European Union | European Regional Development Fund

Sharing solutions for better regional policies

Interreg Europe Programme Manual

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How to use this publication

This programme manual is designed to accompany those involved in all aspects of the programme implementation, from applicants through to project partners, financial managers and controllers.

It is organised around in three main parts: one on the programme in general and two covering the two actions the programme supports – Policy Learning Platform and projects.

It is designed to have a clear structure, key phrases are in bold, and further definitions may be provided in footnotes. Throughout the publication, examples, definitions or case studies are presented in grey boxes. The document is complete without reading these grey boxes, however they provide very useful context, explanation or demonstrations. They should aid the readers understanding of key points.

The Interreg Europe website has a comprehensive glossary should any terms not be understood: http://www.interregeurope.eu/help/glossary/

Note for project applicants

Applicants should read the entire manual carefully, as relevant and useful information for preparing a relevant project is provided throughout. As a guide, however, the information in part A will help you decide if the programme is right for your needs, in terms of who can apply for funding, which topics of cooperation are supported, what the programme expects to change and so on.

Section C follows the project cycle, from its development through the application process to implementation. While sections 4 and 5 are specifically dedicated to project development, the information provided in the rest of the document is also crucial for the preparation of a good application. Instructions on how to apply are found in section 5.2. Refer to section 5.3.1 for the list of eligibility requirements to make sure your application would not be rejected for technical reasons.

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Introduction

This manual aims to describe the rules and recommendations of the Interreg Europe programme. It is designed to be a reference document for anyone involved in setting up, implementing or monitoring actions supported by Interreg Europe.

It starts with a summary of the programme's main features, then provides detailed information on the development, selection, implementation and closure of Interreg Europe projects.

The rules laid down in this document are mandatory. The manual also provides specific recommendations. If applicants do not follow these recommendations, they will need to provide clearly justified reasons for not doing so on the application form.

Additional information and documents on calls for proposals are available for download from the programme's website: www.interregeurope.eu

A) PROGRAMME

1. Programme summary

1.1 What is the programme's objective?

Through its **cohesion policy** the European Union works to reduce disparities in the levels of development, growth and quality of life in European regions[1]. It promotes actions designed to make the European territory more innovative, more sustainable, and more inclusive. This is the EU policy agenda, called the **Europe 2020 strategy**.

While the large majority of the funds designated to reduce these disparities are managed nationally, the EU and Member States believe that regional development can be improved through cooperation across borders.

The Interreg Europe programme, financed by the **European Regional Development Fund** (ERDF), was therefore designed to support policy-learning among the relevant policy organisations with a view **to improving the performance of regional development policies and programmes**. It allows regional and local public authorities and other players of regional relevance across Europe to exchange practices and ideas on the way public policies work, and thereby find solutions to improve their strategies for their own citizens.

[1] The word 'region' or the expression 'regional relevance' are often used in a broad sense in Interreg Europe. It refers to any territory which can be represented by a local, regional or national public authority. Depending on the particular issue being addressed and the characteristics of the territories involved, it can relate to different administrative levels (e.g. municipality, city, county, province, region, country).

1.2 How does the programme work?

The Interreg Europe programme has an ERDF budget of EUR 359 million for the 2014-2020 period and a thematic focus on the following four policy topics, each related to regional development:

1. Research, technological development and innovation
2. Competitiveness of SMEs
3. Low-carbon economy
4. Environment and resource efficiency

The programme finances two types of action:

a) **Interregional cooperation projects**: partnerships made up of relevant policy organisations from different countries in Europe work together for 3 to 5 years to exchange their experiences on a particular policy issue. Each region involved in the cooperation project produces an action plan, specifying what will be done in the region to ensure that the lessons learnt from the cooperation project are put into action. Projects are also required to monitor the progress of their action plans, to determine the impact of cooperation.
Calls for project proposals are launched throughout the programming period.

b) **Policy Learning Platform**: a space for continuous learning where any organisation dealing with regional development policies in Europe can find solutions and request expert support to improve the way they manage and implement their public policies in the four topics listed above.

1.3 Who can access funding?

Any of the following organisations based in the 28 EU Member States, as well as Norway and Switzerland are eligible for Interreg Europe funding:

- National, regional or local public authorities
- Institutions governed by public law (e.g. regional development agencies, business support organisations, universities)
- Private non-profit bodies.

Further information can be found in section 4.4.2 of the present document.

1.4 Who are the programme's ultimate beneficiaries?

The direct beneficiaries of the programme are staff and organisations across all the regions of the EU, plus Norway and Switzerland, who are involved in designing and delivering policies in the four topics listed above. Further information on the direct beneficiaries can be found in section 4.4.2. As a result, the citizens and groups impacted by those policies (e.g. SMEs) will benefit from improved governance or implementation.

1.5 What exactly will the programme change?

Individual staff members and organisations will be better equipped to propose new policies or to implement improved techniques. Institutions on regional, national and EU levels will be more effective in implementing regional policies and programmes.

1.6 What is new in the programme?

EU support for interregional cooperation has existed for around 20 years. However, new features have been introduced in this programming period to ensure that EU funds are used more effectively:

1. **Selection of better-focused topics**: the more focused the topics, the greater the chances of producing effective results.
2. **Mid to long-term monitoring**: EU cooperation projects have been criticised in the past over the difficulty of capturing and monitoring project results (vis-à-vis policy change) after the funding of the activities has ended. In the present programme, regional partners are required to spend some time monitoring the impacts of the exchange of experience on the territories concerned. This "monitoring phase" is essential for participating regions to demonstrate the value of cooperation and make sure that its results (and of the investment of EU money) are recorded more systematically.
3. **Policy Learning Platform**: while many European networks exist on countless topics of regional development, none have as main aim to support local and regional governments in being more effective when planning and implementing policies and programmes for regional development and in particular Structural Funds programmes. The Policy Learning Platform seeks to address this: it is a tool that allows for a faster and better sharing of knowledge to help public authorities to be more effective.
4. **Greater emphasis on improving programmes that are part of the European Union's cohesion policy** (i.e. Investment for Growth and Jobs and European Territorial Cooperation programmes).
5. For the first time, **private non-profit bodies** can benefit from Interreg Europe funding, in addition to public bodies and bodies governed by public law.

2. General programme information

2.1 Interreg Europe within the EU cohesion policy and within European Territorial Cooperation programmes

Article 174 of the Treaty on the Functioning of the European Union (TFEU) calls for action by the European Union to strengthen its economic, social and territorial cohesion and to promote overall harmonious development by reducing disparities between the levels of development of regions and promoting development in least favoured regions. Interreg programmes contribute to this overall EU objective through their promotion of cross-border, transnational and interregional cooperation as well as through the balanced and sustainable development of the EU territory.

European Territorial Cooperation (ETC) has been part of EU cohesion policy since 1990. Interreg I was launched as a community initiative for the 1989-1993 programming period with the aim of stimulating cooperation between regions across the European Union. Building on the success of the first phase, it was followed by Interreg II for the subsequent period 1994-1999, then by Interreg III for the 2000-2006 period, and Interreg IV for 2007-2013.

In 2007, European Territorial Cooperation became a cohesion policy objective, affording it more visibility, an improved legal basis and closer links with existing EU thematic strategies. Cooperation was seen as being central to the construction of a common European space, and a cornerstone of European integration. Interreg demonstrates clear European added value: helping to ensure that borders are not barriers, bringing Europeans closer together, helping to solve common problems, facilitating the sharing of ideas and assets (knowledge, competences, infrastructure, etc.), and encouraging strategic work towards common goals.

The Interreg Europe programme is part of the European Territorial Cooperation goal of EU cohesion policy for the 2014-2020 programming period. It is the successor to the INTERREG IVC programme. Known as 'interregional cooperation', this strand of Interreg differs from cross-border and transnational cooperation for the following main reasons:

Geographic coverage

Interregional cooperation is the only Interreg programme for which all EU regions are eligible. In comparison, in cross-border cooperation, which brings together border regions, the eligible area is more focused. Similarly, though wider than cross-border cooperation, the geographical coverage of transnational cooperation, which seeks to promote better integration between 'greater' European regions, also focuses on particular areas within Europe. Examples include the Baltic Sea Region, Central Europe, or Alpine Space.

Rationale of the programme and territorial needs addressed

As a '**capitalisation'** programme, Interreg Europe is primarily targeted at local and regional public authorities and focuses on the identification, analysis, dissemination and transfer of good practices and policy experiences, with a view to improving the effectiveness of regional and local policies.

All EU regions, regardless of their location, are eligible to participate in interregional cooperation in order to optimise the potential impact of knowledge exchange for improving the effectiveness of the policies listed in section 1.2. Interregional cooperation therefore works to address policy needs at the intra-regional level by seeking solutions to those needs beyond borders. For example, a local authority may, should it consider that its waste management policy is underperforming, decide to improve its approach by developing a project with other authorities in Europe facing similar challenges.

In contrast, the cross-border and transnational programmes are designed to address cross-border and transnational issues (e.g. labour markets, health, transport infrastructures, river management). For example, flood risk issues along a shared river-basin cannot be tackled at the national or regional levels alone but require intensive regional cooperation at the transnational level.

Capitalisation

In the context of the Interreg Europe programme, capitalisation is defined as a process of collecting, analysing, disseminating and transferring good practices and experiences gained in a particular field of regional development policy. In particular, one of the expected results of this process is the transfer of those practices and experiences into Structural Funds programmes (i.e. 'Investment for Growth and Jobs' and 'European Territorial Cooperation' programmes) within regions seeking to improve their policies.

The interregional cooperation programme has a particular focus on networking, exchanging and transferring experiences, with the aim to find solutions to common challenges. In comparison, cross-border and transnational programmes are more implementation oriented.

Interregional cooperation programmes may not be used as a substitute for funding from local, regional or national policies (the additionality principle). It is the role of the respective local or regional policy instruments to integrate and implement the lessons learnt from interregional cooperation. Since the projects results mainly consist in integrating the lessons learnt from cooperation into the relevant local, regional or national policies, these results should be by definition durable. By doing this, regional needs will have been addressed through cooperation. As a result, the partnership would in principle not need to be maintained beyond the lifetime of the project. In contrast, the question of the durability of the results is more challenging in cross-border or transnational cooperation projects which need to demonstrate how the results of the cooperation will remain beyond the funding period.

2.2 Programme area and funding

Interreg Europe covers the entire territory of the European Union with its 28 Member States, including their insular and outermost areas, as well as Norway and Switzerland. Partners from other countries can participate at their own cost.

The programme is financed by the European Regional Development Fund (ERDF). The total budget for the programme is EUR 359 million:

- EUR 322.4 million is available to co-finance interregional cooperation projects implemented by EU partners. Partners from Norway and Switzerland will be co-financed by national funds from their respective countries.
- EUR 15.3 million is allocated to finance activities carried out by the Policy Learning Platform.
- EUR 21.3 million for technical assistance.

2.3 Programme objective and actions supported

As part of the EU cohesion policy, the Interreg Europe programme supports the Europe 2020 strategy[2]. Europe 2020 is the EU's growth strategy designed to turn the EU into a smart, sustainable and inclusive economy that delivers high levels of employment, productivity and social cohesion. Europe 2020 has three mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation.
- Sustainable growth: promoting a more resource-efficient, greener and more competitive economy.
- Inclusive growth: fostering a high-employment economy that delivers social and territorial cohesion.

The objective of interregional cooperation is more specific compared with previous programming periods, since the ETC Regulation[3] stipulates explicitly that it should be dedicated to 'reinforcing the effectiveness of cohesion policy'.

Based on this objective and the needs and challenges identified in the cooperation programme, the following **overall objective** was laid down for the Interreg Europe programme:

> *To improve the implementation of policies and programmes for regional development, principally of programmes under the Investment for Growth and Jobs goal and, where relevant, of programmes under the European Territorial Cooperation goal, by promoting exchange of experience and policy learning among actors of regional relevance.*

This overall objective is broken down into the following two **operational objectives**:

1. *To facilitate ongoing EU-wide policy learning and the capitalisation of practices among actors of regional relevance in order to strengthen regional policies, and in particular the implementation of programmes for Investment for Growth and Jobs and, where relevant, European Territorial Cooperation.*
2. *To support exchange of experience and sharing of practices among actors of regional relevance with the aim of integrating and deploying the lessons learnt by cooperation within mainstream regional policies instruments, in particular through their programmes for Investment for Growth and Jobs and, where relevant, European Territorial Cooperation.*

These operational objectives at programme level are applicable to all priority axes of the programme.

[2] http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF
[3] Regulation (EU) No 1299/2013 (ETC Regulation). Recital (7) and Article 2(3a).

To fulfil its overall mission and achieve the above operational objectives, the programme supports the following two actions:

1. In support of the first operational objective of **facilitating ongoing EU-wide policy learning** and the capitalisation of good practices, the 'P**olicy Learning Platform**' is created for different thematic policy fields. This platform will be active throughout the duration of the programme, to provide, on a regular basis, services and support to the regions of Europe with the remit to inform and enhance the definition and implementation of the policies of these regions, primarily their programmes for Growth and Jobs and European Territorial Cooperation.
2. The programme supports and funds **interregional cooperation projects** undertaken by relevant partnerships of regional players. Their purpose is to foster the **exchange of experience and sharing of practices** as well as the preparation of action plans for integrating and deploying good practices within regional policies, especially Investment for Growth and Jobs and, where relevant, European Territorial Cooperation. The experience and practices that form the basis of the exchange can come from various sources, including EU-programmes and projects such as, for instance, national or regional Structural Funds, European Territorial Cooperation, Regions of Knowledge (RoK), CIP, LIFE+, FP7.

2.4 Programme generic intervention logic

The actions supported by a programme should clearly contribute to the objectives of this programme. The scheme below describes how the two actions contribute to Interreg Europe's operational and overall objectives:

2.5 Priority axes

2.5.1 Overview and general considerations

Based on the programme's characteristics and the regulatory requirements (see the programme strategy in the Cooperation Programme available on the programme website), four priority axes and six investment priorities were selected for Interreg Europe. As indicated in the table below, the four priority axes correspond to four out of the eleven thematic objectives (TO) as set out in the first paragraph of article 9 of the Common Provision Regulation (EU) 1303/2013.

Table 1 - Priority axes, investment priorities and specific objectives of Interreg Europe

Priority axes	Investment priorities	Specific objective
1 - Strengthening research, technological development and innovation (corresponding to thematic objective 1)	1(a) - enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest.	1.1: Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, European Territorial Cooperation programmes, in the field of research and innovation infrastructure and capacities notably in the framework of Smart Specialisation Strategies
	1(b) - promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies.	1.2: Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, European Territorial Cooperation programmes, that support the delivery of innovation by players in regional innovation chains in areas of "smart specialisation" and innovation opportunity
2 - Enhancing the competitiveness of SMEs (corresponding to thematic objective 3)	3(d) - Supporting the capacity of SMEs to engage in growth in regional, national and international markets, and in innovation processes.	2.1: Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, European Territorial Cooperation programmes, supporting SMEs in all stages of their life cycle to develop and achieve growth and engage in innovation
3 - Supporting the shift towards a low-carbon economy in all sectors	4(e) - Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable	3.1: Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and,

Priority axes	Investment priorities	Specific objective
(corresponding to thematic objective 4)	multi-modal urban mobility and mitigation relevant adaptation measures.	where relevant, European Territorial Cooperation programmes, addressing the transition to a low-carbon economy notably in the framework of Smart Specialisation Strategies
4 - Protecting the environment and promoting resource efficiency (corresponding to thematic objective 6)	6(c) - conserving, protecting, promoting and developing natural and cultural heritage.	4.1: Improve the implementation of regional development policies and programmes, in particular Investment for Growth and Jobs and, where relevant, European Territorial Cooperation programmes, in the field of the protection and development of natural and cultural heritage
	6(g) - supporting industrial transition towards a resource-efficient economy, promoting green growth, eco-innovation and environmental performance management in the public and private sectors.	4.2: Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, European Territorial Cooperation programmes, aimed at increasing resource-efficiency, green growth and eco-innovation and environmental performance management

The following considerations are also important for the thematic scope of the programme:

- Interreg Europe acknowledges the diversity of regional needs and opportunities in the different thematic objectives selected. This diversity is reflected in the different emphases, priorities and levels of ambition in the policies and (Growth & Jobs and European Territorial Cooperation) programmes of each European region (even if these programmes address the same overall thematic objective). Since the programme aims to trigger policy change and to improve the implementation of (Growth & Jobs and European Territorial Cooperation) programmes in regions across the whole EU, the investment priorities selected for the thematic objectives 3, 4 and 6 are the widest in scope. They can in principle support interregional exchange and policy learning in a **wide range of topics** representative of their thematic scope. This allows the programme to be open to a wide range of topics within each of the selected thematic objectives. When it comes to Structural Funds programmes, this means that, to be relevant to Interreg Europe, regions do not need to demonstrate that their operational programme includes the same investment priorities as those of Interreg Europe. It is sufficient to demonstrate that one of their programme's priorities is relevant to the topic addressed within Interreg Europe.
- These thematic objectives correspond mainly to the smart and sustainable growth pillars of the Europe 2020 strategy. But **inclusive growth** also has a place in the programme as it can be indirectly tackled through most of the above investment priorities. For instance, under investment priority 1(b), social innovation may be supported. Innovation or business support policies may also target sectors such as health or ageing population. Similarly, though important issues such as **employment** or the **Information and Communication Technologies** (ICT) were not selected as thematic objectives they may still be supported under the current investment priorities. Employment for instance can be addressed through support to the competitiveness of SMEs and innovation (as drivers for employment creation). ICT is

considered as a cross-cutting theme relevant to all the selected thematic objectives as it plays, for instance, an integral role in innovation infrastructures (TO1) and supports the digital economy (TO3).

- Certain investment priorities may overlap (e.g. eco-innovation comes under both TO1 and TO6). To decide under which **specific objective** a project should be submitted, applicants should identify the primary need addressed by the project. With the example of eco-innovation, a project which is driven by environmental considerations and whose first objective is to promote resource efficiency should be submitted under investment priority 6(g). But if the project's primary goal is the development of technological innovation to foster economic growth, it should then be submitted under the first priority axis. The nature of the policy instruments addressed and of the partners and stakeholders involved in the project may also indicate the most relevant thematic objective (e.g. environmental organisations in the first case; business support organisations in the second case). Similarly, support for SMEs can be found under several thematic objectives. Instruments supporting the innovation capacities of SMEs would rather be tackled under TO1 whereas policies addressing SME support and entrepreneurship more generally would be dealt with under TO3.
- Projects can propose a cross-cutting approach where appropriate. However, each project has still to contribute to one specific objective only and have a **clear focus on a specific regional policy issue**. The cross-cutting approach does not mean that one project can address several specific objectives without any clear and precise focus. It should instead be reflected in the way the project addresses a selected specific objective. This would for instance be the case of a project focusing on triple helix cooperation in the solar energy sector. Such a project would clearly fit to programme specific objective 1.2) although it would also indirectly contribute to programme specific objective 3.1 on low carbon economy. In any case, projects have to ensure that the selection of the specific objective and their overall thematic focus are also clearly reflected in the description of the different policy instruments they address.
- In all priority axes of the programme, regions involved in projects aiming to improve their Structural Funds programmes have to explain whether the project connects with their **smart specialisation strategies**. This is particularly important for regions applying under the first priority axis, since this axis (innovation) focuses on the implementation of these strategies in European regions.
- In its Recital (7), the European Territorial Cooperation Regulation (EU) No 1299/2013 specifies that Interreg Europe should integrate the experience of the **Regions of Knowledge** programme. Interreg Europe therefore encourages cooperation on cluster policies. The idea is for regions to improve their cluster development policies, in particular through the 'triple helix' collaboration model. For such cooperation, the direct involvement of the triple helix (i.e. public authority, academic institution, cluster organisation) in each participating region is encouraged. In relevant cases, this may also mean the development of joint measures between clusters of different regions where complementarities in terms of research or internationalisation exist. The support to cluster policies is primarily provided through investment priority 1(b) but, depending on the project's particular approach and objectives, support may also be provided under other investment priorities.

Points of attention on Interreg Europe priority axes

- **Innovation & Social Innovation**

The first priority axis of the Interreg Europe programme is dedicated to innovation policies and in particular Regional Innovation Strategies for Smart Specialisation. The notion of innovation under this priority is therefore specific. As highlighted in the Cooperation Programme and in the EC guidance for the Thematic Objective, the notion of 'innovation' has to be taken in the context of growth and competitiveness. The EC thematic guidance for Thematic Objective 1 provides the following definition of innovation:

"*Innovation is related to a process connecting knowledge and technology with the exploitation of market opportunities for – compared to what is available on the internal market – new or significantly improved products (goods or services), or processes, new marketing methods, or new organisational methods in business practices, workplace organisation or external relations. Innovation encompasses a certain degree of risk that is higher than for ordinary business activities*."

This definition of innovation also applies in the case of social innovation. The main characteristic of social innovation is that it also implies:

- a specific process of innovation with the involvement of different stakeholders in particular the civil society
- a societal impact of the outcomes of the innovation process (e.g. new services for elderly people in tele medicine).

The relevance of the way innovation is tackled by projects is also reflected in the nature of the policy instruments they address. When a project applies to priority axis one, the different policy instruments addressed by this project have in principle to be clearly related to thematic objective 1 of article 9 of the Common Provision Regulation (EU) 1303/2013.

- **Culture, tourism**

The above two topics have to be tackled with care. First, these topics have already been covered widely under different EU programmes and in particular INTERREG. Any application tackling one of these two topics would therefore need to clearly describe the added-value of the proposal compared to past or existing initiatives in that domain. Second, the development of cultural or tourism activities as such are not relevant to the programme. To be relevant,

these topics needs to be tackled either from an economic angle (e.g. cultural industries, tourism sector) or from an environmental angle (e.g. preservation of cultural heritage, sustainable tourism).

- **Agriculture**

Even if synergies across the funds are encouraged by the Commission, Interreg Europe is primarily dedicated to the improvement of Structural Funds policies (ERDF and ESF) and cannot directly support issues which are relevant to the Common Agricultural Policy. In particular, overlap with EAFRD programmes must be avoided.

2.5.2 Priority axis 1: 'Strengthening research, technological development and innovation'

Specific objective 1.1: Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, European Territorial Cooperation programmes, in the field of research and innovation infrastructure and capacities.

The first specific objective refers to regional **infrastructures for research and innovation** and to **capacities to develop research and innovation excellence**. To achieve innovation-driven growth, regional authorities and other relevant organisations must strengthen their innovation 'enablers', that is, the infrastructures and capacities that are needed for research and innovation to flourish in sectors with strong innovation potential. Many EU regions identify these key sectors in Regional Innovation Strategies for Smart Specialisation. Regional policies for innovation infrastructure and capacities must target such issues as the development of research and competence centres and ICT infrastructures, ensuring that the education system provides the qualifications needed in innovative sectors and public facilities that fund and support research and development (R&D).

Target groups for specific objective 1.1

- Primarily national, regional and local public authorities responsible for stimulating all forms of innovation (incl. technological, organisational, social innovation);
- Regional innovation agencies;
- Universities, knowledge and research institutes and institutes for higher education;
- Operators of science and technology parks, business incubation facilities and innovation centres;
- Business support stakeholders and organisations representing SMEs and the business community (e.g. chambers of commerce, development agencies, cluster organisations);

Other public authorities, bodies governed by public law or private non-profit bodies involved in the development of regional innovation infrastructures and capacities and to the development of the regional innovation chain.

Examples of possible projects under specific objective 1.1

- Regional authorities and business support players sharing experience on public funding schemes for innovation support as a key element of innovation infrastructure, resulting in action plans for the creation in each region of a revolving fund for technology innovation either as a 'financial instrument' in a regional Growth and Jobs programme or operated independently.
- Exchange of experience among regional authorities on policies and programmes to create research facilities and to set up international R&D cooperation networks in less research intensive regions, and prepare the creation of such facilities and networks through action plans.
- Exchange of experience among regional development agencies to plan actions for improving the match between curricula of higher education institutes and human capital needs of businesses in their regional smart specialisation sectors.
- Exchange of experience among regional players to improve policies in support of innovation infrastructure (e.g. incubators, technology information centres, research centres) addressing the key societal challenges in the field of health, demographic change and well-being.

Specific objective 1.2: Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant European Territorial Cooperation programmes, that support the delivery of innovation by actors in regional innovation chains in areas of "smart specialisation" and innovation opportunity.

The second specific objective refers to the actual **delivery of innovation in regional innovation chains**. Regional authorities and their innovation partners need to facilitate cooperation and joint initiatives between enterprises, R&D centres and higher education players in key regional areas of smart specialisation and innovation opportunity. This covers measures related to developing research-driven clusters and supporting triple-helix cooperation. Creating effective ecosystems of innovation can improve technology transfer and the generation and economic exploitation of new R&D results. Regions must develop and cultivate research-driven clusters in the sectors that display the greatest potential for innovation-driven growth. Finally, regional players can also devise policies to trigger the use of innovation, for instance through the public procurement of innovation. In this specific priority, the cross-cutting theme of ICT can, for instance, be reflected in regional policy support to innovation in digital technologies.

Target groups for specific objective 1.2

See the above target groups for specific objective 1.1

Examples of possible projects under specific objective 1.2

- Exchange of practices among regional authorities, universities and innovation agencies to develop, for each region, facilities and methods to support knowledge transfer and strengthen opportunities for open innovation between businesses and academia in the field of green technologies within and between regions.
- Regional development innovation agencies exchanging practices on cluster development and the management of life-science clusters, resulting in action plans for establishing new regional and cross-border clusters through projects under their respective regional Growth and Jobs and cross-border European Territorial Cooperation programmes.
- Cooperation among regional authorities and business support players from regions with strong ICT/new media sectors to exchange practices and prepare action to increase intra- and interregional triple-helix cooperation facilitating the commercialisation of R&D results.

2.5.3 Priority axis 2: 'Competitiveness of SMEs'

Specific objective 2.1: Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, European Territorial Cooperation programmes, supporting SMEs in all stages of their life cycle to develop, achieve growth and engage in innovation.

The third specific objective relates to the **creation, development and growth of small and medium-sized enterprises**. The potential for enterprises to create new or use existing market opportunities begins with the presence of entrepreneurial skills. Regional policies therefore need to actively support entrepreneurship development and capacity building as a building block for business creation and growth. It is equally crucial that regional authorities and business support players respond adequately to the key obstacles that obstruct businesses on their path to growth, such as access to finance (e.g. through facilities for start-up capital or guarantees), knowledge and to international markets. Certain priority target groups of entrepreneurship policies (e.g. young people, migrants or female entrepreneurs) may also require specific support. The same relates to regional policies designed to support the development of social enterprises. A transparent and dependable business climate is crucial for all economic actors. Regional procedures can be made more business-friendly, e.g. related to public procurement or e-invoicing. In this specific objective, the cross-cutting theme of ICT can, for instance, be tackled through business support policies to the digital economy. It can also be covered though policies supporting SME adoption of ICT.

Target groups for specific objective 2.1

- Primarily national, regional and local public authorities responsible for entrepreneurship and SME support;
- Regional development agencies;
- Business support actors, cluster organisations, other organisations representing SMEs;

- Chambers of commerce and trade;
- Education and vocational training actors;
- Other public authorities, bodies governed by public law or private non-profit bodies active in the development of regional entrepreneurship and SME competiveness.

Examples of possible projects under specific objective 2.1

- Cooperation among regional authorities and business support agencies to exchange practices on the set-up and management of seed-capital facilities to support SMEs, to prepare the creation of such financial support schemes through the partners' programmes for Investment for Growth and Jobs or other regional business support programmes.
- Regional authorities and business support actors sharing experiences on awareness-raising and building entrepreneurial capacities among young people and developing action plans for the introduction of young entrepreneur support schemes in their regions.
- Exchange of practices about SME internationalisation and export support facilities among regional development agencies, resulting in action plans for establishing new and improving existing SME internationalisation support facilities in each region through a project under the regional Growth and Jobs programme or other regional programmes.

2.5.4 Priority axis 3: 'Low-carbon economy'

Specific objective 3.1: Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, European Territorial Cooperation programmes, addressing the transition to a low-carbon economy.

The fourth specific objective deals with the **transition to a low-carbon economy**. Regional policies in this field include support actions and investments to increase levels of energy efficiency, including in public buildings and the housing sector. They also aim at raising the share of energy from renewable sources in the overall energy mix by encouraging and facilitating the production and distribution of renewables, while preventing possible adverse effects on biodiversity, landscape or water. Policies must facilitate the move to more sustainable, low-carbon alternatives for transport and mobility by introducing cleaner transport modes and systems, and by promoting alternative mobility behaviour. Another key field of action is the reduction of energy consumption by businesses and households.

The introduction of ICT-based solutions can also play a key role in regional low-carbon strategies, for instance in relation to reducing the need for physical mobility, increasing the energy performance of public buildings, or as a part of public awareness strategies. Integrated regional low-carbon strategies are needed to identify the most promising areas of action, mobilise stakeholders, facilitate and channel public and private investments and increase the awareness among inhabitants, business and other

actors of the need for, and opportunities of, using low-carbon alternatives. Regional authorities can also facilitate the development of low-carbon innovations and speed up their application through green public procurement, regional experimentations and investment schemes.

Target groups for specific objective 3.1

- Primarily national, regional and local public authorities responsible for energy, mobility and other low-carbon economy related policy fields;
- Regional energy agencies;
- Regional development agencies;
- Transport and mobility agencies;
- Regional environmental agencies;
- Universities, knowledge and research institutes;
- Other public authorities, bodies governed by public law or private non-profit bodies active in the low-carbon economy.

Examples of possible projects under specific objective 3.1

- Exchange of experience and good practices of regional and local authorities resulting in action plans for setting up regional structures to promote and facilitate local sustainable energy generation and distribution systems in rural areas.
- Regional and city authorities sharing experiences on sustainable mobility measures, resulting in action plans that prepare actions and investments to increase the use of low-carbon transport options to be funded from Growth & Jobs programmes or other regional programmes.
- Cooperation among regions and regional energy agencies on practices to encourage and support businesses to invest in energy-efficiency measures, resulting in the preparation of regional support programmes for energy efficiency in companies.

2.5.5 Priority axis 4: 'Environment and resource efficiency'

Specific objective 4.1: Improve the implementation of regional development policies and programmes, in particular Investment for Growth and Jobs and, where relevant, European Territorial Cooperation programmes, in the field of the protection and development of natural and cultural heritage.

The fifth specific objective deals with the **protection, promotion and development of natural heritage, biodiversity and ecosystems** as well as **support to cultural heritage**. Regional actors need to protect ecosystems and vulnerable landscapes and prevent biodiversity loss and soil degradation in their territories to prevent (further) degradation of these natural assets. The sustainable

management and exploitation of the natural environment can also foster sustainable regional development based on so-called ecosystem services (e.g. pollination for agriculture, or natural flood retention areas) and natural quality (e.g. tourism, regional attractiveness). A similar logic applies to the preservation and exploitation of regional cultural heritage. Preservation and exploitation strategies can incorporate ICT applications to, for instance, raise public awareness and ownership of natural and cultural heritage or by introducing applications on e-culture. Regional actors involved in the management of natural and cultural heritage must define coordinated, place-based strategies and actions that balance measures of preservation with the sustainable exploitation of these assets. This can include the improvement of biodiversity protection schemes, the sustainable use of NATURA 2000 or other protected areas, increasing knowledge and stakeholders' awareness.

Target groups for specific objective 4.1

- Primarily national, regional and local public authorities responsible for natural and cultural heritage;
- Regional development agencies;
- Environmental agencies;
- Organisations responsible for the management, exploitation of natural areas and/or cultural heritage;
- Universities, knowledge and research institutes and institutes for higher education;
- Organisations in economic sectors with a strong impact or dependence on natural and cultural heritage;
- Other public authorities, bodies governed by public law or private non-profit bodies involved in the protection and development of natural and cultural heritage.

Examples of possible projects under specific objective 4.1

- Exchange of practices between regional authorities and environment agencies in urbanised regions on nature management to prepare the development and integration of regional green infrastructures in areas under urban pressure, as part of regional (Growth and Jobs) programmes.
- Regional authorities and knowledge institutes exchanging experiences on methods to assess the vulnerability of regional and cross-border ecosystems, identify mitigation measures and to plan their application through regional Growth & Jobs and European Territorial Cooperation/cross-border cooperation programmes.
- Exchange of experience among regional authorities and nature park management bodies on governance models for regional nature parks and NATURA 2000 areas to prepare the introduction of new management and exploitation models for their regional parks.
- Exchange of experience between regional authorities and agencies on the preservation, development and exploitation of cultural heritage in remote and mountainous areas.

Specific objective 4.2: Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, ETC programmes, aimed at increasing resource-efficiency, green growth and eco-innovation and environmental performance management.

The sixth specific objective refers to the transition to a **resource-efficient economy** based on green growth and eco-innovation and to improving **environmental performance management**. Natural resources like metals, minerals, fuels and timber but also water, land and clean air are becoming scarcer. Making use of these resources in an efficient and conscious manner is essential to achieving sustainable growth in Europe and also brings major economic opportunities. Regional players can enable businesses to pursue green growth and eco-innovation to develop new products and services, reduce inputs, minimise waste and improve the management of resource stocks. And they can lead to the introduction of new green products and services, for instance by means of green procurement. They can also create awareness and provide incentives to businesses and households to trigger change in consumption patterns and to reduce waste and emissions of pollutants in the air, soil and water. The introduction of digital technologies as a means to contribute to a more efficient use of resources (green ICT) can be an important part of this. Moreover, regions can promote the transition to a circular economy, where the value of products, materials and resources is maintained in the economy for as long as possible, and the generation of waste minimised. Finally, regional authorities can invest in further improving (the governance of) waste management, water treatment and recycling.

Target groups for specific objective 4.2

- Primarily national, regional and local public authorities responsible for environmental quality and resource efficiency;
- Regional development agencies;
- Environmental agencies;
- Business support actors and SME/business community representatives;
- Universities, knowledge, research and higher education institutes;
- Other public authorities, bodies governed by public law or private non-profit bodies involved in resource efficiency.

Examples of possible projects under specific objective 4.2

- Regional business support actors sharing experiences on support measures and schemes to encourage manufacturing SMEs to assess their resource use and introduce more resource-efficient work processes, and to prepare the introduction of these instruments through a regional Growth & Jobs programme or another programme.
- Exchange of experience among regional authorities and waste management agencies on policies and measures to reduce waste volumes and to increase recycling rates among

small businesses and households, and on planning the implementation of those measures as part of regional waste management programmes.

- Exchange of practices among regional and local authorities on methods for the monitoring, management and improvement of air quality in urban and industrialised areas, resulting in action plans for establishing air quality and monitoring and mitigation schemes through projects under their regional Growth and Jobs programmes.

2.6 Programme management

The management of this programme is ensured by:

- a monitoring committee
- an audit authority (assisted by a group of auditors)
- a certifying authority
- a managing authority
- a joint secretariat
- National points of contact

The characteristics, tasks and responsibilities of each of these bodies are described in the Interreg Europe cooperation programme.

2.7 General principles

This section details the considerations that have to be made of the EU's so-called horizontal principles on sustainable development, equal opportunities and non-discrimination and equality between men and women. General considerations on state aid rules can also be found here.

2.7.1 Sustainable development

Sustainable development is one of the main pillars of Interreg Europe. The programme supports several priority axes and specific objectives that focus fully on sustainable development, notably: Low-carbon economy (priority 3/ specific objective 3.1) and Environment and Resource Efficiency (priority 4/ specific objectives 4.1 and 4.2).

Under these specific objectives, the programme supports interregional cooperation projects whose primary aim is to improve the implementation of regional sustainable development oriented policies and programmes. Projects have to clearly demonstrate in their application that the activities they propose will indeed improve the implementation of those regional policies and thereby contribute to the sustainable development of their regions.

Naturally, with respect to priorities 3 and 4 the Policy Learning Platform focuses entirely on policy learning related to sustainable development.

The other two priority axes of the programme deal with R&D and Innovation (priority 1) and Competitiveness of SMEs (priority 2) and do not directly focus on sustainable development issues. However, it is quite likely that projects supported under those priorities will also address aspects of sustainable development in their work. Therefore, the applicants are invited to explain in their

application how their project complies with, and possibly even strengthens, sustainable development. At the end of the project, the partners are asked to report how their project activities and outputs actually contributed to this horizontal principle.

The activities and thematic coverage of the Policy Learning Platform for priorities 1 and 2 may address relevant regional policy experiences and practices related to the principle of sustainable development.

The activities of Interreg Europe are likely to generate substantial travel, leading to related CO_2 emissions. While this is an essential aspect of interregional cooperation activities, beneficiaries of the programme are encouraged wherever possible to use sustainable modes of transport (e.g. train instead of plane) or modes of interaction that do not require travelling whenever possible.

2.7.2 Equal opportunities and non-discrimination

Interreg Europe adopts social inclusion as a cross-cutting theme, implying supporting equal opportunities and non-discrimination in any relevant cases within the scope of the programme's action.

The programme strives to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during its life cycle and in particular in relation to access to funding. It takes into account the needs of the various target groups at risk of such discrimination and in particular the requirements of ensuring accessibility to persons with disabilities.

This cross-cutting theme is most likely to emerge in projects under the specific objective dedicated to supporting SME development and entrepreneurship. Even if the primary focus of this specific objective does not address the equal opportunities/non-discrimination principle, interregional cooperation projects focusing on, or at least incorporating the equal opportunities principle (e.g. encouraging diversity in terms of gender, ethnicity, religion and age) are expected to emerge. Diversity in this respect may also increase the possibilities of reaching new markets, improving market positions, broadening the recruitment base and increasing creativity.

Under this specific objective, projects could for instance address the issue of promoting entrepreneurship among specific target groups at risk of discrimination (e.g. unemployed youth, elderly, disabled people, women, long-term unemployed and migrants). The development of such projects, among the possible applications that may come forward, would be welcomed by the programme bodies.

Similarly, equal opportunities and gender equality could be of relevance under the thematic objective 1 in particular for projects dealing with social innovation.

Project applicants are invited to explain in their application how their project complies with, and possibly even strengthens, equal opportunities and non-discrimination. At the end of the project, the partners will be asked to report on how their project activities and outputs actually contributed to these horizontal principles. However, the programme does not plan to use specific selection criteria to promote the development of projects dealing with this issue.

The activities and thematic coverage of the Policy Learning Platform for priority 2 Competitiveness of SMEs may also address regional policy experiences and practices related to equal opportunities.

2.7.3 Equality between women and men

Interreg Europe adopts the horizontal principle of gender equality as a cross-cutting theme implying supporting equality between men and women in any relevant cases within the scope of the programme's action.

The programme strives to promote equality between women and men at all stages of programme implementation, including the preparation, implementation, monitoring and evaluation of operations.

This cross-cutting theme could emerge for instance in projects under the specific objective (2.1) dedicated to supporting SME development and entrepreneurship. There is evidence indicating a positive correlation between gender equality and factors promoting economic growth. Support schemes for innovation clusters and SMEs might also have an impact on gender equality, as women and men tend to be involved in different industry sectors. Under this specific objective, projects could for instance address the issue of promoting female entrepreneurship. The development of such projects as part of the wider thematic scope of specific objective 2.1 would be welcomed by the programme bodies.

