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(Acts whose publication is obligatory)

COMMISSION REGULATION (EC) No 1828/2006**of 8 December 2006**

setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund¹, and in particular point (d) of Article 37(1), the third paragraph of Article 44, Articles 59(6), 60(b) and 66(3), point (c) of Article 67(2), Articles 69(1), 70(3), 71(5), 72(2), 74(2) and 76(4) and the second subparagraph of Article 99(5) thereof,

Having regard to Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund², and in particular the second subparagraph of Article 7(2) and the second paragraph of Article 13 thereof,

Whereas:

- (1) Regulation (EC) No 1083/2006 replaces Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds³, and Regulation (EC) No 1080/2006 replaces Regulation (EC) No 1783/1999 of the European Parliament and of the Council of 12 July 1999 on the European Regional Development Fund⁴, both Regulations taking into account new developments in the field of Structural Funds. It is therefore appropriate also to lay down new provisions implementing Regulations (EC) No 1080/2006 and (EC) No 1083/2006.

¹ OJ L 210, 31.7.2006, p. 25.

² OJ L 210, 31.7.2006, p. 1.

³ OJ L 161, 26.6.1999, p. 1. Regulation as last amended by Regulation (EC) No 173/2005 (OJ L 29, 2.2.2005, p.3).

⁴ OJ L 213, 13.8.1999, p.1.

- (2) Experience has shown that citizens of the European Union are insufficiently aware of the role played by the Community in funding programmes aimed at reinforcing economic competitiveness, creating jobs and strengthening internal cohesion. It is therefore appropriate to provide for the preparation of a communication plan which identifies in detail the information and publicity measures necessary to bridge this communication and information gap. For the same purpose, it is also necessary to identify the responsibilities and the roles that should be played by each of the actors involved.
- (3) In order to guarantee that information on possible funding opportunities is disseminated widely to all interested parties and for the sake of transparency, the minimum content of the information measures needed to inform potential beneficiaries about the financing opportunities offered jointly by the Community and the Member States through the Funds should be set out, including an obligation to publicise the steps that a potential beneficiary should take to submit an application for funding and the selection criteria that will be used.
- (4) In order to enhance transparency regarding use of the Funds, the list of beneficiaries, the names of the operations and the amount of public funding allocated to operations should be published, electronically or otherwise.
- (5) In order to ensure a better implementation of the information measures and to allow a better exchange of information between the Member States and the Commission on the information and publicity strategies and results, contact persons responsible for the information and publicity measures should be designated and should participate in appropriate Community networks.
- (6) For the purposes of Articles 37 and 67 of Regulation (EC) No 1083/2006, it is necessary to lay down detailed rules and categories to allow the Member States to submit to the Commission uniform information on the programmed use of the Funds, as well as information on the cumulative allocation of the Funds by categories throughout the life of a programme, and to enable the Commission to inform the other Institutions and the citizens of the European Union in an appropriate manner about the use of the Funds, including the achievement of the targets set out in Article 9(3) of Regulation (EC) No 1083/2006.
- (7) With regard to Article 60 of Regulation (EC) No 1083/2006 and in the light of the experience gained, it is necessary to lay down the obligations which the managing authorities should have with regard to beneficiaries in the phase leading to the selection and approval of the operations to be funded, with regard to the aspects which the verifications of the expenditure declared by the beneficiary should cover, including administrative verifications of the applications for reimbursement, and on-the-spot verifications of individual operations and with regard to the conditions to be observed when on-the-spot verifications are carried out on a sample basis.
- (8) It is also necessary to set out in detail the information which should be included in the accounting records of operations and the information to be kept as data on implementation which the managing authorities should record, store and send to the Commission upon request.

- (9) In order to ensure that expenditure under operational programmes can be properly audited, it is necessary to set out the criteria with which an audit trail should comply so as to be considered adequate.
- (10) The audit of operations is carried out under the responsibility of the audit authority. To ensure that the scope and effectiveness of those audits are adequate and that they are carried out according to the same standards in all Member States, it is necessary to set out the conditions which those audits should fulfil.
- (11) Experience has shown that it is necessary to set out in detail the basis for the sampling of operations to be audited, which the audit authority should observe in establishing or approving the sampling method, including certain technical criteria to be used for a random statistical sample and factors to be taken into account for a complementary sample.
- (12) In order to simplify and harmonise standards for the preparation and presentation of the audit strategy, the annual control report and the closure declarations for which the audit authority is responsible under Article 62 of Regulation (EC) No 1083/2006, it is necessary to make detailed provision about their content and specify the nature and quality of the information on which they rely.
- (13) In order to ensure the most effective application of Article 90 of Regulation (EC) No 1083/2006 with regard to the availability of documents and the right of the Court of Auditors and the Commission to have access to all supporting documents regarding expenditure and audits, managing authorities should ensure that information on the identity and location of the bodies holding the supporting documents is readily available and those documents should be readily supplied to a minimum list of persons and bodies. For the same purpose, it is necessary to set out which data carriers can be considered as commonly accepted for the purpose of keeping such documents. To this end, the national authorities should lay down the procedures necessary to ensure that the documents kept are in conformity with the originals, when this is relevant, and can be relied on for audit purposes.
- (14) In order to harmonise standards for the certification of expenditure and for the preparation of applications for payments, the content of such certificates and applications should be laid down and the nature and quality of the information on which they rely specified. Detailed procedures should be set out for keeping, in accordance with Article 61(f) of Regulation (EC) No 1083/2006, an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation and for informing the Commission accordingly.
- (15) Under Article 71 of Regulation (EC) No 1083/2006, the Member States are, before the submission of the first interim application for payment or at least within twelve months of the approval of each operational programme, to submit to the Commission a description of the management and control systems, a report setting out the results of an assessment of the systems set up and an opinion on their compliance with the provisions of that Regulation on management and control systems. Since those documents are among the principal elements on which the Commission relies, in the context of the shared management of the Community budget, to satisfy itself that the financial assistance concerned is used by the Member States in accordance with the applicable rules and principles necessary for protecting the Community's financial

interests, it is necessary to set out in detail the information that such documents should contain and the basis for the assessment and the opinion.

- (16) Operational programmes funded under the European territorial cooperation objective referred to in Article 3 of Regulation (EC) No 1083/2006 are presented by two or more Member States and have specific features, which are laid down in Regulation (EC) No 1080/2006. It is therefore appropriate to set out the specific information which the description of the management and control system for those programmes should contain.
- (17) Article 74 of Regulation (EC) No 1083/2006 provides *inter alia* that for operational programmes for which the total eligible public expenditure does not exceed EUR 750 million and for which the level of Community co-financing does not exceed 40% of the total public expenditure, a Member State may choose to rely more on national bodies and rules for carrying out certain functions related to the control and audit requirements. It is therefore necessary to set out which verifications, which audits of operations and which obligations can be carried out and executed according to national rules and by national bodies.
- (18) As part of their management and control obligations Member States are required to report and monitor irregularities. Detailed rules to implement that requirement were laid down in Commission Regulation (EC) No 1681/94 of 11 July 1994 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the structural policies and the organisation of an information system in this field⁵, and Commission Regulation (EC) No 1831/94 of 26 July 1994 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the Cohesion Fund and the organisation of an information system in this field⁶. It is appropriate, for reasons of clarity and simplification, to incorporate those rules into this Regulation.
- (19) Provision should be made for the Commission to reimburse judicial costs when it requests a Member State to initiate or continue legal proceedings with a view to recovering amounts unduly paid following an irregularity, and for it to be supplied with information enabling it to decide on the apportionment of the loss from irrecoverable amounts under Article 70(2) of Regulation (EC) No 1083/2006. Regular contact should also be provided for between the Commission and the Member States on the subject of irregularities, for the use of the information supplied for making risk analyses and compiling reports, and for the provision of information to the relevant committees.
- (20) In order to limit the administrative burden imposed by the reporting system while safeguarding the necessary level of information, Member States should, without prejudice to the obligations arising directly from Article 61(f) of Regulation (EC) No 1083/2006, not be obliged to report irregularities involving amounts below a certain threshold unless the Commission expressly so requests.

⁵ OJ L 178, 12.7.1994, p. 43. Regulation as amended by Regulation (EC) No 2035/2005(OJ L 328, 15.12.2005,p. 8)

⁶ OJ L 191, 27.7.1994, p. 9. Regulation as amended by Regulation (EC) No 2168/2005 (OJ L 345, 28.12.2005, p.15).

- (21) In the light of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data⁷ and Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data⁸, it is necessary to provide, in relation to the information and publicity measures and the audit work under this Regulation, that the Commission and the Member States should prevent any unauthorised disclosure of or access to personal data, and to specify the purpose for which the Commission and the Member States can process such data.
- (22) For reasons of legal certainty and of equal treatment of all Member States, it is necessary to fix the rate applicable to the financial correction which the Commission may make when a Member State does not comply with its obligation to maintain in all the regions concerned during the programming period an agreed target level of public or equivalent structural expenditure. For reasons of simplification and proportionality, no financial correction should be applied if the difference between the agreed target level and the level achieved is equal to or less than 3% of the agreed target level (*de minimis* threshold); for the same reasons, when the difference between the two levels is higher than 3% of the agreed target level, the rate should be calculated by subtracting that *de minimis* threshold.
- (23) The use of electronic means for the exchange of information and financial data leads to simplification, increased efficiency and transparency and to savings in time. In order to exploit these advantages fully, while preserving the security of exchanges, a common computer system should be established as well as a list of documents of common interest to the Commission and the Member States. It is therefore necessary to specify the format each document should have and to provide a detailed description of the information such documents should contain. For the same reasons, it is necessary to specify how such a computer system functions with regard to the identification of the party responsible for uploading the documents and any updates thereto.
- (24) In the framework of Directive 1999/93/EC of the European Parliament and of the Council of 13 December 1999 on a Community framework for electronic signatures⁹, taking account of the level of security and confidentiality required for the financial management of the use of the Funds, of the state of the art and of a cost-benefit analysis, it is necessary to require the use of an electronic signature.
- (25) In order to ensure the quick development and proper functioning of the common computer system, the cost of its development should be financed by the budget of European Communities under Article 45 of Regulation (EC) No 1083/2006, and the costs of the interface with national, regional, and local computer systems should be eligible for a financial contribution from the Funds under Article 46 of the same Regulation.

⁷ OJ L 281, 23.11.1995, p. 31. Directive as amended by Regulation (EC) No 1882/2003 (OJ L 284, 31.10.2003, p.1).

⁸ OJ L 8, 12.1.2001, p.1.

⁹ OJ L 13, 19.1.2000, p. 12.

- (26) Building on the experience of the 2000-2006 programming period, it is necessary to set out in detail the conditions which financial engineering instruments should fulfil to be funded under an operational programme, it being understood that contributions to financial engineering instruments from the operational programme and other public sources, as well as the investments made by financial engineering instruments in individual enterprises, are subject to the rules on State aid including the Community Guidelines on State aid to promote risk capital investments in small and medium-sized enterprises.¹⁰
- (27) It is necessary to adopt the list of criteria to be used for identifying the areas where expenditure on housing can be eligible for a contribution from the European Regional Development Fund under Article 7(2) of Regulation (EC) No 1080/2006 and the list of eligible interventions. Given the diversity of the situations prevailing in the Member States concerned, it is appropriate to establish a list of criteria for identifying the areas experiencing or threatened by physical deterioration and social exclusion where investment in housing may be eligible for co-financing. It is also appropriate to set out that, in the case of multi-family housing or housing designated for low-income households or people with special needs, the interventions eligible for co-financing should be those aimed at renovating the common parts of multi-family residential buildings or at delivering modern social housing of good quality through investing in the renovation and change of use of existing buildings owned by public authorities or non-profit operators.
- (28) Article 56(4) of Regulation (EC) No 1083/2006 provides that rules on the eligibility of expenditure are to be laid down at national level, subject to the exceptions provided in the specific regulations for each Fund. With regard to Article 13 of Regulation (EC) No 1080/2006, common rules on the eligibility of expenditure should be laid down which are applicable to operational programmes under the European territorial cooperation objective in order to ensure consistency between the rules applicable to projects implemented in different Member States. Building upon experience with similar programmes in the programming period 2000-2006, it is appropriate to lay down common rules for the categories of expenditure for which national rules are most likely to differ. In order to reduce the administrative burden on beneficiaries and programme authorities, flat rates for overheads should under certain conditions be eligible.
- (29) Regulations (EC) No 1681/94 and (EC) No 1831/94 as well as Commission Regulations (EC) No 1159/2000 of 30 May 2000 on information and publicity measures to be carried out by the Member States concerning assistance from the Structural Funds¹¹, (EC) No 1685/2000 of 28 July 2000 laying down detailed rules for the implementation of Council Regulation (EC) No 1260/1999 as regards eligibility of expenditure of operations co-financed by the Structural Funds¹², (EC) No 438/2001 of 2 March 2001 laying down detailed rules for the implementation of Council Regulation (EC) No 1260/1999 as regards the management and control systems for assistance granted under the Structural Funds¹³, (EC) No 448/2001 of 2 March 2001

¹⁰ OJ C 194, 18.8.2006, p. 2.

¹¹ OJ L 130, 31.5.2000, p. 30.

¹² OJ L 193, 29.7.2000, p. 39. Regulation as last amended by Regulation (EC) No 448/2004 (OJ L 72, 11.3.2004, p. 66).

¹³ OJ L 63, 3.3.2001, p. 21. Regulation as amended by Regulation (EC) No 2355/2002 (OJ L 351, 28.12.2002, p. 42).

laying down detailed rules for the implementation of Council Regulation (EC) No 1260/1999 as regards the procedure for making financial corrections to assistance granted under the Structural Funds¹⁴, (EC) No 1386/2002 of 29 July 2002 laying down detailed rules for the implementation of Council Regulation (EC) No 1164/94 as regards the management and control systems for assistance granted from the Cohesion Fund and the procedure for making financial corrections¹⁵, (EC) No 16/2003 of 6 January 2003 laying down special detailed rules for implementing Council Regulation (EC) No 1164/94 as regards eligibility of expenditure in the context of measures part-financed by the Cohesion Fund¹⁶ and (EC) No 621/2004 of 1 April 2004 laying down rules for implementing Council Regulation (EC) No 1164/94 as regards information and publicity measures concerning the activities of the Cohesion Fund¹⁷ should be repealed.

- (30) The measures provided for in this Regulation are in accordance with the opinion of the Coordination Committee of the Funds,

¹⁴ OJ L 64, 6.3.2001, p. 13.

¹⁵ OJ L 201, 31.7.2002, p. 5.

¹⁶ OJ L 2, 7.1.2003, p. 7.

¹⁷ OJ L 98, 2.4.2004, p. 22.

HAS ADOPTED THIS REGULATION:

TABLE OF CONTENTS

CHAPTER I INTRODUCTION	11
Article 1 General Provisions	11
CHAPTER II IMPLEMENTING PROVISIONS OF REGULATION (EC) NO 1083/2006	11
Section 1 Information and publicity	11
Article 2 Preparation of the communication plan	11
Article 3 Examination of compatibility of the communication plan.....	12
Article 4 Implementation and monitoring of the communication plan.....	12
Article 5 Information measures for potential beneficiaries.....	13
Article 6 Information measures for beneficiaries.....	14
Article 7 Responsibilities of the managing authority relating to information and publicity measures for the public	14
Article 8 Responsibilities of beneficiaries relating to information and publicity measures for the public.....	15
Article 9 Technical characteristics of information and publicity measures for the operation .	16
Article 10 Network and exchange of experience	16
Section 2 Information on use of the Funds	16
Article 11 Indicative breakdown of use of the Funds	17
Section 3 Management and control systems	18
Article 12 Intermediate bodies	18
Article 13 Managing authority	18
Article 14 Accounting records	19
Article 15 Audit trail	19
Article 16 Audits of operations	20
Article 17 Sampling	20
Article 18 Documents presented by the audit authority.....	21
Article 19 Availability of documents	22
Article 20 Documents submitted by the certifying authority.....	23
Article 21 Description of management and control systems.....	24

Article 22 Information concerning the managing authority, the certifying authority and intermediate bodies	24
Article 23 Information concerning the audit authority and bodies carrying out audits	25
Article 24 Description of the management and control systems of the European territorial cooperation objective	25
Article 25 Assessment of management and control systems	26
Article 26 Derogations concerning operational programmes referred to in Article 74 of Regulation (EC) No 1083/2006	26
Section 4 Irregularities	27
Article 27 Definitions.....	27
Article 28 Initial reporting - derogations.....	27
Article 29 Urgent cases	29
Article 30 Reporting of follow-up - Non-recovery	29
Article 31 Electronic transmission	30
Article 32 Reimbursement of judicial costs	31
Article 33 Contacts with Member States.....	31
Article 34 Use of information	31
Article 35 Provision of information to Committees.....	31
Article 36 Irregularities under the reporting threshold.....	32
Section 5 Personal data	32
Article 37 Protection of personal data.....	32
Section 6 Financial correction for non-respect of additionality	33
Article 38 Rates of financial correction	33
Section 7 Electronic exchange of data	34
Article 39 Computer system for data exchange	34
Article 40 Content of computer system for data exchange	34
Article 41 Functioning of computer system for data exchange	35
Article 42 Transmission of data through the computer system for data exchange	36
Section 8 Financial engineering instruments	37
Article 43 General provisions applicable to all financial engineering instruments	37
Article 44 Additional provisions applicable to holding funds	39
Article 45 Additional provisions applicable to financial engineering instruments other than holding funds and urban development funds	40

Article 46 Additional provisions applicable to urban development funds.....	40
CHAPTER III IMPLEMENTING PROVISIONS OF REGULATION (EC) NO 1080/2006.....	41
Section 1 Eligibility of Housing.....	41
Article 47 Interventions in the field of housing.....	41
Section 2 Rules of eligibility applicable to operational programmes for the European territorial cooperation objective.....	42
Article 48 Rules on Eligibility of Expenditure.....	42
Article 49 Financial charges and guarantee costs.....	42
Article 50 Expenditure by public authorities relating to the implementation of operations....	43
Article 51 In-kind contributions.....	43
Article 52 Overheads.....	44
Article 53 Depreciation.....	44
CHAPTER IV FINAL PROVISIONS.....	44
Article 54 Repeal.....	44
Article 55 Entry into force.....	45

CHAPTER I INTRODUCTION

Article 1 *Subject matter*

This Regulation lays down rules for the implementation of Regulation (EC) No 1083/2006 and Regulation (EC) No 1080/2006 as regards the following:

- (a) information and publicity;
- (b) information on use of the Funds;
- (c) management and control systems;
- (d) irregularities;
- (e) personal data;
- (f) financial corrections for non-respect of additionality;
- (g) electronic exchange of data;
- (h) financial engineering instruments;
- (i) eligibility of housing;
- (j) eligibility of operational programmes for the European territorial cooperation objective as referred to in Article 3(2)(c) of Regulation (EC) No 1083/2006.

CHAPTER II PROVISIONS IMPLEMENTING REGULATION (EC) NO 1083/2006

Section 1 Information and publicity

Article 2 *Preparation of the communication plan*

1. A communication plan, as well as any major amendments to it, shall be drawn up by the managing authority for the operational programme for which it is responsible or by the Member State to cover several or all operational programmes co-financed by the European Regional Development Fund (ERDF), the European Social Fund (ESF) or the Cohesion Fund.
2. The communication plan shall include at least the following:

- (a) the aims and target groups;
- (b) the strategy and content of the information and publicity measures to be taken by the Member State or the managing authority, aimed at potential beneficiaries, beneficiaries and the public, having regard to the added value of Community assistance at national, regional and local level;
- (c) the indicative budget for implementation of the plan;
- (d) the administrative departments or bodies responsible for implementation of the information and publicity measures;
- (e) an indication of how the information and publicity measures are to be evaluated in terms of visibility and awareness of operational programmes and of the role played by the Community.

Article 3

Examination of compatibility of the communication plan

The Member State or the managing authority shall submit the communication plan to the Commission within four months of the date of adoption of the operational programme or, where the communication plan covers two or more operational programmes, of the date of adoption of the last of these operational programmes.

In the absence of observations made by the Commission within two months of receipt of the communication plan, the plan shall be deemed to comply with Article 2(2).

If the Commission sends observations within two months of receipt of the communication plan, the Member State or the managing authority shall within two months send a revised communication plan to the Commission.

In the absence of further observations by the Commission within two months of submission of a revised communication plan, it shall be considered that the communication plan may be implemented.

The Member State or the managing authority shall commence the information and publicity activities provided for in Articles 5, 6 and 7, where relevant, even in the absence of the final version of the communication plan.

Article 4

Implementation and monitoring of the communication plan

1. The managing authority shall inform the monitoring committee for each operational programme of the following:
 - (a) the communication plan and progress in its implementation;
 - (b) information and publicity measures carried out;

- (c) the means of communication used.

The managing authority shall provide the monitoring committee with examples of such measures.

2. The annual reports and the final report on implementation of an operational programme, referred to in Article 67 of Regulation (EC) No 1083/2006, shall include:
- (a) examples of information and publicity measures for the operational programme carried out when implementing the communication plan;
 - (b) the arrangements for the information and publicity measures referred to in point (d) of Article 7(2) including, where applicable, the electronic address at which such data may be found;
 - (c) the content of any major amendments to the communication plan.

The annual implementation report for the year 2010 and the final implementation report shall contain a chapter assessing the results of the information and publicity measures in terms of visibility and awareness of operational programmes and of the role played by the Community, as provided for in point (e) of Article 2(2).

3. The means used for implementing, monitoring and evaluating the communication plan shall be proportional to the information and publicity measures identified in the communication plan.

Article 5

Information measures for potential beneficiaries

1. The managing authority shall, in accordance with the communication plan, ensure that the operational programme is disseminated widely, with details of the financial contributions from the Funds concerned, and that it is made available to all interested parties.

It shall in addition ensure that information on the financing opportunities offered by joint assistance from the Community and the Member State through the operational programme is disseminated as widely as possible.

2. The managing authority shall provide potential beneficiaries with clear and detailed information on at least the following:
- (a) the conditions of eligibility to be met in order to qualify for financing under an operational programme;
 - (b) a description of the procedures for examining applications for funding and of the time periods involved;
 - (c) the criteria for selecting the operations to be financed;
 - (d) the contacts at national, regional or local level who can provide information on the operational programmes.

In addition, the managing authority shall inform potential beneficiaries of the publication provided for in point (d) of Article 7(2).

3. The managing authority shall involve in information and publicity measures, in accordance with national laws and practices, at least one of the following bodies that can widely disseminate the information listed in paragraph 2:
 - (a) national, regional and local authorities and development agencies;
 - (b) trade and professional associations;
 - (c) economic and social partners;
 - (d) non-governmental organisations;
 - (e) organisations representing business;
 - (f) information centres on Europe as well as Commission representations in the Member States;
 - (g) educational institutions.

Article 6

Information measures for beneficiaries

The managing authority shall inform beneficiaries that acceptance of funding is also an acceptance of their inclusion in the list of beneficiaries published in accordance with point (d) of Article 7(2).

Article 7

Responsibilities of the managing authority relating to information and publicity measures for the public

1. The managing authority shall ensure that the information and publicity measures are implemented in accordance with the communication plan and that they aim at the widest possible media coverage using various forms and methods of communication at the appropriate territorial level.
2. The managing authority shall be responsible for organising at least the following information and publicity measures:
 - (a) a major information activity publicising the launch of an operational programme, even in the absence of the final version of the communication plan;
 - (b) at least one major information activity a year, as set out in the communication plan, presenting the achievements of the operational programme(s) including, where relevant, major projects;

- (c) flying the flag of the European Union for one week starting 9 May, in front of the premises of each managing authority;
- (d) the publication, electronically or otherwise, of the list of beneficiaries, the names of the operations and the amount of public funding allocated to the operations.

Participants in an operation of the ESF shall not be named.

Article 8

Responsibilities of beneficiaries relating to information and publicity measures for the public

1. The beneficiary shall be responsible for informing the public, by means of the measures laid down in paragraphs 2, 3 and 4, about the assistance obtained from the Funds.
2. The beneficiary shall put up a permanent explanatory plaque that is visible and of significant size no later than six months after completion of an operation that fulfils the following conditions:
 - (a) the total public contribution to the operation exceeds EUR 500 000;
 - (b) the operation consists in the purchase of a physical object or in the financing of infrastructure or of construction operations.

The plaque shall state the type and name of the operation, in addition to the information referred to in Article 9. That information shall take up at least 25% of the plaque.

3. The beneficiary shall, during the implementation of the operation, put up a billboard at the site of each operation which fulfils the following conditions:
 - (a) the total public contribution to the operation exceeds EUR 500 000;
 - (b) the operation consists in the financing of infrastructure or of construction operations.

The information referred to in Article 9 shall take up at least 25% of the billboard.

When the operation is completed, the billboard shall be replaced by the permanent explanatory plaque referred to in paragraph 2.

4. Where an operation receives funding under an operational programme co-financed by the ESF and, in appropriate cases, where an operation receives funding under the ERDF or the Cohesion Fund, the beneficiary shall ensure that those taking part in the operation have been informed of that funding.

The beneficiary shall provide clear notice to the effect that the operation being implemented has been selected under an operational programme co-financed by the ESF, the ERDF or the Cohesion Fund.

Any document, including any attendance or other certificate, concerning such an operation shall include a statement to the effect that the operational programme was co-financed by the ESF or, where appropriate, the ERDF or the Cohesion Fund.

