

ESIF COMMON GLOSSARY

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A

Acceptance agreement	Legal and financial commitment through which a beneficiary acquires the right to be allocated community funding and, in some cases, national funding within the scope of an Operational Programme in order to execute the actual operations.
Additionality	The participation of the funds must not replace the public structural expenses or equivalent expenses of a Member-State. Thus, the financial contribution of structural funds must not imply a decrease in the national structural expenses in the regions implied. On the contrary, they must be additional to the national public investment effort in order to complement it and never replace it to ensure a real economic impact. This principle is applied in regions concerned by the Investment for Growth and Employment Goal. The Commission shall check the compliance with the principle of additionality for each Member-State in 2018 (mid-term check) and in 2022 (ex post check).
Administrative checking	The management authority of a programme that approved the operation or another competent entity checks the information supplied by the operation's beneficiary in the payment request and exhaustively confirms the eligibility of each expense presented to the funding.
Administrative control	Checking the compliance of the eligibility criteria on all elements related to the beneficiaries and the operations that must be controlled by administrative means.
Anomaly	Situations in which the community law provisions are not broken, such as:

	<ul style="list-style-type: none"> • Administrative or technical errors related to the eligibility of the expenditure, made by AG or an intermediate body; • Errors made involuntarily by the beneficiaries and identified by them to the AG/OI; • When beneficiaries, partially or totally, give up performing the operations, including non-fulfilment of the investments approved.
Application	Formal request for public financial support (national and/or community) presented by the beneficiary to the Management Authority of an Operational Programme in order to guarantee the execution of an operation. The application is formalised by filling in and presenting a form in which, among other elements, the beneficiary must state the investment and the actions to be executed, the goals, its sustainability, the execution timetable and the outputs to be achieved.
Approval decision	Act by means of which a support request is accepted after the compliance with the eligibility and selection criteria has been verified and after which the beneficiary is entitled to the funding.
Audit Authority	Public authority or national, regional or local public body independent from the Management Authority and the Certification Authority, designated by the Member-State for each Operational Programme, responsible for checking the correct operation of the management and control system. It can be designated by several Operational Programmes. In the case of EAFRD, it corresponds to the Certification body. In Portugal this duty is a responsibility of the Inspectorate-General of Finance.
Audit trail	Detailed description of the management and control system in which procedures are presented and controls established to make decisions over expenses, applications for the payments and accounting related to the funds. The audit trail must also allow following the path of the transactions throughout the systems in order to identify all steps through which all the revenues and payments went through.

B

Beneficiary	<p>A public or private body (and a natural person, only with regard to EAFRD Regulation or EMFF Regulation), responsible for the start-up or the start-up and the operation execution;</p> <p>Within the scope of state aid regimes, it is the body that receives the aid.</p> <p>Within the context of financial instruments, it corresponds to the body (e.g. financial institution) that implements the financial instrument or the fund of funds.</p>
Big project	<p>Within the scope of the ERDF and the Cohesion Fund, it corresponds to an operation that includes a series of works, activities and services to execute a specific indivisible action of technical or economical nature with clearly identified goals and of which the eligible cost is higher than 50 million euros, or, within the transport area, higher than 75 million euros.</p>

C

Call for Applications	<p>Notification and systematisation of the set of requirements applications must meet in terms of operation and beneficiary to have access to funding within the scope of an Operational Programme. Among other elements, the call for proposals must state the types of intervention, the terms for the presentation of applications, admission conditions and applications selection, the financial amount available for its funding in each Operational Programme and, if applicable, the corresponding related region.</p>
Certification Authority	<p>Public authority or national, regional or local public body designated by the Member-State to certify the expenditure and the payment requests before they are sent to the Commission.</p>
Certification body	<p>The certification body is a private or public audit entity designated by the Member-State. This entity issues an opinion elaborated in accordance to the internationally accepted audit standards on the completeness, accuracy and truthfulness of the annual accounts of</p>

	the paying body, the correct functioning of its internal control system and the legality of the expenses of which the refund was required to the Commission. This opinion must also explain if the control raises doubts regarding the management statements.
Checking at the site	The management authority of a programme that approved the operation or another competent entity undertakes a checking operation at the location where the operation is undertaken and confirms its real physical execution, its documents and the accounting. For this purpose, every year, the operations are selected based on a representative sample.
Co-funding Rate	Percentage that the community funding represents in the total eligible costs of an operation.
Community based local development strategy	Coherent set of operations to address local needs and goals that contribute to the fulfilment of the Union strategy for a smart, sustainable and inclusive growth designed and executed by a local action group.
Community contribution	Part of the eligible expense that is financed by community funds.
Completed operation	A physically concluded operation fully executed with regard to which all payments were made by the beneficiaries and in which the corresponding public contribution was paid to the beneficiaries.

