the expenditure incurred by the Hungarian beneficiaries under priority axes 1-6 of the Interreg V-A Romania-Hungary Programme;
- Agreement on Delegation of tasks to the Info Point under Interreg V-A Romania-Hungary Programme;
- Finalisation/modification of MA's TA procedure and of related documents;
- Signing of the Financing Contracts (Financing decision in case of MRDPAEF financing) between MA and TA beneficiaries
- Services and activities related to the implementation of the Interreg V-A Romania-Hungary Programme (preparation, contracting, implementation, monitoring, evaluation, control and audit) - the detailed TA activities<sup>1</sup> are to be previously agreed with MA and be in line with the national legislation/other Programme documents (ex: Framework Agreements);
- Approval of the Information and Communication Plan by the Monitoring Committee;
- Services and activities related to the closure of the Interreg V-A Romania-Hungary Programme;
- Services and activities for drafting and promoting documents on next programming period.

| Activity  | Deadline         | Responsible                  | Budget  | Current status   |
|---|------------------|------------------------------|---|--|
| Adoption of the Interreg V-A Romania-Hungary Programme  | 31 December 2015 | European Commission, MRDPAEF | 189,138,672.00 EUR (ERDF)<br>+<br>42,723,091.00 EUR (national co-financing) | Adoption of the Interreg V-A Romania-Hungary Programme on 09 December 2015 |
| Framework Agreement regarding the delegation of responsibilities to JS for the implementation | 2015             | MA and JS                    | -   | Signed on 13 <sup>th</sup> of October 2015                                 |

<sup>1</sup> according to needs (specificity of the TA beneficiary) and TA allocation, the TA eligible activities may relate, among others, to the closure of the HURO Programme 2007-2013;

*Multi-Annual Technical Assistance Strategy for Interreg V-A Romania-Hungary Programme*

|  |      |                         |   |  |
|--|------|-------------------------|---|--|
| of the Interreg V-A Romania-Hungary Programme  |      |                         |   |  |
| Approval of Memorandum of Implementation - arrangements between Member States involved in Interreg V-A Romania-Hungary Programme                   | 2017 | Member States           | - | Pending approval   |
| Agreement between Member States regarding additional rules on eligibility of TA expenditure, according to art 18(2) of ETC Reg. 1299/2013          | 2016 | Member States           | - | Specifications included in Annex 1 of the TA Strategy  |
| Signing the Framework Agreement on the implementation of tasks of the FLC RO under priority axes 1-6 of the Interreg V-A Romania-Hungary Programme | 2016 | MA / MRDPA and FLC Unit | - | Signed on 28 <sup>th</sup> of March 2016   |
| Signing the Framework Agreement on the implementation of tasks of the FLC HU under priority axes 1-6 of the Interreg V-A Romania-Hungary Programme | 2016 | PMO and FLC Unit        | - | Signed on 17 <sup>th</sup> of May 2016   |
| Agreement on Delegation of tasks to the Info Point under Interreg V-A Romania-Hungary Programme  | 2016 | MA and IP               | - | Signed on 12 January 2017  |
| Approval of the allocation for TA beneficiaries  | 2016 | MC                      | - | Approved by the MC (26 <sup>th</sup> of May 2016 - Decision 4)<br>Modification made on 24 <sup>th</sup> of April 2017 - Decision 14) |
| Finalisation of MA's TA procedure and of related documents   | 2016 | MA                      | - | July 2016<br>Updates/reviews are made periodically   |

