



Eligibility rules of the funds 2021-2027

Marco Lopriore, Expert EIPA

6 dimensions of eligibility

1. WHAT FINANCED ?

– scope of intervention and types of activities

2. WHICH COSTS?

– expenditure categories and types of costs, national rules, general principles

3. WHEN ?

- Time Period, durability

4. WHERE ?

– Geographic location

5. HOW JUSTIFIED ?

- audit trail, horizontal principles, visibility/communication

6. HOW TO CALCULATE ?

– calculation of eligible expenditure: see SCO

1. Scope of ERDF: art 5



- Investing in Infrastructures; R&I
- Access to services
- Productive investments in SME and investments to keep jobs and create new ones;
- Equipment, software, intangibles assets; innovation clusters
- Information, communication
- Technical assistance
- **Productive investments in other than SME if cooperation with SME in R&I, EE/RE, small-mid cap under FI**
- **Contribution to PO 1 with support to training, LLL and education**
- **Purchase of supplies for health**

Main errors in ERDF



- Public procurement 41%
- Eligibility 39%
- Audit trail 11%
- Revenue generating projects 6%
- Miscellaneous 3%

Recommendation for SME Definition 2003

What is an SME?

THE NEW THRESHOLDS (Art. 2)

Enterprise category	Headcount: Annual Work Unit (AWU)	Annual turnover	or	Annual balance sheet total
Medium-sized	< 250	≤ €50 million (in 1996 € 40 million)	or	≤ €43 million (in 1996 € 27 million)
Small	< 50	≤ €10 million (in 1996 € 7 million)	or	≤ €10 million (in 1996 € 5 million)
Micro	< 10	≤ €2 million (previously not defined)	or	≤ €2 million (previously not defined)

Selection of operations - Seal of Excellence



2021-2027 (art 73.4)

ERDF and ESF+ can support Seal of excellence

certification or selection through Horizon Europe

Supported if sit with S-3 and ENC ✓

MA may apply the categories, max amounts and methods of calculation of eligible costs of EU programme ✓

Negative list ERDF/CF: art 7



- **Decommissioning nuclear power stations**
- **Inv. for GHG emissions reduction from ETS activities**
- **Tobacco (products)**
- **undertakings in difficulties exc. DM/TFSA**
- **airport infrastructure exc. for outermost regions; env. Mitigation; security, safety and air traffic**
- **Disposing waste in landfill (exc. to make it safer);**
- **Treating residual waste (exc. Techn for circular economy)**
- **fossil fuels exc. Gas/Hydrogen/clean cars (with caps and no-phasing);**
- **CF no support for housing exc. EE/RE**

Art 9 CPR: horizontal principles

2014-2020 (art 7 and 8)	2021-2027 (art 9): four horizontal principles
<p>Equality/non-discrimination</p> <p>Sustainable development</p>	<ul style="list-style-type: none">• EU Charter of Fundamental Rights• Gender <u>mainstreaming</u>, equality• Non-discrimination incl accessibility• Sustainable development/Do no significant harm DNSH-principle/ EU environment acquis <p>Art 6 ESF+ on GE, EO and non-discrimination</p>

2. Ineligible costs (art 64)



- Interest on debt with exceptions
- Purchase of land (**Not built on and built on DROPPED**)
>10% of TEE. For derelict sites and former industrial use the purchase of land can be raised to 15% (not applied to environmental conservation)
- **VAT** except
 - for operations with total costs below EUR 5 000 000 (**incl VAT**)
 - for operations with total costs at least EUR 5 000 000 (**incl VAT**) if non recoverable
 - investments done under FI
 - for small project fund under Interreg

Eligible Expenditures in ESF+

2021-2027 (Art. 16 ESF+)

- Purchase of land, real estate, infrastructure X
- Purchase of furniture, equipment, vehicles (under conditions) ✓
- IK (allowances, salaries) (under conditions) ✓
- DSC (if in line with usual remuneration or in line national law, collective agreements, statistics) ✓

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Mean hourly earnings by sex, economic activity and occupation

Last update: 18-05-2018





Table Customization [show](#)