Article 9

Technical characteristics of information and publicity measures for the operation

All information and publicity measures aimed at beneficiaries, potential beneficiaries and the public shall include the following:

- (a) the emblem of the European Union, in accordance with the graphic standards set out in Annex I, and reference to the European Union;
- (b) reference to the Fund concerned:
 - (a) for the ERDF: "European Regional Development Fund";
 - (b) for the Cohesion Fund: "Cohesion Fund";
 - (c) for the ESF: "European Social Fund";
- (c) a statement chosen by the managing authority, highlighting the added value of the intervention of the Community, and preferably "Investing in your future".

For small promotional objects, points (b) and (c) shall not apply.

Article 10

Network and exchange of experience

1. Each managing authority shall designate the contact persons to be responsible for information and publicity and shall inform the Commission accordingly. In addition, Member States may designate a single contact person for all operational programmes.
2. Community networks comprising the persons designated under paragraph 1 may be set up to ensure exchanges of good practice, including the results of implementation of the communication plan, and exchanges of experience in implementing the information and publicity measures under this Section.
3. Exchanges of experience in the field of information and publicity may be supported through technical assistance under Article 45 of Regulation (EC) No 1083/2006.

Section 2

Information on use of the Funds

*Article 11**Indicative breakdown of use of the Funds*

1. Member States shall submit to the Commission the indicative breakdown by category of the programmed use of the Funds at operational programme level, as referred to in point (d) of Article 37(1) of Regulation (EC) No 1083/2006 and Article 12(5) of Regulation (EC) No 1080/2006, in accordance with Parts A and B of Annex II to this Regulation.
2. The annual and final implementation reports referred to in Article 67 of Regulation (EC) No 1083/2006 shall contain updated information at operational programme level on the cumulative allocation of the Funds by categories, as from the start of the operational programme, to the operations selected under the operational programme, presented for each combination of codes, in accordance with Parts A and C of Annex II to this Regulation.
3. The data provided by Member States under paragraphs 1 and 2 shall be used by the Commission only for information purposes.

Section 3 **Management and control systems**

Article 12 *Intermediate bodies*

Where one or more of the tasks of a managing authority or certifying authority are performed by an intermediate body, the relevant arrangements shall be formally recorded in writing.

The provisions of this Regulation concerning the managing authority and certifying authority shall apply to the intermediate body.

Article 13 *Managing authority*

1. For the purposes of the selection and approval of operations under Article 60(a) of Regulation (EC) No 1083/2006, the managing authority shall ensure that beneficiaries are informed of the specific conditions concerning the products or services to be delivered under the operation, the financing plan, the time-limit for execution and the financial and other information to be kept and communicated.

It shall satisfy itself that the beneficiary has the capacity to fulfil these conditions before the approval decision is taken.

2. The verifications to be carried out by the managing authority under Article 60(b) of Regulation (EC) No 1083/2006 shall cover administrative, financial, technical and physical aspects of operations, as appropriate.

Verifications shall ensure that the expenditure declared is real, that the products or services have been delivered in accordance with the approval decision, that the applications for reimbursement by the beneficiary are correct and that the operations and expenditure comply with Community and national rules. They shall include procedures to avoid double-financing of expenditure with other Community or national schemes and with other programming periods.

Verifications shall include the following procedures:

- (a) administrative verifications in respect of each application for reimbursement by beneficiaries;
 - (b) on-the-spot verifications of individual operations.
3. Where on-the-spot verifications under point (b) of paragraph 2 are carried out on a sample basis for an operational programme, the managing authority shall keep records describing and justifying the sampling method and identifying the operations or transactions selected for verification.

The managing authority shall determine the size of the sample in order to achieve reasonable assurance as to the legality and regularity of the underlying transactions, having regard to the level of risk identified by the managing authority for the type of beneficiaries and operations concerned. It shall review the sampling method each year.

4. The managing authority shall establish written standards and procedures for the verifications carried out under paragraph 2 and shall keep records for each verification, stating the work performed, the date and the results of the verification, and the measures taken in respect of irregularities detected.
5. Where the managing authority is also a beneficiary under the operational programme, arrangements for the verifications referred to in paragraphs 2, 3 and 4 shall ensure adequate separation of functions in accordance with point (b) of Article 58 of Regulation (EC) No 1083/2006.

Article 14
Accounting records

1. The accounting records of operations and the data on implementation referred to in Article 60(c) of Regulation (EC) No 1083/2006 shall include the information set out in Annex III to this Regulation.

The managing, certifying and audit authorities and the bodies referred to in Article 62(3) of Regulation (EC) No 1083/2006 shall have access to that information.

2. At the written request of the Commission, the Member State shall provide the Commission with the information referred to in paragraph 1 within fifteen working days of receipt of the request, or any other agreed period, for the purpose of carrying out documentary and on-the-spot checks.

Article 15
Audit trail

For the purposes of Article 60(f) of Regulation (EC) No 1083/2006, an audit trail shall be considered adequate where, for the operational programme concerned, it complies with the following criteria:

- (a) it permits the aggregate amounts certified to the Commission to be reconciled with the detailed accounting records and supporting documents held by the certifying authority, managing authority, intermediate bodies and beneficiaries as regards operations co-financed under the operational programme;
- (b) it permits verification of payment of the public contribution to the beneficiary;
- (c) it permits verification of application of the selection criteria established by the monitoring committee for the operational programme;
- (d) it contains in respect of each operation, as appropriate, the technical specifications and

financing plan, documents concerning the grant approval, documents relating to public procurement procedures, progress reports and reports on verifications and audits carried out.

Article 16
Audits of operations

1. The audits referred to in point (b) of Article 62(1) of Regulation (EC) No 1083/2006 shall be carried out each twelve-month period from 1 July 2008 on a sample of operations selected by a method established or approved by the audit authority in accordance with Article 17 of this Regulation.

The audits shall be carried out on-the-spot on the basis of documentation and records held by the beneficiary.

2. The audits shall verify that the following conditions are fulfilled:

- (a) the operation meets the selection criteria for the operational programme, has been implemented in accordance with the approval decision and fulfils any applicable conditions concerning its functionality and use or the objectives to be attained;

- (b) the expenditure declared corresponds to the accounting records and supporting documents held by the beneficiary;

- (c) the expenditure declared by the beneficiary is in compliance with Community and national rules;

- (d) the public contribution has been paid to the beneficiary in accordance with Article 80 of Regulation (EC) No 1083/2006.

3. Where problems detected appear to be systemic in nature and therefore entail a risk for other operations under the operational programme, the audit authority shall ensure that further examination is carried out, including additional audits where necessary, to establish the scale of such problems. The necessary preventive and corrective action shall be taken by the relevant authorities.

4. Only expenditure falling within the scope of an audit carried out under paragraph 1 shall be counted towards the amount of expenditure audited, for the purposes of reporting in the tables in point 9 of Annex VI and point 9 of Annex VIII.

Article 17
Sampling

1. The sample of operations to be audited each year shall in the first instance be based on a random statistical sampling method as set out in paragraphs 2, 3 and 4. Additional operations may be selected as a complementary sample as set out in paragraphs 5 and 6.

2. The method used to select the sample and to draw conclusions from the results shall take account of internationally accepted audit standards and be documented. Having regard to the amount of expenditure, the number and type of operations and other

relevant factors, the audit authority shall determine the appropriate statistical sampling method to apply. The technical parameters of the sample shall be determined in accordance with Annex IV.

3. The sample to be audited each twelve-month period shall be selected from those operations for which, during the year preceding the year in which the annual control report under Article 18(2) is communicated to the Commission, expenditure has been declared to the Commission for the operational programme or, where appropriate, for the operational programmes covered by a common management and control system. For the first twelve-month period, the audit authority may decide to group the operations for which expenditure has been declared to the Commission in 2007 and 2008 as a basis for the selection of the operations to be audited.
4. The audit authority shall draw conclusions on the basis of the results of the audits relating to expenditure declared to the Commission during the year referred to in paragraph 3 and communicate them to the Commission in the annual control report.

In operational programmes for which the projected error rate is above the materiality level, the audit authority shall analyse its significance and take the necessary actions, including making appropriate recommendations, which will be communicated in the annual control report.

5. The audit authority shall regularly review the coverage provided by the random sample, having regard in particular to the need to have sufficient audit assurance for the declarations to be provided at partial and final closure for each operational programme.

It shall decide on the basis of professional judgment whether it is necessary to audit a complementary sample of additional operations in order to take account of specific risk factors identified and to guarantee for each programme sufficient coverage of different types of operation, beneficiaries, intermediate bodies and priority axes.

6. The audit authority shall draw conclusions on the basis of the results of the audits of the complementary sample and communicate them to the Commission in the annual control report.

Where the number of detected irregularities is high or where systemic irregularities have been detected, the audit authority shall analyse the significance thereof and take the necessary actions, including making appropriate recommendations, which shall be communicated in the annual control report.

The results of the audits on the complementary sample shall be analysed separately from those of the random sample. In particular, irregularities detected in the complementary sample shall not be taken into account when the error rate of the random sample is calculated.

Article 18

Documents presented by the audit authority

1. The audit strategy referred to in point (c) of Article 62(1) of Regulation (EC) No 1083/2006 shall be established in accordance with the model in Annex V to this

Regulation. It shall be updated and reviewed annually and, if necessary, during the course of the year.

2. The annual control report and the opinion referred to in point (d) of Article 62(1) of Regulation (EC) No 1083/2006 shall be based on the systems audits and audits of operations carried out under points (a) and (b) of Article 62(1) of that Regulation in accordance with the audit strategy and shall be drawn up in accordance with the models set out in Annexes VI and VII to this Regulation.

For operational programmes under the European territorial cooperation objective, the annual control report and the opinion shall cover all the Member States concerned in the programme.

3. The closure declaration referred to in point (e) of Article 62(1) of Regulation (EC) No 1083/2006 shall be based on all the audit work carried out by, or under the responsibility of, the audit authority in accordance with the audit strategy. The closure declaration and final control report shall be drawn up in accordance with the model set out in Annex VIII to this Regulation.

For operational programmes under the European territorial co-operation objective, the closure declaration and final control report shall cover all the Member States concerned in the programme.

4. If there is a limitation in the scope of examination or if the level of irregular expenditure detected does not allow the provision of an unqualified opinion for the annual opinion referred to in point (d) of Article 62(1) of Regulation (EC) No 1083/2006 or in the closure declaration referred to in point (e) of that Article, the audit authority shall give the reasons and estimate the scale of the problem and its financial impact.
5. In the event of partial closure of an operational programme, the declaration relating to the legality and regularity of the transactions covered by the statement of expenditure referred to in Article 88 of Regulation (EC) No 1083/2006 shall be drawn up by the audit authority in accordance with the model in Annex IX to this Regulation and submitted with the opinion referred to in point (d)(ii) of Article 62(1) of Regulation (EC) No 1083/2006.

Article 19

Availability of documents

1. For the purposes of Article 90 of Regulation (EC) No 1083/2006, the managing authority shall ensure that a record is available of the identity and location of bodies holding the supporting documents relating to expenditure and audits, which includes all documents required for an adequate audit trail.
2. The managing authority shall ensure that the documents referred to in paragraph 1 are made available for inspection by, and extracts or copies thereof are supplied to, persons and bodies entitled thereto, including at least authorised staff of the managing authority, certifying authority, intermediate bodies and audit authority and the bodies referred to in Article 62(3) of Regulation (EC) No 1083/2006, and authorised officials of the Community and their authorised representatives.

3. The managing authority shall keep information necessary for the purposes of evaluation and reporting, including the information referred to in Article 14, in relation to operations referred to in Article 90(2) of Regulation (EC) No 1083/2006 for the whole of the period referred to in paragraph (1)(a) of that Article.
4. The following at least shall be considered commonly accepted data carriers as referred to in Article 90 of Regulation (EC) No 1083/2006:
 - (a) photocopies of original documents;
 - (b) microfiches of original documents;
 - (c) electronic versions of original documents;
 - (d) documents existing in electronic version only.
5. The procedure for certification of conformity of documents held on commonly accepted data carriers with the original document shall be laid down by the national authorities and shall ensure that the versions held comply with national legal requirements and can be relied on for audit purposes.
6. Where documents exist in electronic version only, the computer systems used must meet accepted security standards that ensure that the documents held comply with national legal requirements and can be relied on for audit purposes.

Article 20

Documents submitted by the certifying authority

1. Certified statements of expenditure and payment applications referred to in Article 61(a) of Regulation (EC) No 1083/2006 shall be drawn up in the format in Annex X to this Regulation and transmitted to the Commission.
2. By 31 March each year as from 2008, the certifying authority shall send to the Commission a statement, in the format in Annex XI, identifying for each priority axis of the operational programme:
 - (a) the amounts withdrawn from statements of expenditure submitted during the preceding year following cancellation of all or part of the public contribution for an operation;
 - (b) the amounts recovered which have been deducted from those statements of expenditure;
 - (c) a statement of amounts to be recovered as at 31 December of the preceding year, classified by the year in which recovery orders were issued.
3. In order to proceed to the partial closure of an operational programme, the certifying authority shall send to the Commission a statement of expenditure referred to in Article 88 of Regulation (EC) No 1083/2006 in the format set out in Annex XIV to this Regulation.

*Article 21**Description of management and control systems*

1. The description of the management and control systems for operational programmes referred to in Article 71(1) of Regulation (EC) No 1083/2006 shall contain information on the matters referred to in Article 58 of that Regulation in respect of each operational programme, and the information set out in Articles 22, 23, and, where applicable, Article 24 of this Regulation.

That information shall be submitted in accordance with the model set out in Annex XII.

2. The description of the management and control systems of operational programmes under the European territorial cooperation objective shall be provided by the Member State on whose territory the managing authority is located.

*Article 22**Information concerning the managing authority, the certifying authority and intermediate bodies*

As regards the managing authority, the certifying authority and each intermediate body, the Member State shall provide to the Commission the following information:

- (a) a description of the tasks entrusted to them;
- (b) the organisation chart of each of them, a description of the allocation of tasks between or within their departments, and the indicative number of posts allocated;
- (c) the procedures for selecting and approving operations;
- (d) the procedures by which beneficiaries' applications for reimbursement are received, verified and validated, and in particular the rules and procedures laid down for verification purposes in Article 13, and the procedures by which payments to beneficiaries are authorised, executed and entered in the accounts;
- (e) the procedures by which statements of expenditure are drawn up, certified and submitted to the Commission;
- (f) reference to the written procedures established for the purposes of points (c), (d) and (e);
- (g) eligibility rules laid down by the Member State and applicable to the operational programme;
- (h) the system for keeping the detailed accounting records of operations and data on implementation referred to in Article 14(1), under the operational programme.

*Article 23**Information concerning the audit authority and bodies carrying out audits*

As regards the audit authority and the bodies referred to in Article 62(3) of Regulation (EC) No 1083/2006, the Member State shall provide to the Commission the following information:

- (a) a description of their respective tasks and their inter-relationship, including, where applicable, the relation with the coordination body referred to in Article 73(1) of Regulation (EC) No 1083/2006;
- (b) the organisation chart of the audit authority and of each of the bodies involved in carrying out audits concerning the operational programme, describing how their independence is ensured, the indicative number of posts allocated and the qualifications or experience required;
- (c) the procedures for monitoring the implementation of recommendations and corrective measures resulting from audit reports;
- (d) the procedures, where appropriate, for the supervision by the audit authority of the work of bodies involved in carrying out audits concerning the operational programme;
- (e) the procedures for the preparation of the annual control report and closure declarations.

*Article 24**Description of the management and control systems of the European territorial cooperation objective*

In addition to the information set out in Articles 21, 22 and 23, the description of the management and control system shall include the arrangements agreed between the Member States for the following purposes:

- (a) to provide the managing authority with access to all the information which it requires to discharge its responsibilities under Article 60 of Regulation (EC) No 1083/2006 and Article 15 of Regulation (EC) No 1080/2006;
- (b) to provide the certifying authority with access to all the information which it requires to discharge its responsibilities under Article 61 of Regulation (EC) No 1083/2006;
- (c) to provide the audit authority with access to all the information which it requires to discharge its responsibilities under Article 62 of Regulation (EC) No 1083/2006 and Article 14(2) of Regulation (EC) No 1080/2006;
- (d) to ensure compliance by the Member States with their obligations as regards the recovery of amounts unduly paid as set out in Article 17(2) of Regulation (EC) No 1080/2006;
- (e) to ensure the legality and regularity of expenditure paid outside the Community and included in the statement of expenditure, where the Member States taking part in a programme avail themselves of the flexibility allowed by Article 21(3) of Regulation (EC)

No 1080/2006, in order to allow the managing authority, the certifying authority and the audit authority to exercise their responsibilities as regards expenditure paid in third countries and the arrangements for recovering amounts unduly paid relating to irregularities.

Article 25

Assessment of management and control systems

The report referred to in Article 71(2) of Regulation (EC) No 1083/2006 shall be based on an examination of the systems description, of relevant documents concerning the systems and of the system for keeping accounting records and data on implementation of operations, and on interviews with the staff in the main bodies considered important by the audit authority or other body responsible for the report in order to complete, clarify or verify the information.

The opinion referred to in Article 71(2) of Regulation (EC) No 1083/2006 shall be drawn up in accordance with the model set out in Annex XIII to this Regulation.

Where the management and control systems concerned are essentially the same as those in place for assistance approved under Regulation (EC) No 1260/1999, account may be taken of the results of audits carried out by national and Community auditors in relation to those systems for the purpose of establishing the report and opinion under Article 71(2) of Regulation (EC) No 1083/2006.

Article 26

Derogations concerning operational programmes referred to in Article 74 of Regulation (EC) No 1083/2006

1. For operational programmes in respect of which a Member State has exercised the option referred to in the first subparagraph of Article 74(2) of Regulation (EC) No 1083/2006, paragraphs 2 to 5 of this Article shall apply.
2. The verifications referred to in Article 13(2) of this Regulation shall be carried out by the national body referred to in Article 74(2) of Regulation (EC) No 1083/2006.
3. The audits of operations referred to in point (b) of Article 62(1) of Regulation (EC) No 1083/2006 shall be carried out in accordance with national procedures. Articles 16 and 17 of this Regulation shall not apply.
4. Article 18(2) to (5) of this Regulation shall apply *mutatis mutandis* to the preparation of the documents issued by the national body referred to in Article 74(2) of Regulation (EC) No 1083/2006.

The annual control report and the annual opinion shall be drawn up following, as appropriate, the models set out in Annexes VI and VII to this Regulation.

5. The obligations laid down in Article 20(2) of this Regulation shall be carried out by the national body referred to in Article 74(2) of Regulation (EC) No 1083/2006.

The statement of expenditure shall be drawn up following the models set out in Annexes X and XIV to this Regulation.

6. The information to be included in the description of the management and control systems referred to in Articles 21(1), 22 and 23 of this Regulation shall, where applicable, include the information concerning the national bodies referred to in Article 74(2) of Regulation (EC) No 1083/2006.

Section 4 **Irregularities**

Article 27 *Definitions*

For the purposes of this section, the following definitions shall apply:

- (a) “economic operator” means any natural or legal person or other entity taking part in the implementation of assistance from the Funds, with the exception of a Member State exercising its prerogatives as a public authority;
- (b) “primary administrative or judicial finding” means a first written assessment by a competent authority, either administrative or judicial, concluding on the basis of specific facts that an irregularity has been committed, without prejudice to the possibility that this conclusion may subsequently have to be revised or withdrawn as a result of developments in the course of the administrative or judicial procedure;
- (c) “suspected fraud” means an irregularity giving rise to the initiation of administrative or judicial proceedings at national level in order to establish the presence of intentional behaviour, in particular fraud, as referred to in point (a) of Article 1(1) of the Convention drawn up on the basis of Article K.3 of the Treaty on European Union, on the protection of the European Communities' financial interests¹⁸;
- (d) “bankruptcy” means insolvency proceedings within the meaning of Article 2(a) of Council Regulation (EC) No 1346/2000¹⁹.

Article 28 *Initial reporting - derogations*

1. Without prejudice to the other obligations under Article 70 of Regulation (EC) No 1083/2006, within two months following the end of each quarter, Member States shall report to the Commission any irregularities which have been the subject of a primary administrative or judicial finding.

In that report Member States shall in all cases give details concerning the following:

¹⁸ OJ C 316, 27.11.1995, p. 49.

¹⁹ OJ L 160, 30.06.2000, p.1.

- (a) the Fund, objective, operational programme, priority axis and operation concerned and the Common Identification Code (CCI) number;
- (b) the provision which has been infringed;
- (c) the date and source of the first information leading to suspicion that an irregularity has been committed;
- (d) the practices employed in committing the irregularity;
- (e) where appropriate, whether the practice gives rise to a suspicion of fraud;
- (f) the manner in which the irregularity was discovered;
- (g) where appropriate, the Member States and third countries involved;
- (h) the period during which, or the moment at which, the irregularity was committed;
- (i) the national authorities or bodies which drew up the official report on the irregularity and the authorities responsible for administrative or judicial follow-up;
- (j) the date on which the primary administrative or judicial finding on the irregularity was established;
- (k) the identity of the natural and legal persons involved or of any other participating entities, except where this information is irrelevant for the purposes of combating irregularities, given the nature of the irregularity concerned;
- (l) the total budget and the public contribution approved for the operation and the distribution of its co-financing between Community and national contribution;
- (m) the amount of the public contribution affected by the irregularity and the corresponding Community contribution at risk;
- (n) where no payment of the public contribution has been made to the persons or other entities identified under point (k), the amounts which would have been unduly paid had the irregularity not been identified;
- (o) the suspension of payments, where applicable, and the possibilities of recovery;
- (p) the nature of the irregular expenditure.

2. By way of derogation from paragraph 1, the following cases need not be reported:

- (a) cases where the irregularity consists solely in the failure to execute, in whole or in part, an operation included in the co-financed operational programme owing to the bankruptcy of the beneficiary;

(b) cases brought to the attention of the managing authority or certifying authority by the beneficiary voluntarily and before detection by either of them, whether before or after the payment of the public contribution;

(c) cases which are detected and corrected by the managing authority or certifying authority before any payment to the beneficiary of the public contribution and before inclusion of the expenditure concerned in a statement of expenditure submitted to the Commission.

However, irregularities preceding a bankruptcy and cases of suspected fraud must be reported.

3. Where some of the information referred to in paragraph 1, and in particular information concerning the practices employed in committing the irregularity and the manner in which it was discovered, is not available, Member States shall as far as possible supply the missing information when forwarding subsequent quarterly reports of irregularities to the Commission.
4. Irregularities relating to operational programmes under the European territorial cooperation objective shall be reported by the Member State in which the expenditure is paid by the beneficiary in implementing the operation. The Member State shall at the same time inform the managing authority, the certifying authority for the programme and the audit authority.
5. If national provisions provide for the confidentiality of investigations, communication of the information shall be subject to the authorisation of the competent court or tribunal.
6. Where a Member State has no irregularities to report under paragraph 1, it shall inform the Commission of that fact within the time limit set out in that paragraph.

Article 29
Urgent cases

Each Member State shall immediately report to the Commission and, where necessary, to the other Member States concerned, any irregularities discovered or supposed to have occurred, where it is feared that they may very quickly have repercussions outside its territory or they show that a new malpractice has been employed.

Article 30
Reporting of follow-up - Non-recovery

1. Within two months following the end of each quarter, Member States shall inform the Commission, with reference to any previous report made under Article 28, of the procedures instituted with respect to all irregularities previously notified and of important changes resulting from them. This information shall include at least the following:
 - (a) the amounts which have been, or are expected to be, recovered;

- (b) any interim measures taken by Member States to safeguard recovery of sums unduly paid;
- (c) any judicial and administrative procedures instituted with a view to recovering sums unduly paid and to imposing sanctions;
- (d) the reasons for any abandonment of recovery procedures;
- (e) any abandonment of criminal prosecutions.

Member States shall report to the Commission administrative or judicial decisions, or the main points thereof, concerning the termination of such procedures and shall state in particular whether or not the findings are such that fraud is suspected. In the case referred to in point (d), Member States shall, as far as possible, notify the Commission before a decision is taken.

2. Where a Member State considers that an amount cannot be recovered or is not expected to be recovered, it shall inform the Commission, in a special report, of the amount not recovered and of the facts relevant to the decision on apportionment of the loss under Article 70(2) of Regulation (EC) No 1083/2006.

This information shall be sufficiently detailed to allow the Commission to take such a decision as soon as possible, after consulting the authorities of the Member States concerned. It shall include at least:

- (a) a copy of the award decision;
 - (b) the date of the last payment made to the beneficiary;
 - (c) a copy of the recovery order;
 - (d) in the case of bankruptcies subject to reporting under Article 28(2), a copy of the document attesting the insolvency of the beneficiary;
 - (e) an outline description of the measures taken by the Member State, with an indication of their dates, to recover the relevant amount.
3. In the case referred to in paragraph 2, the Commission may expressly request the Member State to continue the recovery procedure.

Article 31 *Electronic transmission*

The information referred to in Articles 28, 29 and 30(1) shall be sent, whenever it is possible to do so, by electronic means, using the module provided by the Commission for this purpose via a secure connection.

Article 32
Reimbursement of judicial costs

Where the competent authorities of a Member State decide, at the express request of the Commission, to initiate or continue judicial proceedings with a view to recovering amounts unduly paid, the Commission may undertake to reimburse to the Member State all or part of the judicial costs and costs arising directly from the proceedings, on presentation of documentary evidence, even if the proceedings are unsuccessful.