Project applicants are invited to explain in their application how their project complies with, and possibly even strengthens, gender equality. At the end of the project, the partners will be asked to report on how their project activities and outputs actually contributed to this horizontal principle. However, the programme does not plan to use specific selection criteria to promote the development of projects dealing with this issue.

The activities and thematic coverage of the Policy Learning Platform for priority 2 Competitiveness of SMEs may also address regional policy experiences and practices related to gender equality.

2.7.4 Digital Agenda for Europe (DAE)

The DAE focuses on the 21st century technologies and online services that will enable Europe to boost job creation, promote economic prosperity, contribute to environmental protection and improve the daily lives of EU citizens and businesses in a variety of ways. As explained in section 2.5.1, ICT are considered as a cross-cutting theme potentially relevant to all the thematic objectives of Interreg Europe. Projects are therefore invited to describe in section C.7 of the application form whether ICT play a role in the issue addressed by the project and more generally whether they contribute to the implementation of the DAE.

Compliance with the above horizontal principles has to be explained in section C.7 ‘Horizontal principles’ of the application form.

2.7.5 State aid

The general objective of Interreg Europe is to improve the effectiveness of regional and local policies, and the programme is primarily targeted at local and regional public authorities. The goal being that the knowledge gathered through such activities is used by the project partners to improve their local and regional policies for the benefit of the **whole** local/ regional community (and not for the benefit of a selected individual economic operator). The kinds of activities co-financed by the programme during phase 1 (e.g. site visits, interregional thematic seminars/ workshops, peer-reviews, staff exchanges) should not distort competition (no direct financing of economic activity). Moreover, the knowledge and experience gathered by the projects is public and is made openly available via the Platform.

During the quality assessment of the project proposal (see section 5.3.2), the joint secretariat checks if the activities proposed for phase 1 are in line with the programme rationale and therefore not subject to state aid rules. If a project is approved by the programme’s monitoring committee any proposed activities not fulfilling this criterion will be excluded from the project proposal.

In case pilot actions are approved (further details on phase 2 and pilot actions can be found in sections 4.1 and 4.2)[4], Interreg Europe may grant funds that could be regarded as state aid. The ERDF contribution to eligible costs incurred by any partner (either public or private) carrying out project activities falling under the scope of the state aid discipline will be limited to the thresholds set by the de minimis regulation[5]. In case partners receive additional public funding (e.g. through national co-financing schemes), this will also be regarded as aid granted under the de minimis rule and thus taken into consideration.

In cases where third parties receive benefits from the project (e.g. through trainings, business supports etc.) they can be the recipient of state aid if they receive an advantage that they would not have received under normal market conditions. This would be considered indirect state aid. Where such indirect state aid is provided, projects partners bear the responsibility to ensure that state aid rules are respected by the third parties and the relevant institutions (i.e. first level controllers and national authorities, where applicable) shall verify that such rules are complied with.

State aid

The main provisions regulating state aid control are set out in articles 107 and 108 of the Treaty on the Functioning of the European Union (TFEU). These articles generally prohibit state aid and define the rules to be followed by the Member States on the granting of aid that is in line with the state aid law.

In order to determine whether a public grant involves state aid, the following criteria apply:

- The beneficiary is an undertaking, i.e. an entity engaged in an economic activity
- The grant confers a benefit or advantage to the beneficiary which it would not have otherwise received
- The grant is selective
- The grant distorts or threatens to distort competition
- The grant affects trade between the Member States

In phase 1 of the project implementation Interreg Europe will not grant funds that could be regarded as state aid.

In case pilot actions are approved, Interreg Europe may grant funds that could be regarded as state aid. The decision on the state aid granted will be taken by the monitoring committee of the programme.

When granting de minimis aid, the MA/JS will:

[4] Usually, pilot actions are approved in the second phase of the project implementation. In the framework of the COVID-19 measures taken in 2020, projects mainly from the 4th call can exceptionally already request pilot actions to be implemented under Phase 1.

[5] 'Commission Regulation (EC) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid'

- Obtain a self-declaration from the undertaking (project partner) about any other 'de minimis' aid received by EU-Member State and Norway.
- Grant de minimis aid only after having checked that this will not exceed the total amount of EUR 200,000 per EU-Member State, based on the information provided in the self-declaration.
- Inform the project partner in writing of the prospective amount of the aid
- Keep records regarding individual 'de minimis' aid for 10 years.

If indirect de minimis is granted, e.g. the benefit from the pilot action is received by third parties, the responsible partner will have to ensure that the relevant de minimis obligations are fulfilled and that the respective national rules are observed. In particular, the concerned partner will have to:

- Collect self-declarations from the final recipients of the indirect aid prior to granting the aid.
- Notify in writing the final recipients of the indirect aid on the prospective amount granted under the de minimis rule as well as to fulfil any other obligation as provided for in the de minimis regulation and in the respective national regulations.

B) PLATFORM

3. Policy Learning Platform

3.1 Context

The Policy Learning Platform is a new and challenging Interreg Europe initiative. The reason for setting this up was to:

- Respond to the demand to better exploit projects' results and make projects' knowledge more accessible to and usable by other regions;
- Ensure that any interested regions can be involved in, and benefit from, EU-wide policy learning even without being a partner in a project.

During the INTERREG IVC period (2007-2013), the programme undertook an expert-driven analysis and benchmarking of project results and achievements in different policy fields, in order to capitalise on experience and allow other regions in Europe to gain easy access to, and learn from, the thematic knowledge built up within INTERREG IVC projects. This culminated in the publication of reports, which included theme-tailored recommendations for all levels of governance that were disseminated to a wide audience of European regional policy stakeholders. Interreg Europe builds on this by integrating, from the start, a Policy Learning Platform that aims at better exploiting projects' achievements.

Experience has also shown that it is more difficult for small organisations to be involved directly in interregional cooperation projects. Often, the same organisations are involved in and benefit from the programme. Opening up the programme to new beneficiaries is important in particular when considering the ambitious objective set out in the Article 2 (3a) ETC Regulation (EU) No 1299/2013 for interregional cooperation, i.e. "to reinforce the effectiveness of cohesion policy". Therefore, inspired by the experience of the Smart Specialisation Strategy (S3) platform run by the IPTS[6] in Seville, Interreg Europe aims at offering a continuous service, open to any interested regions. This service is mainly demand-driven and should ideally ensure that the programme is useful not only for those participating in projects, but also to any organisations interested or involved in improving regional policies.

In the above context, Interreg Europe Policy Learning Platform is put in place to ensure **continuous EU-wide policy learning** and **knowledge management**.

3.2 Main features

What is the Policy Learning Platform? Definition

The Policy Learning Platform is a service for project partners and for any organisations involved in regional policy around Europe to promote continuous policy learning and capitalisation of good regional policy practices. The Policy Learning Platform covers the four thematic objectives of the programme, i.e. Research & innovation, Competitiveness of SMEs, Low-carbon economy, Environment & resource efficiency (four platforms in total).

The Platform consists of:

- An international team of experts specialised in the thematic policy fields addressed by the programmes' investment priorities, contracted to organise activities and provide information and support to the regions of Europe for improving the planning and implementation of their policies.
- An interactive web interface designed to facilitate networking, information sharing and knowledge management and exchange. Actors dealing with regional development policies in Europe can find information and analysis on the thematic policy fields addressed by the programme's investment priorities, thematic reports and publications, as well as a database of the relevant practices and results from interregional cooperation projects. Registered users have access to practitioners' and experts' database and further services upon demand, e.g. expert helpdesk and support for policy change, peer reviews for regions, targeted thematic workshops.

The Policy Learning Platform is established at programme level and will run until the end of 2023. The Platform runs its activities based on an annual work plan, planning annual objectives, main activities and expected results and renewed by decision of the monitoring committee. The Platform is different from the projects because it is sub-contracted by the managing authority through a public procurement procedure.

Why having a Platform? Objectives

The aims of the Policy Learning Platform are:

[6] http://s3platform.jrc.ec.europa.eu/home

(external capitalisation)

a) To **contribute to EU-wide capacity building and policy learning** by supporting networking and the exchange of experience and practices among relevant stakeholders related to Investment for Growth and Jobs and European Territorial Cooperation programmes. In order to achieve this, the participation in the Platform activities is open to any interested relevant organisation. The main added value is to ensure that any region can benefit from the programme's learning and knowledge, even if it is not directly involved in a project.

(internal capitalisation)

b) To **exploit the results** of interregional cooperation projects and make them available to a wider audience of regional policy stakeholders across Europe. This reflects the continuity of the thematic programme capitalisation, initiated under INTERREG IVC.

c) To **improve the quality of the programme's content:** for instance by advising the programme's monitoring committee on the thematic orientation of the programme (e.g. by performing gap analyses and proposing key areas for thematic calls) or by advising projects on content-related issues as distinct from assistance offered by the joint secretariat to applicants (**assistance to applicants remains a core task of the joint secretariat**[7]**).**

Who can benefit from the Platform? Users

The Platform services are available to any interested stakeholders involved in regional development policies related to innovation, SME competitiveness, low-carbon economy, the environment and resource efficiency.

In particular, the Platform' target audience is:

- regions and stakeholders involved in the management and implementation of Structural Funds programmes (including final beneficiaries of these funds) or of similar thematic policies in particular in the case of Norway and Switzerland;
- other institutional stakeholders whose policy mandates are relevant for the topics addressed by the Platform e.g. the European Commission, the Committee of Regions, the European Environment Agency, the OECD, and other EU programmes.

Targeted communication activities will be organised to inform the stakeholders of Structural Funds programmes of the services offered by the Platform.

Contributions expected from interregional cooperation partners and the benefits they obtain

[7] In cases where experts are in contact with applicants, they abstain from providing advice in compliance with their declaration of honour.

Project partners are requested to be actively involved in the work of the Platform over the lifetime of their project by contributing content and by sharing their knowledge and experience. For instance, each region participating in a project has to provide the interactive web interface with interesting/innovative practices developed in their region and with a contact person for their specific policy field in order to create a community of regional practitioners throughout Europe.

Project partners can benefit from the expert thematic advice, analysis and recommendations to gain better insight into the policy fields in which they are involved. They can also use the Platform services and knowledge to create synergies with other projects and links with other EU initiatives or programmes. Overall, the partners will have the possibility through the Platform to add value to their work, for example by:

- Increasing their understanding of the projects' achievements in their policy field
- Increasing their understanding of the main EU policy trends in their policy field
- Increasing the visibility of their policy field in the local/ regional/ national/ European agendas
- Increasing their cooperation and network with other organisations, communities and regions
- Increasing the dissemination of their project results beyond the project partnership
- Increasing their knowledge about alternative solutions used in other European regions to address the policy challenges they face

What kinds of services do the Platform provide?

The Platform provides services for the whole community of regional policy stakeholders, in particular those involved in Investment for Growth and Jobs and European Territorial Cooperation programmes across Europe.

Indicatively, the general categories of the services to be provided to the beneficiaries are:

- Knowledge and education Centre
- Networking and partnering opportunities
- Expert policy helpdesk
- Expert support for policy change

Under these categories the Platform can include activities such as (non-exhaustive):

- organise and facilitate (proactively and upon demand) thematic, networking, capacity building and policy learning events, workshops and meetings for the community of stakeholders registered on the Platform;
- organise and facilitate peer reviews between European regions in support of policy improvement and capacity building;
- monitor, as far as possible, the developments of Structural Funds programmes and other relevant sources around Europe on topics related to the four thematic objectives so as to identify possible interesting experiences, synergies and links;

- analyse, benchmark and disseminate the content of the interregional cooperation projects approved under the four programme priorities;
- provide thematic material and guidance, such as newsletters, studies, policy recommendations, good practice examples related to regional challenges;
- advise running projects on thematic issues where relevant;
- answer requests for information and data and policy advice from individual stakeholders involved in Structural Funds and European Territorial Cooperation programmes;
- organise specific activities upon request of the Partner States e.g. targeted thematic workshops;
- contribute to the promotion of Interreg Europe by disseminating the Platform's activities and results;
- advise Interreg Europe programme bodies on the programme's strategic orientation;
- liaise closely with the Smart Specialisation Platform S3 (in particular related to the thematic objective on Research & innovation) and other relevant EU programmes, platforms and networks dealing with similar policy areas in view of sharing information and ensuring complementarity of activities.

Advice to projects: the dos and don'ts

The advice provided to running projects by the Platform is different in nature from the project development, assessment and monitoring ensured by the joint secretariat in order to guarantee objective and technical support to projects. More precisely:

The dos: What the Platform can offer in relation to project development?

- invite projects to join the Platform activities, share their knowledge and contribute to thematic and networking events, peer reviews and other relevant workshops.
- advise projects on relevant findings from content analysis, policy recommendations and other interesting thematic initiatives.
- ensure synergies within the projects by circulating relevant information e.g. interesting practices among the projects that could benefit and cross-fertilise their work.

As a side effect, the knowledge exchange and networking resulting from the platforms activities may lead to new project ideas and partnerships, but the project development is not within the objective of the platforms.

The don'ts: What the Platform will not offer in relation to projects?

- provide assistance to applicants
- assess applications
- monitor projects' implementation
- organise exchange of experience activities on behalf of projects

In this context**, the role of Platform experts exclusively deals with theme-related questions, as it is important to ensure added value and synergies within the programme**; they are not involved in project development, assessment and monitoring procedures in order to avoid conflict of interest.

Examples of possible Policy Learning Platform actions for each thematic objective

Research & innovation

- Publication of policy recommendations on creating regional competence centres for research and innovation based on successful experiences from different projects and from Growth and Jobs programmes.
- Seminar for regional actors on transferring experience gained in various EU regions about strengthening the role of universities in the regional innovation system.
- Peer reviews among European regions, which have similar sectors of smart specialisation to analyse and improve their regional innovation infrastructures and identify joint opportunities for linkages between their sectors.
- Peer reviews among European regions (involving authorities and stakeholders in their innovation chains) related to the organisation and governance of their triple helix cooperation.
- Workshops for procurement managers working in regional authorities to disseminate regional practices in the field of public procurement for innovation.

SMEs competitiveness

- Publication of policy recommendations for regional SME development programmes based on an analysis of successful experiences from different projects and from Growth and Jobs programmes.
- Seminars for regional authorities on the design of SME-friendly policies, including the design of public procurement processes and the reduction of administrative burdens and barriers facing SMEs.
- Peer reviews among regional development agencies and education institutes on the subject of regional entrepreneurship development programmes in different European regions.

Low-carbon economy

- Creation of a web-based database of successful pilots and demonstrations of sustainable energy applications, delivered with the support of Growth and Jobs and European Territorial Cooperation programmes.
- Seminar for regional authorities and energy agencies to present regional practices for supporting the development of energy cooperatives for decentralised renewable energy generation.
- Peer reviews among regional energy agencies on the subject of regional tools and strategies for investment in renewable energy sources.

Environment & resource efficiency

- Creation of an online compendium of successful regional policy measures and projects for promoting and preserving biodiversity and nature implemented through regional programmes for Investment for Growth and Jobs.
- Seminar for regional authorities and nature managers to present and disseminate regional practices for integrated coastal zone management in view of the new EU framework regulation on maritime spatial planning and integrated coastal zone management.
- Seminar for regional authorities and development agencies to present practices and methods for promoting eco-management in companies based on examples from Growth and Jobs programmes.
- Peer reviews among European metropolitan regions on their approaches to managing and exploiting cultural heritage in the built environment.
- Peer reviews among European regions to assess and improve their programmes for monitoring and managing water quality in river basins and wetlands.
- Publication of examples and recommendations of regional development policies and tools to accommodate specialised green technology and eco-innovation companies to locate and develop in regions based on Growth and Jobs projects around Europe.

Coordination with the Smart Specialisation Strategy platform

Based on the Innovation Union commitment text, the Institute for Prospective Technological Studies (IPTS) in Seville (Spain) developed, in 2010, a Smart Specialisation Strategy (S3) platform[8] aiming at assisting regions and Member States to develop, implement and review regional smart specialisation strategies so that they comply with the ex-ante conditionality imposed in the Common Provisions Regulation (EU) No 1303/2013.

Interreg Europe's Policy Learning Platform works in collaboration with the S3 platform. The Policy Learning Platform complements the work of the IPTS by focusing on content-related issues, i.e. what is financed in the regions through the S3, while the S3 platform will continue to develop strategy/concept-related aspects (e.g. the six steps of the RIS3 Guide). The Policy Learning Platform in a way represents the 'multiplier of the S3 platform services' in particular with regard to thematic content and its development.

[8] http://s3platform.jrc.ec.europa.eu/home

How to access the services of the Platform? Registration and costs

Online access to the Platforms is through the Interreg Europe website: www.interregeurope.eu.

To benefit from the services of the Platform, interested stakeholders need to fill in an online registration form and describe their relevance to a topic tackled by the Platform. Their registration will then be confirmed and access to the Platform will be granted.

- Registration is required to access the online information and databases and submit a request for advice or a service (e.g. peer review, thematic workshop etc.) to the Platform expert team.
- Registration and participation to all the Platform services, information, events, workshops etc. is free of charge; if possible registered stakeholders are advised to use the technical assistance of Structural Funds and European Territorial Cooperation programmes or other financial resources to participate in the activities of the Platform.

N.B. The Platform is not a funding mechanism nor does it provide any kind of financial assistance to regions.

C) PROJECTS

4. Project development

4.1 Interregional cooperation projects: main features

What is an interregional cooperation project?

An interregional cooperation project is a project in which partners from at least three different countries work together on a shared regional policy issue by exchanging their experiences and practices in order to integrate the lessons learnt from this cooperation into their policies. It builds on the experience of the participating regions and focuses on the identification, analysis and transfer of good practices and policy experiences among these regions.

To reinforce the focus on results and give the learning process a better chance of leading towards tangible results, an interregional cooperation project is designed in two phases:

- 'Phase 1' is dedicated to interregional learning and to preparing the exploitation of the lessons learnt from the cooperation through the development of action plans.
- 'Phase 2' is dedicated to monitoring the implementation of each action plan. When relevant, pilot actions[9] may also be tested during this phase.

Further details on the activities of projects are provided in section 4.2.

A good practice is defined as an initiative (e.g. project, project, process, technique) undertaken in one of the programme's priority axes which has proved to be successful in a region and which is of **potential interest to other regions**. Proved successful is where the good practice has already provided tangible and measurable results in achieving a specific objective. Although the Interreg Europe programme primarily refers to good practices, valuable learning also derives from bad practices where lessons learnt can be taken into consideration in the exchange of experience process.

What is the rationale for interregional cooperation projects?

The objective of an interregional cooperation project is to improve through exchange of experience the performance of the regional development policy instruments of the participating regions, in particular the Investment for Growth and Jobs goal programmes, and, where relevant, their European Territorial Cooperation (ETC) programmes. If a region decides not to focus on Structural Funds programmes, the project should still contribute to a better performance of the region's own specific policy instrument.

The required focus on cohesion policy means that **at least half of the policy instruments addressed by the EU partners** (excluding partners from areas outside the EU) **in a project must be Structural Funds programmes**.

Whilst Interreg Europe actively encourages and promotes project linkages to Growth and Jobs policy instruments, it is recognised that some regional Structural Funds programmes are limited in scope and demonstrate a narrower focus on investment priorities. Provided that at least half of the policy instruments are Structural Funds programmes, and that partners fully explain the regional context for

[9] In the framework of the COVID-19 measures taken in 2020, projects mainly from 4th call can exceptionally request pilot actions to be implemented under Phase 1. Further information can be found in section 4.2.2.

addressing any non-Structural Fund policy instruments, the final number of Structural Funds programmes addressed in the project will not have any influence on the assessment of applications.

Projects and the Platform are also interrelated. Projects are both beneficiaries of, and contributors to, the Platform. As explained in section 3.2, projects are therefore expected to participate in the content activities of the Policy Learning Platform.

A **policy instrument** is a means for public intervention. It refers to any policy, strategy, or law developed by public authorities and applied on the ground in order to improve a specific territorial situation. In most cases, financial resources are associated with a policy instrument. However, an instrument can also sometimes refer to a strategy or legislative framework with no specific funding. In the context of Interreg Europe, operational programmes for Investment for Growth and Jobs as well as Cooperation Programmes from European Territorial Cooperation are considered to be policy instruments. Beyond EU cohesion policy, local, regional or national public authorities also develop their own policy instruments.

When relevant, projects should also aim at developing aligned or even joint initiatives between the various partners. This is obviously the case when the policy instruments addressed by the projects are cross-border or transnational cooperation programmes, where regions have to address together a shared cross-border or transnational territorial need. This can also be the case for projects addressing cluster policies and more generally innovation and economic development policies. Beyond the improvement of each regional policy instrument, the development of interregional synergies between the economic sectors of the participating regions and in particular between the clusters is also encouraged. Finally, the development of joint initiatives may also be relevant for projects where the participating regions use the article 70.2 of the Common Provision Regulation (EU) No 1303/2013 (i.e. possibility to support operations outside the programme area).

What is the duration of a project?

In total, a project can last between **3 and 5 years**:

Phase 1 lasts from **one to three years**. Each project proposes a duration that matches its needs and reflects its characteristics. The time needed for this core phase depends on several factors (e.g. number of partners, experience of the partners in cooperation, specific features of the issue addressed, etc.). It is expected that the vast majority of projects would need a minimum of two years for phase 1. A one-year duration may be exceptionally considered for more experienced partnerships (e.g. partners who have already worked together) in duly justified cases. In these cases, the interregional learning could be mainly dedicated to adapting lessons learnt from previous cooperation to the relevant policy framework and in particular to the 2014-2020 Structural Funds programmes.

Phase 2 lasts **two years**, as the impacts of the measures on the territories can usually be assessed within this time. It may be the case that projects approved at a later stage of the programme may have a second phase of only one year.

It should be highlighted that the time dedicated to phase 2 also includes the time needed for **closing the project** (usually estimated at three months).

What is the amount of ERDF contribution?

The total budget and ERDF contribution to projects depends on different factors (e.g. number of partners involved, duration of phase 1). Based on the INTERREG IVC experience, the average total ERDF budget of a project is expected to be between EUR **1 and 2 million**.

What are the project phases?

Phase 1 – 'interregional learning'

Phase 1 is solely dedicated to the **exchange of experience** among project partners and preparing the implementation of the lessons learnt from the cooperation.

In order to optimise the chance that the findings from interregional policy learning are transformed into actions, an action plan must be prepared at the end of Phase 1 for each policy instrument indicated in the application form.

Action plan

Produced by each region, the **action plan** is a document providing details on how the lessons learnt from the cooperation will be implemented in order to improve the policy instrument addressed within their region. It specifies the nature of the actions to be implemented, their timeframe, the stakeholders involved, the costs and funding sources as well as the way the action derives from the project. If the same policy instrument is addressed by several partners (see the example of the Italian region in section 4.6), only one action plan is required.

A template for the action plan is provided in annex 1 of the programme manual. This template includes all the core features that need to be described in the document. The action plans have to be submitted to the programme as soon as available, and in any case before the end of phase 1. The final version has also to be published on the project website. In order to facilitate the checks carried out at programme level, a comprehensive summary in English highlighting the core features of each action (see annex 1) should also be made available to the programme. This is particularly important for lengthy action plans or in case the action plan is written in a national language other than English.

Examples of action plans can be found on line under the project's websites (e.g. ERUDITE, OSIRIS, NICHE, iEER or CLUSTERS3).

The following recommendations can also be taken into consideration when elaborating the action plans:

- The action plan template needs to be adapted to the regions' needs.

Annex 1 of the present manual is just a plain template that needs to be adapted to the context of each project and partner. It should be clear from the design of the document which project and which partner organisation are concerned (e.g. through the project and organisation's logo). Beyond the design, the core objective remains that the action plan is useful and brings real added value to the region and stakeholders concerned.

- A minimum level of information is required for each action.

The action plan does not need to be a long document but, as reflected in the template, the minimum is to described the core features for each action (i.e. relevance to the project, nature of the activities, stakeholders involved, timeframe, costs and funding sources). The document can include a very limited number of actions as long as these actions are sufficiently clear and detailed. It is also important to specify how far the action plan is endorsed by the relevant policy responsible organisation(s) in the region.

- Each action should be clearly related to the project.

Each action included in an action plan should clearly derive from the project's learning and in particular from the interregional exchange of experience (e.g. which good practice from one of the partner regions or which learning from a project activity inspired the action?). This is a basic requirement to ensure that

phase 2 monitors the implementation of actions that can be directly attributed to Interreg Europe. If an action cannot be clearly related to the activities of the project, then it should not be included in the action plan.

- Each action needs to be precisely defined, going beyond phase 1 activities.

The actions to be implemented represent the backbone of any action plan and are the basis for phase 2 monitoring. It is therefore crucial that these actions are clearly defined. Since the action plan specifies how the learning from the project will be transformed into actions, the actions included in each action plans should in principle have a clear implementation related character. In other words, a continuation of the learning is no longer possible in phase 2.

Phase 2 – monitoring the implementation of the action plan

In order to better assess the results of interregional cooperation, phase 2 is dedicated to monitoring the implementation of the action plans. Each partner is responsible for monitoring the progress of the implementation of their action plan and for reporting to the lead partner. It should be highlighted that Interreg Europe supports the costs incurred for the monitoring only; the costs related to the implementation itself of the actions should be funded from local, regional or national sources. In case several partners from the same region draw up a single action plan, these partners share the responsibility for monitoring the implementation of their action plan.

The activities to be carried out within the projects depend on the phases. They are further defined below.

4.2 What activities may take place under each phase?

4.2.1 Phase 1 – Focus on the interregional learning process

Three types of activities will be carried out during phase 1:

- exchange of experience
- communication and dissemination
- management and coordination.

The overall project methodology needs to be explained in section C.4 'Project approach' of the application form.

4.2.1.1 Exchange of experience: the cornerstone of an interregional cooperation project

The exchange of experience **among partners** is an interregional learning process. It is the main catalyst for generating the expected policy change in the participating regions. The typical activities supported under interregional cooperation projects are activities such as seminars, workshops, site visits, staff exchanges, peer reviews. The learning process is based on the identification, analysis and exchange of knowledge and practices in the policy field tackled by the project.

Interregional cooperation projects need to analyse the experiences and/or practices exchanged **within the projects** and disseminate the most interesting findings. In particular, this is achieved by providing input into the programme's **online good practice database** which allows publishing the good practices identified on the project's website. Only the good practices reported through this database and validated by the joint secretariat should be counted under the indicator 'number of good practices identified (see also section 4.3.2). The nature of the practices can be very different depending on the project (e.g. governance approaches, methodologies, projects, techniques, etc.).

Examples of typical activities for the exchange of experience:

- interregional site visits
- interregional thematic seminars / workshops
- interregional peer-reviews
- interregional staff exchanges
- joint thematic surveys / studies / analysis
- meetings with the stakeholder group (compulsory)
- participation in the Policy Learning Platform activities (compulsory)
- joint development of action plans (compulsory)

There are many ways to organise a successful learning process among partners and there is no 'one size fits all' method. The approach may depend for instance on the number of partners involved or on the nature of the topic addressed. The INTERREG IVC programme has shown a variety of working methods from 'simple working methods' based on traditional networking activities such as thematic seminars, study visits and staff exchanges to a more 'developed and differentiated' approach based on sophisticated tools such as joint analysis, case studies, peer reviews. As both approaches can be successful, the programme does not impose any specific methodology. It is up to each interregional cooperation project to propose a strategy which is adapted to the needs of the participating regions and which ensures an efficient learning process among the partners and the stakeholder groups.

The INTERREG IVC programme carried out a study[10] to better understand the interregional learning process and to provide recommendations based on the following elements:

- Level of learning
- Stakeholder group
- Quality of the activities carried out
- Integrated approach
- Role of experts.

Levels of learning: combination of four levels of learning

The process of policy learning, which is the key driver for achieving policy change, needs to occur at different levels.

[10] http://www.interreg4c.eu/uploads/media/pdf/exchange_experience_study_full.pdf

Four levels of learning

Level 1: Individual learning

The first level of learning refers to the staff members of the partner organisations who have increased their capacity by being directly involved in all the activities of the interregional cooperation project. This level of learning is the most obvious and the easiest to achieve. Nevertheless, the increased capacity of a few individuals in a partner organisation is not sufficient to ensure that results (i.e. policy change and related impact) will be achieved in the region.

Level 2: Organisational learning

The second level deals with organisational or institutional learning. Such learning occurs when the new knowledge does not remain at the level of individuals alone, but is also shared within the organisations these individuals are working for. Organisational learning increases the chance that the learning gained from the cooperation will have an impact in the regions. Projects have different means to ensure organisational learning. This can be achieved through internal reporting meetings where the staff members directly involved in the cooperation report back to the relevant colleagues, managers and elected representatives of the organisation. These key interested parties can also be directly involved in the interregional exchange of experience activities when needed.

Level 3: Stakeholder learning

The third level refers to stakeholder learning. Usually the policy-making process at regional level involves a wide range of players, and it is rare that one single organisation can decide alone on policy issues. This third level of learning refers to the stakeholders in the regions involved in the policy-making process and policy implementation. To optimise the impact of interregional learning and to make sure the activities of the action plan are implemented later on, these stakeholders also need to be part of the interregional learning process.

Level 4: External learning

The fourth level refers to learning beyond the regions. External learning is certainly the most challenging 'type' of learning, but it is also less crucial for the projects since it does not directly impact policy change in the participating regions. Nevertheless, in a capitalisation programme like Interreg Europe, it is important that the lessons learnt at project level are also exploited at programme level in order to be of

benefit for other public authorities in Europe. The Policy Learning Platform should also play an important role in this regard in light of the projects' contributions.

When designing the project methodology to carry out the interregional exchange of experience, partners should pay particular attention to the multidimensional aspect of the learning process. To maximise the project's potential impact, the learning process should be initiated at the four different levels. Partners should understand how the exchange of experience process can directly influence the policy frameworks of the participating regions. Learning at the individual level alone is not sufficient to achieve policy change. Instead, learning outcomes need to be transferred and integrated effectively into the participating organisations and shared with the relevant stakeholders. This is the rationale behind the creation of **stakeholder group** for each policy instrument indicated in the application form. Further information on the stakeholder groups is provided in section 4.4.1.

The quality and nature of the activities carried out

Exchange of experience activities must be of robust quality, this is self-evidently a pre-condition to an efficient learning process. They need to be properly prepared, implemented, documented and monitored.

- Preparation: all the information needed to carry out the activities must be made available in advance. In particular, the objectives and agenda of each activity need to be clear and shared with the participating partners. If needed, partners can also be asked to send their contributions before the activity takes place.
- Implementation: the organisers have to ensure proper management of the activity. The quality of a moderator is, for instance, important for the success of a thematic workshop. Issues such as languages or intercultural context also have to be taken into consideration. Depending on the activities, innovative techniques can be used to ensure interactivity and the involvement of all participants in the exchange of experience.
- Documentation and monitoring: commonly, a report summarising the main outcomes is produced. The evaluation of each activity (through a simple satisfaction questionnaire) can also help in improving future activities.

The choice of activities to be organised is also important. For instance, a staff exchange will not achieve the same objective as a thematic workshop. The choice of the right activities at the right moment is therefore important and should be carefully thought out during the preparation of a project.

Integrated approach

Even where each individual activity is of robust quality this is insufficient to ensure a successful learning process. An integrated approach where all activities are logically interlinked is also needed. Successful approaches usually follow a logical path. The standard approach is to start with the analysis of the different partners' situations and the identification of valuable experiences and practices. This valuable experience is then further investigated through activities such as study visits and thematic workshops. Finally, the transfer of knowledge and practices is mainly prepared through the elaboration of the action plans (but can also occur during the exchange of experience phase of the project).

Therefore, the coherence, continuity and good interrelation between the activities also contribute to a successful learning process.

Exchange of experience: examples of interesting approaches from INTERREG IVC projects

SEE – well-organised thematic interregional workshops

The SEE project ran five well-organised thematic interregional workshops, each of them including guest speakers and an exchange on design programme practices as well as interactive sessions with partners and policymakers. All the workshops had a clearly goal-oriented working style and involved presentations, panel discussions, in-depth work using a smaller interactive group format (creative sessions, brainstorming sessions etc.), scenario-building and mapping exercises. Following each thematic workshop, a publication was issued, extensively summarising the workshop outcomes and also contextualising these in a wider policy-context (the "SEE Policy Booklets").

CLIQ – a successful combination of a round-table discussion & study visit

As part of the CLIQ project, the Cadiz Foundation for Economic Development, Spain, organised an interregional round table in combination with a study visit, which dealt with how to integrate civil society into the innovation system. The round table started with an introduction to the regional tools for promoting innovation, and a presentation of Andalusia's present and forecasted situation. This was followed by a detailed outline of Andalusia's research and innovation capacity including both the academic and enterprise sectors. Based on the theoretical material and general introduction to the region, which provided a good understanding of the innovation context, the round table discussed how to better integrate civil society into the regional innovation system. The study visit the following day was organised around the technologies and economic sectors included in the first day's round table activities. The round table's success was mainly down to the small size of the group and an excellent theoretical presentation of the quadruple helix, which enabled all present to understand the situation.

DART – a methodology to selecting good practices

One principal objective of DART was to develop policy recommendations relevant for any European region facing an ageing and shrinking population. In order to select transferable good practice experiences from the regions, the project applied a specific methodology. Out of the 89 collected good practices, the project team selected 26 considered most 'worthwhile' for transfer. The methodological approach was as follows:

- Each participating region could suggest up to three good practices for each thematic field. The partners had to describe the practice in a formalised way concerning the objectives, the background and regional needs and the process for practical implementation. This was completed with some formal information (location, time period, organisations involved, target group, activities), main results regarding the beneficiaries, success factors, lessons learnt and main difficulties encountered as well as some information on how to exploit the practice (media used, degree of transferability, standards and use of indicators).

- The good practices were presented at the workshop. In an evaluation session, all the participants (project team and experts/guests) were given six stickers to vote for the best good practices. They could vote for six different practices (not from their own region) or cumulate several stickers on a smaller number of good practices. The assessment was based on a checklist, which included questions regarding fairness in terms of age and gender, the degree of transferability to other regions, the number of newly developed standards and the degree of indicator use and development. The six best good practices were chosen for a presentation at the thematic conference

GraBS - a successful combination of networking activities

Under GraBS, the mixture of methods and the combination of activities for the exchange of experiences was extremely useful, considering the complexity of the topic, the diversity of partner organisations and levels of expertise. Thematic seminars were linked to study visits in which guest speakers, policymakers and also community representatives participated. Study visits focused on good practice case studies, located within and outside the partnership in order to illustrate the scale of the issue addressed by the project (i.e. development/regeneration required) and the solutions offered by the project. Each site visit was supported by thematic Expert Papers (engaging known experts in the field) and documentation. Based on the Seminars and Study Visits, seven Expert Papers were published. In addition, four Mentoring Partnerships were formed to support the partners with less experience, to guarantee a win-win exchange of experience process and to promote the transfer of relevant good practices.

CLUSNET – an exchange of experience process based on local case studies

CLUSNET applied a strong methodological approach developed by the partner responsible for the exchange of experience process (Stockholm School of Economics). The 'Cluster Initiative Performance Model' (CIPM) facilitated and structured the exchange of experiences and offered a theoretical background that allowed each partner to better understand the characteristics and potentials of the different cluster models presented. This individual cluster analysis was supported by two reports. A first analysis, available to all partners, was drafted by the case study city (pre-report). During the seminar in this city, a study visit related to the case study was organised, followed by a policy analysis session during which the conclusions were discussed with all partners and relevant key decision-makers. After each event, concrete policy recommendations for the case study were summarised in a seminar report.

MORE4NRG – Use of peer reviews

Under MORE4NRG, peer reviewing was used as the key method for carrying out the exchange of experiences. The central element in the exchange process of MORE4NRG was the application of a formal peer review methodology. During a series of five peer reviews, multinational teams of regional experts from more experienced partners visited a less experienced host region to review its regional energy strategy. The peer review process consisted of a preparation phase using a questionnaire, a 4-day study visit, during which the visiting experts met with regional energy stakeholders, made relevant site visits, and drafted

a review report with recommendations. Each host region then used the recommendations in the review report to prepare the action plans. The peer review methodology was regarded as very useful by the project partners and also facilitated the exchange of experience. Of benefit was also the possibility to adapt expert advice to the specific situation of a region, which also represented an added value to the ordinary exchange process based on seminars, shorter visits and reports. All the experiences and lessons from the previous stages of the project were also exchanged during a mutual learning seminar, so as to ensure full knowledge transfer between all partners.

Role of experts

There is no obligation to involve experts in the exchange of experience process but external assistance can help to professionalise this process (e.g. by proposing working methods). External input may also be needed to ensure a more in-depth coverage of certain aspects of the topic tackled by the project or to help partners that are less experienced in the joint working process. For content-related issues, projects can also benefit from the services of the Platform.

The cooperation should however not be driven by external experts. A successful learning process requires a strong and direct commitment from the regions themselves.

4.2.1.2 Communication and dissemination

The second type of activity relates to communication. Each project is required to develop a communication strategy, covering both internal and external communication. The communication strategy is an integral part of the overall project strategy. Therefore, planned communication activities have to contribute to achieving the overall project objective.

While each project's communication activities will depend on its specific strategy, some examples of communication and dissemination activities are:

- Ensuring the project's online presence (e.g. website, social media)
- Organising public conferences (e.g. final conference with result presentations)
- Disseminating project leaflets, brochures, newsletters
- Organising policy briefings in the presence of the media
- Disseminating project outputs (good practice guides, policy recommendations)

Chapter 8 details more fully project communication requirements and provides further details necessary for completing the application form.

4.2.1.3 Management and coordination

The third type of activity relates to management and coordination tasks. They concern the administrative, legal and financial activities necessary for running an Interreg Europe project.

Examples of typical activities dedicated to management and coordination are listed below:

- Drawing up and signing of a project partnership agreement
- Preparing, submitting and follow-up of progress reports

- Organising project steering group meetings
- Monitoring and controlling any expenditure incurred

Strategic level

Each project is required to determine the necessary procedures for decision-making and coordination within the consortium. In particular, a body in charge of the strategic monitoring of the project (steering group) has to be constituted. Adequate representation of the partners involved should be ensured when establishing the decision-making process and monitoring mechanisms. Ideally, the steering group should be composed of representatives from all the partners and should meet at least twice a year during phase 1. In phase 2, the partners' annual meetings should be sufficient to ensure the strategic monitoring of the project. The tasks of the steering group should normally include the monitoring of the project and the provision of guidance regarding its implementation, for example, reviewing and approving work plans and reports, agreeing on possible changes to the project.

The steering group usually sets up and implements a monitoring and evaluation system in order to carry out its tasks. Progress towards the achievement of the project's objectives is assessed mainly through output and result indicators. The monitoring system should also cover the following issues:

- Effectiveness and efficiency of implementation: Is the project progressing in line with the initial time plan presented in the application form? Is the budget plan being implemented, and are allocations for each of the budget categories being observed? Do the project's achievements justify the expenditure incurred (cost-benefit analysis)?
- Quality of the management and coordination: Are management and coordination procedures efficient, and are the resources assigned to this process sufficient?

