

Administration of the programme at the level of operations – project life cycle

The administrative work involved in the procedures for granting assistance to the individual operations under the Cross border Programme Austria-Czech Republic will be managed according to the following rules, which may be further specified by agreement between the MA, NA, the RBs and the JTS:

a) Information and consulting:

The RB and/or the JTS shall adequately inform potential beneficiaries of the objectives of the programme, the prerequisites for obtaining ERDF funds and the individual procedures to be followed. The applicants of operations shall be informed about the decision of the Monitoring Committee by the JTS. Publicity and information actions will be implemented by the JTS and the RBs in agreement with the MA and NA and if useful, also with the participation of any existing regional consulting and project management institutions, regional development agencies and the co-financing national assistance authorities. A communication and information plan shall be drafted in accordance with Articles 2 to 10 the Commission Regulation setting out rules for the implementation.

b) Submission and registration of applications for ERDF co-financing

The application shall be submitted in digital (electronic) and analogue signed form together with the partnership agreement and co-financing statements of national means to the RB of the lead beneficiary (LP) or the JTS.

Each complete application that fulfils the acceptability and formal requirements will be reported to the CMS and will be registered by the JTS. Thus the information of all information submitted is available via the CMS for the programme partners. In addition detailed information on all applications can be obtained through the JTS.

If an application is submitted to the RB, it shall be forwarded to the JTS for registration.

c) Assessment of applications

The JTS is responsible for the assessment process of operations done with support of the RBs and prepares suggestions for the Monitoring Committee.

The assessment is done mainly in these categories:

- Economic and organisational capacity of the beneficiaries
- Definition of target groups of the operation and the contribution of activities to their improvement
- Amount and appropriateness of the costs of the operation
- Secured financing, appropriateness of the ratio between own funds and public assistance (taking into account the possible programme co-financing of ERDF funds as well as any other national public funds applied for, already granted or promised)
- Compliance with regional development programmes and sector policy objectives (if required, also including statements of other administrative bodies concerned)

- Compliance with the specific assistance requirements of cross border co-operation pursuant to the OP
- Compliance with Article 19 Council Regulation No 1080/2006 in terms of the fulfilment of at least two of the four enumerated ways of co-operation: joint development, joint implementation, joint staffing and joint financing
- Compliance with other relevant provisions of national procurement law and EU law (state aid legislation, rules of public procurement, environmental law etc.)
- Compliance with the provision of equality of women and men and the integration of gender perspective as well as accessibility for disabled persons
- Complementarity with other regional or national Structural Funds programmes
- External experts can also be used during the assessment, if appropriate

The examination is done in the following three summarised categories:

- Quality of the operation
- Content of cross border co-operation and
- The cross border impact of the operation

The suggested operation will be presented within the Monitoring Committee for decision. In the event of disputes, the MC may obtain external statements (e.g. expert opinions, assessments by the concerned municipalities, Euregios).

d) ERDF co-financing decisions

MC receives information on every submitted operation.

The MC selects the operations and decides on ERDF funds on the basis of the assistance recommendations issued by the JTS.

The co-financing of an operation with ERDF funds in specific amounts shall be granted (according to availability) only if the result of the examination is as follows:

- The assistance requirements are fulfilled as defined by the minimum criteria of the cross border programme, the selection criteria defined and approved by the MC, the relevant assistance guidelines and other relevant national and Community legislation
- The amount of the co-financing to be granted, taking into consideration the total amount of the subsidy, is commensurate with the content of the operation and the financial capacity and/or needs of the entity responsible for the operation and – if applicable – complies with the provisions of EU state aid legislation (assistance ceilings, accumulation rules, notification requirements)

The MC may decide to finance a Small Project Fund (SPF) in a form of a regular operation.

On the basis of the operations selected by the MC, the RBs and the NA will conclude contracts concerning co-financing, according to their specific legal provisions.

e) ERDF subsidy contract

The legally binding written approval for all of the ERDF funds granted to an operation shall be issued by the MA concerned in a form of subsidy contract and shall be handed over to the lead beneficiary. Its acceptance constitutes the ERDF subsidy contract.