*Multi-Annual Technical Assistance Strategy for Interreg V-A Romania-Hungary Programme*

|  |           |                         |                                       |   |
|--|-----------|-------------------------|---------------------------------------|---|
| Signing of the Financing Contracts (Financing decision in case of MRDPAEF financing) between MA and TA beneficiaries     | 2016-2018 | MA and TA beneficiaries | -                                     | Estimated to be signed in 2016/2017/2018          |
| Approval of the Information and Communication Strategy for the Interreg V-A Romania-Hungary Programme                    | 2016      | MC                      | -                                     | Approved by the MC (26 <sup>th</sup> of May 2016) |
| Financing the implementation and activities of the Evaluation Plan for the Interreg V-A Romania-Hungary Programme        | 2016-2023 | MA, JS                  | Approx. 1,000,000.00 EUR <sup>2</sup> | Estimated to be finalized in 2023                 |
| Financing the implementation and activities of the Communication Strategy for the Interreg V-A Romania-Hungary Programme | 2016-2023 | MA, TA beneficiaries    | Approx. 2,000,000.00 EUR <sup>3</sup> | Estimated to be finalized in 2023                 |
| Services and activities related to the closure of the Interreg V-A Romania-Hungary Programme                             | 2020-2023 | MA, JS, AA, AB          | acc. to needs                         | Estimated to be finalized in 2023                 |
| Services and activities for drafting and promoting documents on next programming period                                  | 2019-2020 | MA, JS, IP              | acc. to needs                         | Estimated to be finalized in 2020                 |

**II.2. The beneficiaries of the technical assistance component:**

- Managing Authority for Interreg V-A Romania-Hungary Programme with certification function (MA), namely the units within MRDPAEF which fulfil these tasks - constituted within the Romanian Ministry of Regional Development, Public Administration and European Funds;
- Hungarian National Authority for Interreg V-A Romania-Hungary Programme (HUNA) - constituted within the Hungarian Prime Minister's Office;
- Audit Authority (AA);

<sup>2</sup> budget according to the Cooperation Programme that include evaluation activities and studies

<sup>3</sup> budget according to the Cooperation Programme

- Audit Body in Hungary (AB);
- First level control from Romania and Hungary (FLC);
- Joint Secretariat (JS) constituted within the Oradea Regional Office for Cross Border Cooperation for Romania- Hungary Border;
- InfoPoints (IPs) for Interreg V-A Romania-Hungary Programme hosted in Hungary, in each eligible county, by the Széchenyi Programme Office, in separate structures.

### **II.3. The bodies designated to carry out control tasks:**

- The first level control of PA 1-6
  - for Romanian beneficiaries, the structure shall be situated at the level of the Cross-Border Cooperation Regional Office Oradea for Romania-Hungary Border, Romania (in a separate structure from the JS),
  - for Hungarian beneficiaries - at the Széchenyi Programme Office, for the same PAs.
- The first level control of PA 7 - Technical Assistance
  - for Romanian TA beneficiaries - a separate structure within the Ministry of Regional Development, Public Administration and European Funds for TA;
  - for Hungarian TA beneficiaries - the Prime Minister's Office acting also as NA. For expenses of the NA, the separation of functions between financial tasks (as TA beneficiary or as responsible for validation of NA's TA costs) will be ensured.

As a general rule, expenditures under Priority axis 7 - Technical Assistance are considered eligible if committed and paid between 01.01.2014 and 31.12.2023.

Based on the approved strategy and following the signing of the TA contracts between the MA and the TA beneficiaries, reimbursement requests shall be submitted to the MA.

A global financing decision shall be concluded for the MA as TA beneficiary.

## **III. TECHNICAL ASSISTANCE INDICATIVE OPERATIONS**

Based on the Technical Assistance identified needs, the following indicative operations have been set under the TA Priority Axis of the Interreg V-A Romania-Hungary Programme:

- Management of the Programme by the MA, with support of the JS and support to the MC, for the implementation and day-to-day management of the Programme, as well as effective and proportionate anti-fraud measures put in place as necessary;
- The drafting and implementation of calls of proposals, including the development of the guidance documents;
- The drafting of information documents for applicants and beneficiaries to guide them in the preparation of applications and in the implementation, evaluation, control and communication of approved operations;
- Implementation of proper procedures for the quality assessment, monitoring and control of operations implemented under the CP, also making use of external experts where necessary, and contributing to the reduction of administrative burden for beneficiaries;
- Evaluation of the Programme implementation by gathering data concerning the progress of the Programme in achieving its objectives, as well as financial data and data relating

to indicators and milestones, and reporting to the MC and the EC. For this purpose, an evaluation plan shall be drafted;

