

Interreg



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INTERREG ITALY-CROATIA PROGRAMME 2021 – 2027

Programme Implementation Manual

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Table of Contents

INTRODUCTION.....	5
1. PROGRAMME BASIC FEATURES.....	6
1.1. Programme Overview.....	6
1.2. Programme area.....	8
1.3. Programme budget and co-financing.....	9
1.4. Programme management structures.....	9
1.5. Use of Jems.....	11
1.6. Types of projects – Standard, Small-scale projects, OSI.....	12
1.7. Programme intervention logic and cooperation criteria.....	14
1.8. Programme capitalisation approach.....	15
1.9. Synergies and complementarities with EU policies.....	17
1.10. Horizontal and cross-cutting principles.....	21
1.11. Greening principles.....	23
2. LEGAL FRAMEWORK.....	26
2.1. Public procurement rules.....	27
2.2. State Aid.....	32
2.3. Complaints and litigation.....	40
2.4. GDPR, General Data Protection Regulation.....	41
2.5. Anti-fraud policy.....	42
3. PROJECT GENERATION AND START.....	44
3.1. Project’s lifecycle.....	44
3.2. Project generation.....	47
3.3. Conditions clearing and contracting.....	57
3.4. Lead Partner principle.....	58
3.5. Project start.....	59
3.6. Additional requirements for OSI start-up.....	63
4. COMMUNICATION.....	69



Italy – Croatia

4.1. Project Communication Management	70
4.1.1. <i>The Communication Team</i>	70
4.1.2. <i>Communication Planning</i>	71
4.2. Project branding, information and visibility rules	74
4.3. OSI Communication	78
5. FINANCIAL MANAGEMENT	80
5.1. General eligibility requirements	80
5.2. Hierarchy of rules regarding the eligibility of expenditures	81
5.3. Time-wise eligibility of expenditure	82
5.4. Non-eligible expenditure	83
5.5. Simplified Cost Options (SCOs)	84
5.6. Specific cost category provisions	87
5.6.1. <i>Staff costs</i>	87
5.6.2. <i>Office and administrative costs</i>	93
5.6.3. <i>Travel and accommodation costs</i>	95
5.6.4. <i>External expertise and services costs</i>	97
5.6.5. <i>Equipment costs</i>	101
5.6.6. <i>Costs for infrastructure and works</i>	107
5.7. Reimbursement of funds	112
5.8. Conversion into Euro	114
5.9. Recovery of funds	114
6. REPORTING AND MONITORING	116
6.1. General overview of reporting and monitoring of projects	116
6.2. Reporting at PARTNER LEVEL	118
6.3. Reporting at PROJECT LEVEL	122
6.4. Guidance for reporting	126
6.5. Evaluation of the reports by Joint Secretariat and payment	127
6.6. Reporting periods / Reporting Deadlines	129
6.7. Project Mid-term Review	130



Italy – Croatia

6.8. Low financial project performance and de-commitment	131
7. PROJECT MODIFICATIONS AND FLEXIBILITY RULES	133
7.1. General principles (types of project modifications)	133
7.2. Modification process	133
7.3. Approval needed based on type of modification	134
7.4. Description of types of modification	136
7.4.1. <i>Modification of Administrative and Legal Elements</i>	136
7.4.2. <i>Adjustments of the work plan</i>	137
7.4.3. <i>Budget flexibility</i>	138
7.4.4. <i>Changes in the partnership</i>	141
7.4.5. <i>Prolongation of the project duration</i>	144
7.4.6. <i>Significant modification of the work plan</i>	144
8. PROJECT CLOSURE	146
9. CONTROLS AND AUDITS	150
9.1. National control systems	150
9.2. Monitoring visits by the MA/JS.....	152
9.3. Audits by the Audit Authority (AA) and Group of Auditors (GoA)	154
9.4. Audit trail	154
9.5. Double funding	156
10. WHERE TO FIND ASSISTANCE	157
10.2. Information days.....	158
10.3. Meetings	158
10.4. Other events	159



INTRODUCTION

The Interreg VI A Italy–Croatia Programme provides funding for cross-border cooperation in order to support regional development and economic, social and territorial cohesion.

This Programme Implementation Manual (PIM) is written for project applicants and partners. It sets out the key information needed both when applying for funding and while implementing the projects. This document is divided into sections and annexes, all of them complementary and organised according to the "project life cycle".

In the table of contents, the reader can see all the parts of the complete Programme Implementation Manual.

The elements established in the Programme Manual are binding and constitute the rules of the Programme. These elements are based on the applicable European regulations and approved by the Monitoring Committee.



Italy – Croatia

1. PROGRAMME BASIC FEATURES

1.1. Programme Overview

The Interreg Italy–Croatia Programme is funded by the European Regional Development Fund (ERDF) under the European Territorial Cooperation goal of EU Cohesion Policy 2021-2027.

The Programme area's greatest potential and core driver of development is represented by the Adriatic Sea: indeed, the strengths deriving from the maritime dimension are numerous, from the strategic position and good performance of ports in the area, to the impressive richness of biodiversity and the strong attractiveness of the region for coastal tourism flows. Thus, it is essential to exploit these opportunities by focusing the cooperation efforts on blue economy domains, in consistency with the EU **Blue Economy Strategy**.

The Programme's vision of *"Focusing on innovation and sustainability in the blue economy, capitalising previous cooperation experiences, creating synergies with EUSAIR"* will be attained through the Programme's five Priorities and seven Specific Objectives.¹

Moreover, the Programme has identified two cross-cutting issues: **digitalisation** and **circular economy**, to sustain the green and digital transition of Europe in 2021-2027:

- **Digitalisation** as a cross-cutting issue could create added value in relation to most of the challenges identified for SOs, such as:
 - intensifying the smart specialisation governance processes and the innovation capacities of SMEs;
 - increasing the human resources qualifications focusing on skills oriented to the new market's needs;
 - improving the knowledge base for policies concerning climate change, biodiversity, fight against pollution and the related application tools;
 - increasing the capacities for intermodality of ports and the overall integration of transport networks;
 - contributing to the integration of touristic strategies and to the offer diversification;

¹ The Interreg Programme Italy–Croatia 2021–2027 is available at: <https://www.italy-croatia.eu/programme-documents>



Italy – Croatia

- modernising valorisation policies for cultural heritage
- **Circular economy** as a horizontal issue can create added value in relation to challenges identified for SOs, such as:
 - research and technological transfer processes;
 - SMEs innovation capacities in competitive domains;
 - climate change adaptation strategies;
 - sustainability of ports and transport solutions.

Table 1. Programme priorities and specific objectives

Priority	SO	Specific objective(s)	
1	Sustainable growth in the blue economy	1.1	Developing and enhancing research and innovation capacities and the uptake of advanced technologies
		1.2	Developing skills for smart specialisation, industrial transition and entrepreneurship
2	Green and resilient shared environment	2.1	Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system based approaches
		2.2	Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution
3	Sustainable maritime and multimodal transport	3.1	Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility
4	Culture and tourism for sustainable development	4.1	Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation
5	Integrated governance for stronger cooperation	5.1	Other actions to support better cooperation governance



Italy – Croatia

1.2. Programme area

The Programme territory spreads around the Adriatic Sea, which constitutes a joint economic and environmental resource and a natural link able to foster cooperation. The **maritime cross-border area** between Italy and Croatia, representing the Interreg Italy–Croatia Programme area, covers the following NUTS III regions:

Table 2. Programme area (IT provinces and HR counties)

Italy	Teramo, Pescara, Chieti (Abruzzo Region), Brindisi, Lecce, Foggia, Bari, Barletta-Andria-Trani (Apulia Region), Ferrara, Ravenna, Forlì-Cesena, Rimini (Emilia-Romagna Region), Pordenone, Udine, Gorizia, Trieste (Friuli Venezia Giulia Region), Pesaro e Urbino, Ancona, Macerata, Ascoli Piceno, Fermo (Marche Region), Campobasso (Molise Region), Venezia, Padova, Rovigo (Veneto Region)
Croatia	Primorsko-goranska, Ličko-senjska, Zadarska, Šibensko-kninska, Splitsko-dalmatinska, Istarska, Dubrovačko-neretvanska (Adriatic Croatia region), Karlovačka (Pannonian Croatia region).

Image 1. Programme area



All projects must demonstrate clearly that they have an impact on the Programme area



Italy – Croatia

1.3. Programme budget and co-financing

The Programme overall budget is 222.724.299, 00 EUR (ERDF and national co-financing). Total ERDF budget is 178.179.438,00 EUR and EU co-financing rate is 80%. ERDF financial appropriations per priority are presented in the table below.

Table 3. Programme budget per priority

PRIORITY		ERDF AMOUNT (EUR)
1	Sustainable growth in the blue economy	25.283.781,00
2	Green and resilient shared environment	69.823.720,00
3	Sustainable maritime and multimodal transport	37.277.079,00
4	Culture and tourism for sustainable development	34.550.750,00
5	Integrated governance for stronger cooperation	11.244.108,00
TOTAL		178.179.438,00

The indicative allocations of funds to Calls for Proposals are defined in the respective Call Announcement and available at the Programme website. The ERDF co-financing rate is 80% for all types of projects, beneficiaries and regions. Beneficiaries have to ensure the needed co-financing of their activities. For Italian project partners co-financing is covered by FdR (“Fondo Di Rotazione”).²

1.4. Programme management structures

The Programme structures consist of different bodies that, in compliance with the EU Structural Funds Regulations, are in charge of managing, coordinating, supervising and controlling the implementation of the Programme.

² Ex Law n. 183/1987 and CIPES Decree n. 78/2021.



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Table 4. Programme management

PROGRAMME BODY	ROLE
Monitoring Committee (MC)	<p>The MC steers the Programme, verifies its sound implementation and it approves the projects for funding.</p> <p>It is composed of representatives of Italy and Croatia.</p>
Managing Authority (MA)	<p>The MA is responsible for the management and implementation of the Programme in accordance with the principle of sound financial management and in line with the applicable EU regulations.</p> <p>The MA pays out ERDF shares and Italian co-financing to beneficiaries.</p>
Accounting Function (AF)	<p>The AF carries out functions in accordance with art 47 Interreg Regulation and art 76 CPR. In particular it draws up and submits payment applications to the EC and it draws up and submits the accounts and keeps electronic records of all the elements of the accounts, including payment applications.</p>
Audit Authority (AA) and Group of Auditors (GoA)	<p>The AA carries out system audits and audits on the projects in order to provide independent assurance to the EC that the Programme management and control system functions effectively and that expenditure submitted to the EC is legal and regular.</p> <p>The AA is assisted by the GoA, comprising of representatives of bodies responsible for audits in each Programme Member State – Italy and Croatia.</p>
Joint Secretariat (JS)	<p>The JS is established by the MA and it assists the MA and the MC in carrying out their respective functions.</p> <p>The JS also undertakes the day-to-day implementation of the Programme and provides guidance and support to project applicants and beneficiaries.</p>
National Authority (NA)	<p>In cooperation with the JS, NAs provide information to potential applicants, advise and assist beneficiaries, communicate Programme achievements and support Programme management. NAs may also organise National Committees.</p>
National Controllers	<p>Each Member State has a control system to verify that co-financed activities and costs are implemented in line with applicable laws as well as Programme rules and requirements.</p>



Italy – Croatia

	<p><u>Italy</u>: Decentralised control system – individual professionals are appointed as controllers. Italian public administration can appoint controllers internally.</p> <p><u>Croatia</u>: Centralised control system - controls are performed by Ministry of Regional Development and EU Funds</p>
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Contact details and further information on all Programme bodies are available at the Programme website

<https://www.italy-croatia.eu/management-structures>

1.5. Use of Jems

The Interreg Italy–Croatia Programme 2021–2027 uses Jems (Joint Electronic Monitoring System) for implementation and monitoring purposes. Jems is a customized version of the common monitoring system developed by the Interact Programme³, which is used by a large community of Interreg Programmes.

Jems is an online system conceived to cover the full project and Programme life-cycle in one monitoring tool that allows to reduce the need for additional paper processes to a minimum. Furthermore, the concept of “one single entry point” of data is followed, avoiding multiple manual entry of the same data through automatic transfer of data to different sections in the system. Users can fill in online forms (e.g. application, reporting, modification) and upload/download files.

Interreg IT-HR Jems is available at the following link: <https://jems.italy-croatia.eu/>. It can be accessed via standard web browsers like Google Chrome, Microsoft Edge or Mozilla Firefox (recent versions). For working in Jems, it is recommended to use a PC or notebook rather than mobile devices.

Upon registration in Jems, all users have access to the system as applicant users. Specific access rights as needed by e.g. Programme bodies, controllers, external experts or auditors will be given by the system administrator through assignment of the respective role. As applicant users, beneficiaries can draft and submit a project application, thus becoming its Application form user, or they can be assigned to other

³ For more information on the Interact Jems please visit the page <https://jems.interact.eu>



Italy – Croatia

existing projects or project applications by the Application form users of those projects and project applications.

Once a project is approved and contracted, its Application form user will assign all users relevant to the project as either lead partner users (LP users) or project partner users (PP users).

⚠ POINT OF ATTENTION

Dedicated manuals providing practical overview of the activities to be performed in Jems during the project implementation phase can be found on the Programme website's Jems Implementation Manuals section: [Jems - Italy-Croatia - Regione Veneto](#)

A helpdesk for technical support specifically dedicated to functioning of Jems can be reached via email jems.italy-croatia@regione.veneto.it.

1.6. Types of projects – Standard, Small-scale projects, OSI

Types of projects supported by the Programme are:

- A. Standard projects
- B. Small-scale projects
- C. OSI - Operations of Strategic Importance

Each Call for Proposals will clearly indicate the type of projects that are supported. Calls may include all types of projects or may be limited to one or two types.

The timetable of the Calls for Proposals is available on Programme website and regularly updated:

<https://www.italy-croatia.eu/web/italy-croatia/plan-of-calls-for-proposals>.

Standard Projects

Complex cooperation projects typically originating from the acknowledgement of a need or a potential and consequently testing a potential cross-border solution. They implement actions such as the realisation of new solutions, the testing of new services, the development of strategies, joint action plans and pilots, the sharing of expertise, the organisation of joint training actions, and the setting-up of new governance



Italy – Croatia

structures. They should be developed based on an innovative project concept, although the capitalisation of previous projects and results is also strongly encouraged.

Small-scale projects

New forms of cooperation in the Programme area, resulting from the will of reaching new target groups and allowing newcomers to contribute to the improvement of the social, economic and territorial cohesion of the cross-border region. Compared to Standard projects, they are shorter, supporting smaller partnerships with limited-scope interventions, mainly implemented by smaller organisations, addressing specific thematic issues and very concrete needs in the area. These projects shall aim at improving legal and administrative cross-border collaboration, strengthen the communication channels, and increase the capacities of institutions and stakeholders (including public authorities), for example through the implementation of awareness-raising campaigns, implementation of training and educational activities, school exchanges, youth involvement, competition of ideas, other specific actions aiming at improving and facilitating the cooperation of the organisations on the other side of the maritime border.

OSI - Operations of Strategic Importance

This new kind of projects can help the achievement of Programme objectives by a call for proposals focused on specific domains and, consequently, categories of beneficiaries or strategic challenges and potentials, especially those addressed by EUSAIR flagship initiatives.

These projects have a substantial budget allocation and provide significant contribution to the achievements of the objectives of the Programme and are subject to particular monitoring and communication measures⁴. Consequently, the Programme Monitoring Committee play a key role both in the generation and implementation of the OSIs.

⁴ As specified in the ETC Regulation (EU) 2021/1059.



Italy – Croatia

1.7. Programme intervention logic and cooperation criteria

As anticipated, the Programme strategy is defined in **five Priorities** and **seven specific objectives**:

Image 2. Programme priorities and specific objectives



The Programme intervention logic also defines **output and result indicators** which measure the products of funded actions and the expected changes (outcomes) for beneficiaries, respectively.

⚠ POINT OF ATTENTION

Programme intervention logic is available on the Programme website. We strongly encourage project partners to consult that document when develop the project, but also when they produce and document the outputs and results.

Link between the PROGRAMME and PROJECT intervention logic

The project intervention logic must reflect the Programme intervention logic and it shall:

- comply with one of the five Priorities selected by the Programme;
- pursue one of the Specific Objectives (SOs);



Italy – Croatia

- follow a result-oriented approach;
- be built on one or more SO's main challenges;
- clearly define the objectives, planned activities, deliverables, outputs, results and related indicators;
- lead to an envisaged change.

Cooperation criteria

Cooperation is the heart of each project. In order to be eligible for funding from Interreg IT-HR Programme, projects must contribute to the first two of the following four cooperation criteria as well as to the third one and/or the fourth one:⁵

1. **Joint development** – i.e. partners have to be involved in an integrated way in developing ideas, priorities and actions in the project development process.
2. **Joint implementation**– i.e. project activities must be carried out by partners in a cooperative way that ensures clear content-based links and be coordinated by the lead partner.
3. **Joint financing** – i.e. the joint project budget shall be organised in line with activities carried out by each project partner. The LP is responsible for the administration and reporting towards the Programme bodies as well as the distribution of the funds to the partners.
4. **Joint staffing** – i.e. the project should not duplicate functions within the partnership. In particular, project management functions should be appointed only once at project level.

1.8. Programme capitalisation approach

Capitalisation within the Italy-Croatia Programme is conceived as a structured and systematic process, encompassing multiple elements aimed at 'building upon' existing knowledge and results, to enhance the impact of European resources and gradually improve existing policies.

⁵ According to the art. 23(4) of Regulation (EU) No 1059/2021.



Italy – Croatia

Key elements of this process include:

- projects must ensure that their achieved **results and knowledge are accessible and usable by others**, thus facilitating their application for related or complementary purposes.
- **the transfer** of the results to potential re-users should **be facilitated through targeted networking and communication**, engaging new stakeholders.
- to ensure effective re-use, it is crucial to promote and facilitate the **uptake of results based on the specific needs of re-users**.

This approach follows a “demand-driven” model, focusing on what has been realised and made available by the 'givers' (those who produced the outputs that can be capitalised) and valuing the needs of the 'takers' interested in re-using these outputs. The essence of capitalisation lies thus in the transfer and re-use of existing results and the matching of offer and demand ('givers' and 'takers'). This is vital not only for sustaining projects long-term but also for improving mainstream policies.

Capitalisation is considered a crucial element by the Programme for 2021-2027; therefore, a Programme **Capitalisation Plan** has been established to guide both the Programme itself and its beneficiaries during the programming period. Its activities are inherently intertwined with the Programme's communication efforts from the outset, aiming to enhance the dissemination of results among stakeholders in the area and beyond.

In a broader sense, it should be stated that the capitalisation process is embedded into various stages of the Programme and its thematic development, with the aim of facilitating its seamless integration into the funded projects lifecycle. Consequently, while the Programme develops capitalisation activities for beneficiaries, **it is essential that projects align their efforts with the objectives outlined in the Programme Capitalisation Plan**. This involves implementing tangible capitalisation activities, supported by communication efforts, the progress of which should be clearly visible and measurable through progress reports. This aims to maximize the re-use and transfer of results generated by funded projects.



Italy – Croatia

As outlined in the Capitalisation Plan, the Programme provides all projects with methodological tools and documents aimed at streamlining the capitalisation process. The aim is to gradually establish these resources as commonly utilised instruments during project implementation.

It should be noted that OSI projects, characterised by their complexity and potential impact, are required to provide specific contributions. They are indeed required to develop their own capitalisation plans, unlike standard and small-scale projects.

Lastly, the Programme actively engages in initiatives promoted by other ETC Programmes or by national and European authorities to share and harmonise capitalisation experiences, particularly aimed at fostering the amplification of results and synergies among beneficiaries and potential re-users.

1.9. Synergies and complementarities with EU policies

In general, the activities of the project should bring additional value or be supplementary to those already implemented or planned within other EU instruments and initiatives or national schemes. It also means that each partnership should carefully consider what is the best funding instrument for their idea. In several cases the Italy–Croatia Programme will not be the most suitable option, but would be better instead a national, regional or another international funding source.

In order to improve the efficiency of their projects, Beneficiaries should seek complementarities and synergies with other Interreg Programmes in the area (both cross-border and transnational, e.g. IPA Adriatic-Ionian 2021-2027), regional and national Programmes (co-financed by ERDF, ESF+, EMFAF and CF), the respective Recovery and Resilience National Plans (NRRP), as well as with macro-regional strategies relevant for the area (particularly EUSAIR).

Any synergies with other funding Programmes and instruments are also encouraged, including Connecting Europe Facility, LIFE, EU Civil Protection Mechanism, ERASMUS+ and HORIZON EUROPE. With reference to the latter, the key strategic orientations and expected impacts identified in the Horizon Europe



Italy – Croatia

Strategic Plan, especially concerning the mission "Restore our Ocean and Waters" should be taken into account as a constant reference, with the common aim of protecting and restoring ecosystems and biodiversity, achieve zero pollution and reduce greenhouse gas emissions within the EU's oceans and waters.

Apart from the general recommendations mentioned above, the following table shows synergies and complementarities encouraged specifically per each of the Specific objectives:

Table 5. Synergies with other Programmes, initiatives, policies

SPECIFIC OBJECTIVE	SYNERGY WITH EUSAIR FLAGSHIP	OTHER SYNERGIES <i>(including complementarities and synergies with national and regional 2021-2027 Programmes and other Interreg Programmes operating in the same area)</i>
1.1 Developing and enhancing research and innovation capacities and the uptake of advanced technologies	PILLAR 1 - BLUE GROWTH - Fostering quadruple helix ties in the fields of marine technologies and blue bio-technologies for advancing innovation, business development and business adaptation in blue bio-economy.	<ul style="list-style-type: none"> - Horizon Europe - Synergies with measures envisaged in respective National Recovery and Resilience Plans aimed at strengthening research capacities and promoting technology transfer processes in the field of Blue Economy contribution to the European Research Area (ERA) and the relative strategic objectives outlined in the Communication "A new ERA for Research and Innovation" - European Maritime, Fisheries and Aquaculture Fund - Interreg Programme "IPA ADRION" - Interreg Programme "EURO-MED" - Interreg Programme "Alpine space" - Interreg Programme "Central Europe" - Interreg Programme "Greece-Italy" - Interreg Programme "Croatia – Bosnia and Herzegovina– Montenegro" - ERDF/CF OP Competitiveness and Cohesion (Croatia) - ERDF/CF/Just Transition Fund Integrated Territorial Programme (Croatia) - RP Friuli-Venezia Giulia ERDF (Italy) - RP Veneto ERDF (Italy) - RP Emilia-Romagna ERDF (Italy) - RP Marche ERDF (Italy) - RP Molise ERDF-ESF+ (Italy) - RP Puglia ERDF ESF+ (Italy)



Italy – Croatia

		- RP Abruzzo ERDF (Italy)
1.2 Developing skills for smart specialisation, industrial transition and entrepreneurship	<p>PILLAR 1 - BLUE GROWTH - Fostering quadruple helix ties in the fields of marine technologies and blue bio-technologies for advancing innovation, business development and business adaptation in blue bio-economy</p> <p>PILLAR 1 - BLUE GROWTH - Bolstering capacity building and efficient coordination of planning and local development activities for improving marine and maritime governance and blue growth services (with specific regard to actions concerning maritime professional skills).</p>	<ul style="list-style-type: none"> - Horizon Europe - ERASMUS+ - Synergies with other measures envisaged in respective National Recovery and Resilience Plans aimed at increasing the collaboration practices of SMEs and supporting the reinforcement of skills, in particular in the field of the Blue Economy - European Maritime, Fisheries and Aquaculture Fund - Interreg Programme “IPA ADRION” - Interreg Programme “Italy-Slovenia” - ERDF/CF OP Competitiveness and Cohesion (Croatia) - ERDF/CF/Just Transition Fund Integrated Territorial Programme (Croatia) - RP Friuli-Venezia Giulia ERDF (Italy) - RP Veneto ERDF (Italy) - RP Emilia-Romagna ERDF (Italy) - RP Molise ERDF-ESF+ (Italy) - RP Puglia ERDF ESF+ (Italy) - RP Abruzzo ERDF (Italy)
2.1 Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system based approaches	<p>PILLAR 3 - ENVIRONMENTAL QUALITY - Development and implementation of Adriatic-Ionian Sub/regional Oil spill contingency plan (with specific regard to actions concerning oil spill risk)</p> <p>PILLAR 3 - ENVIRONMENTAL QUALITY - Protection and enhancement of natural terrestrial habitats and ecosystems</p> <p>PILLAR 3 - ENVIRONMENTAL QUALITY - Promotion of sustainable growth of the Adriatic-Ionian region by implementing ICZM and</p>	<ul style="list-style-type: none"> - Horizon Europe - The Union Civil Protection Mechanism - Other measures envisaged in respective National Recovery and Resilience Plans aimed at improving, in their specific context, the knowledge base for climate change monitoring and adaptation and/or the effectiveness of all the phases of the civil protection process - European Maritime, Fisheries and Aquaculture Fund - Interreg Programme “IPA ADRION” - Interreg Programme “EURO-MED” - Interreg Programme “Central Europe” - Interreg Programme “Alpine space” - Interreg Programme “Greece-Italy” - Interreg Programme “Croatia - Bosnia and Herzegovina–Montenegro” - Interreg Programme “IPA South Adriatic” - Interreg Programme “Italy-Slovenia” - Interreg Programme “Slovenia-Croatia” - ERDF/CF OP Competitiveness and Cohesion (Croatia) - RP Friuli-Venezia Giulia ERDF (Italy) - RP Veneto ERDF (Italy)



Italy – Croatia

	MSP as well as to contribute CRF on ICZM of Barcelona convention and the appropriate monitoring and management of marine protected area.	<ul style="list-style-type: none"> - RP Emilia-Romagna ERDF (Italy) - RP Marche ERDF (Italy) - RP Molise ERDF-ESF+ (Italy) - RP Puglia ERDF ESF+ (Italy) - RP Abruzzo ERDF (Italy)
2.2 Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	<p>PILLAR 3 - ENVIRONMENTAL QUALITY - Development and implementation of Adriatic-Ionian Sub/regional Oil spill contingency plan</p> <p>PILLAR 3 - ENVIRONMENTAL QUALITY - Protection and enhancement of natural terrestrial habitats and ecosystems</p> <p>PILLAR 3 - ENVIRONMENTAL QUALITY - Promotion of sustainable growth of the Adriatic-Ionian region by implementing ICZM and MSP as well as to contribute CRF on ICZM of Barcelona convention and the appropriate monitoring and management of marine protected area.</p>	<ul style="list-style-type: none"> - Horizon Europe - LIFE Programme - Other measures envisaged in respective National Recovery and Resilience Plans aimed at improving the knowledge base and the monitoring systems for defining policies of protection of biodiversity and of fight to pollution, especially related to water. - European Maritime, Fisheries and Aquaculture Fund - Interreg Programme “IPA ADRION” - Interreg Programme “EURO-MED” - Interreg Programme “Alpine space” - Interreg Programme “Greece-Italy” - Interreg Programme “IPA South Adriatic” - Interreg Programme “Italy-Slovenia” - Interreg Programme “Slovenia-Croatia” - ERDF/CF OP Competitiveness and Cohesion (Croatia) - RP Friuli-Venezia Giulia ERDF (Italy) - RP Veneto ERDF (Italy) - RP Emilia-Romagna ERDF (Italy) - RP Marche ERDF (Italy) - RP Molise ERDF-ESF+ (Italy) - RP Puglia ERDF ESF+ (Italy) - RP Abruzzo ERDF (Italy)
3.1 Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access	PILLAR 2 - CONNECTING THE REGION - The Adriatic-Ionian Multi-Modal Corridors (with specific regard to green/smart port hubs concept)	<ul style="list-style-type: none"> - Connecting Europe Facility (CEF) instrument - Other measures envisaged in respective National Recovery and Resilience Plans aiming at improving ports’ inter-modality capacities to make them greener, more ICT based and secure and more integrated with the hinterland’s needs - European Maritime, Fisheries and Aquaculture Fund - Interreg Programme “IPA ADRION” - Interreg Programme “IPA South Adriatic” - ERDF/CF OP Competitiveness and Cohesion (Croatia) - RP Molise ERDF-ESF+ (Italy)



Italy – Croatia

to TEN-T and cross-border mobility		<ul style="list-style-type: none"> - RP Puglia ERDF ESF+ (Italy)
4.1 Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	<p>PILLAR 4 - SUSTAINABLE TOURISM - AIR Cultural Routes</p> <p>PILLAR 4 - SUSTAINABLE TOURISM CulTourAir</p> <p>PILLAR 4 - SUSTAINABLE TOURISM - DES_AIR</p> <p>PILLAR 4 - SUSTAINABLE TOURISM - Green Mapping for the Adriatic-Ionian Region</p>	<ul style="list-style-type: none"> - ERASMUS+ - Other measures envisaged in respective National Recovery and Resilience Plans aiming at improving and modernising the policies for the valorisation of cultural heritage, delocalising tourist flows and promoting new and innovative integrated offers of coastal tourism. - European Maritime, Fisheries and Aquaculture Fund - Interreg Programme “Greece-Italy” - Interreg Programme “Croatia –Bosnia and Herzegovina–Montenegro” - Interreg Programme “IPA South Adriatic” - Interreg Programme “Italy-Slovenia” - Interreg Programme “Slovenia-Croatia” - ERDF/CF OP Competitiveness and Cohesion (Croatia) - RP Friuli-Venezia Giulia ERDF (Italy) - RP Veneto ERDF (Italy) - RP Puglia ERDF ESF+ (Italy)
5.1 Other actions to support better cooperation governance		<ul style="list-style-type: none"> - ERASMUS+ aimed at improving the knowledge base about the legal and administrative CBC obstacles, enhancing institutional and strategic capacities of public authorities and stakeholders, and reinforcing the capacities in order to better improve the multi-level governance dimension. - European Maritime, Fisheries and Aquaculture Fund - Interreg Programme “EURO-MED” - Interreg Programme “Centrale Europe”

1.10. Horizontal and cross-cutting principles

UN Sustainable Development Goals (SDGs)

The UN Sustainable Development Goals are one of the main overarching strategies upon which the Interreg VI-A Italy–Croatia 2021–2027 Programme rests on. Considering the Programme’s priorities, the contribution to the following targeted SDGs will be monitored during its implementation:

- Goal 12: Ensure sustainable consumption and production patterns;



Italy – Croatia

- Goal 13: Take urgent action to fight climate change and its impacts;
- Goal 14: Conserve and sustainably use the oceans, seas and marine resources.

