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**HANDBOOK FOR MANAGING
PROJECTS RECEIVING FUNDING
FROM THE SUSTAINABLE TOURISM DEVELOPMENT FUND
BY MEANS OF
TRANSFER APPROVAL
OR
THE AWARDING OF AID**



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The documentation relating to this handbook can be found at the website www.illessostenibles.travel:

- Order issued by the minister for Economic Affairs and Public Administration, developing certain aspects of the administrative process and supervision procedure for files on expenditures paid for by the sustainable tourism development funds, and their appendices: form for the awarding of aid (APPENDIX 1) and transfer approval form (APPENDIX 2).
- APPENDIX 3, CERTIFICATE OF COMMENCEMENT AND PLANNING TEMPLATE
- APPENDIX 4, FOLLOW-UP CERTIFICATE TEMPLATE
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- BALEARIC ISLANDS OFFICIAL GAZETTE APPROVING EACH ANNUAL ACTION PLAN AND LIST OF APPROVED PROJECTS
- LIST OF RATIONALE DOCUMENTATION FOR THE FUNDED PROJECT:
 - a) Legal documentation
 - b) Economic documentation
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1.- INTRODUCTION

Act 2/2016, of 30 March, on the tax on tourist stays and measures to boost sustainable tourism, creates in articles 19 and 20 the fund for promoting sustainable tourism and the Sustainable Tourism Development Task Force, which draws up the Annual Action Plan that sets the priority goals for each year based on criteria of balanced spatial planning, in accordance with article 51.2 of Decree 35/2016, of 23 June, implementing Act 2/2016, of 30 March.

The tenth additional provision of Act 13/2017, of 29 December, on general budgets of the Autonomous Community of the Balearic Islands for 2018 established that the Balearic Islands Tourism Agency is responsible for managing the resources that make up the fund to promote sustainable tourism, and therefore for providing funds to the organisations implementing projects approved within the framework of the Annual Sustainable Tourism Development Action Plan.

These funds, in any event, will be classed as funding earmarked for the costs incurred in these projects, including where the implementing organisation is in the public administration of the Balearic Government itself, which will generate the appropriate credits in whichever budgetary sections need to be executed, in accordance with article 59 of Act 14/2014, of 29 December, on the Autonomous Community's finances.

The public administration of the Autonomous Community of the Balearic Islands must first transfer the appropriate amounts to the Balearic Islands Strategic Tourist Agency by implementing the appropriations from section 37 of the expenditure budget of the Balearic public administration.

Decree 18/2018, of 22 July, reorganising, restructuring and regulating the Strategic Tourist Agency (hereinafter, the AETIB), establishes the responsibilities of this organisation in terms of managing the sustainable tourism fund. Specifically, the AETIB is entrusted with carrying out the following tasks:

- a) Provide support for the Sustainable Tourism Development Task Force (hereinafter, the Task Force).
- b) Assess the projects presented in each Annual Action Plan in accordance with the criteria specified in the Annual Action Plan and report to the Task Force.
- c) Approve and undertake the administrative procedures for allocating any subsidy approved by the Task Force, or transfer the appropriate resources, as appropriate.



- d) Monitor and supervise approved projects.
- e) Verify compliance by the persons or organisations receiving the subsidies or transfers with the communication plan and its rules by means of the Communication Handbook and the Corporate Identity Manual.
- f) Manage the credits from section 37 that the Ministry for Economic Affairs, Tourism and Employment transfers to the AETIB.
- g) Carry out all tasks as instructed by the Sustainable Tourism Development Task Force.
- h) Carry out any actions that may be required to manage the projects approved by the Task Force.

2. PURPOSE OF THE HANDBOOK

To establish the procedure that manages and monitors execution of the project and the administrative procedures and justification for the funded procedures to the different Annual Action Plans charged against the fund to promote sustainable tourism, with the aim of creating a unified approach to executing and providing the rationale for the projects selected by the Task Force.