- Organization and implementation of audit activities with regard to the Programme management and control system and on operations;
- Establishment of cooperation and coordination networks and contacts among representatives of other relevant EU co-funded Programmes by MA and JS (the EU Strategy for the Danube Region [EUSDR], neighbouring ETC Programmes, national Programmes, etc.);
- Implementing widespread information activities about the Programme and the projects through the elaboration and implementation of a Programme communication strategy;
- Support to (potential) project holders in developing and implementing relevant projects. Diverse seminars, trainings and information events will be organized on national and cross-border level (details will be set out in the communication plan);
- Elaboration of studies, reports and surveys on strategic matters concerning the Programme that can contribute to the sustainability and the take up of results and achievements into policies, strategies, investments or that are of public interest, making use of experts when necessary;
- Development and maintenance of a structured integrated database/system of the Programme data management that is accessible to all relevant implementing bodies of the Programme. The database will enable data management on various level of implementation, it will work as an integrated statistical tool and as a method of the day-to-day management on Programme and project level. Innovative front office tools will be developed such as electronic submission of applications;
- Costs related to tasks to be performed by the National Authority;
- Costs related to tasks to be performed by the controllers;
- Other TA related types of activities (e.g. in relation to Programme's implementation, monitoring, evaluation, control, audit, communication and information) performed by the aforementioned TA beneficiaries.

Technical Assistance identified needs regarding the estimated evaluations during the programming period, according to the Evaluation Plan:

- Communication in support of beneficiaries;
- Evaluation of the implementation systems in relation to the programme and projects (efficiency aspects) - including horizontal topics;
- Evaluation of performance framework indicators, as well as the trends of achievement for the other programme result indicators;
- Update of the findings of the evaluation report on horizontal topics as against 2017 (best practices, difficulties, lessons learned);
- Evaluation on the progress towards the achievement of objectives and changes in the result indicators;
- Evaluation of the contribution to EU 2020;
- Evaluation of communication effectiveness;
- Impact evaluation: Impact shall be judged in relation to the communication activities between 2016 and 2019 (including awareness) regarding investment priorities and specific objectives with relevant data regarding the implementation;

**These actions will be included in financing contracts/decisions in one of the following categories of expenditure:**

- (a) staff costs;
- (b) office and administrative expenditure;
- (c) travel and accommodation costs;
- (d) external expertise and services costs;
- (e) equipment expenditure;
- (f) infrastructure and works.

### Output Indicators

The TA contracts concluded between the MA and TA beneficiaries shall include, according to their specific activity, the following output indicators that shall be strictly monitored throughout the Programme implementation.

Extract from Cooperation Programme - *Table 11: Output indicators*

| ID  | Indicator  | Measurement unit | Target value (2023) | Source of data  |
|-----|--|------------------|---------------------|---|
| TA1 | Number of events for information and promotion of the Programme                                    | Number           |                     | Invitations submitted to stakeholders / potential applicants, Lists of participants |
| TA2 | Number of call for proposals launched  | Number           |                     | Monitoring system, MC decision, Published application package                       |
| TA3 | Number of MC meetings  | Number           |                     | Minutes of MC meetings  |
| TA4 | Number of projects implemented and closed  | Number           |                     | Monitoring system   |
| TA5 | Number of employees FTEs (full time equivalents) whose salaries are co-financed by TA <sup>4</sup> | Number           |                     | Employment records of the implementing bodies                                       |

## IV. MULTI-ANNUAL TECHNICAL ASSISTANCE STRATEGY EVALUATION

Multi-Annual Technical Assistance Strategy (MATAS) evaluation shall target the degree to which the proposed objectives have been met in targeting sound management of the allocated funds under this Programme and in reaching high utilization of funds.

The MATAS can be evaluated and revised following the proposal of the Managing Authority at any time during the implementation of the Programme and will be subject to MSs approval.

