

## ANNEX 4b: List of costs not eligible for co-funding

The following costs are not eligible as subsidised costs:

1. all accounting transactions not involving payments, unless they result from a legal obligation on the part of the intervention;
2. provisions for liabilities and charges, losses, debts or possible future debts;
3. debts or debit interest unless such interest results directly from a delay in the payment of a claim in accordance with the conditions set out in Article 32, which exceeds two months;
4. doubtful debts, including actual or estimated losses, resulting from irrecoverable debts and other debts, as well as the legal costs associated with their recovery;
5. exchange rate losses;
6. Loans to third parties;
7. guarantees and sureties;
8. costs that are already covered by another subsidy;
9. invoices from other organisations for goods and services that have already been subsidised;
10. contracts for subcontracting or consultancy for essential tasks in the programme, project, synergy project or partnership project with the governmental cooperation, which are part of the "core business" of the subsidised organisation
11. outsourcing via service or consultancy contracts to its own staff members, to members of the management board and to the general meeting of the subsidised organisation;
12. Subletting of any kind to oneself;
13. the purchase of land and real estate, unless these purchases are indispensable for the achievement of the objectives of the intervention, and on condition that the ownership thereof is transferred to a partner at the end of the programme.
14. expenditure resulting from an indemnity following a claim arising from the civil liability of the organisation;
15. severance payments for periods of notice that have not been performed;
16. Expenses related to expatriation (removal, installation premium, airline tickets for the partner and dependants) for contracts of less than twelve months;
17. the purchase of alcoholic beverages, tobacco and derived products.

The following rules apply for IDH co-funding:

1. (Indirect) coordination costs can be maximum 10% of the total project budget.
2. Capital investments are not encouraged as part of this project and will be considered as eligible costs only with proper justification in the written proposal how these will benefit the beneficiaries involved and an explanation how the long-term ownership, operation and maintenance will be organised.
3. Capital investments in computer systems, equipment, infrastructure, etc. will only be considered as part of the eligible costs only if it is newly procured/installed/constructed at the rate of depreciation and for the duration of use during the project phase only.