Article 33
Contacts with Member States

1. The Commission shall maintain appropriate contacts with the Member States concerned for the purpose of supplementing the information supplied on the irregularities referred to in Article 28, on the procedures referred to in Article 30, and, in particular, on the possibility of recovery.
2. Independently of the contacts referred to in paragraph 1, the Commission shall inform Member States where the nature of the irregularity is such as to suggest that identical or similar practices could occur in other Member States.
3. The Commission shall organise information meetings at Community level for representatives of the Member States in order to examine with them the information obtained pursuant to Articles 28, 29 and 30, and paragraph 1 of this Article. The examination shall focus on the lessons to be learned from the information in connection with irregularities, preventive measures and judicial proceedings.
4. At the request of a Member State or of the Commission, the Member States and the Commission shall consult one another for the purpose of closing any loopholes prejudicial to Community interests, which become apparent in the course of the enforcement of provisions in force.

Article 34
Use of information

The Commission may use any information of a general or operational nature communicated by Member States under this Regulation to perform risk analyses and may, on the basis of the information obtained, produce reports and develop early-warning systems serving to identify risks more effectively.

Article 35
Provision of information to Committees

The Commission shall regularly inform the Member States, in the framework of the advisory Committee for the Coordination of fraud prevention set up by Commission Decision 94/140/EC²⁰, of the order of magnitude of the Funds involved in the irregularities which have been discovered and of the various categories of irregularity, broken down by type and

²⁰ OJ L 61, 4.3.1994, p.27.

number. The committees referred to in Articles 103 and 104 of Regulation (EC) No 1083/2006 shall also be informed.

Article 36

Irregularities under the reporting threshold

1. Where the irregularities relate to amounts of less than EUR 10 000 chargeable to the general budget of the European Communities, Member States shall not send the Commission the information provided for in Articles 28 and 30, unless the Commission expressly requests it.

However, in accordance with point (f) of Article 61 of Regulation (EC) No 1083/2006, Member States shall keep accounts of amounts below this threshold that are recoverable and of amounts recovered or withdrawn following cancellation of the contribution to an operation and shall repay the recovered amounts to the general budget of the European Communities. Without prejudice to the obligations arising directly out of point (b) of Article 70(1) of Regulation (EC) No 1083/2006, the Member State and the Community shall share the loss arising from the amounts below the threshold which cannot be recovered in accordance with the co-financing rate applicable to the operation concerned. The procedure set out in Article 30(2) of this Regulation shall not apply, unless the Commission decides otherwise.

The third subparagraph shall also apply to cases of bankruptcy exempted from the reporting obligation under Article 28(1).

2. Member States which have not adopted the euro as their currency by the date the irregularity is established shall convert expenditure paid in national currency into euro in accordance with Article 81 of Regulation (EC) No 1083/2006. Where the expenditure has not been registered in the accounts of the certifying authority, the most recent accounting exchange rate published electronically by the Commission shall be used.

Section 5

Personal data

Article 37

Protection of personal data

1. Member States and the Commission shall take all necessary measures to prevent any unauthorised disclosure of, or access to, the information referred to in Article 14(1), information collected by the Commission in the course of its audits and information referred to in Section 4.
2. The information referred to in Article 14(1), together with information collected by the Commission in the course of its audits, shall be used by the Commission for the sole purpose of fulfilling its responsibilities under Article 72 of Regulation (EC)

No 1083/2006. The European Court of Auditors and the European Anti-Fraud Office shall have access to that information.

3. The information referred to in Section 4 may not be sent to persons other than those in the Member States or within the Community institutions whose duties require that they have access to it, unless the Member State supplying such information has expressly so agreed.
4. Any personal data included in the information referred to in point (d) of Article 7(2) shall be processed only for the purpose specified in that Article.

Section 6

Financial correction for non-respect of additionality

Article 38

Rates of financial correction

1. Where the Commission makes a financial correction in accordance with Article 99(5) of Regulation (EC) No 1083/2006, the correction shall be calculated in accordance with paragraph 2 of this Article.
2. The rate of financial correction shall be obtained by subtracting 3 percentage points from the difference between the agreed target level and the level achieved, expressed as a percentage of the agreed target level, and then dividing the result by 10.

The financial correction shall be determined by applying that rate of financial correction to the Structural Fund contribution to the Member State concerned under the Convergence objective for the full programming period.

3. If the difference between the agreed target level and the level achieved, expressed as a percentage of the agreed target level, referred to in paragraph 2, is 3% or less, no financial correction shall be made.
4. The financial correction shall not exceed 5% of the Structural Fund allocation to the Member State concerned under the Convergence objective for the full programming period.

Section 7

Electronic exchange of data

Article 39

Computer system for data exchange

For the purposes of Articles 66 and 76 of Regulation (EC) No 1083/2006, a computer system for exchange of data shall be established as a tool for the exchange of all data relating to the operational programme.

The exchange of data between each Member State and the Commission shall be carried out using a computer system established by the Commission which permits the secure exchange of data between the Commission and each Member State.

The Member States shall be involved in the further development of the computer system for data exchange.

Article 40

Content of computer system for data exchange

1. The computer system for data exchange shall contain information of common interest to the Commission and the Member States, and at least the following data necessary for financial transactions:
 - (a) the indicative annual allocation of each Fund in each operational programme, as set out in the national strategic reference framework, in accordance with the model set out in Annex XV;
 - (b) the financing plans for operational programmes, in accordance with the model set out in Annex XVI;
 - (c) statements of expenditure and applications for payment, in accordance with the model set out in Annex X;
 - (d) annual forecasts of likely payment of expenditure, in accordance with the model set out in Annex XVII;
 - (e) the financial section of the annual reports and final implementation reports, in accordance with the model set out in Annex XVIII, point 2.1.
2. In addition to paragraph 1, the computer system for data exchange shall contain at least the following documents and data of common interest enabling monitoring to be carried out:
 - (a) the national strategic reference framework referred to in Article 27(1) of Regulation (EC) No 1083/2006;

- (b) data establishing compliance with additionality, in accordance with the model set out in Annex XIX;
 - (c) the operational programmes, including data concerning categorisation following the model set out in Part B of Annex II and in accordance with the tables set out in Part A of Annex II;
 - (d) the Commission decisions concerning the contribution of the Funds;
 - (e) the requests for assistance for major projects referred to in Articles 39, 40 and 41 of Regulation (EC) No 1083/2006, in accordance with Annexes XXI and XXII to this Regulation, together with selected data from those Annexes identified in Annex XX;
 - (f) the implementing reports in accordance with Annex XVIII, including data concerning categorisation following the model set out in Part C of Annex II and in accordance with the tables set out in Part A of Annex II;
 - (g) data on participants in ESF operations by priority, in accordance with the model set out in Annex XXIII;
 - (h) the description of management and control systems, in accordance with the model set out in Annex XII;
 - (i) the audit strategy, in accordance with the model set out in Annex V;
 - (j) the reports and opinions on audits, in accordance with the models set out in Annexes VI, VII, VIII, IX and XIII, and correspondence between the Commission and each Member State;
 - (k) the statements of expenditure concerning partial closure, in accordance with the model set out in Annex XIV;
 - (l) the annual statement on withdrawn and recovered amounts and pending recoveries, in accordance with Annex XI;
 - (m) the communication plan referred to in Article 2.
3. The data referred to in paragraphs 1 and 2 shall, where applicable, be transmitted in the format given in the Annexes.

Article 41

Functioning of computer system for data exchange

1. The Commission and the authorities designated by the Member State pursuant to Regulation (EC) No 1083/2006, as well as the bodies to which that task has been delegated, shall record into the computer system for data exchange the documents for which they are responsible, and any updates thereto, in the format required.
2. Member States shall centralise and send to the Commission requests for access rights to the computer system for data exchange.

3. Exchanges of data and transactions shall bear an electronic signature within the meaning of Directive 1999/93/EC. The Member States and the Commission shall recognise the legal effectiveness and admissibility of the electronic signature used in the computer system for data exchange as evidence in legal proceedings.
4. The cost of developing the computer system for data exchange shall be financed by the general budget of the European Communities under Article 45 of Regulation (EC) No 1083/2006.

Any costs of an interface between the common computer system for data exchange and national, regional and local computer systems, and any costs of adapting national, regional and local systems to requirements under Regulation (EC) No 1083/2006, shall be eligible under Article 46 of that Regulation.

Article 42

Transmission of data through the computer system for data exchange

1. The computer system for data exchange shall be accessible to the Member States and the Commission either directly or via an interface for automatic synchronisation and recording of data with national, regional and local computer management systems.
2. The date taken into account for the forwarding of documents to the Commission shall be the date on which the Member State records the documents into the computer system for data exchange.
3. In cases of *force majeure*, and in particular of malfunctioning of the computer system for data exchange or a lack of a lasting connection, the Member State concerned may forward to the Commission the documents required by Regulation (EC) No 1083/2006 in hard copy, using the forms set out in Annexes II, V, VI, VII, IX, X, XII, XIII, XIV, XV, XVI, XVII, XVIII, XIX, XX, XXI, XXII and XXIII to this Regulation. As soon as the cause of *force majeure* ceases, the Member State shall record the corresponding documents into the computer system for data exchange without delay.

By way of derogation from paragraph 2, the date taken into account for forwarding shall be deemed to be the date of sending of the documents in hard copy.

Section 8

Financial engineering instruments

Article 43

General provisions applicable to all financial engineering instruments

1. Articles 43 to 46 shall apply to financial engineering instruments in the form of actions which make repayable investments, or provide guarantees for repayable investments, or both, in the following:
 - (a) enterprises, primarily small and medium-sized enterprises (SMEs), including micro-enterprises, as defined in Commission Recommendation 2003/361/EC²¹ as of 1 January 2005, in the case of financial engineering instruments other than urban development funds;
 - (b) public-private partnerships or other urban projects included in integrated plans for sustainable urban development, in the case of urban development funds.
2. When the Structural Funds finance operations comprising financial engineering instruments, including those organised through holding funds, a business plan shall be submitted by the co-financing partners or shareholders or by their duly authorised representative.

The business plan shall specify at least the following:

- (a) the targeted market of enterprises or urban projects and the criteria, terms and conditions for financing them;
- (b) the operational budget of the financial engineering instrument;
- (c) the ownership of the financial engineering instrument;
- (d) the co-financing partners or shareholders;
- (e) the by-laws of the financial engineering instrument;
- (f) the provisions on professionalism, competence and independence of the management;
- (g) the justification for, and intended use of, the contribution from the Structural Funds;
- (h) the policy of the financial engineering instrument concerning exit from investments in enterprises or urban projects;
- (i) the winding-up provisions of the financial engineering instruments, including the

²¹ OJ L 124, 20.5.2003, p. 36.

reutilisation of resources returned to the financial engineering instrument from investments or left over after all guarantees have been honoured, attributable to the contribution from the operational programme.

The business plan shall be assessed and its implementation monitored by, or under the responsibility of, the Member State or the managing authority.

The assessment of the economic viability of the investment activities of the financial engineering instruments shall take into account all sources of income of the enterprises concerned.

3. Financial engineering instruments, including holding funds, shall be set up as independent legal entities governed by agreements between the co-financing partners or shareholders or as a separate block of finance within a financial institution.

Where the financial engineering instrument is established within a financial institution, it shall be set up as a separate block of finance, subject to specific implementation rules within the financial institution, stipulating, in particular, that separate accounts are kept which distinguish the new resources invested in the financial engineering instrument, including those contributed by the operational programme, from those initially available in the institution.

The Commission may not become a co-financing partner or shareholder in financial engineering instruments.

4. Management costs may not exceed, on a yearly average, for the duration of the assistance any of the following thresholds, unless a higher percentage proves necessary after a competitive tender:

(a) 2% of the capital contributed from the operational programme to holding funds, or of the capital contributed from the operational programme or holding fund to the guarantee funds;

(b) 3% of the capital contributed from the operational programme or the holding fund to the financial engineering instrument in all other cases, with the exception of micro-credit instruments directed at micro-enterprises;

(c) 4% of the capital contributed from the operational programme or the holding fund to micro-credit instruments directed at micro-enterprises.

5. The terms and conditions for contributions from operational programmes to financial engineering instruments shall be set out in a funding agreement, to be concluded between the duly mandated representative of the financial engineering instrument and the Member State or the managing authority.

6. The funding agreement referred to in paragraph 5 shall include at least:

(a) the investment strategy and planning;

(b) monitoring of implementation in accordance with applicable rules;

(c) an exit policy for the contribution from the operational programme out of the

financial engineering instrument;

(d) the winding-up provisions of the financial engineering instrument, including the reutilisation of resources returned to the financial engineering instrument from investments or left over after all guarantees have been honoured that are attributable to the contribution from the operational programme.

7. Managing authorities shall take precautions to minimise distortion of competition in the venture capital or lending markets.

Returns from equity investments and loans, less a *pro rata* share of the management costs and performance incentives, may be allocated preferentially to investors operating under the market economy investor principle up to the level of remuneration laid down in the by-laws of the financial engineering instruments, and they shall then be allocated proportionally among all co-financing partners or shareholders. .

Article 44

Additional provisions applicable to holding funds

1. Where the Structural Funds finance financial engineering instruments organised through holding funds, the Member State or managing authority shall conclude a funding agreement with the holding fund, setting out the funding arrangements and objectives.

The funding agreement shall, where appropriate, take account of the following:

(a) as regards financial engineering instruments other than urban development funds, the conclusions of an evaluation of gaps between supply of such instruments to, and demand for such instruments by, SMEs;

(b) as regards urban development funds, urban development studies or evaluations and integrated urban development plans included in operational programmes.

2. The funding agreement referred to in paragraph 1 shall, in particular, make provision for:

(a) the terms and conditions for contributions from the operational programme to the holding fund;

(b) a call for expression of interest addressed to financial intermediaries or urban development funds;

(c) the appraisal, selection and accreditation of financial intermediaries or urban development funds by the holding fund;

(d) the setting up and monitoring of the investment policy or the targeted urban development plans and actions;

(e) reporting by the holding fund to Member States or managing authorities;

(f) monitoring the implementation of investments in accordance with applicable rules;

(g) audit requirements;

(h) the exit policy of the holding fund out of the venture capital funds, guarantee funds, loan funds or urban development funds;

(i) the winding-up provisions of the holding fund, including the reutilisation of resources returned to the financial engineering instrument from investments made or left over after all guarantees have been honoured which are attributable to the contribution from the operational programme.

The investment policy referred to in point (d) shall comprise at least an indication of the targeted enterprises and the financial engineering products to be supported.

3. The terms and conditions for contributions to venture capital funds, guarantee funds, loan funds and urban development funds from holding funds supported by operational programmes shall be set out in a funding agreement, to be concluded between the venture capital fund, guarantee fund, loan fund or urban development fund, on one hand, and the holding fund, on the other.

The funding agreement shall include at least the elements listed in Article 43(6).

Article 45

Additional provisions applicable to financial engineering instruments other than holding funds and urban development funds

Financial engineering instruments other than holding funds and urban development funds shall invest in enterprises, primarily in SMEs. Such investments may be made only at the establishment, in the early stages, including seed capital, or on expansion of those enterprises, and only in activities which the managers of the financial engineering instruments judge potentially economically viable.

They shall not invest in firms in difficulty within the meaning of the Community Guidelines on State aid for rescuing and restructuring firms in difficulty²² as of 10 October 2004.

Article 46

Additional provisions applicable to urban development funds

1. Where Structural Funds finance urban development funds, those funds shall invest in public-private partnerships or other projects included in an integrated plan for sustainable urban development. Such public-private partnerships or other projects shall not include the creation and development of financial instruments such as venture capital, loan and guarantee funds.

²²

OJ C 244, 1.10.2004, p.2.

2. For the purposes of paragraph 1, urban development funds shall invest by means of equity, loans and guarantees.

Urban projects receiving grant assistance from an operational programme may also be supported by urban development funds.
3. Where Structural Funds finance urban development funds, the funds concerned shall not re-finance acquisitions or participations in projects already completed.

CHAPTER III

PROVISIONS IMPLEMENTING REGULATION (EC) NO 1080/2006

Section 1

Eligibility of expenditure on housing

Article 47

Interventions in the field of housing

1. The areas selected for housing operations referred to in point (a) of Article 7(2) of Regulation (EC) No 1080/2006 shall comply with at least three of the following criteria, two of which must fall within those listed under points (a) to (h):
 - (a) a high level of poverty and exclusion;
 - (b) a high level of long-term unemployment;
 - (c) precarious demographic trends;
 - (d) a low level of education, significant skills deficiencies and high dropout rates from school;
 - (e) a high level of criminality and delinquency;
 - (f) a particularly rundown environment;
 - (g) a low level of economic activity;
 - (h) a high number of immigrants, ethnic and minority groups, or refugees;
 - (i) a comparatively low level of housing value;
 - (j) a low level of energy performance in buildings.

The values for the criteria set out in the first subparagraph shall be collected by each

Member State concerned at national level.

The benchmarking values for each criterion shall be determined in partnership between the Commission and each Member State.

2. Only the following interventions shall be eligible under point (c) of Article 7 (2) of Regulation (EC) No 1080/2006:
 - (a) renovation of the common parts of multi-family residential buildings, as follows:
 - (i) refurbishment of the following main structural parts of the building: roof, façade, windows and doors on the façade, staircase, inside and outside corridors, entrances and their exteriors, elevator;
 - (ii) technical installations of the building;
 - (iii) energy-efficiency actions.
 - (b) delivery of modern social housing of good quality through renovation and change of use of existing buildings owned by public authorities or non-profit operators.

Section 2

Rules of eligibility applicable to operational programmes for the European territorial cooperation objective

Article 48

Rules on Eligibility of Expenditure

Without prejudice to the list of ineligible expenditure in Article 7 of Regulation (EC) No 1080/2006, Articles 49 to 53 of this Regulation shall apply in accordance with Article 13 of Regulation (EC) No 1080/2006 to the determination of the eligibility of expenditure under operations selected as part of an operational programme under the European territorial cooperation objective.

Article 49

Financial charges and guarantee costs

The following charges and costs shall be eligible for a contribution from the ERDF:

- (1) charges for transnational financial transactions;
- (2) where the implementation of an operation requires a separate account or accounts to be opened, the bank charges for opening and administering the account or accounts;

- (3) legal consultancy fees, notarial fees, costs of technical and financial experts, and accountancy and audit costs, if they are directly linked to the co-financed operation and are necessary for its preparation or implementation or, in the case of accounting and audit costs, if they relate to requirements imposed by the managing authority;
- (4) the cost of guarantees provided by a bank or other financial institution to the extent to which the guarantees are required by national or Community legislation.

Fines, financial penalties and expenditure on legal disputes shall not be eligible.

Article 50

Expenditure by public authorities relating to the implementation of operations

1. In addition to technical assistance for the operational programme pursuant to Article 46 of Regulation (EC) No 1083/2006, the following expenditure paid by public authorities in the preparation or implementation of an operation shall be eligible:
 - (a) the costs of professional services provided by a public authority other than the beneficiary in the preparation or implementation of an operation;
 - (b) the costs of the provision of services relating to the preparation and implementation of an operation provided by a public authority which is itself the beneficiary and which is executing an operation for its own account without recourse to outside service-providers.
2. The public authority concerned shall either invoice the costs referred to in point (a) of paragraph 1 to the beneficiary or certify those costs on the basis of documents of equivalent probative value which permit the identification of real costs paid by that authority for that operation.
3. The costs referred to in point (b) of paragraph 1 shall be eligible if they are additional costs and relate either to expenditure actually and directly paid for the co-financed operation or to in-kind contributions, as referred to in Article 51.

Those costs shall be certified by means of documents which permit the identification of real costs paid or in-kind contributions provided by the public authority concerned for that operation.

Article 51

In-kind contributions

1. In-kind contributions of a public or private beneficiary shall be eligible expenditure if they fulfil the following conditions:
 - (a) they consist of the provision of land or real estate, equipment or raw materials, research or professional work or unpaid voluntary work;
 - (b) their value can be independently assessed and audited.

2. In the case of the provision of land or real estate, the value shall be certified by an independent qualified valuer or duly authorised official body.

3. In the case of unpaid voluntary work, the value of that work shall be determined taking into account the time spent and the hourly and daily rates of remuneration for equivalent work.

Article 52
Overheads

Overheads shall be eligible provided that they are based on real costs attributable to the implementation of the operation concerned or on the average real costs attributable to operations of the same type.

Flat rates based on average costs may not exceed 25% of those direct costs of an operation which can affect the level of overheads. The calculation of flat rates shall be properly documented and periodically reviewed.

Article 53
Depreciation

The depreciation expenditure of depreciable assets directly used for an operation, and incurred during the period of its co-financing, shall be eligible, provided that the acquisition of the assets is not declared as eligible expenditure.

CHAPTER IV
FINAL PROVISIONS

Article 54
Repeal

1. Regulations (EC) No 1681/94, (EC) No 1159/2000, (EC) No 1685/2000, (EC) No 438/2001 and (EC) No 448/2001 are hereby repealed.

References to the repealed Regulations shall be construed as references to this Regulation.

The provisions of the repealed Regulations shall continue to apply to assistance approved under Regulation (EC) No 1260/1999.

2. Regulations (EC) No 1831/94, (EC) No 1386/2002, (EC) No 16/2003 and (EC) No 621/2004 are hereby repealed.

References to the repealed Regulations shall be construed as references to this Regulation.

The provisions of the repealed Regulations shall continue to apply to decisions adopted under Regulation (EC) No 1164/94.

Article 55
Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 8 December 2006.

For the Commission
Danuta HÜBNER
Member of the Commission

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List of annexes	46
Annex I: Instructions for creating the emblem and a definition of the standard colours	48
Annex II: Categorisation of Funds assistance for 2007-2013	51
Part A: Codes by Dimension	52
Part B: Indicative breakdown of the Community contribution by category in the operational programme	58
Part C: Cumulative breakdown of allocations of the Community contribution by category in the annual and final report on implementation	59
Annex III: List of data on operations to be communicated on request to the Commission for the purpose of documentary and on-the-spot checks under Article 14	60
Annex IV: Technical parameters for random statistical sampling under Article 17 (Sampling)	62
Annex V: Model Audit Strategy under Article 62 (1) (c) of Regulation (EC) No 1083/2006	63
Annex VI: Model annual control report under Article 62 (1) (d) (i) of Council Regulation (EC) No 1083/2006 and Article 18 (2) of the present Regulation	65
Annex VII: Model annual opinion under Article 62 (1) (d) (ii) of Council Regulation (EC) No 1083/2006 and Article 18 (2) of the present Regulation	68
Annex VIII: Model final control report and closure declaration for operational programmes under Article 62 (1) (e) of Council Regulation (EC) No 1083/2006 and Article 18(3) of the present Regulation	70
Part A: Model financial control report	70
Part B: Closure declaration	74
Annex IX: Model declaration for the partial closure of operational programmes under Article 18 (5)	77
Annex X: Certificate and statement of expenditure and application for payment	78
Annex XI: Annual statement on withdrawn and recovered amounts and pending recoveries (Article 20 (2))	79
Annex XII: Description of management and control systems	81
Annex XIII: Model opinion issued under Article 71 (2) of Council Regulation (EC) No 1083/2006 and Article 25 of the present Regulation on the compliance of management and control systems	82
Annex XIV: Model Statement of expenditure for a partial closure	84
Annex XV: Financial table for the National Strategic Reference Framework (NSRF) - indicative annual allocation by Fund and operational programme (OP)	85
Annex XVI: Financing plans for the operational programme	87
Annex XVII: Forecast of likely payment applications	90

Annex XVIII: Annual and final reporting.....	91
Annex XIX: Verification of Additionality For 2007-2013 Convergence Objective – Ex Ante Verification	92
Annex XX: Major project structured data to be encoded.....	93
Annex XXI: Major project request for confirmation of assistance under Articles 39 to 41 of Regulation (EC) No 1083/2006 - European Regional Development Fund / Cohesion Fund - infrastructure investment	95
Annex XXII: Major project request for confirmation of assistance under Articles 39 to 41 of Regulation (EC) No 1083/2006 - European Regional Development Fund / Cohesion Fund - productive investment.....	96
Annex XXIII : Data on participants in ESF operations	97

Annex I: Instructions for creating the emblem and a definition of the standard colours

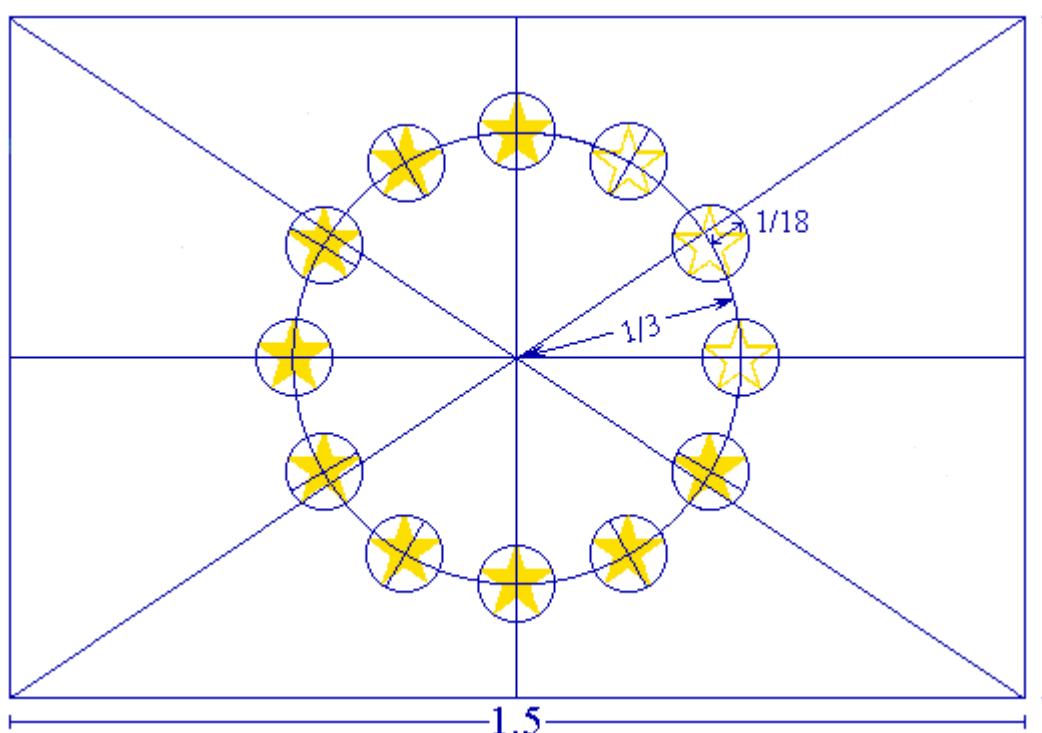
SYMBOLIC DESCRIPTION

Against a background of blue sky, twelve golden stars form a circle representing the union of the peoples of Europe. The number of stars is fixed, twelve being the symbol of perfection and unity.