D

Date of operation beginning	Unless specific resolution stating otherwise, the date of physical and/or financial beginning of the operation is the date of the oldest invoice.
Date of operation conclusion	Unless specific resolution stating otherwise, the date of physical and/or financial conclusion of the operation is the date of the last invoice paid by the beneficiary. This date does not indicate the end or closing of the operation, which presupposes the execution of a set of tasks by the beneficiary (for example, presentation of the corresponding final report) or the Management Authority (as the

	validation of a balance payment request and the corresponding final Report and the resulting final balance payment).
Debt	Financial amount to be recovered, by means of compensation or restitution, from the beneficiary of an operation as a result of the verification of a non-compliance, irregularity or administrative error.

E

Eligible expenditure	Expenditure identified and associated with the execution of an operation, of which the nature and date of execution meet the regulation and the standards in force, as well as the other national and community applicable rules.
Eligibility period for expenditures	Period during which an expense that was paid by a beneficiary within the scope of an operation can be reimbursed by the funds.
European Union Strategy for a smart, sustainable and inclusive growth	The shared aims and goals that govern the Member-States and the Union set out in the conclusions adopted by the European Council of June 17, 2010, Attachment I («New European Strategy for Employment and Growth: Next Steps»), in the Recommendation of the Council of July 13, 2010 and in the Decision of the Council 2010/707/EU, as well as any review of these shared aims and goals.
Europe 2020 Strategy	The Europe 2020 Strategy is an European Union ten-year plan for growth. This strategy aims not only at exiting from the crisis but also at reviewing our growth model and the establishment of the necessary conditions to achieve a different type of growth: a smarter, more sustainable and inclusive growth. Its fulfilment shall be ensured by 5 main objectives that the EU must achieve until the end of this decade and that are related to the following areas: employment, education, research and innovation, social inclusion and poverty reduction and climate and energy. The strategy also includes seven «flagship initiatives» that frame the joint activities of the UE and the national authorities in the following areas: innovation, digital economy, employment, industrial policy, poverty

	and efficiency in the use of resources.
Equal opportunities	The equal opportunities principle is a general principal of which the two strands are the prohibition of discrimination as a result of nationality and men and women equality. It is a principle to be applied in all areas, namely in the economic, social, cultural and family life.
Execution indicator	Parameter used to measure the outputs generated by the fulfilment of an operation's activities
Execution Rate	Ratio between actual expense incurred and expense approved in an operation.
Expenditure certification	Formal procedure through which the Certification Authority informs the European Commission that the expenses presented for refund are eligible are justified by means of paid invoices or other accounting documents of equal probative value or physical indicators of performance in the case of simplified costs and that were incurred within the scope of operations duly approved for funding as an OP.

F

Final beneficiary	A natural or legal person that is awarded financial support from a financial instrument.
Financial instrument	Financial vehicle implemented within the scope of one or more programmes that can be funded by ESIF that provides funding to an entity for the execution of its investment strategy. It must be executed to support investments that are foreseen as financially viable and that do not obtain enough funding from the market sources. The support of financial instruments to the companies funding, including, SMEs must be focused on the support to the creation of new enterprises and the promotion of innovation/internationalisation of the existing enterprises. It can be combined with other forms of support at the operation or expenses

	levels.
Funding plan	Integrating part of the approval decision of an operational programme which details the amount of the financial envelope foreseen for the participation of each fund and the corresponding associated sources of national (public and private) funding on an annual basis and for each priority or priority axis. The funding plan must state, separately, the grants allocated to the regions that receive transitional support within the scope of the annual participation of structural funds.

G

Gender equality	Promotion of equality between men and women by means of an adequate integration of the gender perspective in the entire social and political life, overcoming visible and invisible barriers that might be present in the access of men and women in terms of equality to the economic, political and social participation. The equality gender principle means that the differences between men and women and the different roles that they perform in society are equally accepted and valued.
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I

Imputation Rate	Percentage applied to an expense that reflects a part of its contribution to the execution of an operation.
Intermediate body	A public or private body to which a management authority delegated competences and that acts under its responsibility or that performs functions in the name of the mentioned authority with regard to the beneficiaries that execute the operations.
Investment/Eligible cost	Total of the private and public expense considered for co-funding by the community funds.