3. LEGISLATION AFFECTING MANAGEMENT OF THE SUSTAINABLE TOURISM TAX AND THE SUSTAINABLE TOURISM FUND THAT IT PAYS INTO – BUDGETARY SECTION 37 OF THE GENERAL BUDGETS OF THE AUTONOMOUS REGION OF THE BALEARIC ISLANDS, LISTED BY YEAR

2016

- Act 2/2016, of 30 March, on the tax on tourist stays in the Balearic Islands and sustainable development measures (BOIB [Balearic Islands Official Gazette] no. 42, of 2 April 2016).
- Decree 35/2016, of 23 June, implementing the legislation governing the tax on tourist stays (BOIB no. 81, of 25 June 2016).
- Agreement by the Balearic Islands Council of Government of 23 September 2016, ratifying the Annual Sustainable Tourism Development Action Plan for 2016, approved by the Sustainable Tourism Development Task Force (BOIB no. 122, 24 September 2016).
- Ninth Final Provision of Act 18/2016, of 29 December, on general budgets of the Autonomous Region of the Balearic Islands for 2017 (Balearic Islands Official Gazette no. 164, 31 December 2016).

2017

- Agreement by the Council of Government of 27 January 2017, approving the proposal by the Sustainable Tourism Development Task Force relating to projects to be funded by the Sustainable Tourism Development Fund in the Annual Action Plan for 2016 (BOIB no. 12, 28 January 2017).
- Agreement by the Council of Government of 7 July 2017, ratifying the Annual Sustainable Tourism Action Plan for 2017, approved by the Sustainable Tourism Development Task Force (BOIB no. 83, of 8 July 2017).
- Agreement by the Council of Government of 20 October 2017 (BOIB no. 129, 21 October 2017).



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- Agreement by the Council of Government of 1 December 2017 (BOIB no. 147, 2 December 2017).
- Act 13/2017, of 29 December, on general budgets of the Autonomous Region of the Balearic Islands for 2018 (Balearic Islands Official Gazette no. 160, 29 December 2017).

2018

- Resolution by the ATB chairwoman on 1 February 2018, on the delegation of signature to the ATB managing director relating to the ATB's management of credits from section 37 of the expenditure budget for the Balearic public administration to fund Sustainable Tourism Tax projects.
- Agreement on 26 February 2018 by the ATB board of directors, authorising the ATB chair to award direct subsidies following approval by the Council of Government of projects funded by the Sustainable Tourism Tax (BOIB no. 30, of 8 March 2018).
- Agreement by the Council of Government of 16 February 2018, establishing various measures regarding management of the Sustainable Tourism Development Fund (BOIB no. 22, 17 February 2018).
- Order issued on 26 February 2015 2018 by the minister for Economic Affairs and Public Administration, developing certain aspects of the administrative process and supervision procedure for files on expenditures paid for by the Sustainable Tourism Development Fund (BOIB no. 40, 31 March 2018).
- The joint memo issued on 22 May 2018 by the minister for Innovation, Research and Tourism and the minister for Economic Affairs and Public in relation to how the responsibilities set out in section 37 are interpreted. (As of today's date, in accordance with Decree 21/2019, of 2 July, issued by the President of the Balearic Islands, establishing the responsibilities and basic organic structure of the ministries departments of the Balearic Islands public administration, its new title is the Ministry of Economic Modelling, Tourism and Employment).
- Agreement by the Council of Government of 25 May 2018, approving the proposal by the Sustainable Tourism Development Task Force relating to the modification of the economic execution of certain projects that were approved in accordance with the Annual Action Plan for 2017 (BOIB no. 65, of 26 May 2018).
- Agreement by the Council of Government of 8 June 2018, approving the proposal by the Sustainable Tourism Development Task Force relating to the modification of the economic execution of certain projects that were approved in accordance with the Annual Action Plan for 2017 (BOIB no. 65, of 26 May 2018).
- Decree 18/2018, of 22 June, reorganising, restructuring and regulating the AETIB (BOIB 77, of 23 June 2018).
- Agreement by the Council of Government of 29 June 2018, ratifying the Annual Sustainable Tourism Action Plan for 2018 (BOIB no. 83, of 5 July).
- Agreement by the Council of Government of 26 October 2018, ratifying the Annual Action Plan for 2018 (BOIB no. 134, 27 October).