Structure of Earnings Indicator: Hourly earnings
Classification of economic activities - NACE Rev.2: Education, human health and social w.
GEO: [Country]
SEX: [Sex]
Size classes in number of employees: 10 employees or more
Period of time (a=annual, q=quarterly, m=monthly, d=daily, c=cumulated from January): 2014
Currency: Euro
International Standard Classification of Occupations 2008 (ISCO-08): Manual workers

GEO	SEX	Total	Males	Females
European Union (current com		9.35	9.98	9.02
European Union (before the a		9.41	10.02	9.08
Euro area (19 countries)		10.04	10.52	9.79
Euro area (18 countries)		10.16	10.68	9.89
Euro area (17 countries)		10.28	10.82	10.01
Belgium		13.49	13.23	13.65
Bulgaria		1.41	1.53	1.29
Czechia		2.97	3.71	2.58
Denmark		19.67	20.77	19.17
Germany (until 1990 former t		10.65	11.14	10.43
Estonia		2.64	3.2	2.45
Ireland		18.88	22.27	16.55
Greece		7.26	8.09	6.04
Spain		8.17	9.23	7.16
France		10.65	11.01	10.47
Croatia		3.74	5	3.17
Italy		9.81	10.03	9.68
Cyprus		7.33	8.82	6.5
Latvia		2.24	2.58	2.05

Main errors in ESF




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ESF Vlaanderen • Following







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8h • 

We krijgen veel vragen rond onze nieuwe Tijdsregistratie-app. Je kan nu maandelijks een infosessie volgen of deelnemen aan ons tweewekelijks vragenuurtje. Voor alle info  <https://bit.ly/3fYo5pA>

[See translation](#)



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Some continuity with 2014-2020

- Forms of support: grants, FI, prizes and combinations (art 52)
- “**grants under conditions**” Art 57
- Art 63.9: Project with different sources of funding
- Art 63.6: no physically completed or fully implemented operations before application (*exceptional circumstances?*)
- Art 63.1: Most eligibility rules based at MS level (Golplating risk: second hand equipments, cash payments, etc)
- Art 67: Contribution in kind & depreciation costs
- Art 63.3: TA Pro-rata splitting among different categories of regions
- *Cross-financing ERDF/ESF+ ?*
- Partnership roll-over: Code of Conduct (ECCP)

Double Funding & “No Double Financing Rule”



- **Submit SAME EXPENDITURE (i.e. a specific cost) to different sources separately in order to obtain financial support from all of them**
- Clear demarcation requirements between national & regional OP (synergies)
- Check every stage (evaluation, implementation, payment claims, OTSC)
- Access to each other information systems
- **A project manager works in several projects: total number of working hours declared should not exceed the total eligible working time of the employee set in the related employment contract**

3. Timing of expenditure (art 63 CPR)



- **1.1.2021 to 31.12.2029**
- Incurred and paid by beneficiary **(or private partner of a PPP operation) or SCO case**
- If amending OP, expenditures eligible from date of submission of request (and from date of natural disaster)
- **MA pays beneficiary within 80 days (art 74 CPR)**
- **Question: Retrospective projects ?**

3. Timing of expenditure (art 118 CPR)

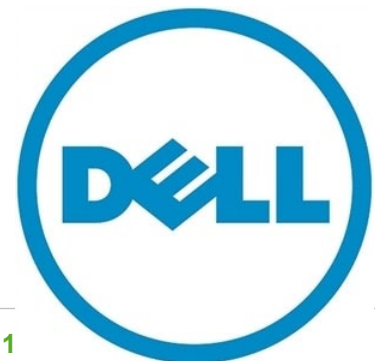


Smooth transition between periods:

- allowed if 2 phases
- If **total cost > EUR 5 million**
- If second phase complies with 2021 rules
- If completed/operational in 2021-2027

Durability for infrastructures and productive investments (art 65 CPR)

- The MS ~~(an operation)~~ shall repay.....if within 5 years of final payment to beneficiary (3 years for SME) there is a cessation or **relocation or transfer outside NUTS 2 region**, change ownership giving undue advantage, or substantial change
- **Proportional repayment**
- ESF+ and JTF repay only if breach of SA rules; Exemptions: non-fraudulent bankruptcy; financial instruments
- *Art 66: Relocation*
- *QUESTION: any own rules on disposal of assets?*