Investment/Total cost	Total of the eligible expenditure plus the non-eligible expenditure that is indispensable to the pursuit of the operation objectives.
Irregularity	Violation of the Union or national law related to its application, resulting from an act or omission from an economic operator involved in the execution of the ESIF that hindered, or might have hindered the Union's budget through the imputation of an undue expenses to the Union budget.

M

Management Authority	National, regional or local public authority or a public or private body designated by the Member-State and responsible for the management and the execution of the programme in compliance with the good financial management principle and the national and community rules.
Maritime basin strategy	A structured cooperation framework related to a geographic area elaborated by the institutions of the Member-States, their regions and, if it is the case, third countries that share the maritime basin and that considers the geographic, climatic, economic and politic specificities of the maritime basin in question.
Minimis Aid	Support granted by the State (or via state resources) to an enterprise, which is not considered incompatible with the common market because of its reduced amount that does not exceed the limits established for a period of three years (award year and two previous years) no matter its form or objective and thus does not need to be notified to the European Commission.
Monitoring Committee	Within an operational programme, it is a collegial body responsible, namely, for analysing and approving selection criteria for operations, analysing the outputs of the programme implementation, analysing the conclusions and recommendations of the ongoing assessments, analysing and approving reports of programme execution and all the proposals of changes of the content of the European Commission

	decision over the participation of structural and investment funds in the programme.
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N

NUTS

Territorial unit that designates the European classification created by the European Commission Statistics Service, EUROSTAT, to establish a coherent and structured vision of the community economic territory creating a common territorial basis for the statistical analysis of data. This classification is hierarchical and subdivides each Member-State in NUTS I territorial units, being these subdivided in NUTS II territorial units and the latter subdivided in NUTS III territorial units.

O

Operation

A project or group of projects selected by a program's management authority or under its responsibility that contributes to the investment priority's/priorities' objective within the context of a financial instrument, an operation is constituted by the financial contributions of a programme to the financial instruments and by the financial support subsequently provided by these financial instruments. Source: Regulation No 1303/2013

Operational Programme

«Programme», «operational programme» or «rural development programme», is a document presented by a Member-State and approved by the European Commission that defines a development strategy with a coherent set of priorities to be undertaken with the support of funds. Source: Regulation No 1303/2013

Outputs Indicator

Parameter used to measure the direct effects generated by the operation in the fulfilment of its objectives

Partnership	Process through which two or more players (partners) enter a relationship based on assumptions previously agreed upon and whose joint action has consequences on the dynamic of operations/organisations with converging interests or expectations. All partners/players must unite efforts, monetize resources, integrate perspectives and complement competences and actions, that is, work together with a clear understanding with regard to the essential principles, aims, objectives and methods of the partnership. It implies the committed participation of all the partners, the definition of the roles and responsibilities of each partner in the execution of the operation.
Partnership Agreement – Portugal 2020	Document prepared by Portugal with the participation of partners, in compliance with the different levels' governance approach that establishes the strategy, priorities and modalities of use of the five European Structural and Investment Funds (ESIF) in an efficient way in order to implement the European Union 2020 Strategy for a smart, sustainable and inclusive growth approved by the Commission after an assessment and conversations with the Member-State in question.
Paying Body	It corresponds to the services or bodies responsible for the management and control of the expenditure. In the case of ERDF, CF and ESF, these competences are allocated to the Paying Entity (Agência para o Desenvolvimento e Coesão, IP).
Paying Entity	The body that shall receive the payments made by the Commission and that, within the scope of each Operational Programme, makes the payment to the beneficiaries in the exercise of its own competences or of delegated competences. In the EAFRD, it corresponds to the Paying Body.
Payment in Advance	Payment in Advance of the national or community contribution. As a general rule, the probative documents for expenditures and payments must be supplied later.
Payment Request to	Payment Request, from fund only or fund and national counterpart

the Management Authority	presented by the beneficiary to the corresponding Management Authority that approved the operation and that includes the presentation of the expense already undergone in the operation execution for its refund, in accordance to the approved contribution rate.
Payment Request to the European Commission	The Certification Authority presents the European Commission with a certified declaration of the expenditure incurred by the beneficiaries and paid as funds in each operational programme in order to obtain a refund.
Payment to the beneficiary	Partial or total payment of the community funding, and in some cases national, to the beneficiary. The payment can take the form of an advance payment or a refund of expenditures paid, among other forms.
Private national contribution	Part of an operation investment that is ensured by private law entities, profitable or non-profitable, of which the action scope is not considered of public interest.
Project that generates revenues	An operation that includes an investment in infrastructures of which use implies the payment of rates directly by the users or any land or building sale or rental operation or any other service provision for consideration.
Public expenditure	All public contributions for the funding of the operation resulting from the budget of national, regional or local public authorities, the Union's budget related to the ESIF, the budget of the public law bodies or the budget from public authorities associations or from public law bodies to determine the co-funding rate for the programmes or for the ESF priorities can include financial resources constituted with the collective contribution of employers and employees.
Public law body	A body governed by public law, in the sense of article 1, point 9 of Directive 2004/18/EC of the European Parliament and Council or a European grouping of territorial cooperation (EGTC) established in the terms of Regulation (EC) No 1082/2006 of the European Parliament and Council, no matter if the EGTC is considered a public law body or a public law body in the terms of the corresponding