2019



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- Agreement by the Council of Government of 17 May 2019, ratifying the Annual Sustainable Tourism Action Plan for 2019, approved by the Sustainable Tourism Development Task Force (BOIB no. 67, of 18 May).
- Agreement by the Council of Government of 11 October 2019, ratifying the new deadline for submitting projects with regard to the Annual Sustainable Tourism Development Action Plan for 2019, approved by the Sustainable Tourism Development Task Force (BOIB no. 139 of 12 October).
- Agreement by the Council of Government of 31 October 2019, approving the proposal by the Sustainable Tourism Development Task Force relating to projects in the Annual Action Plan for 2019. (BOIB no. 149 of 2 November).
- Agreement by the Council of Government of 13 December 2019, approving the proposal by the Sustainable Tourism Development Task Force relating to the modification of certain projects funded by the Sustainable Tourism Development Fund in the 2017 and 2018 Annual Action Plans.

4. DOCUMENTATION NEEDED TO BEGIN THE ADMINISTRATIVE PROCEDURE FOR THE PROJECT APPROVED BY THE SUSTAINABLE TOURISM DEVELOPMENT TASK FORCE

4.1. Once the Task Force has approved the projects for funding, the Report, approved by the Council of Government, must be published in the Balearic Islands Official Gazette (BOIB) – Illessostenibles.travel.

4.2 The AETIB will provide each organisation with the certificate signed by the secretary of the Task Force for Sustainable Tourism Development (hereinafter, STD), certifying that the Task Force's Plenary Session has approved the project, by proposal of the Executive Committee.

4.3 Once this certificate has been received, the organisation (public entity, Balearic government ministries, island council or local authorities) will have 30 calendar days to inform the AETIB of the person who will act as liaison between the organisation that will be receiving the transfer/aid and the AETIB.

4.4 Once the AETIB has been informed of who will act as liaison, the AETIB will request the project's Certificate of Commencement and Planning (hereinafter, CCP). This certificate contains the most significant information on the project, so it can be monitored, and must be completed in full before being returned by the project manager within 15 working days. It is extremely important, as it marks the beginning of the documentation's administrative processing.

Once the certificate, having signed by the Project Manager, has been received, the AETIB will begin the internal administrative procedure to draw up the resolution approving the transfer or granting the aid; review and verification of the certificate, issue of the appropriate credit certificate, drafting of the transfer resolution (Balearic Govt / public companies), drafting of the aid resolution (other entities: ministerial departments and local authorities). In this latter case, the proposal for a resolution and the rest of the documentation (certificate confirming all tax and Social Security obligations are up to date, or that amounts are owed to the Balearic Tax



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Administration or the AETIB itself) must be sent to the Balearic Govt Accounts Department by means of the previously issued favourable report.

5. FORMALISATION INSTRUMENTS

The funding for the project will be formalised by means of a report document, proposal for resolution and Resolution approving a transfer, if the beneficiary is any Balearic Govt ministry, whereas for island councils, local authorities and public businesses, the resolution granting the aid will be issued. **In this second case, the aid will have to be accepted within the timeframe established in the resolution granting the aid**, in accordance with the provisions established in the legislation on subsidies.

Each Resolution will determine, among other aspects, the specific method of payment and the timeframes for executing and providing the rationale for the project, as well as the terms relating to the project monitoring and communication.

The template for this document appears as appendix 2 in the Order issued by the minister for Economic Affairs and Public Administration, developing certain aspects of the administrative process and supervision procedure for files on expenditures paid for by the Sustainable Tourism Development Fund.

6. RATIONALE FOR THE PROJECT BEING APPROVED FOR TRANSFER

6.1 Overview:

The projects selected to receive funding from the Sustainable Tourism Development Fund must be executed and a rationale provided in accordance with the specific clauses included in any resolutions issued, with the aim of creating a unified approach to executing and providing the rationale for the projects selected in each Annual Action Plan.

In the ruling on the aid to be granted or the transfer approved, the AETIB must establish the appropriate monitoring and assessment mechanisms to check the level of compliance of the activities, and must ensure the Task Force is fully informed.

For this to be effective, the beneficiary organisations must appoint a project manager to liaise with the agency and inform the AETIB by means of the certificate of commencement and planning.