Horizontal Principles

These principles shall be integrated at the project level: during project planning and project implementation. The respect of horizontal principles is included in the assessment criteria. The Programme will comply with the following horizontal principles:⁶

- respecting fundamental rights and complying with the EU Charter of Fundamental Rights;
- ensuring the promotion of gender equality;
- preventing all kinds of discrimination and taking all appropriate steps to guarantee accessibility for people with disabilities;
- promoting sustainable development, in line with UN Development Goals, the Paris Agreement and the “do no significant harm” principle.

Strategic public procurement

Public bodies, such as government departments or local authorities are encouraged to adopt a strategic use of public procurement, including the use of more quality related and innovative criteria and the consideration of environmental and social aspects (Strategic procurement). For this purpose public entities are encouraged to follow guidelines related to Innovation, Green Public Procurement (GPP) and

New European Bauhaus Initiative

It aims to transpose the EU Green Deal into tangible and positive experiences built around the concepts of sustainability, aesthetics and inclusion. In order to contribute to this initiative, the Programme will

⁶ Set in Article 9 of the CPR and in art.8, 10 and 11 of TFEU.



Italy – Croatia

foster synergies between PO2 and PO4 and complementarities with funds dedicated to the New European Bauhaus.⁷

Young Generations

The Programme will encourage the involvement of young people both in funded projects and in cross-border events. In this regard, youth has been envisaged as a specific target group in Priority 1, Priority 2, Priority 4 and ISO1.

1.11. Greening principles

The Italy–Croatia Programme strives to adopt eco-friendly practices for all its daily activities, especially concerning events and meetings.⁸ The information that follows is provided as reference and suggestions for projects willing to concretely put into practice the principles above.

Project publications and dissemination products

- Publications can be disseminated electronically. Printing of publications should be foreseen only if strictly necessary and only if following a specific dissemination plan;
- Publications should be printed for external communication purposes (if needed only) on both sides and on recycled paper. For electronic publications, an “eco-friendly” version (less colours, more compact text, less pages) should be made available for printing purposes;
- Publications should be printed where they are going to be distributed in order to minimize transportation distances.

Organization of green and inclusive events

It is crucial to find an environmentally friendly balance when organising project events. Events organised in person undoubtedly promote direct interaction and exchange, and in this sense, they have significant added value for cooperation projects. Nonetheless, having many people travel simultaneously, often with unfavourable connections to places, can have a considerable environmental impact. For this reason, and

⁷ For more information please consult: https://new-european-bauhaus.europa.eu/index_en

⁸ In line with Article 9 of Regulation (EU) No 1060/2021.



Italy – Croatia

to ensure the possibility of participation for a wider audience who may be unable to travel, it is always advisable to organise events in a hybrid format.

In general, **green public procurement criteria** should be adopted when organising a project event.

Following general guidelines should be followed (non-exhaustive list):

Event planning

- Electronic means (e.g., e-mail, website) should be used rather than printed materials for pre-meeting and follow-up communications;
- Prepare all information materials in electronic format;
- Include questions about special needs in the event Registration form (accessibility / diet / other).

Choosing locations

- When choosing the location, make sure hybrid format is possible and consider the availability of public transport connections and accessibility for all;
- Make sure it is possible to regulate the temperature within the building. The use of natural light is preferred and the use of stage lights is kept to the strict necessary;
- Priority is given to locations available on the premises of one of the project participants, to reduce the need for staff to travel.

Travels

- Encourage participants to use sustainable ways of travelling: for short trips favour train to coach/plane and if train is not an option, favour car/coach to plane; participants are encouraged to share the drive with other participants.
- When the location is distant from public transport stations, consider organising shuttle-busses for participants.

Accommodation

Timely provide participants with a list of accommodation facilities located near to public transport stations and as close as possible to the conference venue (preferably within walking distance or reachable by public transport).



Italy – Croatia

Catering

The caterer is preferably informed on the exact number of participants and is able to re-evaluate the quantities needed to avoid waste; the food is served in small portions to avoid waste and, if possible, using an approach that prioritises the consumption of fruit and vegetables first; labels highlighting special diets must always be displayed.

- The use of decorative elements such as flowers, banners etc. is minimised;
- People with disabilities or special needs are provided with the necessary facilities.
- Locally grown and produced food and drinks are used and menus reflect seasonality;
- The use of reusable dishes, cutlery, glassware and linens is preferred;
- If disposable items are essential, it is preferable that they have a high content of recycled or are plant based;
- Materials are recyclable and that appropriate recycling systems are in place;
- At least one vegetarian option is offered;
- Tap water is used and served in jugs instead of in single-use bottles;
- The surplus of edible food should not be wasted but possibly donated
- All waste produced at the venue is sorted for recycling and sufficient, well-marked bins are provided in both participants and staff areas.

Info packs and materials

- Participants' bags/packs should be avoided or produced locally by using recycled material, should be reusable and include only strictly necessary printed materials
- Prefer the use of QR codes to download information rather than printing leaflets or other materials;
- A dedicated area can be provided for participants to return material that can be re-used (such as badges).

Communication

Consider communicating your green organisation approach and efforts.

Evaluation

Analyse how green your event was (waste productions, type of transport used by participants, produced and distributed information and promotion materials, etc).



2. LEGAL FRAMEWORK

The regulatory framework for the management of Interreg VI A Italy–Croatia Programme is based on the Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union and repealing Regulation (EU, Euratom) No 966/2012. Furthermore, all general rules concerning the structural and investment funds are also applicable unless differently specified. The following legal norms and documents apply (non-exhaustive list):

- Regulation (EU) 2021/1060 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (Common Provisions Regulation - CPR);
- Regulation (EU) 2021/1058 on the European Regional Development Fund and on the Cohesion Fund (ERDF Regulation);
- Regulation (EU) 2021/1059 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (Interreg Regulation);
- Implementing acts and delegated acts adopted in accordance with the aforementioned regulations;
- Other regulations and directives applicable to the implementation of projects co-funded by the ERDF.

All above regulations are available in their latest version in the EUR-Lex database of European Union Law:

<https://eur-lex.europa.eu/homepage.html>.

In case of amendment of the above-mentioned legal norms and documents, the latest version applies.



Italy – Croatia

2.1. Public procurement rules

The acquisition of works, supplies or services from economic operators by means of a public contract is subject to rules on public procurement which secure transparent and fair conditions for competing on the common market. Rules differ depending on the kind of goods and/or services to be purchased, as well as depending on the value of the purchase and the legal status of the awarding institution. They are set at the following levels:

1. EU rules as set by the applicable directives on the matter;
2. National rules;⁹
3. Internal rules of the partner organization;
4. Programme rules (see specification below).

As matter of principle, the strictest rules must always be applied.

Each contract should be awarded on the basis of objective criteria that ensure compliance with the principles of transparency, non-discrimination and equal treatment and which guarantee that tenders are assessed under the conditions of effective competition. The fundamental principles of transparency, non-discrimination and equal treatment also apply to all purchases and subcontracted activities independent of any threshold values.

Here are some of the most common errors and weaknesses experienced in public procurement procedures that project participants are asked to avoid:

- use of the wrong procurement procedure: since the applicable procedure changes according to the future contract value, when calculating the value of a contract, the maximum total amount that may be paid during the entire contract period (incl. potential renewal periods) needs to be estimated;
- imprecise definition of the subject-matter of the contract to be awarded;

⁹ National rules include laws on public procurement, related delegated or implementing acts or any other generally applicable legally binding rules and decisions.



Italy – Croatia

- short deadlines for the submission of tenders;
- artificially splitting the estimated contract value in order to reach the value range for direct awards;
- unlawful application of exemption rules;
- direct award procedure for urgent matters caused by insufficient planning by a project partner or any other circumstances attributable to the project partner;
- direct award for having already satisfactorily worked with a certain external provider in the past¹⁰
- discriminatory selection criteria;
- restrictive technical specifications.

Failure to comply with the procurement rules set out at EU, national, internal or Programme levels will have financial consequences. The Programme follows the *“Guidelines for determining financial corrections to be made to expenditure financed by the Union under shared management, for non-compliance with the rules on public procurement”*¹¹ by applying correction rates based on the type and significance of the non-compliance.

To avoid any loss of funds, and in case of control, project partners must therefore be able to prove that the award of contracts complies with aforementioned principles and, when applicable, public procurement rules.

Project partners cannot contract one another in the framework of the same project. This is due to the fact that the roles of project partner and service provider are different and not compatible. This applies to the entire partnership.

¹⁰ Unless differently allowed by National rules, for instance by art.49 of the Italian Procurement code.

¹¹ Annex to the Commission Decision C(2019) 3452 final

[https://ec.europa.eu/transparency/documents-register/detail?ref=C\(2019\)3452&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=C(2019)3452&lang=en)



Italy – Croatia

Programme rules on procurement

A) Contracts with a value between EUR 10.000,00 (excl. VAT) and the applicable threshold

In order to guarantee a harmonized standard in contracting procedures in both Italy and Croatia and to accomplish the sound financial management principle, the Programme requires beneficiaries to give evidence of adequate market research for contracts with a value between EUR 10.000,00 (excl. VAT) and the threshold set by the applicable EU and national rules.

This means that in such cases, **unless stricter national rules apply**, beneficiaries must perform and document **an adequate market research** (e.g., through collecting bids, using centralized e-procurement services, price lists from Internet). This is meant to provide sound knowledge and sufficient information on the relevant market allowing for sound comparison of offers in terms of price and/or quality and a profound assessment of the adequacy of the price. The process should always be properly documented and kept available for any further verifications.

When doing market research, the Programme strongly encourages beneficiaries to carry out “Bid at three” procedure (while other models are not excluded).

B) Contracts with a value less than EUR 10.000,00 (excl.VAT)

For contracts having a value less than EUR 10.000,00 (excl. VAT) or below a national threshold¹² (if stricter than the Programme rule), the adequacy of costs must always be ensured and documented. However, in such cases beneficiaries do not have to give evidence of a specific selection procedure.

Scope of application of public procurement rules

Different rules apply depending on the legal status of the awarding institution:

¹² National threshold refers to values which require application of National procurement law.



Italy – Croatia

- Public authorities and other institutions falling under the scope of application of the procurement laws¹³ (including international organizations) must comply with the applicable rules on public procurement;
- Entities not falling under the scope of application of the public procurement laws (e.g., private companies, NGOs or other associations of private bodies) are not required to follow public procurement procedures unless there are national or internal rules, which oblige them to do so. However, these organizations must comply with the fundamental principles on which the procurement rules are based and, for contracts with an estimated value equal or above EUR 10.000,00 (excl.VAT), they must provide:
 - 1) evidence of adequate market research (e.g., through collecting bids),
 - 2) the result of the assessment of offers,
 - 3) and the justification for the contract award, as described in the previous paragraph “under point A”.

Selection of the awarding procedure

Beneficiaries must choose the appropriate procedure on the basis of an accurate assessment of the value of the future contract, keeping in mind that the artificial splitting of contracts to remain below a certain threshold violates the law. The estimated value of the contract is the basis for the selection of the procurement procedure to be conducted and accordingly determines the range of the publicity required for the respective procurement. The specific thresholds set by the European Commission or national institutions are indicated in the relevant EC Directives and national Laws.

¹³ Namely, “contracting authorities” within the meaning of Directive 2004/18/EC or “contracting entities” within the meaning of Directive 2004/17/EC as further amended.



Italy – Croatia

⚠ POINT OF ATTENTION

Since procurement law is a complex matter, project participants are strongly recommended to seek procurement experts' advice and/or national public procurement authority well in advance of launching an award procedure.

Conflict of Interest

A conflict of interest exists where the impartial and objective exercise of the functions of a financial actor or other person, is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with a recipient. Each beneficiary is responsible for ensuring that appropriate measures are taken to minimise any risk of conflict of interest during the procurement process.

Although the character of conflicts of interest can be diverse depending on the parties, types of relationships and interests involved, transparency of the decision-making process and fair treatment for all tenderers are to be ensured. Special attention should be given to cases where project staff is also involved in external companies participating in the tenders organised by the respective project partner. In any case, measures need to be carefully analysed to minimise any possible risk of conflict of interest.

Partners are encouraged to follow the EC comprehensive guidance on the avoidance and management of conflicts of interest.¹⁴

Alternatives to procurement procedures

1. **In-house subcontracting:** requirements from the latest EU Directive on public procurement¹⁵ imply that:

¹⁴ https://ec.europa.eu/info/strategy/eu-budget/protection-eu-budget/conflict-interest_en

¹⁵ Directive 2014/24/EU of the European Parliament and of the Council of 26.02.2014, art. 12 which also establishes the methodology for calculating the percentage of activities referred to in point 2.



Italy – Croatia

- The contracting authority exercises over the contracted in-house body a control which is similar to that which it exercises over its own departments;
- More than 80 % of the activities of the controlled body are carried out for the controlling contracting authority;
- There is no direct private capital participation in the controlled body.¹⁶

When all three conditions mentioned above for in-house contracting are met, the beneficiary can directly award the contract to the in-house body. Costs of the contracted in-house body must always be charged on a real-costs basis or using Simplified Cost Options (SCOs) in the same way as the project partner. In-house costs, if planned as real costs, should be planned and reported under the budget line “External expertise and services”. The above provisions concerning in-house contracting apply also to international organizations receiving funds within Italy–Croatia Programme projects.

2. **Contracts for the cooperation between public bodies** provided that the provisions of Directive 2014/24/EU Art. 12 (4) are respected.

2.2. State Aid

Public support granted by Interreg VI A Italy–Croatia Programme must comply with State aid rules.

What is State aid?

According to Article 107 of the Treaty on the Functioning of the European Union, in order to be considered State Aid, a funded activity must fulfil all of the following five criteria:

1. The aid is provided by the Member State or through **State resources** (transfer of public resources, including EU, National, regional or local public funds): in case of Interreg VI A Italy–Croatia Programme this criterion always occurs;

¹⁶ With the exception of non- controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the controlled body.



Italy – Croatia

2. The aid measure gives an advantage to an **undertaking** which is carrying out an **economic activity** in the context of the project. The term “undertaking” is to be interpreted in accordance with EU law: the definition set up by the European Court of Justice defines the term "undertaking" in a wide sense as any entity **which exercises an activity of an economic nature and which offers goods and services on the market, regardless of the legal form and the way of financing of this entity**. Thus, **not only private companies are subject to State Aid rules but also public authorities and bodies governed by public law as far as they carry out an economic activity on the market**.

The question whether a market exists for certain services may depend on the way those services are organised in the Member State concerned and may thus vary from one Member State to another.

Non-economic activity:

Non-economic activities are understood as activities that can only be carried out by the state, such as the provision of public goods for which there is no market (e.g., Public education, army, police). This is a fluid term, and interpretation is subject to frequent modification. In this respect, please also consult §17 and 18 of the EC notice on the notion of State aid, which provides details on the fact that some activities do not constitute State aid following their classification as part of the prerogatives of official authority¹⁷.

3. The aid gives an **economic advantage** by participating in the project, which an undertaking would not have obtained under normal market conditions.

¹⁷ Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union (2016/C 262/01).



Italy – Croatia

Indirect state aid:

An economic advantage can be transferred to third parties outside the project partnership (so called indirect State aid): e.g., project partner offers training for free to companies in its regions.

4. The economic advantage is **selective** favouring certain undertakings or the production of certain goods. Selectivity of the aid is also satisfied, for example, if it is granted only to undertakings belonging to a specific geographical area. In case of INTERREG VI A Italy–Croatia Programme focusing on a specific cross-border area or specific economic sectors, this criterion potentially occurs. Consequently, this criterion must be checked considering the real impact of the project outputs and results at territorial level and in the same way, if the measures are selective as well as they do not address all the undertakings, but they only focus on some specific sectors.
5. The aid **distorts** or threatens to distort **competition** and trade within the European Union: as the Interreg VI A Italy–Croatia Programme is a ETC Programme this criterion potentially occurs as the aid measures could be intended not to be local, but cross-border.

If one single criterion is not fulfilled, the assistance granted is not subject to the EU rules on State Aid.

It is to be noted that the Interreg VI A Italy–Croatia Programme does not support undertakings in difficulty, unless authorised under de minimis aid or temporary aid rules established to address exceptional circumstances.¹⁸

Interreg VI A Italy–Croatia Programme and State aid

The calls may specify further the conditions and rules in relation to the State Aid. In any case, during the project assessment, the JS, supported by external experts if needed, shall verify State aid compliance of the submitted applications through a dedicated assessment focused on the five criteria listed above, with particular attention to the assessment of the status of “undertaking” of the partners and of the existence of an economic advantage for the undertaking.

¹⁸ Art. 2 point 18 Regulation EU N. 651/2014 in its latest version.



Italy – Croatia

The analysis of State aid, may lead to the identification of a high or low risk of State Aid compliance associated with each project proposal and consequently to the following scenarios:

- the project activities are **not State Aid relevant** and the Application Form does not foresee the risk of State Aid compliance: in this case no state aid conditions are set in the Subsidy Contract;
- the project does contain a **risk of State Aid** compliance which **can be removed**: in this case, Interreg VI A IT-HR Programme might ask the project partners to exclude certain activities from the project proposal or to take measures in order to eliminate the state aid cause (e.g., wide dissemination also to competitors of certain project outputs or adapting activities of the project). Specific obligation is included in the Subsidy Contract;
- **direct State aid** granted to one or more partners: in this case the entire budget allocated to the concerned partner is regarded as State aid granted under the General Block Exemption Regulation (GBER) ¹⁹or, in exceptional cases, under *de minimis* ²⁰Regulation (see below);
- **indirect state aid** granted to third parties outside the project partnership: in this case, a contractual condition setting a threshold to the aid granted to third parties is set in the Subsidy Contract;
- restrictions might apply to the possibility to modify the project if its activities are assessed as State aid relevant. Furthermore, additional contractual conditions on State aid may be given to projects in case of project modifications assessed as State aid relevant.

Direct Aid Granted under GBER

The General Block Exemption Regulation (GBER) allows to implement a wide range of public support measures without prior notification to the EC, as long as all criteria given in the regulation are fulfilled. It includes a block exemption for aid granted in the context of Interreg projects (GBER Article 20). As other Programmes, also Interreg VI A Italy–Croatia Programme will make use of this opportunity to grant direct

¹⁹ Regulation EU N. 651/2014 in its latest version.

²⁰ Regulation EU N. 2023/2831.



Italy – Croatia

State aid. Article 20 GBER allows up to 80% of public funding of costs arising for companies, when taking part in an Interreg project as partner. The costs mentioned in this article correspond to the cost categories foreseen by the Programme. The aid granted by the Programme amounts to the whole ERDF budget of the concerned partner (s), up to a ceiling of 2.2 million EUR of total public contribution per partner and per project.

See examples below:

PP TOTAL BUDGET	ERDF contribution (80%) granted under art. 20 GBER	Co-financing 20% provided by the PP
EUR 500.000,00	EUR 400.000,00	EUR 100.000,00
EUR 300.000,00	EUR 240.000,00	EUR 60.000,00

⚠ POINT OF ATTENTION

It is very important to highlight that partners receiving the ERDF from the Programme under the GBER regime cannot receive any additional public co-financing to their budgets (e.g., Italian PPs cannot receive the Italian public co-financing - i.e. “Fondo di Rotazione”).

Direct Aid Granted under De Minimis

For partners receiving public co-financing to their budget, the Programme can also grant ERDF financing *under de minimis regime*, as set out in EU Regulation 2023/2831. According to this Regulation the total amount of aid granted by the Member State to a **single undertaking** within the selected project co-funded by the Interreg VI A Italy–Croatia Programme cannot exceed EUR 300.000,00 over a period of three years. This implies that partners can receive funds from the Programme only if they did not receive public aid under the de minimis rule totalling more than EUR 300.000 within the previous three years from the date of granting the aid by the Member State Italy.



Italy – Croatia

Please note that “*single undertaking*” in *de minimis* Regulation means that if a project partner is part of a group, the entire group is therefore considered as one single undertaking and the *de minimis* threshold applies to the entire group.

The notion of single undertaking²¹ includes all enterprises having at least one of the following relationships with each other:

- a) One enterprise has a majority of the shareholders’ or members’ voting rights in another enterprise;
- b) One enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
- c) One enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;
- d) One enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders’ or members’ voting rights in that enterprise.

Enterprises having any of the relationships referred to in the above points through one or more other enterprises shall also be considered to be a single undertaking.

The *de minimis* aid given by the Programme is granted **by the Member State Italy** (as the country where the MA is situated) and it amounts to the whole ERDF budget of the concerned partner, as identified in the application form. In case the Programme sees State aid relevance at the level of the concerned partner, it will be asked in the application form to choose if the ERDF funds shall be granted as GBER-aid or *de minimis* aid (the Programme strongly recommend GBER as it entails less administrative burden for the project).

²¹ Article 2(2) of EU Regulation N. 2023/2831 on *de minimis* aid defines the principle of single undertaking.



Italy – Croatia

Public aid considered by the Programme for the above mentioned *de minimis* threshold comprises all aid granted *as de minimis aid* **only** by **Italian national, regional or local entities**, regardless of whether the resources are provided from domestic sources or are partly financed by the European Union.

As a consequence, partners carrying out State aid relevant activities in **the project might have a reduction of the ERDF** granted by the Programme in order to ensure the respect of the applicable *de minimis* threshold. Please note that Italian partners (also Private ones) receiving by the MA the Italian national co-financing (i.e. Fondo di Rotazione) may result as well in a reduction of total aid granted (ERDF+ Italian National co-financing) in order to respect the applicable *de minimis* threshold.

Example 1:

A private company located in Italy has applied for funding in an Interreg Italy–Croatia project. The total budget of this company in the project is EUR 200.000,00 out of which the ERDF support amounts to EUR 160.000,00 (80 % ERDF financing).

1.1 The company has received from Italian national, regional or local entities a grant of EUR 150.000,00 under the *de minimis* rule in the same year in which it applied for funding by the Interreg Italy–Croatia Programme.

According to the *de minimis* limitation of up to EUR 300.000,00 of public contribution in three years, the ERDF granted by the Interreg Italy–Croatia Programme to this company shall respect such *de minimis* threshold. The public contribution that can be granted to this company at the date of signing the subsidy contract amounts to: *de minimis* threshold (EUR 300.000,00) – public contribution already received (EUR 150.000,00) = EUR 150.000,00.

Accordingly, the ERDF contribution granted by the Programme amounts to EUR 150.000,00 instead of EUR 160.000,00.

Total budget of this Company = EUR 150.000,00 (ERDF contribution) + EUR 50.000,00 co-financing provided by the company;

1.2 The company did not receive from Italian national, regional or local entities grants in the same year in which it applied for funding by the Interreg Italy–Croatia Programme and neither in the previous two ones.



Italy – Croatia

The public contribution that can be granted by the Programme to this company at the date of signing the subsidy contract amounts to: EUR 160.000,00 (ERDF contribution) + EUR 40.000,00 (Italian public co-financing - i.e. "Fondo di Rotazione).

Total budget of this Company = EUR 160.000,00 (ERDF contribution) + EUR 40.000,00 (Italian public co-financing);

Example 2:

A private company located in Croatia has applied for funding in an Interreg Italy–Croatia project. The total budget of this company in the project is EUR 200.000,00 out of which the ERDF support amounts to EUR 160.000,00 (80 % ERDF financing).

The company received under de minimis rule a grant of EUR 150.000,00 by Croatian entities but nothing from Italian national, regional or local entities.

The ERDF granted by the Interreg Italy–Croatia Programme to this company, shall remain EUR 160.000,00 since the ceiling to the accumulation of de minimis aid applies "per Member State".

Total budget of this Company = EUR 160.000,00 (ERDF contribution) + EUR 40.000,00 co-financing provided by the company (the Italian national co-financing only applies to Italian companies).

Indirect Aid Granted to third parties

Project activities might result in advantages granted to undertakings outside the project partnership that they would not have received under normal market conditions. This might be the case, for example, of free of charge services, training, or consultancy to companies, including vouchers (a voucher scheme might be considered as a state aid relevant intervention and state aid provisions might apply in relation to the recipients participating in the voucher schemes). In such cases, the aid is granted to third parties who are the final beneficiaries of the project activities. This aid will be granted under GBER article 20 A.²² Aid granted under GBER article 20 A to an undertaking as final beneficiary of project activities **cannot**

²² Article 20a of Regulation (EU) No 651/2014, introduced by the amending Regulation (EU) No 2021/1237.



Italy – Croatia

exceed EUR 22.000,00. The amount of aid granted to each final beneficiary is to be determined by the concerned partners prior to the implementation of project activities that are affected by indirect aid, and it shall be approved by the MA/JS.

Should the corresponding amount of the aid to be granted to an undertaking as final beneficiary be exceeding EUR 22.000,00, de minimis regimes may apply.²³

2.3. Complaints and litigation

Complaints cover any dispute between potential and selected beneficiaries with regard to the proposed or selected operation and any disputes with third parties on the implementation of the Programme or of the funded project.

The complaint procedures set-up by the Programme are differentiated in relation to the matter concerned:

- a) Complaints against decisions of the MC on project selection;
- b) Complaints concerning Programme decisions on project implementation;
- c) Any other complaints outside the responsibility of the MA/JS.

A) Complaints against decisions of the MC on project selection

Please refer to the Project Selection Procedure of the relevant Call for Proposals.

B) Complaints during Project Implementation

Complaints on MA/JS implementation of the Subsidy Contract

The LP, on behalf of the partnership, may file complaints against acts, omissions and/or decisions of the Programme during project implementation that are based on the subsidy contract concluded between the MA and the LP. The MA, with support of the JS, will examine the complaint on basis of the information provided by the LP. If the issue cannot be solved between MA and LP, the LP can address the competent

²³ Regulation (EU) 2023/2831, Regulation (EU) 1408/2013 and Regulation (EU) 717/2014 in their updated versions.