### Risk factors in MATAS implementation:

<sup>4</sup> Indicator mandatory for all TA beneficiaries

## **Multi-Annual Technical Assistance Strategy for Interreg V-A Romania-Hungary Programme**

- a) The experience of TA beneficiaries and contract officers in relation to the enhanced complexity of Programme's project application and implementation requirements;
- b) Absorption capacity of potential beneficiaries might not be developed at the proper level to allow the use of newly available funds;
- c) Lack of continuity of management structures and insufficient administrative capacity;
- d) Failure to implement the delegated tasks set out by the MA with other structures of the Interreg V-A Romania-Hungary Programme;
- e) Failure to comply with the deadlines provided in the procedures manuals that can lead to hindering the evaluation and contracting process;
- f) The lack of a feasible annual estimate of TA needs of the TA beneficiaries of the programme that can generate fluctuations in estimating annual allocations of the TA axis.

### **Prevention mechanisms:**

- a) Providing training sessions and support for potential beneficiaries regarding the proper use of newly available funds, Programme's project application and implementation requirements;
- b) Planning training activities and implementing monitoring activities for management structures;
- c) A verification and control procedure of the structures entrusted with delegated activities (random evaluation, on the spot evaluations);
- d) Organizing regular meetings between MA and the structures of the programme in order to discuss issues related to programme management, including items related to the implementation of MATAS;
- e) Implementation of the risk management procedure, including monitoring the action plan in order to remedy the risks.

**The Monitoring and evaluation of the Strategy** shall be performed by the Managing Authority according to the internal working procedure established for TA. Also, information regarding the implementation of the Strategy shall be included within the Annual Implementation Report, according to the EC Regulation.

MATAS envisages the degree of accomplishments to the proposed objectives that must conclude in the sound management of the allocated funds to this Programme. The mid-term evaluation of the MATAS will take place in 2017/2018, having as objective to improve the actions (the measures) and adopt any corrective measures. There shall also be a MATAS final evaluation in 2023.

## **V. BUDGET**

|   |                           |
|---|---------------------------|
| <b>TOTAL TA Budget, out of which:</b>       | <b>22,696,640.00 Euro</b> |
| <b>ERDF</b>                                 | <b>11,348,320.00 Euro</b> |
| <b>National co-financing, out of which:</b> | <b>11,348,320.00 Euro</b> |

The national co-financing shall be covered:

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- 100% by Romania for: RO FLC
- 100% by Hungary for: HUNA and HU FLC
- 50% by Romania and 50% by Hungary for: MA, JS, IPs, AA and AB

TA beneficiaries may submit annual or multiannual application forms, provided that the activities are in line with the MATAS and Programme documents.

The MA verifies and approves the applications, provided the TA Programme budget is available.

When drafting the applications for financing, the following rules and principles will be observed:

- a) Proportionality between the budgetary allocations and the responsibilities and tasks of each TA beneficiary;
- b) Use of funds only when necessary and with the observance of the national rules on public procurement and horizontal principles of EU funds;
- c) Reallocation between and within budgetary lines, in the limit of the total approved budget for the respective TA beneficiary or other modifications, shall be submitted by the TA beneficiary according to TA details specified in TA contracts/decisions, after which the Managing Authority issues the final approval.

### Categories of intervention

Corresponding categories of intervention based on a nomenclature adopted by the Commission, and an indicative breakdown of Union support.

#### Dimension 1 Intervention field

| Code  | Amount (Euro) |
|---|---------------|
| 121. Preparation, implementation, monitoring and inspection | 8,348,320.00  |
| 122. Evaluation and studies                                 | 1,000,000.00  |
| 123. Information and communication                          | 2,000,000.00  |

#### Dimension 2 Form of finance

| Code                   | Amount (Euro) |
|------------------------|---------------|
| 01.Non-repayable grant | 11,348,320.00 |

#### Dimension 3 Territory type

| Code              | Amount (Euro) |
|-------------------|---------------|
| 07.Not applicable | 11,348,320.00 |

## Annex 1 - Technical Assistance basic rules

### 1. Advance payments

Before the first application for reimbursement, TA beneficiaries that are not public institutions may request an advance payment in the amount of a maximum of 30% of the total eligible funding of the TA Contract, these advance payments are to be granted by the MA for Programme structures (JS and IP) according to TA contracts conditions.

