

Commission Regulation (EC) No 718/2007 of 12 June  
2007 implementing Council Regulation (EC) No 1085/2006  
establishing an instrument for pre-accession assistance (IPA)

PART II

**SPECIFIC PROVISIONS**

TITLE I

**TRANSITION ASSISTANCE AND INSTITUTION BUILDING COMPONENT**

CHAPTER I

**Object of assistance and eligibility**

*Article 67*

**Aid intensities and rate of Community contribution**

1 For the purposes of this component, the eligible expenditure as referred to in Article 38(1) shall be based on the public expenditure in the case of decentralised management, and on the total expenditure in the case of centralised and joint management.

2 In the case of decentralised management, in addition to the general rules set out in Articles 37 and 38, this paragraph shall apply to assistance under this component.

In the event of grants, final beneficiaries may be required to contribute to the operation's eligible costs. In the case of an investment operation, the Community contribution shall not exceed 75 % of the public expenditure, the other 25 % being provided from public funds in the beneficiary country. In exceptional and duly justified cases, however, the Community contribution can exceed 75 % of the public expenditure.

Institution building activities shall require a degree of co-financing by the final beneficiary and/or public funds in the beneficiary country. In duly justified cases, however, institution building activities may be financed up to 100 % by Community funds.

Assistance provided through administrative cooperation measures as referred to in Article 65(1)(a) may be funded 100 % by Community funds.

3 In the event of centralised or joint management, the Commission shall decide the rate of the Community contribution, which may amount to 100 % of the eligible expenditure.