HERALDIC DESCRIPTION

On an azure field a circle of twelve golden mullets, their points not touching.

GEOMETRIC DESCRIPTION



The emblem has the form of a blue rectangular flag of which the fly is one and a half times the length of the hoist. Twelve gold stars situated at equal intervals form an invisible circle whose centre is the point of intersection of the diagonals of the rectangle. The radius of the circle is equal to one third of the height of the hoist. Each of the stars has five points which are situated on the circumference of an invisible circle whose radius is equal to one eighteenth of the height of the hoist. All the stars are upright, i.e. with one point vertical and two points in a straight line at right angles to the mast. The circle is arranged so that the stars appear in the position of the hours on the face of a clock. Their number is invariable.

REGULATION COLOURS

The emblem is in the following colours:

PANTONE REFLEX BLUE for the surface of the rectangle;

PANTONE YELLOW for the stars.

Four-colour process

If the four-colour process is used, recreate the two standard colours by using the four colours of the four-colour process.

PANTONE YELLOW is obtained by using 100% "Process Yellow".

PANTONE REFLEX BLUE is obtained by mixing 100% "Process Cyan" and 80% "Process Magenta".

INTERNET

In the web-palette PANTONE REFLEX BLUE corresponds to colour RGB:0/0/153 (hexadecimal: 000099) and PANTONE YELLOW to colour RGB:255/204/0 (hexadecimal: FFCC00).

MONOCHROME REPRODUCTION PROCESS

Using black, outline the rectangle in black and print the stars in black on white.



Using blue (Reflex Blue), use 100% with the stars reproduced in negative white.



REPRODUCTION ON A COLOURED BACKGROUND

If there is no alternative to a coloured background, put a white border around the rectangle, the width of the border being 1/25th of the height of the rectangle.



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Annex II: Categorisation of Funds²³ assistance for 2007-2013

²³ European Regional Development Fund, Cohesion Fund and European Social Fund.

Part A: Codes by Dimension

TABLE 1: CODES FOR THE PRIORITY THEME DIMENSION

Code	Priority theme
<i>Research and technological development (R&TD), innovation and entrepreneurship</i>	
01	R&TD activities in research centres
02	R&TD infrastructure (<i>including physical plant, instrumentation and high-speed computer networks linking research centres</i>) and centres of competence in a specific technology
03	Technology transfer and improvement of cooperation networks between small businesses (SMEs), between these and other businesses and universities, post-secondary education establishments of all kinds, regional authorities, research centres and scientific and technological poles (<i>scientific and technological parks, technopoles, etc.</i>)
04	Assistance to R&TD, particularly in SMEs (<i>including access to R&TD services in research centres</i>)
05	Advanced support services for firms and groups of firms
06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (<i>introduction of effective environment managing system, adoption and use of pollution prevention technologies, integration of clean technologies into firm production</i>)
07	Investment in firms directly linked to research and innovation (<i>innovative technologies, establishment of new firms by universities, existing R&TD centres and firms, etc.</i>)
08	Other investment in firms
09	Other measures to stimulate research and innovation and entrepreneurship in SMEs
<i>Information society</i>	
10	Telephone infrastructures (<i>including broadband networks</i>)
11	Information and communication technologies (<i>access, security, interoperability, risk-prevention, research, innovation, e-content, etc.</i>)
12	Information and communication technologies (TEN-ICT)
13	Services and applications for the citizen (<i>e-health, e-government, e-learning, e-inclusion, etc.</i>)
14	Services and applications for SMEs (<i>e-commerce, education and training, networking, etc.</i>)
15	Other measures for improving access to and efficient use of ICT by SMEs
<i>Transport</i>	
16	Railways
17	Railways (TEN-T)

18	Mobile rail assets
19	Mobile rail assets (TEN-T)
20	Motorways
21	Motorways (TEN-T)
22	National roads
23	Regional/local roads
24	Cycle tracks
25	Urban transport
26	Multimodal transport
27	Multimodal transport (TEN-T)
28	Intelligent transport systems
29	Airports
30	Ports
31	Inland waterways (<i>regional and local</i>)
32	Inland waterways (TEN-T)

Energy

33	Electricity
34	Electricity (TEN-E)
35	Natural gas
36	Natural gas (TEN-E)
37	Petroleum products
38	Petroleum products (TEN-E)
39	Renewable energy: wind
40	Renewable energy: solar
41	Renewable energy: biomass
42	Renewable energy: hydroelectric, geothermal and other
43	Energy efficiency, co-generation, energy management

Environmental protection and risk prevention

44	Management of household and industrial waste
45	Management and distribution of water (<i>drinking water</i>)
46	Water treatment (<i>waste water</i>)
47	Air quality
48	Integrated prevention and pollution control
49	Mitigation and adaptation to climate change
50	Rehabilitation of industrial sites and contaminated land

51	Promotion of biodiversity and nature protection (<i>including Natura 2000</i>)
52	Promotion of clean urban transport
53	Risk prevention (<i>including the drafting and implementation of plans and measures to prevent and manage natural and technological risks</i>)
54	Other measures to preserve the environment and prevent risks

Tourism

55	Promotion of natural assets
56	Protection and development of natural heritage
57	Other assistance to improve tourist services

Culture

58	Protection and preservation of the cultural heritage
59	Development of cultural infrastructure
60	Other assistance to improve cultural services

Urban and rural regeneration

61	Integrated projects for urban and rural regeneration
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Increasing the adaptability of workers and firms, enterprises and entrepreneurs

62	Development of life-long learning systems and strategies in firms; training and services for employees to step up their adaptability to change; promoting entrepreneurship and innovation
63	Design and dissemination of innovative and more productive ways of organising work
64	Development of specific services for employment, training and support in connection with restructuring of sectors and firms, and development of systems for anticipating economic changes and future requirements in terms of jobs and skills

Improving access to employment and sustainability

65	Modernisation and strengthening labour market institutions
66	Implementing active and preventive measures on the labour market
67	Measures encouraging active ageing and prolonging working lives
68	Support for self-employment and business start-up
69	Measures to improve access to employment and increase sustainable participation and progress of women in employment to reduce gender-based segregation in the labour market, and to reconcile work and private life, such as facilitating access to childcare and care for dependent persons
70	Specific action to increase migrants' participation in employment and thereby strengthen their social integration

Improving the social inclusion of less-favoured persons

71	Pathways to integration and re-entry into employment for disadvantaged people; combating discrimination in accessing and progressing in the labour market and
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	promoting acceptance of diversity at the workplace
<i>Improving human capital</i>	
72	Design, introduction and implementation of reforms in education and training systems in order to develop employability, improving the labour market relevance of initial and vocational education and training, updating skills of training personnel with a view to innovation and a knowledge based economy
73	Measures to increase participation in education and training throughout the life-cycle, including through action to achieve a reduction in early school leaving, gender-based segregation of subjects and increased access to and quality of initial vocational and tertiary education and training
74	Developing human potential in the field of research and innovation, in particular through post-graduate studies and training of researchers, and networking activities between universities, research centres and businesses
<i>Investment in social infrastructure</i>	
75	Education infrastructure
76	Health infrastructure
77	Childcare infrastructure
78	Housing infrastructure
79	Other social infrastructure
<i>Mobilisation for reforms in the fields of employment and inclusion</i>	
80	Promoting partnerships, pacts and initiatives through the networking of relevant stakeholders
<i>Strengthening institutional capacity at national, regional and local level</i>	
81	Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes.
<i>Reduction of additional costs hindering the outermost regions development</i>	
82	Compensation of any additional costs due to accessibility deficit and territorial fragmentation
83	Specific action addressed to compensate additional costs due to size market factors
84	Support to compensate additional costs due to climate conditions and relief difficulties
<i>Technical assistance</i>	
85	Preparation, implementation, monitoring and inspection
86	Evaluation and studies; information and communication

TABLE 2: CODES FOR THE FORM OF FINANCE DIMENSION

Code	Form of finance
01	Non-repayable aid

02	<i>Aid (loan, interest subsidy, guarantees)</i>
03	<i>Venture capital (participation, venture-capital fund)</i>
04	Other forms of finance

TABLE 3: CODES FOR THE TERRITORIAL DIMENSION

Code	Territory type
01	Urban
02	Mountains
03	Islands
04	Sparsely and very sparsely populated areas
05	Rural areas (<i>other than mountains, islands or sparsely and very sparsely populated areas</i>)
06	Former EU external borders (<i>after 30.04.2004</i>)
07	Outermost region
08	Cross-border cooperation area
09	Transnational cooperation area
10	Inter-regional cooperation area
00	Not applicable

TABLE 4: CODES FOR THE ECONOMIC ACTIVITY DIMENSION

Code	Economic activity ²⁴
01	Agriculture, hunting and forestry
02	Fishing
03	Manufacture of food products and beverages
04	Manufacture of textiles and textile products
05	Manufacture of transport equipment
06	Unspecified manufacturing industries
07	Mining and quarrying of energy producing materials
08	Electricity, gas, steam and hot water supply
09	Collection, purification and distribution of water

²⁴

Based on the statistical classification of economic activities in the European Community (NACE Rev. 1); Regulation (EC) No 29/2002 of 19.12.2001 amending Regulation (EEC) No 3037/90 of 9.10.1990.

10	Post and telecommunications
11	Transport
12	Construction
13	Wholesale and retail trade
14	Hotels and restaurants
15	Financial intermediation
16	Real estate, renting and business activities
17	Public administration
18	Education
19	Human health activities
20	Social work, community, social and personal services
21	Activities linked to the environment
22	Other unspecified services
00	Not applicable

TABLE 5: CODES FOR THE LOCATION DIMENSION:

Code	Location ²⁵
	Code of region or area where operation is located/carried out (NUTS Level ²⁶ or other, if appropriate, eg, cross-border, transnational, inter-regional)

²⁵ Field 4 of Annex III A.

²⁶ The codes for this dimension may be found in the Nomenclature of Territorial Units for Statistics (NUTS) which appears in the annex of Regulation (EC) No 1059/2003 of 26.05.2003, as amended by Regulation (EC) No 1888/2005 of 26.10.2005.

Part B: Indicative breakdown of the Community contribution by category in the operational programme

Commission reference No: _____

Name of the programme:

Date of the last Commission decision for the Operational Programme concerned:

__/__/__

(in euros)

(in euros)

(in euros)

Dimension 1	
Priority theme	
Code	Amount
*	**

Dimension 2	
Form of finance	
Code	Amount
*	**

Dimension 3	
Territory	
Code	Amount
*	**

Total

Total

Total

* The categories should be coded for each dimension using the standard classification.

** Estimated amount of the Community contribution for each category.

**Part C: Cumulative breakdown of allocations of the Community contribution by category in
the annual and final report on implementation**

Commission reference No: _____

Name of the programme:

Date of the last Commission decision for the Operational Programme concerned:

__/__/__

Combination of codes of dimensions 1 to 5					
Code * Dimension 1 Priority theme	Code * Dimension 2 Form of finance	Code * Dimension 3 Territory	Code * Dimension 4 Economic activity	Code * Dimension 5 Location	Amount **
Total					

* The categories should be coded for each dimension using the standard classification.

** Allocated amount of the Community contribution for each combination of categories.

Annex III: List of data on operations to be communicated on request to the Commission for the purpose of documentary and on-the-spot checks under Article 14

A.	Data on operations (as per approval decision, as amended)
Field 1.	Operational programme CCI code
Field 2.	Number of priority
Field 3.	Name of Fund
Field 4.	Code of region or area where operation is located/carried out (NUTS Level or other, if appropriate)
Field 5.	Certifying authority
Field 6.	Managing authority
Field 7.	Intermediate body that declares expenditure to certifying authority, if applicable
Field 8.	Unique code number of operation
Field 9.	Short description of operation
Field 10.	Starting date of operation
Field 11.	Completion date of operation
Field 12.	Body issuing approval decision
Field 13.	Approval date
Field 14.	Reference of beneficiary
Field 15.	Currency (if not euro)
Field 16.	Total cost of operation²⁷
Field 17.	Total eligible expenditure²⁸
Field 18.	Total public eligible expenditure
Field 19.	EIB financing

²⁷

i.e., including private funding but net of non-eligible expenditure and other financing.

²⁸

Depending on the basis for the contribution from the Funds under Article 53 of Regulation (EC) No 1083/2006, will be the same as either field 16 or field 18.

B.	Expenditure declared on operation
Field 20.	Internal reference number of last application for reimbursement from operation
Field 21.	Date on which last application for reimbursement from operation was entered into monitoring system
Field 22.	Amount of eligible expenditure declared in last application for reimbursement from operation entered into monitoring system
Field 23.	Total eligible expenditure for which an application for reimbursement has been made
Field 24.	Location of detailed supporting documents for claim if not on premises of beneficiary
Field 25.	ERDF-related expenditure for operational programmes co-financed by ESF²⁹
Field 26.	ESF-related expenditure for operational programmes co-financed by ERDF³⁰
Field 27.	Expenditure paid in areas adjacent to the eligible areas (cross border cooperation)³¹
Field 28.	Expenditure paid by partners located outside the area (transnational cooperation)³²
Field 29.	Expenditure paid outside the Community (cross-border, transnational and interregional cooperation)³³
Field 30.	Expenditure paid for the purchase of land³⁴
Field 31.	Expenditure paid for housing³⁵
Field 32.	Expenditure paid for indirect costs/overheads charged at flat rates³⁶
Field 33.	Revenue deducted from applications for reimbursement, if any
Field 34.	Financial corrections deducted from applications for reimbursement, if any
Field 35.	Total eligible expenditure declared from operation and included in statement of expenditure sent to the Commission by certifying authority (in euro)
Field 36.	Total eligible expenditure declared from operation and included in statement of expenditure sent to the Commission by certifying authority (national currency)
Field 37.	Date of last statement of expenditure of the certifying authority containing expenditure from operation

²⁹ Field 25: to be provided for operational programmes co-financed by ESF where use is made of the option referred to in Article 34 (2) of Regulation (EC) No 1083/2006 or of the option referred to in Article 8 of Regulation (EC) No 1080/2006.

³⁰ Field 26 to be provided for operational programmes co-financed by ERDF where use is made of the option referred to in Article 34 (2) of Regulation (EC) No 1083/2006 or of the option referred to in Article 8 of Regulation (EC) No 1080/2006.

³¹ Article 21(1)(a) of Regulation (EC) No 1083/2006.

³² Article 21(1)(b) of Regulation (EC) No 1083/2006.

³³ Article 21(1)(c) of Regulation (EC) No 1083/2006.

³⁴ Article 7 (1) (b) of Regulation (EC) No 1080/2006.

³⁵ Article 7 (2) (c) of Regulation (EC) No 1080/2006.

³⁶ Under the limits laid down in Article 11 of Regulation (EC) No 1081/2006 or of Article 52 of this Regulation.

Field 38. Date of verifications carried out under Article 13(2)(b)
Field 39. Date of audits under Article 16(1)
Field 40. Body carrying out the audit or verification
Field 41. Degree of achievement of target for operation, if completed (%)
Field 42.

Annex IV: Technical parameters for random statistical sampling under Article 17 (Sampling)

1. A random statistical sampling method allows conclusions to be drawn from the results of audits of the sample on the overall expenditure from which the sample was taken, and hence provides evidence to obtain assurance on the functioning of the management and control systems.
2. The assurance provided on the functioning of the systems is determined by the degree of confidence resulting from the conclusions of the system audits and from the audits of operations in the sample selected by a random statistical sampling method. In order to obtain a high level of assurance, that is, a reduced audit risk, the audit authority should combine the results of system audits and audits of operations. The audit authority first evaluates the reliability of the systems (high, average or low) taking into account the results of systems audits, so as to determine the technical parameters of the sampling, in particular the confidence level and the expected error rate. Member States may also use the results of the report on the compliance assessment under Article 71 (2) of Regulation (EC) No 1083/2006. The combined level of assurance obtained from the systems audits and the audits of operations should be high. The confidence level used for sampling operations should not be less than 60 % with a maximum materiality level of 2%. For a system evaluated as having low reliability, the confidence level used for sampling operations should not be below 90%. The audit authority should describe in the annual control report the way assurance has been obtained.
3. The reliability of management and control systems is determined using criteria established by the audit authority for systems audits, including a quantified assessment of all key elements of the systems and encompassing the main authorities and intermediate bodies participating in the management and control of the operational programme. A record of the assessments carried out is kept in the audit file.
4. Where the management and control system is common to a number of similar operational programmes, for example for the same Fund, in accordance with Article 71(4) of Regulation (EC) No 1083/2006, a single sample guaranteeing the same technical parameters of confidence and materiality levels and taking into account the same expected rate of error, as indicated above, may be selected for all programmes together.

Annex V: Model Audit Strategy under Article 62(1)(c) of Regulation (EC) No 1083/2006**1. INTRODUCTION**

- Identification of the audit authority responsible for drawing up the audit strategy and of any other bodies which have contributed. Explanation of the procedure followed for drawing up the audit strategy.
- Specification of the overall objectives of the audit strategy.
- Explanation of the functions and responsibility of the audit authority and other bodies carrying out audits under its responsibility.
- Indication of the independence of the audit authority from the managing authority and certifying authority.
- Confirmation by the audit authority that the bodies carrying out audits under Article 62(3) of Regulation (EC) No 1083/2006 have the requisite functional independence.

2. LEGAL BASIS AND SCOPE

- Indication of any national regulatory framework that affects the audit authority and its functions.
- Indication of the period covered by the strategy.
- Indication of the Funds, programmes and areas covered by the strategy.

3. METHODOLOGY

- Indication of the audit methodology to be followed taking account of internationally accepted audit standards (including, but not limited to, INTOSAI, IFAC and IIA), audit manuals and other specific documents.

4. AUDIT APPROACH AND PRIORITIES

- Materiality thresholds for planning purposes and for reporting deficiencies.
- Indication of the types of audits to be carried out (system audits, audits of operations).
- For system audits:
 - a) specification of the body or bodies responsible for the audit work;
 - b) specification of the bodies to be audited;
 - c) indication of any horizontal issues to be covered by the system audits, such as public procurement, state aid, environmental requirements, equal opportunities and IT systems.

– For **audits of operations**:

a) specification of the body or bodies responsible for the audit work;

b) specification of the criteria for determining the assurance level gained from system audits and reference to the documentation used for applying the sampling methodology set out in Article 17;

c) specification of the procedure for determining steps to be taken where material errors are detected.

– Indication and justification of the priorities and audit objectives established for the whole of the programming period.

– Explanation of the linkage of the risk assessment results to the audit work planned.

– An indicative audit schedule of audit assignments for the forthcoming year provided in a table format.

5. RISK ASSESSMENT

– Indication of the procedures followed, including the extent to which the results of previous audits of the bodies and systems have been taken into account (for example, audits from the 2000-2006 period, audit work for the compliance assessment).

– Indication of the managing authority, certifying authority and intermediate bodies covered.

– Indication of the risk factors taken into account, including any horizontal issues identified as risk areas.

– Indication of the results through identification and prioritisation of the key bodies, processes, controls and programmes and priority axes to audit.

6. RELIANCE ON THE WORK OF OTHERS

– Indication of the extent to which certain components are audited by other auditors and the extent of potential reliance on such work.

– Explanation of how the audit authority will ensure the quality of the work carried out by the other audit bodies, taking account of internationally accepted audit standards.

7. RESOURCES

– Indication of planned resources to be allocated, at least for the forthcoming year.

8. REPORTING

– Indication of internal procedures for reporting, such as provisional and final audit reports, and of the right of the body audited to be heard and to provide an explanation before a final position is taken.

Annex VI: Model annual control report under Article 62(1)(d)(i) of Council Regulation (EC) No 1083/2006 and Article 18(2) of the present Regulation

1. INTRODUCTION

- Indication of the responsible audit authority and other bodies that have been involved in preparing the report.
- Indication of the 12 month (reference) period from which the random sample was drawn.
- Identification of the operational programme(s) covered by the report and of its/their managing and certifying authorities. Where the report covers more than one programme or Fund, the information shall be broken down by programme and by Fund.
- Description of the steps taken to prepare the report.

2. CHANGES IN MANAGEMENT AND CONTROL SYSTEMS

- Indication of any significant changes in the management and control systems notified to the audit authority as compared with the description provided under Article 71(1) of Regulation (EC) No 1083/2006 and of the dates from which the changes apply.

3. CHANGES TO AUDIT STRATEGY

- Indication of any changes that have been made to the audit strategy or are proposed, and of the reasons behind them.

4. SYSTEMS AUDITS

- Indication of the bodies that have carried out systems audits, including the audit authority itself.
- Summary list of the audits carried out (bodies audited).
- Description of the basis for selection of the audits in the context of the audit strategy.
- Description of the principal findings and conclusions drawn from the audit work for the management and control systems and their functioning, including the sufficiency of management checks, certification procedures and the audit trail, adequate separation of functions and compliance with Community requirements and policies.
- Indication of whether any problems identified were considered to be of a systemic character, and of the measures taken, including a quantification of the irregular expenditure and any related financial corrections.

5. AUDITS OF SAMPLES OF OPERATIONS

- Indication of the bodies that carried out the sample audits, including the audit authority.
- Description of the basis for selection of the sample(s).

- **Indication of the materiality level and, in the case of statistical sampling, the confidence level applied and the interval, if applicable.**
- **Summary table (see below), broken down by programme and by Fund, indicating the eligible expenditure declared to the Commission during the calendar (reference) year (ending in the audit period), the amount of expenditure audited, and the percentage of expenditure audited in relation to total eligible expenditure declared to the Commission (both for the last calendar year and cumulatively). Information relating to the random sample should be distinguished from that related to other samples.**
- **Description of the principal results of the audits, indicating in particular the amount of irregular expenditure and the error rate resulting from the random sample audited.**
- **Indication of the conclusions drawn from the results of the audits with regard to the effectiveness of the management and control system.**
- **Information on the follow-up of irregularities, including revision of previously reported error rates.**
- **Indication of whether any problems identified were considered to be systemic in nature, and the measures taken, including a quantification of the irregular expenditure and any related financial corrections.**

6. CO-ORDINATION BETWEEN AUDIT BODIES AND SUPERVISORY WORK OF THE AUDIT AUTHORITY

- **Description of the procedure for co-ordination between different national audit bodies and the audit authority itself (if applicable).**
- **Description of the procedure for supervision applied by the audit authority to other audit bodies (if applicable).**

7. FOLLOW-UP OF PREVIOUS YEARS' AUDIT ACTIVITY

- **Information on the follow-up of outstanding audit recommendations and on the follow-up of results of systems audits and audits of operations from earlier years.**

8. OTHER INFORMATION (IF APPLICABLE)

9. TABLE FOR DECLARED EXPENDITURE AND SAMPLE AUDITS

Fund	Reference (CCI no)	Programme	Expenditure declared in reference year	Expenditure in reference year audited for the random sample		Amount and percentage (error rate) of irregular expenditure in random sample (3)		Other expenditure audited (4)	Amount of irregular expenditure in other expenditure sample	Total expenditure declared cumulatively	Total expenditure audited cumulatively as a percentage of total expenditure declared cumulatively
				1.	2.	Amount	%				
				1.	2.	Amount	%	1.			

1. Amount of expenditure audited.

2. Percentage of expenditure audited in relation to expenditure declared to the Commission in the reference year.

3. Where the random sample covers more than one Fund or programme, the information is provided for the whole sample.

4. Expenditure from complementary sample and expenditure for random sample not in reference year.

Annex VII: Model annual opinion under Article 62(1)(d)(ii) of Council Regulation (EC) No 1083/2006 and Article 18 (2) of the present Regulation

To the European Commission, Directorate-General.....