Day-to-day management

In addition to the steering group, other coordination bodies (e.g. task forces, advisory groups) may be established to coordinate the day-to-day running of the project, fulfil specific tasks or carry out certain activities. It is however recommended that the coordination and management procedures remain as transparent and as simple as possible.

In order to ensure a proper implementation of the project, the lead partner[11] should set up an efficient and reliable management and co-ordination system. For this purpose, each project should appoint or sub-contract the following positions for the project management:

- **a project coordinator**

  The coordinator is responsible for organising the project's work. The coordinator should be qualified in European project management as well as in the topic tackled by the project. The coordinator should act as a driving force in the partnership and mobilise the partners in order to achieve the objectives laid down in the application within the specified deadlines.

- **a financial manager**

  The financial manager is responsible for the accounts, financial reporting, the internal handling of ERDF funds and national contributions. The financial manager should work in close contact with the coordinator, the controllers and the partners in order to enable the efficient financial management of the project. The financial manager should be familiar with accounting rules,

[11] See section 4.4.6

international transactions, EU and national legislation for the management of ERDF, public procurement and financial control.

- **a communication manager**

The communication manager is responsible for the proper implementation of the project's communication strategy. This person ensures that all partners agree to the strategy, including task allocation and timing, and is the one responsible for reviewing periodically whether the strategy is reaching its objectives. Whether the role is outsourced to a communication professional or not, the communication manager should be familiar with the basic principles of developing a communication strategy along with the variety of techniques available to reach different audiences. S/he works hand in hand with the project coordinator to deliver project results. S/he is the key contact person for the joint secretariat on all communication-related tasks.

The person(s) in charge of the above positions must be fluent in English, which is used for all communications with the joint secretariat and other bodies involved in programme management.

4.2.2 Phase 2 – monitoring of the action plan implementation

Phase 2 is dedicated to monitoring the implementation of the action plan. Since the objective is to transfer the lessons learnt from the project into the policy instruments addressed, the implementation itself of the actions is not financed by Interreg Europe and should be taken over by the participating regions.

Monitoring means regularly checking to which extent the measures described in the action plans are implemented on the ground, evaluating the results of these measures and gathering evidence of success to be reported to the programme.

Due to its particular focus, phase 2 has a more local/ regional character. But interregional cooperation remains important for the following reasons:

- Partners should continue learning from each other during the implementation phase of the action plans. They can exchange and build on the success achieved or on the difficulties encountered.
- Certain measures of the action plan in one region may require the expertise of another region. In particular, when the measure relates to the transfer of a particular experience developed in one region, the 'importing' region may need the advice of the 'exporting' region on the best way to adapt the experience to its own context.
- In order to ensure proper project management and monitoring of the different action plans, the partnership needs to remain active, and the lead partner's role will be to consolidate the information received from the different partners.

Predefined activities

There are also three types of activities to be carried out under phase 2. Unlike phase 1 however, these activities are fully pre-defined by the programme. During the two years of phase 2, projects are required to organise the following activities:

Monitoring the implementation of the action plan

- Monitoring the progress made by maintaining contact with the stakeholders involved in implementing the activities in each region;

- Organising one project meeting at the end of each year to exchange on the way the implementation is progressing.

Communication and dissemination

- Regularly updating the project website, providing information on the progress made on the implementation of the different action plans.
- Organising a final public dissemination event gathering executives and policymakers from the regions and from other relevant institutions (see further details in chapter 8).

Management and coordination

- Preparing, submitting and following up progress reports
- Monitoring and controlling the incurred expenditure
- Project closure activities

The work plan for phase 2 is pre-defined at the application stage, but the final features of phase 2 will depend on the level of success of phase 1. For instance, if one participating region fails in drawing up its action plan, its involvement in phase 2 will be questioned.

The implementation of action plans can take various forms depending on the issue tackled by the project and the territorial characteristics of the partner region. Certain measures contributing to the improvement of policies do not require specific additional funding (e.g. no-cost/ low cost action in the Result Based Accountability approach[12]). And when funding is required for implementing other measures, it should come from the relevant local, regional and/ or national funds. The only exception is pilot actions that Interreg Europe may support in justified cases (see next section).

Pilot actions

There may be cases where the good ideas discovered during phase 1 in a given region will first need to be tested in another region before being rolled out. If this testing requires funding and the 'importing' region does not have this funding for different reasons, the project may apply to the Interreg Europe programme before the end of phase 1 to carry out a pilot action. To propose a pilot action, a project must complete a specific 'pilot action request' template (available on the programme website under the section 'Implement a project') where the main features of the action are described also justifying why programme funding is required for implementation. The request must be submitted to the joint secretariat before the end of phase 1. This procedure may lead to the involvement of additional partners, if these partners are needed to carry out the pilot actions (see example below and in section 4.6). Pilot actions are financed either through reallocation of existing budget in case the project faces underspending or through additional funds in case no underspending occurs. In any case and since they represent a change in the nature of the activities supported, pilot actions need to be formally approved by the programme's monitoring committee.

As explained above, the opportunity to support pilot actions depends on the results of the exchange of experience process. As a consequence, pilot actions cannot be described and budgeted at the application stage.

[12] More information on the Results Based Accountability approach can be found at http://raguide.org

Pilot actions are implementation-related activities dedicated to testing a new approach. This usually refers to the transfer of existing practices between regions. But it can also relate to a new initiative jointly designed by the regions during phase 1 and jointly implemented in phase 2.

To be eligible for support from the programme, pilot actions need to fulfil the following three conditions, which apply to any activities proposed within Interreg Europe:

Relevance and durability

The pilot action needs to clearly contribute to the policy instrument tackled in the region where it is proposed. As such, it should be part of the action plan of that region. Since a pilot action refers to testing a new approach, the measures to ensure the durability of this action in case of success have also to be precisely defined.

Interregionality

The pilot action needs to clearly derive from the cooperation. Usually it allows a partner to test, in its region, an approach that has been developed in another region. Pilot actions need to be clearly related to the interregional learning process.

Additionality

The pilot actions have to represent additional activities that would not be carried out without the support of the Interreg Europe programme. The region proposing a pilot action should therefore demonstrate the reason why this action cannot be taken over by the relevant local, regional or national funds.

In financial terms, and based on the INTERREG IVC experience, the budget for pilot actions is usually between EUR 10,000 and EUR 80,000.

The joint secretariat advises projects if their request for pilot action meets the above programme requirements. If this is the case, the secretariat recommends the pilot action for approval to the monitoring committee which makes the final decision. If a project confirms its wish to formally request a pilot action although the request is considered not to meet the programme requirements by the joint secretariat, the request is also presented to the monitoring committee for decision.

Examples of possible pilot actions

Example 1: A project focusing on open innovation policies

Following the extensive experience of the German partner in involving citizens in their innovation policy, the Greek partner would like to develop new measures for open innovation. Since the participation of civil society in innovation processes is relatively new in its region, the Greek partner needs to carry out a pilot action to test the reaction of its citizens to these new approaches before deciding to finance it through the ERDF regional operational programme. The pilot action consists of applying new methods for collecting citizens' reactions to the development of new services/ prototypes by local companies. In particular, a

consultation web-based tool is developed and several workshops are organised with representatives of the four helices (i.e. public authorities, private companies, research institutes and customers/ citizens).

Example 2: A project focusing on local energy policies

On the basis of the identification and exchange of good practices on energy performance auditing, a joint testing methodology for energy audits is developed by the partnership. The Hungarian partner would like to apply such a methodology to its public buildings. However, the ERDF regional operational programme does not incorporate any measure where such activities can be funded. Before modifying the operational programme, the partner tests the energy audit in one of its public buildings with the aim of demonstrating the added-value of integrating such a measure into the mainstream programme.

Measures to face the COVID 19 crisis

More flexibility offered to projects

In the context of the COVID-19 crisis, a first series of measures were taken in 2020 to help project implementation. The core objective of these measures was to introduce more flexibility in the way the projects can implement their activities. Among these measures, the opportunities for 'learning by doing / testing' were reinforced. Therefore, projects which are still at an early stage of implementation of their Phase 1 (mainly 4th call projects but also certain 3rd call projects) have the possibility to request pilot actions at any moment during phase 1 under the following conditions:

- It clearly contributes to the learning process not only in the region but also within the partnership. The implementation and lessons learnt from the pilot action should therefore be shared among the partnership to enrich the interregional exchange of experience,
- All conditions for pilot actions apply (apart from the interregionality that is lightened). In particular, this means that the subject of the pilot should be clearly relevant to the issue addressed by the project. It should also be linked to a policy framework. Such pilot action has to be included later on in the Action Plan of the region as an action already implemented.

For these cases, the interregional character may be less dominant as long as the link to the project activities is still clearly demonstrated (e.g. ideas generated through the stakeholder groups). These pilot actions can be submitted as soon as they are ready in phase 1. Since regions may need urgent solutions to face their policy challenges, the pilot action can be

related to the COVID-19 crisis as long as it remains within the issue addressed by the project (e.g. new methodology to provide business support services; development of a new online tourism product; development of a tool for monitoring the impact of COVID-19 on certain policy fields).

Call for additional activities (see terms of reference in Annex 5)

In addition to the measures already taken in 2020, the programme launched a call for additional activities in the first half of 2021. The core objective of this call is to further help approved projects to deal with the crisis. This exceptional measure offers the possibility for approved projects:

- to further exchange experiences on the way the crisis impacts the issue they address and on possible measures to face and recover from the crisis,
- to further improve their regional development policies to better face this unprecedented situation.

The call is restricted to all approved projects even if it is particularly relevant to 1st and 2nd call projects who had already finalised their Phase 1 when the crisis started. The scope of this call is therefore different according to the calls to which the projects belong as reflected below:

- Opportunity offered to 1st and 2nd call projects

Possibility to apply for additional funding to support up to **one additional year** of exchange of experience activities (including pilot actions if justified) to address the COVID-19 crisis.

- Opportunity offered to 3rd and 4th call projects

Possibility to apply for additional funding to implement exchange of experience activities (including pilot actions if justified) to address the COVID-19 crisis, in case unspent budget and pilot actions procedures are not sufficient to do so.

These additional activities are considered as an add-on to the existing project and are therefore not bound to any of the phases as defined in section 4.2 of the present manual.

4.2.3 Costs financed for each phase

	Financed by	
	Interreg Europe	**Other sources of funding**
Phase 1	Staff, administration, travel & accommodation, external expertise, equipment: - Interregional learning activities (e.g. study visits, workshop, seminars, peer review, staff exchanges) - Possible studies (e.g. SWOT analysis, case studies) - Development of action plans - Development of policy recommendations - Communication activities	Any possible costs related to the implementation of the lessons learnt from the cooperation in the region (results can be achieved before the finalisation of the action plans)

	- Management activities - Participation in programme events and EU related events (see section 8.3.3)	
Phase 2[13]	Staff, administration, travel & accommodation, external expertise, *equipment (in case of pilot actions*[14]*)* related to: - Monitoring the implementation of the action plan - Interregional learning activities to support the implementation of action plans (through a limited number of partner meetings as pre-defined in the application form) - Communication activities - Management activities including closure activities - Participation in programme events (see section 8.3.3) - *pilot actions (in justified cases)*	All costs related to the implementation of the action plans *(with the exception of possible pilot actions financed by Interreg Europe)*

[13] A lump sum covering the costs related to phase 2 pre-defined activities is granted to the projects approved under the fourth call. Further information on this lump sum can be found in section 7.4 of the programme manual.
[14] In the framework of the COVID-19 measures taken in 2020 and as explained in section 4.2.2, projects mainly from 4th call can exceptionally request pilot actions to be implemented under Phase 1.

4.2.4 Service to projects and activities at programme level

The programme provides lead partners of approved projects with a number of training and advice opportunities. The project partners responsible for a specific aspect of the project management (coordination, financial management, communication) are regularly invited to participate in events and activities organised at programme level aimed at making the project implementation as efficient as possible. For instance, the programme organises the following workshops to help with project implementation:

- lead partner workshops (organised shortly after the approval to brief the lead partners on the programme's main features and requirements),
- finance workshops,
- communication workshops.

Lead partners of approved projects are also regularly invited to contribute to a certain number of events and activities organised at programme level, such as:

- Policy Learning Platform activities,
- programme annual events and preparation of communication material.

The participation of projects in these programme activities is important (see more on the programme expectations in section 8.3.3). Applicants should therefore be aware of these activities when preparing an application and when drawing up the budget. Depending on the duration of the project, lead partners (or another relevant project partner) are expected to participate in 8-12 events at programme level over the lifetime of the project (phase 1 and phase 2). For what concerns the participation in the activities of the Policy Learning Platform, an average of two participants per project per event is recommended.

4.3. Monitoring projects' results and activities: demonstrate your success

The intervention logic (see section 2.4) and indicator system developed for Interreg Europe both take into consideration the result-oriented approach promoted by the European Commission for the 2014-2020 cohesion policy[15]. It also partly builds on the Result Based Accountability (RBA) approach[16].

Capturing the results of interregional cooperation projects is an important and challenging task. It is important because, during the implementation of the programme, the usefulness and efficiency of interregional cooperation has to be clearly demonstrated. It is also challenging since the achievements of interregional cooperation can be less tangible, compared to other programmes which are implementation-oriented. This is the reason why a second phase was introduced into the projects.

Thanks to phase 2, it will now be possible to measure some of the 'tangible' results to be seen in the territories of the participating regions, once the measures inspired by the project have been implemented. **Nevertheless, projects should not wait for phase 2 to achieve results and improve their policy instruments. The experience gained from past interregional cooperation programmes shows that substantial results are already achieved during the learning phase (phase 1).**

As explained in section 4.2, one action plan for each policy instrument addressed must be produced at the end of phase 1. In principle, **the non-production of an action plan leads to the recovery of ERDF**

[15] More detailed information on the evaluation of the Structural Funds can be found on the following link: http://ec.europa.eu/regional_policy/information/evaluations/guidance_en.cfm#1

[16] In particular, the RBA approach (http://raguide.org) established a clear distinction between population accountability and performance accountability

funding from the concerned partner. There may be exceptions in case this non-delivery can be properly justified, in particular through external unexpected circumstances (e.g. elections, administrative reform). More generally, ERDF funding can be recovered from the project in case of severe under-performance.

The implementation of the action plan falls under the responsibility of each partner dealing with the policy instrument. The progress made in implementing the action plan is reported back to the programme under phase 2 of the project (via the lead partner) with any necessary explanations if the action plan cannot be partly or fully implemented. But the non-implementation of an action plan will not call into question the eligibility of costs related to Interreg Europe.

Beyond the issue of monitoring results and the production of outputs like the action plans, the most important is for projects to demonstrate they have achieved results. **Projects should do their utmost to transform learning into actions** (i.e. ensuring that the lessons learnt from the project lead to some concrete actions in the participating regions ideally in the framework of the initial policy instrument addressed or if not possible in any relevant policy framework). The production of an action plan alone is not sufficient in this regard, it is just a means to achieve results but not an end in itself.

Project acronym – what's in a name

When developing a project application, applicants are asked to give some thought to a clear, memorable project 'acronym'. This will be the 'calling card' that will be used by the programme to produce your project logo, website url, and should allow users to find you if they are searching on the web. See section 8.1.2 Logo and acronym for more guidance.

4.3.1 Improving policy instruments/ Structural Funds programmes

In terms of results, cooperation can influence policy instruments in various ways. Based on the INTERREG IVC experience, this improvement may take different forms (see types 1, 2 and 3 below), which can sometimes be interconnected.

Type 1: implementation of new projects

Type 1 implies that the policy instrument provides funding as is the case with Structural Funds programmes. Thanks to interregional cooperation, managing authorities and other relevant bodies can find inspiration in other regions and import new projects to be financed within their programmes. This type of impact requires the availability of funding in the programme.

Examples from INTERREG IVC

In the **EVITA project**, the Latvian Information and Communication Technology Association (LIKTA), which represents more than 200 organisations and professionals from the ICT industry, research and educational institutions, implements many national and international projects for training entrepreneurs in ICT and e-business skills. Within EVITA, LIKTA piloted the transfer of two EVITA initiatives: 2Bdigital (from Catalonia Company Support Agency, Spain) and Go-Online (from GRNET, Greece), by implementing their methodologies in two training seminars on digital marketing issues. These seminars were attended by 50 companies in total. LIKTA has fully adopted these methodologies identified within the EVITA project. The development of e-business training materials will also be subject to new applications for of ERDF grant aiming at training Latvian IT and e-business companies.

In the **WF project**, the good practice developed by the Province of Ferrara, Italy, on promoting innovative tourism has served as a basis in the development of the ERDF project called, in Finnish, ""Matkailuelämykset euroiksi Saimaalla" and dedicated to the promotion of lake tourism in the Savonlinna region, Finland. The idea is to generate industry tourism revenues by providing experiences and services for visiting tourists. The implementation of the project with a budget of EUR 800,000 started in December 2011 and ended on 31 December 2013. It had the objective of using international electronic marketing and distribution channels for the lake tourism products of the region.

The Region of Brittany, France, participated in the **ERIK ACTION project**, to improve its SME competitiveness and innovation policy. Inspired by two partners' experiences (Lower Austria and Tuscany, Italy), the region financed two new initiatives within its operational programme: one measure to offer coaching and training in innovation for SMEs, and one measure to include the concept of corporate social responsibility in businesses, both financed by the ERDF.

Type 2: change in the management of the policy instrument (improved governance)

Interregional cooperation can also influence the way policy instruments are managed. New approaches can be adopted thanks to the lessons learnt in other regions. For instance, a new methodology for monitoring or evaluating a measure can be developed within the policy instrument. A managing authority or any other relevant body can also improve the way thematic calls are organised or the way projects are selected. The governance of the programme may also refer to the way environmental issues are integrated into the different measures of the operational programmes.

Example from INTERREG IVC

In the **SCINNOPOLI project**, and based on the experience of Flanders, Belgium; Navarra, Spain; Provence Alpes Côte d'Azur and Brittany (both France), Lower Austria improved the evaluation of its innovation measures financed within the ERDF Competiveness programme. A revised indicator system allowed the authorities responsible for innovation policy to measure if targets were being reached and to identify trends in a simple way. As a direct result of the lessons learnt in SCINNOPOLI, Lower Austria harmonised the ex-post questionnaires for all its regional funding schemes on innovation.

Type 3: change in the strategic focus of the policy instrument (structural change)

The third type is the most challenging since it requires a change in the operational programme. To integrate the lessons learnt from the cooperation, some managing authorities can modify existing measures or even create new measures in their programme.

Example from INTERREG IVC

In **ESF6CIA**, the Bulgarian Ministry of Labour and Social Policy modified the specification of its ESF 'Development' programme. This programme was initially designed to tackle only unemployment following mass redundancies in enterprises. The planned budget was EUR 75 million. Thanks to the lessons learnt within the project, the programme was updated and included preferential treatment to people over 50.

In **ERIK ACTION**, the Fabrica Ethica practice from the Tuscany Region, Italy, has also led to a structural evolution in the Brittany Region, France. Thanks to this first experience and the long-standing willingness of the Regional Council to develop 'social innovation' expertise in the territory, a specific team in charge of developing a strategy on social innovation and corporate social responsibility was created within *Bretagne Développement Innovation*. This strategy will be fully integrated into the future smart specialisation strategies of the region called 'Regional Strategy for Development and Innovation' (*Stratégie Régionale de Développment et d'Innovation, SRDEI*).

Similarly, the Innovation Assistance measure was first imported from Lower Austria as an initiative called 'Innov'acteur'. This initiative was so successful that it has now become a core programme of the Regional Innovation Strategy called '**SIDE**' (www.bdi.fr/notre-action/programmes). This programme is managed by Bretagne Développement Innovation.

It is developed within the Regional Innovation Network (150 business advisers from more than 40 entities) and is the backbone of the regional innovation system in Brittany. It is co-financed by the ERDF via the regional operational programme.

In the **RAPIDE** project, the region of Saxony-Anhalt in Germany directly profited from the interregional training on Innovation Vouchers. International experts shared their experience on Innovation Vouchers and their experience of using ERDF funds for such a scheme with all the interested RAPIDE regions. Directly deriving from that exchange, Saxony-Anhalt decided to adopt new funding guidelines (reference 'MW-03-10') on grant support for projects in the field of innovation and R&D.

Another interesting example of policy improvement is provided by the Prešov Self-Governing Region (SK). Further to the lessons learnt within **RAPIDE**, this region requested funding for the regional Innovation Voucher Scheme from the operational programme on competitiveness and economic growth, priority 1.1, axis 1 'Innovation and Growth Competitiveness', measure 1.3 'Support for innovation activities in enterprises'. The responsible body, the Ministry for Economy in Bratislava, agreed in principle but there was a need for a minor change to the national legislation on public funding to enable the Innovation Voucher scheme to be supported in Slovakia.

4.3.2 Result and output indicators

The **results** are direct effects resulting from the project and the production of its outputs. They represent what the project aims to change. Outputs such as the organisation of interregional events, the identification and dissemination of good practices, the production of policy recommendations are merely means to achieving the results of the project. Unlike outputs, they imply a qualitative value, an improvement compared with an initial situation. They have to be measurable in physical units, such as the number of policy instruments influenced.

The **outputs** are the tangible deliverables of the project which contribute to the results. They directly derive from the activities carried out in the project. They do not lead to a qualitative judgement on the project's results. In other words, it is not because the project organises a high number of workshops (output) that it will necessarily be successful. Outputs are typically measured in physical units, such as the number of seminars, site visits, conferences, participants, publications, good practices identified, or policies addressed.

In order to monitor the achievements of interregional cooperation projects, two kind of indicators are used:

a/ Pre-defined indicators at programme level

In order to ensure consistency in the programme's evaluation, each project is required to fill in a certain number of pre-defined result and output indicators. These indicators are included in section C.6.2 'Indicators' of the application form and applicants need to estimate their target value. The approach proposed by each project has to be realistic, and therefore the target values should not be overestimated.

Result indicators

- *Number of Growth & Jobs and/or ETC programmes where measures inspired by the cooperation were implemented in the field tackled by the project.*
- *Number of other regional policy instruments where measures inspired by the cooperation were implemented in the field tackled by the project.*

The above two indicators measure the number of policy changes resulting from Interreg Europe projects. The first one is related to Structural Funds programmes and measures the number of operational programmes or cooperation programmes that are influenced (see section 4.1) thanks to the project. The second one relates to any other policy instruments where influence from the project can be reported. In both cases, the result indicator can only be completed if a tangible change has taken place (e.g. new project funded, new measure introduced) and if this change can be fully or at least partly attributed to the project. The target figure must not exceed the number of policies addressed indicated in section B.2 'Policy instruments addressed and territorial context' of the application form. These two indicators will automatically be calculated as a percentage in section C.6.2 'Indicators' of the application (i.e. of the total number of policies addressed, what percentage will be influenced by the project?).

- *Amount (EUR) of Structural Funds (from Growth & Jobs and/ or ETC) influenced by the project in the field tackled by the project*
- *Amount (EUR) of other funds influenced by the project in the field tackled by the project*

The above two indicators estimate the financial impact (if any) of the policy changes reported under the previous indicators. They measure the amount in euros that was directly influenced by the change introduced by the project (e.g. amount of funding dedicated to a new project, amount of funding allocated to a new measure). To estimate the target value, applicants should first check the financial allocation of the priority axis relating to the policy instrument they will be trying to improve. Then, they should estimate how much of these financial allocation the project can reasonably influence. As reflected in the annual implementation reports of the INTERREG IVC programme (www.interreg4c.eu/programme/index.html), experience has shown that direct financial impact cannot always be easily demonstrated. In addition, when a project manages to demonstrate some influence on a priority axis, it cannot however be claimed that the project has fully influenced the entire budget of this priority axis. It is also possible that some policy changes do not require any financial resources (in particular those related to the change in the management of the policy instrument, as described in section 4.3.1).

Output indicators

- *Number of policy instruments addressed*

This indicator is crucial since it refers to the policy instruments the partners are seeking to improve by applying to Interreg Europe. These instruments can be Structural Funds programmes (at least for half of them) or to any other regional development programmes relevant to the topic tackled by the project. Even if a regional development issue such as innovation or entrepreneurship or low-carbon economy is usually tackled by several policy instruments, **partners need to identify the main instrument on**

which they will be focusing during the cooperation. This is the only indicator to appear in section B.2 'Policy instruments addressed and territorial context' of the application form.

- *Number of policy learning events organised*

This indicator measures the total number of events organised by the project with the specific aim of exchanging / transferring experiences among partners. The word "event" should be taken in a broad sense and the indicator includes not only the interregional exchange of experience meeting (e.g. workshops, seminars, study trips, staff exchanges, peer reviews), but also stakeholder group meetings in each region. Back-to-back meetings (e.g. study visit following a seminar organised by the same partner at the same place) should be counted as one event only. The partner meeting(s) planned in phase 2 should also be included in the target figure of this indicator. The events counted under this indicator have to be distinguished from public relation events aimed at disseminating project information and results.

- *Number of good practices identified*

This indicator measures the number of good practices identified during the exchange of experience process. Only practices that have been carefully analysed and validated as being valuable within the project should be considered under this indicator. This means that projects should be reasonable when estimating the target value for this indicator. The idea is to report under this indicator the most valuable experience only and not all practices identified throughout phase1. Since a project builds on the experience of the participating regions, the good practices identified should also primarily be located in the partnership area. The number reported under this indicator should correspond to the number of good practices validated by the joint secretariat and available on the project website through the online good practice tool. The upload of good practices on the project website needs to be completed by the last progress report of phase 1.

- *Number of action plans developed*

This indicator relates to the core output of phase 1. It measures the total number of action plans developed within the project and validated by the programme. In principle, one action plan should be produced for each policy instrument addressed. Therefore, the target value indicated for this indicator should in theory be identical to the number of policies addressed in the project. Projects are asked to report only once on this indicator, in the last progress report of phase 1.

- *Number of people with increased professional capacity due to their participation in interregional cooperation activities in the field tackled by the project*

This indicator measures the number of people whose competence in the field in question has increased thanks to the project's activities and exchange of experience process. Projects are asked to report only once on this indicator, in the last progress report of phase 1. To do so, the programme has prepared a standard survey template available on the programme's website (under the section 'Implement a project'). Projects can adapt the survey to their needs and have to send it to all people actively involved in the exchange of experience process. The value to be reported under this indicator has to correspond to the number of people who answered positively to the survey question related to increased professional capacity.

- *Average number of sessions at the project pages per reporting period*

This indicator measures the performance of the project website. A session is the period of time a website user is actively engaged with the project pages (measured by Google analytics). The target value for this indicator estimates how many sessions on average take place at the project website during a reporting period (over six months). There are high and low points in a website performance, so an average number over the lifetime of a project should allow projects to increase their online activity if the performance is lower than the estimated average in any of the reporting periods. The analytics tool provided with the project website, hosted on the programme's website, will help projects measure this indicator.

For example, if users come to the project pages on average 8 times each day, this indicator's value would be close to 1500 sessions per reporting period.

- *Number of appearances in media (for example the press)*

This indicator estimates the media coverage for the project (e.g. project appearances in the press, radio, television, on news websites, online portals, blogs etc.). The appearance of the project on the partners' websites and in own publications should not be counted under this indicator. Therefore, applicants should be careful not to overestimate the target value. For the reporting, projects will be asked to provide a list of media appearances in order to justify the value indicated for the indicator.

b/ Self-defined performance indicators

For each policy instrument addressed by the project, at least one result indicator[17] has to be defined to be used to monitor the performance of that instrument and therefore to assess throughout phase 2 whether performance has been improved thanks to interregional cooperation. Essentially, this indicator is specific to each policy instrument. It measures the percentage of beneficiaries that are better off thanks to this instrument. Like any other indicator, this indicator must be both meaningful and measurable.

Since policy instruments usually have their own monitoring systems, the indicator may simply be extracted from the existing system. It is also recommended that projects refer to the list of common indicators provided in annex I of the ERDF Regulation (EU) No 1301/2013, ESF Regulation (EU) No 1304/2013 and ETC Regulations (EU) No 1299/2013.

Example of self-defined performance indicators (usually expressed in percentage of all beneficiaries)

For a policy instrument supporting SME innovation capacity:

- % of SMEs benefiting from the instrument that have developed new patents

For a policy instrument supporting internationalisation of SMEs:

- % of SMEs benefiting from the instrument that have increased their export turnover

For a policy instrument supporting energy efficiency in public buildings:

- % of public buildings refurbished through the instrument that have an increased energy performance

[17] For more information, please refer to the Result Based Accountability approach (http://resultsaccountability.com)

At the end of phase 2, each region will also be required to report more generally on the territorial context to ascertain whether the situation has improved compared with the context described at the application stage.

4.3.3 Innovative character of project results

Projects financed under Interreg Europe need to explain the innovative character of their expected results. It is clear that this notion of 'innovative character' is relative: what is common practice for large public authorities or in a certain European context may be very innovative for smaller public authorities or in another type of context (and vice versa). The particular focus of Interreg Europe on improving 2014-2020 Structural Funds should also contribute to demonstrating this innovative character.

Nevertheless, it is recommended that, before developing a project idea, applicants check, on the different programmes' websites, the kind of interregional cooperation projects that were already financed (http://www.interreg4c.eu) or that are currently supported (http://www.interregeurope.eu). Ideally, they should make sure that their own project and its expected achievements will be of added-value compared to these past or existing initiatives.

The issue of a project's added-value is particularly important for follow-up projects (i.e. partnerships that were supported under previous EU programmes such as European Territorial Cooperation programmes). These projects need to clearly demonstrate how they will go beyond their past cooperation. This added-value can particularly be reflected in the following project features:

- the proposed partnership,
- the topic tackled,
- the focus on Structural Funds programmes.

4.3.4 Durability of the project's results

One of the basic requirements of any public funded project is to demonstrate at the application stage that the lessons learnt from the project will not be lost at the end of the funding period.

The approach of Interreg Europe is innovative in this regard due to its phase 2, which has been introduced for all projects. This phase will allow for better insight into the way the lessons learnt from the cooperation are implemented in the different partner areas.

The way applicants envisage how the project will influence regional policy instruments has to be explained at the application stage. In particular, if the expected improvement of policies requires dedicated funding, applicants should clarify how they will ensure such funding will be made available.

In Interreg Europe, the expected results of projects are by essence durable since they relate to the integration of the lesson learnt from the project into the relevant policy instruments of the participating regions. The project's contribution to the work of the Platform can also contribute to the durability of the project's results.

4.4. Partnership

4.4.1 Partnership composition

Who should be involved? The key role of 'organisations responsible for policy'

As a general rule, the partnership should contribute to an efficient implementation of the project and reflect its objectives.

Since Interreg Europe is a thematic programme, partners must first demonstrate their competence and experience in the issue addressed by the project (e.g. innovation, economic development, low-carbon economy, environment). This is important because the partners are the **primary source of experiences and knowledge** exchanged within the project. This is also the reason why the composition of the partnership is a key success factor for the implementation of the project. Partner regions should be selected on the basis of the thematic issue addressed by the project and on their capacity to contribute to but also benefit from the cooperation. The rationale behind the choice of the partners should in principle be clear from the description provided in section B.2 ('Policy instrument and territorial context') of the application form.

Organisations responsible for policies are the main target group of the programme. These policymakers can be national, regional and local authorities as well as other organisations in charge of defining and implementing regional policy instruments. The participation of these competent authorities contributes to maximising the impact of the project on regional and local policies across the EU. **The involvement of authorities responsible for the policy instruments addressed by the project is therefore a pre-requisite**. If they cannot be directly involved, a letter of support from these relevant authorities must be submitted with the expectation that they will participate in the regional stakeholder groups. It should be noted that, for Structural Funds programmes in certain countries, the direct participation of the Managing Authorities / Intermediate Bodies may be more difficult due to their particular role and task. Project applicants should refer to the 'In Your Country' page on the programme website for more information.

Where the authority responsible for policy instrument cannot be directly involved in the project, the organisation involved as partner should demonstrate its **policy relevance**. The project partner's connection with the policy responsible authority and its capacity to influence the policy instrument should be clearly explained in section B.2 of the application form (e.g. is the organisation involved in the Steering Committee of the policy instrument addressed? Is the organisation acting on behalf of the policy responsible organisation? How is the organisation involved in the design and implementation of the policy instrument?). Experience shows that this was a recurring weakness in the rejected applications, therefore project applicants should pay close attention to how they complete this section of the application.

How many partners from how many countries?

In compliance with Article 12 (2) of the ETC regulation (EU) No 1299/2013, projects are required to involve partners **from at least three countries, of which at least two partners must be from EU Member States and financed by the Interreg Europe programme.**

Based on INTERREG IVC experience, a partnership **between 5 to 10 partners** (also considering that the same region can be represented by several partners) appears to be the best configuration to ensure efficient interregional learning. The complexity of managing a large partnership must not be underestimated.

Why cooperate? Policy instruments addressed and territorial context

The policy instruments addressed as well as their territorial contexts need to be precisely described in the section B.2 'Policy instruments addressed and territorial context' of the application form. This information is crucial in order to check whether strategic and result-oriented partnerships are proposed. The territorial context should describe the state of play of the issue addressed by the project in each participating region. It allows a better understanding of the shared need among these regions and therefore of the rationale behind the partnership.

In line with the overall programme objective, all projects should at least partly focus on the improvement of programmes under the Investment for Growth and Jobs goal, and when relevant the European Territorial Cooperation goal. Therefore, in each project, **at least half of the policy instruments addressed by the EU partners must be Structural Funds programmes** (e.g. a minimum of two for a project with four instruments addressed; a minimum of three for a project with five instruments addressed).

Whilst Interreg Europe actively encourages and promotes project linkages to Growth and Jobs and ETC policy instruments, it is recognised that some regional Structural Funds programmes are limited in scope and demonstrate a narrower focus on investment priorities. Provided that at least half of the policy instruments are Structural Funds, and that partners fully explain the regional context for addressing any non-Structural Fund policy instruments, the final number of Structural Funds programmes addressed in the project will not have any influence on the assessment of applications.

Two partners from the same region can address the same policy instrument. This may occur where, for instance, a regional authority together with its regional development agency both address their region's Investment for Growth and Jobs programme. But two partners from the same region can also address two different policy instruments. For example, a regional authority can be involved in a project to address its Structural Funds programme while a city from the same region is involved in the project in order to address its own city level instrument, not directly related to the regional operational programme. Nevertheless, as highlighted also below, the fact that the same country is represented by more than one partner should in principle be justified in the application form.

Balanced partnership and geographical coverage

The quality of a partnership's composition is also related to the relative involvement of its different partners. Interreg Europe recommends that projects ensure a balanced participation from their different partners; which can be achieved in two main ways. First, it is important to ensure that all partners are involved in the project's different activities as well as in project coordination. Second, partners' relative involvement is also reflected through their financial contribution. It is clear that the budget of a partner must be in line with the level of costs in its specific country, nonetheless, any major differences between partners' budgets must be clearly justified on the application form.

Interreg Europe also strongly encourages projects to ensure that a balanced combination of regions of varying development levels participate in the project partnership. This recommendation will be reflected during the selection process where applications involving more and less developed regions will be assessed favourably. The aim is to encourage regions with GDP per capita lower than 75 of the EU-28 average (less developed regions) to work with regions whose GDP per capita is higher (transition regions – GDP per capita between 75% and 90% of the EU-28 average – and more developed regions – GDP per capita above 90% of the EU-28 average).

With regard to the geographical coverage, Interreg Europe is the only Interreg programme that covers the whole European Union. This allows partners to broaden their experience and to confront their practices with very different cultures and contexts. It is therefore highly recommended that partnerships go beyond cross-border and transnational cooperation areas[18] and more generally go beyond areas formed by a group of geographically close countries. This element is reflected in the selection criterion dedicated to 'Quality of partnership' (see section 5.3.2). Partnerships which are in essence mainly 'transnational' (e.g. most of the partners come from a transnational cooperation area with only a few other 'external' partners involved in the cooperation) will not be considered of added-value within Interreg Europe. This is particularly true in this programming period, where Article 20 of ETC Regulation No 1299/2013 allows, under certain conditions, that part of the funding (up to 20% of the ERDF contribution) of the cross-border and transnational cooperation programmes is spent outside their normal eligible geographical area. The poor geographical coverage is one of the most common weaknesses in the applications submitted to the programme. Partnerships where at least 80% of the partners comes from the same cross border or transnational cooperation area, or where at least 80% of the funding is allocated to the same cross border or transnational cooperation area will be scored 'knock-out' under criterion 3 of the strategic assessment ('Quality of partnership'). The balanced geographical coverage should also be reflected in financial terms. The budget allocation should in principle be balanced between countries, including between a group of geographically close countries and the other represented countries. In the same spirit, the added-value of involving several regions from the same country in a project should be explained in the application form.

Advisory partners

A specific type of partner called an 'advisory partner' can also be involved in projects. Like any other 'normal' partner, they are included in section B 'Partnership' of the application form and can receive financing from Interreg Europe. But these advisory partners do not address a policy instrument and therefore do not need to develop an action plan. They participate in the project as they offer a particular competence that can facilitate the project's implementation. This may be the case of an academic institution that is specialised in the topic tackled by the project or in the exchange of experience process.

The notion of advisory partner should be distinguished from that of 'external expert'. An advisory partner has an interest in the whole project and its topic. As such, it is involved in all the main activities of the project. In comparison, an external expert is hired in compliance with procurement rules to provide a specific service. The expert does not have an interest in the project as a whole and is usually not involved in all project activities. Obviously, the advisory partner status cannot be used as a way to avoid public procurement.

In principle, the participation of advisory partners should remain limited, since Interreg Europe projects focus on the exchange of experience among organisations that are responsible for their own policy instruments. The majority of interregional cooperation projects are implemented without any advisory partners. The participation of these partners should therefore be clearly justified in the application form (in particular section B.1). **It is also recommended that a project does not involve more than one advisory partner**.

[18] Cross-border and transnational cooperation areas can be found on DG Regional and Urban Policy website:
http://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/trans-national/
http://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/cross-border/#4

Examples of advisory partners

In the **CLUSNET** project, the Stockholm School of Economics (SSE) brought its knowledge of 1) clusters, cluster mapping and cluster theory, 2) cluster initiatives, cluster policy and cluster programmes and 3) experience of regional and local cluster programmes in Sweden and around Europe. In return, the SSE benefited from the project by gaining access to qualitative cluster support policies in ten large European cities. This knowledge has enriched the European Cluster Observatory managed by the SSE. The project also allowed the participants to gain greater insight into the role played by cities in cluster development.

In the **PLUS** project, the LUCI (Lighting Urban Community International) association offered its contributions and good practices to the rest of the partners. This international network brings together cities and lighting professionals engaged in using light as a major tool for sustainable urban development. Through cooperation in PLUS, LUCI benefitted from a strengthened position on sustainability issues, the increase of its capacity to be a resource centre for cities worldwide seeking information on sustainable lighting, and generally from the reinforcement of its communication tools resulting in an improvement of its networking capacity.

