

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 III

**REGIONAL DEVELOPMENT AND HUMAN
RESOURCES DEVELOPMENT COMPONENTS**

CHAPTER I

Object of assistance and eligibility

Section 1

Regional development component

Article 147

Areas and forms of assistance

- 1 The regional development component may support operations under the following priorities:
- a transport infrastructure, in particular interconnection and interoperability between national networks, and between national and trans-European networks;
 - b environment measures related to waste management, water supply, urban waste water and air quality; rehabilitation of contaminated sites and land; areas related to sustainable development which present environmental benefits, namely energy efficiency and renewable energy;
 - c operations which enhance regional competitiveness and a productive environment, and encourage creation and safeguarding of sustainable employment, involving in particular:
 - (i) provision of business and technology services for enterprises, particularly in the fields of management, market research and development and networking;
 - (ii) access and use of information and communication technologies;
 - (iii) promotion of technological development, research and innovation including through cooperation with tertiary education and research institutions and research and technology centres;
 - (iv) development of business networks and clusters;

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*Changes to legislation: There are currently no known outstanding effects for the
 Commission Regulation (EC) No 718/2007, CHAPTER I. (See end of Document for details)*

- (v) creation and development of financing instruments which facilitate access to revolving financing through venture capital, loan and guarantee funds;
- (vi) provision of local infrastructure and services which contribute to facilitate establishment, development and expansion of new and existing business;
- (vii) [^{F1}education and training investments, including for vocational training.];
- (viii) [^{F2}investments in health and social infrastructure which contribute to regional and local development.]

2 Under this component, technical assistance may be granted for preliminary studies and technical support related to eligible activities, including those necessary for their implementation.

Technical assistance may also finance preparatory, management, monitoring, evaluation, information and control activities and activities to reinforce the administrative capacity for implementing the assistance under the IPA Regulation provided through this component.

Textual Amendments

- F1** Substituted by [Commission Implementing Regulation \(EU\) 2015/2093 of 18 November 2015 amending Regulation \(EC\) No 718/2007 implementing Council Regulation \(EC\) No 1085/2006 establishing an instrument for pre-accession assistance \(IPA\).](#)
- F2** Inserted by [Commission Implementing Regulation \(EU\) 2015/2093 of 18 November 2015 amending Regulation \(EC\) No 718/2007 implementing Council Regulation \(EC\) No 1085/2006 establishing an instrument for pre-accession assistance \(IPA\).](#)

Article 148

Eligibility of expenditure

1 Expenditure under this component shall be eligible if it has actually been paid after the signature of the financing agreement following the adoption of the relevant programme. In the case of major projects as referred to in Article 157, expenditure shall not be eligible before the Commission Decision approving the major project has been adopted, as referred to in Article 157(3).

[^{F32} In addition to the rules set out in Article 34(3), depreciation costs for the infrastructures shall not be eligible.]

[^{F43} By way of derogation from Article 34(3), operating costs, including rental costs, exclusively related to the period of co-financing of the operation, may be eligible.]

Textual Amendments

- F3** Substituted by [Commission Regulation \(EU\) No 80/2010 of 28 January 2010 amending Regulation \(EC\) No 718/2007 implementing Council Regulation \(EC\) No 1085/2006 establishing an instrument for pre-accession assistance \(IPA\).](#)

Status: Point in time view as at 31/01/2020.

Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 718/2007, CHAPTER I. (See end of Document for details)

F4 Inserted by Commission Regulation (EU) No 80/2010 of 28 January 2010 amending Regulation (EC) No 718/2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA).

Article 149

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.

[^{F32} The Community contribution shall not exceed the ceiling of 85 % of the eligible expenditure at the level of the priority axis.]

3 No operation shall benefit from a higher co-financing rate than the one relating to the priority axis concerned.

Textual Amendments

F3 Substituted by Commission Regulation (EU) No 80/2010 of 28 January 2010 amending Regulation (EC) No 718/2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA).

Article 150

Revenue-generating projects

[^{F31} For the purposes of this component, a revenue-generating project means any operation proposed for pre-accession assistance involving an investment in infrastructure, the use of which is subject to charges borne directly by users and which generates revenues, or any operation involving the sale or rent of land or buildings or any other provision of services against payments.]

[^{F32} Eligible expenditure for revenue-generating projects, used for calculating the Community contribution in accordance with Article 149, shall not exceed the current value of the investment cost minus the current value of the net revenue from the investment over a specific reference period for (a) investments in infrastructure; or (b) other projects where it is possible to objectively estimate the revenues in advance.]

3 Where not all the investment cost is eligible for co-financing the net revenue shall be allocated pro rata to the eligible and non-eligible parts of the investment cost.

4 In the calculation, the operating structure shall take account of the reference period appropriate to the category of investment concerned, the category of project, the profitability normally expected of the category of investment concerned and of the application of the polluter-pays principle, and, if appropriate, of considerations of affordability, in particular in the environment sector.

[^{F45} The provisions of this Article do not apply to:

- a operations co-financed under this component, the total cost of which is equal or less than EUR 1 million;

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Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 718/2007, CHAPTER I. (See end of Document for details)

- b revenues generated throughout the economic lifetime of the co-financed investments in the case of investments in firms;
- c revenues generated within the framework of financing instruments which facilitate access to revolving financing through venture capital, loan and guarantee funds.]

Textual Amendments

- F3** Substituted by Commission Regulation (EU) No 80/2010 of 28 January 2010 amending Regulation (EC) No 718/2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA).
- F4** Inserted by Commission Regulation (EU) No 80/2010 of 28 January 2010 amending Regulation (EC) No 718/2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA).