For the Romanian national structure (RO FLC) advance payment will be provided by MRDPAEF, in line with the Romanian legislation.

For the Hungarian national structure (HU FLC) advance payment will be provided by PMO, according to Hungarian legislation.

### 2. Reporting and reimbursement of expenditure

From the entry into force of the TA Contract, the TA beneficiary shall prepare and submit reimbursement claims and progress reports on a quarterly basis as main rule, according to the TA Contract - the annex Application Form - the (section - *C.5.1 Periods* and *D.3 Project budget - overview per partner/ per period*) regarding the reporting periods and estimated apportionment. In justified cases, the TA beneficiary, after a previous consultation with the MA, may submit reimbursement claims and the related progress reports with a different frequency (e.g. on a monthly basis/ 6 months/yearly).

The TA beneficiary is obliged to send the FLC request within 15 working days from the end of the reporting period, as set out in the TA Contract - the annex Application Form (section - *C.5.1 Periods* and *D.3 Project budget - overview per partner/ per period*). For the final application for reimbursement, the TA beneficiary shall send the first level control request within 30 working days from end of the implementation period of the activities referred to in TA contract.

For the TA contracts of certain beneficiaries located in Hungary (IP and FLC HU within SZPO, AB), the entities established in the financing contract (JS / HUNA / AA<sup>5</sup>) will issue a *Compliance report* for each progress report confirming the beneficiary's progress. This document<sup>6</sup> will contain also the result of their checks, including reports of some malfunctions / irregularities to be brought to MA's attention in relation to the structures they are coordinating.

Progress reports do not replace / substitute any other type of reporting related to TA requested by the MA.

The eligibility of expenditure actually incurred and paid by the TA beneficiary shall be determined at the time of validation of expenditure after checks by the first level controllers of the MRDPAEF/PMO, according to the procedure of first level control - within a maximum of 30 working days. Checks will be made on the basis of the TA beneficiary' first level control request in order to validate the expenditure incurred and paid, in accordance with the MRDPAEF/PMO procedure for FLC for Technical Assistance.

TA beneficiary is required to upload the Application Form and annexes, applications for advance/reimbursement requests, progress reports or any document in the eMS (or will burn to CD if the system is temporary not available). These will be uploaded / mailed within the deadlines specified in the Contract and applicable procedures.

In order to ensure continuity, the TA beneficiary shall make all the necessary arrangements for an Application Form and annexes to be submitted 3 months before the end of an on-going TA Contract, before the end of an on-going TA contract, if applicable.

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<sup>5</sup> According to delegation agreements or other documents that stipulate their professional overview

<sup>6</sup> The standard format of the *Compliance report*, and the Progress Report Checklist will be filled-in by JS / HUNA / AA in English and in accordance with the standard agreed format

If the TA beneficiary, by its fault, does not submit a final reimbursement claim containing expenditure validated by the first level control, within 120 days from the completion of the reporting period, it can be considered deprived of the right to require the final payment, without need of any notification or any other formalities from MA's behalf.

According to the Contract's specific conditions, the MA reserves the right to decommit funds allocated to the TA project that were not requested in the reimbursement claims and are below the planned level in TA Contract - the annex Application Form (section - *C.5.1 Periods* of the TA Application Form and *D.3 Project budget - overview per partner/ per period*). In the case of 3 - year contracts, these funds are to be made available for the next TA contracts, of the certain TA beneficiary, according to the approved total TA beneficiary allocation (for the entire programming period).

Nevertheless, during the implementation, the TA beneficiaries have the right to update the TA Contract - the annex Application Form (section - *C.5.1 Periods* of the TA Application Form and *D.3 Project budget - overview per partner/ per period*). If the TA beneficiary does not update the sections in due time, the MA shall notify the TA beneficiary, in advance, requesting for a written report explaining the reasons for noncompliance with the schedule, this report being taken into account upon the MA's decision.