INTRODUCTION

I, the undersigned, representing the (name of body designated by Member State), have examined the functioning of the management and control systems in the operational programme (name of operational programme, CCI code number, period), in order to issue an opinion on whether the systems functioned effectively so as to provide reasonable assurance that statements of expenditure presented to the Commission are correct and, as a consequence, reasonable assurance that the underlying transactions are legal and regular.

SCOPE OF THE EXAMINATION

The examination was carried out in accordance with the audit strategy in respect of this programme during the period 1 July to 30 June (year) and reported in the attached annual control report under point (d) (i) of Article 62 (1) of Council Regulation (EC) No 1083/2006.

Either

There were no limitations on the scope of the examination.

Or

The scope of the examination was limited by the following factors:

- (a)
- (b)
- (c), etc.

(Indicate any limitation on the scope of the examination, for example any systemic problems, weaknesses in the management and control system, lack of supporting documentation, cases under legal proceedings, etc., and estimate the amounts of expenditure and the Community contribution affected. If the audit authority does not consider that the limitations have an impact on the final expenditure declared, this should be stated.)

OPINION

Either

(Unqualified opinion)

Based on the examination referred to above, it is my opinion that, for the above-mentioned period, the management and control system established for the programme ... (name of operational programme, CCI code number, period) complied with the applicable requirements of Articles 58 to 62 of Council Regulation (EC) No 1083/2006 and Section 3 of Commission Regulation (EC) No 1828/2006 and functioned effectively so as to provide reasonable assurance that statements of expenditure presented to the Commission are correct and, as a consequence, reasonable assurance that the underlying transactions are legal and regular.

Or

(Qualified opinion)

Based on the examination referred to above, it is my opinion that, for the above-mentioned period, the management and control systems established for the programme ... (name of operational programme, CCI code number, period) complied with the applicable requirements of Articles 58 to 62 of Council Regulation (EC) No 1083/2006 and Section 3 of Commission Regulation (EC) No 1828/2006 and functioned effectively so as to provide reasonable assurance that statements of expenditure presented to the Commission are correct and, as a consequence, reasonable assurance that the underlying transactions are legal and regular, except in the following respects:³⁷.

My reasons for considering that this (these) aspect(s) of the systems did not comply with the requirements and/or did not operate in such a way as to give a reasonable assurance on the correctness of the statements of expenditure presented to the Commission are as follows...³⁸.

I estimate the impact of the qualification(s) to be ... of the total expenditure declared. The Community contribution affected is thus.....

Or

(Adverse opinion)

Based on the examination referred to above, it is my opinion that, for the above-mentioned period, the management and control system established for the programme ... (name of operational programme, CCI code number, period) did not comply with the requirements of Articles 58 to 62 of Council Regulation (EC) No 1083/2006 and Section 3 of Commission Regulation (EC) No 1828/2006 and did not function effectively so as to provide reasonable assurance that statements of expenditure presented to the Commission are correct and, as a consequence, does not provide reasonable assurance that the underlying transactions are legal and regular.

This adverse opinion is based on.....³⁹

Date

Signature

—

³⁷ Indicate the body or bodies and the aspect(s) of their systems that did not comply with requirements and/or did not operate effectively.

³⁸ Indicate for each body and each aspect of the system the reasons for the qualification.

³⁹ Indicate for each body and each aspect the reasons for the adverse opinion.

Annex VIII: Model final control report and closure declaration for operational programmes under Article 62 (1) (e) of Council Regulation (EC) No 1083/2006 and Article 18(3) of the present Regulation

Part A: Model final control report

1. INTRODUCTION

- Indication of the responsible audit authority and other bodies that have been involved in preparing the report.
- Indication of the last reference period from which the random sample was drawn.
- Identification of the operational programme(s) covered by the report and its/their managing and certifying authorities, where applicable, broken down by Fund and programme.
- Description of the steps taken to prepare the report.

2. CHANGES IN MANAGEMENT AND CONTROL SYSTEMS AND AUDIT STRATEGY⁴⁰

- Indication of any significant changes in the management and control systems notified to the audit authority as compared with the description provided under Article 71(1) of Regulation (EC) No 1083/2006, and of the dates from which the changes apply.
- Indication of any changes that have been made to the audit strategy and reasons for such changes

3. SUMMARY OF AUDITS CARRIED OUT UNDER ARTICLE 62 (1) (A) AND (B) OF REGULATION (EC) NO 1083/2006 AND ARTICLE 17 OF THE PRESENT REGULATION

For systems audits:

- Indication of the bodies that have carried out systems audits, including the audit authority itself.
- Summary list of audits carried out: bodies audited and year of audit.
- Description of the basis for selection of audits in the context of the audit strategy⁴¹.
- Description of the principal findings and the conclusions drawn from the audit work for the management and control systems and their functioning, including the sufficiency of management checks, certification procedures and the audit trail, adequate separation of functions and compliance with Community requirements and policies⁴².

⁴⁰ For changes not indicated in earlier annual control reports.

⁴¹ For audits not covered by earlier annual control reports.

⁴² For audits not covered by earlier annual control reports.

- Indication of whether any problems identified were considered to be of a systemic character, and the measures taken, including a quantification of the irregular expenditure and any related financial corrections⁴³.

For audits of operations:

- Indication of the bodies that carried out the sample audits, including the audit authority itself.
- Description of the basis for selection of the sample(s).
- Indication of the materiality level and, in the case of statistical sampling, the confidence level applied and the interval, if applicable.
- Description of the principal results of the audits, indicating in particular the amount of irregular expenditure and the error rate resulting from the random sample audited⁴⁴.
- Indication of the conclusions drawn from the results of the audits with regard to the effectiveness of the management and control system.
- Information on the follow-up of irregularities, including revision of previously reported error rates.
- Indication of whether any problems identified were considered to be systemic in nature, and the measures taken, including a quantification of the irregular expenditure and any related financial corrections⁴⁵.

4. FOLLOW-UP OF AUDIT ACTIVITY

- Information on the follow-up of the results of systems audits and audits of operations.

5. ADDITIONAL WORK UNDERTAKEN BY AUDIT AUTHORITY IN PREPARING ITS CLOSURE DECLARATION

- Summary of audits of the closure procedure of the managing and certifying authorities and intermediate bodies.
- Summary of the results of the examination of the debtors' ledger kept under Article 61 (f) of Regulation (EC) No 1083/2006.
- Summary of the results of the re-performance of controls on the accuracy of the amounts declared in relation to supporting documents.
- Summary of the results of examination of reports of other national or Community audit bodies (specify, by category, which reports have been received and examined).
- Summary of the results of examination of information relating to follow-up of audit findings and reported irregularities.

⁴³ For audits not covered by earlier annual control reports.

⁴⁴ For audits not covered by earlier annual control reports.

⁴⁵ For audits not covered by earlier annual control reports.

- Summary of the results of examination of additional work carried out by managing and certifying authorities to enable an unqualified opinion to be provided.
- Other.

6. LIMITATIONS ON THE SCOPE OF THE EXAMINATION BY THE AUDIT AUTHORITY

- Details of any factors that have limited the scope of the examination by the audit authority should be reported⁴⁶.
- Estimated amounts of expenditure and the Community contribution that are affected must be stated.

7. REPORTED IRREGULARITIES

- Confirmation that the procedure for reporting and following up irregularities, including the treatment of systemic problems, has been carried out in accordance with regulatory requirements.
- Confirmation of the accuracy of the information given in the final implementation report on the irregularities reported under Article 70 (1) (b) of Regulation (EC) No 1083/2006.
- A list of cases of irregularity regarded as systemic and the amounts of expenditure affected.

8. OTHER INFORMATION (IF APPLICABLE)

⁴⁶ Examples of such matters include systemic problems, weaknesses in management and control systems, lack of supporting documents, and cases under legal proceedings.

9. TABLE FOR DECLARED EXPENDITURE AND SAMPLE AUDITS

Fund	Reference (CCI no)	Programme	Expenditure declared in reference year	Expenditure audited for the random sample		Amount and percentage (error rate) of irregular expenditure in random sample (3)	Other expenditure audited (4)	Amount of irregular expenditure in other expenditure sample	Total expenditure declared cumulatively	Total expenditure audited cumulatively as a percentage of total expenditure declared cumulatively
				1.	2.					
				1.	2.	Amount %	1.			

1. amount of expenditure audited.

2. percentage of expenditure audited in relation to expenditure declared to the Commission in the reference year.

3. where the random sample covers more than one Fund or programme, the information is provided for the whole sample.

4. expenditure from complementary sample and expenditure for random sample not in reference year.

Part B: Closure declaration

To the European Commission, Directorate-General

1. INTRODUCTION

I, the undersigned, representing the (name of the body designated by Member State), have for the operational programme ... (name of the operational programme, CCI code number, period) examined the results of the audit work carried out on this programme by or under the responsibility of the audit authority in accordance with the audit strategy [and have carried out the additional work I judged necessary]. The results of the examination and any additional work I have performed are summarised in the attached final control report (which also contains the information required by the annual control report for the period 1 January 2015 to 31 December 2016). I have planned and performed this work with a view to obtaining a reasonable assurance as to whether the payment application for the final balance of the Community contribution to the operational programme is correct and valid and the underlying transactions covered by the final statement of expenditure are legal and regular.

2. SCOPE OF THE EXAMINATION

The examination was carried out in accordance with the audit strategy in respect of this programme and reported in the attached final control report under point (e) of Article 62 (1) of Council Regulation (EC) No 1083/2006.

Either

There were no limitations on the scope of the examination.

Or

The scope of the examination was limited by the following factors:

- (a)
- (b)
- (c), etc.

(Indicate any limitation on the scope of the examination, for example any systemic problems, weaknesses in the management and control system, lack of supporting documentation, cases under legal proceedings, etc., and estimate the amounts of expenditure and the Community contribution affected. If the audit authority does not consider that the limitations have an impact on the final expenditure declared, this should be stated.)

3. IRREGULARITIES AND ERROR RATES

Either

The cases of irregularity and error rates found in the audit work are not such as to preclude an unqualified opinion given the satisfactory way they have been dealt with by the managing authority and the trend in the level of their occurrence over time.

Or

The cases of irregularity and error rates found in the audit work and the way they have been dealt with by the managing authority are such as to preclude an unqualified opinion. A list of these cases is provided in the final control report, together with an indication of their possible systemic character and the scale of the problem. The amounts of total declared expenditure and public contribution that could be affected are... respectively. As a consequence, the corresponding Community contribution that could be affected is... .

4. OPINION

Either

(Unqualified opinion)

If there were no limitations on the scope of the examination and the cases of irregularity and error rates and the way they have been dealt with by the managing authority do not preclude an unqualified opinion:

Based on the examination referred to above, it is my opinion that the final statement of expenditure presents fairly, in all material respects, the expenditure paid under the operational programme, that the application for payment of the final balance of the Community contribution to this programme is valid and that the underlying transactions covered by the final statement of expenditure are legal and regular.

Or

(Qualified opinion)

If there were limitations on the scope of the examination and/or the cases of irregularity and error rates and the way they have been dealt with by the managing authority call for a qualified opinion but do not justify an unfavourable opinion for all the expenditure concerned:

Based on the examination referred to above, it is my opinion that the final statement of expenditure presents fairly, in all material respects, the expenditure paid under the operational programme, that the application for payment of the final balance of the Community contribution to this programme is valid and that the underlying transactions covered by the final statement of expenditure are legal and regular, except with regard to the matters referred to at point 2 and/or to the observations at point 3 regarding the error rates and cases of irregularity and the way they have been dealt with by the managing authority, the impact of which is quantified above. I estimate the impact of these qualifications to be ... of the total expenditure declared. The Community contribution affected is thus.....

Or

(Adverse opinion)

If there were major limitations on the scope of the examination error rates and cases of irregularity and the way they have been dealt with by the managing authority such that no conclusion can be reached on the reliability of the final statement of expenditure without considerable further work:

Based on the examination referred to above, and in particular in view of the matters referred to at point 2 and/or the error rates and cases of irregularity and the fact that they have not been

dealt with satisfactorily by the managing authority as reported at point 3, it is my opinion that the final statement of expenditure does not present fairly, in all material respects, the expenditure paid under the operational programme, that, as a consequence, the application for payment of the final balance of the Community contribution to this programme is not valid and that the underlying transactions covered by the final statement of expenditure are not legal and regular.

Date Signature

—

Annex IX: Model declaration for the partial closure of operational programmes under Article 18 (5)

To the European Commission, Directorate-General

The managing authority for the programme ... (name of operational programme, CCI code number, period) has submitted a statement of expenditure relating to operations [completed as at ... (date up to which operations were completed) / completed between ... and ... (dates between which operations were completed)] and is applying for partial closure of the programme under Article 88 (2) (b) of Regulation (EC) No 1083/2006 for these operations.

I, the undersigned, representing the (name of body designated by the Member State) have examined the results of the audit work carried out on this programme as set out in the annual control reports and annual opinions issued under Articles 62 (1) (d) (i) and (ii) of Council Regulation (EC) No 1083/2006 for the year/years ...,

- I have planned and performed this work with a view to obtaining a reasonable assurance as to whether the statement of expenditure concerned is correct and valid and the underlying transactions covered by the statement of expenditure are legal and regular.

Opinion

Based on the examination referred to above, it is my opinion that the statement of expenditure on completed operations submitted by the managing authority for the programme ... (name of operational programme, CCI code number, period) for the purpose of partial closure of the programme in respect of operations [completed as at ... / completed between ... and ...] presents fairly, in all material respects, the expenditure paid and that the underlying transactions are legal and regular.

Date

Signature

—

Annex X: Certificate and statement of expenditure and application for payment

See form attached.

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Annex XI: Annual statement on withdrawn and recovered amounts and pending recoveries (Article 20 (2))

1. WITHDRAWALS AND RECOVERIES FOR THE YEAR 20.. DEDUCTED FROM STATEMENTS OF EXPENDITURE

Priority axis	Withdrawals				Recoveries			
	Total expenditure of beneficiaries	Public contribution	Co-financing rate ⁴⁷	EU contribution	Total expenditure of beneficiaries	Public contribution	Co-financing rate ⁴⁸	EU contribution
1								
2								
3								
4								
...								
Total								

⁴⁷ This co-financing rate and the method for its calculation are found in the financial table of the operational programme for the priority axis concerned.

⁴⁸ This co-financing rate and the method for its calculation are found in the financial table of the operational programme for the priority axis concerned.

2. PENDING RECOVERIES AS AT 31.12. 20..

Priority axis	Year of launch of recovery proceedings	Public contribution to be recovered	Co-financing rate ⁴⁹	EU contribution to be recovered
1	2007			
	2008			
	...			
2	2007			
	2008			
	...			
3	2007			
	2008			
Sub-totals	2007			
	2008			
	...			
Grand total				

⁴⁹ This co-financing rate and the method for its calculation are found in the financial table of the operational programme for the priority axis concerned.

Annex XII: Description of management and control systems

See form attached.

—

Annex XIII: Model opinion issued under Article 71 (2) of Council Regulation (EC) No 1083/2006 and Article 25 of the present Regulation on the compliance of management and control systems

To the European Commission, Directorate-General.....

INTRODUCTION

I, the undersigned, representing (name of audit authority or the operationally independent body designated by the Member State under Article 71 (3) of Council Regulation (EC) No 1083/2006) as the body responsible for drawing up a report setting out the results of an assessment of the management and control systems established for the programme ... (name of operational programme(s), CCI code number (s), period⁵⁰) and for giving an opinion on their compliance with Articles 58 to 62 of Regulation (EC) No 1083/2006, have carried out an examination in accordance with Article 25 of Commission Regulation (EC) No 1828/2006.

SCOPE OF THE EXAMINATION

The examination was based on the description of the management and control systems received on *dd/mm/yyyy* from (name of body or bodies submitting the description). In addition, we have examined further information concerning ... (subjects) and interviewed staff of ... (bodies whose staff were interviewed).

The examination covered the managing, certifying and audit authorities, the body designated to receive the payments made by the Commission and to make the payments to beneficiaries and the following intermediate bodies (*list.....*).

OPINION⁵¹

Either

(Unqualified opinion)

On the basis of the examination referred to above, it is my opinion that the management and control systems established for the programme(s) ... (name of operational programme(s), CCI code number(s), period) comply with the requirements of Articles 58 to 62 of Council Regulation (EC) No 1083/2006 and Section 3 of Commission Regulation (EC) No 1828/2006.

Or

(Qualified opinion)

On the basis of the examination referred to above, it is my opinion that the management and control systems for the programme(s) ... (name of operational programme(s), CCI code number(s), period) comply with the requirements of Articles 58 to 62 of Council Regulation

⁵⁰ Where a common system applies to two or more operational programmes, a description of the common system may be accompanied by a single report and opinion.

⁵¹ Where the opinion is issued by the audit authority, the latter should provide a separate "Declaration of Competence and Operational Independence" on its own functions under Article 62 of Council Regulation (EC) No 1083/2006.

(EC) No 1083/2003 and Section 3 of Commission Regulation (EC) No 1828/2006, except in the following respects⁵².

My reasons for considering that this/these aspect(s) of the systems do(es) not comply with the requirements and my assessment of the seriousness are as follows⁵³:

Or

(Adverse opinion)

On the basis of the examination referred to above, it is my opinion that the management and control systems for the programme(s) ... (name of operational programme(s), CCI code number(s), period) do not comply with the requirements of Articles 58 to 62 of Council Regulation (EC) No 1083/2006 and Section 3 of Commission Regulation (EC) No 1828/2006.

This adverse opinion is based on....⁵⁴

Date

Signature

—

⁵² Indicate the body or bodies and the aspects of their systems that appear not to comply with the requirements.

⁵³ Indicate the reason(s) for the reservations entered for each body and on each aspect

⁵⁴ Indicate the reason(s) for the adverse opinion for each body and on each aspect

Annex XIV: Model Statement of expenditure for a partial closure

See form attached.

—

Annex XVI: Financing plans for the operational programme

1. FINANCING PLAN OF THE OPERATIONAL PROGRAMME GIVING THE ANNUAL COMMITMENT OF EACH FUND IN THE OPERATIONAL PROGRAMME

Operational programme reference (CCI number):

Year by source for the programme, in EUR⁵⁵:

	Structural Funding (ERDF or ESF)	Cohesion Fund	Total
	(1)	(2)	(3) = (1)+(2)
2007			
In Regions without transitional support			
In Regions with transitional support			
Total 2007			
2008			
In Regions without transitional support			
In Regions with transitional support			
Total 2008			
2009			
In Regions without transitional support			
In Regions with transitional support			
Total 2009			
2010			
In Regions without transitional support			
In Regions with transitional support			
Total 2010			
2011			
In Regions without transitional support			

⁵⁵

In case of multi-objective operational programmes, the annual financing plan shall also be broken down by objective.

In Regions with transitional support			
Total 2011			
2012			
In Regions without transitional support			
In Regions with transitional support			
Total 2012			
2013			
In Regions without transitional support			
In Regions with transitional support			
Total 2013			
Total in Regions without transitional support (2007-2013)			
Total in Regions with transitional support (2007-2013)			
Grand Total 2007-2013			

2. FINANCIAL PLAN OF THE OPERATIONAL PROGRAMME GIVING, FOR THE WHOLE PROGRAMMING PERIOD, THE AMOUNT OF THE TOTAL FINANCIAL ALLOCATION OF EACH FUND IN THE OPERATIONAL PROGRAMME, THE NATIONAL COUNTERPART AND THE RATE OF REIMBURSEMENT BY PRIORITY AXIS.

Operational programme reference (CCI number):

Priority axes by source of funding (in EUR)

	Community Funding (a)	National counterpart (b) (= (c) + (d))	Indicative breakdown of the national counterpart		Total funding (e) = (a)+(b)	Co-financing rate (f) ¹ = (a)/(e)	For information	
			National Public funding (c)	National private funding ⁵⁶ (d)			EIB contributions	Other funding ⁵⁷
Priority Axis 1 Specify the Fund and the basis for calculating the Community contribution (total or public) ⁵⁸								
Priority Axis 2 Specify the Fund and the basis for calculating the Community contribution (total or public)								
Priority Axis ... Specify the Fund and the basis for calculating the Community contribution (total or public)								
Total								

¹ This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

⁵⁶

To be completed only when priority axes are expressed in total costs.

⁵⁷

Including national private funding when priority axes are expressed in public costs.

⁵⁸

In case of pluri-objective operational programmes, indicate in addition the objective.

Annex XVII: Forecast of likely payment applications

See form attached.

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Annex XVIII: Annual and final reporting

See form attached.

—

Annex XIX: Verification of Additionality For 2007-2013 Convergence Objective – Ex Ante Verification

Summary financial table of public or other equivalent structural expenditure in Convergence Objective regions (in EUR millions, 2006 prices)*

	Annual average forecast in 2007-2013 NSRF (ex ante)						Actual annual average 2000-05**					
	Total	Of which public companies		National Strategic Reference Framework (NSRF)		Outside NSRF	Total	Of which public companies	Community Support Framework (CSF) / Single Programming Document (SPD)		Outside CSF/SPD	Total
		Nat. + EU	Nat.	EU	Nat.				EU	Nat.		
1	Nat. + EU 2 = 4+5+6	3	4	5	6	7 = 5+6=2+4	Nat. + EU 8 =10+11+12	9	10	11	12	Nat. 13=11+12=8-10
Basic infrastructure												
Transport												
Telecommunications & information society												
Energy												
Environment & water												
Health												
Human Resources												
Education												
Training												
RTD												
Productive environment												
Industry												
Services												
Tourism												
Others												
Total												

* For Member States whose currency is not the euro, the annual average exchange rate of 2005 is to be used.

** 2004-2005 for the 10 Member States who acceded in 2004, plus Romania and Bulgaria.

Annex XX: Major project structured data to be encoded

Major project key details	Infrastructure application form	Productive investment application form	Type of data
Project name	B.1.1	B.1.1	text
Name of company	Na	B.1.2	text
SME	Na	B.1.3	Y/N
Turnover	Na	B.1.4	€
Total number of persons employed	Na	B.1.5	number
Group structure (shareholding)	Na	B.1.6	Y/N
Priority theme dimension	B.2.1	B.2.1	Code(s)
Form of finance dimension	B.2.2	B.2.2	Code
Territorial dimension	B.2.3	B.2.3	Code
Economic activity dimension	B.2.4	B.2.4	Code(s)
NACE code	B.2.4.1	B.2.4.1	Code(s)
Nature of the investment	Na	B.2.4.2	Code
Product concerned	Na	B.2.4.3	Code(s)
Location dimension	B.2.5	B.2.5	Code(s)
Fund	B.3.4	B.3.4	ERDF/CF
Priority Axis	B.3.5	B.3.5	Text
PPP	B.4.2.d	na	Y/N
Construction phase - start date	D.1.8A	D.1.5A	date
Construction phase - completion date	D.1.8B	D.1.5B	date
Reference period	E.1.2.1	E.1.2.1	years
Financial discount rate	E.1.2.2	E.1.2.2	%
Total investment cost	E.1.2.3	E.1.2.3	€
Total investment cost (present value)	E.1.2.4	na	€
Residual value	E.1.2.5	na	€
Residual value (present value)	E.1.2.6	na	€
Revenues (present value)	E.1.2.7	na	€
Operating cost (present value)	E.1.2.8	na	€
Net revenue (present value)	E.1.2.9	na	€
Eligible expenditure (present value)	E.1.2.10	na	€
Estimated rate of capacity utilisation	Na	E.1.2.4	%
Estimated rate of capacity utilisation for break-even	Na	E.1.2.5	%
Estimated increase in annual turnover	Na	E.1.2.6	€
Turnover per person employed (in €)	Na	E.1.2.7	€
% change in Turnover per person employed	Na	E.1.2.8	%
Financial rate of return (without Community grant)	E.1.3.1A	E.1.3.1A	%
Financial rate of return (with Community grant)	E.1.3.1B	E.1.3.1B	%
Financial net present value (without Community	E.1.3.2A	E.1.3.2A	€

grant)			
Financial net present value (with Community grant)	E.1.3.2B	E.1.3.2B	€
Eligible costs	H.1.12C	H.1.10C	€
Decision amount	H.2.3	H.2.1	€
Community grant	H.2.5	H.2.3	€
Economic costs and benefits	E.2.2	E.2.2	text/€
Social discount rate	E.2.3.1	E.2.3.1	%
Economic rate of return	E.2.3.2	E.2.3.2	%
Economic net present value	E.2.3.3	E.2.3.3	€
Benefit/Cost ratio	E.2.3.4	E.2.3.4	number
Number of jobs directly created during implementation phase	E.2.4.1A	E.2.4 a) 1A	number
Average duration of jobs directly created during implementation phase	E.2.4.1B	E.2.4 a) 1B	months
Number of jobs directly created during operational phase	E.2.4.2A	E.2.4 a) 2A	number
Average duration of jobs directly created during operational phase	E.2.4.2B	E.2.4 a) 2B	months
Number of jobs indirectly created during implementation phase	na	E.2.4 a) 3A	number
Average duration of jobs indirectly created – during implementation phase	na	E.2.4 a)3B	months
Number of jobs indirectly created during operational phase	na	E.2.4 a)4A	number
Average duration of jobs indirectly created during operational phase	na	E.2.4 a)4B	months
Number of jobs safeguarded	na	E.2.4 b)	number
Inter regional employment impact	na	E.2.4 c)	neg/neut/pos
Critical variables	E.3.2	E.3.2	text
EIA class of development	F.3.2.1	F.3.2.1	I/II/not covered
EIA carried out if class II	F.3.2.3	F.3.2.3	Y/N
Negative effect on NATURA 2000 sites	F.4.1	F.4.1	Y/N
% of cost for compensate negative environmental impacts	F.6	F.6	%
Other Community sources (EIB / EIF)	I.1.3	I.1.3	Y/N
Legal procedure for compliance with Community legislation	I.2	I.2	Y/N
Involvement of JASPERS	I.4.1	I.4.1	Y/N
Previous history of the recovery of assistance	na	I.5	Y/N

Annex XXI: Major project request for confirmation of assistance under Articles 39 to 41 of Regulation (EC) No 1083/2006 - European Regional Development Fund / Cohesion Fund - infrastructure investment

See form attached.