Italy – Croatia

court in Venice considering the rules as laid down in the subsidy contract and the relevant provisions of the applicable Italian law.

Complaints related to Audit and Control Bodies

Complaints against acts, omissions and/or decisions of control and audit bodies (national controllers, Programme auditors or any other national or EU institution), have to be submitted to the responsible EU authority or administrative body at Member State level according to the applicable procedures set up at national and EU-levels.

C) Any other complaints outside the responsibility of the MA/JS

Any other complaints against other persons or institutions performing activities that might affect activities of the partnership or the rights of beneficiaries and that are outside the sphere of competence of the MA/JS have to be directed e.g. to the employing or contracting institution or competent administrative or criminal offices and shall not be addressed to the MA.

2.4. GDPR, General Data Protection Regulation

The Interreg Italy–Croatia 2021–2027 Programme bodies, such as the Joint Secretariat and Managing Authority, Controllers bodies and Audit Authority, all carry out tasks that are defined in EU legislation.²⁴ The Programme only processes²⁵ information that is strictly required and needed for the Programme to function and reach its goals. Such information must by law be kept until the Programme period has been finally closed.

²⁴ REGULATION (EU) 2016/679 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

²⁵ Art 4. c. 2 ‘processing’ means any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.



Italy – Croatia

If any other personal data is collected during project application or implementation, the Programme bodies will always make sure that the information will be handled professionally and taking account of requirements for data protection of personal data in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council.

2.5. Anti-fraud policy

The Programme Member States and the MA are committed to protect the EU and public funds entrusted against fraud and corruption according to their administrative capacity.

The term fraud is commonly used to describe a wide range of misconducts including theft, corruption, embezzlement, bribery, forgery, misrepresentation, collusion, money laundering and concealment of material facts. It often involves the use of deception to make a personal gain for oneself, a connected person or a third party, or a loss for another – intention is the key element that distinguishes fraud from irregularity, which is an act that does not comply with rules but may be the result of genuine errors committed by beneficiaries claiming funds.

Fraud does not just have a potential financial impact, but can also cause damage to the reputation of the Programme bodies.

Corruption is the abuse of power for private gain. Conflict of interests exists where the impartial and objective exercise of the official functions of a person are compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with e.g., an applicant for or a recipient of EU funds.

The Programme management and control system is set up in view of preventing, detecting and correcting frauds. To this end, the most likely areas for fraud at the Programme and projects levels are identified and monitored. The anti-fraud policy adopted by the Managing Authority aims at:

- Promoting a culture which deters fraudulent activities;
- Facilitating the prevention and detection of fraud;



Italy – Croatia

- Supporting the investigation of fraud and related offenses, in order to address such cases in a timely, transparent and appropriate manner.

The Managing Authority put in place proportionate anti-fraud measures based on a thorough fraud risk assessment. The Managing Authority carries out a vigorous and prompt review into all cases of suspected and actual fraud which have occurred with a view to improve the internal management and control system where necessary. All cases of suspected fraud will be reported further to the police, to the European Anti-Fraud Office and to the Ministries and regions participating in the Programme.

The responsibility for an anti-fraud culture lies with all those involved in the EU Programmes and projects. We therefore encourage all partners, contractors, employees, or the general public to assist in preventing fraud from taking place, putting into place proportionate measures to detect it and making it transparent.

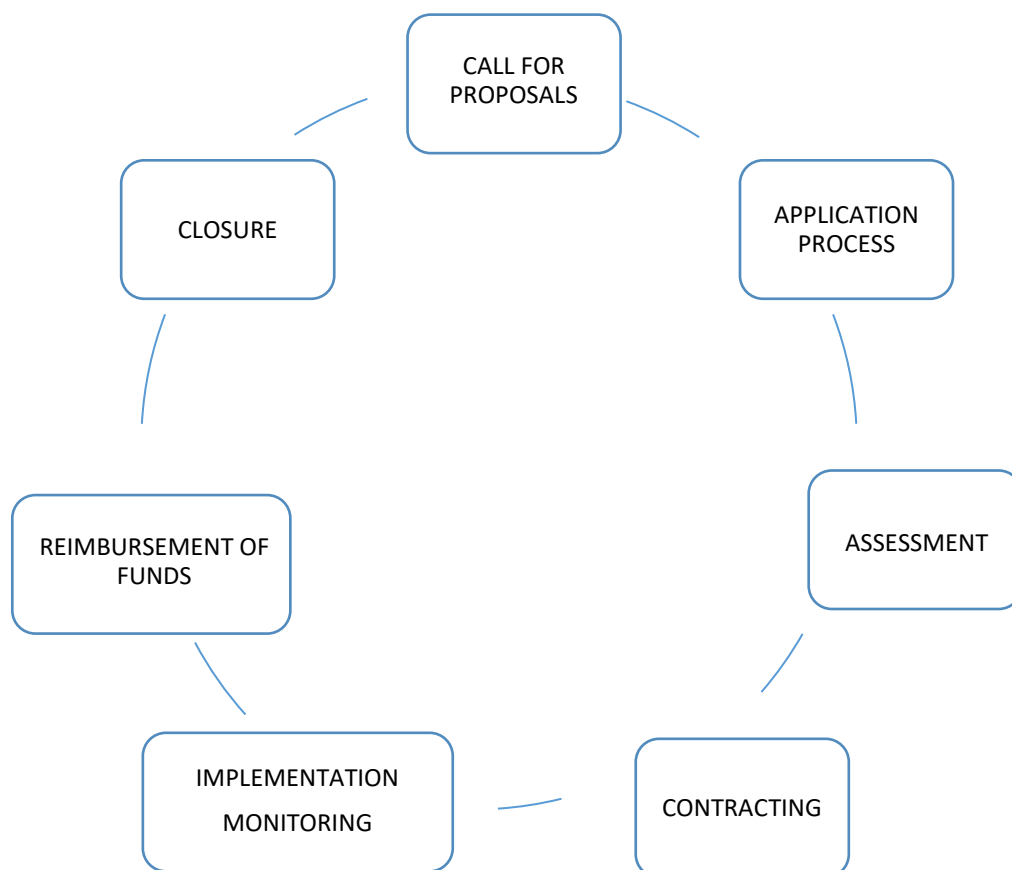


3. PROJECT GENERATION AND START

3.1. Project’s lifecycle

The projects funded by the Programme follow a specific cycle which can be summarised as follows:

Image 3. Project’s lifecycle



Call for Proposals

The Programme is implemented through open Calls. Each Call for Proposals will clearly indicate the type of projects that are supported and rules to apply. When necessary, the Programme may implement restricted or targeted Calls for proposals clearly addressing specific applicants, priorities or specific objectives.



Italy – Croatia

Application process

The application phase concerns the generation of new projects and their submission to the Programme. In the application form all essential information about the project must be clearly presented as it is the basis for the quality assessment and subsequently the project selection by the MC.

Project proposals can only be created and submitted through Jems. The project proposal can only be submitted by the user that created the project proposal, who should be the Lead applicant. Project proposals have to be submitted before the deadline stated in the Call.

Once the submission deadline has expired, the Jems system will not allow any submissions.

Assessment

After the submission of project proposals, the assessment and selection procedures take place and include the following steps:

1. Administrative compliance and eligibility checks - is aimed at verifying the administrative and eligibility compliance with the requirements set in the Call for proposals.
2. Quality assessment - is aimed at evaluating the quality of admitted and eligible proposals.
3. State Aid assessment (*only for projects recommended for funding*).

The MC is in charge of the final decision on selecting the operations and may decide to set some conditions for funding. The decision of MC will be communicated to applicants with the publication of the ranking list on Programme website.

Contracting

Once a project has been selected for funding and has fulfilled the conditions laid down by the MC, a Subsidy Contract (SC) between the Programme's MA and the project's Lead Partner (LP) is concluded. The Contracting phase also includes a series of verifications on beneficiaries required by legislation for signing subsidy contracts. The subsidy contract establishes the rights and responsibilities of the Lead Partner and the MA. Signature of Partnership agreement (PA) is **precondition** for SC.



Italy – Croatia

Implementation

Implementation period is clearly stipulated in the Subsidy contract. Reporting periods are stated in Jems section Contracting - Project reporting schedule. Project implementation rules provided by the Programme must be carefully observed and implemented.

Monitoring and reporting

Reporting activities and costs is an essential task of project management in which the whole partnership is highly involved. It allows the Programme to monitor project progress and, in particular, to verify the compliance of project implementation with the approved application form as well as with the rules governing the EU Structural Funds and the Interreg IT-HR Programme. Project reporting and monitoring are the basis for the reimbursement of ERDF co-financing to the project.

In addition to the project report, the Programme uses other sources of information to monitor progress in implementation on a continuous basis. Among them, the Programme uses:

- the project's website;
- exchange information with the lead partner and partners (e.g., online meetings or phone conferences);
- mid-term review meetings.

The **mid-term review** meeting between the Joint Secretariat and the Lead Partner takes place around the halfway point of the project implementation period. It offers the Programme an opportunity to obtain a more detailed picture of the project's performance and to discuss any issues in implementation.

Reimbursement of funds

The Interreg IT-HR Programme follows the **reimbursement model** of costs incurred and paid by the beneficiaries. This means that each beneficiary must fully pre-finance its project expenditure. Beneficiaries should bear in mind that the absence of advance payments from the Programme, and the time gap between incurring the expenditure and having it reimbursed, may lead to cash-flow challenges.



Italy – Croatia

As stipulated in the subsidy contract, the disbursement of funds to the LP/Italian PP is subject to the condition that the EC makes the necessary funds available. Should no funds be available, the LP will be duly notified by the MA/JS.

After receipt of funds from the MA, the LP is obliged to transfer in time and in full the share of ERDF/FdR which corresponds to each PP. No amount shall be deducted or hold by LP.

Closure

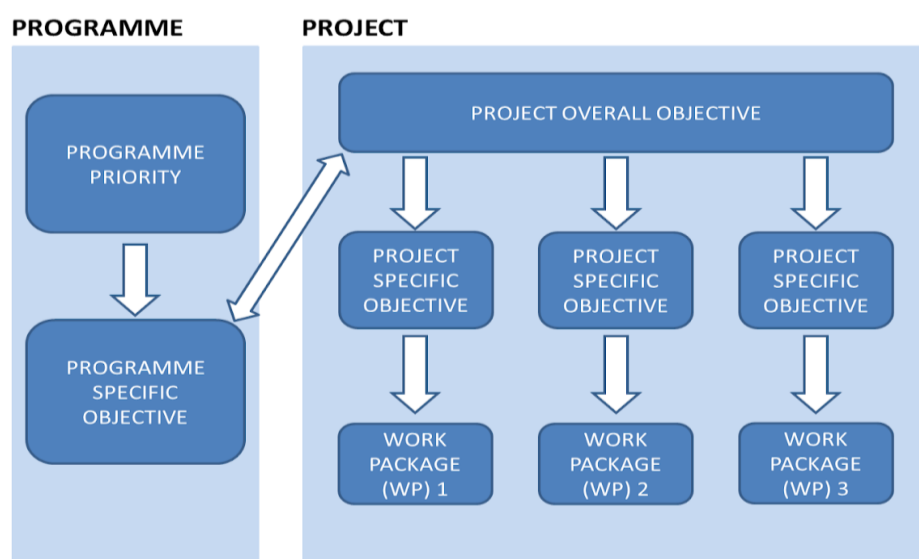
Closure is the final phase of a project’s lifecycle, when ex-post monitoring period starts. Archive of project documents (related to activities and finance) is set-up in the closure phase in order to assure retention of documents for a period of 5 years from the 31 December of the year in which the last payment by MA is made to the LP, according to art. 82 CPR and 10 years from the date of granting the last aid issued by IT-HR Programme in case of State aid.

3.2. Project generation

How to set the project objectives

Each **project** must define its **overall objective** not only with the aim of tackling current territorial challenges, but also following the need to be **compliant with the Programme specific objective**.

Image 4. Programme and project’s objectives



Italy – Croatia

Definitions of different level objectives:

- **Programme specific objective:** what the Programme wants to change for its inhabitants in this thematic area;
- **Project overall objective:** defines what the project aims to achieve for the benefit of the involved regions and its target group(s) and points to the planned project results (and territorial change).

After being set, the project overall objective is then divided into several project specific objectives, each one strictly linked to a Work Package.

- **Project specific objective:** defines an immediate goal that a project can realistically achieve within the project lifetime through its planned activities and related outputs and deliverables. It must clearly contribute to the overall project objective and should be specific and measurable. At the end of the project, it should be verifiable whether the specific objective has been reached.

⚠ POINT OF ATTENTION

Project specific objectives must be:

- precise and relevant for the Programme;
- ambitious, but feasible within the duration of the project.

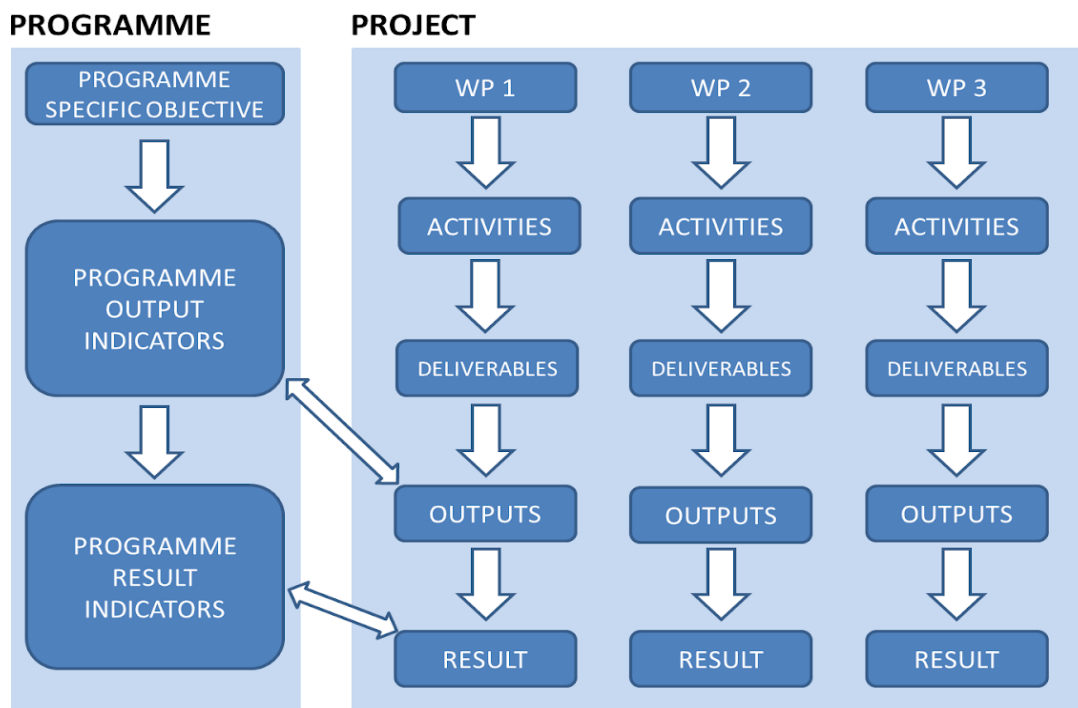
How to build a project Work plan

A project **Work plan** is structured into **Work Packages (WP)** and **activities**, while its final aim is to produce **deliverables** and **outputs** to achieve concrete results that reach the set objectives.



Italy – Croatia

Image 5. Programme and project's links



Definitions of Work plan elements:

- **Work Package (WP):** a group of related project activities necessary to produce project deliverables and main outputs;
- **Activity:** a specific task performed for which resources are used; the proposed activities shall have a logical sequence and be planned for the direct benefit of the area concerned by the authorities involved in the project. Each Work package is divided into activities, each activity must lead to one or several deliverables;
- **Deliverable:** a tangible or intangible object developed as a side-product of the project that contributes to the achievement of a project output. More than one deliverable can be necessary to produce one output.
- **Output:** the actual product resulting from the implementation of project relevant activities and deliverables. It is captured by an output indicator and directly contributes to the achievement of project result(s) and project-specific objectives.



Italy – Croatia

- **Result:** describes the advantage of carrying out the project and characterising the change compared to the initial situation. Results are derived from the outputs achieved by the project. It must be coherent with project objectives and contribute to the Programme results.

For each activity, applicants must specify who will benefit from the project outputs:

- **Target Group:** is a group of stakeholders that is targeted by the project and will benefit from the project results. They should preferably be actively involved in the project implementation and the development of its outputs. Each “Target group” should be quantified and the achievement of the target values per each target group will be continuously monitored during project implementation.

Given the typology of actions foreseen and the results expected, the Programme has identified the following target groups for each SO:

Table 6. Target groups

SO	Jems Target Groups
1.1	<ul style="list-style-type: none"> • Local public authority; • Regional public authority; • National public authority; • Sectoral agency; • Higher education and research organisations • Education/training centre and school • Enterprise, except SME • SME • Business support organisation; • Interest groups including NGOs; • General public.
1.2	<ul style="list-style-type: none"> • Local public authority; • Regional public authority; • National public authority; • Sectoral agency; • Higher education and research organisations • Education/training centre and school; • Enterprise, except SME;



Italy – Croatia

	<ul style="list-style-type: none"> • SME; • Business support organisation; • Interest groups including NGOs; • General public.
2.1	<ul style="list-style-type: none"> • Local public authority; • Regional public authority; • National public authority; • Sectoral agency (including Civil protection bodies and emergency services); • Higher education and research organisations; • Enterprise, except SME; • SME; • Interest groups including NGOs; • General public (particularly youth).
2.2	<ul style="list-style-type: none"> • Local public authority; • Regional public authority; • National public authority; • Sectoral agency; • Higher education and research organisations; • Enterprise, except SME; • SME; • Business support organisation; • Interest groups including NGOs; • General public (particularly youth).
3.1	<ul style="list-style-type: none"> • Local public authority; • Regional public authority; • National public authority; • Sectoral agency; • Infrastructure and (public) service provider; • Enterprise, except SME; • SME; • Interest groups including NGOs; • General public.
4.1	<ul style="list-style-type: none"> • Local public authority; • Regional public authority; • National public authority;



Italy – Croatia

	<ul style="list-style-type: none"> • Sectoral agency; • Enterprise, except SME; • SME; • Education/training centre and school; • Business support organisation; • Interest groups including NGOs (including DMOs, tourist boards and local action groups) • General public (particularly youth).
<p>5.1</p>	<ul style="list-style-type: none"> • Local public authority; • Regional public authority; • National public authority; • Sectoral agency; • Higher education and research organisations; • Enterprise, except SME; • SME; • Interest groups including NGOs (including local action groups and similar); • General public (particularly youth).

⚠ POINT OF ATTENTION

During the 2021-2027 programming period, management and communication do not exist as separate WPs anymore. **Only Thematic WPs have been envisaged**, thus, communication and management must be integrated into all thematic WPs, as cross-cutting activities.

Contribution to Programme Output and Result Indicators

Indicators are designed to aggregate information to facilitate monitoring and evaluation at both project and Programme levels, as well as more broadly at the European level. This aggregation enables the tracking of overall performance and provides accountability to EU citizens, and ultimately to the Council, the European Parliament, and the European Court of Auditors regarding the expenditure of cohesion policy resources and the benefits derived from them.



Italy – Croatia

Based on the analysis of the challenges each Programme aims to address, Programme authorities select their political and specific objectives. Accordingly, they define the output and result indicators as proxies for directly measuring project activities and outcomes. They also establish the target values that should be collectively achieved at Programme level for each type of indicator through the contribution of the projects.

The Italy-Croatia Programme has selected two sets of indicators which aim at measuring the outputs and results achieved by the projects:

- **Output indicator (RCO)** measures the specific deliverables of the project, essentially the immediate tangible and measurable products/services produced by the projects;
- **Result indicator (RCR)** measures the effects of the supported project, with a particular reference to the direct addressees, population targeted or users, ultimately, it captures the outcome or effect of the actions and outputs of the project.

The Programme has identified the most suitable indicators for each Programme Specific Objective. An information-sheet containing a description of each indicator is available in the **Programme Intervention Logic document** to guide the applicants in the drafting of the Application Form and to better explain what they are expected to achieve.

Each project is required to contribute to both output and result indicators through the implementation of the activities that compose its Work plan. The contribution to the Programme indicators and their alignment with the Programme objectives is taken into account when assessing the quality of projects and may also be subject of adjustment with the Joint Secretariat during the conditions clearing and contracting process.

Investment(s)

The investment concept is linked to implementation-oriented activities that lead to the development of outputs relevant for the project.



Italy – Croatia

An investment could enclose ***Innovative solutions***, such as procedures, instruments or tools (including physical objects, methods, concepts, or services, etc.) and the ***realization of infrastructural interventions***, which are implemented at a small scale and are necessary for the successful implementation of the project.

The investment must clearly contribute to the project overall and specific objectives: it must have a demonstration, model or pilot character and show a clear cross-border implementation dimension and effect that the partnership evaluates together. The investment should be well integrated into the work plan and show a clear benefit for the target groups addressed. It should ideally pave the way to large-scale investments, thus increasing the impact of the project. Projects should demonstrate that necessary authorisations for pilot investments (e.g. building permits) are available or can be obtained in a reasonable time to avoid hampering the overall project implementation.

Main investment features are as follows:

- 1) A clear link to the development of outputs relevant for the project (core outputs) - Output indicators under each Specific Objective and Programme Intervention Logic;
- 2) The physical character;
- 3) Durability.

In the project budget, according to its contents, the Investment can include items that belong to the cost categories “Infrastructure and works” for e.g., a new construction of a building or the adaptation of existing infrastructure, “Equipment” (such as for instance the purchase of fixed assets/equipment necessary for infrastructure) and “External expertise and services”.

! POINT OF ATTENTION

1. All costs related to meeting standards and obligations related to the nature of the investment (e.g., feasibility studies, revenue generation, environmental impact assessments, climate protection, building permits) must be included in the category of external expertise and service costs, unless they are part of an infrastructure contract.



Italy – Croatia

2. Productive investments can only be supported for SMEs, with notable exceptions as foreseen in Article 5(2) of the ERDF regulation. Pilot investments have to comply with relevant legislation and environmental policies, as well as with the durability and ownership requirements. Furthermore, infrastructure investments with an expected lifespan of at least 5 years have to ensure their climate proofing. In addition to EC guidance, specific rules may be set out by the country in which the infrastructure investment will be realised. Projects are also encouraged to integrate the principle of barrier-free accessibility at all levels, with a special focus on physical investments.
3. The LP/PP that will have investment within the project should demonstrate financial capacity and mechanisms to cover operation and maintenance costs in view of financial sustainability.
4. For the projects including investments, the simplified assessment procedure will be performed during selection phase ensuring their compliance with the ‘do no significant harm’ principle (DNSH).²⁶
5. The assessment of expected impacts of investment on climate change will be implemented by the Programme together with the building permits but only for investments in infrastructures with a total cost of 1 million Euro or more.

How to plan the budget

All projects are financed through a system of budget-based grants, by reimbursing the ERDF’s component of the eligible costs of a project. A project’s total cost is estimated beforehand, based on a detailed calculation of all costs that are eligible for ERDF funding and necessary for implementation of the project’s Work plan. Eligible partners shall secure stable and sufficient sources of finance to ensure both the project implementation and the continuity of the organisation’s activities throughout the project’s lifespan.

The budget of the project must be drafted “per partner”, according to each partner’s Work plan. Each partner must also choose a cost option among the ones foreseen by the Programme, while fully

²⁶ Prepared on the basis of: Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.



Italy – Croatia

accomplishing the principles of the adequacy of costs and sound financial management. As set out in the Financial Regulation 2018/1046, the key principles governing the use of EU funds are:

- **The principle of economy:** it requires that the resources used by the beneficiary in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price;
- **The principle of efficiency:** it concerns the best relationship between the resources employed, the activities undertaken and achievement of objectives;
- **The principle of effectiveness:** it concerns the extent to which the objectives pursued are achieved through the activities undertaken.

The Programme advises to use Simplified cost options as much as possible in order to reduce the administrative burden during the project implementation.

The EU grants should not have the purpose or effect of producing a profit for the beneficiaries (profit is defined as a surplus of receipts over eligible costs incurred by the beneficiaries).

Communication is integrated within project work packages rather than having a dedicated work package. Communication objectives and activities must be explicitly planned, well-integrated and budgeted within project work packages. Partners must ensure they have the necessary internal or external human and financial resources for communication activities (including acquiring licences for content production, social media management, etc). Financial and human resources should also cover participation in external events that are relevant and beneficial to the project, beyond those organised by the Programme.

Communication costs should be reasonable and aligned with project objectives and deliverables. Projects are advised not to underestimate these costs.



Italy – Croatia

3.3. Conditions clearing and contracting

The contracting process starts with the letter of notification of approval or “approval under conditions” which is delivered to the LP. In pre-contracting phase eventual conditions set by MC must be carefully observed and fulfilled by LP prior to contract signature. This process is performed individually between each LP and the JS. At this stage, the JS asks for any information and documentation needed to prepare the Subsidy Contract. Once all conditions are clarified, the JS will ask the LP to upload a new signed application form in Jems.

The Subsidy Contract

If the project is selected for funding and fulfils the conditions for approval set by the MC, on the basis of the LP principle, a Subsidy Contract between the MA and the LP is concluded. The subsidy contract constitutes the legal framework for the implementation of the project.

The Subsidy Contract confirms the final ERDF commitment to the project, it determines the rights and responsibilities of the LP and the MA, the conditions for support and all the necessary implementing arrangements. The final application form is an integral part of the Subsidy Contract. **A model of the Subsidy Contract is available on the website of the Italy–Croatia CBC Programme.**

The LP has one month for accepting the subsidy contract offer sent by the MA/JS. To accept it, the LP shall send back to the MA/JS two original print-outs of the subsidy contract that are dated and signed by the legal representative of the LP institution. The MA will then send back to the LP a countersigned copy of the subsidy contract. Alternatively, the subsidy contract can also be signed and returned digitally with a qualified electronic signature that is compliant with the eIDAS Regulation (Regulation (EU) No. 910/2014). If the LP does not accept the subsidy contract offer within the above-mentioned period, the offer loses validity unless an extension is granted by the MA.

Note: Programme strongly recommends using digital signature whenever possible.



Italy – Croatia

The Partnership Agreement

The Partnership Agreement (PA) is a document formalizing the organization of the partnership and defining the responsibilities of each partner for the implementation of the project in accordance with the final application form. The PA is concluded between the LP and all the partners involved in the project. The PA clearly states the so called “LP Principle” for the operational management and coordination of the project. The PA allows the LP to extend the liabilities of the Subsidy Contract to the level of each partner and comprises provisions that, inter alia, guarantee the rights and obligations of each PP, the sound financial management of funds allocated to the project, the arrangements for recovering amounts unduly paid, etc. A model of Partnership Agreement with minimum compulsory contents is provided by the Programme and made available to beneficiaries. Additional elements may be included in order to tailor the agreement to the needs of a partnership. Additional provisions included in the document must in any case be in line with the Programme objectives and the legal framework mentioned in the subsidy contract and partnership agreement model.

The agreement must be concluded and signed by the partners as soon as possible and before the signature of the subsidy contract. Before signing it, the JS/MA will check the partnership agreement in order to verify that PA meets the minimum requirements set by the Programme. The signed agreement will be archived in Jems Section “Contracts and agreements” by the LP and it is considered as an integral part of the Subsidy Contract. Any subsequent change of PA must be communicated to the MA/JS and uploaded in Jems by LP.

3.4. Lead Partner principle

After approval, the project will undergo the initiation stage aiming at ensuring a quick start-up of the project through the accomplishment of the necessary signed contracts and related documents.

In compliance with the “LP principle”, each project partnership shall appoint one organisation acting as LP. **The LP takes full financial and legal responsibility for the implementation of the entire project**, ensuring its implementation, and maintaining communication with the Programme bodies.



Italy – Croatia

The Lead Partner (LP):²⁷

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

(b)assumes responsibility for ensuring implementation of the entire Interreg operation; and

(c)ensures that expenditure presented by all partners has been paid in implementing the Interreg operation and corresponds to the activities agreed between all the partners, and is in accordance with the document provided by the managing authority pursuant to Article 22(6).

