**LIST OF ELIGIBLE EXPENDITURES**

**for INTERREG V-A ROMANIA-BULGARIA PROGRAMME**

**applicable to Priority axis 1-5**

Having regard to:

Articles 65 to 71 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006

Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on the specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006

Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal

Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes

The Monitoring Committee of Interreg V-A Romania-Bulgaria have adopted the following list of eligible expenditure for projects financed under Priority Axis 1 to 5:

**Article 1**.

1. Expenditure under Interreg V-A Romania-Bulgaria Programme is considered eligible if:
2. is **necessary** for initiating and carrying out the project and complies with the principles of sound financial management, in particular value for money and cost-effectiveness.
3. is **in line** with the provisions of the subsidy contract, co-financing contracts / monitoring agreement, national and European legislation;
4. the costs are definitively borne **by the beneficiary** and would not have arisen without the project.
5. It does not exceed the ceiling set at Programme level, available on the programme’s website www.interregrobg.eu. The ceilings will be periodically updated and during the implementation period of the projects, the beneficiaries may use the updated version, provided the total budget per category of expenditure is not exceeded.
6. is committed by the beneficiary after project approval by the Monitoring Committee and the last day of implementation period and is paid out by the beneficiary at the latest in 2 months after the end of the project implementation period, but no later than 31.12.2023. Preparation costs are eligible if they were incurred between 1.01.2014 and the submission of the Application Form.
7. the expenditure has actually been **paid out**. Expenditure is considered to be paid when the amount is debited from the beneficiary’s institution bank account. The date when the invoice was issued, recorded or booked in the accounting system does not count as a payment date.
8. is recorded in the beneficiaries’ **accounts** and tax documents, is identifiable and verifiable, and is backed up by supporting documents;
9. is **verified and validated as eligible** by the First Level Control Unit within the Cross-Border Cooperation Regional Office Calarasi for Romania Bulgaria Border for Romanian beneficiaries and the first level controllers designated by the National Authority for Bulgarian beneficiaries, respectively;
10. has not been subject to **financing from** **other public funds**;
11. is included in the present list of eligible expenditure
12. In case expenditures are reimbursed on flat rate, beneficiaries do not need to present for further controls supporting documents proving that the expenditure has been incurred and paid or that the flat rate corresponds to the reality. .

**Article 2**. The provisions of the present document shall be supplemented by the provisions of the Applicant’s Guide, valid for the respective call for proposals.

**Article 3**. According to article 18, paragraph 3 of Regulation 1299/2013, for matters not covered by eligibility rules laid down in, or on the basis of, Articles 65 to 71 of Regulation (EU) No 1303/2013, Regulation (EU) No 1301/2013, in the Commission Delegated Regulation no. 481/2014 or in the present rules established jointly by the participating Member States, the national rules of the Member State in which the expenditure is incurred shall apply.

 **Article 4**. The following costs are not eligible:

1. fines, financial penalties and expenditure on legal disputes and litigation;
2. costs of gifts, except those not exceeding EUR 50 per gift where related to promotion, communication, publicity or information;
3. costs related to fluctuation of foreign exchange rate;
4. interest on debt;
5. the purchase of land;
6. value added tax except where it is non-recoverable under national VAT legislation;
7. in-kind contribution and leasing;
8. costs related to the purchase of second hand equipment;
9. charges for national financial transactions;

**Article 5**. Without prejudice to the eligibility rules laid down in or on the basis of Articles 65 to 71 of Regulation (EU) No 1303/2013, Regulation (EU) No 1301/2013 and the Commission Delegated Regulation No. 481/2014, this document sets out specific rules on eligibility of expenditure for Interreg V-A Romania-Bulgaria Programme with regards to the following expenditure categories:

1. Staff costs;
2. Office and administrative expenditure;
3. Travel and accommodation costs;
4. External expertise and services costs;
5. Equipment expenditure;
6. Infrastructure and works.

**Article 6. (1)** For the purpose of this document, the direct costs shall include the following expenditure categories:

1. Travel and accommodation;
2. External expertise and services;
3. Equipment expenditure;
4. Infrastructure and works.
5. Staff costs, only in case real costs option for staff costs is used
6. **These costs shall be reimbursed on real cost principle (supported by documents).**

**Article 7. Project preparation costs**

1. Preparation costs are eligible in amount of maximum 10% of direct costs at project level.
2. Preparation costs shall be reimbursed based on real cost principle (supported by documents) and shall include costs related to the following categories of expenditures
3. Travel and accommodation costs related to meetings between project beneficiaries.
4. External expertise and services
5. feasibility study or equivalent technical documents, Cost Benefit Analysis, studies and costs for documentation necessary to obtain the necessary endorsements and authorizations, documentation concerning the urban planning plan, impact assessments, location studies/appraisals, including their technical verification