—

Annex XXII: Major project request for confirmation of assistance under Articles 39 to 41 of Regulation (EC) No 1083/2006 - European Regional Development Fund / Cohesion Fund - productive investment

See form attached.

—

Annex XXIII : Data on participants in ESF operations by priority

NUMBER OF PARTICIPANTS PER YEAR

(people entering, those leaving, carry-over from one year to the next)

BREAKDOWN OF PARTICIPANTS BY GENDER

BREAKDOWN OF PARTICIPANTS ACCORDING TO STATUS IN THE LABOUR MARKET

- employed (total number of employed, including self-employed)
- self-employed
- unemployed (total number of unemployed including long-term unemployed)
- long-term unemployed
- inactive persons (total number of inactive persons, including those in education, training or retirement, those having given up business, the permanently disabled, those fulfilling domestic tasks or other)
- inactive persons in education or training

BREAKDOWN OF PARTICIPANTS BY AGE

- young people (15-24 years)
- older workers (55-64 years)

BREAKDOWN OF PARTICIPANTS BY VULNERABLE GROUPS, IN ACCORDANCE WITH NATIONAL RULES

- minorities
- migrants
- disabled
- other disadvantaged people

BREAKDOWN OF PARTICIPANTS BY EDUCATIONAL ATTAINMENT

- Primary or lower secondary education (ISCED 1 and 2)
- Upper secondary education (ISCED 3)
- Post-secondary non-tertiary education (ISCED 4)
- Tertiary education (ISCED 5 and 6)

CERTIFICATE

I, the undersigned,
representing the certifying authority designated by ⁽¹⁾

hereby certify that all expenditure included in the attached statement complies with the criteria for eligibility of expenditure set out in Article 56 of Regulation (EC) No 1083/2006 and has been paid by the beneficiaries on the implementation of the operations selected under the operational programme in accordance with the conditions for granting of public contributions under Article 78(1) of Regulation (EC) No 1083/2006

after⁽²⁾

		20...
--	--	-------

and amounts to:

euro ³	
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(exact figure to two decimal places)

The attached statement of expenditure, broken down by priority, is based on accounts provisionally closed on

		20...
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and forms an integral part of this certificate

I also certify that operations are progressing in pursuance with the objectives laid down in the Decision and in accordance with Regulation (EC) No 1083/2006, and in particular that:

- (1) the expenditure declared complies with the applicable Community and national rules and has been paid in respect of operations selected for funding in accordance with the criteria applicable to the operational programme and the applicable Community and national rules, in particular:
 - State aid rules;
 - Public procurement rules;
 - Rules on the justification of advances in the framework of state aid under Article 87 of the Treaty by expenditure paid out by the beneficiary within a three years deadline;
 - no declaration of expenditure concerning major projects which have not yet been approved by the Commission;
- (2) the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;
- (3) the underlying transactions are lawful and comply with the rules and the procedures have been followed satisfactorily;
- (4) the statement of expenditure and the payment application take account, where applicable, of any amounts recovered and of any interest received, and of revenue accruing from operations financed under the operational programme;
- (5) the breakdown of the underlying operations is recorded on computer files and is available to the relevant Commission departments on request.

(1) Indicate the administrative instrument of designation in accordance with Article 59 of Regulation (EC) No 1083/2006 with any references and the date.

(2) Reference date according to the Decision.

(3) total amount of eligible expenditure paid by beneficiaries.

In accordance with Article 90 of Regulation (EC) No 1083/2006, the supporting documents are and will continue to be available for at least three years following the closure of the operational programme by the Commission (without prejudice to the special conditions laid down in Article 100 (1) of that Regulation)

Date

		20...
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Name in capitals, stamp, position and signature
of competent authority

Statement of expenditure by priority axis: Interim payment			
Operational Programme reference (CCI No):			
Name of programme:			
Date of provisional closure of accounts:		Date of sending to the Commission:	
Total certified eligible expenditure paid:			
	Priority Axis	2007-2015	
	Basis for calculating Community contribution (public or total) ⁴	Total amount of eligible expenditure paid by beneficiaries	Corresponding public contribution
	<u>Priority Axis 1</u>		
Priority Axis 1: Total			
Priority Axis 1: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of first partial closure)			
Priority Axis 1: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of second partial closure)			
	<u>Priority Axis 2</u>		
Priority Axis 2: Total			
Priority Axis 2: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of first partial closure)			
Priority Axis 2: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of second partial closure)			

⁴ This co-financing rate and the method for its calculation are found in the financial table of the operational programme for the priority axis concerned.

<u>Priority Axis 3</u>			
Priority Axis 3: Total			
Priority Axis 3: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of first partial closure)			
Priority Axis 3: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of second partial closure)			
Total for regions not receiving transitional support			
Total for regions receiving transitional support			
Technical assistance: Total			
Technical assistance: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of first partial closure)			
Technical assistance: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of second partial closure)			
Total for regions without transitional support			
Total for regions with transitional support			
Total expenditure relating to operations which have been subject to partial closure ⁵			
Grand total			

NB: If an operational programme is multi-objective or multi-Fund, the priority axis shall indicate the objective(s) and Fund(s) concerned.

⁵ Partial closure concerns operations completed as at 31 December of the year preceding the year of partial closure. The list of operations which have been subject to partial closure is made available to the Commission upon request.

Breakdown by year of the total certified eligible expenditure⁶

	Amounts of expenditure (in euros)
Grand total 2007-2015	
2007	
2008	
2009	
2010	
2011	
2012	
2013	
2014	
2015	

⁶ By year: the breakdown mentioned in this table shall correspond to the payments made by the beneficiaries in the year concerned. Where it is not possible to establish this breakdown precisely, the best estimate of the breakdown should be given.

APPLICATION FOR PAYMENT: Interim payment

Name of operational programme:

Operational programme reference (CCI) No:

Fund(s):

Pursuant to Article 61 of Regulation (EC) No 1083/2006, I, the undersigned (name in capitals, stamp, position and signature of competent authority), hereby request that you pay by way of intermediate payment the sum of:

In EUR	Convergence Objective	European Competitiveness and Employment Objective	European territorial Cooperation Objective
ERDF			
ESF			
Cohesion Fund			

This application is admissible because:

	Delete as appropriate
(a) no more than the maximum amount of assistance from the Funds as laid down in the decision of the Commission approving the operational programme has been paid by the Commission during the whole period for each priority axis.	
(b) the managing authority has sent the Commission the most recent annual implementation report in accordance with Article 67 (1) and (3).	<p>— has been forwarded by the managing authority within the time limit laid down</p> <p>— is attached</p> <p>— is not due</p>
(c) there is no reasoned opinion by the Commission in respect of an infringement under Article 226 of the Treaty, as regards the operation(s) for which the expenditure is declared in the application for payment.	

The payment should be made by the Commission to the body designated by the Member State for the purposes of making payments

Designated body	
Bank	
Bank account No	
Holder of account (where not the same as the designated body)	

Date

		20...
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Name in capitals, stamp, position and signature of
competent authority

**CERTIFICATE AND STATEMENT OF EXPENDITURE AND APPLICATION FOR
FINAL PAYMENT**

EUROPEAN COMMISSION

..... *Fund or Funds concerned*

Certificate and statement of expenditure and payment application

Name of operational programme

Commission Decision

of

Commission reference (CCI) No:

National reference (if any)

CERTIFICATE

I, the undersigned,
representing the certifying authority designated by (7)

hereby certify that all expenditure included in the attached statement complies with the criteria for eligibility of expenditure set out in Article 56 of Regulation (EC) No 1083/2006 and has been paid by the beneficiaries on the implementation of the operations selected under the operational programme in accordance with the conditions for granting of public contributions under Article 78(1) of Regulation (EC) No 1083/2006

after(8)

		20...
--	--	-------

 and amounts to:

euro ⁹	
-------------------	--

(exact figure to two decimal places)

The attached statement of expenditure, broken down by priority, is based on accounts closed on

		20...
--	--	-------

and forms an integral part of this certificate

I also certify that operations have been carried out in pursuance of the objectives laid down in the Decision and in accordance with Regulation (EC) No 1083/2006, and in particular that:

- (1) the expenditure declared complies with the applicable Community and national rules and has been paid in respect of operations selected for funding in accordance with the criteria applicable to the operational programme and the applicable Community and national rules, in particular:
 - State aid rules;
 - Public procurement rules;
 - Rules on the justification of advances in the framework of state aid under Article 87 of the Treaty by expenditure paid out by the beneficiary within a three years deadline;
 - no declaration of expenditure concerning major projects which have not been approved by the Commission;
- (2) the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;
- (3) the underlying transactions are lawful and comply with the rules and the procedures have been followed satisfactorily;
- (4) the statement of expenditure and the payment application take account, where applicable, of any amounts recovered and of any interest received, and of revenue accruing from operations financed under the operational programme;
- (5) the breakdown of the underlying operations is recorded on computer files and is available to the relevant Commission departments on request.

In accordance with Article 90 of Regulation (EC) No 1083/2006, the supporting documents are and will continue to be available for at least three years following the closure of the operational programme by the Commission (without prejudice to the special conditions laid down in Article 100 (1) of that Regulation)

(7) Indicate the administrative instrument of designation in accordance with Article 59 of Regulation (EC) No 1083/2006 with any references and the date.

(8) Reference date according to the Decision.
⁹ total amount of eligible expenditure paid by beneficiaries.

Date

		20...
--	--	-------

Name in capitals, stamp, position and signature
of competent authority

Statement of expenditure by priority axis: payment of the balance

Operational Programme reference No (CCI No):			
Name of programme:			
Date of final closure of accounts:		Date of submission to the Commission:	
Total certified eligible expenditure paid:			
Priority Axis	Basis for calculating Community contribution (public or total) ¹⁰	2007-2015	
		Total amount of eligible expenditure paid by beneficiaries	Corresponding public contribution
<u>Priority Axis 1</u>			
Priority Axis 1: Total			
Priority Axis 1: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of first partial closure)			
Priority Axis 1: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of second partial closure)			
<u>Priority Axis 2</u>			
Priority Axis 2: Total			
Priority Axis 2: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of first partial closure)			
Priority Axis 2: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of second partial closure)			
<u>Priority Axis 3</u>			
Priority Axis 3: Total			
Priority Axis 3: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of first partial closure)			
Priority Axis 3: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of second partial closure)			

¹⁰ This co-financing rate and the method for its calculation are found in the financial table of the operational programme for the priority axis concerned.

Total for regions not receiving transitional support			
Total for regions receiving transitional support			
Technical assistance			
Technical assistance: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of first partial closure)			
Technical assistance: Expenditure relating to operations which have been subject to partial closure at 31/12 (year of second partial closure)			
Total for regions without transitional support			
Total for regions with transitional support			
Total expenditure relating to operations which have been subject to partial closure ¹¹			
Expenditure in the scope of the ERDF in the grand total where an operational programme is co-financed by the ESF ¹²			
Expenditure in the scope of the ESF in the grand total where an operational programme is co-financed by the ERDF			
Grand total			

NB: If an operational programme is multi-objective or multi-fund, the priority axis shall indicate the objective(s) and Fund(s) concerned

11 Partial closure concerns operations completed as at 31 December of the year preceding the year of partial closure. The list of operations which have been subject to partial closure is made available to the Commission upon request.

12 The field shall be completed according to whether the operational programme is co-financed by the ERDF or by the ESF if use is made of the option under Article 34 (2) of Regulation (EC) No 1083/2006.

Breakdown by year of the total certified eligible expenditure¹³

	Amounts of expenditure (in euros)
Grand total 2007-2015	
2007	
2008	
2009	
2010	
2011	
2012	
2013	
2014	
2015	

¹³ By year: the breakdown mentioned in this table shall correspond to the payments paid by the beneficiaries in the year concerned. Where it is not possible to establish this breakdown precisely, the best estimate of the breakdown should be given.

APPLICATION FOR PAYMENT: payment of the balance

Name of operational programme:

Operational programme reference (CCI) No:

Fund(s):

Pursuant to Article 61 of Regulation (EC) No 1083/2006, I, the undersigned (name in capitals, stamp, position and signature of competent authority), hereby request that you pay by way of final payment:

In EUR	Convergence Objective	European Competitiveness and Employment Objective	European territorial Cooperation Objective
ERDF			
ESF			
Cohesion Fund			

This application is admissible because:

	Delete as appropriate
(a) the final implementation report for the operational programme in accordance with Article 67	<p>— has been forwarded by the managing authority within the time limit laid down</p> <p>— is attached</p>
(b) a closure declaration referred to in Article 62 (1)(e)	<p>— has been forwarded by the managing authority within the time limit laid down</p> <p>— is attached</p>
(c) there is no reasoned opinion by the Commission in respect of an infringement under Article 226 of the Treaty, as regards the operation(s) for which the expenditure is declared in the application for payment in question	

The payment should be made by the Commission to the body designated by the Member State for the purposes of making payments

Designated body	
Bank	
Bank account No	
Holder of account (where not the same as the designated body)	

Date

		20...
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Name in capitals, stamp, position and signature of
competent authority

—

ANNEX XII

DESCRIPTION OF MANAGEMENT AND CONTROL SYSTEMS

Model description of management and control systems under Article 21

1. GENERAL

1.1. Information submitted by:

- [Name of the] Member State:
- Title of the programme and CCI No:
- Name of main contact point, including e-mail and fax: (body responsible for coordination of descriptions)

1.2. The information provided describes the situation on: (dd/mm/yy)

1.3. System structure (general information and flowchart showing the organisational relationship between the bodies involved in the management and control system)

1.3.1. *Managing authority (Name, address and contact point in the managing authority)*

1.3.2. *Intermediate bodies (Name, address and contact points in the intermediate bodies)*

1.3.3. *Certifying authority (Name, address and contact point in the certifying authority)*

1.3.4. *The audit authority and audit bodies (Name, address and contact point in the audit authority and other audit bodies)*

1.4. Guidance provided to the managing and certifying authorities and intermediate bodies to ensure sound financial management of Structural Funds (date and reference)

2. MANAGING AUTHORITY

NB: This section should be completed separately for each managing authority.

2.1. Managing authority and its main functions

2.1.1. *The date and form of the formal designation authorising the managing authority to carry out its functions*

2.1.2. *Specification of the functions and tasks carried out directly by the managing authority*

2.1.3. *Functions formally delegated by the managing authority (functions, intermediate bodies, form of delegation)*

2.2. Organisation of the managing authority

2.2.1. *Organisation chart and specifications of the functions of the units (including indicative number of posts allocated)*

- 2.2.2. *Written procedures prepared for use by staff of the managing authority /intermediate bodies (date and reference)*
- 2.2.3. *Description of procedures for selecting and approving operations and for ensuring their compliance, for their whole implementation period, with applicable Community and national rules (Article 60(a) of Regulation (EC) No 1083/2006).*
- 2.2.4. *Verification of operations (Article 60 (b) of Council Regulation (EC) No 1083/2006)*
- Description of the procedures for verification
 - Bodies carrying out such verifications
 - Written procedures (reference to manuals) issued for this work
- 2.2.5. *Processing of applications for reimbursement*
- Description of the procedures by which applications for reimbursement are received, verified, and validated, and by which payments to beneficiaries are authorised, executed and accounted for (including flowchart indicating all bodies involved)
 - Bodies carrying out each step in the processing of the application for reimbursement
 - Written procedures (reference to manuals) issued for this work
- 2.2.6. *Description of how information will be transmitted to the certifying authority by the managing authority*
- 2.2.7. *Eligibility rules laid down by the Member State and applicable to the operational programme*

2.3. In cases where the managing authority and the certifying authority are both designated in the same body, describe how separation of functions is ensured

2.4. Public Procurement, State Aid, Equal Opportunities and Environment rules

- 2.4.1. *Instructions and guidance issued on the applicable rules (date and reference)*
- 2.4.2. *Measures foreseen to ensure that applicable rules are complied with, for example, management checks, controls, audits*

2.5. Audit Trail

- 2.5.1. *Description of how the requirements under Article 15 will be implemented for the programme and/or for individual priorities*
- 2.5.2. *Instructions given on retention of supporting documents by beneficiaries (date and reference)*
- Indication of the retention period
 - Format in which the documents are to be held

2.6. Irregularities and recoveries

- 2.6.1. *Instructions issued on reporting and correction of irregularities and recording of debt and recoveries of undue payments (date and reference)*

- 2.6.2. *Description of the procedure (including flowchart) to comply with the obligation to report irregularities to the Commission in accordance with Article 28.*

3. INTERMEDIATE BODIES

NB: This section should be completed separately for each intermediate body. Indicate the authority which has delegated the function to the intermediate bodies.

3.1. The intermediate body and its main functions

- 3.1.1. *Specification of the main functions and tasks of the intermediate bodies*

3.2. Organisation of each intermediate body

- 3.2.1. *Organisation chart and specifications of the functions of the units (including indicative number of posts allocated)*
- 3.2.2. *Written procedures prepared for use by staff of the intermediate body (date and reference)*
- 3.2.3. *Description of procedures for selecting and approving operations (if not described under 2.2.3)*
- 3.2.4. *Verification of operations (Article 60 (b) of Council Regulation (EC) No 1083/2006) (if not described under 2.2.4)*
- 3.2.5. *Description of procedures for processing of applications for reimbursement (if not described under 2.2.5)*

4. CERTIFYING AUTHORITY

4.1. Certifying authority and its main functions

- 4.1.1. *The date and form of the formal designation authorising the certifying authority to carry out its functions*
- 4.1.2. *Specification of the functions carried out by the certifying authority*
- 4.1.3. *Functions formally delegated by the certifying authority (functions, intermediate bodies, form of delegation)*

4.2. Organisation of the certifying authority

- 4.2.1. *Organisation chart and specification of the functions of the units (including indicative number of posts allocated)*
- 4.2.2. *Written procedures prepared for use by staff of the certifying authority (date and reference)*

4.3. Certification of statements of expenditure

- 4.3.1. *Description of the procedure by which statements of expenditure are drawn up, certified and submitted to the Commission*
- 4.3.2. *Description of the steps performed by the certifying authority to ensure fulfilment of requirements under Article 61 of Council Regulation (EC) No1083/2006*

4.3.3. *Arrangements for access of the certifying authority to the detailed information on operations and verifications and audits held by the managing authority, intermediate bodies and audit authority*

4.4. Accounting system

4.4.1. *Description of the accounting system to be set up and used as a basis for certification of expenditure to the Commission*

- Arrangements for forwarding aggregated data to the certifying authority in case of decentralised system
- The link between the accounting system and the information system to be set up (point 6)
- Identification of Structural Funds transactions in case of common system with other Funds

4.4.2. *Level of detail of the accounting system:*

- Total expenditure by priority and by Fund

4.5. Recoveries

4.5.1. *Description of the system for ensuring the prompt recovery of Community assistance*

4.5.2. *Arrangements made to maintain a debtors' ledger and to deduct amounts recovered from expenditure to be declared*

5. AUDIT AUTHORITY AND AUDIT BODIES

5.1. Description of the main tasks and inter-relationships of the audit authority and audit bodies under the responsibility of the audit authority

5.2. Organisation of the audit authority and audit bodies under its responsibility

5.2.1. *Organisation charts (including the number of posts attributed)*

5.2.2. *Arrangements for ensuring independence*

5.2.3. *Required qualification or experience*

5.2.4. *Description of procedures for monitoring the implementation of recommendations and corrective measures resulting from audit reports*

5.2.5. *Description of the procedures (where appropriate) for the supervision of the work of other audit bodies under the responsibility of the audit authority*

5.3. Annual control report and closure declaration

5.3.1. *Description of the procedures for preparation of the annual control report, annual opinion and closure declaration*

5.4. Designation of the coordinating audit body

5.4.1. *Description of the role of the coordinating audit body, if applicable*

6. INFORMATION SYSTEM (Article 60 (c) of Council Regulation (EC) No 1083/2006)**6.1. Description of the information system including flowchart** (central or common network system or decentralised system with links between the systems)

Indication as to whether the system is already operational to gather reliable financial and statistical information on implementation of the 2007-2013 programmes

If not, indication of the date when it will be operational

—

ANNEX XIV:
MODEL STATEMENT OF EXPENDITURE FOR A PARTIAL
CLOSURE

Statement of expenditure by priority for a partial closure

Operational Programme reference (CCI No):

Name of programme:

Date of submission to the Commission:

Total certified expenditure of operations completed between .././... and 31/12 [year]:

Priority Axis	2007-2015	
	Total expenditure certified ¹⁴	Public contribution
<u>Priority Axis 1</u>		
<u>Priority Axis 2</u>		
<u>Priority Axis 3</u>		
Technical assistance		
Total for regions not receiving transitional support		
Total for regions receiving transitional support		
Grand total		

¹⁴ Including national private funding when priority axes are expressed in total cost.

ANNEX XVII
FORECASTS OF LIKELY PAYMENT APPLICATIONS

Provisional forecasts of likely payment applications by Fund and by programme¹⁵, for the current and subsequent financial year (in EUR):

	Community co-financing ¹⁶	
	[current year]	[following year]
Operational Programme 1 (CCI number) total		
ERDF		
ESF		
Cohesion Fund		
Operational Programme 2 (CCI number) total		
ERDF		
ESF		
Cohesion Fund		
Grand Total		

¹⁵ In case of multi-Fund or multi-objective operational programmes, the forecasts shall be also indicated by Fund and by objective.

¹⁶ Only provisional forecasts of likely payment applications in respect of the Community contribution, and not total expenditure forecast, should be stated in the table. In the provisional forecasts of likely payment applications, the Community contribution should be stated for the year in question, and should not be cumulated from the beginning of the programming period.

ANNEX XVIII

ANNUAL AND FINAL REPORTING:

1- Identification

OPERATIONAL PROGRAMME	Objective concerned
	Eligible area concerned
	Programming period
	Programme number (CCI No)
	Programme title
ANNUAL IMPLEMENTATION REPORT	Reporting year
	Date of approval of the annual report by the monitoring committee

2- Overview of the implementation of the Operational Programme

2.1. Achievement and analysis of the progress

- **Information on the physical progress of the Operational Programme:**

- For each quantifiable indicator mentioned in the Operational Programme and in particular the core indicators relating to the objectives and the expected results (for the year N, for the previous reporting years, as well as cumulatively):

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Indicator 1:	Achievement										
	Target ¹⁷										
	Baseline*										
.....	...										
Indicator n:	Achievement										
	Target ¹⁸										
	Baseline										

In addition, the information may be presented graphically.

All indicators shall be broken down by gender, where possible. If the figures (data) are not yet available, information on when they will become available and when the managing authority will provide it to the Commission shall be stated.

- **Financial information (All financial data should be expressed in euro)**

¹⁷ The target can be given either annually or for the whole programming period.

¹⁸ The target can be given either annually or for the whole programming period.

Priority axes by source of funding (EUR)

	Expenditure paid out by the beneficiaries included in payment claims sent to the managing authority	Corresponding public contribution	Private expenditure ¹⁹	Expenditure paid by the body responsible for making payments to the beneficiaries	Total payments received from the Commission
Priority Axis 1 Specify the Fund Of which ESF type expenditure Of which ERDF type expenditure					
Priority Axis 2 Specify the Fund Of which ESF type expenditure Of which ERDF type expenditure					
Priority Axis ... Specify the Fund Of which ESF type expenditure Of which ERDF type expenditure					
Grand Total					
Total in transitional regions in the grand total					
Total in non-transitional regions in the grand total					
ESF type expenditure in the grand total where the Operational Programme is co-financed by the ERDF ²⁰					
ERDF type expenditure in the grand total where the Operational Programme is co-financed by the ESF					

In addition, financial information may also be provided graphically.

¹⁹ Only applicable for operational programmes expressed in total cost.

²⁰ This field shall be completed where the operational programme is co-financed by the ERDF or the ESF where use is made of the option under Article 34 (2) of Regulation (EC) No 1083/2006.

- **Information about the breakdown of use of the Funds**

- Information in accordance with Part C of Annex II.

- **Assistance by target groups**

- For ESF co-financed operational programmes: information by target groups in accordance with Annex XXIII.

- For ERDF co-financed operational programme: any relevant information on any specifically targeted groups, sectors or areas (where relevant).

- **Assistance repaid or re-used**

- Information on the use made of assistance repaid or re-used following cancellation of assistance as referred to in Articles 57 and 98(2) of the Regulation (EC) No 1083/2006.

- **Qualitative analysis**

- Analysis of the achievements as measured by physical and financial indicators, including a qualitative analysis on the progress achieved in relation to the targets set out initially. Particular attention shall be paid to the operational programme's contribution to the Lisbon process including its contribution to the achievement of the targets of Article 9 (3) of Regulation (EC) No 1083/2006.