Responsibilities of the LP are laid down in detail in the Subsidy Contract to be signed with the Programme MA and as well in the Partnership Agreement.

3.5. Project start

Tasks associated to project start phase, including project management and coordination:

- Setting up Project Steering Committee:

Each project must set the necessary procedures for decision-making and coordination between the partners. For this reason, projects are requested to set up a **Project Steering Committee** (or equivalent organisational setting), an internal body of the project, composed of representatives of all project partners.

The tasks of the Project Steering Committee include as a minimum:

- Monitoring and validating the project contents: verifying that the project implementation is in line with activities and outputs defined in the approved Application Form, and validating the quality of main project outputs and the progress towards achieving set objectives;
- Monitoring of project finances: monitoring the project budget and project spending;
- Review of the management performance and of the quality of progress reports towards the Programme bodies;

²⁷ In line with Interreg regulation art.26.



Italy – Croatia

- Decisions on required project modifications (e.g. content, partnership, budget, duration) to be requested for approval to the Programme bodies;
- Working groups, task forces and advisory groups may be established to coordinate the day-to-day running of activities, to fulfil specific tasks, etc.
- Adequate representation of involved partners must be observed in establishing decision-making and coordination mechanisms.

The setup of the project Steering Committee and the organisation of the first project meeting must be ensured as early as possible. At the beginning of the project, project partners also agree on rules ensuring the proper implementation of the project.

- Organisation of project management:
 - Projects need to establish a clear management concept including a decision-making structure able to steer and monitor project progress and, in case of unforeseen situations or risks, to adjust project implementation and find adequate mitigation measures. Specifically, the legal representatives, delegated persons and key decision-makers need to be informed of all organisational setting and involved in the project implementation as soon as possible, as to make decision-making on project activities as smooth as possible;
 - Project needs to set up the Project management unit (PMU) consisting of:
 - Project Manager: is experienced so as to ensure the thematic coordination of the project activities and work packages; is able to act as a driving force of the project and to mobilise the partnership in order to achieve the objectives set in the application; is experienced in management of EU funded projects; speaks and reads fluently English to ensure communication within the partnership and with the Programme authorities.
 - Financial Manager: is experienced so as to ensure the management of the project budget, including budget modifications, financial reporting and submission of payment claims to the Programme. FM must ensure that project partners have received the Interreg funds and verification of the correct transfer of Interreg funds to the partners; is responsible to closely and regularly monitor the financial



Italy – Croatia

performance of the project partners; works in close contact with the project coordinator and the partners in order to enable the efficient overall financial management of the project; ensures that the project does not contribute to the Programme de-commitment risk; is familiar with accounting/bookkeeping, as well as with handling international transactions; is aware of the EU and national legislation regarding financial management and controls, public procurement and, where appropriate, State aid.

- Communication Manager: should be an experienced communication expert and demonstrate a sound knowledge of EU funds and Cohesion Policy.

To this purpose, it is possible to use the [assignment document template](#) provided by the Programme. In addition, the assigned persons should be also entered in the specific fields of the Jems Application Form, as soon as possible in the project startup phase.

- Projects should tackle **quality management**, in order to ensure consistency and coherence of the information and content of a deliverable, in tight connection with the activity that it corresponds to. Specifically, for the outputs: a) how the output contributes to the Programme actions and/or targets, b) how the output can be used and by whom (target group), what is the benefit for the target groups and the target area, c) how the sustainability of the output can be ensured;
- Project managers are encouraged to put in place an **evaluation plan** that is related to deciding how the project will be monitored and assessed to determine the project's success and effectiveness. An effective evaluation plan should show how the project will be monitored and how its objectives will be met, i.e. while setting up a system to collect target groups' feedback, on all projects key activities;
- Projects should update and keep up-to-date the risk assessment carried out during project development to set up suitable mitigation measures on aspects such as possible modifications to the project plan, to the achievement of outputs and results, partners dropping out, delays in



Italy – Croatia

delivery, etc.). Following risks may be taken into account when setting up **risk management plan** (*non-exhaustive list*):

- Strategic - related to the rationale, quality and timely delivery of the project objective, result or outputs, including to the work plan implementation and to procurement – linked to the involvement of external experts or consultants in project implementation;
 - Pilot project, innovation and investment related risks – linked to timely availability of necessary documents, the development or implementation of innovative technology or solutions or to the investment delivery stages, ownership or durability issues in case of infrastructure or productive investments;
 - Communication – potentially ineffective project communication strategy with internal or external effects, poor visibility on the Italy–Croatia Programme territory making roll-out or upscaling of outputs difficult, non-compliance by partners or sub-contractors with Programme publicity rules;
 - Finance – linked to the receipt of match-funding required for the project, accuracy of budgeting or financial milestone-setting for ERDF subsidy contracts, state aid rule application, individual partner cash flows, etc.
- Kick-off meeting:
 - Purpose: organised within a reasonable deadline after the approval of the SC, in order to ensure that all partners are ready to start the implementation work and are clear about what steps to take next. The kick-off meeting is an operational meeting focused on the management of the project and the partnership. The official public launch of the project may be included in a kick-off meeting, with a session open for public, or implemented through a dedicated event or with suitable communication tools (e.g. press conference just after the kick-off meeting, institutional event, etc.). Please check the Communication chapter.



Italy – Croatia

- Scope: a) all partners should be present, b) represents an overview of the project contents and gives the new staff of the project, who did not take part in the preparatory meetings, the opportunity to introduce themselves
- Participation of Programme relevant bodies is to be considered in the light of both strategic role and decisions to be made.

Further activities recommended for the project start include:

- Together with the project assignments and delegation of signatures, it is also necessary to ensure that budgetary commitments of the public partners are in place as soon as the project starts and the accounting system for project purposes is set up.
- The contractual arrangements need to be taken care of, as well as the Jems setting, such as key information on bank account, the assignment of project admin person (usually lead partner's contact person), the Jems partner privileges (with the Lead Partner having a view-privilege in all project partners), etc. Please see related chapters of this manual.
- It is strongly recommended that each project partner establishes a staffing plan (e.g. including tasks, profiles needed, timing, type of procedures, nature of the contracts, while keeping a balance between external experts and internal staff, person responsible for the procedure, deadlines), as well as a public procurement plan (e.g. including ToRs of service/ supply/ work needed, type of procedure, responsible person, deadlines).

3.6. Additional requirements for OSI start-up

For Operations of Strategic Importance (OSI), projects have specific obligations regarding communication, capitalisation, and evaluation. In particular, this includes the preparation and submission to the Programme of the Communication Strategy/plan, Capitalisation Plan, and Evaluation Plan based on the following guidelines.

OSI projects should produce their Communication Strategy at the very beginning of the implementation phase and have it approved by the Project Steering Committee.



Italy – Croatia

The Communication Plan (Annex to the Communication Strategy), Capitalisation Plan and Evaluation Plan should be delivered **within the first reporting period**.

OSI Capitalisation Plan

It is fundamental that Interreg-funded projects go beyond the mere achievement of isolated results and instead maximise their long-term impact and utility. To this end, the Programme requires that OSI projects, given their complexity, anticipated results, and potential impact, must develop their own capitalisation plan aligned with that of the Programme. The objective is to promote the adoption of the Programme capitalisation process by the projects. Indeed, the OSI capitalisation plan plays a pivotal role in ensuring the dissemination, utilisation, and sustained support of the project's results even after its conclusion, thereby fostering regional development and cooperation.

The capitalisation plan developed by OSI projects should aim to:

- Disseminate and valorise project results: This includes sharing best practices, disseminating acquired knowledge, promoting results to stakeholders, and encouraging the replicability of developed solutions to facilitate potential transfer of solutions.
- Foster cooperation and networking: The capitalisation plan seeks to strengthen networks and ties among project-involved and external organisations, facilitating ongoing collaboration and exchange of experiences and resources. Primarily, it aims to identify the needs of potential re-users and enhance the transfer of the solutions.
- Support long-term sustainability: This entails developing strategies to ensure project results continue to yield benefits post-conclusion, such as integrating adopted solutions into regional or national policies, thereby promoting effective solution re-use and ultimately integration and mainstreaming of the results into policies.
- Engage and raise awareness among stakeholders: The capitalisation plan aims to actively involve relevant stakeholders, such as local authorities, businesses, academic institutions, and local communities, to ensure project results address their needs and promote significant impact.



Italy – Croatia

Consequently, the lead applicants of OSI **projects are required to submit a project capitalisation plan** containing the development of the following elements (no template is provided by the Programme):

- Objective of the Plan
- Project Context
- Main Results (short description, including identification of key OSI outputs and results, which partners intend to focus on for capitalisation)
- Capitalisation Strategies adopted (the following are provided as examples)
 - Communication (ensure clear and accurate communication about project results, both during and after its conclusion, through appropriate channels such as publications, presentations, conferences, and digital media. Give relevance to any targeted communication campaigns towards ‘takers’).
 - Stakeholder engagement (actively involve relevant stakeholders from the early stages of the project to ensure that the results are relevant and useful to them, based on a demand-driven approach. This may include governmental organizations, research entities, industries, NGOs, and local communities. Please refer to the Capitalisation Plan of the Programme for further details).
 - Networking and collaboration (build strong networks with other organizations, both in the public and private sectors, to promote the exchange of knowledge, resources, and best practices, and to amplify the dissemination of results and outputs on which capitalisation activities are focused)
 - Sustainability planning (integrate strategies early on to ensure that project results are sustainable in the long term and can be easily adopted and implemented after the project's conclusion).
 - Participatory approach (actively involve possible re-users, so-called “takers” of the project results in the development and validation process, such as the Associated Partners, ensuring that they meet their needs and are easily usable).
 - Promotion of adoption (implement measures to promote the adoption of project results by other organizations, institutions, or interested sectors, through awareness-raising campaigns, training, and technical support).



Italy – Croatia

- Monitoring and evaluation of the capitalisation activities (implement an effective monitoring and evaluation system to measure the effectiveness of capitalisation activities and make any necessary corrections or improvements over time).
 - Creation of tools and resources (develop practical tools, guidelines, and resources that can facilitate the adoption and implementation of project results by others).
- Capitalisation actions implemented
 - Timeline of the actions (e.g. Months 1-6, Months 7-12 etc.)
 - CAP Responsibilities within the project
 - Summary of Expected Benefits (short description)

Considering the outlined contents of the OSI Capitalisation Plan and the need to promote a real and concrete adoption of the capitalisation process by OSIs, the Programme strongly recommends appointing a Capitalisation Manager as a member of the Project Management Team for each OSI project. This role will be a direct liaison between the Programme and the OSI project throughout the Programme-led 2021-2027 capitalisation process.

OSI Evaluation Plan

The Evaluation Plan for Operations of Strategic Importance (OSI) is a document that outlines the methods for evaluating the effectiveness, efficiency, and impact of strategic activities within the project, and therefore, its overall success. Unlike other types of projects where implementing an **evaluation plan** is encouraged, **for OSI**, this evaluative effort **is required** due to the significant contribution these projects make to the Programme and the territories. The Evaluation plan allows projects to continuously monitor and improve key OSI activities, thus enabling projects to ensure the achievement of objectives to the best possible extent. Evaluation should be conducted by the partnership itself and not outsourced, based on predefined questions and tools that are suitable for the type of activity-output being evaluated and the target group involved.

The evaluation plan should include the following elements (the points below are mentioned as examples, and the Programme does not provide templates):



Italy – Croatia

- Objectives of evaluation, clearly establish what is intended to be evaluated and what the objectives of the evaluation are (for example, in terms of measuring the achievement of goals; analyzing the use of resources and the input-output ratio)
- Description of evaluation methodology, including data collection and analysis:
 - Data collection methods, such as document analysis, use of tools like questionnaires, surveys, interviews, focus groups, and for gathering feedback from target groups on deliverables, products, activities, outputs.
 - Definition of indicators for measurement, specific metrics to monitor progress and results, such as the number of beneficiaries reached.
- Timelines
 - Evaluation planning, establish a regular schedule for evaluations (for example, initial/intermediate/ final).
 - Deadlines and milestones, define key dates for data collection, analysis, and presentation of results.
- Roles and responsibilities
 - Evaluation team, identification of team members responsible for evaluation and definition of their roles and responsibilities.
 - Stakeholders involved, description of the involvement of project partners, Managing Authority, and other relevant stakeholders in the evaluation.
- Utilization of results
 - Evaluation reports, description of evaluation products documenting results and conclusions.
 - Continuous improvement, methods for using evaluation results to make improvements to the project.
 - Communication and feedback, sharing results with various stakeholders and collecting feedback to facilitate adjustments and further improvements to the project if necessary.
- Resources and Budget



Italy – Croatia

Resource allocation, specify resources (internal personnel, time, tools) dedicated to evaluation.

Budget for evaluation, allocation of a specific budget portion to cover costs associated with internal evaluation.

OSI communication strategy - see Chapter 4. of this document.



4. COMMUNICATION

Interreg Programmes and their funded projects share a **general communication goal: conveying the benefits of EU funding and the added value of cooperation, when tackling common challenges and finding joint solutions.**

For the EU it is crucial that Programme and projects show to the widest possible public the tangible effects projects produce and the positive impacts they have on territories and communities. These impacts may be difficult to measure and may go far beyond the established indicators, when they contribute to results such as building trust across borders. It is through communication that such achievements can be best recognised.

Effective communication is a key element of a successful project: when projects are not visible, it is as if they do not exist. However, making projects visible in today's overcrowded communication environment is not an easy task. Project communication requires sound management and constant implementation. It is crucial that both **internal and external communication** work efficiently. Internal communication within the partnership, as well as between the project and the Programme, ensures a constant flow of information and feeds external communication.

Through the entire implementation phase, the Programme requires projects to **constantly work on communication**. Projects should **regularly feed** their **external communication channels**, to make the project visible and widespread and to demonstrate its constant implementation.

Finally, project communication is fundamental to ensure the durability and transferability of outputs and results. In this sense, project **communication is strictly linked to capitalisation**.

POINT OF ATTENTION

- Projects cannot fund the creation of a project logo or the development, hosting, and maintenance of a project website as these are provided by the Programme. Specific rules are foreseen for digital tools (such as apps, platforms, etc) produced by projects, where they are foreseen as specific deliverables. More details are included in the Project Closure chapter,



Italy – Croatia

- Projects need to allocate their own resources for communication activities and establish a regular working relationship with the Programme.

4.1. Project Communication Management

Targeted communication will aid projects to achieve their objectives and ensure transparency in the use of EU funds. Communication activities are crucial and integral to project implementation. It is a project's duty to set up solid communication management and carry it out through the implementation phase, according to the rules and general guidance provided in this chapter, while the Programme's duty is to support projects in this task.

4.1.1. *The Communication Team*

Project communication requires the involvement and efforts of all project partners. Therefore, **each project partner** should appoint **an individual responsible for communication** and the Lead Partner must make sure that at the project level a **project Communication Manager** is appointed.

Project Communication is responsible for planning, coordination and implementing internal and external communication for the entire project duration, as well as managing media relations.

Efficient internal communication is key to developing a positive work environment. It is crucial that all partners regularly share information with their Project Communication Manager about the progress, activities, or events they are responsible for. The Communication Manager ensures this information is shared among the whole partnership. Additionally, the Communication Manager acts as a liaison with the Programme, highlighting the most relevant information on project activities or events and disseminating the Programme's initiatives, news, activities, etc., among the partners. When this bidirectional information flow is well organized, it ensures effective external communication as well.

An additional figure that should be identified, but can coincide with a Project Communication Manager, is the **Website Administrator**, who is responsible for managing and implementing the project website.



Italy – Croatia

⚠ POINT OF ATTENTION

The Programme strongly suggests that the appointed Communication Manager for SSPs and SPs is experienced in community facilitation, digital tools and channels, content preparation, event organisation and has a good level both of written and spoken English. For OSIs please go to the dedicated paragraph.

4.1.2. Communication Planning

There are **different requirements set by the Programme for the communication management**, depending on the project typology: while it is sufficient for Small-Scale Projects to adopt a Digital Communication Plan, Standard Projects and Operations of Strategic Importance should produce a Communication Strategy, including a Yearly Communication Plan (Annex).

It is the Communication Manager who decides upon the newsworthiness of information to be published and clearly distinguishing between contents for internal and external communication. Nonetheless, the **Programme supports Communication Managers in identifying which project deliverables are only related to management and therefore go into project reporting (via Jems) and which ones are relevant for a project's audience and should be published on the project website.**

Project Communication Strategy

The **Project Communication Strategy** serves as a strategic framework to project communication. It should be based on the AF and highlight how activities, deliverables and outputs contribute to the achievement of project goals, Programme's objectives and those of the EUSAIR Strategy. They should also be able to show their contribution to synergies and complementarities with EU policies and horizontal and cross-cutting principles.



Italy – Croatia

A Communication Strategy should include:

- Purpose: setting the vision and the overall project communication goals, related to the project goals;
- Key Messages: main messages to be conveyed to the target audience;
- Target Audience: groups that communication activities are aimed at;
- Approach: methods and principles guiding how communication will be conducted;
- Evaluation: identifies metrics and criteria for measuring the success of the communication efforts;
- Project Communication Plan, to be updated every year – produced an Annex to the Communication Strategy.

The Project **Communication Plan** breaks down the Strategy into specific objectives and targets: it should set resources, responsibilities and how internal communication structured; identify contents for external communication and the most appropriate communication channels, according to the type of activities and the targets to be reached. It should also include a detailed timeline of activities and events.

Digital Editorial Plan

A **Digital Editorial Plan** is a day-by-day management tool. A Digital Editorial Plan should include:

- Chosen communication channels;
- Detailed timeline with projects events and activities, communication campaigns, etc, as well as events a project may participate in;
- Copy (text) and cards (images or graphics);
- Links to published content.

The Programme provides projects with a non-binding template that can be downloaded from the Programme website.



Italy – Croatia

⚠ POINT OF ATTENTION

- A Project Communication Strategy should be drafted at the very beginning of the project implementation phase and approved by the project Steering Committee.
- SPs should produce their Communication Plan (Annex to the Communication Strategy) within the first reporting period.
- SSPs should produce their Digital Editorial Plan within the first reporting period.

Identifying content for external communication

Projects produce many types of content, according to the activities, deliverables and outputs foreseen in their work packages. External communication is based on those contents which are relevant for the project's audience. During the implementation phase, the Programme supports projects in identifying the type of contents and documents that fall into external communication. In particular, the Programme shows how to cluster deliverables according to given categories. This clustering serves to understand which deliverables fall into external and internal communication, particularly highlighting which ones are relevant for the capitalisation of results.

⚠ POINT OF ATTENTION

All deliverables should be produced in English, as it is the Programme language. They can also be produced in national languages, but an English translation should always be available (MANDATORY). In cases the deliverable is intended for general public or other specific target groups, or it is a special thematic report, local language can be used, but a summary should be in English (MANDATORY).



Italy – Croatia

4.2. Project branding, information and visibility rules

All projects need to observe a series of compulsory publicity and communication rules laid down in the EU Regulations²⁸ and this Programme Implementation Manual.

⚠ POINT OF ATTENTION

Where the beneficiary does not comply with its obligations of the above-mentioned EU Regulations, and where remedial actions have not been put into place, the Managing Authority shall apply measures, taking into account the principle of proportionality, by cancelling up to 2% of the support from the Funds to the beneficiary concerned²⁹.

In the current programming period, the EU Commission has set **harmonised visibility** rules for all EU funds. These apply also to Interreg Programmes and therefore to Interreg funded projects. The **minimum visibility requirements set by EU Regulations** are:

- The use of project logos;
- The display of posters or electronic devices;
- The display of plaques and/or billboards in case of investments;
- Information on the funded project on each partners' institutional website.

The **Programme provides funded projects with visibility tools**, to fulfil the EU requirements. They are included in a **Communication kit** made of:

- Project logo;
- Office templates and instructions on how to customise them;
- Templates for posters, billboards and plaques;
- Instructions on how to customise templates;
- Project Brand Manual³⁰

²⁸ Regulation (EU) 2021/1060 of the European Union and of the Council of 24 June 2021, articles 46-49 and Annex IX to CPR 2021/1060.

²⁹ In line with article 36 of Regulation (EU) 2021/1059.

³⁰ [Project implementation documents - Italy-Croatia - Regione Veneto](#)



Italy – Croatia

The **Programme also provides each funded project with a project website**, which is hosted on the Programme website.

Project Logo

A Project logo includes the following elements:

- The European Union emblem;
- The statement “Co-funded by the European Union”;
- The Interreg logo;
- The Programme name (“Italy–Croatia”);
- The project acronym.

A project logo has to be clearly and visibly displayed on all documents, communication materials and communication channels used by a project (for instance printed publication, audio-visuals, events, promotional items, etc).

When it is not possible to include the project logo in a publication, for example in scientific articles, conference proceedings etc., projects should explicitly mention the “contribution from the EU co-financing and the Interreg Italy–Croatia Programme”.

Poster

Each partner of an Interreg operation must place a poster of a minimum A3 size or equivalent electronic display with information about the project, including the financial support from the Union and the project logo, at a location clearly visible to the public, such as an entrance area of a building.

Billboards and Plaques

Durable plaques or billboards shall be displayed in a location clearly visible to the public, in case of physical investments or of purchase of equipment. This is mandatory for each partner claiming



Italy – Croatia

investment/equipment costs³¹. The plaque or billboard must be placed as soon as the physical implementation of the operation starts, is purchased, or the equipment installed.

⚠ POINT OF ATTENTION

- 1) Posters, plaques and billboards should be clear, easy-to-read: their purpose is to inform the public about a given action that has received financial support from the EU, therefore the design should be simple and projects should avoid squeezing too much information into them and adding too many logos;
- 2) When adding partner logos, remember that the Project logo should always take precedence over the others;
- 3) The Programme does provide templates and instructions, but does not approve the templates customised by projects.

Stickers or Similar Visibility Items

Stickers or similar visibility items should be placed on equipment which is not marked with billboards or plaques according to the previous provision.

Partner Institutional Websites

All project partners should ensure visibility to the financed project providing “on the partner’s official website or social media sites, where such sites exist, a short description of the Interreg operation, proportionate to the level of support provided by an Interreg fund, including its aims and results, and highlighting the financial support from the Interreg fund”³². Once it is ready, all project partners of a financed project should include a link to the project website to this description.

³¹ In compliance with Article 36 (4) (c) of EU Regulation 2021/1059.

³² Art. 36, 4 (1) of EU Regulation 1059/2021.



Italy – Croatia

Promotional Items

Promotional items are optional. They can be a good way to raise awareness about a project and enhance the recognition of the Interreg brand and EU funds. Any such item should be branded with the entire project logo (make sure you don't leave out any part).

However, they should be produced only if they meet strategic objectives and are linked to a promotion strategy.

The Programme strongly recommends to limit the production of promotional items, as well as any printed materials, and to adopt a **green approach**. This means, to purchase fewer, higher-quality and sustainably-sourced items; to consider the entire life cycle of an item when choosing it; to produce long-lasting and useful items that can be reused, repaired or recycled and are linked to your promotion goals; avoid plastic and packaging.

Project Website

The Programme provides all funded projects with a project website hosted on the Programme's website ("Discover Project" page). This is considered the main repository for a project external communication.

At the beginning of the implementation phase, the Programme asks the Lead Partner for specific data for the website set-up. The Programme sends instructions (video-pills and written) to Website Administrators and Communication Managers, organises practical workshops on website implementation and a regular help-desk for technical support.



Italy – Croatia

4.3. OSI Communication

A Complex Communication Objective

As OSIs are emblematic projects, their communication, according to EU regulations, have a complex objective: the achievements of an OSI should be widely disseminated in a clear and tangible manner to the broadest possible public, by demonstrating compliance with and contribution to the Programme's objectives, while also ensuring higher visibility of EU support, recalling EU fundamental values, and underlining the added value of Cohesion Policy.

Mandatory Activities set by EU Regulations

- acknowledge the support from the EU Funds, following the EU visibility rules;
- ensure high visibility of OSIs' achievements;
- Organise a high-level communication event or activity, involving the Commission and the responsible Managing Authority in a timely manner.

Mandatory Activities set by the Interreg Italy-Croatia Programme

- Communication Strategy including communication plan see paragraph on Communication Management in this Chapter for more details.
- Requirement of OSI Communication Managers: an OSI Communication Manager should be an experienced communication expert and demonstrate a sound knowledge of EU funds and Cohesion Policy.

High-level Event

According to Article 36 (e) - Regulation (EU) 2021/1059, OSIs exceeding a budget of EUR 5 million, should organise a **high-level event**, also with the involvement of the EU Commission and the Managing Authority.

This event or activity should serve as an opportunity to make the project's work visible to the public and showcase the positive changes for the country and region, namely the project's importance for achievements of the specific objective of the Programme. It is at the same time an excellent opportunity to show the link between the project's aim, its relevance for national development and contribution to



Italy – Croatia

EU priorities. It offers citizens a glimpse of how projects make Europe more competitive, greener, connected, social and closer to citizens.

Beneficiaries are encouraged to **work closely with the Managing Authority** and ensure that the Commission is timely informed about the communication event or activity. Ideally, **the invitation to the Commission** should be sent two or three months in advance.

When organising the event or activity, beneficiaries should build on communication approaches that work well in the country and concerned Programme area, and tailor them to the specific project in question. Careful planning is needed and acknowledging the EU support is key - beneficiaries need to use the project logo provided by the Programme at the beginning of the implementation phase.

An OSI high-level event can be a conference but also another type of activity that attracts a wider public. The Programme recommends referring to the OSI Communication Kit prepared by the EU Commission.



5. FINANCIAL MANAGEMENT

5.1. General eligibility requirements

Expenditures have to fulfil all the following **general eligibility criteria**:

- Expenditures are related to the preparation and implementation of the project as approved by the Monitoring Committee, are essential for the achievement of the agreed project activities and would not be incurred if the project is not carried out;
- Expenditures are incurred and paid by the beneficiaries indicated in the AF during the eligibility period of the project;
- Expenditure must comply with the principle of sound financial management (economy, efficiency and effectiveness);
- Expenditure must comply with the principle of real costs, with the exception of the costs calculated as Simplified cost options (SCOs);
- Double-funding is excluded;
- Expenditures are supported by invoices or other documents with probative value directly attributable to a certain beneficiary and providing clear reference to the project (with the exception of the costs calculated as flat rates and lump sums);
- Expenditures are registered in the beneficiary's accounts through a separate accounting system or an adequate accounting code set in place specifically for the project (with the exception of costs calculated on the basis of flat rates or lump sums);
- Expenditures are not in contradiction with any specific eligibility criterion applicable to the respective cost category;
- Expenditure is in line with the eligibility rules and, where applicable, relevant procurement rules have been respected;
- An authorised Controller has validated the expenditure (applying risk-based management verifications).



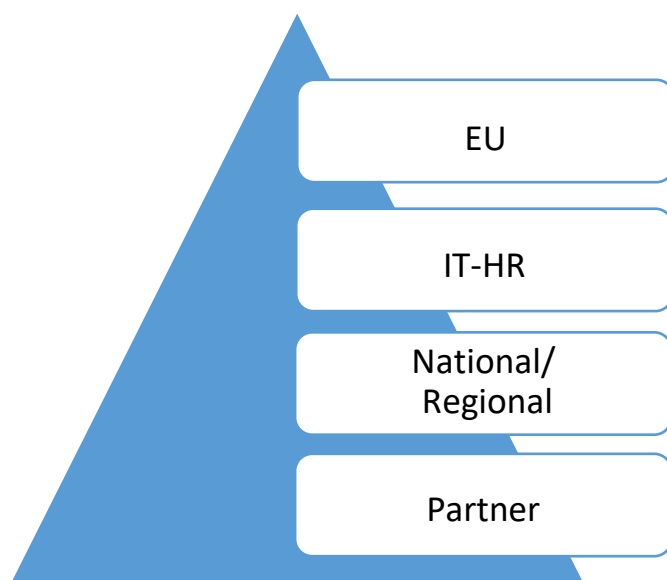
Italy – Croatia

5.2. Hierarchy of rules regarding the eligibility of expenditures

The hierarchy of rules applicable to Interreg Italy–Croatia projects in relation to the eligibility of expenditures is the following:

- European level - EU regulations
- Programme level - specific rules decided for IT-HR Programme
- National/regional level rules applicable in each Member State
- Partner institutional level - internal rules applicable to each partner organization

Image 6. Hierarchy of eligibility rules



This means that partners should first consider EU regulations when incurring expenditure. Where EU rules do not stipulate provisions, Programme rules apply. If neither the EU nor the Programme has a set rule, then national/regional legislation applies. Finally, the partner's internal rules should be followed, if specific issues have not been covered by the previous levels.