When approaching the end of the implementation period of the Programme, based on the actual financial progress of the TA contracts, and in correlation with the TA beneficiaries needs, after consultation with the TA beneficiary, the approved distribution of TA beneficiaries' allocation may be subject to reallocation, based on MC decision.

If the TA beneficiary will not submit a reimbursement claim within 6 months of receipt of the advance provided by the MA based on the TA contract, it will have to re-transfer the full amount of the advance.

Where certain expenditure of a reporting period has not been validated and was not included in the reimbursement claim, such expenditure may only be requested in the next request for verification of expenditure and implicitly in the related reimbursement claim. MA has the right to waive this rule, in order to reduce possible decommitment at Programme's level when problems have been identified within the project, during the course of control, or in other duly justified cases.

Subject to availability of funds, the MA will authorize and pay of amounts of the reimbursement request, within 90 days from the date of the submission of the reimbursement claim to the MA, according to Art. 132 par. (1) of Regulation (EU) no.1303 / 2013 of the European Parliament and the Council. The payment deadline may be interrupted by the MA in the cases referred to in para. (2) of Article 132 of the above-mentioned Regulation.

All the expenditure incurred and paid in a currency other than the euro and claimed by the TA beneficiaries will be validated by the FLC at *the InforEuro exchange rate of the month of the submission of the FLC request*, according to Article 28 (b) of Regulation (EU) no. 1299/2013. The exchange rate risk is borne by the beneficiary concerned.

### **3. Eligibility of expenditure**

To be considered eligible in the context of the TA Project, costs must meet the following general conditions:

- to be necessary for the project implementation, to be included in the TA Contract (*Project Budget and Application Form*) and to comply with the principles of a sound financial management, respectively efficient use funds and an optimal cost/benefit proportion;
- to be incurred and actually paid by the TA beneficiary during the implementation period of contract's activities, except costs of last month of implementation, that will be paid within 30 days from the end date of the project implementation;

- to be recorded in the TA beneficiary's accountancy, to be identifiable and verifiable through original supporting fiscal documents issued in accordance with national law of the state where they were issued or other accounting documents on which the payment obligation is recorded and supporting documents regarding the proof of payment and the reality of incurred expenditure, based on which the expenditure can be checked / controlled / audited; As a general rule, to be eligible for reimbursement, the expenditure incurred by the TA beneficiary shall be justified by invoices, related payment orders (e.g. proof of performance), statements of account and other justifying documents of the activity for which expenditure incurred in the interest of the TA project. If this is not possible, payments shall be supported by accounting documents of equivalent probative value. Original documents must bear the eMS Project code or MRDPAEF's registration number of the Financing Contract. The TA project will keep separate accountancy, using distinct analytical accounts for recording operations relating to the Project implementation;
- awarding the procurement contracts must be carried out in accordance with national and EU rules on public procurement; otherwise expenses related to such contracts will not be considered eligible by the MA.
- be carried out in accordance with the terms and conditions of this Contract and its annexes, in compliance with art. 65, art. 71 and art. 140 of Regulation (EU) no. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, European Social Fund, Cohesion Fund, European Agricultural Fund for Rural Development and the European Maritime and Fisheries as well and laying down general provisions on the European regional development Fund, European social Fund, the cohesion Fund and the European maritime and fisheries and repealing Regulation (EC) No. No 1083/2006;
- for the TA beneficiaries located in the respective member states national level guidelines on eligibility of TA expenditure in line with Commission regulations, programme rules and national legislation should be applied.