In order for the AETIB to be able to monitor and assess project execution, every quarter until the project's end the organisations receiving the funds **must issue the AETIB with a technical report on the state of execution (known as the Follow-up Protocol, as per the template available on the website illesostenibles.travel), adhering to the following calendar:**

- 1-15 March
- 1-15 June
- 1-15 September
- 10-15 December



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Additionally, before 30 January each year, an economic report of the total amount executed up to 31 December of the previous year must be submitted to the AETIB.

6.2. Timeframe for initiating project execution:

A timeframe of one year is set for initiating the approved project from the date on which notice is given of the resolution approving the transfer or granting the aid.

If the project has still not commenced, the beneficiary must provide a rationale and a request to extend so that the project can remain active.

6.3 Modification of projects financed by sustainable tourism development funds.

On its own initiative the beneficiary organisation may request the body granting the aid to initiate the procedure to modify the resolution approving the transfer or aid, including to extend the timeframes for execution and providing the rationale, although under no circumstances can there be any alteration to the destination or purpose of the subsidy, or the activity, programme, action or behaviour for which the aid was granted or the transfer approved.

Any alteration of the conditions taken into account when approving the transfer or aid, as indicated below, may lead to a modification in the aid or transfer:

1.- Simultaneously obtaining subsidies or aid for the same purpose from any administrations or entities, be they public or private, at a state or EU level, or from international organisations.

2.- Due to unforeseen circumstances that lead to the technical project or assessed report of the funded activity being modified in the budgetary items that were initially submitted and which entail said modification.

Under no circumstances can be modification entail a discount in the scoring obtained in the appraisal stage, not can it raise the score obtained or the amount of the subsidy granted or transfer approved.

3.- Circumstances that are unforeseen or which are necessary for the project to be successfully completed, as well as any other unforeseen circumstances that create a need for the execution or rationale timeframes to be extended.

The document requesting the initiation of the modification must have sufficient rationale, and must be submitted immediately once the particular circumstances become apparent and with sufficient notice prior to the initially established deadline for execution and the rationale.

The resolution shall be adopted by the body granting the aid or approving the transfer following the order from the appropriate procedure, which should include, as a minimum, a report-technical proposal that should be submitted to the Sustainable Tourism Development Task Force depending on the reason for the modification, and under no circumstances can this modification harm the rights of any third parties.

In any event, any modification to a transfer approval must be reported to the nearest Sustainable Tourism Development Task Force.



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6.4. Partial and full rationale.

A partial rationale report may be submitted; it must include the certificate, as appropriate, the invoice and its payment, in order for the appropriate partial payments to be made.

The partial documentation submitted will form part of the final rationale report, to which it must be incorporated.

The final rationale report must include the list of receipts and documentation accrediting the costs incurred and the payments made.

The beneficiary must also submit a technical report on the state of execution of the actions receiving funding and a certificate of recognised obligations issued by the body responsible for their economic management, indicating the actions carried out and their cost. The descriptive and photographic report of the activities that have been carried out must also be included.

The report by the managing technical service accrediting that the object of the expenditure is included in the project financed by said fund must also be included, indicating the project number and title.

Certification must be provided that the regulations in effect on matters of public procurement have been applied in the selection of the business or businesses that have carried out the funded activity.

The final rationale report and other documentation must be submitted no later than six months after the activities have been completed.

6.4.1 Documentation to be submitted as rationale of the funded project

Attached as appendices is the list of documentation that beneficiaries must provide as rationale in terms of economic-accounting and legal requirements, and of compliance in disseminating information.

7. PAYMENT SYSTEM

As a general rule, payments must be made once the purpose for which the aid has been approved has been verified, within the established timeframes, and proof has been provided of the completion of the funded activity within the terms established in the resolution and following a review and approval report has been carried out by the technical services of the AETIB.

Partial payments can be made.

Advance payment of up to 75% of the aid can also be made, provided that it can be proven that the project does not have the resources to temporarily finance the activity for which the aid is intended, and a partial or total rationale has been submitted in the terms established in this Resolution, without the need for the beneficiary to have paid out for any of the costs incurred or for AETIB technical services to have produced the review and approval report.