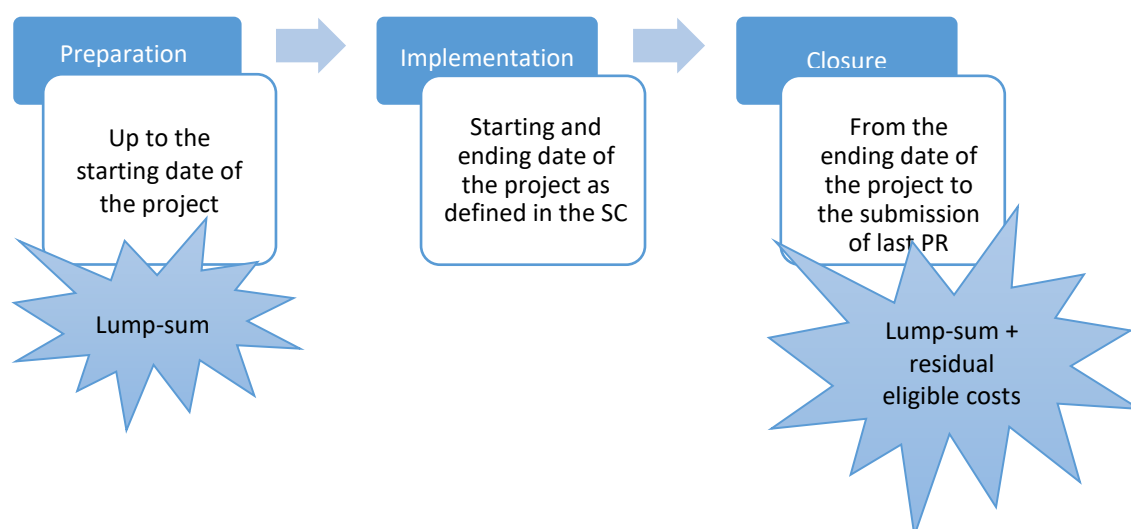
Italy – Croatia

5.3. Time-wise eligibility of expenditure

Expenditure is eligible if it has been incurred by the beneficiary and paid between the **1st of January 2021** and the **31st of December 2029**.

Expenditure shall incur in the eligible period in line with the phases of preparation, implementation and closure of the project:

Image 7. Eligibility of expenditure in time



Project preparation

The Project preparation phase comprises all activities related to the elaboration and submission of the Application Form and it ends with the approval of the project including the contracting phase. Preparation costs are reimbursed through a lump sum. In case the project starts its implementation phase before its contracting phase is finalised, contracting phase costs are covered by “project preparation” lump sum.

Project implementation

Costs for the implementation of an approved project are eligible from its start date until its end date as stipulated in the Subsidy contract (SC).

Project closure



Italy – Croatia

Closure costs of a project refer to activities related to the preparation and submission of the last progress report including the control of expenditure of the last reporting period.

The costs related to closure activities are reimbursed through a lump sum.

In addition to the closure lump-sum, partners are entitled to report during the closure process the following costs:

- Project implementation costs (including staff costs and related social charges): for expenditures incurred before the end date of the project that are paid no later than 60 days from the end date of the project;
- Control costs related to the certification of the last progress report expenditures, i.e. in case of external controllers of Italian partners. These costs can be incurred after the end date of the project and shall be paid within 60 days from the end date of the project at the latest.

5.4. Non-eligible expenditure

The following costs are not eligible (not exhaustive list):

- Interest on debts;
- Purchase of land for an amount exceeding 10% of the total eligible expenditure for the project concerned. For derelict sites and for those formerly in industrial use which comprise buildings, that limit shall be increased to 15%;
- Fines, financial penalties and expenditure on legal disputes and litigation;
- Costs of gifts;
- Costs related to fluctuation of foreign exchange rate;
- In-kind contributions (including unpaid voluntary work);
- Splitting cost items among project partners (i.e. sharing of common costs);
- Discounts not considered when claiming the costs (only the discounted amount is to be regarded as eligible);



Italy – Croatia

- Fees between beneficiaries of a same project for services, equipment, infrastructure and works carried out within the project;
- VAT for projects where the total costs are at least EUR 5.000.000 (including VAT), where it is recoverable under the national legislation;
- for State Aid relevant partners under GBER schemes, regardless the value of the project, VAT where it is recoverable under the national legislation;
- Costs of management verifications if performed by an internal controller.

Furthermore, the Programme will not support activities excluded from the ERDF scope³³ such as the decommissioning or the construction of nuclear power stations.

5.5. Simplified Cost Options (SCOs)

The Programme makes extensive use of Simplified Cost Options (SCOs) and encourages beneficiaries to apply this option as much as possible in view of reducing administrative burden and possible source of errors. SCOs can take the form of Lump sum, flat rates or unit costs and imply approximations of costs that can, by definition, overcompensate or undercompensate the costs incurred by the supported operation. The aim is to shift the focus more on outputs rather than on inputs of the project, in particular from the management verifications' point of view and to introduce a significant simplification. In particular, by applying SCOs project partners should take into consideration that:

- They do not need to provide justification of expenditure and to document that the expenditure has been incurred, or that the lump sum, or flat rates correspond to reality;
- Flat rates are calculated on real cost expenditure (budgeted in the application form or reported in the progress report) in Jems;
- Corrections of reported real cost expenditure will result in a corresponding correction of the flat rate costs;

³³ See article 7 of Regulation (EU) 2021/1058 – ERDF.



Italy – Croatia

- The focus of controls is on the correct reporting of real costs and on verifying that no expenditure related to the flat rates or lump sum is included in any other cost category.

The list of SCOs available to beneficiaries is as follows:

- Lump Sum for Preparation costs 17.000,00€ (ERDF + co-financing) per Standard project or 2.300,00€ (ERDF + co-financing) per Small-scale project pertaining to the 1st Call for Proposals; Lump Sum for Preparation costs 17.500,00€ (ERDF + co-financing) per OSI project³⁴;
- Lump Sum for Closure costs 2.000,00 € (ERDF + co-financing) per partner of a Standard or Small-scale project pertaining to the 1st Call for Proposals; Lump Sum for Closure costs 3.000,00 € (ERDF + co-financing) per partner of an OSI project (2nd Call) and for partners of subsequent calls;
- 20% Flat for Staff costs (Flat rate of 20% of eligible direct costs other than staff costs);
- 15% Flat for Office and administration costs (Flat rate of 15% of eligible direct staff costs);
- 15% Flat for Travel and accommodation costs (Flat rate of 15% of eligible direct staff costs);
- 40% Flat for all costs excluding Staff (Flat rate of 40% of eligible direct staff costs).

Table 7. Lump sums overview

Lump-sum	Type of Project	Amount (EUR)	Notes
Preparation costs	Standard project (1st Call)	17.000,00 EUR	(ERDF + co-financing) <u>per project</u>
	Small-scale project (1st Call)	2.300,00 EUR	(ERDF + co-financing) <u>per project</u>
	OSI project (2nd Call)	17.500,00 EUR	(ERDF + co-financing) <u>per project</u>
Closure costs	Standard or Small-scale project (1st Call)	2.000,00 EUR	(ERDF + co-financing) <u>per partner</u>
	OSI project (2nd Call)	3.000,00 EUR	(ERDF + co-financing) <u>per partner</u>

³⁴ Preparation costs for Calls subsequent to OSI may be subject to revision and the specific amount will be available in Call documents.



Italy – Croatia

The table below provides an overview of applicable combinations of different SCOs by each project at partner level.

Table 8. Overview of SCOs

Cost categories	Option n.1	Option n.2	Option n.3
Staff costs	REAL costs (Part time with fixed percentage method or Full-time)	20% Flat on other direct costs	REAL costs (Part time with fixed percentage method or Full-time)
Office and administrative costs	40% Flat on Staff costs	15% Flat on Staff costs	15% Flat on Staff costs
Travel and accommodation costs		15% Flat on Staff costs	15% Flat on Staff costs
External expertise and services costs		REAL costs	REAL costs
Equipment costs*		REAL costs	REAL costs
Infrastructure and works*		REAL costs	REAL costs

* This cost category is not available for Small-scale projects.

Each beneficiary must choose one of the above reimbursement options already in the project preparation phase when drafting the Application form. The same reimbursement option will be set for the entire project duration and it cannot be changed during project implementation.

Preparation and closure lump sums may not be introduced after the project has been contracted or only upon MC approval.

⚠ POINT OF ATTENTION

Flat 20% Staff should not include as direct costs (other than Staff) public works contracts or supply or service contracts which exceed in value the following thresholds set in EU Directives³⁵ or their subsequent updates.

³⁵ See Article 4 of Directive 2014/24/EU of the European Parliament and of the Council or Article 15 of Directive 2014/25/EU of the European Parliament and of the Council.



Italy – Croatia

5.6. Specific cost category provisions

The Programme applies six different cost categories in line with the Interreg regulatory framework³⁶.

- 1. Staff costs**
- 2. Office and administrative costs**
- 3. Travel and accommodation costs**
- 4. External expertise and services costs**
- 5. Equipment costs**
- 6. Costs for infrastructure and works**

5.6.1. Staff costs

Staff costs consist of gross employment costs of staff employed by the beneficiary implementing the project. Staff can either be already employed by the beneficiary or contracted specifically for the project.

Staff costs may be reimbursed in one of the following form:

- as Real costs where the beneficiary must document that expenditure has been incurred and paid out (proven by the employment document and payslips);
- as a Flat rate equal to 20% of direct costs other than staff costs (external expertise and services, equipment, infrastructure and works) with no need to document that the expenditure has been incurred and paid out.

Each beneficiary must choose one of the above reimbursement options already in the project preparation phase when drafting the Application form. The same reimbursement option will apply to all staff members of the beneficiary working in this project and it will be set for the entire project duration. During project implementation, it is not possible to change the chosen option.

³⁶ Regulation (EU) 2021/1059, art.37-44.



Italy – Croatia

REAL COST

Option n.1 and n.3 Staff costs reimbursed on a real basis:

Staff costs consist of gross employment costs of staff employed by the beneficiary implementing the project in one of the following ways:

1a) full time;

1b) part-time with a fixed percentage of time worked per month;

Staff costs shall be limited to the following:

(i) salary payments related to the activities which the entity would not carry out if the operation concerned was not undertaken, provided for in an employment document, either in the form of an employment or work contract or an appointment decision, or by law, and relating to responsibilities specified in the job description of the staff member concerned;

(ii) any other costs directly linked to salary payments incurred and paid by the employer, such as employment taxes and social security including pensions as covered by Regulation (EC) No 883/2004 of the European Parliament and of the Council, on condition that they are:

- provided for in an employment document or by law;
- in accordance with the legislation referred to in the employment document and with standard practices in the country or the organisation where the individual staff member is actually working, or both; and
- not recoverable by the employer.

Payments to natural persons working for the beneficiary under a contract other than an employment or work contract may be assimilated to salary payments and such a contract shall be considered an employment document.



Italy – Croatia

/!\ POINT OF ATTENTION

Overtime is eligible, provided it is in line with the national legislation and the employment policy of the partner organisation, and it is actually paid to the staff member (it can be foreseen only for full-time employees on the project).

Benefits linked to salary payments are eligible if they are in line with the employment policy of the partner organisation (e.g., lunch vouchers, bonus payments).

Holidays resulting from the employer's normal obligations are eligible (they form part of the gross employment cost).

Overheads and any other office and administration costs, daily allowances and any other travel and accommodation costs cannot be included under this cost category.

Unpaid voluntary work (i.e. contribution in kind) is not eligible.

Costs of staff are eligible if no other EU funds have contributed towards financing of the same expenditure item (i.e.: no double financing is permissible according to Article 63(9) CPR).

The following types of working/employment contracts are eligible under this cost category:³⁷

A) Italy

- Permanent staff (“Personale a tempo indeterminato”);
- Temporary staff (“Personale a tempo determinato”);
- Collaborators, term-contract workers (“Contratti di lavoro autonomo parasubordinato” such as “Contratti di lavoro a progetto” e “Collaborazioni coordinate e continuative”).
- Scholarships, PhD Scholarship, Research allowances/grants.

The above-mentioned list may be subject to updates and revisions upon adoption of specifications at National level.

³⁷ NOTE: Further information may be found at National level.



Italy – Croatia

B) Croatia

- Work/Employment Contract (both permanent and temporary) signed both by the legal representative of the employer and the employee;
- Appointment decision, including temporary appointments (for civil servants) issued by the legal representative of the employer's institution which complies with the national legislation.

Other types of working/employment contracts such as Service/fee based contract (“Ugovor o djelu”), in **Croatia**, are not eligible under Staff cost category and may be eligible under External expertise and services. Also in case of employees hired by an Agency for temporary employment (called “ustupljeni radnici” or assigned workers), their cost of work may be eligible under External expertise and services.

In case of working/employment contracts “employees hired by a temporary work agency” (Lavoro da Agenzia interinale / “contratti di somministrazione”) in **Italy**, the component employer-employee has to be reported under Staff costs while the component “Agenzia interinale” – employer (fee charged by the Agenzia interinale) pertains to external expertise and services. Partners should make sure that those components are clearly distinguished and correctly reported in the applicable cost category in line with the chosen reimbursement option bearing in mind that one of these components may therefore be reimbursed through a flat rate (in case of option n.1 or option n.2 in Chapter 5.5).

In line with national provisions, professional contracts or service contracts such as “P.IVA” fall under the External expertise and services cost category.

Costs for **seconded personnel** pertains to the Staff cost category in both countries. For the purposes of proper reporting, also the documentation concerning the relationship between the secondment entity/institution and the seconded staff has to be provided as part of the supporting documents.

1a - Calculation of costs for staff working full-time on the project:

For individuals employed by the beneficiary to work full-time on the project, the total gross employment costs incurred by the employer are eligible.



Italy – Croatia

The fact that the individual works full-time on the project has to be clearly stated in the employment document itself or, if not mentioned, in a specific assignment document issued for the project.

1b - Calculation of costs for staff working part-time on the project with a fixed percentage of time worked per month:

For individuals employed by the beneficiary and assigned to work part of their time on the project, eligible costs shall be calculated as a fixed percentage of working time spent by an employee on the project per month.

This percentage is set out in the employment document or, if not mentioned already there, in a specific assignment document issued for the project which is reflecting the employee's related functions, responsibilities and tasks to be performed in the project and shall be individually fixed for each employee.

The fixed percentage of the gross employment cost is eligible. The percentage has to be established at the beginning of the project and should in principle remain the same for the whole project implementation. However, in case of changes of tasks/responsibilities/functions of the employee, this percentage can be revised and the employer will have to change the assignment document accordingly in order to reflect the incurred changes. The percentage shall remain fixed for the entire reporting period to allow smooth implementation and audit trail.

The reimbursement of staff costs shall be calculated by applying the percentage indicated in the employment document (/in the assignment document) to the monthly gross employment cost.

EXAMPLE 1a - Staff working full time on the project

Total monthly salary costs (gross salary and employer's social charges) = €3.000,00
Percentage of time worked monthly on the project = 100%
Eligible costs = €3.000,00 * 100% = €3.000,00

EXAMPLE 1b - Staff working on a fixed % on the project

Total monthly salary costs (gross salary and employer's social charges) = €3.000,00
Fixed percentage of time worked monthly on the project = 60%
Eligible costs = €3.000,00 * 60% = €1.800



Italy – Croatia

Supporting documents for the audit trail:

- Contract/equivalent employment document setting out the % of time worked on the project (Full-time or fixed percentage) and job description;
- Assignment document (only in case that the % of time spent on the project and job description is not already clearly indicated in the contract/equivalent employment document);
- Payslips, and
- Other documents of equivalent probative value which allow proof of payment of gross employment costs (e.g. an extract from a reliable accounting system of the beneficiary, confirmation of tax authority, bank statement).

It is expected that basic information on the project such as project name, acronym, partner name and name of the employee are included in the employment document (or in the assignment document).

Option n.1 and n.3 (1a or 1b) does not require establishing a separate working time registration system (i.e.: timesheets are not requested).

20% FLAT

Option n.2 - Staff costs reimbursed as a 20% Flat of direct costs other than direct staff costs

The beneficiary may opt to get the reimbursement of staff costs as 20% Flat of the beneficiary's direct costs incurred in a financial reporting period, staff excluded. All eligible costs incurred by the beneficiary and validated by the national controller under the following cost categories are to be regarded as direct costs for the purpose of calculating the flat rate:

- External expertise and services costs;
- Equipment expenditure;*
- Costs for infrastructure and works*.

**Not applicable for Small-scale projects.*

Given that Office and administrative costs and travel and accommodation costs under Option n.2 will be reimbursed as flat rates of staff costs they do not form the basis for the calculation of the 20% flat (due to the need to avoid circular reference).



Italy – Croatia

Direct costs that form the basis for the staff costs calculation must be incurred and paid by the partner institution as real costs and must not include any indirect costs. If direct costs used as calculation basis for determining staff costs are found to be ineligible, the determined costs for staff must be re-calculated and reduced accordingly.

EXAMPLE 2 – 20% Flat of direct costs other than staff

Validated direct costs in the Reporting period:

30.000,00€ under External expertise and services
+ 10.000,00€ under Equipment
+ 20.000,00€ under Infrastructure & works
= 60.000,00€ of tot direct costs other than staff

$60.000,00€ * 20\% = 12.000,00€$ of Staff costs to be reported in the reporting period.

Supporting documents for the audit trail:

- Self-declaration certifying that employee(s) of the beneficiary institution has/have worked in the project accompanied by the related contract. Self-declaration is provided only at the beginning (1st reporting period). Please note that self-declaration may be requested by Programme bodies also in later stages of implementation.

Option n.2 does not require to document that the expenditure for staff costs has been incurred and paid or to determine the applicable rate. Therefore, no documentation on staff costs needs to be provided to the controller. The documentation of real costs will be requested for other cost categories used as a basis for the flat rate calculation.

5.6.2. Office and administrative costs

The Programme reimburses office and administrative costs through a flat rate of 15% of **eligible direct staff costs** or as part of the **40% flat on eligible direct staff costs**.

15% FLAT



Italy – Croatia

Costs under this category include operating and administrative expenses of the day-to day operations incurred by the beneficiary and necessary for the implementation of the project and shall be limited to the following elements (exhaustive list):

- (a) office rent;
- (b) insurance and taxes related to the buildings where the staff is located and to the equipment of the office (such as fire or theft insurance);
- (c) utilities (such as electricity, heating, water);
- (d) office supplies;
- (e) accounting;
- (f) archives;
- (g) maintenance, cleaning and repairs;
- (h) security;
- (i) IT systems;
- (j) communication (such as 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; and
- (l) charges for transnational financial transactions.

The above list is exhaustive and all listed items are to be considered as covered by the flat rate and cannot be reported under any other cost category.

EXAMPLE on 15% flat on direct staff costs

Eligible reported Staff costs = 36.000, 00€

Flat rate for Office & administrative costs = 15%

Eligible reported Office & administrative costs =
 $36.000,00 \text{ €} * 15\% = 5.400,00 \text{ €}$



Italy – Croatia

Part of 40% FLAT

In case the beneficiary selected the 40% flat rate for the calculation of eligible direct costs other than direct staff costs, office and administrative costs are included as part of the remaining eligible costs of an operation in the 40% flat rate. If the 40% flat rate is used, there will be only two cost categories in the project: 1) Staff costs and 2) The remaining eligible costs covering costs for office and administrative expenditure, travel and accommodation, external expertise and services, equipment, infrastructure and works.

Supporting documents for the audit trail:

Beneficiaries are not requested to document that expenditure for office and administrative costs have been incurred and paid nor to justify the applicable rate chosen. Therefore, no documentation on office and administrative costs needs to be provided to the controller.

In case direct staff costs used as a basis for determining office and administrative expenditure are found to be ineligible, the amount of office and administrative expenditure must be recalculated and reduced accordingly.

The documentation of real costs will be requested for other cost categories used as a basis for the flat rate calculation (Staff costs).

Verification against double-financing are requested (e.g., checking that other cost categories do not include costs covered under the 15% or 40% flat option).

5.6.3. Travel and accommodation costs

Travel and accommodation costs refer to the expenditure on travel and accommodation of the staff of the beneficiary for missions necessary for the project implementation.

The Programme reimburses travel and accommodation costs through a flat rate of **15% of eligible direct staff costs** or **as part of the 40% flat on eligible direct staff costs**.

15% FLAT



Italy – Croatia

Travel and accommodation costs, regardless whether such costs are incurred and paid inside or outside the Programme area, shall be limited to the following cost elements:

- (a) travel costs (such as tickets, travel and car insurance, fuel, car mileage, toll, and parking fees);
- (b) the cost of meals;
- (c) accommodation costs;
- (d) visa costs; and
- (e) daily allowances (per diems).

Any cost element listed in points (a) to (d) covered by a daily allowance shall not be reimbursed in addition to the daily allowance (per diems).

The above list is exhaustive and all listed items are to be considered as covered by the flat rate and cannot be reported under any other cost category.

EXAMPLE on 15% flat on direct staff costs

Eligible reported Staff costs = 40.000,00€

Flat rate for Travel & accommodation costs = 15%

Eligible reported Travel & accommodation costs =
 $40.000,00 \text{ €} * 15\% = 6.000,00 \text{ €}$

Part of 40% FLAT

In case the beneficiary selected the **40% flat rate** for the calculation of eligible direct costs other than direct staff costs, the 40% Flat also covers travel and accommodation costs. If the 40% flat rate is used, there will be only 2 cost categories in the project: 1) Staff costs and 2) The remaining eligible costs covering costs for office and administrative expenditure, travel and accommodation, external expertise and services, equipment, infrastructure and works.



Italy – Croatia

Supporting documents for the audit trail:

Beneficiaries are not requested to document that expenditure for travel and accommodation costs have been incurred and paid nor to justify the applicable rate chosen. Therefore, no documentation on travel and accommodation costs needs to be provided to the controller. It is expected that at least the description of incurred travels is provided in the project report.

The documentation of real costs will be requested for other cost categories used as a basis for the flat rate calculation (Staff costs).

Verification against double-financing is requested (e.g., checking that other cost categories do not include costs covered under the 15% or 40% flat option).

In case direct staff costs used as a basis for determining travel and accommodation costs are found to be ineligible, the amount of travel and accommodation costs must be recalculated and reduced accordingly.

Daily allowances must be in line with the national legislation and/or internal rules of the partner's organisation.

! POINT OF ATTENTION

The Programme expects travels to take place in relation to main project meetings/events (such as final conference; Kick-off meetings) regardless of the flat reimbursement.

5.6.4. External expertise and services costs

External expertise and service costs shall be limited to the following services and expertise provided by a public or private body or a natural person, other than the beneficiary, and all partners of the operation:

- (a) studies or surveys (such as evaluations, strategies, concept notes, design plans, handbooks);
- (b) training;
- (c) translations;
- (d) development, modifications and updates to IT systems and website;



Italy – Croatia

- (e) promotion, communication, publicity, promotional items and activities or information linked to an operation or to a Programme as such;
- (f) financial management;
- (g) services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- (h) participation in events (such as registration fees);
- (i) legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- (j) intellectual property rights;
- (k) verifications (carried out by Italian external controllers of the project);
- (l) 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;
- (m) travel and accommodation for external experts, speakers, chairpersons of meetings and service providers, associated partners;
- (n) other specific expertise and services needed for operations.

This list is exhaustive. Cost items accounted under the external expertise and services cost category cannot be reimbursed under any other cost category.

The Programme reimburses costs under this category on a **real cost basis** or **as part of 40% flat rate on direct staff costs**.

REAL COST

In addition to the general eligibility requirements, the following applies:

- External expertise and services must be clearly and strictly linked to the project and be essential for its effective implementation;
- Eligibility of costs for external expertise and services is subject to the full respect of EU, national and Programme procurement rules;



Italy – Croatia

- Where applicable, deliverables produced by experts or service providers must respect the relevant branding requirements;
- External expertise and services have to be duly foreseen in the Application Form (description is visible in work packages and/or budget) in order to be considered as eligible and the respective budget allocated to the Project Partner (changes are possible in line with project modification rules);
- Complementary activities to events (e.g. site visits) must have clear and demonstrable project relevance, otherwise costs linked to them are not eligible;
- Travel and accommodation costs of external speakers and external participants in project meetings and events or related to the staff of associated partners must be incurred and paid by project partners and have to be accounted under this cost category. Such costs must comply with applicable national and/or institutional rules about travel and accommodation;
- Alcohol may be eligible given that it's part of a meal and provided that it is in line with relevant national and institutional rules of the project partner;
- Sub-contracting between partners of the same project is not allowed;
- All costs of external expertise and services which are not part of an infrastructure contract (e.g., feasibility studies, environmental impact assessments, building permissions, etc.) but which are linked to the realisation of an infrastructure should be included in this cost category.

Supporting documents for the audit trail:

The following documents should be provided to the controllers:

- Evidence of the selection procedure (if applicable), in line with EU, national or Programme procurement rules, depending on the amount contracted and the type of beneficiary;
- Contract/order (if applicable) form laying down the services to be provided, with clear reference to the operation and the Programme. For experts paid on the basis of a daily fee, such a fee together with the number of days contracted and the total amount of the contract must be



Italy – Croatia

provided. Any changes to the contract must comply with the applicable procurement rules and must be documented;

- An invoice or a request for reimbursement providing all relevant information in line with the applicable accountancy rules, as well as references to the operation and the Programme and a detailed description of the services provided in line with the contents of the contract. For experts paid on the basis of a daily/hourly fee, the invoice must include a clear quantification of the days/hours charged, price per unit and total price;
- Deliverables produced (e.g. studies, promotional materials) or, where applicable, documentation of the delivery (e.g. in case of events: agenda, list of participants, photo-documentation, etc.);
- In case of travel and accommodation costs of external experts and associated partners, Invoices or documents of equivalent probative value (hotel invoices, bus/train/plane tickets, etc.) including proof of payments (e.g. bank statements) and proof of reimbursement (in case the expenses were pre-financed). The documented evidence of their participation (such as signed list of participants) should also be provided in line with what is mandatory according to national/institutional rules of the partner organisation (including, where applicable, authorisation of the mission and/or mission report signed by the travelling person);
- Proof of payment (e.g. extract from a reliable accounting system of the beneficiary, bank statement);
- Accounting records that prove the separate accounting system for the project from the usual activity of the Organisation/Institution.

Part of 40% FLAT

In case the beneficiary selected the **40% flat rate** for the calculation of eligible direct costs other than direct staff costs, external expertise and services costs are included as part of the remaining eligible costs of an operation in the 40% flat rate. If the 40% flat rate is used, there will be only 2 cost categories in the project: 1) Staff costs and 2) The remaining eligible costs covering costs for office and administrative



Italy – Croatia

expenditure, travel and accommodation, external expertise and services, equipment, infrastructure and works.

Supporting documents for the audit trail:

In case external expertise and service are part of the 40% flat rate, beneficiaries are not requested to document that expenditure have been incurred and paid. Therefore, no documentation on external expertise and service costs needs to be provided to the controller.

The documentation of real costs will be requested for other cost categories used as a basis for the flat rate calculation (Staff costs).

Verifications that the calculation is correct (flat applies on a correct real cost category used as a basis for the calculation) and verification against double-financing are requested (e.g., checking that other cost categories do not include costs covered under the flat option).

Note: In case direct staff costs used as a basis for determining external expertise and service costs are found to be ineligible, the amount of external expertise and service costs must be recalculated and reduced accordingly.

5.6.5. Equipment costs

This category includes costs for equipment purchased, rented or leased by the beneficiary other than those covered under office and administrative cost category, which is necessary for the implementation of the project. This includes costs of equipment already in possession by the beneficiary and used to carry out project activities.