- Demonstration of the effects of the implementation of the operational programme on the promotion of equal opportunities between men and women as appropriate and description of the partnership agreements.

- For ESF co-financed operational programmes: information required by Article 10 of Regulation (EC) No 1081/2006.

2.2. Information about compliance with Community law

- Any significant problems relating to the compliance with Community law which have been encountered in the implementation of the operational programme and the measures taken to deal with them.

2.3 Significant problems encountered and measures taken to overcome them

- Any significant problems encountered in implementing the operational programme, including a summary of serious problems identified under the procedure in Article 62 (1) (d) (i) of Regulation (EC) No 1083/2006, where appropriate, as well as any measures taken by the managing authority or the monitoring committee to solve the problems.

- For ESF funded programmes: any significant problems encountered in implementing the actions and activities of Article 10 of Regulation (EC) No 1081/2006.

2.4 Changes in the context of the operational programme implementation (if relevant)

- Description of any elements which, without stemming directly from the assistance of the operational programme, have a direct impact on the programme's implementation (such as legislative changes or unexpected socio-economic developments).

2.5. Substantial modification under Article 57 of Regulation (EC) No 1083/2006 (if relevant)

- Cases where a substantial modification under Article 57 of Regulation (EC) No 1083/2006 has been detected.

2.6 Complementarity with other instruments

- Summary of the implementation of the arrangements made ensuring demarcation and coordination between the assistance from the ERDF, the ESF, the Cohesion Fund, the EAFRD, the EFF, and the interventions of the EIB and other existing financial instruments (Article 9 (4) of Regulation (EC) No 1083/2006)

2.7 Monitoring arrangements

- Monitoring and evaluation measures taken by the management authority or the monitoring committee, including data collection arrangements, difficulties encountered and steps taken to solve them.

2.8 National performance reserve (where applicable and only for the annual implementation report submitted for 2010)

- Information described in Article 50 of Regulation (EC) No 1083/2006.

3- Implementation by priority

3.1 Priority 1

3.1.1. Achievement of targets and analysis of the progress

- **Information on the physical and financial progress of the priority**

- Information on the physical and financial progress of the priority for each quantifiable indicator (financial and physical, in particular the core indicators relating to the objectives and the expected results) (for the year N, for the previous reporting years as well as cumulatively).

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Indicator 1:	Achievement										
	Target										
	Baseline*										
.....	...										
Indicator n:	Achievement										
	Target										
	Baseline										

In addition, the information may also be presented graphically.

All indicators shall be broken down by gender, where possible. If the data are not yet available, the information on when they will become available and when the managing authority will provide it to the Commission shall be stated.

- For ESF co-financed operational programmes: information by target groups in accordance with Annex XXIII.

- For ERDF co-financed operational programmes receiving a contribution of the ERDF under the specific allocation for outermost regions: the breakdown of the expenditure between operational costs and investments in infrastructures.

- **Qualitative analysis**

- Analysis of the achievements as measured by physical and financial indicators, including a qualitative analysis on the progress achieved in relation to the targets set out initially.

- Demonstration of the effects of the promotion of equal opportunities between men and women (as appropriate).

- Information on the total share of the priority allocation used in accordance with Article 34(2) of Regulation (EC) No 1083/2006. For ESF programmes, information required in Article 10 of the Regulation (EC) No 1081/2006.

- List of unfinished operations and the schedule for their completion (final report only)

3.1.2. Significant problems encountered and measures taken to overcome them

- Information on any significant problems encountered in implementing the priority, including a summary of serious problems identified under the procedure in Article 62 (1) (d) (i) of Regulation (EC) No 1083/2006, where appropriate, as well as any measures taken by the managing authority or the monitoring committee to solve the problems.

3.2 Priority 2 (...)idem

3.3 Priority 3 (...) idem

4. ESF programmes: Coherence and Concentration

For ESF programmes:

- a description of how the actions supported by the ESF are consistent with and contribute to the actions undertaken in pursuance of the European Employment Strategy within the framework of the national reform programmes and national action plans for social inclusion.

- a description of how the ESF actions contribute to implementation of the employment recommendations and of the employment related objectives of the Community in the field of social inclusion, education and training (Article 4(1) of Regulation (EC) No 1081/2006).

5. ERDF/CF programmes: major projects (if applicable)

- progress in the implementation of major projects;
- progress in the financing of major projects
- any change in the indicative list of major projects in the operational programme.

6. Technical Assistance

- explanation of the use made of technical assistance.
- percentage of the amount of the Structural Funds contribution allocated to the operational programme spent under technical assistance.

7. Information and publicity

- measures taken to provide information and publicity on the operational programme, including examples of best practice and highlighting significant events.
 - indicators, including in the form of tables as provided for in Chapter 3 of this Annex.
-

ANNEX XXI**MAJOR PROJECT
REQUEST FOR CONFIRMATION OF ASSISTANCE UNDER
ARTICLES 39 TO 41 OF REGULATION (EC) NO 1083/2006****EUROPEAN REGIONAL DEVELOPMENT FUND /
COHESION FUND****INFRASTRUCTURE INVESTMENT²¹****[Project title]****CCI No [.....]**

TABLE OF CONTENTS

- A. ADDRESSES AND REFERENCES
 - B. PROJECT DETAILS
 - C. RESULTS OF FEASIBILITY STUDIES
 - D. TIMETABLE
 - E. COST-BENEFIT ANALYSIS
 - F. ANALYSIS OF THE ENVIRONMENTAL IMPACT
 - G. JUSTIFICATION FOR THE PUBLIC CONTRIBUTION
 - H. FINANCING PLAN
 - I. COMPATIBILITY WITH COMMUNITY POLICIES AND LAW
 - J. ENDORSEMENT OF COMPETENT NATIONAL AUTHORITY
- ANNEX I DECLARATION BY AUTHORITY RESPONSIBLE FOR MONITORING
NATURA 2000 SITES
- ANNEX II – COST-BENEFIT ANALYSIS
- [List all annexes]

21 This form shall be used for those projects for a grant to a public infrastructure, and not those mentioned under Article 55 (6) of Council Regulation (EC) No 1083/2006 that are subject to state aid rules within the meaning of Article 87 of the Treaty.

A. ADDRESSES AND REFERENCES

A.1. Authority responsible for the application (i.e., managing authority or intermediate body)

A.1.1. Name: TEXT

A.1.2. Address: TEXT

A.1.3. Contact: TEXT

A.1.4. Telephone: TEXT

A.1.5. Telex/Fax: TEXT

A.1.6. E-mail: TEXT

A.2. Organisation responsible for project implementation (beneficiary)

A.2.1. Name: TEXT

A.2.2. Address: TEXT

A.2.3. Contact: TEXT

A.2.4. Telephone: TEXT

A.2.5. Telex/Fax: TEXT

A.2.6. E-mail: TEXT

B. PROJECT DETAILS

B.1.1. Title of project / project phase:

TEXT BOX

B.2. Categorisation of project activity²²

B.2.1. Code for the priority theme dimension

Code	Percentage
Code	Percentage

B.2.2. Code for the form of finance dimension

Code

B.2.3. Code for the territorial dimension

Code

B.2.4. Code for the economic activity dimension²³

Code	Percentage
Code	Percentage

B.2.4.1. NACE Code²⁴

Code

B.2.5. Code for the location dimension (NUTS/LAU)²⁵

Code

²² Annex II to Commission Regulation 1828/2006, unless otherwise specified.

²³ Where a project involves more than one economic activity, multiple codes may be indicated. In that case the percentage share for each code should be indicated with the total not exceeding 100%.

²⁴ NACE-Rev.1, 4 digit code :

http://europa.eu.int/comm/competition/mergers/cases/index/nace_all.html

B.3. Compatibility and coherence with the Operational Programme

B.3.1. Title of the related Operational Programme:

TEXT BOX

B.3.2. Common Code for Identification (CCI) No of Operational Programme

TEXT BOX

B.3.3. Commission decision (no and date):

TEXT BOX

B.3.4. Fund

ERDF

Cohesion Fund

B.3.5. Title of the priority axis

TEXT BOX

B.4. Project description

B.4.1. Project (or project phase) description:

a) Provide a description of the project (or project phase).

TEXT BOX

b) Where the project is a phase of an overall project, provide a description of the proposed stages of implementation (explaining whether they are technically and financially independent).

TEXT BOX

c) What criteria have been used to determine the division of the project into phases?

TEXT BOX

B.4.2. Technical description of the investment in infrastructure

a) Describe the proposed infrastructure and the work for which assistance is being proposed specifying its main characteristics and component elements.

TEXT BOX

b) In respect of the work involved, identify and quantify the key output indicators to be used:

TEXT BOX

c) Main beneficiaries of the infrastructure (i.e. target population served, quantified where possible):

TEXT BOX

d) Is the construction of the infrastructure to be delivered through a public-private partnership (PPP)?

Yes No

If yes, describe the form of the PPP (i.e., selection process for private partner, structure of PPP, infrastructure ownership arrangements, risk allocation arrangements, etc.):

TEXT BOX

Give details of how the infrastructure is to be managed after the project is completed (i.e., public management, concession, other form of PPP)

TEXT BOX

e) Does the project part of a cross-border measure involve two or more Member States?

Yes No

If so, specify which measure:

TEXT BOX

f) Does the project form part of a Trans-European Network agreed at Community level?

Yes No

TEXT BOX

B.5. Project objectives

B.5.1. Current infrastructure endowment and impact of the project

Indicate the extent to which the region(s) is/are at present endowed with the type of infrastructure covered by this application; compare it with the level of infrastructure endowment aimed for by target year 20.....(i.e., according to the relevant strategy or national/regional plans, where applicable). Indicate the foreseeable contribution of the project to the strategy/plan objectives. Specify potential bottlenecks or other problems to be resolved.

TEXT BOX

B.5.2. Socio-economic objectives

Indicate the project's socio-economic objectives and targets.

TEXT BOX

B.5.3. Contribution to the achievement of the Operational Programme

Describe how the project contributes to the achievement of the priorities of the Operational Programme (provided quantified indicators where possible)

TEXT BOX

C. RESULTS OF FEASIBILITY STUDIES

C.1. Demand analysis

Provide a summary of the demand analysis, including the predicted utilisation rate on completion and the demand growth rate.

TEXT BOX

C.2. Options considered

Outline the alternative options considered in the feasibility studies.

TEXT BOX

C.3. Provide a summary of the main conclusions of the feasibility studies conducted

TEXT BOX

Give precise references if ERDF, Cohesion Fund, ISPA or other Community assistance is/was involved in the financing of the feasibility studies.

TEXT BOX

D. TIMETABLE

D.1. Project timetable

Give below the timetable for the development of the overall project.

Foresee a separate entry in the table for each contract or phase, where relevant. Where the application concerns a project stage, clearly indicate in the table the elements of the overall project for which assistance is being sought by this application:

	Start date (A)	Completion date (B)
1. Feasibility studies:	dd/mm/yyyy	dd/mm/yyyy
2. Cost-benefit analysis (including financial analysis):	dd/mm/yyyy	dd/mm/yyyy
3. Environmental impact assessment:	dd/mm/yyyy	dd/mm/yyyy
4. Design studies:	dd/mm/yyyy	dd/mm/yyyy
5. Preparation of Tender documentation:	dd/mm/yyyy	dd/mm/yyyy
6. Expected launch of tender procedure(s)	dd/mm/yyyy	
7. Land acquisition:	dd/mm/yyyy	dd/mm/yyyy
8. Construction phase / contract:	dd/mm/yyyy	dd/mm/yyyy
9. Operational phase:	dd/mm/yyyy	

Please attach a summary schedule of the main categories of works (i.e., a Gantt chart, where available).

D.2. Project maturity

Describe the project timetable (D.1) in terms of the technical and financial progress and current maturity of the project under the following headings:

D.2.1. Technical (feasibility studies, etc.):

TEXT BOX

D.2.2. Administrative (authorisations, EIA, land purchase, invitations to tender, etc.):

TEXT BOX

D.2.3. Financial (commitment decisions in respect of national public expenditure, loans requested or granted, etc. - give references):

TEXT BOX

D.2.4. If the project has already started, indicate the current state of works:

TEXT BOX

E. COST-BENEFIT ANALYSIS

This section should be based on the Guidelines on the methodology for carrying out the cost-benefit-analysis of major projects. In addition to the summary elements to be provided, the full cost-benefit analysis document shall be provided in support of this application as Annex II.

E.1. Financial analysis

The key elements from the financial analysis of the CBA should be summarised below.

E.1.1. Short description of methodology and specific assumptions made

TEXT BOX

E.1.2. Main elements and parameters used for financial analysis

	Main elements and parameters	Value Not discounted	Value Discounted (Net Present Value)
1	Reference period (years)		
2	Financial discount rate (%) ²⁶		
3	Total investment cost (in euro, not discounted)		
4	Total investment cost (in euro, discounted)		
5	Residual value (in euro, not discounted)		
6	Residual value (in euro, discounted)		
7	Revenues (in euro, discounted)		
8	Operating costs (in euro, discounted)		
9	Net revenue = revenues – operating costs + residual value (in euro, discounted) = (7) – (8) + (6)		
10	Eligible expenditure (Article 55 (2)) = investment cost – net revenue (in euro, discounted) = (4) – (9)		
11	Funding gap rate (%) = (10) / (4)		

[The costs and revenues should be based on figures excluding VAT]

E.1.3. Main results of the financial analysis

²⁶ Specify if the rate is real or nominal. If the financial analysis is conducted in constant prices, a financial discount rate expressed in real terms shall be used. If the analysis is conducted in current prices, a discount rate in nominal terms shall be used.

	Without Community assistance (FRR/C) A	With Community assistance (FRR/K) B
1. Financial rate of (%) return	FRR/C	FRR/K
2. Net present value (euro)	FNPV/C	FNPV/K

E.1.4. Revenues generated over its lifetime

If the project is expected to generate revenues through tariffs or charges borne by users, please give details of charges (types and level of charges, principle on the basis of which the charges have been established).

a) Do the charges cover the operational costs and depreciation of the project?

TEXT BOX

b) Do the charges differ between the various users of the infrastructure?

TEXT BOX

c) Are the charges proportional

i. To the use of the project/real consumption?

TEXT BOX

ii. To the pollution generated by users?

TEXT BOX

If no tariffs or charges are proposed, how will operating and maintenance costs be covered?

TEXT BOX

E.2. Socio-economic analysis

E.2.1. Provide a short description of methodology (key assumptions made in valuing costs and benefits) and the main findings of the socio-economic analysis:

TEXT BOX

E.2.2. Give details of main economic costs and benefits identified in the analysis together with values assigned to them:

Benefit	Unit value (where applicable)	Total value (in euro, discounted)	% of total benefits
...
Cost	Unit value	Total value	% of total

	(where applicable)	(in euro, discounted)	costs
...

E.2.3. Main indicators of the economic analysis

Main parameters and indicators	Values
1. Social discount rate (%)	
2. Economic rate of return (%)	
3. Economic net present value (in euro)	
4. Benefit-cost ratio	

E.2.4. Employment effects of project

Provide an indication of the number of jobs to be created (expressed in terms of full-time equivalents (FTE))

Number of jobs directly created:	No (FTE) (A)	Average duration of these jobs (months) (B)
1. During implementation phase		
2. During operational phase		

[NB: indirect jobs created or lost are not sought for public infrastructure investments].

E.2.5. Identify the main non-quantifiable / non valuable benefits and costs:

TEXT BOX

E.3. Risk and sensitivity analysis

E.3.1 Short description of methodology and summary results

TEXT BOX

E.3.2 Sensitivity analysis

State the percentage change applied to the variables tested:

Present the estimated effect on results of financial and economic performance indexes.

Variable tested	Financial Rate of Return variation	Financial Net Present Value variation	Economic Rate of Return variation	Economic Net Present Value variation

Which variables were identified as critical variables? State which criterion is applied.

TEXT BOX

Which are the switching values of the critical variables?

TEXT BOX

E.3.3 Risk analysis

Describe the probability distribution estimate of the project's financial and economic performance indexes. Provide relevant statistical information (expected values, standard deviation)

TEXT BOX

F. ANALYSIS OF THE ENVIRONMENTAL IMPACT

F.1. How does the project:

- a) contribute to the objective of environmental sustainability (European climate change policy, halting loss of biodiversity, other ...)
- b) respect the principles of preventive action and that environmental damage should as a priority be rectified at source
- c) respect the "polluter pays" principle

TEXT BOX

F.2. Consultation of environmental authorities

Have the environmental authorities likely to be concerned by the project been consulted by reason of their specific responsibilities?

Yes No

If yes, please give name(s) and address(es) and explain that authority's responsibility:

TEXT BOX

If no, please give reasons:

TEXT BOX

F.3. Environmental Impact Assessment

F.3.1. DEVELOPMENT CONSENT²⁷

F.3.1.1. Has development consent already been given to this project?

Yes No

F.3.1.2. If yes, on which date

DD/MM/YYYY

F.3.1.3. If no, when was the formal request for the development consent introduced:

DD/MM/YYYY

F.3.1.4. By which date is the final decision expected?

DD/MM/YYYY

F.3.1.5. Specify the competent authority or authorities, which has given or will give the development consent

TEXT BOX

²⁷ 'development consent' means the decision of the competent (national) authority or authorities which entitles the developer to proceed with the project.

*F.3.2. APPLICATION OF COUNCIL DIRECTIVE 85/337/EEC ON ENVIRONMENTAL IMPACT ASSESSMENT (EIA)*²⁸

F.3.2.1. Is the project a class of development covered by:

- Annex I of the Directive (go to question F3.2.2)
- Annex II of the Directive (go to question F.3.2.3)
- Neither of the two annexes (go to question F.3.3)

F.3.2.2. When covered by Annex I of the Directive, include the following documents:

- a) the information referred to in Article 9 (1) of the Directive
- b) the non-technical summary²⁹ of the Environmental Impact Study carried out for the project;
- c) information on consultations with environmental authorities, the public concerned and, if applicable, with other Member States.

F.3.2.3. When covered by Annex II of the Directive, has an Environmental Impact Assessment been carried out for this project?

- Yes
(in which case, include the necessary documents listed under point F3.2.2)
- No
(in which case, explain the reasons and give the thresholds, criteria or case by case examination carried out to reach the conclusion that the project has no significant environmental effects):

TEXT BOX

*F.3.3. APPLICATION OF THE STRATEGIC ENVIRONMENTAL ASSESSMENT DIRECTIVE 2001/42/EC*³⁰ (SEA-Directive)

F.3.3.1. Does the project result from a plan or programme falling within the scope of the SEA Directive?

- NO - in which case please provide a short explanation:

TEXT BOX

- YES - in which case, in order to appreciate if wider potential cumulative effects of the project have been addressed, please provide either an internet link to or an electronic copy of the non-

²⁸ on the assessment of the effects of certain public and private projects on the environment (the "EIA Directive"), OJ L 175, 5.7.1985, as last amended by Directive 2003/35/EC, OJ L 156, 25.6.2003.

²⁹ Prepared under Article 5 (3) of Directive 85/337/EEC, as amended.

³⁰ Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment, OJ L 197 of 21.7.2001.

technical summary³¹ of the Environmental Report carried out for the plan or programme.

F.4. ASSESSMENT OF EFFECTS ON NATURA 2000 SITES

F.4.1. Is the project likely to have significant negative effects on sites included or intended to be included in the NATURA 2000 network?

Yes, in which case

(1) Please provide a summary of the conclusions of the appropriate assessment carried out according to Article 6 (3) of Directive 92/43/EEC³²

TEXT BOX

(2) In case, compensation measures were deemed necessary according to Article 6 (4), please provide a copy of the form "Information on projects likely to have significant negative effect on NATURA 2000 sites, as notified to the Commission (DG Environment) under Directive 92/43/EEC³³".

No, in which case attach a completed Annex I declaration filled in by the relevant authority.

F.5. Additional environmental integration measures

Does the project envisage, apart from Environmental Impact Assessment, any additional environmental integration measures (e.g. environmental audit, environmental management, specific environmental monitoring) ?

Yes

No

If yes, specify

TEXT BOX

F.6. Cost of measures taken for correcting negative environmental impacts

If included in total cost, estimate proportion of cost of measures taken to reduce and/or to compensate for negative environmental impacts

%

Explain briefly:

TEXT BOX

F.7. In case of projects in the areas of water, waste water and solid waste:

Explain whether the project is consistent with a sectoral/integrated plan and programme associated with the implementation of Community policy or legislation in those areas:

³¹ Prepared under Annex I (j) of Directive 2001/42/EC.

³² OJ L 206 of 22.07.92.

³³ Document 99/7 rev.2 adopted by the Habitats Committee (Member States representatives established under Directive 92/43/EEC) at its meeting on 04.10.99.

TEXT BOX

G. JUSTIFICATION FOR THE PUBLIC CONTRIBUTION

The socio economic analysis set out above provides information on the internal rate of return of the project. The financial analysis demonstrates the financing gap and the impact of the Community assistance on the financial viability of the project. Please complete this information with the elements set out below.

G.1. Competition

Does this project involve State Aids?

Yes No

If yes, please give in the table below the amount of aid, and, for approved aid the state aid number and the reference of the approval letter, for block-exempted aid the respective registry number, and for pending notified aid the state aid number³⁴.

Sources of aid (local, regional, national and Community):	Amount of aid euro	State Aid number/ registry number for block-exempted aid	Reference of approval letter
Approved aid schemes, approved ad hoc aid, or aid falling under a block exemption regulation : <ul style="list-style-type: none"> ▪ ▪ 			
Aid foreseen under pending notifications (ad hoc aid or schemes) : <ul style="list-style-type: none"> ▪ ▪ 			
Aid for which a notification is outstanding (ad hoc aid or schemes) <ul style="list-style-type: none"> ▪ ▪ 			
Total aid granted:			
Total cost of the investment project			

G.2. Impact of Community assistance on project implementation

For each affirmative answer, give details:

Will Community assistance:

a) accelerate implementation of the project?

Yes No

b) be essential to implementation of the project?

³⁴ This application does not replace notification to the Commission under Article 88 (3) of the Treaty. A positive decision by the Commission on the major project under Regulation (EC) No 1083/2006 does not constitute state aid approval.

Yes

No

TEXT BOX

H. FINANCING PLAN

The decision amount and other financial information in this section must be coherent with the basis (total or public cost) for the co-financing rate of the priority axis. Where private expenditure is not eligible for financing under the priority axis it shall be excluded from the eligible costs; where private expenditure is eligible it may be included.

H.1. Cost breakdown

Euro	TOTAL PROJECT COSTS (A)	INELIGIBLE COSTS ³⁵ (B)	ELIGIBLE COSTS (C)=(A)-(B)
1. Planning/design fees			
2. Land purchase			
3. Building and construction			
4. Plant and machinery			
5. Contingencies ³⁶			
6. Price adjustment (if applicable) ³⁷			
7. Technical assistance			
8. Publicity			
9. Supervision during construction implementation			
10. Sub-TOTAL			
11. (VAT ³⁸)			
12. TOTAL			

H.2. Total planned resources and planned contribution from the Funds

The funding gap rate was already presented under Section E.1.2. This should be applied to the eligible cost to calculate the “amount to which the co-financing rate for the priority axis

35 Ineligible costs comprise (i) expenditure outside the eligibility period, (ii) expenditure ineligible under national rules (Article 56 (4) of Council Regulation 1083/2006), (iii) other expenditure not presented for co-financing.

NB: The eligibility date for expenditure is the date of receipt of the relevant operational programme or single programming document application by the Commission or 1 January 2007, whichever is the earlier.

36 Contingencies should not exceed 10% of total investment cost net of contingencies. These contingencies may be included in the total eligible costs used to calculate the planned contribution of the funds – Section H2.

37 A price adjustment may be included, where relevant, to cover expected inflation where the eligible cost values are in constant prices.

38 Where VAT is considered as eligible, give reasons.

applies” (Article 41 (2) of Council Regulation (EC) No 1083/2006). This is then multiplied by the co-financing rate of the priority axis to determine the Community contribution.

H.2.1. Community contribution calculation

		Value
1.	Eligible cost (in euro, not discounted) (Section H.1.12(C))	
2.	Funding gap rate (%) = (E.1.2.11)	
3.	Decision amount, i.e. the “amount to which the co-financing rate for the priority axis applies” (Article 41 (2)) = (1)*(2) (respecting the maximum public contribution according to state aid rules)	
4.	Co-financing rate of the priority axis (%)	
5.	Community contribution (in euro) = (3)*(4)	

H.2.2. Sources of co-financing

In the light of the results of the financing gap calculation (where relevant) the total investment costs of the project shall be met from the following sources:

Source of total investment costs (€)					Of which (for Information)
Total investment cost [H.1.12.(A)]	Community assistance [H.2.1.5]	National public (or equivalent)	National private	Other sources (specify)	EIB/EIF loans:
a)= b)+c)+d)+e)	b)	c)	d)	e)	f)

The details of the decision(s) on national public financing, loans, etc., should be provided in Section D.2.3 above.

Loan financing, where it is used, is attributed to the body liable to repay the loan, national public or national private. Only in the case of EIB/EIF loans is it requested to identify the sum of loan financing for information purposes.

H.3. Annual financing plan of Community contribution

The Community contribution (H.2.1.5) shall be presented below in terms of the share of annual programme commitment.