Multiple involvement

Even if no limit is set to the number of applications institutions can be involved in, it is recommended that this participation is limited for the following reasons:

- The budget available for projects is very limited considering the programme's geographical scope and the high number of regions in Europe. The INTERREG IVC experience has shown that there can be a risk of often supporting the same beneficiaries. However it is important for the quality of the programme that the origin of the experience and practices exchanged is as wide and varied as possible.
- More importantly, the participation in an interregional cooperation project is a demanding task and the participation of the same institution in several projects may not be realistic. Applicants should select the projects that best fit their need and territorial context. The participation of a small organisation in numerous applications can call its seriousness and credibility into question. In case of approval, it would also increase the risk of double funding. Based on the INTERREG IVC experience, such multiple involvement may also reflect a rather artificial partnership. Of course large public organisations with many departments, or smaller countries where the number of eligible partners would not be so numerous may justify their participation in multiple applications.

In any case, even if multiple involvement does not influence the score of the strategic assessment, the involvement of the same organisation in different applications/projects needs to be justified in the concerned application forms (in section B.2 in the field dedicated to partner's experiences and competences).

Stakeholder groups

For each policy instrument addressed, a stakeholder group must be created. As highlighted in section 4.2.1, the stakeholder group ensures that interregional learning does not only take place at individual level, but also at organisational and stakeholder levels. In most cases, a single organisation cannot achieve changes in policy. Since the policy-making process is complex, with a variety of players involved, it is important that these stakeholders take part in the interregional learning process.

To increase the chance of achieving policy change, project partners should therefore actively involve relevant stakeholders from their region in the activities of the project. This group has therefore an intra-

regional focus and is constituted by players from each region. Some of these stakeholders may be those who implement measures of the action plan later on.

Before the start of the cooperation (i.e. at the application stage), the envisaged members of the stakeholder groups as well as the role of these members in the policy instruments addressed by the project have to be defined. Based on the above rationale, this group is primarily constituted of organisations that are not directly partners in the cooperation. In particular, the stakeholder group is an opportunity to involve organisations that, though not eligible for Interreg Europe (e.g. those from the private 'for profit' sector), are still important for the definition of public policy. It is the responsibility of the partners listed in the application form to set up and coordinate these groups. Obviously these partners (apart from the advisory partners) are also members of these groups.

In cases where the authority in charge of one of the policy instruments addressed by the project is not represented in the partnership, the relevant partner should include this authority in the stakeholder group. On a more general level, politicians and elected members can also be involved thanks to creation of this group.

It is up to each project to define the best way to involve the relevant stakeholders in the learning process. The approach may be different depending on project features (e.g. topic addressed, specific objective to the achieved, nature of the organisation partner in the project, territorial level tackled). Based on the INTERREG IVC experience, the involvement of stakeholders is usually ensured through the following measures:

- Organisation of regular local meetings in order to:
    - share with the local stakeholders the lessons learnt from the project,
    - allows these stakeholders to feed back their opinion into the project
- When relevant, participation of certain stakeholders in the interregional policy meetings organised by the project,
- Creation of a virtual space (e.g. mailing list, discussion forum, basecamp, etc.) to ensure on-going information among stakeholders about the project.

In this regards, the URBACT programme has developed the following local support group toolkit which is potentially of relevance and interest to Interreg Europe projects (especially the part related to how to engage and to work with local stakeholders):

http://urbact.eu/sites/default/files/urbact_toolkit_online_4_0.pdf

The travel and accommodation costs for members of the stakeholder groups are eligible as long as they are paid by the partner organisation(s) listed in the application form. They need to be budgeted and reported under external expertise costs (see also section 7.2.4).

Stakeholder group composition – examples:

Under specific objectives 1.1 and 1.2 – Research, technological development and innovation

In a project focusing on technology transfer, the stakeholder group of partner 1 may involve representatives from:

- Regional innovation agency
- Chamber of commerce
- Research centres
- Incubators
- Private sector (either directly or through cluster organisations)

Under specific objective 3.1 – Low-carbon economy

In a project focusing on energy efficiency in public buildings, the stakeholder group of partner 1 may involve representatives from:

- Energy agency
- Local public authorities
- Regional bank
- Energy-efficiency companies

Example of stakeholders' involvement in INTERREG IVC projects

ChemClust

From the outset, ChemClust partners were committed to engaging their chemical clusters and innovation units into the cooperation and to reaching out to the political leadership in the regions. Furthermore, ChemClust also envisaged collaborating with regional chemical associations with a view to providing the project-level cooperation with good regionally-based input and focus on implementation. This initial commitment was maintained, as other local or regional politicians and public authorities (e.g. sector-specific or horizontal administrative departments or units) as well as regional development agencies, cluster structures and in a few cases also local / regional interest groups or NGOs were involved in the interregional exchange of experience process. These stakeholders were invited to join interregional

seminars and Interregional Working Group meetings organised by the partnership to share their individual experiences, to voice their opinions or to learn about approaches from other regions. As an individual benefit, these external players were also offered the opportunity to establish contacts and networking with interregional partners with similar interests. The involvement of other players catalysed the exchange of experience process because it helped to gain better insight into triple helix collaborations and the role of stakeholders involved in the cluster, and provided helpful support to identify gaps in the teaching of chemistry lessons in schools (input from NGOs organisations connected with the chemistry industry/education).

CeRamICa

In CeRamICa, the promotion, development and marketing of the ceramic and small crafts sector was achieved with a strong involvement of players from the local/regional policy subsystem into the project activities. CeRamICa's partners established a close joint working relationship with other stakeholders outside the immediate project partnership (e.g. local craftsmen, artisans, educational institutions, chambers of commerce, decision-making & funding bodies). The partners organised events throughout the project where all the stakeholders involved could meet and exchange their views, share problems, bring together ideas for future development and build relationships. This was done through site visits, study tours and interregional workshops involving staff of CeRamICa partners and relevant local/regional stakeholders, which intensified the overall exchange and transfer of experiences.

4.4.2 Eligible project partners and legal status

The following bodies are eligible to receive ERDF or Norwegian funding in Interreg Europe projects:

- Public authorities
- Public law bodies (bodies governed by public law)
- Private non-profit bodies

Public authorities are generally understood as the national, regional, or local authorities.

In order to be considered a **public law body/ body governed by public law,** the concerned organisation has to comply with Article 2 (1) Directive 2014/24/EU, according to which:

'bodies governed by public law' means bodies that have all of the following characteristics:

(a) they are established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;

(b) they have legal personality; and

(c) they are financed, for the most part, by the State, regional or local authorities, or by other bodies governed by public law; or are subject to management supervision by those authorities or bodies; or have an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law; […]

A **private non-profit body** (Legal entities only – a legal personality is required) in the context of the Interreg Europe programme has to meet the following criteria:

(a) they do not have an industrial or commercial character;

(b) they have a legal personality; and

(c) they are not financed, for the most part, by the state, regional or local authorities, or other bodies governed by public law; or are not subject to management supervision by those bodies; or not having an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law.

In Interreg Europe projects private non-profit bodies cannot take on the role of a lead partner.

In some partner states, for example, cluster organisations, chambers of commerce, business and entrepreneurs associations or trade unions are considered to be private non-profit bodies in view of the criteria mentioned above.

Whenever it is necessary, the assessment and confirmation of the legal status of partners can be based on the latest closed annual accounts of the partner if there is no other more recent reliable financial data available.

Each partner state is responsible for confirming the legal status of partners located on its territory. If there is any doubt in this respect, applicants should contact their partner state representative directly. Partner state contact details are available on the programme's website (www.interregeurope.eu/in-my-country). On a more general level, any partner state can reject the participation of project partners on their territory for justified reasons without objecting to the whole project proposal.

4.4.3 The "contributing partner" principle

Interreg Europe projects only involve **contributing partners**. It is not possible to participate with an 'observer' status without financial commitment. In order to be an official partner, a financial contribution is necessary. Nor is it possible to participate as a 'sub-partner' and to receive ERDF through another partner organisation / umbrella organisation listed in the application form. Any organisation that contributes to the implementation of the project and is financially involved has to be listed as a formal project partner. In all other cases, any form of participation in the project would be considered as sub-contracting by one of the formal partners. This would require compliance with national and European procurement rules and a full payment from the partner on the basis of a contract and invoices before these costs can be reported by the official partner in the progress report.

With regard to the stakeholder group participation, the travel and accommodation costs of the members of these groups are eligible as long as they are paid by the partner organisation(s) listed in the application form. They have to be budgeted and reported under external expertise costs (see also section 7.2.4).

4.4.4 Project partner co-financing rates

Under the Interreg Europe programme, the project activities are co-financed by the ERDF at either 75% or 85% depending on the legal status of the project partner. The remaining 25% or 15% must be provided by the partners themselves. The sources of the partners' own contributions can be manifold.

It may come from the partners' own budget or from other sources. Each partner must commit to providing its own contribution through a project partner declaration.

Partners from Norway are not eligible to receive funding from the ERDF, but may receive funding of 50% from pre-allocated national funds, which Norway makes available in the context of its direct participation in the Interreg Europe programme. The Norwegian national funds are also disbursed by the Interreg Europe programme following the submission and acceptance of the projects' progress reports.

Co-financing rate	Eligible project partner according to legal status and location
85% ERDF	Public bodies and bodies governed by public law from all 28 EU member states
75% ERDF	Private non-profit bodies from all 28 EU member states
50% Norwegian funding	Public bodies, bodies governed by public law and private non-profit bodies from Norway
Swiss funding	Partners from Switzerland are invited to contact the Swiss Interreg national point of contact to receive information on Swiss funding opportunities

The above-mentioned co-financing rate of 85% or 75% is fixed throughout the project implementation, based on the legal status of the project partner organisation by the date of the notification letter accompanying the subsidy contract or the notification letter related to the application form in which the project partner joins the project.

In case the legal status of a project partner changes from public or body governed by public law to private non-profit body (or vice versa) during the project lifetime, the co-financing rate will remain unaffected. The project partners should nevertheless ensure correct reporting on their national contribution in the progress reports as private or public depending on their legal status during the reporting period.

It is not possible to receive an advance payment from the programme. This means that **each project must pre-finance its activities until the approval of the six-monthly progress reports. The activities are subsequently paid by the programme after approval**. The programme then reimburses 75% or 85% of the total eligible expenditure declared by each partner, or 50% for Norwegian partners. Project partners therefore need to set aside sufficient own funding if they want to become involved in an Interreg Europe project.

Interregional Cooperation under the investment for growth and jobs goal programmes

According to Article 96 (3d) of Regulation (EU) No 1303/2013, Member States or regions may incorporate a priority on interregional cooperation within their operational programmes under the investment for growth and jobs goal. In principle, Member States or regions that do so should develop projects with each other. For cooperation projects under investment for growth and jobs programmes, each partner will have its own contract with its own managing authority.

The situation may arise that regions with an interregional cooperation objective in their operational programme need to work with partners that do not. Where this is the case and in order to avoid

additional complexity, it is strongly recommended that all the partners of a project apply to Interreg Europe, which would ensure that no partner is in receipt of funding from its operational programme.

In duly justified cases, some regions may use their national/ regional funding to be involved in a project submitted to the Interreg Europe programme. They would not receive any Interreg Europe funding, but would instead finance their participation with the budget of their regional programme, which would be listed as 'other funding' in the Interreg Europe application. The following conditions apply to these particular projects:

- The partner funded by its operational programme cannot be the lead partner of the Interreg Europe project. The lead partner bears all the administrative, financial and legal responsibility (see section 4.4.6) for the implementation of the project. This is the reason why the lead partner has to be a 'full' partner in the project.
- Besides the partner(s) funded by the operational programme, the partnership has to involve at least three more partners, two of which must be from EU Member States and financed by the Interreg Europe programme. A partner may be financed either under Interreg Europe or under the operational programme, but not under both programmes at the same time. It should also be stressed that expenditure can only be financed by one funding source. The deadlines, approval and reporting procedures of the regional programmes may differ from the Interreg Europe programme and thus render the management of the activities of partners under different funding mechanisms more complex. This should be taken into consideration when setting up the project.

4.4.5 Funding for partners outside the programme area

Partners from countries outside the programme area can participate in Interreg Europe projects as long as their participation is relevant to the implementation of the project. However they have to provide their own funding since they are not eligible to receive ERDF.

The funding of partners outside the programme area must be proven through a financing statement covering the whole budget of the partner concerned.

In some cases, it might be possible to obtain funding through other EU-instruments (such as ENI[19] or IPA[20]) or through special national allocations. In cases of co-financing from other EU instruments, the following has to be borne in mind:

- The financing provided by other instruments has to follow separate administration and monitoring, even if the project has been designed as a joint one.
- The approval deadlines and the administrative procedures of the different instruments vary and might not be in phase with the Interreg Europe cycle. This should therefore be carefully considered by the partners when planning activities and budgeting costs.

From the point of view of accountancy, an item of expenditure can be allocated to only one programme. Activities budgeted and paid for by EU partners and Norway and co-financed from the ERDF or the Norwegian allocation are reported to the Interreg Europe programme. Other parts of the project budgeted and financed by a partner from countries outside the programme area under other instruments have to be monitored by their respective management bodies.

[19] The European Neighbourhood Instrument, for more information see: http://www.enpi-info.eu/

[20] IPA: Instrument for Pre-Accession Assistance, supports candidate and potential candidate countries for membership to the EU. For details see: http://ec.europa.eu/enlargement/instruments/overview/index_en.htm

4.4.6 The role of the lead partner

Each project must follow the so-called lead partner principle. This means that, among the partners who carry out the project, one is appointed to act as the lead partner and thus holds the formal link between the project and the managing authority/ joint secretariat (in accordance with Article 13 of the ETC Regulation (EU) No 1299/2013). The lead partner takes on the responsibility for management, communication, implementation and co-ordination of activities among the involved partners.

The lead partner:

- signs and submits the application form on behalf of the partnership,
- signs a subsidy contract (see section, 6.1.2) with the managing authority for the total amount of the subsidy,
- is responsible for the division of tasks among the partners involved in the project and ensures that these tasks are subsequently fulfilled in compliance with the application form and subsidy contract,
- lays down the arrangement for its relations with its partners in a project partnership agreement (see section 6.1.3) comprising, inter alia, provisions guaranteeing the sound financial management,
- ensures an efficient internal management and control system,
- ensures that the project reports on time and correctly to the joint secretariat,
- ensures that the expenditure reported by all partners has been incurred from implementing the project and corresponds to the activities agreed upon by all the partners,
- requests and receives payments of programme funding and
- transfers programme funding to the partners without delay in compliance with the amounts stated in the progress report.

The lead partner assumes the overall responsibility for the project towards the managing authority. Through the project partnership agreement, project partners are held responsible and liable for their part of the project implementation towards the lead partner. This implies that in case of irregularities committed by a partner and leading to a financial correction, the lead partner is liable towards the managing authority for the related funds, based on the subsidy contract, and the project partner towards the lead partner based on the project partnership agreement. In case the lead partner does not succeed in securing repayment from the concerned project partner or if the managing authority does not succeed in securing repayment from the lead partner, Article 27 of the ETC Regulation (EU) No 1299/2013 applies.

The lead partner may be from an EU Member State or Norway. Partners from Switzerland may not assume the role of lead partner. Similarly, a private non-profit body may not be a lead partner in an Interreg Europe project.

Who can be lead partner?	
Status and location of partners	**Can be lead partner?**
Public body or body governed by public law from EU or Norway (including advisory partner)	Yes*
Public body or body governed by public law from Switzerland	No
Private non-profit body from EU, Norway or Switzerland	No

*The legal status requirement to be lead partner must be fulfilled at the time of signature of the subsidy contract. If the lead partner organisation changes legal status during the lifetime of the project and

becomes a private non-profit body, its role as lead partner remains unaffected **unless this change of legal status may endanger its operational or financial capacity to assume the lead partner role.**

4.5 Details on budget and eligibility at the application stage

The following sections provide an overview of key points related to the project budget and eligibility to be borne in mind when preparing a project. Applicants should also study carefully section 5 of this programme manual.

4.5.1 Building a project budget

It is important that projects consider financial issues from the very beginning. This approach requires the involvement of all partners in the preparatory work and planning meetings during the development phase of the project application. Time invested prior to the submission of the application leads to stronger partnerships with clear responsibilities and well justified budget allocations. Good preparation is fundamental to ensuring a prompt start to the project's activities after approval, as well as smooth project implementation thereafter.

It is certainly useful to estimate the funds potentially available and to take into account the recommendations for a reasonable project budget. The overall budget has to be in line with the activities planned, the project's duration and the number of partners involved. This implies that the detailed budget is always prepared on the basis of the activities needed to meet the project's objectives and the resources required to carry out these activities within the time allowed.

Cost budgeting

(Source: Interact Point Qualification and Transfer: "Financial Management Handbook"; 2006; p. 80)

1. The first step of project development should be dedicated to precisely defining the theme to be tackled, the objectives to be reached and the main activities required to achieve these objectives.
2. Once the partnership has a clear overview of the main activities and outputs by semester, it should decide which partner will be responsible for which activity / output.
3. When the allocation of activities / outputs per partner is clear, the budget design can start. It is advisable to:
   - identify the resources needed by each partner to complete the activities,
   - estimate the related cost and forecast the payment date,
   - organise these figures by budget line.

   This leads to the budget by partner, by budget line and for each six-monthly period.
4. By aggregating the partners' budgets, the partnership obtains the total estimated amount per budget line and six-monthly period for the whole partnership for the application form.

Preparation costs are fixed as a lump sum of EUR 15,000. It is important to note that EUR 15,000 represents the total amount, meaning ERDF plus partner contribution. The lead partner reports this lump sum with the first progress report and will be reimbursed the corresponding ERDF and, if applicable, share it with the project partners (see section 7.3).

In the case of 4th call projects, the activities related to phase 2 of the project will also be covered by a lump sum. The lead partner reports it with the last progress report and will be reimbursed the corresponding ERDF/Norwegian funding after report approval. The lead partner will then share it with the project partners (see section 7.4)

4.5.2 The budget lines

The budget table in the application form provides for a sub-division into the following budget lines:

Budget line	Recommendations/ rules	Applicable for
Staff costs	Usually largest share of the total budget, approx. 50%	the personnel/ **staff employed** by the partner institutions officially listed in the application form
Office and administrative expenditure	Flat rate of 15% of the staff costs (automatically calculated by the application form)	
Travel and accommodation costs		
External expertise and services costs	Usually less than 50% of the total budget	**external experts** (including their office and administrative expenditure + travel, equipment costs)
Equipment expenditure	Aim for office equipment not exceeding EUR 5,000 – EUR 7,000 per project	the personnel/ **staff employed** by the partner institutions officially listed in the application form

For detailed information on the different budget lines, please study section 7.2 of this programme manual carefully.

4.5.3 The spending plan and decommitment

At the application stage, each project needs to plan a spending plan for each of the six-monthly reporting periods. Based on the budget planning as described above, the spending plan should take into consideration the following:

- The reporting periods cover periods of six months (for more information please see section 6.2.1).
- The spending plan should be an estimation of the **actual payments** to be made in each of the six-monthly periods. Therefore, it only partly reflects the activities taking place in a certain period. Indeed, if an activity is carried out close to the end of a reporting period, the related payment may only be possible in the following period and the costs should therefore be budgeted in the following reporting period. It should be kept in mind that the time of an activity being carried out is not necessarily simultaneous with the payment related to the activity.

The project's spending plan is important for the programme, because the programme must also comply with its own spending plan. The programme's spending plan is based on ERDF allocations by the Commission. Thus, if the projects do not meet their spending plans, the programme may also not meet its own. In the event of the programme not meeting its spending plan, it will be subject to decommitment (for further information see below), this means that the programme budget would be reduced accordingly. This is why projects will be monitored on the basis of their spending plan. It is therefore important that projects:

- carefully prepare a realistic spending plan,
- are ready to start project implementation very quickly after project approval,

- monitor the financial spending continuously during implementation and
- ensure regular, timely and full reporting.

The decommitment rule (n+3)

At the beginning of every year, the Commission allocates a certain amount of ERDF to the Interreg Europe programme. The annual allocation must be spent within 3 years following the year of commitment. If, at the end of 3 years, the annual allocation is not spent, the corresponding ERDF budget will be lost (= decommitted). If this loss results from certain projects lagging behind their spending targets, the programme will be obliged to reduce the budget of these projects. Therefore, the spending plan is part of the subsidy contract, which also includes provision that any amounts which are not reported in time and in full may be lost.

The first year of potential decommitment for the Interreg Europe programme is 2018.

4.5.4 Time-frame for the eligibility of expenditure

Costs for project implementation are eligible from the date of approval by the programme's monitoring committee to the end of the month referred to as the 'finalisation month' in the approval letter. The monitoring committee is expected to be held within six months after the end date of each call. Projects should be ready to start implementation within two months following the date of approval by the monitoring committee.

The 'finalisation month' marks the end date for all eligibility and determines the date by which the last progress report must arrive at the offices of the joint secretariat for the final monitoring. It is important to take this into consideration so that all activities are finalised and corresponding payments are made before this date in order to be eligible (incl. payment for the financial control of the last progress report). For more information, please see section 6.4 of the programme manual.

It is important to note that the lump sums for preparation costs and pre-defined phase 2 activities (the latter for 4th call projects only) are not concerned by the time-frame for the eligibility of expenditure.

4.6 Example of a possible interregional cooperation project

4.6.1 Features

Partnership:

Five partners from four 'regions'

Region 1 represented by

- an Italian regional authority (economic development department) – lead partner
- together with its regional development agency (partner 2)

Region 2 represented by:

- Ministry of Economy in Norway (partner 3)

Region 3 represented by

- a Polish city (international department) (partner 4)

Region 4 represented by:

- a French regional association of incubators

Issue addressed

Low rate of business creation in the participating ‘regions’ in particular among young people

Policy instruments addressed and organisations in charge of these policies

Italian region: ERDF/ESF operational programme, investment priority on business creation, managed by the region (i.e. lead partner)

Norwegian region: National programme on business creation, managed by the Ministry of Economy

Polish region: Support programme to business start-up, managed by the city

French region: ERDF operational programme, investment priority on young entrepreneurs, managed by the regional authority (not directly represented in the partnership)

Local stakeholder groups

Italian region

- Incubators
- Local Institute for entrepreneurship
- Association of regional young entrepreneurs
- Universities

Norwegian region

- National agency for innovation
- Regional public authorities
- National association of entrepreneurs

Polish region

- Local incubator
- Local chamber of commerce
- Venture capital organisation

French region

- Regional Authority as managing authority of the ERDF programme
- Incubators and chambers of commerce from the region

4.6.2 Phase 1 achievements

Italian region

One action plan finalised including the following measures:

- Based on the Norwegian experience, amendment of the existing funding instrument to include financial support to young entrepreneurs through loans (instead of the usual direct financial aid)
- Based on the Norwegian experience, one pilot action on developing a university course on entrepreneurship.

This pilot action is submitted to Interreg Europe through a revised application form. The Italian university involved in the pilot action is added as a sixth partner. This application for additional Interreg Europe funding is justified on the grounds that the Italian regional authority is not yet sure that the Norwegian practice can be adapted to the Italian context. The Italian regional authority therefore needs the Norwegian expertise to adapt and test the course in practice. If the pilot action is successful, the Italian regional authority will envisage obtaining funding through its ESF programme. On this basis, the revised application is approved by the Interreg Europe monitoring committee at the beginning of phase 2.

Norwegian region

One action plan finalised including the following measures:

- Creation of regional associations of young entrepreneurs following the Italian example (19 associations in total, one per county)
- Based on the Polish experience, amendment of the national programme with inclusion of a measure dedicated to young people (aged 20 to 25)

Polish region

One action plan finalised including the following measures:

- Based on the French experience, creation of a local ‘business creation portal’ to make it easier to give advice to people interested in creating their own business
- Based on the Italian experience, creation of a new local group bringing together the different stakeholders involved in business creation in order to improve the governance of the city support programme

French region

The transfer of interesting experiences identified in Norway and Italy is formalised in an action plan. However, due to legal and political constraints, the action plan is not officially endorsed by the managing authority.

4.6.3 Phase 2 achievements (two years after action plan finalisation)

Italian region

- EUR 1.2 million ERDF allocated through loans to 48 young entrepreneurs.
- One university course on entrepreneurship implemented; 34 students trained.

- University course to be prolonged one full year with ESF support.

Norwegian region

- Eight regional associations of young entrepreneurs created, instead of 19 initially planned. But 153 young entrepreneurs already members of the eight associations.
- National programme modified, 132 young entrepreneurs supported.

Polish region

- One web portal created. After one year of creation, 132 contacts established thanks to the portal. Of these 132 contacts, eight new businesses are created.
- One local governance group established. Group meeting once per month since its creation. Satisfaction rate of local entrepreneurs benefiting from the support programme increases by 8% compared with the previous year.

French region

Despite the lack of official support from the managing authority on the action plan, the project was an opportunity to reinforce the cooperation between the association of incubators and the Regional Council acting as managing authority for the Structural Funds programme. Since the end of phase 1, this has resulted in two bids submitted by the association to the ERDF programme in the field of SME support. Both bids were approved for a total amount of EUR 200,000 ERDF with 26 SMEs benefitting from the new measures.

5. Application and selection[21]

5.1 Assistance to applicants

Interreg Europe provides the opportunity for organisations involved in regional policy to gain access to the experience of partners in other parts of Europe. Specific project ideas can be developed by relevant authorities throughout Europe based on their specific responsibilities and interests.

With regard to the development of project ideas, the programme provides **the following tools** to future applicants:

- **Project idea and partner search database** available on the programme's website www.interregeurope.eu. All those who would like to publish their project idea and market it to potential partners are welcome to submit their idea through a dashboard available on the website to every Interreg Europe community member. Organisations looking for interesting project ideas or potential partners can search them all using key words and several other criteria such as theme or country. It should be noted that **the programme does not screen the ideas submitted by the community members of the programme's website**, nor does it guarantee their relevance to Interreg Europe.

The following tools are only available when a call for proposals is open:

- **Project idea feedback** can be requested from the joint secretariat through the online community member dashboard once an idea is submitted. Applicants can receive written or oral feedback on their project idea. Oral feedback is provided through individual consultations remotely (phone or Skype) or in person at the events listed below (subject to organisation). This assistance tool may also be available shortly before a call is open.
- **Information days** provide general information on the programme and the call for proposals to potential applicants wishing to submit a project application. These events are mainly for the benefit of applicants who are at an early stage of development with their project ideas. They are organised by each partner state's point of contact. Depending on the organiser, the event may be coupled with individual consultations on project ideas.
- **Lead applicant workshops** aim to assist applicants at a more mature stage of development with their project ideas by offering practical workshops on more detailed features of the call for proposals and the application form (e.g. finding the right approach to the topic tackled, building a well-structured plan of activities, carefully selecting the partners, avoiding mistakes when calculating the project budget).

Applicants should not hesitate to contact the joint secretariat by phone or e-mail. All relevant information for project development and applications including contact details for the joint secretariat can be found on the programme's website www.interregeurope.eu.

Successful projects require a good preparation phase. It is important to note that all partners should be closely involved in preparing the application. Also, the preparation of a good application can only be ensured after a careful study of the programme documents. In particular, the information provided in the programme manual is crucial for applicants. For instance, the description of the eligibility and quality criteria (see section 5.3) provides critical information on the programme's requirements and on the way the applications are assessed.

[21] The specificities of the application and selection procedures applicable for the call for additional activities are described in the terms of reference of this call, available as Annex 5 of the programme manual.

Partner search should start at an early stage of the project's preparation phase in order to properly involve the possible partners in the preparation of the proposal. Early contact between the future partners also contributes to building trust and confidence within the partnership, which can facilitate the future management of the project. In addition to the **partner search database** mentioned above, the programme also recommends using **the following tools**:

- **Partner search forums** are organised at programme level. At these events, a certain number of facilities are proposed to help participants to promote their project ideas or to find relevant partners depending on the theme of interest. Details of upcoming events are published regularly on the Interreg Europe website: (www.interregeurope.eu).
- **Existing EU networks** (such as Eurocities, EURADA, ERRIN, FEDARENE, CPMR) may also be useful to contact when a partner with expertise in a specific field or from a specific geographical location is needed.
- **Partner state points of contact** may provide additional assistance and confirm the eligibility of partners (see 'In my country' section at www.interregeurope.eu).

5.2 Submission

Applications are submitted to the programme through calls for project proposals, which are organised throughout the lifetime of the programme and subject to the availability of programme funds. Applications can be submitted at any time between the launch date and the closing date of each call. The **terms of reference**, published on the programme website (www.interregeurope.eu) when a call is launched, define the specifications and requirements for each call.

What to submit?

- **Application form**: to be submitted electronically via the online form system iOLF
- **Partner declaration** (pdf version) **for all partners** including lead partner
- **Letters of support** (pdf version) if applicable: (see point C below).

How to submit?

- From the second call for proposals, **the application is fully online**. All the above documents must therefore be submitted online via the iOLF system.

Applications or corrected documents sent after the deadline will not be accepted.

All the above-mentioned documents - including the online application form user guide - can be accessed at www.iOLF.eu.

All sections of the application form (except 'Name of organisation in original language' in section B.1) have to be completed in English as it is the working language of the programme. Application forms where section(s) will be completed in any other language will be considered ineligible.

Partner declarations and letters of support have to be signed. Electronic signatures[22] are accepted as long as evidence of this electronic signature is provided. Usually this evidence takes the form of an electronic certificate included in the pdf document. In case this certificate is not possible, it is up to the lead applicant to provide the evidence that the document is electronically signed (e.g. certificate to be scanned together with the declaration and submitted as one pdf document under iOLF).

[22] Electronic signature refers to data in electronic form, which is logically associated with other data in electronic form and which is used by the signatory to sign

A. Online application form

The application is available online at any time for consultation, but editing and submission is only possible during an 'open' call for proposals. Detailed instructions on how to fill in the online application are provided in the application form itself.

The application includes a number of automatic links and formulae. These features mean that error messages appear in the form if it is not fully filled in, and it cannot be submitted. This helps to significantly reduce the risk of submitting ineligible applications.

The application is submitted via the online form system.

B. Partner declaration

At the application stage, Interreg Europe requires proof that the lead partner's and the partner's own financial contributions have been secured and will be available for the project implementation as laid out in the application form. This proof is delivered in the form of a partner declaration. The partner declaration is **obligatory for all partners listed in the application form**, i.e. for both EU and non-EU partners. The partner declarations are a pre-requisite for a project proposal to be eligible for the programme. It is therefore important to take this requirement into account early on in the preparation phase so that the partner declarations are available, at the latest, before the closure of the call when the application has to be submitted to the programme. The name of the partner mentioned in the partner declaration has to be identical to the organisation name mentioned in 'Part B – Partnership' of the application form. Finally, they must be signed by the relevant person within the organisation and stamped, if a stamp is available. Only the model provided by the programme can be accepted and the wording must not be modified. The scanned version of the signed partner declarations has to be uploaded on the online form system iOLF.

C. Letter of support

The chance of improving policies through interregional cooperation very much depends on whether the relevant organisations are directly involved in the project. In cases where policy instruments addressed are Structural Funds programmes, the direct involvement of managing authorities (MA) / intermediate bodies (IB) or other relevant bodies is strongly encouraged (see the country pages on the programme website). The same applies when other policy instruments are addressed (outside Structural Funds), i.e. the relevant organisation responsible for these policy instruments should also be a partner in the project. When this is not the case, the partners concerned need to submit a letter of support.

A letter of support is required for a partner when:

- a Structural Funds programme is addressed, but the relevant body (e.g. managing authority) is not directly involved as a project partner
- another policy instrument (outside Structural Funds) is addressed, but the organisation responsible for this instrument is not directly involved in the project

In its support letter, the managing authority or other relevant bodies acknowledge the development of the project and make a commitment to fully supporting and closely following its implementation. The programme's eligibility check (see section 5.3.1) is of the organisation indicated in this letter, not the individual signatory. **When Structural Funds programmes are addressed, the letter must be signed by the relevant body (e.g. managing authority) as specified in the list available under the '*In my***

***country*' pages on the programme website (www.interregeurope.eu).** This list is regularly updated and in case of doubts applicants are invited to get in touch with their national point of contact.

When one policy instrument is addressed by several partners from the same region, and none of them is the body responsible for this instrument, all these partners must provide a letter of support. It is however sufficient if the policy responsible organisation signs a single letter of support where all partners concerned are named. If one of them is the body responsible for this instrument, partners from the same region who address the same instrument do not need to submit a letter of support.

The name of the partner(s) mentioned in the support letter has to be identical to the organisation name mentioned in 'Part B – Partnership' of the application form. The same applies to the name of the policy instrument addressed and name of the body signing the letter. They must be signed by the relevant person within the institution and stamped, if a stamp is available. Only the model provided by the programme can be accepted and the wording must not be modified.

The submission of the relevant support letters is a pre-requisite for a project proposal to be eligible for the programme.

The experience has shown that the primary cause of ineligibility relates to letters of support. These letters were either missing or not properly completed. It is therefore highly recommended that, when needed, applicants request the letters of support as early as possible in the preparation phase. Only the model provided by the programme can be accepted and the wording must not be modified. The scanned version of the signed support letter has to be uploaded on the iOLF system.

5.3 Selection

After submission, each application is subject to a two-step selection procedure. At first, project proposals are checked against the eligibility criteria in order to ensure that they fulfil the technical requirements of the programme. Only project proposals that satisfy the eligibility criteria advance to the second step, the **quality assessment**. **It is not possible to submit corrected documents after the deadline for submission.**

The quality assessment applies, once again, a two-step approach that is based on a scoring system, resulting in a ranking list of all eligible applications (see further details under section 5.3.2).

The assessment is carried out by the joint secretariat. For each step of the assessment, a 'four eye principle' is applied.

Important: It should be noted that specific conditions that can deviate from the selection criteria defined below may be defined in the terms of reference of each call. Applicants should therefore carefully read the terms of reference for each call published on the programme website: www.interregeurope.eu

5.3.1 Eligibility assessment

The eligibility assessment is a 'yes or no' process. This means that the eligibility assessment does not allow for any flexibility in the way the criteria are applied.

In the Interreg Europe first call, one third of the applications failed to pass the eligibility step. Applicants are therefore highly encouraged to carefully study the criteria below and to check before submitting whether they fulfil each of these criteria. The non-fulfilment of one criterion leads to the ineligibility of the whole application.

All the following eligibility questions have to be answered in the affirmative in order to pass the first step of the selection procedure:

Eligibility criteria

Overview

Eligibility criteria	
1. Respect of deadline	Is the application online submitted in due time?
2. Completeness of the application	Is the application complete?
3. Correctness of the application form	Is the application form fully and properly filled in according to the instructions?
4. Correctness of the partner declaration	Are the partner declarations correct?
5. Correctness of the support letter	If applicable, are the letters of support correct?
6. Geographical coverage	Does the project involve partners from at least three countries, of which at least two partners are from EU Member States and are financed by the Interreg Europe programme?
7. Focus on Structural Funds	Are at least half of the policy instruments addressed by the EU partners represented in the project Structural Funds programmes?

Further details on each criterion:

Criterion 1: Respect of deadline

Is the application online submitted in due time?

The application comprises the application form and its compulsory annexes, meaning partner declarations and if applicable, letter(s) of support. The iOLF system ensures that it is not technically possible to submit an application form and its annexes after the call ends.

Criterion 2: Completeness of the application

Is the application complete, i.e. does it include:

- the application form?
- the signed partner declarations (scanned versions) for **all** the partners listed in the application, **including for the lead partner**?
- if applicable, the signed support letters (scanned versions) for all the partners concerned? In particular when several partners address the same policy

instrument and none of them is the policy responsible body, have all these partners provided a letter of support?

Criterion 3: Correctness of the application form

Is the application fully and properly filled in according to the instructions? Is it in English? In order to help applicants, the online application form provides error messages when elements of the form are not properly filled in (e.g. empty cells). However, the functionalities cannot be exhaustive. For instance, even if text is provided in one cell, the system cannot check whether this text is in English or whether it is meaningful (e.g. if 'not applicable' is indicated in a section, this will be considered as not properly filled in) . **The absence of error messages does not guarantee that the application form is properly filled in**. Applicants should carefully follow the instructions provided in the application form itself.

Criterion 4: Correctness of the partner declarations

For each partner declaration:

- is it signed?
- is the name of the partner indicated in the declaration identical to the name of the partner indicated in the application form?
- Is the programme model used and, besides the fields to be filled, have no amendments been made to the text?

Criterion 5: Correctness of the letter of support

For each support letter:

- is it signed?
- is the name of the partner(s) indicated in the letter identical to the name of the partner(s) indicated in the application form for the concerned policy instrument?
- is the name of the institution signing the letter identical to the name of the institution indicated as responsible for the policy instrument in the application form?
- Is the name of the policy instrument indicated in the letter identical to the name of the policy instrument indicated in the application form?
- is the programme model used and, besides the fields to be filled in, is the text free of amendments?
- when the letter is related to Structural Funds, is the signatory organisation included in the list provided under the 'In my country' pages of the programme website?

Criterion 6: Geographical coverage

Does the project involve partners from at least three countries, of which at least two partners are from EU Member States and are financed by the Interreg Europe programme? This eligibility rule directly derives from the ETC Regulation No 1299/2013.

Criterion 7: Focus on Structural Funds

Are at least half of the policy instruments that are addressed by the EU partners involved in the project Structural Funds programmes? This eligibility rule reflects the new objective set for interregional cooperation in article of the ETC Regulation No 1299/2013. Applicants should be extremely careful when completing the related question in section B.2 of the application form (i.e. 'is this policy instrument a Structural Funds programme?'). To answer 'yes' to this question, it is not sufficient that the policy instrument addressed is linked to Structural Funds but this policy instrument should be the Structural Funds programme itself. For instance, the Sustainability Urban Mobility Plan (SUMP) of a specific city cannot be considered as an Operational Programme even if this SUMP is fully financed through Structural Funds. To be considered as Structural Funds, the applicant would need to describe in section B.2 of the application form the corresponding investment priority of the Operational Programme and not the SUMP itself.

This last eligibility criterion is checked only once at the application stage.

5.3.2 Quality assessment

The quality assessment applies only to applications that have fulfilled all the eligibility criteria. It consists of evaluating the quality of the eligible applications according to 6 criteria.

The quality assessment criteria are divided into two categories:

1. **Strategic assessment criteria** – to assess the project's contribution to the achievement of programme objectives.

   Criterion 1 – Relevance of proposal

   Criterion 2 – Quality of results

   Criterion 3 – Quality of partnership

2. **Operational assessment criteria** – to assess the consistency and feasibility of the proposed project, as well as its value for money.

   Criterion 4 – Coherence of the proposal and quality of approach

   Criterion 5 –Communication and management

   Criterion 6 – Budget and finance

A score of 1 to 5 is attributed to each quality criterion (except in the case of the knock-out criterion, which scores 0), which will result in an average score per project. Based on the average score per application, the joint secretariat will produce a ranking list. The following scoring scale is used:

5 excellent

4 good

3 adequate

2 poor

1 very poor

0 knock-out criterion

The knock-out criterion applies in the following cases:

- information in the application form is so poor that it cannot be assessed in a proper manner
- information provided calls into question the feasibility or the eligibility of the project proposal,
- the geographical coverage is very poor (i.e. at least 80% of the partners comes from the same cross border / transnational cooperation area or at least 80% of the funding is allocated to the same cross border / transnational cooperation area).
-

The final result of an assessment (strategic assessment or full assessment) is more than a simple addition of independent scores but rather a **qualitative reflection on interdependent criteria**. This practically means the assessment of one single criterion cannot be fully carried out independently from the other criteria. This methodology implies the following:

- The **operational assessment cannot compensate an unsuccessful strategic assessment**. Due to the interdependence between the criteria, an application that failed to reach on average score of 3.00 for the three strategic criteria will never reach a final average score of 3.00 on all six criteria even if mathematically possible.
- The **final average score of an assessment is at least as important as the score given per criterion.** For instance, even if an application is scored just less than 3.00 at the end of the strategic assessment, it is not only because one point is missing in one of the three strategic criteria but more fundamentally it is because this application failed to demonstrate its overall relevance to the programme.