Costs of equipment shall be limited to the following:

- (a) office equipment;
- (b) IT hardware and software;
- (c) furniture and fittings;



Italy – Croatia

- (d) laboratory equipment;
- (e) machines and instruments,
- (f) tools or devices;
- (g) vehicles; and
- (h) other specific equipment needed for the project.

This list is exhaustive. Cost items reported under this cost category cannot be reimbursed under any other cost category.

Costs for the purchase of second-hand equipment may be eligible subject to the following conditions:

- a) no other assistance has been received for it from the Interreg funds or from other EU funds;
- b) its price does not exceed the generally accepted price on the market in question; and
- c) it has the technical characteristics necessary for the operation and complies with applicable norms and standards.

The Programme reimburses costs under this category on a **real cost basis** or **as part of 40% flat rate on direct staff costs.**

REAL COST

In addition to the general eligibility requirements, the following applies:

- Equipment must be clearly linked to the project and be essential for its effective implementation (or it is a project output);
- Equipment is eligible if it is foreseen in the Application Form (description is visible in work packages and/or budget). Changes are possible in line with project modification rules;
- The relevant procurement rules must be respected and properly documented;
- Publicity rules must be observed, where applicable (The equipment shall be properly labelled/plaques complying with the reference to the Programme. In line with national/regional provisions, equipment must be registered in special registers.);



Italy – Croatia

- Costs of equipment which is purchased, rented or leased from another beneficiary are not eligible.

When reporting expenditure on equipment, the following points should be considered:

- If the equipment is used solely for the purpose of the project, will be fully depreciated before the end date of the project and was purchased and paid for within the eligible period, the full purchase cost should be reported;
- If the equipment was purchased before the project was approved, a pro-rata depreciation will be applied. Only the value of the depreciation incurred during the project timeframe is eligible;
- If the equipment is purchased during the project lifetime but the depreciation plan is longer than the project duration, a pro-rata depreciation will be applied. Only the value of the depreciation incurred during the project timeframe is eligible (assuming the equipment is used 100% on the project);
- If non-depreciable equipment (e.g., low-value asset) is purchased, the full purchase cost of the equipment should be reported where the equipment is used 100% on the project;
- If the equipment is rented or leased, depreciation does not apply, i.e., full cost is reported where the equipment is used 100% on the project;
- If the equipment is purchased by the partner organisation, but is only partially used for the project, only the share related to use for the project may be reported. This share must be calculated according to a justified and equitable method in line with legislation or the partner organisation's general accounting policy;
- If the equipment represents a core component of and it is essential for a key project output³⁸ (e.g., the purchase of a laboratory machine for the purpose of research activities in the project, or the purchase of fixed assets necessary for infrastructure) usually associated to Investments in Jems, then the full cost of the item as approved by the Programme can be reported.

³⁸ For example: Laptop to be used by the Project Manager for managing the project is not essential for a key project output.



Italy – Croatia

Table 9. Equipment options

EQUIPMENT	Non Depreciable	Depreciable	Purchased before project approval	Rented/Leased
As core component of the project output	Full cost	Full cost	Full remainder	Full cost
Not core component of project output used 100% for the project	Full cost	Pro rata / Full cost if fully depreciated before the end date of the project	Pro rata	Full cost
Not core component of project output partially used for the project	Pro rata	Pro rata	Pro rata	Pro rata

- If not stated otherwise by National or internal rules of the beneficiary, the following calculation method has to be applied in case of assets subject to depreciation:

Cost of the item x % of depreciation x timeframe of usage during the project = annual eligible amount.

The % of depreciation is extrapolated from the relevant applicable tables to be applied according to National legislation.

In case the real usage timeframe or the reporting period is not equal to a solar year, but to days or months, the calculation has to be made on a daily/monthly basis:

Annual eligible amount /360 x days of usage = eligible amount

Annual eligible amount/12 x months of usage = eligible amount

⚠ POINT OF ATTENTION

- As soon as the physical implementation of projects involving physical investment starts or purchased equipment is installed, beneficiaries are requested to displaying durable plaques or billboards clearly visible to the public;



Italy – Croatia

- Equipment is eligible if it is not covered by the office and administration costs, for instance the purchase of consumables not falling under office and administrative costs which are necessary for the use of laboratory equipment or machines and instruments is eligible and have to be reported under this cost category;
- If the equipment is part of an investment (productive investment or an investment in infrastructure) durability has to be ensured;
- The cost of maintenance/repair service contracts related to the equipment has to be allocated and reported under external expertise and services (as other specific services needed for the project);
- On-site verification of equipment is based on risk-based methodology applied by controllers; In line with national/regional provisions, equipment must be registered in special registers, if applicable.
- If the equipment is associated with the Investment in Jems, it is clearly traceable during reporting phase as core component of the project, otherwise if it is not, the partner has to demonstrate the clear link with the core project output when claiming its full reimbursement.

Supporting documents for the audit trail:

- Evidence of the selection procedure (if applicable), in line with applicable EU, national or Programme procurement rules, depending on the amount contracted and the type of beneficiary; Contract or written agreement laying down the supplies to be provided and any services related to installation and/or maintenance of supplies. Any changes to the contract must comply with the applicable procurement rules and must be duly documented;
- Invoice (or a supporting document having equivalent probative value to invoices, in case of depreciation) providing all relevant information carried out in line with the contents of the contract, the applicable national accountancy rules and internal accountancy policies of the beneficiary and, where applicable, bearing references to the project and the Programme;
- In case depreciation applies, a calculation scheme of depreciation;
- In case the equipment is charged pro-rata, the method set in place for allocating the share of use in the project;



Italy – Croatia

- Proof of existence (pictures, delivery note, etc.);
- Proof of payment (e.g. extract from a reliable accounting system of the beneficiary, bank statement);
- Accounting records that prove the separate accounting system for the project from the usual activity of the Organisation/Institution.

Part of 40% FLAT

In case the beneficiary selected the **40% flat rate** for the calculation of eligible costs other than direct staff costs, equipment costs are included as part of the remaining eligible costs of an operation in the 40% flat rate. If the 40% flat rate is used, there will be only 2 cost categories in the project: 1) Staff costs and 2) The remaining eligible costs covering costs for office and administrative expenditure, travel and accommodation, external expertise and services, equipment, infrastructure and works.

Supporting documents for the audit trail:

In case equipment is part of the 40% flat, beneficiaries are not requested to document that expenditure have been incurred and paid. Therefore, no documentation on equipment costs needs to be provided to the controller.

The documentation of real costs will be requested for other cost categories used as a basis for the flat rate calculation (Staff costs).

Verifications that the calculation is correct (flat applies on a correct real cost category used as a basis for the calculation) and verification against double financing are requested (e.g., checking that other cost categories do not include costs covered under the flat option).

Note: In case direct staff costs used as a basis for determining equipment costs are found to be ineligible, the amount of equipment costs must be recalculated and reduced accordingly.



Italy – Croatia

5.6.6. Costs for infrastructure and works

Costs for infrastructure and works shall be limited to the following:

- (a) purchase of land;
- (b) building permits;
- (c) building material;
- (d) labour; and
- (e) specialised interventions (such as soil remediation, mine-clearing).

This list is exhaustive.

Cost items accounted under this cost category cannot be reimbursed under any other cost category.

A work is intended as the outcome of building or civil engineering constructions taken as a whole, which is sufficient in itself to fulfil an economic or technical function³⁹. Costs for Infrastructure and works may either refer to an object (e.g. a building) that will be set up ex-novo or to the adaptation of an already existing infrastructure.

Costs of feasibility studies, environmental impact assessments, architectural or engineering activities and any other expertise needed for the realisation of the infrastructure, shall be allocated under the cost categories Staff costs or External expertise and services costs (depending on whether they were carried out internally by the beneficiary or with the support of external suppliers).

The Programme reimburses costs under this category on a **real cost basis** or **as part of 40% flat rate on direct staff costs.**

REAL COST

In addition to the general eligibility requirements the following applies:

³⁹ Article 2 of Directive 2014/24/EU.



Italy – Croatia

- Costs for infrastructure and works must be clearly linked to the project and be essential for its effective implementation;
- Costs for infrastructure and works have to be in line in the approved AF;
- In respect of the purchase of land, this is limited to a maximum of 10% of the total project budget, for derelict sites and for those formerly in industrial use (e.g., brownfields) which comprise buildings, that limit shall be increased to 15 %;
- Full cost for infrastructure and works within the project is eligible insofar as it is fully justified as part of project's activities, i.e. no depreciation is necessary;
- Costs for infrastructure and works outside the Programme area are not eligible;
- In case of infrastructure and works that are part of a larger infrastructural investment funded through other sources, the part realised by the project partner must be clearly and unequivocally identifiable;
- Costs of infrastructure and works are eligible if no other Union or national funds have contributed towards financing of the same expenditure (no double funding is permissible);
- Eligibility of costs for infrastructure and works is subject to the respect of applicable procurement rules (EU, national and Programme procurement rules);
- Depending on the nature of the intervention to be carried out, all compulsory requirements set by EU and national legislation on environmental policies, must be fulfilled;
- Where applicable, works must have been previously authorised by national/regional/local authorities (building permission);
- The land and/or buildings where the works will be carried out must be in the ownership of the beneficiary or the beneficiary must have set in place long-term legally binding arrangements in order to fulfil durability (including maintenance) requirements;



Italy – Croatia

- The purpose and ownership of the infrastructure cannot be changed for at least 5 years after the final payment to the beneficiary;⁴⁰
- Where applicable, infrastructure and works realised by the project must respect the relevant publicity requirements;
- On-site verification of infrastructure and works is based on risk-based management verifications methodology applied by controllers. The existence of infrastructure and works realised by the project and their clear identification to the project is verified on-the-spot (if applicable) for each realised item;
- Infrastructure and construction works must be the result of cross-border cooperation activities (such as joint planning, design, decisions, and implementation) specifically directed at improving the development of the Programme area. The cross-border dimension and added value must be substantiated in the application form and are assessed during evaluation process.

⚠ POINT OF ATTENTION

- An operation comprising physical investment (infrastructure) or a productive investment shall pay back the ERDF received proportionate to the period of non-compliance if, within five years of the final payment to the project, it is subject to:
 - a cessation or transfer of a productive activity outside the NUTS level 2 region in which it received support;
 - a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
 - a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.
- A plaque or billboard should be put up as soon as the physical implementation of the project involving physical investment starts (or the equipment is purchased). The plaque or billboard should present the emblem of the Union in accordance with EU technical characteristics.

⁴⁰ 10 years from the date of granting the last aid issued by the IT-HR Programme in case of State aid.



Italy – Croatia

Supporting documents for the audit trail:

- Legal documents specifying the ownership or long-term arrangement for the land and/or buildings where the works will be carried out;
- Where applicable, necessary permissions for the execution of the works, issued by the national/regional/local relevant authorities;
- Evidence of the appropriate selection procedure, in line with EU, national or Programme procurement rules, depending on the nature of the concerned works, the amount contracted and the type of beneficiary.

Infrastructure and construction works shall be compliant with applicable European, National and internal procurement rules, including e.g. feasibility studies, environmental impact assessments, building permissions. The above-mentioned authorisations have to be possessed at the moment of the application and uploaded in Jems OR if the authorisations are not available at the moment of application the date of availability shall be indicated in Jems;

- Contract or written agreement laying down the infrastructure/works and supplies and services connected to execution of works (forming a part of works contract) to be provided with a clear reference to the project and the Programme. For contracts including also a daily/hourly fee, such fee together with the number of days/hours contracted and the total amount of the contract must be provided. Any changes to the contract must comply with the applicable procurement rules and must be documented;
- Invoice or interim payment certificate providing all relevant information in line with the applicable accountancy rules as well as references to the project and the Programme and a detailed description of infrastructure and works carried out in line with the contents of the contract and in line with national legislation related to works/infrastructure;
- Proof of payment (e.g. extract from a reliable accounting system of the beneficiary, bank statement);



Italy – Croatia

- Accounting records that prove the separate accounting system for the project from the usual activity of the Organisation/Institution;
- Proof of respect of Programme publicity requirements rules and where relevant, EU and national legislation in terms of environmental impact.

Part of 40% FLAT

In case the beneficiary selected the **40% flat rate** for the calculation of eligible direct costs other than direct staff costs, infrastructure and works costs are included as part of the remaining eligible costs of an operation in the 40% flat rate. If the 40% flat rate is used, there will be only 2 cost categories in the project: 1) Staff costs and 2) The remaining eligible costs covering costs for office and administrative expenditure, travel and accommodation, external expertise and services, equipment, infrastructure and works.

Supporting documents for the audit trail:

In case infrastructure and works costs are part of the 40% flat, beneficiaries are not requested to document that expenditure have been incurred and paid. Therefore, no documentation on infrastructure and works needs to be provided to the controller.

The documentation of real costs will be requested for other cost categories used as a basis for the flat rate calculation (Staff costs).

Verifications that the calculation is correct (flat applies on a correct real cost category used as a basis for the calculation) and verification against double-financing are requested (e.g., checking that other cost categories do not include costs covered under the flat option).

Note: In case direct staff costs used as a basis for determining infrastructure and works costs are found to be ineligible, the amount of infrastructure and works costs must be recalculated and reduced accordingly.



Italy – Croatia

5.7. Reimbursement of funds

The Programme applies the reimbursement principle, according to which each beneficiary must fully pre-finance its project expenditure.

Model and timeframe for the reimbursement of funds

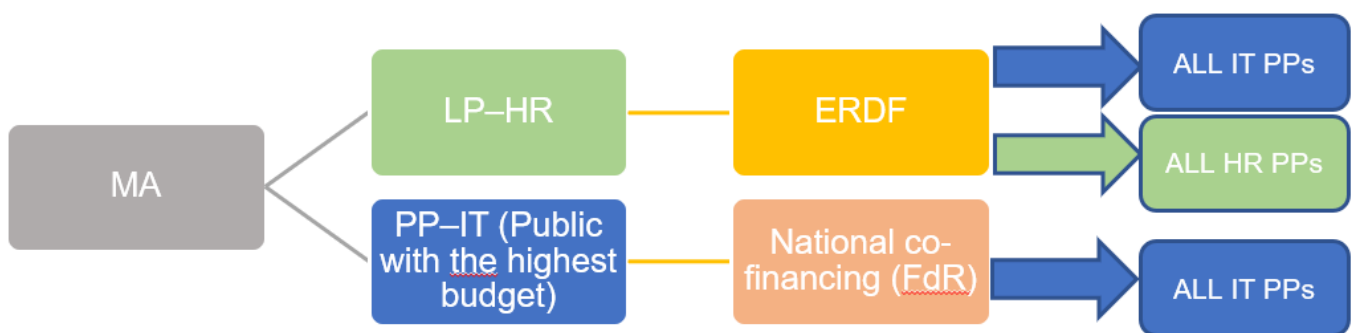
The disbursement of funds by the MA is subject to availability of funding (the EC makes necessary funds available), it takes place as soon as possible and within 80 days from the submission of the Project Report to JS/MA.

Should no funds be available, the LP will be duly notified and, if possible, a provisional date for the expected payment announced.

In case of **Croatian LP**, the MA will transfer:

- the total share of ERDF to the Croatian LP;
- the total share of Italian National co-financing (Fondo di Rotazione) of the Italian PPs to the Italian Public PP with the highest budget among the Italian PPs within the project. In case no Italian public PP is present in the partnership, the MA will transfer the Italian National co-financing to each Italian PP directly.

Image 8. Payment process in case of Croatian LP and Italian Public PP

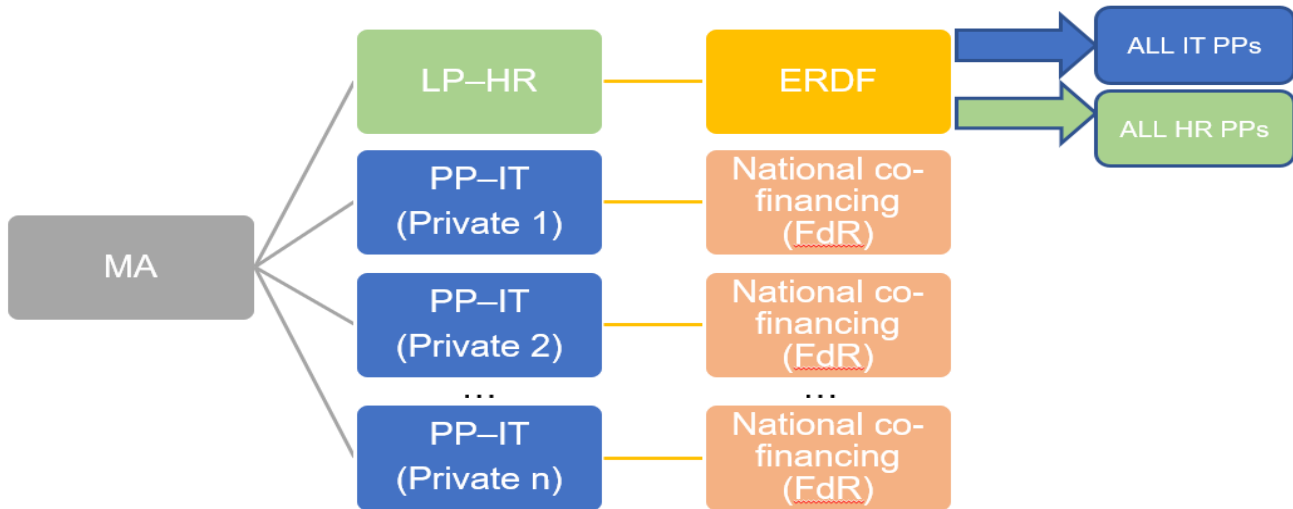


OR



Italy – Croatia

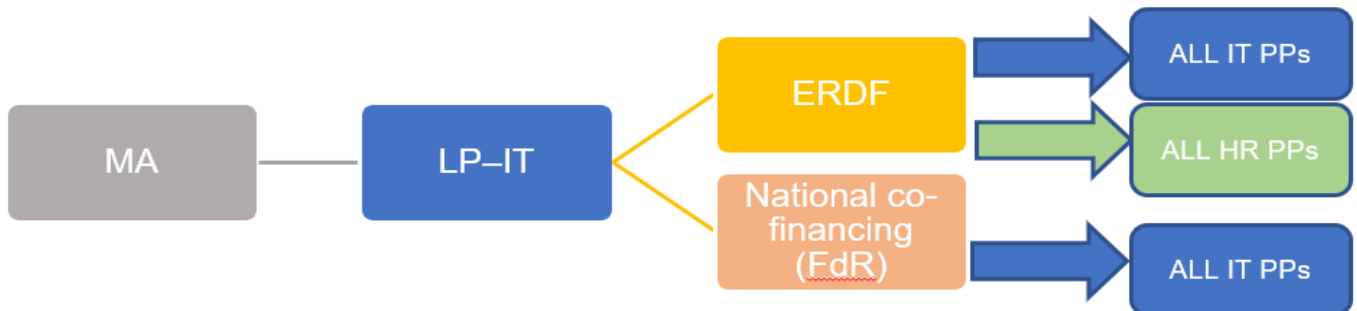
Image 9. Payment process in case of Croatian LP and no Italian Public PP



In case of **Italian LP**, the MA will transfer:

- the ERDF amount and the amount of the Italian National co-financing (Fondo di Rotazione) contributions to the LP.

Image 10. Payment process in case of Italian LP



After receipt of funds from the MA, the LP and, if applicable, the Italian PP with the highest budget are **obliged to transfer in time and in full the share of ERDF which corresponds to each PP** and the national co-financing (Fondo di Rotazione) for the Italian PPs entitled to it. No amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied, which would reduce that amount for the PPs.



Italy – Croatia

5.8. Conversion into Euro

Financial reporting of a project shall take place in Euro and the Programme will reimburse ERDF contributions in Euro.

All expenditures incurred and paid in a currency other than Euro, shall be converted by the beneficiary using the monthly accounting exchange rate of the European Commission in the month during which that expenditure was submitted for verification by the concerned beneficiary to its controller.

The date of submission refers to the day in which the beneficiary submits for the first time to its controller the partner report concerning a certain expenditure. Further submissions of missing documents, clarifications etc. on that expenditure shall not be considered. The date of submission is documented in Jems and the conversion into Euro is automatically carried out by the monitoring system.

5.9. Recovery of funds

The MA shall ensure that any amount paid as a result of an irregularity is recovered from the LP and PPs shall repay to the lead partner any amounts unduly paid.

Therefore, the LP shall ensure that the concerned PP repays the LP any amounts unduly paid, as specified in the partnership agreement. The amount to be repaid can be withdrawn from the next payment to the LP or the remaining payments. In case of closed projects, the LP is obliged to repay the unduly paid out funds to the MA.

Unduly paid out funds can be discovered by various entities, mainly the Programme bodies, the European Commission (EC), the European Anti-Fraud Office (OLAF), the European Court of Auditors (ECA) or other national public auditing bodies and this process implies the repayment of the subsidy in whole or in part from the LP.

In case the LP does not succeed in securing repayment from the concerned PP, or if the MA does not succeed in securing repayment from the LP, the concerned Member State on whose territory the concerned partner is located shall reimburse the MA the amount that was unduly paid to that partner. In



Italy – Croatia

turn, the concerned Member State shall be entitled to claim the unduly paid funds from that partner. The recovery of funds follows the path below:

Image 11. Recovery of funds flow



6. REPORTING AND MONITORING

6.1. General overview of reporting and monitoring of projects

Reporting

During the implementation of the project, the progress and final achievements, including the contribution to Programme Output Indicators and Result Indicators, have to be reported to the Programme through periodic progress reports.

Regular reporting is a way for all partners to follow their implementation and to stay on track regarding the progress of the entire project. In a similar way it is the main tool for the JS/MA to get information on if and how the project is meeting its targets.

Reporting on project implementation is an essential task of project management in which the whole partnership is highly involved. It allows the Programme to monitor project progress and, in particular, to verify the compliance of project implementation with the approved application form, as well as with the rules governing the EU Structural Funds and the Programme. The reporting of the project consists of:

1. *Partner level reporting (Partner Report)*
2. *Project level reporting (Project Report)*

Monitoring

Approved projects have to implement their work plan as outlined in the latest approved version of their Application Form (AF), which is an integral part of the Subsidy contract.

The monitoring process of projects' implementation is performed by JS/MA with several aims:

- It enables the Programme to follow-up on projects and to ensure that they deliver their work according to plans and contribute to the Programme objectives, outputs, and results;
- It enables the Programme to check that claimed costs are in line with the objectives, outputs, deliverables and activities achieved by the project;
- It enables the Programme to ensure that projects are implemented following the principles of sound financial management (economy, efficiency, and effectiveness);



Italy – Croatia

- The successfulness of the project is directly correlated with the successful implementation of the Programme.

Monitoring is done by several means:

- Checking of Project Reports submitted periodically through Jems (explained in detail in the following sections);
- Keeping track of progress by participating in project meetings, checking information on the project websites, reading supporting documentation, or via direct contacts with the partnership (formal and informal meetings and phone calls);
- Mid-term project review meeting.

The collected information enables the MA/JS to follow projects and ensure that:

- The project is well-managed;
- The project remains relevant to the Programme and feasible;
- Project objective and results are being achieved;
- Sustainability and durability issues are being clearly addressed.

POINT OF ATTENTION

Activities implemented outside Programme area including the participation in missions, study visits and events, if not already indicated in the Application Form, need prior approval by JS/MA. Authorization shall be requested well in advance by informing the JS project manager in charge of the project.

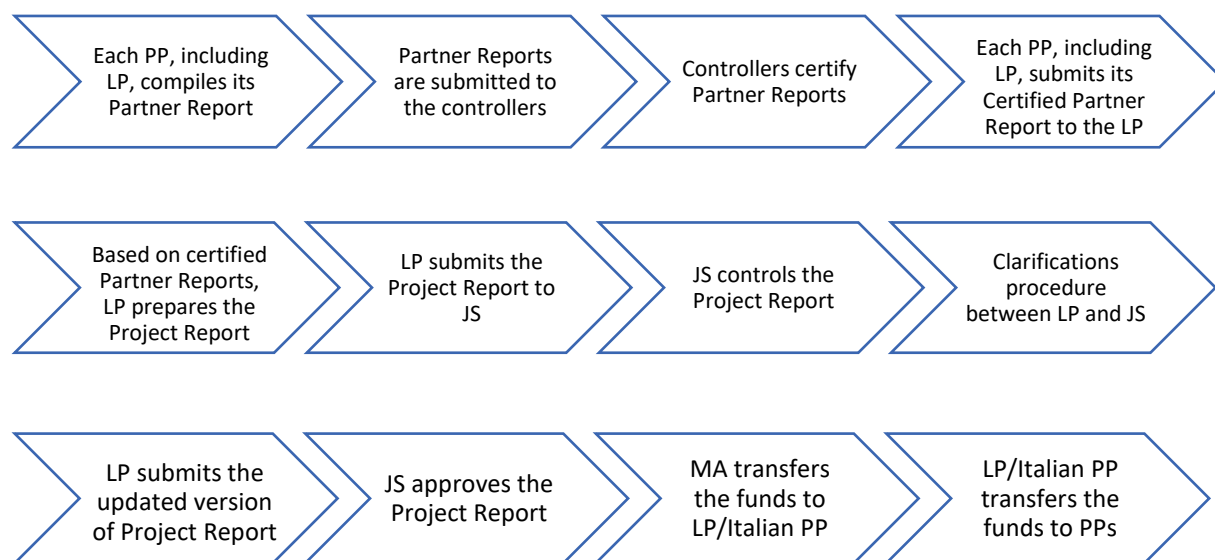
Only in exceptional cases, if they are duly justified an ex-post approval of activities implemented outside Programme area can be granted by JS/MA.

Project reporting and monitoring are the basis for the reimbursement of ERDF co-financing to the project.



Italy – Croatia

Image 12. The reporting procedure



⚠ POINT OF ATTENTION

During each reporting period the Programme makes a sample check of project communication activities, to ensure communication is continuously and correctly implemented during the entire project. The Programme will check 20% of the financed projects during each reporting period applying random sampling. The Programme will check both reports and documents on communication activities uploaded in Jems and contents on project websites and social media profiles (when existing).

Besides this periodic review, the Programme regularly monitors the implementation project websites of all financed projects.

6.2. Reporting at PARTNER LEVEL

Partner Reports

Reporting at the partner level takes place through a Partner Report, where all project partners provide information on performed activities, achieved deliverables and incurred costs (if any) during a certain period of project implementation, clearly indicated in the latest approved version of the AF. The Partner Report, as a project management tool, is available in Jems and its use is mandatory (even if the concerned partner has no expenses incurred in that period). Each Partner Report refers to one partner only and one



Italy – Croatia

reporting period only. Within **15 days** after the end of each reporting period every PP (including the LP) fills in the Partner Report and submits it, including all supporting documents, to its controller for the verification of expenditures. 15 days is an indicative term in case of Italian LPs/PPs.

The procedure for reporting on partner level is the following:

1. PREPARATION OF PARTNER REPORT: Each PP (including the LP) compiles the Partner Report in Jems. It consists of progress on activities and of expenditures related.

The following elements need to be filled in:

Report identification

This tab should indicate the reporting period relevant for the Partner Report, including its start and end dates. It should also contain a summary of partners' work in the reporting period, including any partner problems and deviations from the work plan such as the inability to perform as initially foreseen (e.g. postponement of the activities), as well as a description of the target groups' involvement.

Work plan progress

This tab focuses on activities implemented throughout the reporting period. It contains a general description of PP's contributions to the activities carried out in the relevant reporting period per each Work package, as well as each WP's contribution to project outputs. It should also include a more detailed description of PP's contributions to project activities and deliverables per each Activity.

Public procurements

All procurement procedures that were completed (i.e. relevant contracts were signed) within the reporting period should be registered in this tab. For procurements valued at 10.000 EUR (VAT excluded), or above, information on beneficial owner(s) and subcontract(s) must be entered and the entire procurement documentation must be uploaded in this section. For procurements valued at less than 10.000 EUR (VAT excluded), such information is not required and only the final documents are uploaded here, such as contracts, order forms, etc.



Italy – Croatia

List of expenditures

Financial reporting is done through the List of expenditures section of the Partner Report. The cost categories must be selected for every item added in the List of expenditures section.