**Article 8 Staff costs**

1. Staff costs shall be reimbursed as a flat rate of maximum 15% of direct costs for soft projects. For hard projects the flat rate shall not exceed 5% of direct costs. The beneficiaries may opt to use real costs for staff costs. The option belongs to the beneficiaries.
2. Direct costs that form the basis for calculation of staff costs must be incurred and paid by the beneficiary as real costs.
3. In case the option to use real costs is used, then:
	1. Expenditure on staff costs shall consist of gross employment costs of staff employed by the beneficiary in one of the following ways:
		1. full time;
		2. part-time with a fixed percentage of time worked per month;
		3. part-time with a flexible number of hours worked per month; or
		4. on an hourly basis.
	2. Expenditure on staff costs shall be limited to the following:
		1. salary payments related to the activities which the entity would not carry out if the operation concerned was not undertaken, fixed in an employment/work contract, an appointment decision (both hereinafter referred to as “employment document”) or by law, relating to responsibilities specified in the job description of the staff member concerned;
		2. any other costs directly linked to salary payments incurred and paid by the employer, such as employment taxes and social security pensions as covered by Regulation (EC) No 883/2004 of the European Parliament and of the Council provided that they are:
			1. fixed in an employment document or by law;
			2. in accordance with the legislation referred to in the employment document and with standard practices in the country and/or organization where the individual staff member is actually working; and
			3. not recoverable by the employer
	3. Staff costs related to individuals who work on part-time assignment on the operation, shall be calculated as either:
		1. a fixed percentage of the gross employment cost, in line with a fixed percentage of time worked on the operation, with no obligation to establish a separate working time registration system; or
		2. a flexible share of the gross employment costs, in line with a number of hours varying from one month to the other worked on the operation, based on a time registration system covering 100% of the working time of the employee.
	4. For part-time assignments under point i. of point c., the employer shall issue a document for each employee setting out the percentage of time to be worked on the operation.
	5. For part-time assignments under point (ii) of paragraph c., the reimbursement of staff costs shall be calculated on an hourly rate basis determined either by:
		1. dividing the monthly gross employment cost by the monthly working time fixed in the employment document expressed in hours; or
		2. dividing the latest documented annual gross employment cost by 1720 hours in accordance with Article 68(2) of Regulation (EU) No 1303/2013
	6. The hourly rate shall be multiplied by the number of hours actually worked on the operation.
	7. As regards staff costs related to individuals who, according to the employment document, work on an hourly basis, such costs shall be eligible applying the number of hours actually worked on the operation to the hourly rate agreed in the employment document based on a working time registration.

**Article 9 Office and administrative expenditure**

1. Office and administrative expenditure shall be limited to the following elements:
2. Office rent;
3. Insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurance);
4. Utilities (e.g. electricity, heating, water);
5. Office supplies;
6. General accounting provided inside the beneficiary organization;
7. Archives
8. Maintenance, cleaning and repairs;
9. Security;
10. IT systems;
11. Communication (e.g. telephone, fax, internet, postal services, business cards);
12. Bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened;
13. Charges for transnational financial transactions.
14. Office and administrative expenditure shall be reimbursed as a flat rate of maximum 5% of direct costs for soft projects and maximum 1% of direct costs for hard projects.

**Article 10 Travel and accommodation cost**

1. Expenditure on travel and accommodation costs shall be limited to the following elements:
2. Travel costs (e.g. tickets, travel and car insurance, fuel, car mileage, toll and parking fees);
3. The costs of meals;
4. Accommodation costs;
5. Visa costs;
6. Daily allowances.
7. Any elements listed in points (a) to (d) of paragraph 1 covered by a daily allowance shall not be reimbursed in addition to the daily allowance.
8. The travel and accommodation expenses of external experts and service providers fall under external expertise and services costs listed in Article 11.
9. Direct payment of expenditure under this Article by an employee of the beneficiary shall be supported by a proof of reimbursement by the beneficiary to that employee.
10. The beneficiaries shall respect the national legislation regarding the ceilings applicable for travel and accommodation.