(in Euro)	2007	2008	2009	2010	2011	2012	2013
[CF/ ERDF - specify]							

I. COMPATIBILITY WITH COMMUNITY POLICIES AND LAW

Article 9 (5) of Regulation (EC) No 1083/2006 states that “operations financed by the Funds shall comply with the provisions of the Treaty and of acts adopted under it.”

In addition to the elements already set out above please provide the following information:

I.1. Other Community financing sources

I.1.1. Has an application been made for assistance from any other Community source (including ERDF, ESF, Cohesion Fund, TEN-T Budget, LIFE+, ...) for this project?

Yes No

If yes, please give details (financial instrument concerned, reference Nos, dates, amounts requested, amounts granted, etc.):

TEXT BOX

I.1.2. Is this project complementary to any project already financed or to be financed by the ERDF, ESF, Cohesion Fund, TEN-T Budget, other source of Community finance?

Yes No

If yes, give details (provide precise details, reference Nos, dates, amounts requested, amounts granted, etc.):

TEXT BOX

I.1.3. Has an application been made for loan or equity support from EIB / EIF for this project?

Yes No

If yes, please give details (financial instrument concerned, reference Nos, dates, amounts requested, amounts granted, etc.):

TEXT BOX

I.1.4. Has an application been made for assistance from any other Community source (including ERDF, ESF, Cohesion Fund, EIB, EIF ...) for an earlier phase of this project (including feasibility and preparatory phases)?

Yes No

If yes, please give details (financial instrument concerned, reference Nos, dates, amounts requested, amounts granted, etc.):

TEXT BOX

I.2. Is the project subject to a legal procedure for compliance with Community legislation?

Yes No

If yes, please give details:

TEXT BOX

I.3. Publicity measures

Give details of the proposed measures to publicise Community assistance (i.e., type of measure, brief description, estimated costs, duration, etc.):

TEXT BOX

I.4. Involvement of JASPERS in project preparation

I.4.1. Has JASPERS technical assistance contributed to any part of the preparation of this project? M

Yes No

I.4.2. Describe the elements of the project where JASPERS had an input (e.g. environmental compliance, procurement, review of technical description).

TEXT BOX

I.4.3. What were the principal conclusions and recommendations of the JASPERS contribution and were these taken into account in the finalisation of the project?

TEXT BOX

I.5. Public procurement

In cases where contracts have been advertised in the Official Journal of the European Communities, give reference.

Contract	Date	Reference
...

J. ENDORSEMENT OF COMPETENT NATIONAL AUTHORITY

I confirm that the information presented in this form is accurate and correct.

NAME:

SIGNATURE:

ORGANISATION:

(MANAGING AUTHORITY)

DATE:

—

ANNEX I
DECLARATION BY AUTHORITY RESPONSIBLE FOR MONITORING
NATURA 2000 SITES

Responsible Authority _____

Having examined the project application _____

Which is to be located at _____

Declares that the project is not likely to have significant effects on a *NATURA 2000* site on the following grounds:

text box

Therefore an appropriate assessment required by Article 6 (3) was not deemed necessary.

A map at scale of 1:100.000 (or the nearest possible scale) is attached, indicating the location of the project as well as the *NATURA 2000* sites concerned, if any.

Date (dd/mm/yyyy): _____

Signed: _____

Name: _____

Position: _____

Organisation: _____

(Authority responsible for monitoring *NATURA 2000* sites)

Official Seal:

—

ANNEX XXII**MAJOR PROJECT
REQUEST FOR CONFIRMATION OF ASSISTANCE UNDER
ARTICLES 39 TO 41 OF REGULATION (EC) NO 1083/2006****EUROPEAN REGIONAL DEVELOPMENT FUND /
COHESION FUND****PRODUCTIVE INVESTMENT³⁹****[Project title]****CCI No [.....]**

TABLE OF CONTENTS

- A. ADDRESSES AND REFERENCES
 - B. PROJECT DETAILS
 - C. RESULTS OF FEASIBILITY STUDIES
 - D. TIMETABLE
 - E. COST-BENEFIT ANALYSIS
 - F. ANALYSIS OF THE ENVIRONMENTAL IMPACT
 - G. JUSTIFICATION FOR THE PUBLIC CONTRIBUTION
 - H. FINANCING PLAN
 - I. COMPATIBILITY WITH COMMUNITY POLICIES AND LAW
 - J. ENDORSEMENT OF COMPETENT NATIONAL AUTHORITY
- ANNEX I DECLARATION BY AUTHORITY RESPONSIBLE FOR MONITORING
NATURA 2000 SITES
- ANNEX II – COST-BENEFIT ANALYSIS
- [List all annexes]

39 This form shall be used for those projects mentioned in Article 55 (6) of Regulation (EC) No 1083/2006 that are subject to state aid rules under Article 87 of the Treaty.

ADDRESSES AND REFERENCES

A. ADDRESSES AND REFERENCES

A.1. Authority responsible for the application (i.e., managing authority or intermediate body)

A.1.1. Name: TEXT

A.1.2. Address: TEXT

A.1.3. Contact: TEXT

A.1.4. Telephone: TEXT

A.1.5. Telex/Fax: TEXT

A.1.6. E-mail: TEXT

A.2. Organisation responsible for project implementation (beneficiary)

A.2.1. Name: TEXT

A.2.2. Address: TEXT

A.2.3. Contact: TEXT

A.2.4. Telephone: TEXT

A.2.5. Telex/Fax: TEXT

A.2.6. E-mail: TEXT

B. PROJECT DETAILS

B.1. Description of the project

B.1.1. Name of the project/ project phase:

TEXT BOX

B.1.2. Name of the undertaking: TEXT

B.1.3. Is the undertaking an SME⁴⁰ ?

Yes No

B.1.4. Turnover: value million euro

B.1.5. Total number of persons employed: value

B.1.6. Group structure:

Are 25% or more of the capital or voting rights of the undertaking owned by one enterprises or a group of enterprises falling outside the definition of an SME?

Yes No

Indicate the name and describe the group structure.

TEXT BOX

B.2. Categorisation of project activity⁴¹

B.2.1. Code for the priority theme dimension⁴²

B.2.2. Code for the form of finance dimension

B.2.3. Code for the territorial dimension

B.2.4. Code for the economic activity dimension

B.2.4.1. NACE Code⁴³

B.2.4.2. Nature of the investment ⁴⁴

B.2.4.3. Product concerned ⁴⁵

B.2.5. Code for the location dimension (NUTS/LAU)⁴⁶

B.3. Compatibility and coherence with the Operational Programme

B.3.1. Title of the related Operational Programme:

TEXT BOX

B.3.2. Common Code for Identification (CCI) No of Operational Programme

TEXT BOX

B.3.3. Commission decision (no and date):

TEXT BOX

B.3.4. Fund

ERDF Cohesion Fund

B.3.5. Title of the priority axis:

TEXT BOX

41 Annex II to the Commission Regulation 1828/2006, unless otherwise specified.

42 Where a project involves more than one economic activity, multiple codes may be indicated. In that case, the percentage share for each code should be indicated with the total not exceeding 100%

43 NACE-Rev.1, 4 digit code :

http://europa.eu.int/comm/competition/mergers/cases/index/nace_all.html

44 New construction = 1; extension = 2; conversion/modernisation = 3; change of locality = 4; creation by take-over = 5.

45 Common Nomenclature (CN), Regulation EC 1789/2003, OJ L281 30/12/2003.

46 NUTS codes: http://europa.eu.int/comm/eurostat/ramon/nuts/home_regions_en.html. Please use the most detailed and relevant NUTS code. Where a project affects more than three individual Nuts – Lau 2 level areas, consider encoding the NUTS/LAU1 or higher codes.

B.4. Project description*B.4.1. Project (or project phase) description:*

e) Provide a description of the project (or project phase).

TEXT BOX

f) Where the project is a phase of an overall project, provide a description of the proposed stages of implementation (explaining whether they are technically and financially independent).

TEXT BOX

g) What criteria have been used to determine the division of the project into phases?

TEXT BOX

B.4.2. Technical description of the productive investment

Fully describe:

d) The work involved, specifying its main characteristics and component elements (use quantified indicators where possible)

TEXT BOX

e) The establishment, main activities and main elements of the financial structure of the enterprise

TEXT BOX

f) The objectives of the investment and main aspects of the expansion, re-conversion or restructuring plan covering the investment.

TEXT BOX

g) Describe the production technology and equipment.

TEXT BOX

h) Describe the products.

TEXT BOX

B.5. Project objectives*B.5.1. Current infrastructure endowment and impact of the project*

Indicate the extent to which the region(s) is/are at present endowed with the type of production facilities or activities covered by this application. Indicate the foreseeable contribution of the project:

TEXT BOX

B.5.2. Contribution to the achievement of the Operational Programme

Indicate how the project contributes to the achievement of the priorities of the Operational Programme (provided quantified indicators where possible)

TEXT

C. RESULTS OF FEASIBILITY STUDIES

C.1. Demand analysis

C.1.1. Describe the target markets, broken down, where appropriate, by Member State and, separately, by third countries considered as a whole:

TEXT BOX

C.1.2. Provide a summary of the demand analysis including the demand growth rate broken down, where appropriate, by Member State and, separately, by third countries considered as a whole:

TEXT BOX

C.2. Provide a summary of the main conclusions of the feasibility studies (or business plan) conducted

TEXT BOX

C.3. Capacity considerations

C.3.1. Capacity of the firm before investment (in units per year):

C.3.2. Reference date:

C.3.3. Capacity after investment (in units per year):

C.3.4. Estimate the capacity utilisation rate:

D. TIMETABLE

D.1. Project timetable

Give below the timetable for the development of the overall project.

Foresee a separate entry in the table for each contract or phase, where relevant. Where the application concerns a project stage clearly indicate in the table the elements of the overall project for which assistance is being sought by this application:

	Start date (A)	Completion date (B)
1. Feasibility study / Business plan:	dd/mm/yyyy	dd/mm/yyyy
2. Cost-benefit analysis:	dd/mm/yyyy	dd/mm/yyyy
3. Environmental impact assessment:	dd/mm/yyyy	dd/mm/yyyy
4. Land acquisition:	dd/mm/yyyy	dd/mm/yyyy
5. Construction phase:	dd/mm/yyyy	dd/mm/yyyy
6. Operational phase:	dd/mm/yyyy	

Please attach a summary schedule of the main categories of works (i.e., a Gantt chart, where available).

D.2. Project maturity

Describe the project timetable (D.1) in terms of the technical and financial progress and current maturity of the project under the following headings:

D.2.1. Technical (feasibility studies, etc.);

TEXT BOX

D.2.2. Administrative (authorisations, EIA, land purchase, etc.);

TEXT BOX

D.2.3. Financial (commitment decisions in respect of national public expenditure, loans requested or granted, etc. - give references)

TEXT BOX

D.2.4. If the project has already started, indicate the current state of works:

TEXT BOX

E. COST-BENEFIT ANALYSIS

This section should be based on the Guidelines on the methodology for carrying out the cost-benefit analysis of major projects. In addition to the summary elements to be provided below the full cost-benefit analysis document shall be provided in support of this application as Annex II.

E.1. Financial analysis

The key elements from the financial analysis of the CBA should be summarised below.

E.1.1. Short description of methodology and specific assumptions made

TEXT BOX

E.1.2. Main elements and parameters used for financial analysis

	Main elements and parameters taken into account in calculation of expected profitability	
1	Reference period (years)	
2	Financial discount rate (%)	
3	Total investment cost (in euro)	
4	Estimated capacity utilisation rate (C.3.4) (%)	
5	Capacity utilisation rate estimated to breakeven (%)	
6	Estimated increase in annual turnover realised by this investment (in euro)	
7	Turnover per person employed (in euro)	

8	% change in Turnover per person employed (only in the case of expansion of an activity)	
---	---	--

E.1.3. Main results of the financial analysis

	Without Community assistance (FRR/C)		With Community assistance (FRR/K)	
	A		B	
3. Financial rate of (%) return:		FRR/C		FRR/K
4. Net present value (euro)		FNPV/C		FNPV/K

E.2. Socio-economic analysis

E.2.1. Provide a short description of methodology (key assumptions made in valuing costs and benefits) and the main findings of the socio-economic analysis:

TEXT BOX

E.2.2. Please give details of main economic costs and benefits identified in the analysis together with values assigned to them:

Benefit	Unit value (where applicable)	Total value (in euro, discounted)	% of total benefits
...
Cost	Unit value (where applicable)	Total value (in euro, discounted)	% of total costs
...

E.2.3. Main indicators of the economic analysis

Main parameters and indicators	Values
1. Social discount rate (%)	
2. Economic rate of return (%)	
3. Economic net present value (in euro)	
4. Benefit-cost ratio	

E.2.4. Employment effects of project

- a) Provide an indication of the number of jobs to be created (expressed in terms of full-time equivalents (FTE))

	No (FTE) (A)	Average duration of these jobs (months) (B)
No of jobs directly created:		
1. During implementation phase		
2. During operational phase		
No of jobs indirectly created		
3. During implementation phase		
4. During operational phase		

- b) Jobs safeguarded

Estimate the number of jobs (full time equivalents) that would be lost if the investment is not realised:

Explain the reasons:

- c) Inter-regional employment impact

What impact is the project expected to have on employment in other regions of the Community?

Give details:

E.2.5. Identify the main non-quantifiable / non valuable benefits and costs:

E.3. Risk and sensitivity analysis

E.3.1 Short description of methodology and summary results

E.3.2 Sensitivity analysis

State the percentage change applied to the variables tested:

Present the estimated effect on results of financial and economic performance indexes.

Variable tested	Financial Rate or Return variation	Financial Net Present Value variation	Economic Rate or Return variation	Economic Net Present Value variation

Which variables were identified as critical variables? State which criterion is applied.

TEXT BOX

Which are the switching values of the critical variables?

TEXT BOX

E.3.3 Risk analysis

Describe the probability distribution estimate of the project's financial and economic performance indexes. Provide relevant statistical information (expected values, standard deviation)

TEXT BOX

F. ANALYSIS OF THE ENVIRONMENTAL IMPACT

F.1. How does the project:

- d) contribute to the objective of environmental sustainability (European climate change policy, halting loss of biodiversity, other ...)
- e) respect the principles of preventive action and that environmental damage should as a priority be rectified at source
- f) respect the "polluter pays" principle

TEXT BOX

F.2. Consultation of environmental authorities

Have the environmental authorities likely to be concerned by the project been consulted by reason of their specific responsibilities?

Yes No

If yes, please give name(s) and address(es) and explain that authority's responsibility:

TEXT BOX

If no, please give reasons

TEXT BOX

F.3. Environmental Impact Assessment

F.3.1. DEVELOPMENT CONSENT⁴⁷

F.3.1.1. Has development consent already been given to this project?

Yes No

F.3.1.2. If yes, on which date

DD/MM/YYYY

F.3.1.3. If no, when was the formal request for the development consent introduced:

DD/MM/YYYY

F.3.1.4. By which date is the final decision expected?

DD/MM/YYYY

F.3.1.5. Specify the competent authority or authorities, which has given or will give the development consent

TEXT BOX

⁴⁷ 'development consent' means the decision of the competent (national) authority or authorities which entitles the developer to proceed with the project.

F.3.2. APPLICATION OF COUNCIL DIRECTIVE 85/337/EEC ON ENVIRONMENTAL IMPACT ASSESSMENT (EIA)⁴⁸

F.3.2.1. Is the project a class of development covered by:

- Annex I of the Directive (go to question F3.2.2)
- Annex II of the Directive (go to question F.3.2.3)
- Neither of the two annexes (go to question F.3.3)

F.3.2.2. When covered by Annex I of the Directive, include the following documents:

- a) The information referred to in Article 9 (1) of the Directive
- b) The non-technical summary⁴⁹ of the Environmental Impact Study carried out for the project;
- c) Information on consultations with environmental authorities, the public concerned and, if applicable, with other Member States.

F.3.2.3. When covered by Annex II of the Directive, has an Environmental Impact Assessment been carried out for this project?

- Yes
(in which case include the necessary documents listed under point F3.2.2)
- No
(in which case explain the reasons and give the thresholds, criteria or case by case examination carried out to reach the conclusion that the project has no significant environmental effects) :

TEXT BOX

F.3.3. APPLICATION OF THE STRATEGIC ENVIRONMENTAL ASSESSMENT DIRECTIVE NO 2001/42/EC⁵⁰ (SEA-Directive)

F.3.3.1. Does the project result from a plan or programme falling within the scope of the SEA Directive?

- NO - in which case please provide a short explanation:

TEXT BOX

- YES - in which case, in order to appreciate if wider potential cumulative effects of the project have been addressed, please provide either an internet link to or an electronic copy of the non-

48 on the assessment of the effects of certain public and private projects on the environment (the "EIA Directive"), OJ L 175, 5.7.1985, as last amended by Directive 2003/35/EC, OJ L 156, 25.6.2003.

49 Prepared under Article 5 (3) of Council Directive 85/337/EEC, as amended.

50 Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197 of 21.7.2001).

technical summary⁵¹ of the Environmental Report carried out for the plan or programme.

F.4. ASSESSMENT OF EFFECTS ON NATURA 2000 SITES

F.4.1. Is the project likely to have significant negative effects on sites included or intended to be included in the NATURA 2000 network?

Yes, in which case

(1) Please provide a summary of the conclusions of the appropriate assessment carried out according to Article 6(3) of Directive 92/43/EEC⁵²

TEXT BOX

(2) In case, compensation measures were deemed necessary according to Article 6(4), please provide a copy of the form "Information on projects likely to have significant negative effect on NATURA 2000 sites, as notified to the Commission (DG Environment) under Directive 92/43/EEC⁵³".

No, in which case attach a completed Annex I declaration filled in by the relevant authority.

F.5. Additional environmental integration measures

Does the project envisage, apart from Environmental Impact Assessment, any additional environmental integration measures (e.g. environmental audit, environmental management, specific environmental monitoring) ?

Yes

No

If yes, specify

TEXT BOX

F.6. Cost of measures taken for correcting negative environmental impacts

If included in total cost, estimate proportion of cost of measures taken to reduce and/or to compensate for negative environmental impacts

%

Explain briefly:

TEXT BOX

⁵¹ Prepared under Annex I(j) of Directive 2001/42/EC.

⁵² OJ L 206 of 22.07.92.

⁵³ Document 99/7 rev.2 adopted by the Habitats Committee (Member States representatives established under Directive 92/43/EEC) at its meeting on 04.10.99.

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Does this project involve State Aids?

Yes No

If yes, please give in the table below the amount of aid, and, for approved aid the state aid number and the reference of the approval letter, for block-exempted aid the respective registry number, and for pending notified aid the state aid number⁵⁴.

Sources of aid (local, regional, national and Community):	Amount of aid euro	State Aid number/ registry number for block-exempted aid	Reference of approval letter
Approved aid schemes, approved ad hoc aid, or aid falling under a block exemption regulation : <ul style="list-style-type: none"> ▪ ▪ 			
Aid foreseen under pending notifications (ad hoc aid or schemes) : <ul style="list-style-type: none"> ▪ ▪ 			
Aid for which a notification is outstanding (ad hoc aid or schemes) <ul style="list-style-type: none"> ▪ ▪ 			
Total aid granted:			
Total cost of the investment project			

G.2. Impact of Community assistance on project implementation

For each affirmative answer, give details:

Will Community assistance:

c) accelerate implementation of the project?

Yes No

d) be essential to implementation of the project?

Yes No

⁵⁴ This application does not replace notification to the Commission under Article 88 (3) of the Treaty. A positive decision by the Commission on the major project under Council Regulation 1083/2006 does not constitute state aid approval.

H. FINANCING PLAN

The decision amount and other financial information in this section must be coherent with the basis (total or public cost) for the co-financing rate of the priority axis. Where private expenditure is not eligible for financing under the priority axis, it shall be excluded from the eligible costs; where private expenditure is eligible it may be included.

H.1. Cost breakdown

Euro	TOTAL PROJECT COSTS (A)	INELIGIBLE COSTS⁵⁵ (B)	ELIGIBLE COSTS (C)=(A)-(B)
1. Planning/design fees			
2. Land purchase			
3. Building and construction			
4. Plant and machinery			
5. Contingencies ⁵⁶			
6. Publicity			
7. Supervision during construction implementation			
8. Sub-TOTAL			
9. (VAT ⁵⁷)			
10. TOTAL			

H.2. Total planned resources and planned contribution from the Funds

H.2.1. Community contribution calculation

		Value
1	Decision amount, i.e., the “amount to which the co-financing rate for the priority axis applies” (Article 41 (2) of Council Regulation 1083/2006) (respecting the maximum public contribution according to state aid rules and the exclusion of ineligible expenditure)	

55 Ineligible costs comprise (i) expenditure outside the eligibility period, (ii) expenditure ineligible under national rules (Article 56 (4) of Council Regulation 1083/2006), (iii) other expenditure not presented for co-financing. NB: The eligibility date for expenditure is the date of receipt of the related draft Operational Programme by the Commission or 1 January 2007, whichever is the earlier.

56 Contingencies should not exceed 10% of total investment cost net of contingencies. These contingencies may be included in the total costs used to calculate the financial contribution of the funds.

57 Where VAT is considered as eligible, give reasons.

2	Co-financing rate of the priority axis (%)	
3	Community contribution (in euro) = (1)*(2)	

H.2.2. Sources of co-financing

In the light of the results of the grant calculation (H.2.1 consistent with the rules on state aid) the total investment costs of the project shall be met from the following sources:

Source of total investment costs (€)					Of which (For Information)
Total investment cost [H.1.10.(A)]	Community assistance [H.2.1.3]	National public (or equivalent)	National private	Other sources (specify)	EIB/EIF loans:
a)= b)+c)+d)+e)	b)	c)	d)	e)	f)

The details of the decision(s) on national public financing, loans, etc., should be provided in Section D.2.3.

Loan financing, where it is used, is attributed to the body liable to repay the loan, national public or national private. Only in the case of EIB/EIF loans is it requested to identify the sum of loan financing for information purposes.

H.3. Annual financing plan of Community contribution

The Community contribution (H.2.1.3) shall be presented in terms of the share of annual programme commitment.

(in Euro)	2007	2008	2009	2010	2011	2012	2013
[CF/ ERDF - specify]							

I. COMPATIBILITY WITH COMMUNITY POLICIES AND LAW

Article 9 (5) of Regulation (EC) No 1083/2006 states that “operations financed by the Funds shall comply with the provisions of the Treaty and of acts adopted under it.”

In addition to the elements already set out above please provide the following information:

I.1. Other Community financing sources

I.1.1. Has an application been made for assistance from any other Community source (including ERDF, ESF, Cohesion Fund, TEN-T Budget, LIFE+, other source of EC finance) for this project?

Yes No

If yes, please give details (financial instrument concerned, reference Nos, dates, amounts requested, amounts granted, etc.):

TEXT BOX

I.1.2. Is this project complementary to any project already financed or to be financed by the ERDF, ESF, Cohesion Fund, TEN-T Budget, other source of EC finance?

Yes No

If yes, give details (provide precise details, reference Nos, dates, amounts requested, amounts granted, etc.):

TEXT BOX

I.1.3. Has an application been made for loan or equity support from EIB / EIF for this project?

Yes No

If yes, please give details (financial instrument concerned, reference Nos, dates, amounts requested, amounts granted, etc.):

TEXT BOX

I.1.4. Has an application been made for assistance from any other Community source (including ERDF, ESF, Cohesion Fund, EIB, EIF ...) for an earlier phase of this project (including feasibility and preparatory phases)?

Yes No

If yes, please give details (financial instrument concerned, reference Nos, dates, amounts requested, amounts granted, etc.):

TEXT BOX

I.2. Is the project subject to a legal procedure for compliance with Community legislation?

Yes No

If yes, please give details:

TEXT BOX

I.3. Publicity measures

Give details of the proposed measures to publicise Community financial assistance (i.e. type of measure, brief description, estimated costs, duration, etc.):

TEXT BOX

I.4. Involvement of JASPERS in project preparation

I.4.1. Has JASPERS technical assistance contributed to any part of the preparation of this project?

Yes No

I.4.2. Describe the elements of the project where JASPERS had an input (e.g. environmental compliance, procurement, review of technical description).

TEXT BOX

I.4.3. What were the principal conclusions and recommendations of the JASPERS contribution and were these taken into account in the finalisation of the project?

TEXT BOX

I.5. Previous history of the recovery of assistance

Has the benefiting undertaking previously been, or is it currently, the subject of a procedure⁵⁸ to recover Community assistance following the transfer of a productive activity within a Member State or toward another Member State?

Yes No

J. ENDORSEMENT OF COMPETENT NATIONAL AUTHORITY

I confirm that the information presented in this form is accurate and correct.

NAME:

SIGNATURE:

ORGANISATION:

(MANAGING AUTHORITY)

DATE:

—

ANNEX I
DECLARATION BY AUTHORITY RESPONSIBLE FOR MONITORING
NATURA 2000 SITES

Responsible Authority _____

Having examined the project application _____

Which is to be located at _____

Declares that the project is not likely to have significant effects on a *NATURA 2000* site on the following grounds:

text box

Therefore an appropriate assessment required by Article 6 (3) was not deemed necessary.

A map at scale of 1:100.000 (or the nearest possible scale) is attached, indicating the location of the project as well as the *NATURA 2000* sites concerned, if any.

Date (dd/mm/yyyy): _____

Signed: _____

Name: _____

Position: _____

Organisation: _____

(Authority responsible for monitoring *NATURA 2000* sites)

Official Seal:

—