#### **4. Specific requirements and specification for budget items regarding the priority axis - technical assistance**

- (1) The expenditure included in TA contracts shall comply with the provisions of:
- a. Regulation (EU) No. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 - especially the articles 65 to 71;
  - b. Regulation (EU) No. 1299/2013 of the European Parliament and of the Council on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal;
  - c. Commission delegated regulation (EU) No. 481/2014 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;
  - d. Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002;
  - e. Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;

(2) Expenditures included in the Application Form under budgetary lines 1-5 and claimed for reimbursement must be grouped according to art. 3 to 7 of the Commission Delegated Regulation (EU) mentioned in para. (1) point c.

a. Staff costs

- i. any expenditure that may be refunded from other sources is not eligible.
- ii. Expenses related to staff salaries of the TA beneficiary are eligible under TA Contracts. They shall be settled according to the individual employment contract, <only for non-public TA beneficiaries: within the limits of the "Eligibility Grid of salary costs for the TA axis". If there is a national legislation that regulates the calculation of salaries of a TA beneficiary, the Eligibility Grid of salary costs shall not be used/applied>, the organisation's internal regulation and the national legislation. Are to be considered eligible staff costs also those relating to annual or medical leave, premiums, bonuses or similar, all kinds of personal allowances according to the national legislation, meal vouchers, relocation benefits, salary taxes and contributions paid by employees and employers for the personnel employed on individual employment contract be that temporary or permanent duration, part time or full time, <only for non-public TA beneficiaries: in compliance with the provisions of Law no. xxx - The Labour Code, as amended and supplemented>.
- iii. <this rule applies only for non-public TA beneficiaries/beneficiaries that do not base the calculation of staff salaries on national legislation> Within the limitations of the budgetary line 'Staff costs', there may be granted in exceptional circumstances and only in compliance with the written consent of MA <and MRDPAEF/PMO in case of FLC TA contracts>, premiums, bonuses, awards or premiums relating to the performance / high degree of fulfilment of objectives and activities / actions of the TA beneficiary. The consent will be based on analysing jointly the achievement of the indicators included in the TA contract, analysis which will result in adjustments to financial incentives to be effectively applied / reimbursed by the MA.
- iv. Salary expenditures will be calculated based on the individual employment contract, according to the percentage of involvement in the Programme implementation/ activities (the maximum/fixed assignment to the TA project) outlined in the TA Contract and mentioned in the in the Job descriptions, and based on the time registration system. The Job description or individual employment contract/appointment decision are documents that establish the percentage of time that needs to be worked under the TA Contract and the monthly timesheet (time registration system)/ payroll represents the proof of it. Based on the estimated annual/monthly workload, the TA beneficiary may request for reimbursement a flexible share of the gross employment cost, but not more than that established as a maximum in the Application Form - section Project management.
- v. Staff costs of the TA beneficiary shall be reimbursed by the programme on a real cost basis.

b. Office and administrative expenditure

- i. these expenditures are eligible for 15% on the eligible expenditures associated to the Staff costs budgetary line, according to the method regarding the 15% flat rate described in art. 68 para. (1) of the Regulation (EU) No. 1303/2013. In terms of documentation, only the validated staff costs shall be provided in order to calculate the office and administration flat rate. Beneficiaries do not have to document that the office and administration expenditure has been incurred and paid or that the flat rate corresponds to the reality. <The TA beneficiary may request office and administrative expenditure on a real cost basis only if there are no staff costs foreseen in