Only projects that are successful at the strategic assessment stage (reaching at least an average 'adequate' level – i.e. an average score of 3.00 or above) are also assessed in terms of operational criteria, except if the monitoring committee decides otherwise.

When deciding on a score for each of the criteria, the assessors use the following quality assessment guidelines. **Applicants should carefully study these guidelines before preparing their application.**

Quality assessment criteria

1. Strategic assessment criteria

Criterion 1 – Relevance of proposal

Sub-category	**Indicative assessment questions** (and indicative source in application form)
Relevance of the theme tackled	▪ Are the theme tackled and policy instruments addressed clearly in line with one of the programme's specific objectives? Is the issue addressed by the project sufficiently focused? (B.1, C.2) ▪ Is the theme addressed clearly related to regional development in general and the EU cohesion policy in particular? Is it clearly in line with the competences of the relevant authorities at local, regional and national level? (B.2.1.1, B.2.1.2, C.2) ▪ Is the theme tackled clearly reflected the different policy instruments addressed? (B.1, C.2) ▪ Are the issues tackled at regional level linked to the regions' smart specialisation strategies? If so, has the link been sufficiently explained and justified? (B.2.1.1) ▪ Is the theme of clear European added-value? Can this theme be considered of general interest in the context of EU regional policy? (C.2)
Relevance of the proposed approach	▪ Is the theme of the project clearly being tackled at policy level? (B.2.1.2, C.2, C.3, C.4, Part D) ▪ Does the project have a clear focus on the exchange of experience, and does it clearly build on the partners' experience? Is the exchange of experience at the policy level at the heart of the proposed cooperation? (B.1, B.2.1.2, C.4, Part D) ▪ Does the project clearly demonstrate how it will contribute to the programme's objectives and in particular to the improvement of regional / local policy instruments? (B.2, C.2, C.3, C.4, C.6, Part D) ▪ Is the proposed approach clearly interregional? (C.4, Part D) ▪ Will the proposed cooperation benefit all partners? (B.2.1.2, C.4, Part D)

	▪ Does the proposal aim at developing any aligned or joint policies over borders? (B.2.1.1, C.6.1, Part D)

Criterion 2 – Quality of results

Sub-category	**Indicative assessment questions** (and indicative source in application form)
Tangibility of the results	▪ Are the expected outputs and results clearly specified and precisely quantified? Are they realistic? (B.2, C.6, Part D)
Relevance of the results	▪ Does the project demonstrate its capacity to directly influence the policy instruments addressed? (B.2, C.6)
Innovative character of the results	▪ Is the innovative character of the expected results convincingly explained? Are they clearly different from the results already achieved in other running or past projects? (C.6.3) ▪ Are potential synergies with and added-value compared to similar running projects clarified in the application form? (C.6.3) ▪ For follow-up projects, is the added-value clearly demonstrated in particular through the partnership, and/or the theme tackled? (Part B, C.6.3)
Durability of the results	▪ Are there realistic provisions to ensure the durability of the project's results? (C.6.4)

Criterion 3 – Quality of partnership

Sub-category	**Indicative assessment questions** (and indicative source in application form)
Coherence between the objectives of the project and partnership	▪ Is the policy relevance of the partners involved clearly demonstrated? Is their capacity to influence the policy instrument addressed explained? (B.2) ▪ Is the issue tackled of interest to all partners? Will all the partners benefit from, and contribute to, the project? (B.1, B.2.1.2, C.4, Part D) ▪ Are the partners competent in the issue addressed by the project? (B.1, B.2, C.2) ▪ Are the stakeholders identified relevant to the issue addressed by the project? Are their roles and involvement in the project clearly described? (B.2.1.3, C.4, Part D) ▪ Are the partners involved in other Interreg Europe applications and/or projects? If yes, is this multiple involvement justified (B.2.X.2)?

Proportionate involvement of all partners in developing project idea, preparing application, implementing and co-financing operation	▪ Do all partners seem to have been involved in developing the project? (C.1) ▪ Does the involvement of all partners seem to be comparable? If not, is there a justification in the application form or evidence in the project's approach? (B.1, C.4, Part D) ▪ Is the financial contribution between the partners proportionate and realistic? If not, is it justified? (A.4, Part D)
Good mix of regions with different levels of development	▪ Is the partnership a mix between more and less developed regions? If not, is it justified in the application form or evident in the project's approach? (Part B, C.4)
Geographical coverage	▪ Does the partnership go beyond cross-border and transnational programme areas? (A.4) If not, is there a justification in the application form or through evidence in the project's approach? (B.1, C.4,5, Part D) ▪ Is the budget allocation balanced between the countries (including between a group of geographically close countries and the other represented countries)? If not, is it justified in the application form? (A.4, C.4)

2. *Operational assessment criteria*

Criterion 4 – Coherence of the proposal and quality of approach

Sub-category	**Indicative assessment questions** (and indicative source in application form)
Coherence of the proposed approach	▪ Are the following elements logically inter-related: issue tackled, objectives and expected results? (C.2, C.3, C.4, C.5, C.6.1, C.6.2, Part D) ▪ Can the expected results be achieved through the proposed approach and planned activities? (C.4, C.5, C.6.1, C.6.2, Part D) ▪ Is the proposed overall approach realistic and consistent? Are activities logically inter-linked? Is their sequencing logical? (C.4, C.5, Part D)

Quality of the work plan	▪ Are the planned activities and outputs described in enough detail in the project's work plan? (Part D) ▪ For each semester of the work plan, are the main outputs in line with the description of the activities? (Part D)
Consistency of the project with EU horizontal policies and compliance with state-aid rule	▪ Is the project in line with the EU horizontal policies (sustainable development, equal opportunities and non-discrimination, and equality between men and women)? (C.7) ▪ Has it been established that none of the planned activities are state aid relevant in phase 1? (Part D)

Criterion 5 – Communication and management

Sub-category	**Indicative assessment questions** (and indicative source in application form)
Quality and coherence of the communication strategy	▪ Is the communication strategy sufficiently elaborated? Are specific communication objectives defined? Are specific target groups and communication activities clearly defined for each communication objective? (C5, Part D) ▪ Are the communication objectives SMART (specific, measurable, attainable, relevant and timed)? ▪ Is the communication strategy well integrated in the overall project strategy? Does it clearly support the achievement of the project objectives? (C5, Part D) ▪ Are both internal and external communication covered under the communication strategy? (C5, Part D)
Quality of the communication activities?	▪ Are sufficient publicity measures planned for disseminating project activities and results beyond the project partners? (C5, Part D) ▪ Are these activities clearly defined? (C5, Part D) ▪ Do the communication activities of the project include online communication (website and social media), media relations and events? (C5, Part D)
Clarity of the project coordination and management structures and procedures	▪ Are the procedures for management and coordination at strategic and operational levels clearly and satisfactorily explained? Are they transparent and fair? Are all partners involved in the decision-making process? If not, is it justified? (C.8.1, Part D) ▪ If a sharing of tasks is envisaged within the partnership, is this division clear and logical? If no

	division of tasks is envisaged, is it justified? (C.8.1, Part D)
Quality of the project management	▪ Are the project management-related activities clearly and precisely defined? (C.8.1, Part D) ▪ Does the work plan include the basic management and coordination activities / outputs (i.e. progress reports and Steering Group meetings)? (Part D) ▪ Are these activities in line and coherent with the description provided in section C.8.1 of the application form? (C.8.1, Part D)

Criterion 6 – Budget and finance

Sub-category	**Indicative assessment questions** (and indicative source in application form)
Value for money	▪ Is the overall budget reasonable compared with the planned activities/outputs and the project duration? Is the overall budget reasonable compared with the number of partners involved? (A.1, A.3, A.4, Part D, Part E) ▪ Is the value for money demonstrated in the context of Interreg Europe? (all) ▪ Is the budget share dedicated to 'external expertise and services' within the recommendation (i.e. below 50% of the total budget)? If not, is it justified? (E.1, E.2) ▪ If equipment costs are budgeted, is the amount within the recommendations (i.e. EUR 5,000-7,000 per project)? If not, is it justified? (E.1, E.3)
Consistency of the budget	▪ Do the financial arrangements reflect the planned activities? Are the costs by budget line coherent and in line with the corresponding activities? (Part D, E.1) ▪ Is the spending plan coherent and realistic? Does it reflect the planned activities? (Part D, E.5) ▪ Are the costs for 'External expertise and services' accurately and clearly described? Is the level and nature of these costs justified and in line with the planned activities? Are their additionality and interregionality clearly justified? Is there a risk that public procurement rules will not be respected (e.g. the name of the company is mentioned)? (Part D, E.2) ▪ If equipment costs (e.g. IT equipment) are budgeted, are they clearly described? Is the nature of these

	costs justified? Are they of benefit to the partnership? (E.3) ▪ If activities are organised outside the EU, is the location of these activities clearly specified (i.e. country or town)? Are these activities taking place outside the EU relevant and justified? Is there a risk that the costs paid by the EU partners for these activities exceed 20% of the project's total budget? (Part D, E.1)

5.3.3 The decision-making process

After completion of the first step of the assessment (**eligibility assessment**), the monitoring committee decides on the results of the eligibility assessment through a written procedure. The lead applicants of ineligible applications will receive a notification letter specifying the unfulfilled eligibility criteria.

Based on completion of the first part of the quality assessment (**strategic assessment stage**), the monitoring committee decides on the list of projects to be further assessed. These projects will be subject to the second step of the quality assessment (operational assessment stage).

Projects that have successfully passed the strategic and operational assessment and have reached at least an average score of 3.00 (see section 5.3.2) are recommended for approval or recommended for approval with conditions to the monitoring committee[23].

Applications where a knock-out criterion is applied will not benefit from a full assessment. Only the reason(s) for the knock-out will be explained in the assessment results.

Final decisions on approval are made by the Interreg Europe monitoring committee, based on the results of the quality assessment.

All lead applicants are informed of the decision regarding their proposal soon after the meeting of the monitoring committee. Lead applicants of rejected projects receive a notification letter with a summary of the quality assessment results. They are thus informed of the reasons why their application failed. Similarly, all the lead partners of approved projects receive a letter from the joint secretariat stating the decision of the monitoring committee as well as the total ERDF and possible Norwegian funding approved. It is likely that the decision will include certain conditions deriving from the results of the quality assessment. A precise deadline for fulfilling these conditions is set in the notification letter. Only once these conditions are fulfilled, can the subsidy contract be concluded.

5.4 Complaint procedure – project selection

Project lead applicants of rejected project proposals are informed in writing about the reasons why an application was not eligible or was not approved. If a project wishes to complain, a two-step procedure has to be respected. A form for this procedure is available on the programme's website.

[23] On the condition that sufficient funding is available.

In a first step, the lead applicant can address questions about or raise objections against the eligibility or assessment decision to the joint secretariat. These queries have to be made within three weeks after the official notification of the non-selection of the project by the managing authority/joint secretariat. . The managing authority/joint secretariat will examine and answer the questions to help solve potential problems in an amicable manner.

In a second step, if a project is not satisfied with the answer provided and considers that procedures were not respected, a project that has not been selected for funding may file a formal complaint, for which the detailed procedure is described below.

In principle, complaints can only be lodged against the following criteria:

(1) the assessment does not correspond to the information provided by the lead applicant, and

(2) the project assessment and selection process failed to comply with the specific procedures laid down in the call publication and programme manual that materially affected or could have materially affected the decision.

Only the project's lead applicant can file a complaint. Potential complaints from partners have to be passed through the lead applicant. Complaints must be submitted in writing (post or email) to the joint secretariat within two weeks after the joint secretariat has answered the query submitted by the lead applicant.

The complaints will be examined and answered by a complaint panel involving the previous, present and future chairs of the monitoring committee and the managing authority. If deemed necessary, the complaint panel may decide to refer back a complaint to the monitoring committee of the programme.

For complaints against decisions of the programme's managing authority/ joint secretariat during project implementation and complaints related to first level control or second level audit, further information can be found in section 6.5.

6. Project implementation[24]

6.1 Project start

6.1.1 Start date

The monitoring committee is expected to meet within six months after the end of each call to approve projects. Project partners should be ready to start implementation as soon as possible after the decision of the Interreg Europe monitoring committee, approximately within two months from the date of this decision.

The actual start date will be determined for each call for proposals individually and communicated to the projects at the stage of their approval.

6.1.2 Subsidy contract

After a project has been selected for funding and once it has fulfilled the conditions set by the monitoring committee of the programme, a subsidy contract between the managing authority of the programme and the project's lead partner will be concluded. The subsidy contract determines the rights and responsibilities of the lead partner and the managing authority, the scope of activities to be carried out, the terms of funding, requirements for reporting and financial control, etc.

The subsidy contract will cover both phases of a project (exchange of experience and development of action plans plus monitoring of the implementation of the action plans). In cases where projects apply for pilot actions as part of phase 2 and those are approved by the monitoring committee, the subsidy contract might be changed accordingly.

A model of the subsidy contract is available on the programme's website.

6.1.3 Project partnership agreement

Based on the Article 13 (2) of the ETC Regulation (EU) 1299/2013 and in order to ensure the quality of the implementation of the project, as well as the satisfactory achievement of its goals, the lead partner and the partners have to conclude a project partnership agreement. The project partnership agreement allows the lead partner to extend the arrangements of the subsidy contract to the level of each partner. Such an agreement should include the following information:

- role and obligations of the individual partners in the partnership with regard to project implementation,
- budgetary principles, such as partner budget for each budget line and spending plan for each six-monthly period, budget flexibility, if applicable, the arrangements for sharing the national contributions of a partner contracting joint activities and the allocation of the preparation lump sum as well as the lump for pre-defined phase 2 activities (the latter for 4th call projects only) per partner if applicable,
- financial management provisions for accounting, reporting, financial control, receipt of ERDF payments,

[24] The specificities regarding the implementation and reporting of additional activities approved under the call for additional activities are described in the terms of reference of this call, available as Annex 5 of the programme manual.

- liability in case of failures in project delivery and project spending; provisions for changes to the work plan,
- the partner's financial liability and provisions for the recovery of funds should amounts be incorrectly reported and received by the partner,
- information and publicity requirements,
- resolution of conflicts in the partnership,
- working language of the partnership.

An example of a project partnership agreement is available on the programme's website (www.interregeurope.eu).

It is recommended that the project partnership agreement is prepared as early as possible and that the principles are agreed upon even prior to the submission of the project's application. This helps to shorten the start-up phase of the project once it is approved and to ensure that the partners have a common understanding of the implications of participating in the project, both in terms of activities and finances.

The lead partner assumes the overall responsibility for the project towards the managing authority. Through the project partnership agreement, project partners are held responsible and liable for their part of the project implementation towards the lead partner. This implies that in case of irregularities committed by a partner and leading to a financial correction, the lead partner is liable towards the managing authority for the related funds, based on the subsidy contract, and the project partner towards the lead partner based on the project partnership agreement. In case the lead partner does not succeed in securing repayment from the concerned project partner or if the managing authority does not succeed in securing repayment from the lead partner, Article 27 of the ETC Regulation No 1299/2013 applies.

Point of attention: only partners who have signed the project partnership agreement are allowed to report expenditure. The lead partner must have legal certainty with regard to the liability for any reported expenditure.

6.2 Reporting

In order to follow the project implementation and as a basis for the transfer of the ERDF to the project, a **progress report** has to be submitted periodically to the programme. The progress report is a core document because it constitutes an important channel of information between the projects and the programme. It includes both activity and financial information related to the project's implementation.

The progress report is also a main source of information to demonstrate the programme's achievements and usefulness. In particular, it provides the raw material that is used as the basis for producing the analysis of the programme's achievements, which is to be included in the reports to the European Commission.

Projects should therefore not consider the progress report only as an administrative and compulsory task for obtaining ERDF reimbursement, but it should be used as a mean to share the stories about the project's results and successes with the joint secretariat.

For reporting purposes, an online form system has been set up (iOLF). Each partner has access to the system through an individual user name and password. Progress reports are submitted to the programme through the online system.

6.2.1 Reporting periods and deadlines

In principle, the progress report covers a period of six months. The dates of the reporting period will be set by the programme subject to the monitoring committee's approval.

For phase 1, a progress report needs to be submitted to the programme every six months. For phase 2, the progress reports need to be submitted on an annual basis, taking into consideration that the activities in phase 2 will be limited and therefore the corresponding expenditure will be much lower than in phase 1.

Example

	Reporting period		Deadline for submission
Phase 1	six-monthly	01 February – 31 July 01 August – 31 January	01 November 01 May
Phase 2	annual	01 February – 31 January	01 May (31 January for the last progress report)

Points of attention:

- There may be cases (e.g. integration of pilot actions, decommitment risk at programme level) where the reporting periods of phase 2 will be on a six-monthly basis; meaning that the frequency applied for phase 1 may be continued. The joint secretariat will communicate this to the projects in due time.
- For the last progress report, the date by which the progress report needs to arrive at the joint secretariat also marks the end date of eligibility. Please study section 6.4 on project closure carefully for further information.

6.2.2 Reporting procedures

The reporting procedure for projects can be summarised as follows:

a) Each partner submits to the lead partner in iOLF a partner report certified by a controller in compliance with the country specific requirements for first level control (see also section 7.6), before the deadline agreed with the lead partner. This also applies of course to the lead partner, because the lead partner is at the same time a partner in the project. The partner report in iOLF is formed by
    - the independent first level control certificate
    - the independent first level control report (incl. control checklist) and
    - the list of expenditure (incl. the list of contracts)

    The partner report is a financial report. Information on activities carried out by the partners during the reporting period has to be collected by the lead partner outside the iOLF system.

b) On the basis of the individual partners' reports and the partners' information on the activities carried out, the lead partner compiles the joint progress report for the whole partnership.

c) The lead partner confirms that the information provided by the partners has been verified and confirmed by an independent body in compliance with the respective country specific control requirements; that the partners' information has been accurately reflected in the joint progress

report and that the related costs result from implementing the project as planned and set out in the application form and described in the progress report.

d) For the audit trail, the lead partner retains possession of the inputs used for the progress report received from the partners.

e) The lead partner submits the progress report to the joint secretariat. The joint secretariat checks the report and if necessary sends clarification requests to the lead partner. Once all points have been clarified, the progress report is approved.

f) The certifying authority executes the payment to the lead partner[25].

g) The lead partner transfers the funds to the partners after receipt of the payment, without delay.

Each progress report (and the project in general) is monitored by two officers from the joint secretariat: one focusing on the activities and results and the other in relation to financial matters. They will provide joint feedback to the projects on their progress reports.

6.2.3 Monitoring of a project's progress and mid-term review

The progress report (and related annexes) is a core tool for reporting the progress made on project implementation to the programme. The basic principle of reporting and monitoring is to check the activities and outputs reported against what was originally planned in the application form. Beyond this minimum requirement, the aim is also to get as much qualitative information as possible on the lessons learnt and results achieved within the reporting period. Projects have to be as precise as possible on the information they report.

In addition to the progress report (and related annexes), the programme will use other tools to monitor the progress of the project's implementation on a continuous basis. Among others, the programme will use:

- the project's website
- interactive communication exchange with the lead partner and partners (e.g. skype, phone conferences)
- meeting(s) with the lead partner and partners (e.g. on site, at the joint secretariat).

The joint secretariat will also organise a mid-term review with lead partners of running projects in particular through the organisation of a meeting towards the end of phase 1 (between 2 to 3 months before the end of phase 1). It is an opportunity for the programme to have a detailed picture on the performance of the project beyond the information provided through the progress reports and before core activities are finalised and implementation of the action plans is monitored. This exchange is also important to prepare the submission of the last progress report of phase 1 where several indicators have to be finalised (number of action plans developed, number of people with increased capacity, number of good practices identified). The core aim of the review is to prepare the ground for phase 2 by tackling the following elements:

- What is the state of play of the project in relation to action plan preparation and policy improvement in each participating region?

[25] Within approximately four weeks after the approval of the progress report by the joint secretariat.

- What is the state of play of the project in relation to budget spending?

The agenda of the meeting will include the following points:

- progress toward the achievement of the project's objectives in particular in relation to the action plan development
- review of phase 2 activities (e.g. expected roll-out of the action plans, possible pilot actions).
- budget spending.

For projects facing a significant underspending in relation to their phase 1 budget, the mid-term review may lead to a budget reduction proportional to the underspending encountered by the project at the end of phase 1. The aim is to return unspent funds as early as possible to the programme so that they can still be reused in a meaningful way. Also, considering that the phase 2 activities are pre-defined and already budgeted, shifting budget from phase 1 to phase 2 is usually not accepted (unless justified e.g. by the financing of a pilot action).

Further details on the mid-term review can be found in the 'mid-term review guide available on the programme website (under the section 'Implement a project').

6.2.4 Guidance for reporting

The following points should help projects to provide concise and coherent information in their progress reports.

Implementation: story telling

Particular attention should be paid to the quality and the nature of the information provided in this section where a particularly interesting feature of the project can be described (e.g. specific activity, exchange among partners, testimony from a stakeholder). In particular, the story selected should be of interest to the general public. Since it could be published on the programme's website or in other programme promotional material, the text should be written in an easy to understand style (journalistic style as for a press release or an article).

Consistency in the reporting

For the overall coherence of the report, it is crucial that the information provided for the activities and outputs is fully consistent. This also means that the terminology used should be consistent throughout the report and in line with the terminology adopted in the application form.

Reporting on result indicators

In order to avoid misinterpretation, lead partners should carefully check the definition of each indicator provided in section 4.3.2 of the present manual.

The figures reported under each result indicator are automatically calculated depending on the information provided for the improvement of policy instruments. The descriptive section should be as detailed as possible to justify these improvements. As this information will be used for the programme evaluation, it has to be reliable.

Reporting on output indicators

As specified in section 4.3.2, the **number of policy learning** events includes both interregional events and stakeholder group meetings. The figure reported in each period should be supported by the description of the activities.

The **number of good practices** identified will be supported by the number of practices submitted by the project on the online good practice database. For each practice, information such as the objectives, beneficiaries, resources involved, evidence of successor potential for learning and transfer is requested.

The **number of people with increased capacity** has to be completed only at the end of phase 1 and is supported by a specific template provided by the programme.

The **number of action plans** has to be completed only at the end of phase 1. These actions plans need to be published on the project website.

The **number of appearances in the media** will be supported by the citations placed in a reporting table provided online by the programme. Citations can be also placed on the project websites, in the library section.

The **average number of sessions at the project pages per reporting period**: statistics connected to this indicator will be sent to the communication manager of the project in a monthly report. S/he will be responsible for checking the data, sharing the numbers with the partnership and adjusting the communication strategy accordingly. The partners should assess how successful the communication strategy is in terms of reaching the targets for attracting website visitors. For the progress report, the communication manager will report a summary number per reporting period, available in an overview table provided online by the programme for each call.

Link between activities and expenditure

All reported expenditure needs to be in line with the activities carried out and reported in the respective reporting period. When compiling the progress report, the project has to make sure that for any expenditure included, a link to the activities can be made. For instance, if expenditure is reported in the budget line for travel & accommodation, the corresponding meetings are expected to be reported as an activity and output/result (in the case that, exceptionally, expenditure is reported delayed, this should be explained as a deviation in the progress report).

Reporting on other communication activities

Public relations activities (such as events, campaigns, briefings, press conferences): the projects should monitor the number and kind of target groups reached (e.g. names of key policymakers present). Evaluation of public relations activities will be part of the mid-term review with the joint secretariat (see more in section 8.1.1 on evaluation).

Communication tools: when such tools are produced for a specific communication activity, their use and their role in reaching the communication objectives of that activity need to be described.

6.3 Changes in project implementation

6.3.1 General principles

All minor changes (e.g. rescheduling of activities, budget changes within the 20% budget flexibility for each budget line and partner, see below) can be reported as 'deviations' to the joint secretariat via the progress report. The report has to include a justification of such minor changes of the initial plans, an explanation on their consequence for the project's implementation and the solution proposed to tackle them and to avoid similar deviations in the future, where applicable. Changes in the contact details of any partner (e.g. new contact person, new e-mail address) have to be reflected in the Partner Contact Details module in the online reporting system.

For major changes, in accordance with the subsidy contract, the project is obliged to request approval from the programme. Major changes concern:

- the partnership (e.g. withdrawal, replacement of a partner),
- the core activities of the project (including the possible introduction of a pilot action[26] at the end of phase 1),
- the budget of the project (reallocation above the 20% flexibility for each budget line and partner, see below),
- the project's duration.

Such changes are formalised through a request for changes procedure. As a basic rule, lead partners should inform the joint secretariat as soon as they become aware of a possible major change in their project.

6.3.2 Request for changes procedure

For the above mentioned major changes, the lead partner needs to fill in a 'request for change' in iOLF and submit it to the programme through the online form system. A change can be requested at any time during the implementation of the project. However, unless duly justified, a 'request for change' is generally not treated while a progress report is still under review by the joint secretariat, since the request for change may have an impact on the progress report and may lead to serious delays in the reporting.

The request for change template is based on the latest approved application form and needs to be updated for the respective parts related to the change. Furthermore, the project has to describe the requested change and provide a clear justification for it.

Depending on the nature of the requested changes, a decision on the approval will be taken either by the managing authority/ joint secretariat or through a written procedure by the Interreg Europe monitoring committee. The changes enter into force only when the official approval notification letter is sent to the lead partner.

Projects should be aware that a formal request for change procedure can only be launched during the lifetime of a project. It is not possible to implement a formal request for change procedure after the end date of the project (as indicated in the application form).

[26] In the framework of the COVID-19 measures taken in 2020, projects mainly from 4th call can exceptionally request pilot actions to be implemented under Phase 1. Further information can be found in section 4.2.2.

6.3.3 Changes in activities/ outputs

In the application form, activities and outputs are described in the work plan for each semester of both phases. Therefore, the work plan represents the project's road map, and projects should stick to the original plans as much as possible. However, it is understandable that a project is not a static entity and that changes may occur during implementation. There are two possible scenarios:

- If changes are of a minor character (e.g. postponement of a conference, change in the location of the planned workshop) meaning that they will not have an impact on the main objectives of the project and only minor impact on the budget, they can be reported and justified in the progress report (i.e. in the deviations' section).
- If changes are of a major character and have an impact on the main objectives of the project, they would require the formal approval of the Interreg Europe monitoring committee. Based on INTERREG IVC experience, this type of request for change remains the exception.

In the event of doubts as to whether the changes are of a minor character or not, the lead partner should contact the joint secretariat as early as possible. For the second option, the lead partner should in any case contact the responsible joint secretariat officers to request a formal change in activities/ outputs.

This is for instance the case when the project would request pilot action(s) under phase 2[27]. In any case, the revision of phase 2 would require the formal approval of the monitoring committee.

6.3.4 Changes in the partnership

The partnership is considered as a core feature of a project and, as such, is officially approved by the Interreg Europe monitoring committee. Therefore, changes in the partnership should be avoided wherever possible and all alternative solutions to resolve the problem need to be considered before requesting a partnership change. In any case, partnership changes can only be approved if they are duly justified.

The request for change form differentiates between two cases of partnership change:

a) Withdrawal of partner(s)

b) Integration of partner(s) (in most cases as a measure to replace a withdrawing partner).

If the withdrawal of one partner in the partnership cannot be avoided, the ideal solution is to find a suitable replacement for the withdrawing partner preferably from the same region/ country. The lead partner should always first verify if this option is feasible in cooperation with the concerned National Point of Contact. Only if this attempt is unsuccessful, the lead partner can propose a substituting partners from another region / country.

The other alternative is a pure withdrawal of the partner. In order to minimise the impact on the project, it is recommended in this case that an existing partner (or partners) take(s) over in full (or partly) the role and activities of the withdrawing partner. As a consequence, this also means that the budget may be partly reallocated.

The integration of a new partner may be possible at the end of Phase 1 where the involvement of a new organisation is required for the implementation of pilot actions (see also example in section 4.6). This type of change must be approved by the monitoring committee.

In all cases, the requested change has to be clearly explained and justified in the 'request for change summary'. In addition, all relevant parts of the 'application form for changes' need to be updated; in

[27] In the framework of the COVID-19 measures taken in 2020, projects approved in latest calls can exceptionally request pilot actions to be implemented under Phase 1. Further information can be found in section 4.2.2.

particular Part B ‘Partnership’ but also all sections where the withdrawing partner is mentioned (e.g. Part D, work plan).

Once the joint secretariat has received the completed request for change form, it will check whether the request for change is acceptable. The joint secretariat will also ask the relevant Partner State representative to confirm the eligibility of the new integrating partner (where necessary).

A simple change of name of one partner which has no impact on its legal status is not treated as a partnership change issue and thus does not require a formal request for change procedure. Nevertheless, the change of name of a partner must be officially communicated to the joint secretariat (e.g. by updating the name of the partner in the contact details module in iOLF).

If specific geographical eligibility rules are applied in a call for proposals, projects approved under that call that require a change in partnership have to ensure that the revised partnership still complies with the same rules.

In cases where the legal status of a project partner changes from public or body governed by public law to private non-profit body (or vice versa) during the project lifetime, the co-financing rate will remain unaffected. The project partners have to nevertheless ensure to correctly report their national contribution in the progress reports as private or public depending on their legal status during the reporting period. More information on this point can be found in section 4.4.4.

6.3.5 Changes in the budget

Although the budget is a core element in the application form and is approved by the monitoring committee, changes in the budget may become necessary during the implementation of the project. Two cases of budget changes are possible:

a) a **20% budget flexibility for each budget line at project level and per partner (no prior approval by the managing authority/joint secretariat required):** the project is allowed to exceed the budget lines and the partner budgets, as stated in the latest approved application form, by a maximum of 20% of the original total amount. Such changes do not require a formal prior approval by the programme, but must be reported and justified through the progress report.

   The 20 % flexibility rule also allows for the budget line equipment to be exceeded by 20% or by EUR 7,000, whichever deviation is higher. However, as indicated under section 7.2.5, unplanned equipment costs can only be eligible for funding if they were pre-approved by the joint secretariat. The lead partner should therefore always check beforehand with the JS if a partner needs to purchase unplanned equipment.

b) a **budget reallocation above the 20% budget flexibility limit for each budget line at project level and per partner (prior approval by managing authority/ joint secretariat through a request for change procedure):** the project may request a reallocation of budget between budget lines and/or partners of more than 20% for each budget line and/or partner budget **only once** during the implementation of the project. Such reallocation requires the formal approval of the programme through a request for change procedure.

In any case, budget changes are only possible **on the condition that the total amount of ERDF and Norwegian funding awarded to the project is not exceeded**. It should be noted that an overspending of an ERDF amount cannot be counterbalanced by the underspending of Norwegian funds or vice versa.

Budget changes - examples

The examples provided below are for purely arithmetic purposes only. In practice, all changes have to be duly justified in the context of the project implementation. In cases where the added-value of changes cannot be demonstrated, the changes will be rejected by the programme.

20% flexibility rule (provided that the total ERDF/ Norwegian funding is not exceeded)

Budget line at project level or partner budget	Original amount in the approved application form	Maximum possible overspending for this line	Explanation
Travel and accommodation costs	€180,000	€36,000	With the 20% flexibility rule, the original amount for this budget line can be exceeded by a maximum of EUR 36,000.
Partner 1	€220,000	€44,000	With the 20% flexibility rule, the original amount for this partner budget can be exceeded by a maximum of EUR 44,000.

Budget change above the 20% flexibility rule (provided that the total ERDF/ Norwegian funding is not exceeded)

Budget line at project level or partner budget	Original amount in the approved application form	New budget proposed by the project	Explanation
Travel and accommodation costs	€180,000	€220,000	Any budget increase above EUR 36,000 is no longer covered by the 20% flexibility rule, hence an official budget change has to be requested.
Partner 1	€220,000	€300,000	Any budget increase above EUR 44,000 is no longer covered by the 20% flexibility rule, hence an official budget change has to be requested.

Points of attention

- After a budget reallocation above the 20% budget flexibility as described under b), the budget can be changed again within the limits of the flexibility rule described under a).
- The project's spending plan cannot be modified unless there is a change in the total budget or the ERDF budget of the project (i.e. decreases) or in case of partner replacement, through a

request for change procedure. In case of partner replacement, the change must be limited to the concerned partner(s) and be coherent with the date from when the change is applicable.

- Besides this, modifications in the equipment budget line should only be exceptional. In order to be sure that the additional equipment costs will be accepted, projects are requested to consult the joint secretariat before using the flexibility rule for reallocating budget to the budget line "Equipment costs". The joint secretariat will then confirm whether the additional costs to be reported in the equipment budget line are eligible and can be reported in the progress report.
- Financial implications of a formal change in the partnership or in activities / outputs (through a request for change procedure) are not considered to be a "budget change". Those budget modifications (e.g. reduction of the overall budget in case a partner withdraws) are considered a consequence of the initial change.

6.3.6 Extension of a project's duration

In principle, an extension of a project's duration should not be needed given the specific nature of phase 2. In cases where some partners are late in the delivery of their action plan in phase 1, their respective phase 2 would then be shortened accordingly.

It is extremely important that partners carefully check the time needed to complete phase 1 successfully. The joint secretariat will closely monitor the completion of phase 1 through progress reports, on-going contact with the lead partner and possibly a review meeting towards the end of phase 1.

But there may still be exceptional cases where the managing authority / joint secretariat will approve an extension of a project's duration (within the limits of the programme's deadline).

6.4 Project closure

The following sections provide information on the closure of projects.

6.4.1 The end date for eligibility of expenditure and completion of activities

The end date of the project is the **date by which:**

- **all the project activities must have been completed (incl. all activities related to the administrative closure of the project, such as first level control)**
- all payments must have been made, meaning debited from the bank account
- **the last progress report has to be submitted** to the joint secretariat

Any expenditure (including costs linked to project closure) incurred, invoiced or paid after the project end date indicated in the latest approved application form is ineligible.

Since the programme must be finalised by the end of 2023, all activities within the projects must be completed and costs paid before 01 August 2023 at the latest. It is therefore not possible to include in the application form an end date after the end of July 2023.

Points of attention

- It is essential that no content-related activities are scheduled close to the end date of the project. The administrative closure (last payments, preparation of the last progress report, first level control) often requires more time than expected. In fact, the last three months of the project

should be exclusively dedicated to the administrative closure. The last project meeting should, for example, be scheduled, at the latest, three months before the project's end date.

- Even if, in justified cases, the deadline for the submission of a progress report is extended, this does not impact on the eligibility end date. For example: the official project end date by which the activities have to be finalised and the last progress report has to be submitted is 31/01/2017. The project is granted an extension of two weeks for the submission of the last progress report. This would still mean that the eligibility of activities and expenditure ends on 31/01/2017.
- Not only must the expenditure be paid out by this date but also the activities must be finalised. This is particularly important for any expenditure linked to the first level control. It is not possible to advance payments for the first level controller and then to have the actual checks (activity) carried out after the project's end date.
- Planning enough resources for the project closure is another important key factor which should be taken into consideration at the planning stage of the project. Projects may face severe delays before closure if the lead and other project partners do not allocate sufficient resources in terms of time and staff. It is recommended to establish a timetable to clearly define by which date partners are expected to submit relevant documents and information to the lead partner. This timetable should be closely monitored by the lead partner.
- **Only applicable to fourth call projects**: a lump sum is granted to fourth call projects (for more information on this lump sum, see section 7.4 of the programme manual). It is essential that fourth call projects pay all the costs related to activities carried out in phase 1 by the end of phase 1 since no real cost reporting should occur in phase 2. This means that all expenditure related to phase 1 activities must be paid out by the end date of phase 1 so that it can be included in the last progress report related to phase 1. Therefore, projects should not schedule any content-related activities close to the end date of phase 1. The finalisation of phase 1 activities and the last payments often require more time than expected. The action plans should, for example, be finalised, at the latest, three months before the end of phase 1. Also the last project meeting of phase 1 should ideally be scheduled three months before the end of phase 1.

6.4.2 Obligations for closed projects

According to the Common Provisions Regulation (EU) No 1303/2013 Article 140, each partner institution is required to **archive documents** related to the project's implementation for a minimum period. All supporting documents have to be available for a two year period from 31 December following the submission to the European Commission of the programme's annual accounts in which the expenditure of the last progress report is included. The joint secretariat will provide the information on the concrete period with the closure notification letter. It is important to keep in mind that this period might be interrupted in duly justified cases and will resume after this interruption. Upon request by the programme, by the Commission or by the Court of Auditors, the documents have to be made available. The following rules apply to the archiving of documents:

- The documents have to be kept either in the form of the originals or certified true copies of the originals or on commonly accepted data carriers including electronic versions of the original documents or documents that exist in electronic version only.
- The procedure for certification of conformity of documents held on commonly accepted data carriers with the original document has to be laid down by the national authorities and shall

ensure that the versions held comply with national legal requirements and can be relied upon for audit purposes.

- Where documents exist in electronic form only, the computer systems used have to meet accepted security standards that ensure that the documents held comply with national legal requirements and can be relied upon for audit purposes.

Other, possibly longer statutory archiving periods, as required by national law, remain unaffected from the rules mentioned above. This means, for example, if the national law requires archiving for ten years, then the project documents have to be archived for ten years.

6.5 Complaint procedure - project implementation

Complaints related to first level control or second level audit have to be lodged against the responsible authority according to the applicable rules.

Complaints against a decision of the managing authority/joint secretariat of the programme during project implementation are regulated as follows:

The managing authority/joint secretariat and the lead partner shall do everything possible to settle amicably any dispute arising between them during project implementation and the application of the subsidy contract. Complaints must be submitted in writing (post or email) to the joint secretariat within 3 weeks after the notification of a decision. A party must reply to a request for an amicable settlement within 3 weeks. If no amicable agreement is reached, the dispute may by common agreement of the parties be submitted for conciliation to the complaint panel involving the previous, present and future chairs of the monitoring committee and the managing authority/joint secretariat. In the event of failure of the above procedure, each party may submit the dispute to the courts. The place of jurisdiction is, as defined in the subsidy contract, Lille (France). Further details and specific complaint forms may be published at a later stage.

For complaints against decisions of the programme's managing authority with regard to the assessment and funding decisions, further information can be found in section 5.4.

7. Financial management

7.1 Eligibility of expenditure - general principles

There are different levels of eligibility rules on expenditure:

- the European level: EU regulations
- the programme level: specific rules decided for the Interreg Europe programme
- the national level: national rules applicable in each Partner State
- the partner institutional level: internal rules applicable to each partner organisation

In the absence of rules set at EU or programme level or in areas that are not precisely regulated, national or institutional rules apply.