Section 2

Human resources development component

Article 151

Areas and forms of assistance

1 The human resources development component shall contribute to strengthening economic and social cohesion as well as to the priorities of the European Employment Strategy in the field of employment, education and training and social inclusion.

2 In particular, the scope of this component shall cover assistance to persons and focus on the following priorities, the precise mix and concentration of which shall depend on the economic and social specificities of each beneficiary country:

- a increase adaptability of workers, enterprises and entrepreneurs, with a view to improving the anticipation and positive management of economic change, in particular by promoting:
 - (i) life long learning and increased investment in human resources by enterprises and workers;
 - (ii) design and dissemination of innovative and more productive forms of work organisation;
- b enhance access to employment and sustainable inclusion in the labour market of job seekers and inactive people, prevent unemployment, in particular long term and youth unemployment, encourage active aging and prolong working lives, increase participation in the labour market notably by promoting:
 - (i) creation, modernisation and strengthening of labour market institutions;
 - (ii) implementation of active and preventive measures ensuring early identification of needs;
 - (iii) improvement of access to employment and increase of sustainable participation and progress of women in employment;

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Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 718/2007, CHAPTER I. (See end of Document for details)

- (iv) increase in migrants' participation in employment, thereby strengthening their social integration;
 - (v) facilitation of geographic and occupational mobility of workers and integration of cross-border labour markets;
 - c reinforce social inclusion and integration of people at a disadvantage, with a view to their sustainable integration in employment, and combat all forms of discrimination in the labour market, in particular by promoting:
 - (i) pathways to integration and re-entry into employment for disadvantaged people;
 - (ii) acceptance of diversity in the workplace and non discrimination;
 - d promote partnerships, pacts and initiatives through networking of relevant stakeholders, such as social partners and non-governmental organisations, at national, regional, local level, in order to mobilise for reforms in the field of employment and labour market inclusiveness;
 - e expand and enhance investment in human capital, in particular by promoting:
 - (i) the design, introduction and implementation of reforms in education and training systems, in order to develop employability and labour market relevance;
 - (ii) increased participation in education and training throughout the life-cycle;
 - (iii) the development of human potential in research and innovation;
 - (iv) networking activities between higher education institutions, research and technological centres and enterprises;
 - f strengthen institutional capacity and the efficiency of public administrations and public services at national, regional and local level and, where relevant, the social partners and non-governmental organisations with a view to reforms and good governance in the employment, education and training, as well as social fields.
- 3 At the initiative of the beneficiary country, technical assistance may be granted under this component to support the preparatory, management, monitoring, administrative support, information, evaluation and control activities of the programme, and preparatory activities with a view to the future management of European Structural Funds.
- 4 Assistance shall focus on those policies and activities which have the potential to act as catalyst for policy change and which enhance good governance and partnership.

Article 152

Eligibility of expenditure

- 1 The following expenditure may be eligible for operations falling under the scope of Article 151:
- a depreciation costs under the following cumulative conditions:
 - (i) no national or Community grants have contributed to the purchase of the related investment;

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*Changes to legislation: There are currently no known outstanding effects for the
Commission Regulation (EC) No 718/2007, CHAPTER I. (See end of Document for details)*

- (ii) depreciation costs are calculated with the relevant applicable national accountancy rules;
 - (iii) costs relate exclusively to the period of co-financing of the operation concerned;
 - b in the case of grants, the indirect costs declared on a flat rate basis up to 20 % of the direct costs of an operation, provided they are incurred in accordance with national rules, including accountancy rules;
 - c purchase of furniture, equipment, adaptation and modernisation of existing infrastructures, provided that:
 - (i) the amount concerned for the related operations is subject to a limit of 15 % of the funding under the IPA Regulation for each priority axis of the programme(s) under this component;
 - (ii) investments are necessary for the satisfactory implementation of the programme(s) under this component and contribute to increasing the impact of assistance;
 - (iii) assessment, carried out under the responsibility of the operating structure, has demonstrated that purchase is preferable to other solutions in terms of the best value for money.
- 2 By way of derogation from Article 34(3), the following expenditure may also be eligible:
- a taxes, including value added taxes, if they are not recoverable by any means and it is established that they are borne by the final beneficiary,
 - b operating costs, including rental costs, exclusively related to the period of co-financing of the operation,
 - c rent or leasing, provided that it is exclusively related to the period of co-financing of the operation, and that it is preferable to other solutions in terms of the best value for money^{F3}.]
 - [^{F4}d costs relating to a bank guarantee or comparable surety to be lodged by the beneficiary of the grant.]

Textual Amendments

- F3** Substituted by [Commission Regulation \(EU\) No 80/2010 of 28 January 2010 amending Regulation \(EC\) No 718/2007 implementing Council Regulation \(EC\) No 1085/2006 establishing an instrument for pre-accession assistance \(IPA\)](#).
- F4** Inserted by [Commission Regulation \(EU\) No 80/2010 of 28 January 2010 amending Regulation \(EC\) No 718/2007 implementing Council Regulation \(EC\) No 1085/2006 establishing an instrument for pre-accession assistance \(IPA\)](#).

Article 153

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 either on the public expenditure or on the total expenditure, the choice applying to the entirety of the programme concerned.

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Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 718/2007, CHAPTER I. (See end of Document for details)

2 The Community contribution shall not exceed the ceiling of 85 % of the eligible expenditure at the level of the priority axis.

3 No operation shall benefit from a higher co-financing rate than the one relating to the priority axis concerned.

Status:

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Changes to legislation:

There are currently no known outstanding effects for the Commission Regulation (EC) No 718/2007, CHAPTER I.