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The aid may not be paid if the beneficiary is not up to date in all tax and Social Security obligations are up to date, or owes amounts to the Balearic Tax Administration or the AETIB itself for debts that are overdue, reimbursed and collectable, and must submit accreditation of said circumstances if the applicant has refused for the AETIB to obtain them.

8. NON-COMPLIANCE OR DEFECTIVE COMPLIANCE OF THE ACTIVITY AND THE CONDITIONS OF THE TRANSFER.

Complete non-compliance of the purpose for which the transfer is approved or the aid granted, or of the eligibility of costs, the obligation to provide a rationale, or the obligation to release publicity, will lead to the requirement for the amounts received to be reimbursed, as appropriate, plus accrued interest on the amounts received as established in general terms in the Balearic islands legislation on financing, from the time the payment is received to the date of the resolution by which reimbursement is agreed, or the date on which the debtor makes the payment, if sooner.

When according to the rational documentation accepted compliance is **at least 20 per cent of the total compliance** and this is proven to be a course of action unequivocally intended to meet the commitments and conditions of the aid, the following criterion shall be taken into account:

Partial non-compliance of the approved purpose, or of the eligibility of costs, or of the obligation to provide a rationale will lead to the requirement for the amounts received to be reimbursed, in the percentage of the investment not made or lacking rationale, as appropriate, plus accrued interest on the amounts received as established in general terms in the Balearic islands legislation on financing, from the time the aid payment is received to the date of the resolution by which reimbursement is agreed, or the date on which the debtor makes the payment, if sooner.

Non-compliance of more than 20 per cent shall be considered complete non-compliance, which will entail the consequences set out in the first paragraph of this point.

The Sustainable Tourism Development Task Force must approve a catalogue of degrees of non-compliance to determine percentages of non-compliance in three blocks – non-compliance in the project's rationale in terms of the project's legal procedures, in terms of economic-accounting aspects, and in terms of the obligation to disseminate and publicise the funded project.

9. REIMBURSEMENT PROCEDURE

The document certifying the start of the reimbursement procedure must indicate the reason behind it being started, the obligations that have not been met and the amount of the transfer or aid involved.

Once notice has been received of the start of the reimbursement procedure, the organisation concerned has 15 days to may submit any arguments and documentation considered pertinent. The AETIB is responsible for issuing the resolution on the matter, and shall inform the party concerned within 12 months following the agreed



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start date. The resolution must indicate which organisation is required to proceed with the reimbursement, the obligations not met, the reason for the reimbursement and the amount of the aid to be reimbursed plus accrued interest.

This procedure is governed by the provisions established in the regulations of the Sustainable Tourism Development Fund and those indicated in said Resolution.

10. EXEMPTION FROM LIABILITY

The AETIB will not be held liable for the actions of any organisation receiving transfers or aid, or for any damages and losses that may occur as a consequence of any activities that receive funding.

11. PUBLICITY

Beneficiaries must publicise the financial contribution from the Sustainable Tourism Development Fund, and it must be shown on any posters used to publicise the activities, investments and works carried out, in accordance with AETIB proposals.

The publicity measures to be adopted must comply with the corporate image and communication requirements established by the AETIB in the manuals provided for this purpose and which can be viewed at www.illessostenibles.travel, in accordance with the provision in point 4 b) of appendix 2 of the Order issued by the minister for Economic Affairs and Public Administration, developing certain aspects regarding the administrative process and supervision procedure for files on expenditures paid for by the sustainable tourism development fund, as published in the Balearic Islands Official Gazette no. 40, of 31 March 2018.

If these manuals are modified, the AETIB shall inform the beneficiaries to ensure they produce the appropriate publicity at all times.

10. CERTIFICATE OF IN SITU MATERIAL VERIFICATION – CERTIFICATE OF PROJECT COMPLETION

In accordance with the provision in article 42 of the Consolidated Text of the Waters Act, regulating the verification of subsidies, if the aid is for an amount of more than €300,000, the AETIB must conduct a material verification of the investment made and received by the beneficiary, and must issue a record or submit a report on said verification. This record of verification must be carried out prior to the settlement or final payment of the aid is made and the Accounts Department must be informed so that it can attend, should it choose to do so.