Partner Reports may include **expenditure incurred and paid after the start date** of the project and **not later than the end date** of the reporting period concerned. In case of the last Partner Reports all expenditure has to be incurred and paid according to the rules set in chapters 5.3 Time-wise eligibility of expenditure and 8. Project closure. All supporting documents related to the expenditure incurred and claimed by a partner form part of the Partner Report and are uploaded to Jems.

! POINT OF ATTENTION

Reporting preparation costs

In case **preparation costs**/activities have been foreseen in the Application form, all partners concerned are asked to include them in their first Partner Report, i.e. the one covering the first reporting period. The Project preparation phase includes all activities related to the creation and submission of the Application Form including the contracting phase if the project proposal is approved. Preparation costs are reimbursed through a lump sum.

Report annexes

Any other attachments that the project partner finds relevant for the report, but aren't yet added as supporting documents for an invoice or proof of delivery of an output, can be added in the Report annexes section. Before uploading any attachments, partners have to be sure of their relevance to the report and not duplicate any documents already provided, whether in the current report or any of the previous ones (in case a previously uploaded document will be needed, the project partner will provide an indication where the document can be found in the system, e.g. in the Comment section of a relevant expenditure item).

Contribution and Financial overview



Italy – Croatia

Information in these tabs is automatically generated and the amounts included in their tables represent the aggregation of data from all partner reports submitted with verified costs.

2. **SUBMISSION OF PARTNER REPORT TO CONTROLLER:** After completion of the Partner Report, each PP submits it to its controller for verification of expenditure. Partner reports should be submitted within 15 days after the end of the reporting period in Jems (15 days is an indicative term in case of Italian LP/PPs). In case a project partner has not managed to get its report certified in due time, the Lead Partner should submit the Project Report without that partner's certificates. However, certificates in a small delay may be accepted by JS during the clarification process. In any case, late certificates can always be included in the next Project Report(s).

The Controller conducts their checks of the project costs, starting from the date of submission of the partner report. The controller will either confirm, park or reject (in part or in full) expenditure submitted by the project partners for verification. Incurred expenditure can always be reported during project lifetime. The amount verified and confirmed by the controller is stated in the "certificate of expenditure" and is to be included by the LP in the Project Report.

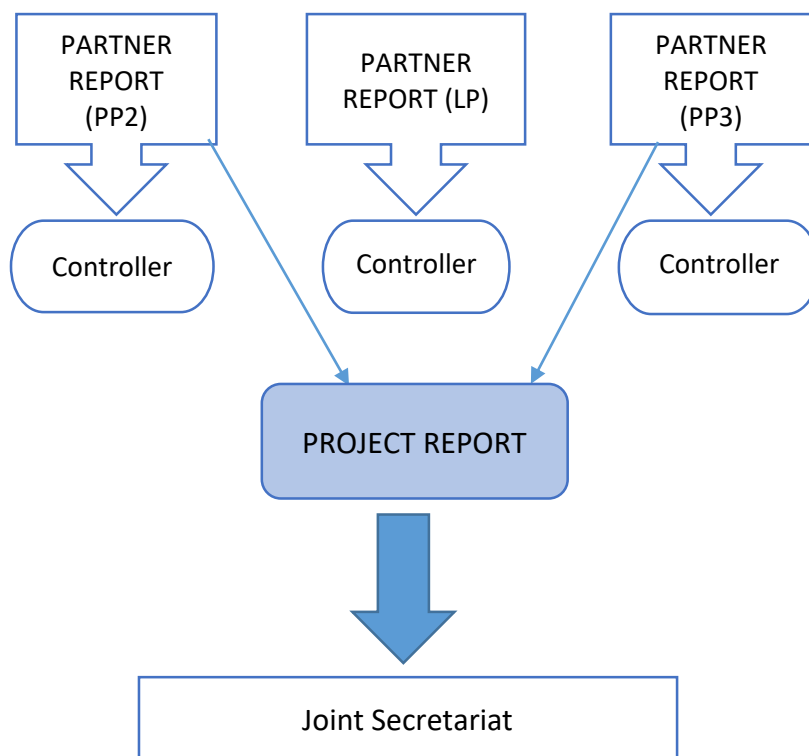
POINT OF ATTENTION

Specific provisions on the national controls system are provided in Section 9. Control and audits of this Manual.



Italy – Croatia

Image 13. Example of Project Report submission with 3 partners' (LP+2 PPs) Partner Report certificates included



3. SUBMISSION OF PARTNER REPORT AND CERTIFICATES TO LP: After a controller has verified the expenditures of a Partner Report, the Partner Report and certificates becomes available to the LP in Jems for inclusion in the Project Report.

6.3. Reporting at PROJECT LEVEL

Project Report consists of information at **project level**. Lead partners collect and consolidate information from all partners that is needed for reporting to the MA/JS at project level. The Lead Partner should make sure that individual Partner Reports include only costs and activities relevant for and belonging to the project. The partnership is expected to implement the activities and incur costs according to the latest approved version of the Application Form and should always keep in mind that the project is monitored against it.



Italy – Croatia

The LP bears the overall responsibility for ensuring the implementation of the project, which includes ensuring that the expenditures presented by all PPs have been verified by the appointed controllers

After the controllers' certification, the Partner Reports and certificates are submitted to the LP who then prepares one single Project Report and submits it through Jems to the Joint Secretariat (JS). By doing so, the Lead Partner confirms that:

- the information provided by partners is correct and accurately reflected in the Project Report;
- the costs included result from implementing the project as planned and as set out in the latest approved version of the application form and described in the Project Report.

The Project Reports consist of a content related part (progress of activities) and a financial part. The content part of the report needs to be filled in manually by the Lead Partner. The financial part is compiled automatically by the system based on the included Partner Report certificates. It is the Lead Partner's responsibility to make sure that all the available certificates are included in the Project Report.

Content (activity) related part of the Project Report

The reporting on **progress of activities** should provide an overview of the project as a whole, based on the information provided by the project partners. The content is **not automatically transferred** from Partner Reports, but it is up to the LP to analyse the information of the whole project and provide a joint overview of the project's progress for the reference period.

The content section of the Project Report ("Project report identification", "Work plan progress" and "Project results and Horizontal principles" tabs) contains information on the overall project progress of each work package including information on achievements, indicator progress, and communication, involvement of target groups, project management, as well as eventual problems and deviations. Lead partners are advised to use these elements as efficient communication tools: be concise and to the point while reflecting on the overall progress of the project. The main text of the report should summarise the implementation of the actions and their outcome(s). In this respect, the reporting should focus on the



Italy – Croatia

implementation of the project itself, rather than on each partner's activities. Lead partners are encouraged to ensure the informative quality and consistency of the reports.

For each work package, a description of the project partnership's progress of activities and contribution to reaching the Project specific objective (and Communication objective, if any) during the reporting period is needed. Also, the information on any eventual problems faced during implementation has to be provided.

- *Reporting per Activities:* Contains the description of the implementation of each activity in detail, including information on activities carried out and contributions by the project partners as well as information on any eventual issues or deviations from the initial plan. Here also the information on project output indicators has to be provided. Reporting on deliverables, including upload of evidence of achievement is also part of reporting on activities.
- *Reporting on Investments:* Contains the description of the implementation of investment activities including progress, challenges and deviations from initial plan.
- *Reporting the contributions to output indicators:* For each output a short description of the progress is requested. However, outputs should only be reported ('Output evidence') when they are fully completed (i.e. not during their delivery). This approach prevents the double-counting of outputs and ensures that only those that are completed are counted. When an output is reported as completed, projects need to provide evidence on its completion. Projects must report outputs in line with the:
 - Output indicators chosen in the application form,
 - Quantified values for each output provided in the application form,
- *Annexes:* Attachment of studies, reports / strategy papers, political agreements, adoption of new processes, new standards, new tools, number of solutions tested – either through physical testing or piloting of new approaches with relevant target groups.

For project, as a whole, the following information is requested in the content section of the Project Report:



Italy – Croatia

- *Reporting the contributions of Target groups:* This information is collected for each reporting period, where explanation on the reached number of the particular target group during the reporting period is needed. Besides a brief explanation of the activities, any lessons learned should be written. The achievement of the Target values per each Target group as defined in the AF should be monitored by using a transparent and efficient monitoring system e.g. using a excel table with clear specification of reached target values per reporting period.
- *Deviations from plan:* Deviations from the approved project work plan may happen in certain circumstances. Projects should always discuss any expected deviations with their Project Manager during implementation and include their description within the "Partner problems and deviations" section of both Partner report and Project report but also within the relevant Activity, Deliverable and Output sections. Details provided within each cost category may differ from the application form only IF proper justification is provided during implementation: In case of Staff costs, details provided in Jems may be considered indicative only IF contracts/assignment documents provided at the beginning of project implementation differ from them.
- *Project results:* The progress on planned results must be described by inserting how much was achieved in the relevant reporting period. Results are cumulative, meaning that if a report is submitted and another report created, the values from the previous report are added to the cumulative values.
- *Horizontal principles:* description of the contribution towards sustainable development, equal opportunities and non-discrimination and equality between men and women.

Project report annexes

Any other attachments that project partner finds relevant for the report, but aren't yet added as supporting documents for Work plan progress and Project results and Horizontal principles tabs, can be added in the Report annexes section.



Italy – Croatia

Financial part of the Project Report

The Financial part of the Project Report contains information on expenditures paid by the LP and all PPs, which have been verified by authorised controllers. Such certificates have to be selected in the List of partner certificates tab in order to be included in the Project Report by the LP. Once this is done, Jems automatically fills in the relevant tables in the Financial overview tab of the Project Report.

Payments to the projects

Once verification of a project report is finalised by JS in line with procedure detailed in the following chapter, payments are processed by JS and MA in Jems and executed to the projects.

6.4. Guidance for reporting

Partner Reports and Project Reports should be written in a way that is understandable also for people outside your specific field of expertise. LP/PPs should be truthful and honest in the explanations. This helps the Programme bodies to better target their support to projects and to prevent any future problems. The following guidance should help LP/PPs to provide concise and coherent information in their Partner Reports, as well as in their Project Report.

Consistency of content and terminology

For the overall coherence of the report, the information provided about the activities and outputs must be fully consistent. This also means that the terminology should be consistent throughout the report and in line with the terminology used in the application form.

Reporting on indicators

Before reporting on indicators, the partnership should study the definition provided for each indicator carefully and understand the Programme's intervention logic. The LP shall keep track of reported indicators and be able to provide relevant and detailed information as well as supporting documents on the quantification and achievements of the project at the request of the Programme.

Coherence between activities and expenditure



Italy – Croatia

All reported expenditure needs to be in line with the activities carried out and reported in the respective reporting period. When compiling their Partner Reports, the LP/PPs must make sure that for any expenditure included, a clear link to the activities is made. For instance, if expenditure linked to the organisation of a meeting is reported in the List of expenditures section, then this meeting should also be reported as an activity and output/result in the Work plan progress section.

Reporting on communication activities

Reporting on communication activities must be integrated into all thematic WPs, as cross-cutting activity (more can be found in Section 4 – Communication of the present document).

Submitting a Project Report and its related payment

60 days after the end of each reporting period, except the last one, the Lead Partner submits the Project Report to the Joint Secretariat for review and evaluation. The Final Project Report is subject to a 90-day deadline. Deadlines for submitting project reports are clearly stipulated in Jems section “Project reporting schedule”.

When submitting the Project Report, the LP must upload all the complementing documents required by the Programme.

The payment is conditioned by the project monitoring held by JS and possible corrections applied by Programme bodies and it is automatically launched after the evaluation of the project report by JS/MA through the electronic monitoring system (Jems).

6.5. Evaluation of the reports by Joint Secretariat and payment

Once a completed Project Report is submitted, the evaluation by the Joint Secretariat begins. Processing of a Project Report focuses on whether the project is progressing in line with the application form, whether there is progress on outputs and results, whether the report reflects the activities of the entire partnership, and whether any implementation problems are being dealt with satisfactorily. If there are questions about any part of the report during the assessment, the Joint Secretariat will contact the LP’s



Italy – Croatia

Project Manager for clarification or additional information. The Lead Partner must ensure that it gets replies from project partners in due time. The information provided in the Project Report must be detailed enough to enable the Joint Secretariat to assess the joint achievements of the partnership over the reporting period. The Joint Secretariat may revert the Project Report to the Lead Partner or the controller for corrections and/or clarifications.

Once all points have been clarified, the Project Report can be approved by the JS. Unless major issues are raised in the Project Report, this process shall not last more than 30 days. Once project report verification is finalised, the payment procedure is automatically launched in Jems. Payments are made by the MA.

All payments will be made to the lead partner/Italian PP in euro and deposited into the bank account indicated in Jems (contracting section). It is the lead partner's responsibility to inform the MA/JS immediately of any changes to bank account information of LP/Italian PP. Although all Programme bodies carry out their work as quickly as possible, it is important to understand that the Programme cannot guarantee when the funds will be paid out to projects. Therefore, partners should have sufficient liquidity to carry out the project activities, even in unforeseen circumstances.

Managing Authority has up to 80 days to make the payment (subject to availability of funds from the European Commission) to the project. This period includes approximately 30 days necessary for the Joint Secretariat to process the project reports.

Suspension of 80 days deadline occurs in case of clarifications requested by JS/MA during the evaluation of the project report and/or irregularities have been detected during the payment phase.⁴¹

The LP/Italian PP transfers the funds to the project partners after receipt of the payment within the timeframe agreed in the partnership agreement and in line with the amounts stated in the Project Report.

⁴¹ The MA will make sure that beneficiaries are informed about the suspension of payments in case of need of further verifications or irregularities found during the payment process.



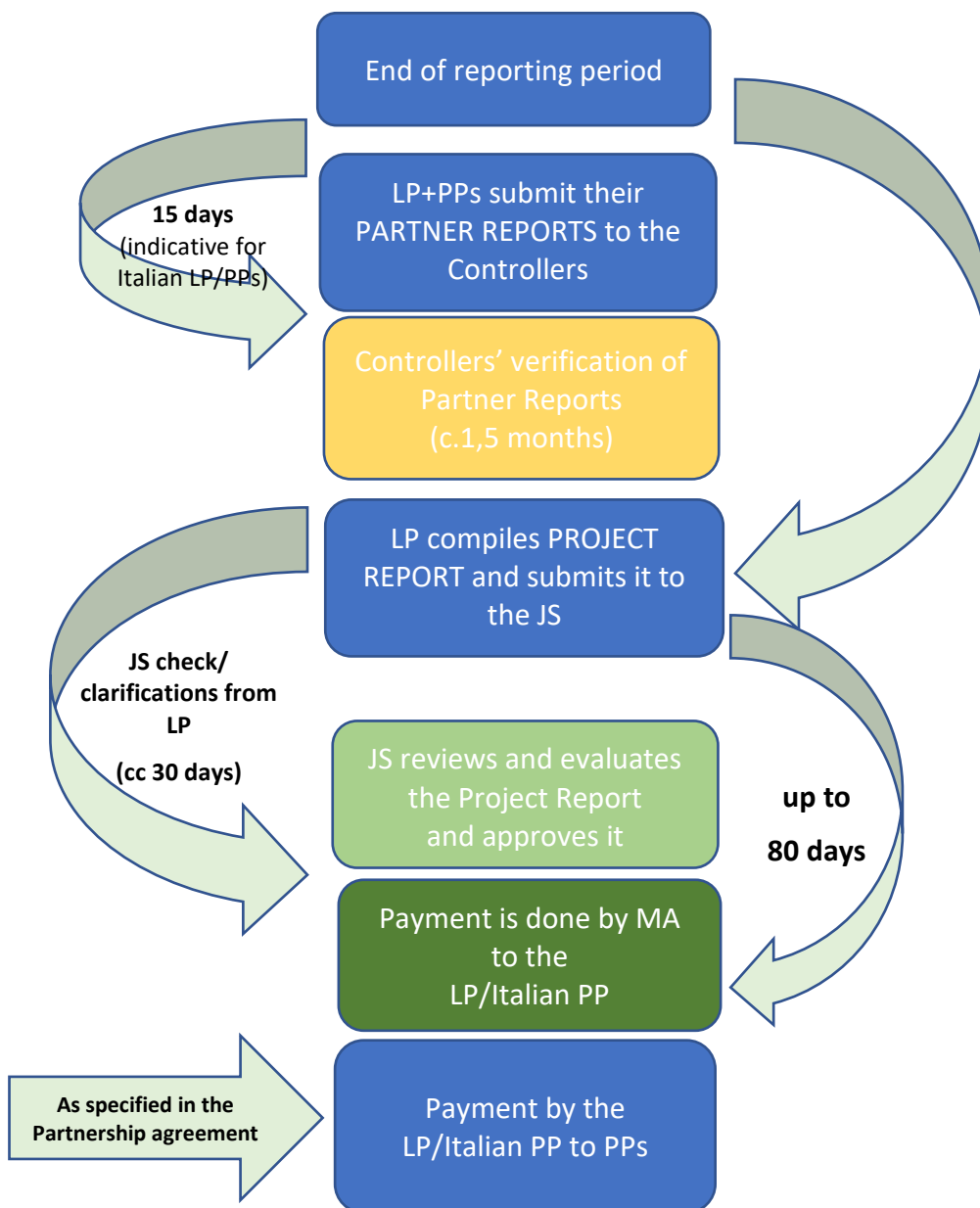
Italy – Croatia

6.6. Reporting periods / Reporting Deadlines

All projects must submit Project Reports to the Joint Secretariat in accordance with the provisions laid down in the Subsidy Contract. The reporting periods are automatically set in Jems based on the start date of the project stated in the Subsidy Contract.

All the steps in reporting and payments procedure, including the deadlines are presented as follows:

Image 14. Reporting and payments procedure



Italy – Croatia

6.7. Project Mid-term Review

Each project shall organise one project mid-term review with MA/JS in the project lifetime. The aim of project reviews is to carry out a “performance check” at a certain stage of project implementation (in general at half way during implementation).

The project review focuses on both strategic and operational aspects of project implementation such as:

- Physical progress towards project objectives as well as financial progress;
- Project management and cooperation intensity (including communication, knowledge management and transfer);
- Sustainability of outputs and results;
- Realistic forecast for the remaining project implementation period;
- Identification of potential risks or problems, project deviations and delays as well as necessary mitigation measures and project modifications (finance and activity modifications, etc.);
- Compliance with other obligations as laid out in the subsidy contract.

The indicative timing for the project review is agreed with MA/JS and it should take place around the middle of the project implementation period where all project partners should be present (if possible).

If needed, a second (optional) project review might take place upon request of the partnership or the MA/JS. Reasons for requesting a second review might be linked to particular challenges or deviations faced by the project. This could happen already at an early stage of project implementation in order to discuss with the MA/JS necessary adjustments of the work plan to possible external factors.

Whenever possible, project reviews are implemented online, thus minimising costs and time needed. Project reviews might also be attended by one or more representatives of the national authorities of both Member States, with an observer role. Furthermore, in exceptional cases, the MA/JS might involve external experts with relevant thematic expertise to provide specialist support.

The LP and all partners should prepare for the review well in advance and provide the presentation of the already achieved results (e.g., in relation to timetable, indicators), forecast for the remaining activities as



Italy – Croatia

well as any shortcomings/delays/problems in project implementation, if applicable. For this purpose, the most recent content and financial information (quantitative and qualitative data) should be collected in order to allow realistic projections towards the project end. Such information should be provided to the MA/JS in due time prior to the review. As an outcome of the project review, the MA/JS provides feedback and, if needed, further guidance and recommendations to the partnership for the remaining project lifetime. In addition, follow-up actions may be set in place.

⚠ POINT OF ATTENTION

Based on the outcome of the review, especially in case of low (financial) project performances, the Programme reserves the right to apply reductions to the project budget.

6.8. Low financial project performance and de-commitment

Experience shows that in the beginning of project implementation spending is usually delayed.

Considering this, an underspending of up to 20% of the spending target set in the latest approved version of the application form can be tolerated during the first half of the project's implementation period or until the end of the first financial reporting period following the project's mid-term review meeting in case of projects having an odd number of reporting periods. The target is cumulative in the course of project implementation.

However, should the project's mid-term review meeting show that the financial performance of a project is affected by serious delays and that the project is not meeting the spending targets set in the latest approved version of the application form, while taking into account the tolerance explained in the previous paragraph, the Programme is entitled to de-commit the project by reducing the original project budget and the corresponding ERDF contribution. De-commitment decision is based on official Jems figures.

The de-commitment of funds from projects is executed by the MA and always based on the decision of the MC who may decide to de-commit funds from projects that show a low performance, whether activity-wise, budget-wise or both. The project's performance level is first assessed during the mid-term review



Italy – Croatia

meeting but it can also be re-assessed at a later stage of project implementation. The de-committed funds may be further used, e.g. for funding additional projects through Calls for proposals.

In case of MC decision on the de-commitment of the project, a project modification procedure must be initiated by the LP and a Subsidy Contract amendment will have to be signed.

⚠ POINT OF ATTENTION

Any underspending of funds planned in each reporting period, taking into account the tolerance during the first half of the project implementation period, may be de-committed by the Programme MC on a case-by-case basis.



7. PROJECT MODIFICATIONS AND FLEXIBILITY RULES

7.1. General principles (types of project modifications)

All projects have to be implemented in accordance with the approved AF; however, during its implementation, a project might face the need to modify the AF in order to adapt it to the actual developments. All modifications must be implemented following the procedure described in this document. **Modification module is supported by Jems. New version of AF is the result of modification implemented in Jems.**

Depending on their focus the following types of modifications may occur:

- **Budget** modifications;
- Modifications of the **work plan**;
- Modification of **legal and administrative** elements;
- Extension of the project **duration**;
- Modifications of the **partnership**.

7.2. Modification process

As soon as LP becomes aware about the need for modification the LP has to inform the JS. PM performs a preliminary screening of the requested modification in order to identify the type and nature of the modification. The JS then provides support and guidance through the whole modification process which is briefly outlined below.

Modification process must be implemented (started and concluded) in Jems before the reporting deadline in order to allow proper reporting and monitoring which is always linked to the last approved AF. Only 1 modification request is acceptable in one reporting period collecting needs from all PPs. However, due to *force majeure* and in duly justified cases additional modification requests may be submitted by LP.

In order to implement modifications, the following steps are foreseen:



Italy – Croatia

1. The LP informs the JS via e-mail on the need for the modifications. Modification request form needs to be prepared including short description and justification of the changes (attaching also, if applicable, supporting documents).
2. The JS PM starts modification request in Jems allowing the LP to modify the relevant parts of the AF.
3. The LP inserts the changes and supporting documents in Jems and submits the modification.
4. JS checks the modification of the AF and, if needed, hands back the project modification to the LP for further clarifications and/or adjustments or handles the request to the relevant Programme body (MA/MC) for approval.
5. The process is finalised and the LP is notified about the decision.

JS PMs will advise the LP on the type of procedure. A-B-C modifications foresee a simplified procedure.

7.3. Approval needed based on type of modification

Different modification requests need prior approval by different Programme bodies depending on the following types of modification:

Table 10. Types of modification

	TYPE OF MODIFICATION	APPROVAL BY
A	Administrative aspects (legal representatives, contact person, address...) and clerical errors	Reported in the "Deviation section" of the concerned Partner Report(s) by PPs and the related Project Report by LPs – JS monitoring
B	Minor adjustments of work plan without impact on objectives and results	Reported in the "Deviation section" of the concerned Partner Report(s) by PPs and the related Project Report by LPs. – JS monitoring



Italy – Croatia

C	Budget flexibility ≤ 20% (no shifts between PPs)	Monitored by LP (Budget monitoring tool provided)- no need for approval; Reported in the “Deviation section” of the concerned Partner Report(s) and the related Project Report. - JS monitoring
D	Budget flexibility ≤ 40% (including shifts among PPs)	MA and information to MC
E	Budget modifications above 40% (including shifts among PPs)	MC
F	Prolongation of the project duration up to 4 months	MA and information to MC
G	Prolongation of the project duration above 4 months	MC
H	Changes in the partnership	MC
I	Modification of the work plan having an impact on project objectives or modifying the output and result indicator targets	MC
J	Modification of the work plan (significant changes of activities, investments, deliverables and outputs) without impact on the project objectives or result indicator targets	MA and information to MC
K	Other specific major modification request that are not covered from A-J with proper justification	MC

Significant modifications are to be considered as an exception and they may be approved only in duly justified cases. The LP is strongly advised to collect all potential modifications into one modification request, in order to reduce the administrative burden and avoid repeating the lengthy modification procedure for each modification separately. The lead partner must involve all partners in the discussions in due time so that the needs of the whole partnership are reflected in the modification request.



Italy – Croatia

As modification requests require prior approval from relevant bodies⁴², they enter into force after the approval from the relevant Programme body MA/MC. However, once approved they are valid retrospectively starting from the date when the modification request was first submitted in Jems. In case of rejection by the MA/MC, the same modification cannot be requested again.

This section also includes reference to main documents to be produced by projects when requesting a modification. However, the Programme bodies might request additional supporting documentation on a case by case.

⚠ POINT OF ATTENTION

Once the Managing Authority has signed a Subsidy Contract with the lead partner, no separate amendments will be prepared for modifications of the AF. As stated in the preamble and in concluding provisions, the Subsidy Contract refers to the project Application Form in Jems and all modifications of the AF are made in Jems. Thus, the Subsidy Contract always refers to the last valid version of the Application Form in Jems⁴³. In exceptional cases the Programme reserves the right to amend the Subsidy contract.

7.4. Description of types of modification

7.4.1. Modification of Administrative and Legal Elements

Administrative elements that might need to be updated during the project implementation include:

- Change of Lead partner or project partner address, Legal Representative or Contact person;
- Change of bank account of the LP and/or of Italian PP with highest budget in case of Croatian LP
- Change of LP/PPs identity information and Legal and financial information with no impact on its legal status

⁴² Except A-B-C modifications.

⁴³ While Jems always indicates the valid and contractually binding budget, the budget monitoring tool always indicates the budget approved by the MC, which constitutes the baseline for assessing the type of any future budget modification.



Italy – Croatia

Such modifications should be notified to JS immediately and noted in “Deviation section” of Project report.⁴⁴ In case the application form in Jems needs to be updated accordingly, the JS advises the LP on how to proceed in the system. The LP may update the relevant data and, if applicable, upload the relevant supporting document (e.g. official letter communicating the change of LR, signed by the LR; ID of the new Legal representative) in Jems.

⚠ POINT OF ATTENTION

Please note that, if there is a change in **the legal status or structure of the concerned partner institution**, the **change must be approved by MC**.

7.4.2. Adjustments of the work plan

Minor adjustments of the work plan include modifications of the format and/or timeline of work packages, activities, deliverables or outputs (e.g. postponement or change of location of an activity; minor adjustment of scope of deliverables, etc.). Cost items which differ from the ones described within each cost category in the approved AF may be reported as long as it is clearly demonstrated that are pertinent and necessary for the implementation of the foreseen activities and the delivery of the intended outputs and while providing proper justification to JS/MA and the respective partner’s controller (e.g. in case the contracts/assignment documents do not match with staff costs described in the Jems AF, the deviation should be duly justified).

Such modifications should be reported as “Deviations” in the Partner and Project report after consultation with JS.

However, adjustments of the work plan cannot:

- Significantly modify or completely remove activities, deliverables or outputs;
- The modification must not change the nature and purpose of the planned investment and equipment which represents a core component of the project

⁴⁴ As well as in the relevant section of Jems, such as for the bank account.



Italy – Croatia

- Have an impact on the project intervention logic (i.e. change of project objectives, outputs, results and connected indicator values).

7.4.3. Budget flexibility

The Application Form is an integral part of the Subsidy Contract and the total budget in each cost category as strictly defined in the MC approved application form represents the reference point forming the basis for the application of eventual budget flexibility rules during project implementation.

- 1) Up to 20% (modification of the budget within the flexibility limits, no budget shifts among partners)

Modifications of the budget up to 20% among cost categories on project level are not monitored by the Joint Secretariat.⁴⁵ Projects are allowed to overspend by a maximum of 20% of the individual cost categories at project level, excluding the introduction of new cost categories. This is monitored by LP. Budget monitoring tool is provided by JS. No need to manage modification request in Jems.