the TA budget>

- ii. Besides the expenditures for maintenance, cleaning and minor repairs of main office / territorial offices (those that do not require building permits), etc., expenditures made for purchasing systems and equipment for the disabled may be also added.
  - iii. Are considered eligible the expenditures with subscriptions to publications in print and / or electronic, subscriptions to legislative consultation software, relevant to the Programme implementation.
  - iv. Only in case the TA beneficiary does not foresees Staff costs in the TA Contract/TA Application Form, the Office and administrative expenditure shall be reimbursed by the Programme on a real cost basis.
- c. Travel and accommodation costs
- i. The cost of travel, per diem/daily allowance of personnel of the TA beneficiary involved in various activities regarding the Programme are eligible and shall not exceed the ceiling for daily allowance provided for public institutions or, in case of other types of institutions, the ceiling that is tax free according to national legislation.  
In case of Hungarian TA beneficiaries, the cost of travel per diem/daily allowance of personnel of the TA beneficiary involved in various activities regarding the Programme are eligible according to national legislation (including the relevant tax and charges). Ceilings established in the internal, organization-level rules apply in case of each TA beneficiary.  
The accommodation costs shall not exceed the ceiling established in the national legislation for public institutions. Where there is no general legislation for public institutions to be taken as reference in terms of threshold, the expenditure is considered eligible within the ceilings established in the internal, organization-level rules of each TA beneficiary.
- d. External expertise and services costs
- i. Are limited to the types of services and consultancy referred to art. 6 a-j and m-o points of the Commission Delegated Regulation (EU) mentioned in para. (1) point c <restriction relevant for JS/IPs/FLCs>.
- e. Expenditure regarding Equipment, furniture and vehicles
- i. Are limited to the types of equipment expenditure referred to art. 7 para. (1) of the Commission Delegated Regulation (EU) mentioned in point para. (1) letter (c).
  - ii. In the case of purchase of cars/vehicles, the maximum eligible amount shall be limited to a EUR 18.000 including VAT.
  - iii. The purchase of cars by the TA beneficiary under the Financing Contracts concluded with the MA within the Programme, is limited to <no. of cars/vehicles established for the TA beneficiary>, cumulative value. (e.g. JS - one for every county in the eligible area).
  - iv. In duly justified cases, related to the volume of the activities, the maximum number of cars/vehicles that can be purchased by the beneficiary, may rise by 1 car/vehicle, compared to the above number provided in point e (iii).
  - v. Insurance costs for cars/ vehicles owned by the TA beneficiaries and used exclusively for the Project, are eligible.
  - vi. Eligible expenditure may be, but not limited to: maintenance and service, spare parts, repairs of cars/vehicles and equipment, technical revisions, including regular technical inspections.
  - vii. The purchase costs of second-hand equipment are not eligible.

(3) Infrastructure and works expenditure

- a. Are considered eligible the costs for repairs of the main premises where the

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Programme's activities are implemented or costs relating works for improving the access to the premises or connection to utilities.

- b. In addition, are also considered eligible the preparation costs - e.g. those related to construction permits, approvals, technical plans/design, etc. necessary for the above-mentioned works.
- c. The maximum eligible ceiling for the entire Contract period will be limited to a total of 4% of all other eligible expenditure foreseen in the contract's budget lines.

(4) The costs referred to in para. (2) and (3) may be carried out also for the preparation activities for the next programming period.

**Table - Eligibility Grid of salary costs for the TA axis - JS**

| Position              | The maximum coefficient (for the same a work experience/seniority) * | The maximum level of eligible expenditure euro / year ** |
|-----------------------|--|--|
| Executive Director    | 1.50   | 45,000   |
| Head of Department    | 1.40   | 42,000   |
| Coordinator           | 1.20   | 36,000   |
| Auditor               | 1.10   | 33,000   |
| Expert/ Legal counsel | 1  | 30,000   |

\*) calculated in comparison with the level of expert - where the expert has a coefficient of 1 and for higher positions the proportion was calculated against the level of expert

\*\*) Includes all types of expenditure specified in para. (2) (a), to which may be added only 'Relocation Packages' for employees who do not reside in the locality of their work place - consisting of a max. of 2,900 euro / year for rent or occasional travel expenses and 1,000 Euros - a relocation premium paid once, at the beginning of the employment.

**Table - Eligibility Grid of salary costs for the TA axis - IP**

| Position | The maximum coefficient (for the same a work experience/seniority) | The maximum level of eligible expenditure euro / year |
|----------|--|---|
| Expert   | 1  | 30,000  |

**Table - Eligibility Grid of salary costs for the TA axis - FLC**

| Position    | The maximum coefficient (for the same a work experience/seniority) | The maximum level of eligible expenditure euro / year |
|-------------|--|---|
| Coordinator | 1.20   | 36,000  |
| Expert      | 1  | 30,000  |