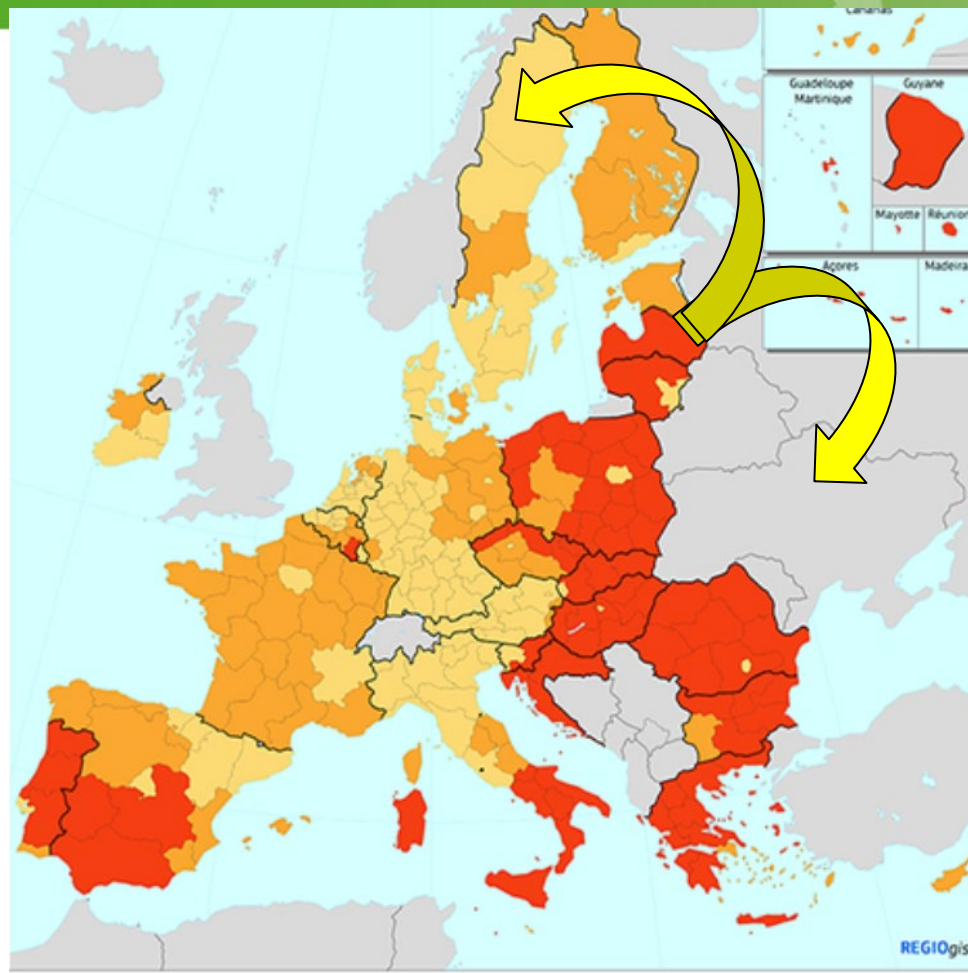
Selection of operations art 73 CPR

- For the selection of operations, the MA shall establish and apply criteria and procedures which are non-discriminatory, transparent,
- ensure accessibility to persons with disabilities,
- ensure gender equality,
- **and take account of the Charter of Fundamental Rights of the European Union,**
- the principle of sustainable development and of EU policy on the environment in accordance with Article 11 and Article 191(1) TFEU.