Generally speaking, to be eligible at project level, costs must:

- relate to activities planned in the application form, be necessary for carrying out these activities and achieve the project's objectives and be included in the estimated budget,
- be in accordance with the principles of sound financial management i.e. reasonable, justified, consistent with the usual internal rules of the partner, the EU, the programme and national rules,
- be identifiable, verifiable, plausible and determined in accordance with the relevant accounting principles,
- be incurred and paid by the partner organisation, debited from its bank account no later than the project end date, be substantiated by proper evidence allowing identification and checking.

Should expenditure be reimbursed on the basis of a lump sum or flat rate, the latter two principles do not apply.

7.2 Budget lines

Based on Regulation (EU) No 481/ 2014, the following sections provide an overview on the eligibility principles for the different budget lines applicable in the programme:

- staff,
- administration,
- travel and accommodation,
- external expertise and services,
- equipment.

For each budget line, a definition is provided as well as guidance for budgeting and reporting. Applicants should study the information here carefully both when preparing their application and later on for their progress reports.

Due to the COVID 19 pandemic, the projects have to adjust activities and related expenditure to the new and exceptional context. The programme provides some additional guidance regarding the

eligibility of certain items[28]. The general principles stipulated here in the programme manual remain applicable.

7.2.1 Staff costs

Definition

Staff costs consist of costs for staff members employed by the partner organisation, as listed in the application form and who are working full time or part time on the implementation of the project.

Staff costs cover the partner organisation's gross employment costs, which usually comprise the following:

- Salary payments (fixed in an employment/ work contract)
- Other costs directly linked to salary payments paid and not recoverable by the employer:
  - Employment taxes
  - Social security (including health coverage and pension contributions)

Staff costs relate to the costs of activities that the relevant partner would not carry out if the project concerned were not undertaken.

Overheads and any other office and administrative expenditure cannot be included in this budget line.

For Interreg Europe, the staff costs have to be calculated on a **real costs basis**[29].

In the following sections, more details and information are provided, in particular different options are described:

1. Person employed by the partner organisation, and working full-time on the project
2. Person employed by the partner organisation, working **partly** on the project at a **fixed percentage**
3. Person employed by the partner organisation, working **partly** on the project at a **flexible percentage** (flexible number of hours per month)
   a. Calculation based on the contractual hours as indicated in the employment contract
   b. Calculation based on dividing the latest documented annual gross employment costs by 1,720 hours
4. Person employed by the partner organisation on an hourly basis

In order to simplify the reporting of staff costs, **projects to be approved under the fourth call can only apply options 1, 2 and 4.**

Key principles

Staff costs must be calculated individually for each employee. They are taken from the payroll accounts and include the employee's total gross remuneration and the employer's social contributions (provided

[28] The guidance document on the eligibility of costs related to COVID 19 pandemic can be found on the programme's website https://www.interregeurope.eu/fileadmin/user_upload/documents/Guidance_Eligibility_of_Costs_related_to_COVID-19_01.pdf

[29] For some Partner States, other methods regarding the calculation of staff costs may be provided taking into consideration the national specificities. Project partners should carefully check the programme's website (section 'in my country') for further information. These methods are applicable to all project partners coming from these Partners States unless otherwise mentioned in the national rules.

that they are not recoverable by the employer). In accordance with the personnel policy of the partner organisation, costs such as bonuses, fuel, lease car, relocation benefits, luncheon vouchers etc. can be fully or partly claimed after calculating the eligible share for the project.

Within the same partner organisation, different calculation methods may co-exist.

1. Person employed by the partner organisation, and working full-time on the project

Key principles

Staff costs shall be calculated as follows:

- The employee's total monthly gross employment cost (incl. employer's social contributions) can be claimed;
- A document clearly setting out 100% of the time to be worked on the project (it can be the employment contract and/ or any other document issued by the employer such as a 'mission letter', see grey box below for more information);
- No separate working time registration ("timesheet") is needed.

Example

A	Total monthly salary costs (gross salary and employer's social contributions)	€5,000
B	Percentage of time worked per month on the project	100%
C	Eligible costs : (A * B)	€5,000

Supporting documents for the verification of expenditure (first level control)

The following documents need to be provided to the first level controller to support the eligibility of the costs:

- Employment contract or any other equivalent legal agreement that permits the identification of the employment relationship with the partner's organisation;
- A document clearly showing that the employee works 100% of the time on the project (it can be the working contract and/ or any other document issued by the employer such as a 'mission letter', see grey box below for more information);
- Document identifying the real salary costs (gross salary and employer's social contributions for the employee, such as payslips or other accounting documents where the employment costs are clearly detectable;
- Proof of payment.

Mission letter or a document setting out the fixed percentage worked on the project (employment contract or mission letter or equivalent)[30]

[30] An example of mission letter is available on the programme website https://www.interregeurope.eu/library/#folder=464

With regard to the staff costs for persons working **on the project** with a **fixed percentage** (100% or less), a document is required that clearly indicates the expected percentage of the employee's working time to be dedicated to the project. The following points have to be respected in relation to this document in order to prove the plausibility of the time allocation:

- The document is usually issued for the specific employee at the beginning of the period to which it applies.
- It is dated and signed by the employee and a line manager/ supervisor.
- It must contain the percentage of time dedicated to the project per month and a description of the project-related role, responsibilities and monthly tasks that are assigned to the employee in question and that provide sufficient evidence for the time allocation.
- The time allocation and description of tasks are reviewed on a regular basis (e.g. annually on the occasion of the staff appraisal) and adjusted if needed (e.g. due to changes in tasks and responsibilities).
- When the staff member's involvement in the project is limited, it is still considered to be acceptable to set out a fixed percentage in a mission letter even if it is relatively small.

2. Person employed by the partner organisation, working <u>partly</u> on the project on a fixed percentage

Key principles

Staff costs shall be calculated as follows:

- A fixed percentage of the gross employment cost (incl. employer's contributions), in line with a fixed percentage of time worked on the project per month;
- A document clearly setting out the percentage of time to be worked by the employee on the project per month (it can be the employment contract and/or any other document issued by the employer like a 'mission letter', please see grey box above for more information);
- No separate working time registration ('timesheet') is needed.

Example

A	Total monthly salary costs (gross salary and employer's social contributions)	€5,000
B	Fixed percentage of time worked per month on the project	60%
C	Eligible costs : (A * B)	€3,000

Supporting documents for the verification of expenditure (first level control)

The following documents have to be provided to support the eligibility of costs when reporting to the programme:

- Employment contract or any other equivalent legal agreement that permits the identification of the employment relationship with the partner's organisation;

- A document setting out the percentage of time to be worked on the project per month (it can be the employment contract and/or any other document issued by the employer, clearly identifying the fixed percentage of monthly time dedicated to the project, see grey box above);
- Document identifying the real salary costs (gross salary and employer's social contributions) for the employee, such as payslips or other accounting documents where the employment costs are clearly detectable;
- Proof of payment.

3. Person employed by the partner organisation, working <u>partly</u> on the project on a <u>flexible</u> percentage (flexible number of hours per month)

3.a Calculation based on the contractual hours as indicated in the employment contract (only applicable for projects approved under first, second and third call)

Key principles

- This calculation method does not apply to projects approved under the fourth call.[31]
- For projects approved under first, second and third call: when applying this method staff costs shall be calculated as follows:
  - A flexible share of the gross employment cost (incl. employer's social contributions), in line with a number of hours varying from one month to the next worked on the project;
  - A time registration system ("timesheet") is required and must cover 100% of the working time of the employee (including the working time not related to the project);
  - An hourly rate will be calculated by dividing the monthly gross employment cost by the number of hours per month as per the employment contract. The hourly rate will then be multiplied by the number of hours actually worked on the project.

Example for the hourly rate calculation

	1/ STARTING POINT	
A	Total monthly salary costs (gross salary and employer's social contributions)	€5,000
	2/ CALCULATION OF HOURLY RATE	
B	*Number of working hours per working day according to the employment contract (weekly working hours divided by 5 working days)*	*8 hours*
C	*July 2014: number of workable days (any public/bank holidays* are to be subtracted)*	*22 days*
D	Number of workable hours in July 2014 (B * C)	176 hours
E	*Number of annual holidays (days) as per the employment contract*	*30 days*

[31] To simplify and secure the project's staff cost calculations, this option is no longer available for fourth call projects. Partners should take into consideration that when the staff member's involvement in the project is limited, it is still considered to be acceptable to make use of the simpler calculation option described under point 2 above and set out a fixed percentage in a mission letter reflecting the staff member's actual involvement in the project even if it is relatively small.
Also project partners from first, second and third call projects are highly encouraged to consider reporting staff costs only under one of the other methods listed under points 1, 2 and 4 of the section 7.2.1 'Staff costs'.

F	*Number of monthly holidays (days) as per the employment contract (E / 12 months)*	*2.5 days*
G	Number of monthly holidays (hours) as per the employment contract (B * F)	20 hours
H	Monthly working time, excluding holidays (D – G)	156 hours

* bank/public holidays refer to days like 01 January or Christmas Day.

	3/ HOURLY RATE	
I	Hourly rate for July 2014 (A / H)	€32.05

	4/ NUMBER OF HOURS WORKED (based on timesheet)	
J	Total number of hours worked on the project during the month of July	100

	5/ ELIGIBLE COST FOR THE HOURS WORKED ON THE PROJECT	
K	Eligible cost (I * J)	€3,205

Supporting documents for the verification of expenditure (first level control)

The following documents have to be provided to support the eligibility of the costs when reporting to the programme:

- Employment contract or any other equivalent legal agreement that permits the identification of the employment relationship with the partner's organisation;
- Document identifying the monthly or weekly working time and the number of holidays per employee, such as the employment contract or other internal document of equivalent value;
- Document identifying the real monthly salary costs (gross salary and employer's social contributions) for the employee, such as payslips or other accounting documents where the employment costs are clearly detectable;
- Proof of payment;
- Document showing the calculation of the hourly rate;
- Registration of the monthly working time covering 100% of the working time of the employee and identifying the time spent on the project: timesheet or equivalent time recording system. (The timesheet(s) will be used to prove that there is no double-financing if the employee is involved in (an) other EU project(s) or in any other activity that is partly financed by the EU.)

3.b Calculation based on dividing the latest documented annual gross employment costs by 1,720 hours (only applicable for projects approved under first, second and third call)

Key principles

- This calculation method does not apply to projects approved under the fourth call.[32]
- For projects approved under first, second and third call: when applying this method, staff costs shall be calculated as follows:
  - A flexible share of the gross employment cost (incl. employer's social contributions), in line with a number of hours varying from one month to the next worked on the project;
  - A time registration system ('timesheet') is required and must cover 100% of the working time of the employee (including the working time not related to the project);
  - An hourly rate should be calculated by dividing the latest documented annual gross employment costs by the 1,720 hours for persons working full time, or by a corresponding pro-rata of 1,720 hours, for persons working part-time. The hourly rate should then be multiplied by the number of hours actually worked on the project.

Example for a reporting period running from July to December

	1/ STARTING POINT	
A	Total annual salary costs (gross salary and employer's social contributions)	€50,000
	2/ CALCULATION OF HOURLY RATE	
B	Number of working hours according to the Regulation (EU) No 1303/2013, Article 68(2)*	1 720 hours

*No further amendments should be made to the number of hours (holidays etc. are already considered).

	3/ HOURLY RATE	
C	Hourly rate for July 2014 (A / B)	€29.07

	4/ NUMBER OF HOURS WORKED (based on timesheet)	
D	Total number of hours worked on the project during the month of July	100

	5/ ELIGIBLE COST FOR THE WORKED HOURS ON THE PROJECT	
E	Eligible cost (C * D)	€2,907

Supporting documents for the verification of expenditure (first level control)

[32] To simplify and secure the project's staff cost calculations, this option is no longer available for fourth call projects. Partners should take into consideration that when the staff member's involvement in the project is limited, it is still considered to be acceptable to make use eg. of the simpler calculation option described under point 2 above and to set out a fixed percentage in a mission letter reflecting the staff member's actual involvement in the project even if it is relatively small.

Also project partners from first, second and third call projects are highly encouraged to consider reporting staff costs only under one of the other methods listed under points 1, 2 and 4 of the section 7.2.1 'Staff costs'.

The following documents have to be provided to support the eligibility of the costs when reporting to the programme:

- Employment contract or any other equivalent legal agreement that permits the identification of the employment relationship with the partner's organisation;
- Document identifying the latest annual salary cost (gross salary and employer's social contributions over a past 12 months reference period) for the employee, such as payslips or other accounting documents where the employment costs are clearly detectable;
- Proof of payment;
- Document showing the calculation of the hourly rate;
- Registration of the monthly working time covering 100% of the working time of the employee and identifying the time spent on the project: timesheet or equivalent time recording system. (The timesheet(s) will be used to prove that there is no double-financing if the employee is involved in (an) other EU project(s) or in any other activity that is partly financed by the EU.)

Points of attention:

- The same hourly rate calculated for the first reporting period may be used throughout the project duration for the employee concerned (unless a contractual change occurs).
- For persons working full time, the total number of hours declared per person for a given year shall not exceed the number of hours used for the calculation of the hourly rate (i.e. 1720 hours). For persons working part time, a pro-rata calculation applies.
- Where annual gross employment costs are not available, they may be derived from the available documented gross employment costs or from the contract for employment, duly adjusted for a 12 month period. It is also possible to take the latest annual salary costs of another employee of the same salary position.

4. Person employed by the partner organisation on an hourly basis

Key principles

Staff costs shall be calculated as follows:

- The employee's hourly rate as indicated in the employment contract is multiplied by the number of hours worked on the project.
- A time registration system ('timesheet') related to the contract is required and must cover 100% of the hours worked by the employee (including the working time not related to the project, if applicable).

Example for the calculation

	1/ STARTING POINT	
A	Hourly rate (as indicated in the employment contract)	€30

	4/ NUMBER OF HOURS WORKED (based on timesheet)	
B	Total number of hours worked on the project during the month of July	100

	5/ ELIGIBLE COSTS FOR THE HOURS WORKED ON THE PROJECT	
C	Eligible cost (A * B)	€3,000

Supporting documents for the verification of expenditure (first level control)

The following documents have to be provided to support the eligibility of the costs when reporting to the programme:

- Employment contract or any other equivalent legal agreement that permits the identification of the employment relationship with the partner's organisation and the hourly rate;
- Document identifying the real monthly salary costs (gross salary and employer's social contributions) for the employee, such as payslips or other accounting documents where the employment costs are clearly detectable;
- Proof of payment;
- Registration of the hours worked covering 100% of the working time by the employee and identifying the time spent on the project: timesheet or equivalent time recording system. (The timesheet(s) will be used to prove that there is no double-financing if the employee is involved in (an) other EU project(s) or in any other activity that is partly financed by the EU.)

7.2.2 Office and administrative expenditure

Definition

Office and administrative costs cover the general administrative expenses of the partner organisation that are necessary for the delivery of project activities.

Based on Article 68 (1) (b) of Regulation (EU) No 1303/2013, office and administrative expenditure are budgeted and reported as a **flat rate of 15% of each partner's staff costs**.

According to Regulation (EU) No 481/2014 Article 4, office and administrative expenditure are limited to the following items:

- office rent;
- insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurance);
- utilities (e.g. electricity, heating, water);
- office supplies (e.g. stationary like paper, pens etc.);
- general accounting provided inside the beneficiary organisation;
- archives;
- maintenance, cleaning and repairs;
- security;
- IT systems (e.g. administration and management of office hard- and software);
- communication (e.g. telephone, fax, internet, postal services, business cards);
- bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened;
- charges for transnational financial transactions.

Key principles

No detailed budget needs to be planned for the budget line ‘office and administrative expenditure’ since the application form will automatically calculate a budget corresponding to 15% of the planned staff costs for each partner.

When it comes to reporting office and administrative expenditure, the flat rate of 15% is automatically applied to the actually eligible reported staff costs of each project partner.

Example

A	Eligible reported staff costs	€36,000
B	Flat rate for office and administrative expenditure	15%
C	Eligible reported office and administrative expenditure (automatic reporting without proof of actual costs) (A*B)	€5,400

Supporting documents for the verification of expenditure (first level control)

Project partners do not need to provide any justification or supporting documents. Project partners thus also do not need to document that the expenditure has been incurred and paid or that the flat rate corresponds to the reality. The FLC check focuses on the correct reporting of staff costs and that no expenditure related to the office and administrative budget line is included in any other budget line.

Points of attention

Should a contract with an external expert also include administration charges, these costs must be included in the budget line “External expertise and services costs” as they are a part of the expertise contract.

7.2.3 Travel and accommodation

Definition

This budget line concerns the travel and accommodation costs of staff employed by a project partner officially listed in the application form.

Key principles

Pursuant to the Regulation (EU) No 481/2014 Article 5, expenditure on travel and accommodation costs is limited to the following items:

(a) travel;

(b) meals;

(c) accommodation;

(d) visa;

(e) daily allowances.

Any item listed in points (a) to (d) covered by a daily allowance will not be reimbursed in addition to the daily allowance.

The following general principles must be respected:

- Costs must be borne by the partner organisation. Direct payments by an employee must be supported by a proof of reimbursement from the employer;
- Real costs and daily allowances must be in line with the specific national or institutional rules applicable to the partner organisation. In the absence of national or internal rules on daily allowances, real costs apply;
- Usually, travel and accommodation costs should relate to trips undertaken within the programme area. However, trips to places outside the programme area are eligible if they are explicitly mentioned and justified in the application form. Should there be trips outside the programme area that are not detailed in the application form, a specific request needs to be submitted in advance by the lead partner to the joint secretariat for validation.

Supporting documents for the verification of expenditure (first level control)

The following documents must be available for control purposes:

- Agenda (or similar) of the meeting/ seminar/ conference;
- Documents proving that the journey actually took place (boarding passes or participant lists etc.);
- Paid invoices (including hotel bills, transport tickets, etc.) and, if applicable, the employee's expense report with a proof of reimbursement by the employer to the employee;
- Daily allowance claims (if applicable), including proof of reimbursement by the employer to the employee.

Points of attention

- Travel and accommodation expenses related to individuals other than staff directly employed by the beneficiaries of the project (members of the stakeholder groups but also consultants, experts), have to be included in the 'external expertise and service' budget line.
- CO2 compensation expenses for travel tickets can be considered as eligible travel costs as long as the CO2 compensation is included or calculated in the price of the tickets.

7.2.4 External expertise and services

Definition

External expertise and service costs include expenditure paid on the basis of contracts or written agreements, against invoices or requests for reimbursement to external service providers who are subcontracted to carry out certain tasks/ activities linked to delivery of the project (e.g. studies and surveys, translation, newsletter development, coordination, financial management, first level control).

Pursuant to the Regulation (EU) No 481/2014 Article 6, expenditure on external expertise and service are limited to the following services and expertise provided by an organisation other than the project partner:

- studies or surveys (e.g. evaluations, strategies, concept notes, design plans, handbooks);

- training;
- translations;
- IT systems and website development, modifications and updates;
- promotion, communication, publicity or information linked to a project or to a cooperation programme as such;
- financial management;
- services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- participation in events (e.g. registration fees);
- legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- intellectual property rights (see also section 7.5.10);
- verifications under Article 125(4)(a) of Regulation (EU) No 1303/2013 and Article 23(4) of Regulation (EU) No 1299/2013 (i.e. first level control costs);
- certification and audit costs at programme level under Articles 126 and 127 of Regulation (EU) No 1303/2013;
- the provision of guarantees by a bank or other financial institution where required by Union or national law or in a programming document adopted by the monitoring committee;
- travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;
- other specific expertise and services needed for operations.

Key principles

- The costs of external expertise and services are connected to the implementation of certain project tasks that cannot be carried out by the project partners themselves (mainly due to the lack of internal resources) and therefore are outsourced to external service providers.
- The work of external service providers is necessary for the project and should be linked to activities planned in the application form. External expertise and services costs have to be paid on the basis of:
  - Contracts or other written agreements of equivalent probative value,
  - Invoices or requests for reimbursement of equivalent probative value.
- All applicable EU, national and internal public procurement rules must be respected. Even below EU thresholds, contracts with external providers must comply with the principles of transparency, non-discrimination, equal treatment and effective competition (see also section 7.5.6 on public procurement).

Supporting documents for the verification of expenditure (first level control)

The following documents must be available for control purposes:

- Evidence of the selection process, in compliance with the applicable EU, national and internal public procurement rules. Any changes to the contract must comply with the public procurement rules and must be documented,

- A contract or other written agreements of equivalent probative value laying down the services to be provided with a clear link to the project,
- An invoice or a request for reimbursement providing all relevant information in line with the applicable accountancy rules,
- Proof of payment,
- Outputs of the work of external experts or service deliverables.

Points of attention

- The travel and accommodation costs for members of the stakeholder groups have to be budgeted and reported under external expertise costs.
- Project partners cannot contract one another within the same project. This is because the roles of project partner and service provider are different and incompatible: a project partner is required to cooperate with the other partners in the delivery of the project against partial reimbursement of ERDF; a provider delivers services/ goods against payment and in compliance with the applicable public procurement rules. If a project partner cannot implement a certain task, the task may be reallocated to another partner or procured from an external service provider.
- Subcontracting in-house or other affiliated companies must be done on a real costs basis and reported in:
  A. Each relevant budget line, according to the nature of the service provided if:
     1. The in-house/affiliated company which contributes to the project activities is not a different legal entity from the project partner institution listed in the application form,
     2. The reporting requirements applicable to the budget lines are fulfilled. For instance, if an internal audit department carries out the first level control, the time spent on checking the claims must be reported as staff costs, provided that the rules applicable to staff costs are fulfilled.
  B. External expertise and services budget line: if the in-house/affiliated company which contributes to the project activities is a different legal entity from the project partner institution listed in the application form. In this case, the relevant public procurement rules have to be complied with.
- Advance payments may only be accepted if they are supported by an invoice or another document of probative value. The corresponding activity must have taken place (and have been verified by the first level controller) by the end date of the project at the latest.
- The costs of services contracted by project partners for arranging the travel and accommodation of their own staff members (e.g. travel agencies, etc.) must be claimed under the budget line ‘travel and accommodation’.
- Costs for external expertise and services should not exceed 50% of the total project budget, bearing in mind that the beneficiaries of the project’s work should be the actual project partners.

7.2.5 Equipment

Definition

Expenditure for the financing of equipment purchased, rented or leased by a partner, necessary to achieve the objectives of the project. This includes costs of equipment already owned by the partner organisation and used to carry out project activities.

Pursuant to Regulation (EU) No 481/2014 Article 7, equipment expenditure is limited to the following items:

- office equipment;
- IT hardware and software;
- furniture and fittings;
- laboratory equipment;
- machines and instruments;
- tools or devices;
- vehicles;
- other specific equipment needed for operations.

Key principles

Costs of equipment are eligible only if they are detailed in the latest approved version of the application form. Normally, only planned equipment costs are eligible for funding. Unplanned equipment costs can only be eligible for funding in exceptional cases and needs to be agreed with the joint secretariat.

Considering the nature of Interreg Europe project activities, the focus of this budget line is on office equipment for project management purposes. Usually, not more than EUR 5,000 - 7,000 per project is budgeted/spent.

Equipment items can only be funded by the programme if no other EU funds have contributed towards the financing of the planned equipment. Equipment has to be purchased in compliance with public procurement rules.

When reporting expenditure for equipment, the following principle applies: If the equipment is used solely for the purpose of the project and was incurred and paid within the eligible period, the full purchase cost of the equipment should be reported. However, the points listed below indicate certain limitations and/ or specific rules which also need to be considered when purchasing and reporting equipment:

- If the equipment has been purchased before the project's approval, a pro rata depreciation will be applied. Only the value of the depreciation incurred during the project's timeframe is eligible.
- If the equipment has been purchased during the project's lifetime but the depreciation plan is longer than the project duration, a pro rata depreciation will be applied. Only the value of the depreciation incurred during the project timeframe is eligible.
- If non-depreciable equipment (e.g. low-value asset) has been purchased, the full purchase cost of the equipment should be reported where the equipment is used 100% for the project.
- If the equipment is rented or leased, depreciation does not apply, i.e. the full cost is reported where the equipment is used 100% for the project.
- If the equipment has been purchased by the partner organisation, but is used only partially for the project, only the share related to the use of the equipment for the project will be reported.

This share has to be calculated according to a justified and equitable method in line with legislation or general accounting policy of the partner organisation.

For example, if a laptop for the project management is purchased in the second half of the project, only the share for the remaining project implementation can be reported. Similarly, if a staff member works on two projects e.g. with an equal share of 50% and uses the equipment item (e.g. a laptop) also equally for both projects, only 50% of the equipment costs can be reported on each side.

- If the equipment purchased represents an important part of the project's result, the full cost of the item can be reported; even if the item was purchased towards the end of the project duration.

Supporting documents for the verification of expenditure (first level control)

The following documents must be available for control purposes:

- Evidence of compliance with the applicable EU, national and internal procurement rules,
- Invoice (or a supporting document with equivalent probative value to invoices, in case of depreciation) providing all relevant information in line with the applicable accountancy rules,
- Calculation of depreciation in compliance with the applicable national schemes,
- Proof of payment.

Points of attention

- Rented equipment: any equipment necessary for the content-related implementation of the project needs to be budgeted and reported in this budget line. Renting costs for equipment do not fall under the budget line 'external expertise and services costs'.
- Second-hand equipment: costs of second-hand equipment may be eligible under the following conditions:
  A. no other assistance has been received for it from the European Structural and Investment Funds;
  B. its price does not exceed the generally accepted price on the market for that equipment;
  C. it has the technical characteristics necessary for the project and complies with applicable norms and standards.

7.3 Preparation costs[33]

Pursuant to Article 67 (1) (c) of Regulation (EU) No 1303/2013, preparation costs are fixed in the form of a **lump sum of EUR 15,000** (or in ERDF/ Norwegian funding: EUR 12,750 (85%) and EUR 7,500 (50%)) for approved projects.

This amount will be automatically included in the lead partner's budget at the application stage. With the first progress report, the EUR 15,000 lump sum for preparation costs will be added to the reported

[33] Section 7.3 does not apply to the preparation costs related to the call for additional activities. The preparation costs for the application for additional funding can be reimbursed on a real costs basis (except for the administration costs which are reimbursed in accordance with the flat rate for administration costs).

lead partner's expenditure, and the corresponding ERDF / Norwegian funding will be paid by the programme after approval of the progress report.

Point of attention:

In order to keep the administrative work for preparation costs to a minimum, the lump sum for preparation costs is allocated to the lead partner's budget. Nevertheless, the partnership should share the preparation costs, reflecting the partners' involvement in the preparation of the application form in a fair and transparent way. The details of how preparation costs will be shared need to be included in the project partnership agreement.

Supporting documents for the verification of expenditure (first level control)

Project partners do not need to provide any justification or supporting documents. Project partners thus also do not need to document that the expenditure has been incurred and paid or that the expenditure corresponds to the reality.

7.4 Lump sum for phase 2 pre-defined activities (only applicable for projects approved under fourth call[34])

In the case of project approved under the fourth call, the pre-defined activities related to phase 2 are not reimbursed based on real costs, but based on a lump sum following Article 67 (1) (c) of Regulation (EU) No 1303/2013.

The lump sum is defined in relation to the number of policy instruments/action plans to be monitored in the project as indicated in the latest approved application form, as follows:

Number of policy instruments monitored	Lump sum for phase 2 for the whole partnership in EUR (total)
3	51,000
4	68,000
5	85,000
6	102,000
7	119,000
8	136,000
9	153,000

10	170,000
11	187,000
12	204,000
Etc.	etc.

The lump sum covers all staff, office/administration, travel and accommodation, external expertise and equipment costs related to the pre-defined phase 2 activities. It also covers all costs related to project closure. It is automatically included in the lead partner's budget in the application form before the subsidy contract is signed. With the last progress report, the lump sum will be automatically reported as lead partner expenditure, and the corresponding ERDF / Norwegian funding (ERDF: 85% of the total lump sum, Norwegian funding: 50% of the total lump sum) will be paid by the programme after approval of the last progress report if the activities and outputs are completed.

Points of attention:

The lump sum is allocated to the lead partner's budget. However, the partnership should share internally the lump sum, reflecting the partners' involvement in the phase 2 activities in a fair and transparent way (e.g. taking into consideration the lead partner's overall coordination role, the tasks sharing among the partners e.g. who is actually in charge of organising the partner meeting and final conference, the participation of advisory partners etc.). The details of how the lump sum will be shared need to be included in the project partnership agreement.

In case of failure by the project to produce the outputs in accordance with the requirements, the entire lump sum will be cancelled. In case of partner's drop-out with no replacement, the lump sum will be adjusted according to the updated number of policy instruments monitored in the revised application form.

The lump sum covers only the costs related to the pre-defined activities of phase 2 indicated in the latest approved application form.

It is essential that the projects pay all the costs related to activities carried out in phase 1 by the end of phase 1 since no real cost reporting should occur in phase 2. This means that all expenditure related to phase 1 activities must be paid out by the end date of phase 1 so that it can be included in the last progress report of phase 1. Therefore, projects should not schedule any content-related activities close to the end date of phase 1. The finalisation of phase 1 activities and the last payments often require more time than expected. The action plans should, for example, be finalised, at the latest, three months before the end of phase 1. Also the last project meeting of phase 1 should ideally be scheduled three months before the end of phase 1.

Supporting documents for the verification of expenditure (first level control)

The MA/JS will carry out the first level control in relation to the lump sum. Therefore, the MA/JS is responsible for checking the delivery of the outputs on the basis of which the lump sum is granted, in accordance with the requirements listed in the table below. The supporting documents proving the delivery of outputs will have to be submitted for control purposes to the JS with the final progress report.

Supporting documents to prove that the expenditure has been incurred and paid are not required. The first level control will entirely focus on the proof of delivery of the below listed outputs.

Output	Requirement for lump sum payment
1 detailed description of the action plans implementation including for each policy instrument: - Results achieved - Details on the different actions implemented - Proper justification in case no implementation / results can be reported	Information provided in the last progress report approved by the JS
1 website updated	Website updated in relation to phase 2 activities (e.g. partner meeting, final dissemination event, if possible information on action plans implementation)
2 progress reports - for last semester of phase 1 - annual report for phase 2	Progress reports submitted by the project and approved by the JS
1 final dissemination event	Event with - a minimum of 40 participants for projects addressing 3 to 6 policy instruments and - a minimum of 50 participants for projects addressing 7 policy instruments and more. As evidence, the project must provide with the last progress report the final agenda of the project dissemination event and the list of participants (signed or with equivalent probative value)

1 partner meeting (back-to back with the final dissemination event)	90% of the partners represented proven through a partner meeting agenda, meeting notes and participants' list (signed or with equivalent probative value)

7.5 Other budget and eligibility rules

7.5.1 VAT

In accordance with Regulation (EU) No 1303/2013 Article 69 (3), VAT is not eligible except in the case where VAT is non-recoverable under national VAT legislation. In practice, if a partner can recover VAT (regardless whether s/he actually does or not), all expenditure reported to the programme has to be reported without VAT.

7.5.2 Fines, financial penalties and expenditure on legal disputes and litigation, exchange rate fluctuation, interest on debt

Fines, financial penalties and expenditure on legal disputes and litigation, as well as interest on debt are **not eligible** in accordance with Regulation (EU) No 1303/2013 Article 69 (3) and Regulation (EU) No 481/2014 Article 2 (2)

Also, costs related to the fluctuation of foreign exchange rates are **not eligible**.

7.5.3 Contributions in kind

In the Interreg Europe programme, contributions in kind, i.e. provision of works, goods, services, land or real estate for which no cash payment has been made (e.g. unpaid voluntary work) are **not eligible**.

Staff costs for personnel working in one of the partner institutions (officially listed in the application form) on the basis of an employment contract and receiving a regular salary do not count as in-kind contribution, but as a cash contribution, since staff costs are actually paid by the partner institution.

7.5.4 Net revenues

In accordance with Regulation (EU) No 1303/2013 Articles 61 and 65, if a project generates net revenue for example through services, conference participation fees, sales of brochures or books, it must be deducted from eligible costs in full or pro-rata depending on whether it was generated entirely or only partly by the co-financed project. The ERDF funding is calculated on the basis of the total cost after deduction of any net revenue.

7.5.5 Expenditure already supported by other EU or other national or regional subsidies

Any expenditure which is already 100% co-financed by another EU-funding source or a national or regional subsidy is not eligible in the context of an Interreg Europe project (double-financing).

In case that an expenditure is already partially co-financed by national or regional sources, the activities and related costs can only be considered as eligible for Interreg Europe if the national or regional subsidy does not exceed the partner contribution share for that expenditure (15 or 25% depending on the legal status of the partner). In this case, the national or regional funding institution has to be notified.

7.5.6 Public procurement

During the implementation of a project, virtually all project partnerships buy goods and services externally. For example, external auditors are hired to carry out the first level control, a project, finance and communication manager is hired to assist the lead partner with the organisational and administrative aspects of project implementation, catering and technical equipment for conferences and meetings is ordered etc. Whenever purchases are made and contracts are awarded to external suppliers, project partners have to be in a position to demonstrate the good use of public funds. The principles of transparency, non-discrimination and equal treatment have to be respected and conditions of effective competition must be ensured. Three levels have to be taken into consideration:

- the EU public procurement directives
- national rules
- internal rules of the partner organisation

As a matter of principle, the strictest rules must always be applied.

The public procurement rules define the tendering and publicity procedures applicable to different threshold values. Each contract should be awarded on the basis of objective criteria which ensure compliance with the principles of transparency, non-discrimination and equal treatment and which guarantee that tenders are assessed under the conditions of effective competition.

Project partners should be aware that these fundamental principles also apply for purchases and subcontracted activities below the threshold values. Basically, both below and above the thresholds the main difference for public contracts is the degree of publicity and formality of the tendering procedure: in certain cases, a request for three offers ('bid-at-three') might be sufficient whereas for others it may be necessary to announce the tender in national/ regional media or EU wide, etc.

Central to ensuring adherence to the public procurement rules is the tender documentation, which usually consists of the following:

- Terms of reference (sufficiently specified, including clear information to candidates on award and weighting criteria);
- Request for offers or procurement publication/ notice;
- Offers/ quotes received;
- Report on assessment bids (evaluation/ selection report) incl.
  - justification for the procedure chosen in the light of the identified needs,
  - evaluation of the offers in the light of the previously announced award and weighting criteria;
- Letters of acceptance and rejection;
- Contract, including any amendments and/or renewals (with evidence that these did not distort competition in the relevant market' and that there was no modification of the object of the initial contract);
- Evidence that the payments made match the contract (invoices and proof of payment);
- Proof of delivery of goods or services.

Points of attention

- Public procurement rules and principles are applicable to all public authorities and bodies governed by public law and therefore also apply in the context of their participation to an Interreg Europe project.
- Private non-profit bodies participating in an Interreg Europe project also have to be able to prove how they awarded project-related contracts in compliance with the relevant national rules and guidelines as well as their own internal rules and the principle of sound financial management. The strictest rules shall apply.
- Evidence has to be available that the choice made regarding publicity requirements (sufficient degree of advertising) is in compliance with the EU Directives and the national applicable legislation (depending on the thresholds). Project partners are required to keep a record of every step of the public procurement procedure for first level control and audit purposes.
- The greater the interest of the contract to potential bidders from other Partner States, the wider the coverage should be. So, depending on the nature of the services and goods, an EU-wide advertising may be required, even if the value of the contract is below the EU-threshold.
- The applicable tendering procedure changes are applied according to the contract value. When calculating the value of a contract, the maximum total amount that may be paid during the entire contract period (incl. renewal periods) needs to be estimated.
- When establishing the contract value, the project partner has to take into consideration all (potential) contracts of the same type that the partner organisation has implemented or will implement during the financial year.
- A procurement may not be divided into several smaller procurements with the purpose of fitting them individually into the value range applicable to direct awarding.
- If a direct award procedure is used for reasons of urgency, it has to be proven that the urgency is due to unforeseeable circumstances. Insufficient planning by the project partner does not justify a direct award.
- If a direct award procedure is used for technical/ exclusivity reasons, it must have been ruled out that any other supplier than the one being contracted is capable of providing the requested services. This elimination procedure must be based on objective criteria. With regard to project management services for example, a direct award of procedure for technical reasons/exclusivity cannot usually be justified. The fact of having worked already with a certain external provider in the past, having been satisfied by the work quality and wanting to benefit from the knowledge the provider acquired thanks to having worked with the partner organisation in the past and on similar subjects does not represent sufficient justification for a direct award. If objective proofs do not exist, an open tender still has to be organised. Its outcome will then prove if there is really no equivalent alternative on the market.

To avoid any loss of ERDF, projects have to be in a position to prove the awarding of contracts in compliance with public procurement rules. Due to the complexity of public procurement rules, project partners are invited to work closely with their legal department to ensure compliance.

Preventing fraud in public procurement

As highlighted in section 7.8 below the programme recommends project partners to pay particular attention to fraud risks in the area of public procurement.

In order to prevent and detect potential fraud in this area, project partners are recommended:

- to ensure the proper application of their internal conflict of interest policy (e.g. through conflict of interests declarations, conflict registers),
- to perform checks on companies participating in a tender in particular to prevent conflicts of interest , detect interlinked companies submitting tenders (e.g. checking general websites, online companies registers, etc.)
- to have measures in place to detect persistently high or unusual bid data (e.g. bid evaluators that have a knowledge of the marketplace) and verify the plausibility of the price of activities/services (e.g. comparison with similar contracts, online price comparison tools).
- to perform checks on goods and services provided in particular to verify compliance with tender specifications, the prices quoted and the actual delivery of activities/services (e.g. request if needed additional information on staff involved, time spent, etc.).
- use standard unit costs for regularly purchased supplies/ services.

In addition, for all public procurement above the lowest applicable threshold, partners should implement a robust internal control system, in line with the proportionality principle, to avoid in particular:

- irregular split purchases;
- unjustified direct awards;
- irregular extensions of contract;
- irregular amendments of existing contracts;
- the leaking of bid data;
- that bid specifications are too narrow;
- that procurement procedures are not followed.

This should involve the internal review of all public procurement procedures above national and EU thresholds. For example, it is recommended that contract awards or amendment of existing contracts are reviewed by a secondary mechanism within the partner organisation other than the selection panel (e.g. senior level personnel within the beneficiary). Another measure could be that evaluation boards are comprised of senior management personnel who are rotated, with some level of randomness in their selection for participation.

Similarly, if the partner organisation owns an internal audit function, it is recommended that the relevant service/ person regularly reviews the implementation of internal controls over procurement.

Moreover, on top of the minimum requirements defined by the applicable European and national public procurement law, the programme recommends project partners to ensure:

- a high level of transparency in the award of contracts (e.g. publication of all contract information that is not publicly sensitive);
- that the tender process includes a transparent bid opening process and adequate security arrangements for unopened tenders (in order to avoid the manipulation of bid data).