	national execution provisions.
Public national contribution	Any public contribution for the funding of operations from the State Budget, local and regional authorities and any equivalent expenses. A similar expenditure is any contribution for the funding of operations from the budgets of private law bodies, associations of one or more local or regional authorities or of public bodies.
Public Private Partnership (PPP)	Forms of cooperation between public and private bodies destined to promote the execution of investments in infrastructures projects or other types of operations that supply several publics through the risk sharing specialised knowledge congregation of the private sector or additional capital sources. Source: Regulation No 1303/2013

R

Refundable Aid	Financial support granted to a beneficiary being that the latter is obliged to refund the amount granted usually phased in time and after a grace period in accordance to a pre-established schedule.
Revenues	Set of net resources generated within the project during the eligibility period of the corresponding costs which arise, namely, from sales, services provisions, rentals, registrations and entries, interest receipts or other equivalent revenues allocated to the operation cost funding.

S

Selection criteria	Set of rules that are used as support to the assessment of an application. The aim of these criteria is to guarantee the existence of common, objective and transparent analysis' parameters, to substantiate the ranking and the approval of the applications to the funds within the scope of the Operational Programme.
Smart specialisation strategy	National or regional strategies that define priorities to achieve a competitive advantage and combine strong points inherent to research and innovation with entrepreneurial needs to coherently address the emerging opportunities and the market evolution while avoiding the duplication and fragmentation of efforts; a smart

	specialisation strategy can be a national or regional strategic framework of research or innovation or be part of it.
SME	In accordance to the Commission Recommendation 2003/361/EC, a micro, small or medium enterprise is defined based on the following criteria: <ul style="list-style-type: none"> • Medium enterprise – employs between 51 and 250 people; the annual turnover does not exceed 50 million euros or a total annual budget that does not exceed 43 million euros; • Small enterprise - employs between 11 and 50 people and a total annual budget that does not exceed 10 million euros. • Microenterprise - employs less than 10 people or a total annual budget that does not exceed 2 million euros.
Specific Goal	Output to be achieved with an investment priority through the execution of actions or measures foreseen in the priority and defined within a specific national or regional context.
State Aid	Benefit granted by the State (or via state resources) that implies transfer of state resources or the cut down of expenses in order to support specific enterprises or types of productions creating an economic advantage that an entity would not obtain in normal market conditions. This state aid is selective and produces effects over the competition and the commerce between the European Union Member States. In the UE, aid selectively allocated by Member-States or via State resources that might affect the exchanges between the Member-States and distort concurrence are forbidden (article 107 of the Treaty on the Functioning of the European Union (TFEU)). State aids can be authorized when justified by general interest goals: aids for the development of disadvantaged regions, services of general economic interest, promotion of small and medium companies, research and development, environment protection, training, employment and culture.
Support Rate	Percentage public funding (community fund and, in some cases, national public counterpart) represents in the total eligible costs of an operation.
Systemic irregularity	It corresponds to an irregularity, with high probability of occurrence

in operations of similar nature, resulting from a serious failure in the correct functioning of a management and control system, namely a deficiency in the establishment of correct procedures in accordance to current regulation and specific rules of the Funds.

T

Thematic objective

In order to contribute to 2020 strategy for a sustainable and inclusive growth, 22 thematic objectives were defined as foreseen in article 9 of Regulation (UE) 1303/2013 of December 17. Each Member State must select which thematic goals it wishes to pursue via the operational programmes and these are the object of negotiations with the EC. The thematic goals are executed via investment priorities also set out in the UE Council's regulations for each Fund.

V

**Validated
Expenditure**

Financial amount of the expenditure presented by the beneficiary as a payment request and analysed and considered compliant with the application approval conditions (strict eligibility) that ensures the veracity, regularity and legality of the expense (normal checking), as well as the applicable eligibility conditions (standard eligibility).