Responsibility of MS (art 69.2 CPR)

- MS ensure legality and regularity of expenditure
- take all required actions to prevent, detect and correct and report on irregularities including fraud.
- collection of information on **the beneficial owners of the recipients of EU** (Annex XVII) – comply with GDPR
- EC OLAF and the CoA access to that information

4. Where ? Location



Investment for jobs and growth goal (ERDF and ESF+) eligibility, 2021-2027

Categories of regions

- Less developed regions (GDP/head (PPS) less than 75% of the EU-27 average)
- Transition regions (GDP/head (PPS) between 75% and 100% of the EU-27 average)
- More developed regions (GDP/head (PPS) above 100% of the EU-27 average)

Location of expenditure

2014-2020 (Art. 70 and Art. 119.3)

- **Out of OP area but within EU** if benefit for OP area, approval PMC, mgt & control; < 15% of EU support to Priority Axis, TA can be out of OP area but within EU if benefit to OP
- **Outside EU:** only TA and promotional activities if benefit and if mgt & control

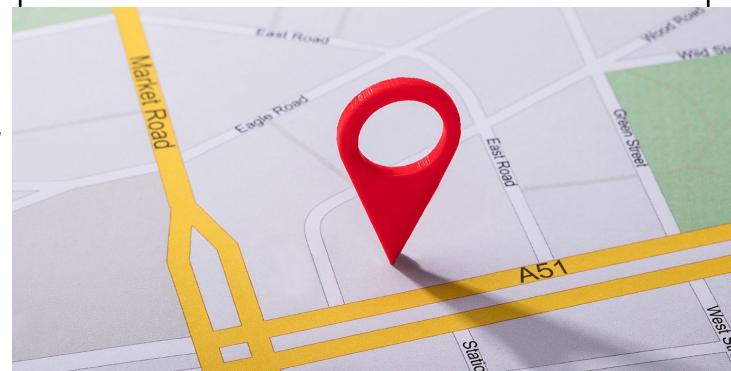
ESF Art 13.3:

- **Outside OP area but within EU** if benefit to OP area, mgt & control
- **Outside OP area and outside EU** if < 3% of OP ; only for TO labour mobility + education/LLL with PMC approval

2021-2027 (Art. 63.4)

All or part of the operation can be implemented outside the MS or outside EU, provided operation contributes to the OP objectives

No restrictions



5. Audit Trail and availability of documents

2014-2020 (Art. 140)	2021-2027 (Art. 82)
<p>If TEE < EUR 1000000: <u>3 Y</u> from <u>31.12</u> following the submission of accounts in which expenditure is included</p>	<p>5 Y from 31.12 of the year in which the last payment by MA to beneficiary</p>
<p>If TEE ≥ EUR 1000000: <u>2 Y</u> from <u>31.12</u> following the submission of accounts in which the final expenditure of the completed operation is included</p> <p>MA may opt for 2 Y also when TEE less than EUR 1 000 000</p> <p>Electronic format + without prejudice to state aid rules</p>	<p>Without prejudice to state aid rules</p> <p><u>Kept at the appropriate level</u></p>



QUESTION: who keeps the originals?

Art 50: Visibility responsibility of beneficiaries

- Description on official website/social media; use of emblem
- Durable plaques/billboards as soon as investments starts or equipment installed for ERDF/ CF operations TC > EUR 500 000 and for ESF+ with TC > EUR 100 000
- Otherwise Posters A3 display
- OSI projects TC > 10 000 000 EUR = event/activity with EC/MA (exemption for ESF deprivation)
- **3% correction for non-compliance**

Art 53: Grants, Real costs or SCO

Example 11

Falsified hotel invoice

Facts: A beneficiary submitted a hotel invoice to justify attendance at a meeting.

Red flag: The hotel belongs to a large group where all operations are computerised: clients' registration, invoicing, etc. The invoice was hand-written, had no number, did not indicate the currency and did not show any information related to the payment.

Reaction: The invoice was cross-checked with the hotel, which confirmed that it did not issue such invoices and that it did not know this client.

Outcome: The reimbursement was refused to the beneficiary. Taking into account the low amount at stake, no further action was carried out.

HOTEL
PLACE 13

For official use

Description	Montant
Room Rent	
3 x 85	255
13, place	
Tot	
Petit dj. :	
Extra :	
Total :	255

Ch. No. 404 Nom. ~~13, place~~
Date : 14/1/2009 No. Prs. 1

Lump sums



Unit costs

Flat-rates