7.5.7 Financing of joint activities

The principal recommendation is that projects should share tasks and not costs. Experience has shown that it is much more efficient to allocate tasks, which are of common benefit for all project partners (project management, project dissemination events etc.), equally among the partnership instead of sharing the costs for those tasks. It is nevertheless also possible to share costs between the partners, but a contracting-partner-only- principle applies to the budgeting and reporting of these costs. In practice this means that:

- the contracting partner is the only one that budgets, actually pays and reports 100% of the cost item of joint benefit and that receives the related ERDF.
- all the other partners can decide to reimburse the share of the cost that is not covered by the ERDF to the contracting partner. However, the other partners cannot claim this reimbursement in their report because the total ERDF share has already been paid to the contracting partner. It is nevertheless advised to agree on the procedures and the shares of such contributions in the project partnership agreement

Points of attention

- The sharing of the partner contributions with the partners reduces the share of national financing that the contracting partner can receive from its national / regional sources (the relevant funding bodies have to be informed in order to avoid double-financing).
- Attention should be paid to partners that receive financing from other national or regional sources. Because the payment of the share of the partner contribution to the contracting partner is not included in the other partners' reports, this means that they do not receive any reimbursement from their national/ regional sources for this payment to the contracting partner. Such specific circumstances show why it is much more beneficial for projects to share tasks and not costs.

7.5.8 Use of the euro and exchange rates for partners located outside the Eurozone

All financial reporting and project follow-up will be in euros. This includes that expenditure has to be reported to the joint secretariat in euros and the programme will pay all ERDF and Norwegian funds in euros.

In accordance with Regulation (EU) No 1299/2013 Article 28, partners incurring expenditure outside the euro zone will have to convert this expenditure into euros. The online form system iOLF will automatically apply to expenditure declared in currency other than euro **the exchange rate of the Commission applicable in the month the partner report is submitted for verification to the first level controller in iOLF.**

The monthly exchange rates of the Commission are published on:

http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm

7.5.9 Gifts

Pursuant to Regulation (EU) No 481/2014 Article 2, gifts are not eligible, except where related to promotion, communication, publicity or information. In this context, it is important to keep in mind that the EU logo/ project logo **does not** transform a gift automatically into promotional material. Any such

material has to serve a very specific communication activity (depending on the content) and the value of the material has to be below **EUR 50 per recipient**. **In any case, the production of promotion, communication, publicity or information material requires prior approval of the joint secretariat** (for further information see section 8.2.1).

7.5.10 Ownership of results and intellectual property rights

As a general principle and in the spirit of cooperation and exchange in Interreg Europe, project results (e.g. studies, policy recommendations, good practice guides) are expected to be freely available to the public. A wide dissemination of project outputs amongst a wide European public, whether they are partners of the project or not, is not only desirable but is also what the European Commission expects from the projects. As a logical consequence, any commercial use of the project results by the project partner(s) would be in contradiction to the general mission of the programme.

It is nevertheless possible that partnerships will wish to protect their project results from further development and commercial use.

Projects should make use of the project partnership agreement to make the necessary provisions for questions on ownership and intellectual property rights. The project partnership agreement template includes a paragraph which by default indicates shared ownership among all the project partners.

7.5.11 Financing activities outside the programme area

The Interreg Europe programme area covers all EU Member States, Norway and Switzerland. In principle, all activities of a project should take place within this programme area. If a project plans to finance activities or events outside the programme area, this is possible in justified cases. If activities (including travel) or events are planned outside the programme area, the following conditions need to be fulfilled:

- the activity and/or event are for the benefit of all partners, in particular with a focus on the improvement of their regional development policies;
- the implementation and/or the relevance of the activity or the event have been approved by the programme beforehand.

Due to the nature of Interreg Europe's projects, all approved activities carried out outside the EU will be capacity building and/or communication activities and will therefore comply with article 20 of Regulation (EU) No 1299/2013.

Point of attention

From experience, the most common activities outside the programme area concern the participation in conferences or events outside the EU, Norway or Switzerland. If project(s) (partners) wish to participate in such events, an approval by the joint secretariat before such participation is necessary. Such activities should preferably already be planned and justified in the application form. If no approval has been obtained ex-ante, the expenditure cannot be accepted by the programme.

7.5.12 Awards/ prizes

If project(s) (partners) wish to carry out competitions for which they plan to give awards/ prizes, prior approval by the joint secretariat is necessary. Any award/ prize and the costs linked to it should be

planned in the application form. If the programme did not approve such an activity ex-ante, the expenditure cannot be reimbursed by the programme.

7.5.13 Partners not reporting expenditure

In cases where project partners do not report any expenditure after 2 semesters having been in an Interreg Europe project and in the absence of justified reasons for this non-reporting they will receive a warning from the programme. The warning will be issued to the lead partner of the project after the submission of the relevant progress report. In case the concerned project partner does not report expenditure in its third progress report and cannot provide evidence that this is due to circumstances outside its responsibility, the budget of the project partner will be reduced in relation to its spending plan. The decision on the budget cut will be taken by the monitoring committee.

7.6 Accounting for project expenditure[35]

In order to receive ERDF, all expenditure to be reported by a project has to be verified beforehand. The next section provides guidance on the accounting principles that apply to the Interreg Europe project.

- Expenditure can only be reported if the following principles are respected (with the exception of administration costs and the lump sums for preparation costs and for the predefined phase 2 activities - the latter for 4th call projects only):
- The calculation is based on actual costs.
- The costs are definitively borne by the partner body and would not have arisen without the project.
- The expenditure has actually been paid out before the end of the reporting period. Expenditure is considered to be paid when the amount is debited from the partner institution's bank account. The payment is usually proven by bank statements. The date when the invoice was issued, recorded or booked in the accounting system does not count as a payment date.
- The expenditure is directly linked to project implementation and necessary for successful project implementation.

The lead partner and the partners must ensure that all accounting documentation related to the project is available and filed separately, even if this leads to a dual treatment of accounts (for example, if the usual accounting management requires central filing, a copy should also be kept in a separate file to allow quick access to the project's supporting documents).

[35] Where costs are reimbursed based on a lump sum or flat rate, please refer to the specific section above (see section 7.2.2 Office expenditure, 7.3 Preparation costs, 7.4 Lump sum for phase 2 pre-defined activities (4th call projects only)

Accounting documents

The following list gives an overview of the documents that have to be available for financial control and audit purposes and retained for a minimum period, which will be indicated in the project closure notification:

- approved application form
- subsidy contract (original at lead-partner level, copy at project-partner level)
- project partnership agreement (original)
- relevant project correspondence (financial and contractual)
- progress reports
- details on budget by partner
- list of expenditure (including list of contracts) by partner
- independent first level control certificate
- independent first level control report (incl. control checklist) (all at lead-partner level, individual at project-partner level)
- bank account statements proving the reception and the transfer of EU/Norwegian funds
- invoices or documents of equivalent probative value (e.g. payslips for staff costs)
- bank account statements / proof of payment for each invoice
- proofs for delivery of services and goods: studies, brochures, newsletters, minutes of meetings, translated letters, participant lists, travel tickets, etc.
- evidence that the publicity requirements have been respected (see section 8.1.2)

Depending on the budget line, the following documents should also be available:

- staff costs: calculation of hourly rates, information on actual annual working hours, labour contracts (including a job description, if applicable), payroll documents and time records of personnel working for the project or mission letter (if applicable)
- administration: no documentation necessary, because of the applied flat rate
- travel and accommodation: travel expense claims, evidence that the journey took place (e.g. boarding passes, train tickets)
- external expertise and services: list of contracts and copies of all contracts with external experts and/or service providers, documents relating to public procurement (public procurement notes, terms of reference, offers / quotes, evaluation reports, order forms, etc.)
- equipment: record of assets, physical availability of equipment purchased in the context of the project, calculation method in case of depreciation or if the equipment cost is allocated to the project on a pro-rata basis, documents related to public procurement.

In the context of the project an overview of the amounts reported must exist in computerised form. It must be possible to clearly identify which expenditure has been allocated and reported for the project and to ensure that expenditure is not reported twice (in two different budget lines, reporting periods, projects/funding schemes). This clear identification is ensured through:

- a separate accounting system or
- an adequate accounting code for all expenditure relating to the project.

7.7 First level control: verification of expenditure to be reported[36]

Before submission to the joint secretariat, each progress report has to be verified and confirmed by an independent controller compliant with the first level control system set up by each Member State and Norway (in accordance with Article 125 of Regulation (EU) No 1303/2013 and Article 23 of Regulation (EU) No 1299/2013).

This verification is carried out by a first level controller, i.e. somebody who has the qualifications (usually auditors or certified public accountants) to verify that the expenditure connected to the project implementation was spent in compliance with the relevant EU, national, regional, institutional and programme rules. The main aim of the controls is to provide a guarantee for the managing authority, the certifying authority and, most importantly, to the project itself that costs co-financed under the Interreg Europe programme are accounted for and claimed in accordance with the legal and financial provisions of the subsidy contract, the approved application form, the Interreg Europe programme rules, national rules and EU regulations.

7.7.1 Designation of the first level controller

In accordance with Article 23 of Regulation (EU) No 1299/2013, it is the responsibility of each Member State and Norway to designate the controllers responsible for verifying that the expenditure declared by each partner participating in a project complies with the applicable law and the programme rules and that the funded products and services were delivered and paid. In practice, this means that each partner has to seek confirmation of the reported expenditure from a controller who is authorised by the respective Member State or Norway (e.g. for an Italian partner, Italy has to provide the authorisation of the first level controller). The details for each Member State and Norway can be found on the programme's website.

The main principle is that the controllers have to be independent and qualified to carry out the control of project expenditure. In order to be considered independent, the controllers have to fulfil certain criteria. An internal controller, if authorised by the Member State or Norway, has to belong to a unit which is organisationally separated from the units dealing with project activities and finances. An external controller can only be considered independent if there are no other contractual relationships with the project or partner organisation that could lead to a conflict of interest.

With regard to the qualification of the first level controller, the partners have to bear in mind that the task of controlling project expenditure co-financed under the Interreg Europe programme goes beyond checking the accounts: it also involves a judgment on the compliance with ERDF, national and programme rules. The controllers are therefore expected to have a profound knowledge of controlling project expenditure under the Structural Funds regulations as well as a good knowledge of English (considering that all programme documents and reports are in English). The country-specific control requirements are binding and provide further conditions concerning the choice of first level controller.

If an external controller is selected by the project partner, this controller has to be designated in accordance with public procurement rules.

In principle, there are four general models[37]:

- centralised control at Partner State level through a public administrative body
- centralised control at Partner State level through a private audit firm

[36] Regarding the lump sum for phase 2 pre-defined activities (4th call projects only), please refer to section 7.4.
[37] In some Partner States mixed systems exists.

- decentralised control through controllers from a central shortlist
- decentralised control through an internal or external controller selected by the project partner and approved at relevant level.

In Partner States with decentralised control systems, each appointed first level controller has to be designated in the programme's online form system (iOLF) **by the approbation body designated by the Partner State.**

The detailed requirements per country can be found in the section 'in my country – First level control information' on the Interreg Europe website.

7.7.2 Role of the first level controller

The first level controllers' task is to verify that the expenditure reported by the partners in each progress report fulfils the following conditions:

- the costs are eligible,
- the conditions of the programme, approved application form and subsidy contract have been observed and followed,
- the invoices and payments are correctly recorded and sufficiently supported,
- the related activities, sub-contracted supplies and services are in progress or have been delivered or carried out,
- the community rules have been respected especially with regard to information and publicity, public procurement, equal opportunities and protection of the environment.

The controllers have to be familiar with the content of the following documents in order to be able to confirm the compliance with the provisions laid down in:

- the EU regulations and directives, i.e. in particular with:
    - Regulation (EU) No 1303/2013 (Common Provisions Regulation)
    - Regulation (EU) No 1301/2013 (ERDF Regulation)
    - Regulation (EU) No 1299/2013 (European Territorial Cooperation Regulation)

- Regulation (EU) No 481/2014 (Eligibility of expenditure for cooperation programmes)
- EU Directives on public procurement

- further national rules and guidance (e.g. national public procurement rules)
- the programme manual
- the application form
- the subsidy contract
- the project partnership agreement

If there are amendments to the project application form, subsidy contract and project partnership agreement, the lead partners and partners have to ensure that the latest version is made available to the first level controllers.

The partner report is submitted to the authorised controller electronically in the programme's online form (iOLF). Each authorised first level controller is granted access to the programme's online form (iOLF) and has to certify electronically the partner report in iOLF.

The programme provides standard templates providing guidelines for the controllers during the control work, to ensure the application of the same quality standards and to document the control steps properly:

- A standard independent first level control certificate[38] (this includes an independent first level control certificate for the lead partner for their own (partner's) expenditure).
- A standard independent first level control report template with a control checklist, which has to be filled in by each project partner's first level controller (this includes one for the lead partner for their own (partner's) expenditure).

The standard templates mentioned above, in electronic format, are part of the partner report certified by the first level controller in iOLF.

These templates have been developed in a joint approach between European territorial cooperation programmes in order to bring greater harmonisation to the different strands of European territorial cooperation and were approved by the monitoring committee of the Interreg Europe programme. Therefore the text of the templates may not be amended or extended.

Furthermore the independent first level control report (incl. control checklist) template provides the minimum requirements for the controllers' checks and documentation, meaning those templates have to be filled and completed for each progress report by the first level controller in iOLF. Additional documents (e.g. documentation of checks on the basis of national rules) may be used by the first level controller, but have not to be submitted to the programme.

The first level controllers have to take into consideration that, by certifying electronically the first level control report (incl. control checklist) for a certain reporting period, they are confirming the full amount of eligible expenditure. This means that in principle first level controllers' check 100% of the expenditure, i.e. verify each individual expenditure item against source documentation. However, where justified, it is possible to sample expenditure items for verification for each report. In such a case, the sample could take into account risk factors like e.g. value of items, type of beneficiary, past experience, and it is complemented by a random sample to ensure that all items have a probability to be selected. The value of checked expenditure is the amount tested to source documentation. The sampling methodology used

[38] The first level control certificate mentions that the first level controller has to confirm that the verification of the project financial report was done "with professional scepticism". The notion of "professional scepticism" comes from the audit context and is commonly defined as "an attitude that includes a questioning mind and a critical assessment of evidence".

must be established ex-ante by the first level controller and it is recommended to establish parameters in order that the results of the random sample checked can be used to project the errors in the unchecked population. In case that material errors are found in the sample tested, it is recommended to extend the testing to determine whether the errors have a common feature (i.e. type of transaction, location, product, period of time) and then either extend the verifications to 100% of the reported expenditure or project the error in the sample to the unchecked population. The total error is calculated by adding the errors from the risk based sample to the projected error from the random sample.

In order to verify the correct application of simplified costs options[39] (i.e. the flat rate for administration costs and lump sum for preparation costs), first level controllers are not expected to check the reality of such costs themselves (not supporting documents need to be provided), but to verify that the project partner has complied with the programme rules (e.g. for administration costs: the presented staff costs are correctly calculated and 15% of them are reported as administration costs and that administration costs are not included in any other budget line). It is inherent in such fixed rates that they may on occasion overcompensate or undercompensate the costs actually incurred for the project.

Verifying the delivery of services, goods and work and carrying out on-the-spot checks

Is it an obligation to carry out on-the-spot checks?

The first level controllers have to verify that the reported activities have taken place, the delivery of sub-contracted supplies, work and goods is in progress or has been completed.

In accordance with Regulation (EU) No 1303/2013 Article 125 (5), this verification has to be done on-the-spot, at least once during the project's lifetime. At the same time, the Regulation stipulates that the means invested on 'on-the-spot' verifications should remain proportionate to the costs to be verified and the level of risk identified. Consequently, it may be legitimate to use sampling unless Partner State rules indicate differently for their first level control system (specific information can be found in the country-specific requirements on the programme's website).

For example, controllers who are involved in several operations (especially in the case of Partner States with a centralised first level control) sometimes establish criteria to classify their projects in order to optimise the use of on-the-spot checks. The classification could be carried out based on the following criteria:

- risk based, e.g.
    - size of partner budget/expected costs to be reported,
    - number of contracts involving important public procurement processes,
    - amounts of equipment items purchased,
    - involvement in other EU Programmes.
- random, e.g.
    - every second or third project
- oriented (further sub-criteria are defined), e.g.
    - the complexity of the project management due to its number of partners,
    - general quality of the partner's reporting documents,
    - reporting problems already encountered

[39] The MA/JS will carry out the first level control in relation to the lump sum for the predefined phase 2 activities (see also section 7.4)

In any case, it is important to document in the independent first level control report (incl. control checklist) the check on the existence and reality of goods, works and services procured, the type of evidence viewed and the method chosen. If a first level controller decides not to carry out an on-the-sport check for a partner at all, sound justifications have to be documented.

Why are on-the-spot checks useful?

The Interreg Europe programme typically supports activities such as meetings, seminars, studies, good practice guides, which therefore mainly involve staff, administration, external expertise and travel costs (financing of heavy investment or major equipment items does not apply in Interreg Europe projects). Administrative verifications can provide assurances to a large extent, but they cannot always cover everything.

The on-the-spot check usually focuses on two aspects, which can help to assure the proper implementation of the project:

1. The good functioning of internal processes and systems related to the approval, ordering, accounting and payment of reported costs.

   An on-the-spot check gives a better understanding of the supporting documents, the project and the partner organisation: interviews and walk-throughs can be conducted, which means that a certain process can be traced from the beginning to its end inside the partner organisation with the people responsible, such as public procurement processes from the launch of the tender to the selection, contracting and final delivery of the contract or a payment process from the ordering of the service to its delivery, invoicing, registration in the accounting system and final payment. Moreover, original documents (invoices, timesheets) can be accessed.

2. The existence and delivery of goods and services

   The staff working on the project can actually be met. Outputs such a publications, equipment items etc. can be reviewed in more depth. Supporting documents such as staff contracts, bank statements as payment proofs and procurement documents can be reviewed and accessed more easily.

On-the-spot checks also accelerate the verification process: it avoids the sending of documents back and forth and thus helps to save paper and time; initially missing documents can be provided straight away.

7.7.3 The role of the lead partner in the control process

Following the lead partner principle as indicated in the Regulation (EU) No 1299/2013, Article 13 (2), the lead partner bears the overall responsibility for ensuring the implementation of the project. When submitting a joint progress report, the lead partner has to:

- ensure that the expenditure reported by the partners has been incurred in implementing the project and corresponds to the activities agreed between all the partners, i.e. is in line with the application form and subsidy contract. Any deviations from the application form, should they exist, have been properly reflected and justified in the progress report.
- check that amounts and activities reported are correctly integrated in the joint progress report and that they give a correct description of the implementation and present status of the project.

- ensure that the expenditure reported by partners has been verified by a controller in line with the country-specific requirements for first level control.
- check that each partner report (including the independent first level control certificate, independent first level control report (incl. control checklist) and list of expenditure) is correct and complete.

Such a verification does not imply re-performing the checks already carried out at partner level considering that the financial control is the responsibility of the Partner State. However, it is still up to the lead partner, due to its particular role and knowledge of the project as a whole, to gain some assurance by screening the information available to it (partner report and outputs, independent first level control report (incl. control checklist), list of expenditure). In cases of doubt, the lead partner has to clarify the matter with the partner (and the relevant first level controller) before the cost item is actually included in the joint progress report submitted to the joint secretariat.

7.7.4 Timing of first level control

The project (through the lead partner) is required to submit the progress report within three months after the end of each reporting period (see section 6.2). Project expenditure must therefore be verified within this timeframe. In order to ensure timely submission, the controls at project partner and lead partner levels have to be scheduled carefully in relation to the submission deadlines.

In this context, it is important to keep in mind that;

- expenditure has to be reported regularly, i.e. during the reporting period in which it is incurred,
- the project partner's controller can only carry out the control after receipt of all the documents from the partners,
- Some project partner's controllers have fixed time limits for carrying out the control, which have to be respected when the partner report and the relevant documentation is submitted (and limits for potential clarifications),
- the lead partner can only submit the progress report after having received and checked the partner reports from the partners reporting expenditure.

Given the points above and the complexity of reporting procedures, it is crucial that projects establish a clear timeline for the reporting procedure. The programme recommends that:

- within two weeks after the end of the reporting period: submission of the partner report from the project partner to the first level controller, including relevant supporting documents submitted outside of the online form system iOLF. Point of attention: in many centralised first level control countries, the verification is carried out on a first come, first served basis. Hence for those partners, it is obviously most important to submit documents shortly after the end of a reporting period. Partners should already towards the end of a reporting period have established a timeline with their first level controllers, in order to avoid any bottlenecks.
- after receipt of the partner report and content input from the partners, the lead partner has sufficient time left to compile the progress report and, in cooperation with the partners, clarify any open points or questions in the reports. As a final step, the lead partner submits the progress report to the programme.

7.7.5 First level control costs

Control costs for the verification of expenditure are considered eligible if there are no stricter national rules established at partner state level. Projects should therefore earmark a budget for these controls depending on the control arrangements applicable in the relevant Partner States (EU Member States and Norway) for each of the project partners; this point should be carefully checked in the specific-country requirements available on the Interreg Europe website.

Points of attention:

- Internal independent control should be included under the budget line 'staff'. For example, if the accounting department of a county council carries out the first level control for the environment department of the county council, the expenditure would be reported under the budget line for staff costs, in accordance with applicable rules for staff costs, because the person(s) carrying out the verification are on the payroll of the partner institution.
- The expenditure for an external independent first level controller would be reported in the budget line 'external expertise and services'. For example, the environment department of a county council subcontracts an external accountant, in compliance with the relevant public procurement regulations. As this first level controller is not directly employed by the partner institution, the expenditure has to be reported in the budget line external expertise and services.

In order for the control costs for the last progress report to be eligible, **the activity** (first level control) has to be carried out **AND the payment has** to be made before the official end date of the project. For further information please see section 6.4 of the programme manual.

7.7.6 Financial correction carried out by the project and recovery procedure

A financial correction has to be carried out and documented by the project in exceptional cases where expenses were wrongly declared in a progress report approved by the joint secretariat**.**

In such a case the project should get in touch with the joint secretariat immediately to discuss the next steps.

If the partner concerned by the amount to be corrected reports costs in the following report, this amount will be deducted in that report. If the partner does not report costs in the following report but there is an open claim for the same partner in another project, the possibility of recovering the amount from this other project progress report will be considered.

If the partner concerned does not report costs in the following report and there is no other open claim for this partner, the correction will nevertheless have to be made in the following progress report and deducted from the payment to the lead partner. The lead partner will then request the reimbursement of the concerned amount to the project partner, based on the project partnership agreement. This request should be followed up with a reminder if the partner does not reimburse the lead partner in due time (see also next paragraph).

If it is not possible to deduct the unduly paid amount from an open progress report (e.g. if the project is closed), a letter will be sent to the lead partner to request the reimbursement of this amount to the programme within one month. Based on this letter and the project partnership agreement, the lead partner should immediately send a request to the partner concerned to reimburse the unduly paid amount within a maximum of three weeks. It is of utmost importance the lead partner follows this timeline very closely and makes sure that it is respected by the concerned partner(s), including through regular reminders.

7.8 Second level audit / Sample checks on projects

Every year between 2017 and 2023, sample checks on projects will be carried out to verify that projects have correctly declared expenditure in the progress reports. These checks will be done under the responsibility of the audit authority assisted by a group of auditors with at least one representative from each participating country. The actual checks will be sub-contracted and carried out by a private audit firm. The purpose of these checks is to detect mistakes in the accounting records at the level of individual projects and, on that basis, to obtain an overall picture of whether the management and control procedures and documents set up at programme level are being applied and that they allow the prevention and correction of potential weaknesses and errors.

Should a project be selected for a sample check, it is incumbent on both the lead partner and on the other partners to cooperate with the auditing bodies, present any documentary evidence or information deemed necessary to assist with the evaluation of the accounting documents as well as to give access to business premises.

Besides the sample checks explained above, other responsible programme bodies such as the European Commission's audit services, the European Court of Auditors, national bodies, managing authority/joint secretariat, certifying authority may carry out audits to check the quality of the project implementation and in particular its financial management regarding compliance with EU and national rules. Projects may be checked even after the project has ended. That is why it is important to ensure good documentation and safe storage of all project documents at least until the date indicated in the project closure notification.

7.9 Interreg Europe anti-fraud policy

The managing authority has a zero tolerance policy to fraud.

The EU treaty defines fraud, in respect of expenditure, as an intentional act or omission related to:

- the use or presentation of false, incorrect or incomplete statements or documents, which has its effect the misappropriation or wrongful retention of funds from the EU;
- non-disclosure of information in violation of a specific obligation, with the same effect;
- the misapplication of such funds for purposes other than those for which they were originally granted.

The programme is strongly committed to prevent and detect cases of fraud[40]. For this reason, the programme has set up robust control systems, measures and procedures and will follow-up on all cases of suspected fraud. We also encourage all partners, first level controllers, contractors to do their outmost to prevent fraud from happening, to put in place proportionate measures to detect it and to come forward with any suspicion of fraud in relation to the programme.

For first level controllers a specific programme template is available (see annex 4 of the programme manual) to report cases of suspected or established fraud to the programme.

[40] "The term fraud is commonly used to describe a wide range of misconducts including theft, corruption, embezzlement, bribery, forgery, misrepresentation, collusion, money laundering and concealment of material facts. It often involves the use of deception to make a personal gain for oneself, a connected person or a third party, or a loss for another - intention is the key element that distinguishes fraud from irregularity." (EGESIF_14-0021-00 - Guidance on "Fraud Risk Assessment and Effective and Proportionate Anti-Fraud Measures")

A whistleblowing procedure is also put in place to allow partners and members of the public to report to the managing authority any suspicion of fraud, by sending an email to a dedicated email address. This email address is published on the programme's website under the section concerning the programme's anti-fraud policy. It should be noted that this whistleblowing procedure does not replace national legal actions that may be introduced in parallel (for instance, a potential contractor may also consider taking legal action to request the cancellation of a public procurement procedure that is considered irregular or fraudulent).This procedure also does not have any impact on the time limits for such legal actions.

The programme recommends project partners and first level controllers pay particular attention to staff costs (e.g. plausibility of staff costs in light of the activities performed, risk of double financing) and public procurement (e.g. potential conflict of interest, splitting of contracts - see also section 7.5.6) as they have been identified as the two most risky areas for irregularities and fraud in Interreg Europe. This is the reason why the FLC checklist tackles fraud risks in these areas. The programme and national authorities as well as the second level auditors may also carry out targeted verifications concerning project partners to identify potential risks of irregularities or fraud. These verifications may be done notably through the use of specialised IT tools such as the ARACHNE risk scoring tool provided by the European Commission.[41]

Further recommendations to prevent fraud in public procurement are detailed in section 7.5.6.

[41] Information on ARACHNE risk scoring tool can be found here : http://ec.europa.eu/social/main.jsp?catId=325&intPageId=3587&langId=en

8. Communication

The specific role of communication in ensuring the success of EU funded projects has come to the fore over the past decade. In the context of interregional cooperation, there have been several reasons for this:

- the increased interest from the European institutions (in particular the European Commission) to demonstrate to the wider public how European funds in general are being spent.
- the need for public authorities to demonstrate (even further) the added-value of allocating resources to cooperation, in a general context of reduced public spending.
- the results-oriented approach of the interregional cooperation programme, in particular to demonstrate the less tangible (but not less effective) policy results.

As a result project partners are required to dedicate sufficient time and resources to project communication, at all stages of the project development. 'Communications' must be understood as a strategic project tool, which contributes to achieving the project's objectives. It cannot simply be an 'add-on' at the end of the project. Each project is therefore required to develop its own communication strategy, leading to a specific mix of tools and actions, based on what they expect their project to achieve. There are still a number of minimum requirements to take into consideration, based on EU or programme regulations, but the driving force behind each communication strategy is to ensure the project is a known success.

To aid project partners, the following sections describe what is expected from a project communication strategy and its implementation. They provide useful tools and templates.

The programme also has its own communication strategy that can serve as a reference and a framework for the project communication.

8.1 Project communication strategy

A communication strategy is designed to help the project communicate effectively to achieve its core objectives. It provides a useful roadmap for identifying who needs to be reached, and what they need to hear, so as to ensure the project is a success. It entails a good deal of research, brainstorming and refining within the partnership even before the project begins; but the time invested in setting up a robust communication strategy will be repaid throughout the project's implementation.

Each project develops its own strategy for ensuring that its objectives are met. At the same time, projects are financed by the Interreg Europe programme and the European Regional Development Fund and thus are part of a bigger picture when it comes to communicating the effectiveness of policy learning (see objectives and the communication mix of the programme communication strategy for reference).

The project's communication strategy is also an important part of the application form. Partners have to provide information for example about their communication objectives, target groups and activities. All activities planned in the strategy must be consistent with the other project activities. The communications should be a useful tool for the partnership to reach the main project goal(s) and for ultimately informing the general public in all the partner regions about their successes and achievements.

8.1.1 Developing a communication strategy

The project communication strategy needs to cover at least the following main sections:

- objectives
- target groups
- messages
- activities
- time plan
- budget
- evaluation

The project partners need to think about what needs to be done to persuade their stakeholders (and target groups) to change their behaviour and help push for a specific policy change. The selection and timing of the activities, carrying the right project messages to carefully selected target groups, constitutes the communication strategy.

What objectives should be set?

Communication needs to be goal-driven. We communicate to achieve or change something; therefore it is important to define communication objectives properly in advance. It is important to make a difference between the project objectives and communication objectives, but the former determine the latter.

The starting point is to understand and define what the project partners want to achieve by participating in the project. What policies do the partners want to improve and make more efficient? Then they should develop project-specific communication aims. What do they need to communicate that will help them bring about the policy improvement?

The **project objective** describes the project's intended and direct outcomes – what can be directly attributed to the effect of the project: for example an updated transport strategy promoting electric vehicles or adoption of a new funding tool supporting young innovators.

The **communication objectives** describe how communications can help deliver the project aims.

Communication objectives for policy-learning projects can be often linked to:

- raising awareness
- changing behaviour or mind-set
- disseminating knowledge

Remember that Interreg Europe projects aim to change policy, so actions to change behaviour may focus on the policymaker. Any actions relating to implementing the policy change are beyond the scope of Interreg Europe.

At the same time, it is not sufficient for a project to define its objectives as "to raise awareness" or "to communicate our activities and results". Communication objectives need to be **SMART**, which stands for clearly defined, detailed, achievable and measurable.

A SMART objective for the project in general can be, for example:

"Increase rate of business creation among young people in participating regions by 15% on average by 2019 through modifying policy instruments addressing the issue."

A **communication objective** such as this can follow:

"Persuade policymakers that youth entrepreneurship remains a political priority (sign action plan detailing willingness to implement change – 4 signed by 2017)."

S – Specific	among young people/ youth entrepreneurship
M – Measurable	increase by 15% on average/ 4 action plans signed
A – Appropriate	through modifying policy instruments/ by persuading policymakers
R – Realistic	increase rate of business creation/ sign the action plans
T – Timed	by 2019/ by 2017

Its ultimate goals could be to inform public policy on a particular topic, to change the opinion of certain stakeholders or to raise public awareness about a specific issue.

In addition, it is necessary to distinguish between internal and external communications objectives. Both need to be addressed: communication between the partners as well as communication which is targeted at stakeholders outside the project partner organisations or at the general public.

The programme also expects the partnership to approach the two phases of the project differently in terms of communication:

- During the first phase, the communication strategy should focus on informing and involving all the relevant stakeholders that can help the project to successfully improve the selected policy instruments and programmes.
- During the second phase, project communication should follow the implementation of the action plans and inform others about it. Near the end of the implementation monitoring phase, the project should present all the achievements at an event with high-level political participation to illustrate policymakers' active involvement in the project's work.

Care should be taken not to set too many objectives, or to risk overreaching with communication ambitions.

Identify your target groups

The key audiences with which the project needs to communicate are called 'target groups'. These groups all have different characteristics and needs. To be effective, it is important to know precisely who the project needs to address and to think about the target groups every time the project communicates.

How to define target groups?

Target groups can easily be identified by developing a list of important people and organisations that need to know about the project and its work. All partners should be included in this brainstorming exercise!

Examples of well-defined target groups could be “politicians and public officials dealing with innovation management”, “regional business support organisations”, and “public transport authorities”. However, “EU”, “politicians”, and “academic institutions” are not specific enough. EU regulations insist on project beneficiaries’ communication with the 'citizen' or the 'general public' (EU Regulation No 1303/2013 Annex XII, Article 2). It is necessary to be specific about who this really is in a particular project, e.g. “young unemployed people under 26”; “households using renewable energy sources” etc. Finally, the media should not be considered to be a target group; they are a tool for conveying the project messages to the final audience.

The list of different target groups may be quite long, so performing an analysis will help in prioritising whom to target. Using a tool like the ‘stakeholder analysis’ grid (see figure below), the projects can plot the different audiences according to their current level of engagement/ interest in the issue tackled by the project, and their ability to influence the outcome of the project. The project needs to focus attention on those groups in the 'Key Players' segment of the template, and aim to engage further those who have a high influence on the project outcomes.

Tailor messages

Different target groups are reached using different tactics and different media. Messages need to be tailored to be appropriate for different target groups: what is relevant to local policymakers might not interest the general public. A good message will be immediately appealing to its target group: the wording should be carefully crafted so as to stand out from everything else that is competing for their attention.

At the same time, it is important to keep things clear and simple. The programme recommends no more than three messages at any time, otherwise the audience will suffer from an ‘information overload’ and fail to grasp any of the ideas communicated. Instead, to multiply the effect, it is better to send a few messages from different sources and on different occasions.

Messages can be in a form of a statement, idea or assertion: for example:

- "(x) is a problem and (y) is the solution."
- "Project (x) enables (stakeholders) to cooperate on improving (y)."
- "The work of project (x) is valuable because (y) and (z)."
- "(stakeholders) must share solutions on the issue of (x) because …"
- "(x) must take action on the issue of (y), otherwise (z) will happen."

Activities

What means should be used to transmit a particular message to a given target group? Is a brochure, conference, or video the best way to reach the target group? The partners should list the preferred or most appropriate communication channel for each of the target groups. Several channels will probably be suitable for the project's communication needs.

Activities may include a newsletter, a large conference, networking lunch, workshop, email alerts, press release, website, promotional literature, regional seminars, etc. The project has to include in the communication plan activities which are defined at programme level – project website, promotional poster, etc. (further defined in section 8.1.2 below).

The programme has a strict approach to producing promotional 'gadgets' or 'giveaways'. **Only communication material specifically required for reaching one of the defined target groups and objectives may be produced.** Such publicity material needs the prior approval of the joint secretariat.

Time plan

The project needs to develop an indicative time plan detailing when certain communication activities would best be carried out based on the project's overall milestones. This goes then to part D - Work plan of the application form. A smart combination of such activities with appropriate timing should help achieve the overall project objective of improving selected policies.

Budget

The budget for communication activities also needs to be planned in the application phase. The partners should go through all the planned activities and consider whether they are able to organise everything with their own staff or whether the expertise of an external service provider is needed. If the project chooses to contract external experts, this needs to be reflected in the 'External expertise and services' budget line. When budgeting for activities, the projects need to think about the costs of the selected activities and the benefits they bring to the project, as well as their added-value with respect to the other communication activities planned.

Evaluation

It is important to put tools in place to measure the impact of the different communication outputs and results, and to potentially improve the effectiveness of the communication strategy. This will enable project partners to propose effective result indicators and to measure them throughout the project lifetime. A certain number of indicators are pre-defined at programme level (see section 4.3.2) and they need to be reported through each progress report.

The programme recommends projects design their own communication indicators, based on their specific communication objectives, to be monitored internally by the communication manager.

Evaluation of such internal indicators will allow the partners to assess whether the selected communication approach and activities bring about the intended results and whether they help the project to reach its goals. Tips and advice on various evaluation methods will be provided by the programme.

The progress of the communication strategy will be one of the topics discussed during a mid-term project review, a meeting with the joint secretariat near the end of phase 1 (see section 6.2.3 on monitoring). Projects should be in a position to present to what extent their communication strategy is having an impact on project implementation or what corrective action has been taken to improve the strategy.

Summary for the application form

Once the communication strategy has taken shape, it will become an important part of the application form. Section C.5 of the application form requests a brief description of the communication strategy, along with an overview table with a list of communication objectives, related target audiences and planned activities, which should be taken from the project's communication strategy document. The programme expects one SMART objective per line in the communication strategy overview table, with its corresponding target group(s) and most relevant activities planned to reach this objective. One of the objectives will also cover internal communication within the project partnership.

8.1.2 Project branding and visibility rules

Interreg Europe uses a common programme visual identity. It is based on the harmonised branding for all Interreg programmes (learn more at http://www.interact-eu.net/download/file/fid/660 or see video at http://www.interact-eu.net/library/video-new-interreg-logo). Common branding is instrumental to the programme communication strategy by consolidating the achievements of Interreg Europe projects in particular, while increasing the visibility of Interreg in general. The projects Interreg Europe supports must therefore follow the programme's corporate design guidelines when developing their project communication tools. To this end, the programme provides each approved project with a communication toolkit, including:

- Project logo set
- Project poster template
- Suggested PowerPoint template
- Project website
- Project-specific branding guidelines

Logo and acronym

The Regulation (EU) No 1303/2013 (Annex XII, Article 2.2) requires all beneficiaries to follow a number of rules regarding the use of the logo of the European Union and the respective fund – ERDF in the case of Interreg Europe. The EU logo must always be visible in a prominent place (on the first/ landing page, visible, without scrolling, on all electronic and mobile devices) and of a comparable size to other logos used. Please check with the national representative if there are any national publicity requirements to be respected in addition.

The Interreg Europe project logo set already respects all the programme requirements, and all approved projects are obliged to use it on all their communication material (both hard copy and electronic), including material that results from their exchange of experience. Projects will receive their own logo set once they have been formally approved (see examples of project logos below). The Interreg Europe programme logo set can be downloaded from the programme's website: www.interregeurope.eu

The projects are requested not to develop their own project logo, because they have such a limited shelf life. Developing a logo is costly compared to the benefit such special branding can bring to the project during its lifetime and consolidating results becomes more difficult. A specific logo might however be considered for an output/ result with a lifetime going beyond the project. Prior approval of the joint secretariat would then be required.

A key component of the project's brand is the project acronym. It is therefore important to decide on an acronym that is short, easy to pronounce and associated with the project's theme, if possible. Project acronyms can be no longer than 22 characters in total, and no more than 11 characters per word. The project acronyms will also be used to create the project website url (see next paragraph) so the acronym should avoid using special characters (& ! . * etc) as these cannot be represented in the website address.

Project website

Interreg Europe designed, developed and hosts all project websites and their use is mandatory for each project. They are an integral part of the already existing 'mother' website: www.interregeurope.eu. **There is a close link between the project websites and the Interreg Europe website**. For example, news and events published on the project websites will appear as well on the Interreg Europe homepage level, thereby multiplying their reach.

Project websites will be a mix of information transferred directly from the programme's database, such as project description, partnership, information about the financing, and other information as requested in the EU Regulations (EU) No 1303/2013 Annex XII, Article 2; and sections to be customised by each project, such as extra pages or sub-pages, buttons and links to integrate external tools etc.

A standard site-map is in place, based on our analysis of project websites in the previous programming period (INTERREG IVC).

Menu bar:

Home button/About project section which includes:

Project summary field

Budget & duration details

Partnership on interactive map

Policy instruments details

News section

Events section

Good practices (if any submitted)

Library section

Contact us section with a possibility to link people to the project

Extra page(s) (with up to 2 pages, sub-level)

Examples of project websites can be found by searching the Interreg Europe 'Discover projects' section: http://www.interregeurope.eu/discover-projects/

The project partnership will be responsible for editing and updating their website. Administrator rights can be allocated to one or more users in the project. Project administrators are required to become members of the Interreg Europe community, as the website is administered via the 'front end' of the Interreg Europe website. Websites should be updated at least **once every six months**.