Besides the amount of ERDF granted, the subsidy contract shall contain the:

- Registered application form together with list of changes which possibly raised during the evaluation process (e.g. changes required due to MC decision)
- Terms of the European Territorial Cooperation Programme Austria - Czech Republic as well as other EU and national rules relevant for implementation of operations
- Definition (in terms of territorial impact, timeframe and content) of eligible costs or reference where this information is available
- Information about the responsible controller according to Article 16 Council Regulation 1080/2006.

The lead beneficiary is obliged to co-ordinate all involved partners named in the subsidy contract and to comply with the conditions and requirements with regard to reporting, auditing and re-payment.

The national funding bodies issue the contracts for national co-funding to the project partner on the basis of the respective national legal provisions.

The conclusion of any ERDF subsidy contract together with the required information shall be reported to the CMS by the JTS.

In compliance with Article 81 Council Regulation No 1083/2006 ERDF subsidy contracts will be denominated and issued in Euro.

ERDF subsidy contracts within the framework of a SPF shall be reported to the CMS only after the (interim) settlement of accounts and the payments of funds (lit. g) have been concluded.

f) Control System according to Art. 16 Council Regulation (EC) No 1083/2006

Only expenditure actually paid and eligible for funding (or expenses recognised as equivalent under EU law) may be co-financed by ERDF funds. ERDF funds may therefore only be paid on the basis of receipted invoices, (or accounting documents of equivalent probative value) that clearly relate to the recipient of the assistance, the assisted operation and to the defined timeframe.

To ensure this, the beneficiary shall present progress report, statement of expenditures with receipted invoices for the eligible costs and financing of the co-financed operation including a list of all actually paid invoices and payment confirmations to the responsible controller. The progress report includes descriptions on cross border activities and major achievements according to the agreed milestones in the reporting period.

The controller has to verify the products and services co-financed and pursue a reality check of the expenditure claimed and to ensure compliance with the terms of assistance as specified in the ERDF subsidy contract by checking the invoices and – depending on the type of operation – also by conducting on the spot verifications. After this check the controller issues a certification about all eligible expenditures per partner (Certification of Expenditure) within three months after submission and remits it to each of the

presenters of an initial statement of costs (project- and /or lead beneficiary). Partners will then forward their certificate to their lead beneficiary who is in charge to collect all information for the report package.

In this context care shall be taken to ensure the proper separation (and if applicable, also the organisational and functional separation) of the personnel conducting financial control from the operation consulting activities and, in particular, from the project management in order to avoid conflicts of interests and to reduce the risk of irregularities.

After examining an operations implementation and the statement of expenditure according to Art. 16 Council Regulations No 1080/2006, the beneficiaries submit their progress reports and certification of expenditure to the lead beneficiary.

The lead beneficiary will submit the standard progress report package (consisting of a single financial and a single progress report for the whole project, statements of expenditure and certifications of expenditure for each partner) in bilingual version together with the application of reimbursement to the Managing Authority.

g) Payment of EU funds

The Managing Authority checks the completeness and consistency of the report package, verifies that controlling requirements according to Art. 15 (1) (EC) 1080/2006 are fulfilled, issues an application for reimbursement and submits it to the Certifying Authority.

The Certifying Authority conducts any necessary checks deriving from its certification duties as set out in Art. 61 (EC) 1083/2006. If appropriate, the Certifying Authority can ask the lead beneficiary through the Managing Authority for further information or conduct further checks itself.

The Certifying Authority transfers the ERDF funds to the lead beneficiary according to Article 14 (1) Council Regulation No 1080/2006.

The information on the operation provided in the (interim or final) financial report as well as the payment executed by the CA shall be reported to the CMS.

Financial means provided by the Structural Funds will be in compliance with all relevant rules about State Aid, which are affected.