**Article 11 External expertise and services costs**

1. Expenditure on external expertise and service costs shall be limited to the following services and expertise provided by a public or private law body or a natural person other than the beneficiaries of the operation:
2. Studies or surveys (e.g. evaluations, strategies, concept notes, design plans, handbooks);
3. Training;
4. Translations;
5. IT systems and website development, modifications and updates;
6. Promotion, communication, publicity or information linked to an operation or to the Interreg V-A RoBg Programme as such;
7. Financial management;
8. Services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
9. Participation in events (e.g. registration fees);
10. Legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
11. Intellectual property rights;
12. Verifications under Article 125(4)(a) of Regulation (EU) No 1303/2013 and Article 23(4) of Regulation (EU) No 1299/2013;
13. The provision of guarantees by a bank or other financial institution where required by Union or national law or in a programming document adopted by the monitoring committee;
14. Travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;
15. Other specific expertise and services needed for operations.

**Article 12 Equipment expenditure**

1. Expenditure for the financing of equipment purchased or rented by the beneficiary of the operation other than those covered by Article 9 shall be limited to the following:
2. office equipment;
3. IT hardware and software;
4. Furniture and fittings;
5. Laboratory equipment;
6. Machines and instruments;
7. Tools or devices;
8. Vehicles;
9. Other specific equipment needed for operations.

**Article 13 Infrastructure and works**

1. The following costs related to infrastructure and works are eligible:
2. Consultancy, surveys preparation, technical assistance related to infrastructure and works:
3. Surveys, including geotechnical, geological, hydrologic, hydro-geotechnical, photometric and stability surveys, concerning the investment location;
4. Other studies, including traffic studies, opportunity studies, according to the objectives of the project proposed to be financed;
5. Design and engineering, including feasibility studies, technical projects, detailed technical plans, documentation necessary to obtain the necessary endorsements and authorizations, documentation concerning the urban planning plan, impact assessments, location studies/appraisals, including their technical verification;
6. Expenditures with the supervision of the works by the construction inspectors, up to 1% of the work contract value for Romanian beneficiaries, respectively 3% of the work contract value for Bulgarian beneficiaries ;

 (b) Organization of the site, thus, any of the following works, aiming at the preparation of the site designed to the project:

1. Land levelling, making the enclosures around the affected roads or buildings, branching to the utility systems, building of access roads and constructions, reconditioning the existing buildings necessary to the site organization;
2. Purchase of special traffic signs to signalize the site;
3. Temporary interruption/deviation of utility system (water supply system, sewerage system, electric lines, gas pipelines, thermal energy lines, communication networks), respectively, transport routes (railroad, fluvial channels or air lines);
4. Temporary provision with utility and salubrity services;
5. Provision with guard services;

(c) Procedures for obtaining the following endorsements, authorizations and approvals, as necessary for the project implementation or requested by the Managing Authority:

1. Urban planning certificates, construction authorizations;
2. Endorsements and authorizations for branching or connecting to the public water supply system, sewerage system, gas supply pipeline, thermal energy system, electricity line, communication networks;
3. Environmental approvals and authorizations;
4. Prevention and fire fighting approvals;
5. Other charges related to the infrastructure/works, including those paid to the body designated to exercise the state control in the construction field, fees for obtaining the construction/demolition authorization in view of the site organization, location charges, fees for the issuance of certain documents, as necessary for the project implementation or requested by the MA.

(d) Land preparation – any works aiming the preparation of the project site – including all the works performed at the commencement of the site preparation activity, consisting of: demolition, dissembling, decommissioning, cleaning of the location, disposal of resulted waste, deviation of utility system routes, vertical arrangements, draining, dewatering, exclusively those works necessary for the basic investment as sewerage related works, dredging, deviation of watercourses.

(e) Main investment:

1. Costs of construction, or upgrading of roads, road sections, bridges, border passing points for ferry boats, including access roads to the basic investment object, parking areas, enclosures, light signalizing and traffic signs, channels for water draining, dredging of the navigable channels, staying and embankment platforms, footbridges, dams, special facilities for the access of persons with disabilities;
2. Construction of observation, visit and information centres, recreating centres, reconstruction/recovery of cultural infrastructure;
3. Costs related to extending, modernizing and rehabilitation of the buildings, object of the basic investment;
4. Consolidation of banks, mitigation of Black Sea coast erosion, setting up retention areas, including building emergency situation management centres;
5. Costs related to forestation/reforestation aiming to mitigate the flood and/or landslide risk;
6. Costs related to sanitation and reforestation of river banks, building flood and coastal defence;
7. Costs related to infrastructure that helps reduce the risk and mitigate disasters;
8. Costs for the provision with utilities: branching the buildings object of the basic investment to the electric line/gas pipeline, water supply system, sewerage system, thermal energy line, communication networks;

 (f) Land planning and rehabilitation to protect the environment – works and actions designated to the environment protection, including the makeover of the natural landscape after the completion of works: planting trees, makeover of green areas.

 (h) Building purchase