**Guidance on Eligibility in the 2014-2020 ESIF Programmes**.

1. **General**.

All EU expenditure must comply with the principles of sound financial management and in particular with:

* The requirements of Managing Public Money NI (MPMNI)[[1]](#footnote-1),
* Other guidance on financial management issued by the Department of Finance and Personnel.
* The requirements of relevant European Union regulations.
* Specific guidance issued by the Programme Managing Authority in accordance with this document.

1. **The 2014-2020 ESIF Regulations**.

**The Common Provisions Regulation (EU 1303/2013)**[[2]](#footnote-2)

The regulation is divided into four parts:

* + **Part 1** deals with the subject-matter and definitions,
* **Part 2** lays down common rules for all European Structural and Investment Funds,
  + **Part 3** lays down general rules for the ERDF, ESF and Cohesion Fund.
  + **Part 4** lays down general rules for the ERDF, ESF, Cohesion fund and EMFF on management and control, financial controls, accounts and financial corrections.

Articles 65 to 71 (in part 2) cover eligibility of expenditure and durability.

Article 65.1 states - *The eligibility of expenditure shall be determined on the basis of national rules, except where specific rules are laid down in, or on the basis of, this Regulation or the Fund-specific rules*.

**The European Regional Development Fund Regulation (EU 1301/2013)**[[3]](#footnote-3)

Article 3 sets out the scope of support from the ERDF listing activities which may and may not be supported. However these are taken into account at the programming stage.

The simplified cost option (SCO) scheme agreed by the ERDF Managing Authority in October 2015 is appended to this guidance as **Annexe 1** below and is declared to form part of the national rules within Northern Ireland.

**The European Social Fund Regulation (EU 1304/2013)**[[4]](#footnote-4)

Article 13 sets out ESF-specific rules on eligibility of expenditure. Article 14 sets out ESF-specific rules on simplified cost options. The ESF MA used the option of 40% of direct staff costs to fund the other costs of the operation for the initial projects funded under Priorities 1 and 2 (Call 1). For Call 2 a further simplified cost option was developed by the ESF Managing Authority in November 2017 and is appended to this guidance as **Annexe 1** below and is declared to form part of the national rules within Northern Ireland.

**The European Territorial Cooperation Goal Regulation (EU 1299/2013)**[[5]](#footnote-5)

Articles 18 to 20 cover eligibility.

Article 18 provides for the Commission to adopt delegated acts to lay down specific rules (see below) and that *the participating Member States in the monitoring committee shall establish additional rules on eligibility of expenditure for the cooperation programme as a whole*.

Article 19 provides for the calculation of staff costs at a flat rate of up to 20% of direct costs.

Article 20 deals with the location of operations.

**The Regulation on support for Rural Development from the European Agricultural Fund for Rural Development (EAFRD) (EU 1305/2013)[[6]](#footnote-6)**

Through the regulation, eligible activities are listed under each supported measure.

Article 60 deals with eligibility of expenditure.

Article 61 lists types of eligible running costs for an operation.

**Commission Delegated Regulation with specific rules on eligibility of expenditure for Cooperation Programmes (EU 481/2014)[[7]](#footnote-7)**.

The regulation sets out specific rules in relation to:

* General provisions (Article 2)
* Staff costs (Article 3)
* Office and administrative expenditure (Article 4)
* Travel and accommodation costs (Article 5)
* External expertise and services costs (Article 6), and
* Equipment expenditure (Article 7).

*Further Implementing and Delegated Regulations covering Irregularities, Simplified Cost Methodologies etc to be added as they are published*.

1. **Responsibilities and processes**

Responsibility for drawing up eligibility guidance specific to their programme lies with the Programme Managing Authority. Such guidance must conform to the general principles for financial management and to the provisions of the general and fund-specific regulations.

Programme eligibility guidance shall take into account the investment priorities supported in the programme and the sectors to which beneficiaries will belong.

To promote consistency of approach for beneficiaries, Managing Authorities shall share draft guidance with the Member State Authority (DFP), other ESIF Managing Authorities and Northern Ireland Departments through the channel of the Core Implementation Group, the EU Steering Group and/or other coordination structures established for the purpose.

The Programme Audit Authority shall be consulted in the preparation of guidance and its view shall be taken into consideration by the Managing Authority.

Completed guidance shall be published for the information of current and potential beneficiaries.

1. **Exceptions**

As guidance for Territorial Cooperation programmes has to be mutually agreed by participating member states, it may not always match national guidance.

As the guidance for EAFRD supported operations is subject to significantly different control regimes under the CAP, it may not always match guidance for other ESI funds.

However, participants in the coordination structures should seek the maximum consistency possible in the interest of simplification and synergy.

1. **REFERENCES**

A library of Cohesion Policy information resources is maintained by the Directorate General for Regional and Urban Policy at the European Commission at:

<http://ec.europa.eu/regional_policy/information/index_en.cfm>

Training materials (including in podcast format) may be downloaded at:

<http://ec.europa.eu/regional_policy/what/future/experts_training_en.cfm>

Draft guidance on e-cohesion policy and procedures may be found at:

<http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/implementation_ecohesion.pdf>

and at the training materials page linked above.

**ANNEXE 1**

**Simplified Cost Options – ERDF Programme**.

Documents relating to the scheme approved in October 2015. This methodology is now to be treated as falling under Northern Ireland Rules for eligibility.

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**Simplified Cost Options – ESF Programme**.

Documents relating to the scheme approved in November 2017. This methodology is now to be treated as falling under Northern Ireland Rules for eligibility.







1. <http://www.dfpni.gov.uk/afmd-mpmni> [↑](#footnote-ref-1)
2. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303> [↑](#footnote-ref-2)
3. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1301> [↑](#footnote-ref-3)
4. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1304> [↑](#footnote-ref-4)
5. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1299> [↑](#footnote-ref-5)
6. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1305> [↑](#footnote-ref-6)
7. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.138.01.0045.01.ENG> [↑](#footnote-ref-7)