It is the responsibility of the LP to monitor project expenditure in order to ensure that the budget flexibility thresholds are respected. As a consequence, the allocation per cost category should be authorised by the LP (but within the flexibility limits).

LP will provide all PPs with confirmation that proposed Partners' budget changes are within flexibility limits. Relevant PP is responsible to attach such information (e.g. Budget monitoring tool, e-mail from LP, etc.) in "Partner report/Attachment section" in Jems. In that way changes are available for control purposes.

Restrictions for flexibility rule:

- The overall ERDF contribution to the project cannot be increased;

⁴⁵ Except introduction of new cost categories at partner or project level, which shall be consulted with the JS.



Italy – Croatia

- The modification of the CC Equipment costs and CC Costs for infrastructure and works must not change the nature and purpose of the planned investment and equipment which represents a core component of the project;
- The flexibility rule does not apply to the predefined calculation methods of Simplified Cost Options;
- Due to the large number of simplified cost options used by the Programme, the real flexibility between remaining cost categories is rather limited and it is applicable to costs categories planned as “real costs”;
- Introduction of new cost categories at project and/or partner level shall be consulted with the JS;
- Note that due to several simplified cost options being paid out based on staff costs, project partners must carefully consider the flexibility for increasing staff costs. Several other cost categories (office and administration, travel and accommodation) will increase at the same time;

⚠ POINT OF ATTENTION

Any expenditure reported exceeding the budget flexibility limits (without a prior approval of modification in Jems) will be declared ineligible.

- 2) Budget flexibility above 20% and up to 40% (including shifts among PPs) OR
- 3) Budget changes above 40%

Modification request should be implemented as it is described under section 7.2.:

- Modification of the budget occurs if the needed budget reallocation exceeds the level of automatic flexibility i.e. if there is an increase of more than 20% and up to 40% of the individual cost categories at project level and/or of the LP or PP budget. For such modification an approval by the MA is required.
- For modifications above 40% of the individual cost categories at project level and/or of the LP or PP budget MC approval is required.



Italy – Croatia

In case of increase of the LP or PPs budget a new PP declaration should be drafted and signed including the new national co-financing amount and uploaded within the Jems.

When requesting such budget modification, supplementary documents have to be enclosed to the signed modification request, as follows:

- A proof of partnership's agreement of the proposed modifications (e.g. meeting minutes, emails, online polls or other),
- Partner declaration (LP or PP declaration) with increased/decreased ERDF budget.

Financial implications of a partnership modification are not considered as budget modification (e.g., reallocation of tasks and budget within the partnership), but rather as a consequence of the partner modification.

Restrictions for flexibility rule:

- State aid contractual conditions setting thresholds to the budget granted to beneficiaries may limit the application of the budget flexibility rule;
- Partner(s) receiving State aid within the project under the de minimis regime cannot increase their budget;
- The budget allocation per period as stated in the initial approved AF cannot be changed.

POINT OF ATTENTION

- Any introduction of a new cost category at **project level** implies a modification of the AF and shall be approved by relevant Programme bodies;
- Any introduction of a new cost category at **partner level** requires advice from the Joint Secretariat on the correct procedure, prior to any modification.



Italy – Croatia

7.4.4. Changes in the partnership

The partnership is a core element of a project and changes to its composition should therefore be limited as much as possible. All changes in the Partnership require the submission of a modification request describing the new allocation of responsibilities and budget which has to be approved MC.

Modification request should be implemented as it is described under section 7.2.

It is important to take into account that the Programme has set minimum requirements for the composition and number of PPs (see Call announcement). Projects should be aware that if the minimum number of partners is no longer ensured, the MC is entitled to repeal funding decision for the entire project.

In case a PP withdraws from the project, the remaining partners should undertake all possible measures to find a rapid and efficient solution to ensure the further proper implementation of the project, if possible avoiding changes to the project objectives, output and result indicator targets. They should ensure that the responsibilities and project tasks of this partner are taken over by a new partner or are reallocated within the existing partnership. There are several options for Partnership Modification as will be presented below.

A. The withdrawing partner is replaced by a new incoming organization

In case one or more partner/s withdraw from a project, the replacing organization/s must have the necessary experience and technical, organizational and financial capability to properly participate in the project. The replacing partner shall comply with all partner criteria used for assessing the original partnership (“Call announcement”).

In case the withdrawing partner has not yet started the implementation of its activities, tasks and the related budget can be fully taken over by the new partner. If the withdrawing partner has already partially carried out the planned activities and cannot continue in the project, only the remaining tasks and budget may be taken over by the new partner.



Italy – Croatia

It is to be highlighted that funds of the withdrawing partner become available for the new partner only after the modification is approved by Programme bodies and approved within Jems. The expenditures related to the activities and outputs of the new partner can be eligible from the date of the signature of the Partner declaration signed by the new PP.

B. The withdrawing partner is replaced within the existing partnership

One or more of the existing partners can partly or fully take over the role and activities of the withdrawing partner and no new organization is joining the partnership. Consequently, the respective part of the budget may be reallocated among the partners taking over activities of the withdrawing partner.

C. No replacement

The LP in accordance with the partnership can decide that no other organization is taking over the implementation of activities of the withdrawing partner. In this case the activities in the work plan referring to the withdrawing partner and the respective budget should be removed from the AF modification. However, this option is only possible if the concerned activities and role of the withdrawing partner are not crucial for the project implementation and their exclusion does not have an impact on reaching the project objectives, outputs and results indicator target values of the last approved AF.

D. Combined replacement

A combination of the above three types of partnership modifications is possible, i.e. only part of the activities is taken over by a newly incoming PP and other activities (and related budget) are either excluded or distributed within the partnership. Obligations deriving from the Subsidy Contract and the Partnership Agreement in terms of audits, retention of supporting documents and durability of outputs remain applicable to the withdrawing partner institution even if only part of the originally foreseen budget was spent.

E. Structural or legal status change of partner institution (e.g., legal succession)

Changes of the legal status of the partner institution are considered also as Partnership changes. In cases of institutional changes where according to national law in force the legal personality does not change



Italy – Croatia

and/or in any case all assets of the LP or a PP are taken over so that a deterioration of the financial capacity of the acquiring institution is not to be expected (i.e., in cases of universal succession), prior consent by the MC is not necessary. The LP, however, must submit in due time related information to the MA/JS together with all documents that are necessary to analyse the legal case. If the MA/JS comes to the conclusion that the conditions as stated above are not fulfilled (e.g., in cases of a singular succession), the LP will be informed that a partnership modification procedure has to be initiated.

In the framework of a request for partnership modification, supplementary documents have to be enclosed to the signed modification request. These are listed in the following table:

Table 11. Supplementary documents for partnership modifications

Modification	Supplementary documents
Partner withdrawal with replacement by new partner	<ul style="list-style-type: none"> • Withdrawal letter of the concerned partner • In case of a withdrawing partner that already received funds: a declaration concerning the observation of obligations deriving from the Subsidy Contract and Partnership Agreement • Partner declaration of the incoming partner (together with the ID document of the Legal representative if manually signed)
Partner withdrawal with replacement by existing partner(s)	<ul style="list-style-type: none"> • Withdrawal letter of the concerned partner • In case of a withdrawing partner that already received funds: a declaration concerning the observation of obligations deriving from the Subsidy Contract and Partnership Agreement • Updated partner declaration of partner(s) taking over activities and budget of the withdrawing partner
Partner withdrawal without any replacement	<ul style="list-style-type: none"> • Withdrawal letter of the concerned partner • In case of a withdrawing partner that already received funds: a declaration concerning the observation of obligations deriving from the Subsidy Contract and Partnership Agreement
Structural or legal status change of partner institution (e.g. legal succession)	<ul style="list-style-type: none"> • Official document stating the structural/legal change of institution • In case of already received funds, a declaration from the changed partner institution concerning the observation of obligations also related to the previous partner institution deriving from the Subsidy Contract and Partnership Agreement • Updated partner declaration



Italy – Croatia

In case of replacement of a withdrawing partner, additional information might be requested for assessing the State aid compliance of the institution taking over activities of the withdrawing partner. This may result in specific State aid contractual conditions applicable to the new incoming partner (or the partner within the partnership taking over the activities of the withdrawing partner).

Note: Modifications of the work plan and budget which are a result of a partnership modification are not considered as a separate modification, but rather as a consequence of the partner modification.

7.4.5. Prolongation of the project duration

The prolongation of the project duration means a postponement of the end date i.e. extension of the eligibility period and, if relevant, the revision of the budget per period.

Modification request should be implemented as it is described under section 7.2.

The following restrictions and limitations apply:

- The total project budget cannot be increased,
- The extension of the project duration up to 4 months may be approved by MA while extension above 4 months must be approved by MC,
- Project prolongation can be requested only after the mid-term review,
- Any restriction set out in respective Call.

When submitting a request for the prolongation of the project duration, a proof of partnership's agreement of the proposed modifications (e.g. meeting minutes, emails, online polls or other) have to be enclosed to the signed modification request.

7.4.6. Significant modification of the work plan

Significant modifications of the work plan are modifications that go beyond a slight adjustment of the work plan as explained above (see 7.4.2.) and may include the following:



Italy – Croatia

- Modification of the work plan having an impact on project objectives or modifying the output and result indicator targets (approval from MC is needed);
- Modification of the work plan related to investments, equipment which represents a core component of the project, activities and outputs without impact on the project objectives or output and result indicator targets (only approval from the MA is needed while MC is informed)
- Modification of activities considered as State aid relevant within the project selection procedure (these cases may result in specific contractual conditions applicable to the concerned partners)

Modification request should be implemented as it is described under section 7.2.

When requesting a significant modification of the work plan, supplementary documents have to be enclosed to the signed modification request:

- A proof of partnership's agreement of the proposed modifications (e.g., meeting minutes, emails, online polls)
- If applicable, additional supplementary documents (e.g., technical specifications of new activities, authorizations)

Modifications in the work plan of the project as a result of a partnership modification are not considered as a separate modification, but rather as a consequence of the partner modification.



8. PROJECT CLOSURE

The project closure is the last phase of the project implementation process and occurs through the monitoring of the Final project report (activity and finance) to be delivered **90 days** after project end date. No further financial commitments (purchase orders, etc.) can be made, nor expenses charged and then be eligible for reimbursement, once the project is operationally closed (official end date of the project as indicated in the last version of the Jems AF). Therefore, it is highly recommended to begin the preparatory actions required for operational closure before the end date approaches.

A formal letter confirming the closure of the project will be delivered by the MA for each project after the assessment and approval of the Final project report and before the final payment. In the letter, the main obligations after the project closure and the possibility for the MA to carry out ex-post control will be recalled.

Retention of documents after project closure

All supporting documents composing the audit trail (such as invoices, public procurement files, etc.) must remain available at the premises of each beneficiary at least for a period of five (5) years. This period starts from 31 December of the year in which the last payment is made by the MA to the LP. The retention period shall be interrupted either in the case of legal proceedings or by a request of the EC.

At the closure of projects, the MA/JS will inform each LP on the exact start date of the above-mentioned retention periods. The LP shall inform the PPs.

For the entire retention period, all bodies entitled to perform controls and audits are allowed to access the project and all relevant documentation and accounts of the project.

Durability and ownership

Project outputs that have the character of investments in infrastructure or productive investments or equipment investments shall remain with the concerned beneficiaries either for at least five (5) years following the final payment to the beneficiary, or, where applicable, within the period of time set out in



Italy – Croatia

State aid rules. The occurrence of any of the following situations would result in a violation of rules concerning durability and ownership:

- Cessation or transfer of a productive activity outside the NUTS 2 region in which it is received support;
- Change in ownership of an item of infrastructure and/or equipment;
- Substantial change affecting the nature, objectives or implementation conditions which would result in undermining the original objectives of the concerned investments.

If any of the above conditions occur any time within 5 years after the final payment to the beneficiary⁴⁶, the concerned beneficiary must immediately inform the MA/JS. The MA will then recover the unduly paid ERDF contribution in proportion to the period for which the requirements have not been fulfilled.

Important note: Partners may put in place long term free of charge (loan) agreements with other entities related to use and maintenance of investments and/or equipment that is part of the project.

Availability and usability of results

Cohesion policy and Interreg are about reduction of disparities, solidarity, collaboration, joint results, and joint activities. As a general principle of serving the general interest with the ERDF public funding, project results (e.g., studies, policy recommendations, processes leading to new services) are expected to be freely available for the public. Therefore, project partners should publish and broadly disseminate their project outputs and results to a wide European public so that the reach of their positive impact is maximised. As a logical consequence, any commercial use of project results by the project partner(s) would be in contradiction to the general mission of the Programme. It is nevertheless possible that partnerships will agree to otherwise exploit their project results being aware that any exploitations for commercial purposes could have an impact on the project State aid assessment. Project partnership can

⁴⁶ 10 years from the date of granting the last aid issued by IT-HR Programme in case of State aid.



Italy – Croatia

make use of the project partnership agreement to regulate with the necessary provisions the ownership and the intellectual property rights issues. The project partnership agreement template includes a paragraph which, by default, indicates joint ownership among all the project partners.

Websites and digital applications

During the project closure phase, it is crucial to ensure the continuity and accessibility of the software and web platforms developed. It is highly recommended that the partnership maintains the management commitment through a designated organization responsible for functional maintenance, hosting services, and renewing web domains for a minimum period of five years following the project's closure. This will ensure that the digital assets developed remain functional, accessible, and relevant over time, preserving the achieved results and ensuring service continuity. Furthermore, all digital tools and websites must comply with the Programme's visibility rules.

Achievement of main project outputs and results

In case the quality of the main project outputs is not deemed sufficient by JS/MA or the project milestones / the indicators at project or at Programme level are not achieved, the JS/MA reserves the right to apply corrections also in the form of a flat rate correction to the reported expenditures.

Costs for project closure

Closure costs of a project refer to activities such as the preparation and submission of the last project report and the control of expenditure of the last reporting period. For more details see section 5.3. of this document.

If an extension of the deadline for submission of the mentioned reports is granted by the MA/JS, the postponed date applies. The LP/PP shall provide the respective confirmation received from the MA/JS to the national controller.



Italy – Croatia

Flexibility during closure

In order to use remaining available resources for the achievement of the approved objectives and results of the Programme and in the event that the flexibility rules allowed by the Programme have been already exploited during project implementation, the MC may exceptionally authorize an increase in the total project budget consistent with the remaining resources available at Programme level.

! POINT OF ATTENTION

All supporting documents related to the project should remain available at the appropriate level (premises of the beneficiary) for (at least) a 5-year period from 31 December of the year in which the last payment to the beneficiary is made⁴⁷.

In case of State aid, all documents referring to project activities and expenditure for which State aid was granted shall be available for at least 10 years from the date of granting the last aid issued by IT-HR Programme. The retention period is interrupted in case of legal proceedings or by EC request.

⁴⁷ Reg. (EU) 2021/1060, art 65 and art.82.



Italy – Croatia

9. CONTROLS AND AUDITS

9.1. National control systems

Management verifications are to be done by a body or person responsible for this verification on a Member State's territory, as identified by each Member State (the 'controller')⁴⁸. Management verifications shall be **risk-based** and proportionate to the risks identified ex-ante and in writing.

The expenditure of beneficiaries participating in the project should be verified by an identified controller. Any controller shall be functionally independent from the audit authority or any member of the group of auditors.

Where the controller carrying out management verifications is a private body or a natural person, those controllers shall meet the requirements listed in article 46(3) of Regulation (EU) 2021/1059.

The management verifications should verify that that the co-financed products and services have been delivered, that the project complies with applicable law, the Programme and the conditions for support of the project.

For the Programme, the control System is organized at National level as follows:

- a) Centralized system in Croatia and the body in charge is the Ministry of Regional Development and EU funds,
- b) Decentralized system in Italy controllers are appointed according to the requirements set at National level for ETC Italian control system. They can either be internal or external.

POINT OF ATTENTION

The supervision and coordination of control activities lies within the MA for the whole Programme area.

⁴⁸ In accordance with article 46(3) of Regulation (EU) 2021/1059.



Italy – Croatia

For Italian LPs and PPs, the cost for the verification and validation of expenditure carried out by authorized external controllers is to be included in the budget under external expertise and services cost category. The cost of authorized internal controllers is not to be included in the budget.

For Croatian LPs and PPs, the above-mentioned budget cost is not to be included in the budget as Controllers are provided at National level and free of charge.

Controllers have to verify that:

- Expenditure relates to an approved project;
- Expenditure relates to the eligible period and has been paid;
- Expenditure complies with applicable eligibility rules;
- Supporting documents are adequate and an adequate audit trail exists;
- In case of simplified cost options (flat rates and lump-sums): that conditions for payments have been fulfilled;
- Expenditure complies with State aid rules, procurement rules, branding rules, sustainable development including environment protection, equal opportunity and non-discrimination requirements;
- The project physically progresses;
- The delivery of products/services is in full compliance with the content of the subsidy contract, including the latest version of the approved application form (which is an integral part of the contract itself);
- An effectively functioning accounting system exists on the level of each beneficiary allowing a clear identification of all project-related expenditure.

POINT OF ATTENTION

Costs should not be 100% verified and verifications shall be risk-based. A set of minimum requirements applicable to management verifications performed by controllers identified by Member States is provided by MA.



Italy – Croatia

Beneficiaries can claim incurred and paid expenditure only if verified by their respective national controller.

The verification of expenditure included in the List of expenditures section of the Partner Report is done by means of administrative verifications (i.e., desk-based) as well as on-the-spot verifications.

- Regarding on-the-spot verifications, these are carried out by controllers to cover in particular the risks related to the delivery of the product, work or service in compliance with the terms and conditions of the subsidy contract, physical progress, and respect of the EU rules on publicity. The main purpose of the on-the-spot is essentially to check the reality of the operation (above all costs belonging to Infrastructure and works and Equipment; Investments) and applicable publicity requirements.

On-the-spot verifications should focus on verifying elements in addition to what is verifiable through desk-based verifications (e.g., OTSC is added value).

On the spot verifications have to be implemented physically; in exceptional cases justified by solid legal basis and upon agreement with MA, they can be implemented virtually.

Controllers should fill-in and issue the following compulsory documents through Jems:

- Certificate of expenditure, which certifies the compliance of the expenditure verified by the controller with the principles of eligibility, legality and relevance;
- Control report and checklist in which the controller gives evidence of the verifications performed and describes the methodology used for the verifications, explanation of the nature of the documents tested, of national and EU rules checked, etc.

9.2. Monitoring visits by the MA/JS

Besides the verifications carried out during the monitoring and approval of project reports (activity and financial part) and related applications for reimbursement, the MA/JS may carry out monitoring visits to



Italy – Croatia

beneficiaries that might be connected to mid-term reviews and that can be carried out in case of need or for particular problems detected during project implementation.

By means of monitoring visits the MA/JS has the opportunity to gather a more in-depth overview of the quality of project implementation including its administrative part and the physical reality of project implementation. It can be also the occasion to review the work performed by controllers and collect elements on the application of controls among different beneficiaries. Monitoring visits are aimed at helping beneficiaries in smoothly implementing their projects and provide them with targeted support.

The general aspects to be covered can be as follows:

- properly implementation of the funded project;
- physical reality of project implementation;
- real nature of declared expenditures;
- avoidance of double-funding;
- compliance with publicity obligations (where applicable);
- separate accounting system in place;
- consistency in project implementation and supporting documents archive.

The MA/JS may also decide to perform, at any time, verifications on incurred expenditure charged to the project with the scope of preventing and detecting potential irregularities (including fraud). The MA/JS is also entitled to perform at any time checks on the quality of outputs or any other checks deemed necessary.

POINT OF ATTENTION

In addition to the Programme bodies, the European Commission, the European Anti-Fraud Office (OLAF), the European Court of Auditors (ECA), European Public Prosecutor's Office (EPPO) and, within their responsibility, the auditing bodies of the Member States or other national public auditing bodies, are entitled to audit the proper use of funds by the beneficiaries. The concerned beneficiaries are notified in due time about any audit to be carried out by authorised persons of such bodies.



Italy – Croatia

Beneficiaries undergoing an audit have to provide any project-related information to the above auditing bodies and give access to their business premises.

9.3. Audits by the Audit Authority (AA) and Group of Auditors (GoA)

The Audit Authority (AA) is responsible for carrying out system audits and audits on operations in order to provide independent assurance to the European Commission (EC) that management and control systems (DMCS) function effectively and that expenditure is legal and regular.

The AA is supported by a Group of Auditors (GoA) composed of representatives from Italy and Croatia.

EC is selecting a common sample of the projects to be audited, which is representative of all Interreg Programmes' part of the population. Audits on projects are performed during the entire Programme lifetime and are covering expenditure declared to the Commission in the accounting year on the basis of the extracted sample.

Audits of operations include on-the-spot verification of the physical implementation of the project when it is required by the type of operation concerned.

Audit findings may have financial consequences. In case of findings having a financial impact (i.e., when irregular amounts are detected), the ineligible amounts are withdrawn from the next payment claim submitted to the MA/JS or are recovered from the LP if the project is already closed (or if the amount claimed by the concerned beneficiary is lower than the irregular amount).

9.4. Audit trail

Setting up and maintaining an adequate project audit trail is a basic requirement for the eligibility of the expenditure. The beneficiary should hold all documents necessary for the audit trail in line with the following specifications.

The audit trail should provide (documented) evidence of the sequence of steps undertaken by the beneficiaries when implementing their approved project. An adequate audit trail allows retracing any given step incurred during project implementation or any given control performed, at any time.



Italy – Croatia

The audit trail at the level of the beneficiary is essentially composed of the following compulsory elements:

- Document (grant agreement or equivalent) setting out the conditions for support signed between the beneficiary and the Managing Authority (Subsidy contract and its amendments; Partnership Agreement and its amendments; Latest version of the approved Application Form);
- Data in relation to outputs and results (adequate evidence and documentation of all outputs and deliverables produced during the project lifetime);
- Documentation demonstrating verification of compliance with applicable rules (for instance, in case of procurement rules: adequate documentation of all procurement procedures implemented for selecting experts, service providers, suppliers, etc.);
- For real costs claimed within the project, the invoices or documents of equivalent probative value and proof of their payment by the beneficiary, as well as accounting records of the beneficiary;
- For costs taking the form of Simplified costs, documents evidencing costs declared under other categories of costs to which a flat rate applies;
- Accounting records of payment claims submitted by the beneficiary, as recorded in the Managing Authority's electronic system;
- Documents issued by the national controller for the validated expenditures claimed within the project and documents submitted to the national controller with the purpose of validating project expenditure (in Jems).
- Documentation addressing the non-relocation and durability requirements;
- Any other supporting document applicable to each cost category.

Already during the start-up phase of the project, it is essential that the beneficiary is establishing adequate arrangements for ensuring a separate accounting system or an adequate accounting code specific for the project and an archive (physical and/or electronic) storing project data, records and documents until the end of the document retention period.



Italy – Croatia

9.5. Double funding

In order to prevent double funding from different co-financing sources for the same expenditure item, the Programme requires the inclusion of a clear indication of the Programme financing source in invoices or other documents of equivalent probative value.

In invoices or other documents of equivalent probative value, in paper or in electronic format, a clear indication that the expenditure pertains to the Programme shall be visible in the subject or body of the document (e.g. the expenditure has been co-funded by the Interreg IT-HR Programme; Number or name of the project; amount of expenditure claimed in IT-HR project, if not claimed 100% to the project). Italian partners shall pay particular attention to the CUP and/or CIG number.

! POINT OF ATTENTION

In invoices or other documents of equivalent probative value the CUP number has to be indicated in case of all Italian beneficiaries and in addition to that the CIG number has also to be specified for Italian public entities / bodies governed by public law.



Italy – Croatia

10. WHERE TO FIND ASSISTANCE

The Programme Implementation Manual is complemented with several practical guidance documents. A reference to them is made in the PIM, where relevant. These documents give you detailed and technical information and should be read together with the PIM. In addition, frequently asked questions or videos further explaining the Programme’s rules and practices, on our website or during Programme events.

The Interreg VI A Italy–Croatia Joint Secretariat (JS) provides assistance and support to all applicants and projects at all stages of the project lifecycle. A dedicated JS Project Manager is assigned to each financed project. **Any communication between the JS staff and beneficiaries shall take place only between the Lead Applicant or Lead Partner and the JS staff** via e-mail, telephone and face to face (or online or hybrid) meetings using the following contacts details:

INTERREG VI-A Italy–Croatia 2021–2027 PROGRAMME JOINT SECRETARIAT	
JS Headquarter c/o Veneto Region, Italy–Croatia Managing Authority Dorsoduro 3494/a – 30123 Venice, Italy, e-mail: js.italy-croatia@regione.veneto.it	JS Antenna in Zadar c/o Ministry of Regional Development and EU Funds Franka Lisice 77, 23000 Zadar - Croatia e-mail: js.it-hr.antenna@mrrfeu.hr

The Programme language is English: all official communications are conducted in English and all Programme documents are produced in English only. The project application and reporting is also done in English.

An Electronic data exchange systems, Jems, is used for all steps of the projects application and implementation. All projects and Programme bodies use the system.

If a new version of the PIM is published on the Programme website, it becomes valid from that point onward. The latest version of the PIM should always be used.



Italy – Croatia

All relevant documentation and information for beneficiaries will be available on the Interreg VI A Italy–Croatia Programme web site (<https://www.italy-croatia.eu>). The website is the one-stop-shop for finding Programme-related information: call for proposals' documents and tools, timeline of calls, news and information on events, conditions for the submission of project proposals, assessment of proposals, changes of relevant documentation, JS staff answers to frequently asked questions, as well as other relevant information.

10.2. Information days

Information days are also organised by the Programme on the occasion of each call opening to inform potential applicants about the Programme, the content of the Call for Proposals (topics addressed, objectives and specific expectations of the Programme towards the call). Depending on needs, this informative session can be attended onsite or online.

During the *Infodays*, participants receive information on the key steps and tools of the call, and the elements relating to the application and assessment phases.

The participation to these sessions is strongly recommended for any applicant potentially interested in the Call, in order to limit as much as possible the submission of proposals that would not be adapted to the Programme's expectations.

10.3. Meetings

Meeting with Applicants/Beneficiaries (application phase)

Within the limit established by the Programme at the time of the publication of the call, non-compulsory meetings per project idea are requested by the LP **during the application phase** of a Call for Proposals and aim to support applicants in the construction of their proposals. These meetings are generally organized online and consist of a session focusing on the key points in the preparation of a proposal (partnership, work plan, eligibility of expenditure, etc.).



Italy – Croatia

ATTENTION!

Consultations are not pre-assessments and will not be based on the Application Form or parts of it. The JS will clarify general principles but not advise on concrete outputs, activities or deliverables nor e.g. the admissibility or the eligibility of the project proposal.

Meetings with Beneficiaries (in implementation phase)

Individual meetings may be provided by the JS when requested by the Lead Partners. These meetings aim at providing technical advice focusing on the project implementation (work plan, financial issues and similar). The assigned JS Project Manager will provide individual meetings to the Lead Partner when needed and justified. The Lead Partner will be provided with special guidance regarding amendment of Subsidy contract, project changes, reporting and various important administrative issues. The Lead Partner has to provide all the information requested by the provisions of the Subsidy contract to the assigned PM at the JS in time before the meeting. The Lead Partner is responsible to inform the JS without delay on any serious problems encountered during the project implementation.

10.4. Other events**Thematic seminars**

Thematic seminars may be organised to facilitate the understanding of the Programme's architecture, to encourage the sharing of experience and the transfer of results. Speakers from outside the MA/ JS may also contribute to this type of seminars.

Depending on the needs, the thematic seminars may be accessible online or onsite.

Training activities for beneficiaries

The MA/ JS are committed to organise and implement training activities (e.g. workshops, trainings, seminars, etc.) on specific implementation topics such as project management, reporting requirements,



Italy – Croatia

communication, capitalisation and networking to strengthen the capacity of beneficiaries to successfully implement the projects.

Events organized by beneficiaries

Furthermore, the JS may visit selected events of the projects (e.g. kick-off, media trip, mid-term, final conference and similar) or project meetings depending on the resources available within the Programme both in terms of funds (TA) and personnel.