Administrators should pay special attention to the text used on the website. The style needs to be tailored to its purpose, that is, it should inform website readers about the project in a simple and reader-friendly manner. Full guidance on how to edit the project website is provided upon project approval.

The programme does not provide a newsletter tool, or an extranet or other password-protected section. The projects can develop other digital communication tools (e.g. newsletter) and link them to the predefined structure hosted by the programme. They have to be designed in accordance with the visual identity of the project website with the incorporated logo set of the programme. If project(s) (partners) wish to develop such digital tools, prior approval by the joint secretariat is necessary. Such digital tools should preferably be planned and justified in the application form. If this is not the case, projects are requested to consult the joint secretariat beforehand to confirm whether the additional costs are eligible and can be reported in the progress report.

The integrated system of programme and project websites is intended to ensure a more efficient interconnection between the project activities and the programme. The programme will ensure that the information published by the projects is searchable in a database comprising data from all Interreg Europe projects. This enables project news, events and library folders to be more readily integrated in the programme news/ events/ library section, resulting in higher project visibility. Finally, this integrated system of websites is intended to save the projects' financial and human resources needed for procuring and setting up a website.

The projects could envisage developing a separate website (and/ or a logo – see above) only if the project activities are expected to result in a self-standing tool with a lifespan reaching beyond the end of the project. Such a logo and a website would constitute a tool only, which will have to be linked to the project website under Interreg Europe. Any development of such a tool should be approved during the assessment of the project and requires a specific justification. Should its development be approved,

the tool must comply with the programme's publicity requirements. The development of such a tool is judged by the joint secretariat on its added-value to the project and its interregionality.

Institutional website

All project partners have to follow the requirements laid down in the Regulation (EU) No 1303/2013 (Annex XII Article 2.2 paragraph 2.a) and publish information about the project on their institutional website (where such a website exists). Project partners should provide a short description of the project, its aims and results, partnership, and highlight the financial support from the European Union (Interreg Europe/ ERDF). The information about the project has to include the programme logo set in a visible place, meeting the general visibility and publicity requirements of the programme. A link to the project website should be added for more information about the project activities.

Poster

Within six months of the approval of the project, each project partner has to place at least one poster with information about the project (minimum size A3), including the financial support from the ERDF, at a location readily visible to the public, such as the entrance area of a building (Regulation (EU) No 1303/2013, Annex XII Article 2.2 paragraph 2.b). First level controllers will check the application of this article. The Interreg Europe programme provides a downloadable template for the production of the poster. The poster template can be modified by the project partners at their own responsibility. The text of the poster can be translated into national languages.

The poster needs to stay visible for the whole duration of the project. The printing costs of the poster, and any eventual modifications, should be budgeted in the project application.

It is not acceptable to substitute the poster with a roll-up banner or digital screen.

Events

During events, projects should ensure visibility of the EU and the programme. The Interreg Europe project logo set has to be used on any agendas, list of participants, related hand-outs and presentations.

Publications

All electronic or printed material, such as booklets, leaflets, newsletters, studies, good practice guides, or presentations must display the Interreg Europe project logo set. This includes a clear reference to the ERDF funding in each publication. Templates of the standard communication material (poster, press release, and so on) will be available on the programme website.

Please note that if the visibility and publicity requirements are not observed or only partly observed, the related costs incurred may be considered ineligible for ERDF funding.

Further to Article 12 (2) of the subsidy contract, the programme does not require a disclaimer to be put on any publication that presents information already present in the application form (eg a flyer presenting the partnership and topic for cooperation). Any publication in relation to the project presenting new content (eg policy recommendations, good practice guides, case studies etc) must state that it only reflects the author's views and that the programme authorities are not liable for any use that may be made of the information contained therein.

8.2 Implementing the communication strategy

The implementation of the communication strategy should start as soon as the programme's monitoring committee has approved a project. The programme's minimum requirements for communication activities and reporting procedures for project activities in phase 1 and phase 2 are described below.

8.2.1 Communication tools and activities

There are many communication tools and activities available. In line with the programme's own communication strategy, projects are expected to develop at least the three following activities: online communication (website and social media), media relations, and public relations.

Website

The project website is a standardised communication tool for all projects. All projects need to update their website regularly with content designed to attract visitors during the whole course of the project (both phases). Applicants should note that **the average number of sessions at the project pages per reporting period** is one of the indicators that are predefined by the programme (see definition of the indicator in section 4.3.2).

Once the project website goes live, the programme will set up and send on a regular basis (monthly) a Google Analytics report with online traffic highlights. It will be up to the communication manager to keep a track and analyse these reports and adjust the communication activities if needed. For reporting purposes a table with project website performance is generated and regularly updated by the programme. It is available online:

https://drive.google.com/drive/u/1/folders/0B_2u8LvpD_IzTnFvOUVwLWxiYjQ?usp=sharing

The project website should serve as the main source of up-to-date information about the project (updated at least once every six months).

Projects have to:

- Edit project summary and description of policy instruments (homepage level)
- Publish news about the project's implementation and achievements
- Publish information about main project events (no later than two weeks before the event)
- Publish pictures, videos, documents/ publications about the project's work
- Publish digital project outputs
- Manage the social media section (if they should decide to use it)
- Keep records of their media appearances

With respect to the practical side of the website updates, the programme offers support in the form of:

- Full guidelines on how to edit content (use of the project administrator interface)
- Details about the Interreg Europe style guide & how to write for the web
- A special FAQ page and a designated contact person for project administrators.

Information is available online: https://www.interregeurope.eu/help/project-admin/

Please note that the project website will contain an automatic disclaimer in the footer with the following text: Responsibility of the content of this project micro-site lies under the lead partner of the project.

Their contacts can be found in the section 'Contacts'. The Interreg Europe programme authorities are not liable for any the information contained therein.

Visibility and publicity requirements for the website and other online tools are described above in section 8.1.2.

Social media and other digital communication tools

The internet offers an array of modern opportunities to promote the project's work and engage the relevant target groups. Digital is the fastest growing area of communication. The use and engagement through digital channels is something the public often expect when connecting with an institution. The programme encourages the projects to develop their presence online through social media and to use digital communication tools, when relevant to their communication objectives and the communication strategy in general. Interreg Europe is present on social media (for example on Facebook, Twitter, YouTube and LinkedIn – links available at the programme website). If the project decides to use the same channels, the programme encourages the communication manager to make links to the Interreg Europe presence (e.g. use of @interregeurope in tweets or posts). It will be a win-win for both because the programme will always be up to date with the project's activities and the project might gain new followers throughout the already existing community around Interreg Europe.

As with other communication tools, with social media and digital tools, the partners should:

- Take into consideration the target group: assess the digital engagement of the relevant people and choose wisely the appropriate channel or tool to reach them.
- Put an effort into online community management: build, grow, and manage the online community (target group). Just posting information is not enough. It is necessary to pay attention to the feedback received and adapt the project messages to the expectations and needs of the target group.
- Monitor the project's online presence: number of views/ users for digital products, statistics for social media. This helps projects to get to know the audience better and improve their communication methods over time.
- Avoid using digital communication tools only because it is trendy.
- Provide dynamic, engaging and interesting content: follow the storytelling principles with the target group and their expectations in mind. The content should bring some benefit to the followers.

Media relations

The programme expects all projects to inform the general public about their activities and achievements. The main information channel for this purpose is the media (mainly the press – both online and printed).

When preparing material for the media, the projects need to pay special attention to emphasise the name of the project, the programme and the ERDF. The published articles should contain all three. Therefore, projects need to adequately prepare the press kit for journalists and emphasise the names in any material provided to the media, sufficiently mention them during press conferences and briefings, and display them on all publicity material.

The projects should ensure their presence in the media using creative and cost-efficient means. Applicants should note that the programme recommends that projects, in principle, do not pay for articles. The media presence of a project should be the result of a successful communication strategy.

The number of appearances in media is one of the communication-related indicators predefined by the programme. Media monitoring should then be a part of the evaluation of the communication strategy. In order to succeed in reaching any target value set for this indicator, the projects need to include active work with the media in their communication strategy. In this regard, projects should be aware that project's newsletters, press releases and partners' own publications cannot be counted under the aforementioned indicator. The same applies to Twitter and Facebook appearances. For reporting purpose, projects need to fill in the table generated by the programme for each project with the list of all media appearance and keep copy of any articles. The most interesting appearances could also be uploaded to the project website library.

The programme recommends that projects liaise with the national points of contact in their partner countries. The partner state points of contact can serve as relays to disseminate more widely on an event or achievement; they may also appreciate receiving the news about their partners' work and activities.

Practical tips and advice on media relations will be provided by the programme.

Public relations

Apart from the online presence and work with the media, projects can plan other public relations activities to engage with their target groups and convey the project's messages in order to reach the communication objectives. Such activities (conferences, exhibitions, round-table discussions, briefings with policymakers or awareness-raising campaigns) must always have a specific communication objective and relevant target group(s) (all linked to the project's communication strategy).

The programme requires the projects to organise one dissemination event near the end of phase 2 of the project implementation phase. This should be the project's final event. Its objective is to present the results of the whole cooperation to as wide an audience as possible. The final event should attract a large audience; high-level policymakers relevant to the project's topic should be present to attract representatives of the press or other media as well as the general public (as identified in the project communication strategy). Representatives from the stakeholder group institutions should come to show their continuous support for the exploitation and use of the lessons learnt from the project in their region even after the project has ended. Usually, also a representative of the Joint Secretariat participates in this final dissemination event. Lead partner should inform the policy and finance officers about the conference in due time and make sure a slot on the agenda is reserved for an intervention of the Joint Secretariat.

Other activities/ events can be organised by the project or the partners can decide to participate in an activity organised by someone else for example to get in contact and network with the relevant people from their target groups.

In general, when the project decides to organise a public relations activity, the success of the activity/ event depends on a clear understanding of its purpose and of the target group it aims to reach. The key questions are always:

- What is the purpose of this activity/ event? and
- How does it contribute to reaching the desired communication objective?

Once the event is over, the project partners need to evaluate whether the activity really contributed to the objective.

The projects are encouraged to develop partnerships with other projects working on similar issues and pool resources for the organising of their public relations activities when deemed relevant for the project's communication strategy. This can increase the project's visibility and also reduce costs.

The projects can take part in external events, that is, activities organised by someone else. These give the project an opportunity to come face-to-face with people from the target groups and tell them about the project. Projects should look for people who would endorse the project and work for it as ambassadors and speak about it to the public. Projects should prepare and circulate briefing documents to make sure that supporters also understand and relay the same core messages.

Active participation in such external activities – as a speaker or an exhibitor – can help partners to become visible, promote their project and reach out to the target groups. Again, the partners need to think about the needs and expectations of their target groups when preparing their presentations. Projects should think about the added-value the project presentation can bring to the audience, the project's target group. Specific examples and stories of project's successes can make the presentations more interesting. The importance of European cooperation should also be stressed.

Promotional material - gifts and giveaways

With regard to the production and use of various promotional material such as bags, pens, notebooks, USB sticks, etc., such material will not be accepted as eligible unless their need for a very specific communication activity is clearly explained and justified.

It is important to keep in mind that the EU logo/ project logo **does not** transform a gift into promotional material. It has to serve a very specific communication activity (depending on the content) and the value has to be below **EUR 50 per recipient** (in accordance with Regulation (EU) No 481/2014 Article 2). If project(s) (partners) wish to produce such material as communication tools, prior approval by the joint secretariat is necessary. The use of such tools should preferably be planned and justified in the application form. If no approval has been obtained ex-ante, the expenditure cannot be reimbursed by the programme.

The same approach applies both to the programme and project levels (see the programme communication strategy).

Other communication tools and activities

There are no specific programme requirements with regard to other communication tools and activities. Communication strategies can vary depending on the specific topic tackled by each project, hence the appropriate selection of communication tools and activities can also vary.

8.2.2 Reporting on communication activities

Communication activities are an integral part of the project activities, hence reporting on them follows the same rules described in section 6.2.4.

8.3 Programme support to projects and other synergies

8.3.1 Communication training and workshops

The programme offers, to newly approved projects, a set of workshops (see more on the services to projects in section 4.2.4). Participation in these workshops is very much encouraged as it contributes to improving the overall quality of the programme's implementation.

One of the workshops focuses on communicating on the project activities and achievements. The communication workshops provide lead partners and communication managers of projects with

practical tips and advice on how to make their communication a successful and effective tool for reaching the project's overall objectives. The workshops provide projects with more extensive guidance on a number of communication tools and techniques. The guidance comes from the programme and sometimes also from guest communication professionals. The lead partners can also exchange experience with others as well as their good practices in communicating about policy improvements.

8.3.2 Online/ ad-hoc support

The programme offers a number of online training resources and advice tools in the form of online documents and audio-visual material. These are available on the programme website and should serve as complementary guidance for the project's implementation in addition to this programme manual.

The programme may also organise webinars to provide advice and support to project partners via online meetings.

8.3.3 What the programme expects of projects

Apart from the regular reporting on communication activities, the programme encourages projects to incorporate several other activities organised by the programme in their forward planning. Depending on the duration of the project, 8 to 12 events over the lifetime of project should be planned (phase 1 and phase 2).

Events may include:

- Annual Interreg Europe events
- Policy Learning Platform events
- Events organised by European institutions (RegioStar / Open Days)
- EC Day

The programme may ask the projects to present their results and achievements at any of the annual events or Policy Learning Platform events. In addition, there are several events organised by the European institutions which may help the project achieve greater visibility and dissemination of their communication material and information about their results. The programme participates in these events with input from the projects. The European cooperation day (EC Day – 21 September) is a relatively new initiative presenting projects' work and local level results to the general public. The projects are encouraged to take part in this initiative, which can also bring them more visibility and increase contact with the local media.

Projects are advised to include costs for such events in their budget. See more on activities at programme level in section 4.2.4.

Projects may also be invited to participate in other European events. If this participation contributes to the project's communication strategy (i.e. active participation through project presentation or project stand at the event), the costs for participation are in principle eligible. Otherwise and apart from the events listed above, partners should participate in other events at their own costs.

Information exchange

Project partners should consider establishing a link between their project website(s) and the institutional websites of their point of contact organisations. The programme encourages the projects to make the points of contact a part of their stakeholder groups and to keep them in the loop with the most up-to-date information about the project's work and achievements.

Cooperation with the communication officer appointed in each country for the Structural Funds can also provide the project with a powerful channel for relaying the information that the partners want to share with their local audiences. It could help the project persuade the press of the relevance and utility of their work and entice journalists to publish more news about the project's activities and achievements. In turn, the communication officer at the national level may require regular contact with the project partners from their country in order to collect region- and country-specific information about the programme through the project activities. A list of the communication personnel for each country is available online:

https://ec.europa.eu/regional_policy/en/policy/communication/inform-network/whoiswho.

Programme tools and templates
▪ Logo set (several variations) ▪ A3 poster template ▪ PowerPoint template ▪ Press release template ▪ Information about project for partner websites template ▪ Communication strategy template ▪ Stakeholder mapping grid

Checklist of publicity requirements	
▪ Logo set used	Required
▪ All partner institutions inform about project on their website (if such website exists)	Required
▪ All partner institutions' websites linked to Interreg Europe/ project website	Recommended
▪ All partner institutions place the A3 project poster at a readily visible place at their premises	Required
▪ ERDF support mentioned on all documents used for the public or the participants in the project's operations/activities	Required
▪ Project website updated at least once every six months	Required
▪ Disclaimer present in project publications	Required

Annexes

Annex 1 – Action plan template

*Produced by each region, the **action plan** is a document providing details on **how** the lessons learnt from the cooperation will be implemented in order to improve the policy instrument tackled within that region. The minimum information to be provided per action includes the way the action is linked to the project, the nature of the activities to be implemented, their timeframe, the stakeholders involved, the costs and funding sources. If the same policy instrument is addressed by several partners, only one action plan is required. The action plan should also include actions that may have already been initiated in phase 1.*

Action Plan for the region of XX ***Logos of project & partner***

Part I – General information

Project:_____

Partner organisation(s) concerned:_____

Country:_____

NUTS2 region:_____

Contact person:_____

Email address: _____

Phone number: _____

Part II – Policy context

The Action Plan aims to impact:

- ☐ Investment for Growth and Jobs programme
- ☐ European Territorial Cooperation (Interreg) programme
- ☐ Other regional development policy instrument

Name of the policy instrument(s) addressed:_____

Further details on the policy context and the way the action plan should contribute to improve the policy instrument:

_____
_____
_____
_____

Part III – Details of the actions envisaged

ACTION 1:

Name of the action: _____

1. **Relevance to the project** *(please describe how this action derives from the project and in particular from the interregional exchange of experience. Where does the inspiration for this action come from?)*

_____
_____
_____
_____
_____

2. **Nature of the action** (*please describe precisely the content of action 1. What are the specific activities to be implemented?*)

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

3. **Stakeholders involved** *(please indicate the organisations in the region who are involved in the implementation of the action 1 and explain their role)*

_____
_____
_____
_____
_____

4. **Timeframe** (*please specify the timing envisaged for action 1*)

_____
_____
_____

5. **Indicative costs** *(please estimate the costs related to the implementation of action 1)*

_____
_____

6. **Indicative funding sources** *(please describe how action 1 will be financed. Is it through the policy instrument(s) indicated in part II):*

_____
_____

ACTION 2

Name of the action: _____

1. **Relevance to the project** *(please describe how this action derives from the project and in particular from the interregional exchange of experience. Where does the inspiration for this action come from?*)

_____
_____
_____
_____
_____

2. **Nature of the action** (*please describe precisely the content of action 2. What are the specific activities to be implemented*)

_____
_____
_____
_____
_____
_____
_____
_____
_____

3. **Stakeholders involved** *(please indicate the organisations in the region who are involved in the implementation of the action 2 and explain their role*)

_____
_____
_____
_____

4. Timeframe (*please specify the timing envisaged for action 2*)

_____
_____
_____
_____
_____

5. **Indicative costs** (*please estimate the costs related to the implementation of action 2*)

_____
_____
_____
_____
_____

6. **Indicative funding sources** (*please describe how action 2 will be financed. Is it through the policy instrument indicated in part II*):

_____
_____
_____
_____
_____

ACTION X

…….

Date:_____

Name of the organisation(s) : :

_____

_____

Signature(s) of representative of the relevant organisation(s): _____

Annex 2 Independent first level control certificate[42]

Project title:
Project acronym:
Project number:
Reporting period:
Name of project partner:
Designated control body responsible for verification:

Amount certified:

1. Based on the documents provided and my verification and professional judgement as a first level controller, I certify that:
   a. Expenditure is in line with European, programme and national eligibility rules and complies with conditions for support of the project and payment as outlined in the subsidy contract.
   b. Expenditure was actually paid with the exception of costs related to depreciations and simplified cost options.
   c. Expenditure was incurred and paid (with the exceptions above under “b”) within the eligible time period of the project and was not previously reported.
   d. Expenditure based on simplified cost options is correctly calculated and the calculation method used is appropriate.
   e. Expenditure reimbursed on the basis of eligible costs actually incurred is either properly recorded in a separate accounting system or has an adequate accounting code allocated. The necessary audit trail exists and all was available for inspection.
   f. Expenditure in currency other than Euro was converted using the correct exchange rate
   g. Relevant EU/ national/ institutional and programme public procurement rules were observed.
   h. EU and programme publicity rules were observed.
   i. Co-financed products, services and works were actually delivered.
   j. Expenditure is related to activities in line with the application form and the subsidy contract.

2. Based on the documents provided, my verification and my professional judgement as a first level controller, and for the amount certified, I have NOT found any evidence of:
   a. Infringements of rules concerning sustainable development, equal opportunities and non-discrimination, equality between men and women and state aid.
   b. Double-financing of expenditure through other financial sources.
   c. Generation of undisclosed project-related revenue.

3. I hereby confirm that the verification of the project financial report was done precisely and objectively and with professional scepticism. The control methodology and scope and further information on the control work actually done are documented in the first level control report and checklist (based on programme template). In case of suspicion of fraud, it is reported using the specific programme template.

   I and the institution / department I represent are independent from the project’s activities and financial management and authorised to carry out the control.

   Name: Signature:

   Place and date:

[name & date stamp]

[42] This document is not anymore to be printed on paper since it is automatically generated by the online form system (iOLF). Once it is duly filled in and electronically signed by the first level controller, the independent first level control certificate can be downloaded at any moment from the iOLF in pdf format.

Annex 3 First level control report including checklist[43]

The first level control report and checklist constitute an essential and obligatory part of the project's audit trail. They have to be completed by the first level controller of each project partner. Based on these documents the controller can certify the partner's expenditure. The control report including the checklist has to be made available to the lead partner for validation of the project's overall progress report. Upon request the documents have to be made available to the joint secretariat.

1. Project and progress report				
Project title				
Project acronym			Project index	
Progress report	No.			
Reporting period	Start		End	

2. Project partner	
Number	
Organisation	

3. Designated first level controller	
Name	
Organisation	
Job title	
Division/unit/department	
Address	
Country	
Telephone	
Email	

4. Control information	
Expenditure declared to the controller	*EUR*
Expenditure accepted and certified	*EUR*
How much of the partner's expenditure have you verified? *Controllers are expected to check 100% of the expenditure. If less than 100% are verified, the sampling method has to be described (please see programme manual section 7.6).*	☐ 100% ☐ <100%, *describe the sampling method*
Type of control carried out	☐ desk-based ☐ on-the-spot verification ☐ other; *please describe:*
On-the-spot verification(s) *One on-the-spot verification obligatory per*	Start Date: DD/MM/YYY Place(s): ☐ premises of the project partner

[43] This document is not anymore to be printed on paper since it is automatically generated by the online form system (iOLF). Once it is duly filled in and electronically signed by the first level controller, the first level control report (incl. checklist) can be downloaded at any moment from the iOLF in pdf format.

project partner in the project lifetime, except if a documented sampling method is applied and allowed by the Partner States (see section 7.6.2. of the programme manual and country specific information on the programme website).	☐ place of project outputs ☐ other	
Expenditure verified on-the-spot		EUR
Expenditure certified on-the-spot		EUR
Format in which documents were made available	☐ original ☐ copies ☐ electronic	

5. Follow-up measures from previous reports
If any findings/issues are still open from the previous report, describe the follow-up measures that were implemented and conclude on their effectiveness.

6. Description of findings/observations/reservations
Specify the findings, observations and reservations, if any, that you made during your checks for this report. In case of suspicion of fraud, please fill in the specific reporting template (annex 4 of the programme manual)

7. Conclusions and recommendations
Describe the measures that were implemented to solve the detected errors. Provide recommendations that help to avoid similar errors. Provide a conclusion whether there is a reliable system in place and whether there is sufficient reassurance that the cost statement is free of material misstatement.

8. Follow-up measures for the next progress report

9. Controller's signature	
Place	
Date	
Name	
Signature	

First level control checklist

1. Relevant documents				
Control question	**Yes**	**No**	**N/A**	**Comments/Follow-up**
Are the following documents available for the first level control?				
1. Subsidy contract				
2. Application form				
3. Project partnership agreement (signed by project partner)				
4. Partner's progress report				
5. List of expenditure (overview of the expenditure by budget lines, incl. payment day, VAT specification, procurement procedure for sub-contracted items where applicable, and brief description of the cost item)				
6. List of contracts				

2. General checks					
	Control question	**Yes**	**No**	**N/A**	**Comments/Follow-up**
2.1	Is it ensured that the partner is a "not for-profit" body?				
2.2	If the partner contribution does not come from the partner's own resources but from an external public source, has the total public contribution not been exceeded? *If the partner contribution comes from the partner's own resources or entirely from private sources, please tick 'n/a'.*				
2.3	Has the source of the partner's contribution (private or public) been correctly indicated?				
2.4	Is it ensured that the expenditure has not already been financed by any other funding (EU, regional, local or other)? Are there mechanisms in place to avoid double-financing?				
2.5	Has all expenditure been incurred within the eligibility period set in the subsidy contract?				
2.6	Was recoverable VAT deducted? *If the project partner is not entitled to recover the VAT, please select 'N/A'.*				
2.7	General comments , recommendations, points to follow-up:				

3. Accounting and audit trail					
	Control question	**Yes**	**No**	**N/A**	**Comments/Follow-up**
3.1	Has one of the following options been chosen to clearly identify the costs allocated to the project? a) A separate accounting system b) An adequate accounting code				
3.2	Are the amounts paid accurately recorded in the accounting system?[44]				
3.3	Are all costs only declared once?				

[44] Not applicable for flat rates, standard scales of unit costs or lump sums.

3.4	Has all expenditure been incurred within the eligible programme area? If not, has prior approval from the programme been obtained (through the application form or direct approval from the joint secretariat)?			X	
3.5	Has each reported expenditure been supported by an invoice or an accounting document of equivalent probative value that are complete and accurate in accounting terms?[45]			X	
3.6	Has each expenditure been supported by a payment proof (e.g. bank account statements, bank transfer confirmations, cash receipts)?[46]			X	
3.7	Have the costs been correctly allocated to the budget lines?			X	
3.8	Has the partner's budget by budget line been respected? If not, has the excess spending been approved by the lead partner?			X	
3.9	Has the partner's total budget not been exceeded by more than the flexibility allowed by the programme?				
3.10	Is the exchange rate used for the conversion into Euro correctly applied, using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification to the controller? *Indicate in the comments section when (MM/YYYY) the documents have been submitted to the controller (sent or made available on the spot).*				
3.11	Has the partner received the ERDF share from the previous periods?				
3.12	Does the account from which payments are made and received belong to the partner organisation?			X	
3.13	Is it ensured that ineligible costs according to programme rules and Article 69 (3) (a+b) of Regulation (EU) No 1303/2013 and Art 2 (2) of Delegated Regulation No 481/2014 are not included? In particular: - interest on debt - fines - financial penalties - costs related to fluctuation of foreign exchange rate - gifts that are not related to the promotion, communication, publicity and information or that exceed EUR 50 - in-kind contributions			X	
3.14	Is it ensured that any gifts related to promotion and below 50 euros have been granted prior approval by the programme?				
3.15	Have all net revenues been deducted from the total reported eligible costs? *If there are no revenues, please tick n/a*				

[45] Not applicable for flat rates, standard scales of unit costs or lump sums.
[46] Not applicable for flat rates, standard scales of unit costs or lump sums.

3.16	Is there evidence that reported activities have taken place and that co-financed products and services were delivered or are in progress to be delivered? *If the evidence was not obtained through an on-the-spot check, it is important to indicate in the comment section how sufficient assurance was gained instead.*				
3.17	Are all costs directly related to the project and necessary for the development or implementation of the project?			X	
3.18	General comments, recommendations, points to follow-up:				

4. Budget lines					
Budget line - Staff costs *If no costs under this budget line are included in the report please tick here* ☐					
	Control question	**Yes**	**No**	**N/A**	**Comments/Follow-up**
4.1	Is the expenditure only related to employees of the organisation which is officially listed in the application form or that work under a contract considered as an employment contract?			X	
4.2	Are costs calculated according to the following options? 1. Person employed by the partner organisation, and working full-time on the project 2. Person employed by the partner organisation, working **partly** on the project at a **fixed percentage** 3. Person employed by the partner organisation, working **partly** on the project at a **flexible percentage** (flexible number of hours per month) a. Calculation based on the contractual hours as indicated in the employment contract b. Calculation based on dividing the latest documented annual gross employment costs by 1,720 hours (NB.: The two options a) and b) listed under point 3 do not apply for projects approved under the 4th call). 4. Person employed by the partner organisation on an hourly basis *For some Partner States additional staff costs calculation methods may apply that take national specificities into consideration (see section 'in my country' on the programme's website).*			X	
4.3	Is the calculation based on the actual salary costs (employees' gross salary + employer's contributions)?			X	
4.4	Are the following documents available: • work contract • payslips (or similar) • payment proofs			X	

4.5	Are the job profiles/positions of the staff plausible in relation to the tasks/activities within the project?			X	
4.6	*If a person is working at a fixed percentage (100% or less) on the project:* Is a document available fixing the percentage worked on the project and is this percentage correctly applied to the actual gross employment costs?				
4.7	*If a person is working on the project at a flexible percentage (flexible number of hours) from month to month:* 1) Has the hourly rate been calculated by dividing the monthly gross employment cost by the number of hours per month as per the employment contract *or* has an hourly rate been calculated by dividing the latest annual employment cost by 1720h? 2) Has the hourly rate then been multiplied by the number of hours actually worked on the project? 3) Has the monthly working time been documented in a timesheet covering 100% of the working time of the employee and identifying the time spent on the project? 4) If overtime is claimed are related costs actually paid and in compliance with the applicable overtime rules?				Not applicable for projects approved under the 4th call for proposal.
4.8	*If a person is employed on an hourly basis:* 1) Is the hourly rate fixed in the employment contract multiplied by the number of hours worked on the project as documented in the time sheet (covering 100% of the hours worked and identifying the hours spent on the project)? 2) If overtime is claimed are related costs actually paid and in compliance with the applicable overtime rules?				
4.9	If a person works in several projects, is it ensured that the total number of working hours declared does not exceed the total eligible working time of the employee (no double-financing) set in the related employment contract?				
4.10	General comments , recommendations, points to follow-up:				

Budget line - Office and administration					
	Control question	**Yes**	**No**	**N/A**	**Comments/Follow-up**
4.11	Are office and administration costs calculated as a flat rate of 15% of the certified eligible direct staff costs?				
4.12	Is it ensured that no office and administration costs (such as stationery, photocopying, mailing, telephone, fax and internet, heating, electricity, office furniture, maintenance, office rent) are declared under any other budget line?				
4.13	General comments, recommendations, points to follow-up:				

Budget line - Travel and accommodation *If no costs under this budget line are included in the report please tick here* ☐					
	Control question	**Yes**	**No**	**N/A**	**Comments/Follow-up**
4.14	Are the trips that these costs refer to justified by the project's activities?			X	
4.15	Do the travel and accommodation costs exclusively result from trips undertaken by staff employed by the partner organisations?			X	
4.16	Are the reported travel and accommodation costs in line with the programme, national and internal rules of the respective partner organisation?			X	
4.17	Are the trips limited to the territory of the EU or programme area? In case of trips outside the territory of the EU and programme area, were they explicitly mentioned and justified in the approved application or by the joint secretariat?			X	
4.18	General comments, recommendations, points to follow-up:				

Budget line - External services and experts *If no costs under this budget line are included in the report please tick here* ☐					
	Control question	**Yes**	**No**	**N/A**	**Comments/Follow-up**
4.19	Are the deliverables available, identifiable and in compliance with the contract/agreement and invoices/requests for reimbursement? *As for all other expenditure items, check that the external expertise and services were contracted in compliance with public procurement rules.*			X	
4.20	Is the expenditure related to items foreseen under this budget line in the specifications provided in the application form? If not, can the expenditure be justified?			X	
4.21	Is it ensured that providers of service or expertise are external to the project partnership (i.e. different from the project partner organisations and their employees)?			X	
4.22	Have the travel and accommodation expenses of external service providers or guests invited by the project partners also been recorded under the external services and experts budget line (i.e. not under the travel and accommodation budget line)?				
4.23	General comments , recommendations, points to follow-up:				

Budget line - Equipment and investment *If no costs under this budget line are included in the report please tick here* ☐					
	Control question	**Yes**	**No**	**N/A**	**Comments/Follow-up**
4.24	Have the purchased equipment items been initially planned in the application form? If not, has prior approval from the lead partner and the joint secretariat been obtained? *As for all other expenditure items, check that the equipment was purchased in compliance with*			X	

	public procurement rules and that they have not already been financed from other EU funds.			X	
4.25	Are the equipment items physically available and used for the intended project purpose?			X	
4.26	Is the method to calculate equipment expenditure (full costs, pro-rata) correctly applied?				
4.27	Are depreciations in line with Article 69 (2) of Regulation (EU) No 1303/2013?				
4.28	If the equipment item is only partially used for the project, is the share allocated to the project based on a fair, equitable and verifiable calculation method (pro-rata)?				
4.29	General comments , recommendations, points to follow-up:				

5. Public Procurement					
	Control question	**Yes**	**No**	**N/A**	**Comments/Follow-up**
5.1	Has the controlled organisation observed European, programme, national, regional and internal public procurement rules? *Indicate in the comments section:* • *The relevant threshold* • *The procedure (open, restricted, negotiated, direct contracting, bid-at-three rule etc.)* • *Degree of publicity/media applying to this threshold* • *A conclusion about the adequacy of the procedure* *Pay particular attention to contracts awarded below the EU-threshold and especially to contracts that are awarded directly.*				
5.2	Have the principles of transparency, non-discrimination, equal treatment and effective competition been respected, also for items below the EU threshold? *Transparency rules are outlined in the Commission Interpretative Communication on the Community law applicable to contract awards not or not fully subject to the provisions of the public procurement directives (2006/C179/02).*				
5.3	Is full documentation of the procurement procedure available? It usually includes the following: - Initial cost estimate made by the project partner to identify the applicable public procurement procedure - Request for offers or procurement publication / notice - Terms of reference - Offers/quotes received - Report on assessment of bids (evaluation/selection report) - Information on acceptance and rejection (notification of bidders)				

	- Contract including any amendments *In case documentation is not required, please tick n/a and provide an explanation in the comments section to the right.*				
5.4	Are the contracts in line with the selected offers?				
5.5	Has there been no artificial splitting of the contract objective/value in order to avoid public procurement requirements?				
5.6	If a contract was amended or extended, has the change been only minor without changing the overall objective, content and economy of the tender and laid down in writing adequately? Has this change been legal without any impact on the validity of the initial tender procedure?				
5.7	*For tenders:* Were the evaluation and award decisions properly documented and justified (e.g. evaluation and award decisions are properly documented and appropriate selection and award criteria have been applied to all received offers in a consistent way and as published in advance and no new criteria were added)?				
5.8	*For direct awards because of* - *Urgency*: is it proven that the urgency is due to unforeseeable circumstances? - *Technical/exclusivity reasons:* is it ruled out (based on objective evidence) that any other supplier is capable of providing the services?				
5.9	Have invoices been issued and payments been done in respect of the procurement budget and the amounts fixed in the contract/the accepted offer (global price, unit prices)?				
5.10	General comments, recommendations, points to follow-up:				

6. Information and publicity rules					
	Control question	**Yes**	**No**	**N/A**	**Comments/Follow-up**
6.1	Is information on the project presented on the partner's institutional website, including the programme's logo and the financial support from the European Union?			X	
6.2	Has the partner organisation placed at least one poster with information about the project (minimum size A3), including the financial support from ERDF at a location readily visible to the public?			X	
6.3	Are the Union emblem and ERDF support displayed on all information communication material used by the partner?			X	

7. Compliance with other EU rules
First level controllers are asked here for a professional judgment as a controller, but not for an expertise on EU policies on sustainable development, equal opportunities and non-discrimination. Controllers are asked to confirm that they have not come across anything that makes them doubt that the EU horizontal principles are not adhered to. It is important to indicate what the professional judgment is based on, such as reported activities compared to the application form or partner confirmations obtained on these matters or insights gained during an on-the-spot check, interviews with the project partner or further internal documents that a partner provides.

	Control question	Yes	No	N/A	Comments/Follow-up
7.1	Is there no evidence that the project activities do <u>not</u> comply with the EU horizontal objectives of sustainable development? *If this is confirmed, please answer "yes"*			X	
7.2	Is there no evidence that the project activities do <u>not</u> comply with the EU horizontal objectives of equality between men and women and non-discrimination? *If this is confirmed, please answer "yes"*			X	
7.3	Is there no evidence that the project activities do not comply with Community rules on state aid? *It is recommended to check if the activities* *(1) are in line with the application form and do not raise any new issues* *(2) do not create an economic advantage for a partner or a third party and are without potential impact on competition, but serve a general common interest* *In case of doubt for a particular project/activity, it is recommended to check with the national contact point for state aid matters.* *Should there be an activity creating a potential economic advantage, check the compliance with state aid rules, e.g. where 'de minimis' applies, verify that it is not exceeded and that the undertaking is not 'in difficulty'.*			X	
7.4	General comments, recommendations, points to follow-up:				

8. Controller's signature	
Place	
Date	
Name	
Signature	

[name & date stamp]

Annex 4 First level control report on suspected or established fraud

I hereby inform the managing authority of the Interreg Europe programme that, based on the provided documents, on my verification and my professional judgement as a first level controller, I have found evidence of or become aware of suspected or established fraud for the following project beneficiary:

Project number	
Project acronym	
Project title	
Partner number	
Name of partner organisation	

1. **Typology of suspected or established fraud**

Please explain in detail the nature of suspected or established fraud that you wish to inform the programme about (some examples of fraud are conflict of interests, fake declarations, double funding, etc.)

2. **Financial perimeter of the suspected or established fraud**

Concerned partner report(s)	
Concerned budget line(s)	
Amount of expenditure concerned (in EUR)	

3. Founding principles leading to fraud suspicion or established fraud

Please explain in detail the reasons/circumstances leading you to suspect the existence of fraud or to report established fraud for this specific project beneficiary (i.e. Why do you think there may be fraud? / How did you become aware of the suspected/established fraud?).
Please provide some concrete facts about the suspicion of fraud or the details of the established fraud (including reference of the competent authority/court decision for established fraud)
Please indicate the actions you already undertook to analyse the specific case in-depth. *Please also specify if you reported this suspected or established fraud to any other competent authority and if any administrative or judicial proceedings in relation to this case has been initiated.*

4. Potential impact of the suspected or established fraud outside the project

If applicable, please list other EU co-funded programmes and projects in which the same beneficiary is involved (to your knowledge)

Please add any complementary indication you deem useful to identify and limit the impact of the suspected or established fraud

I hereby declare that my assessment is based on actual evidence that I have seen during my verification of the expenditure claim.

I am aware that the Interreg Europe programme and national competent bodies may use this evidence to undertake further investigations which could lead to appropriate administrative and/or legal actions in relation to suspected unlawful activity.

FLC Name and Surname	
FLC Organisation	
Location	
Date	
FLC signature	
FLC stamp (if available)	

Annex 5 Terms of reference of the call for additional activities

Interreg Europe 5th (restricted) call

Call for additional activities - Terms of reference

26 February 2021

1. Legal Basis

The Interreg Europe programme is financed by the European Regional Development Fund (ERDF), whose principles and regulations are laid down in Council and Parliament Regulation N°1303/2013 (Common Pro visions Regulation), Council and Parliament Regulation N° 1 301/2013 (ERDF Regulation) and Council and Parliament Regulation N° 1299/2013 (ETC Regulation). The princ iples and regulations for activities financed by the programme are also laid down in the cooperation programme and in the programme manual. Both documents are available on the programme website.

These terms of reference for a call for additional activities open to approved Interreg Europe projects have been approved by the monitoring committee of the programme on 24 February 2021.

2. Context and objective

At the present time, the COVID-19 crisis continues all over Europe. It does not only have consequences on the economy but it affects more or less directly all fields of regional development policies. Therefore, in addition to the measures already taken in 2020[47], the Interreg Europe monitoring committee has decided to launch a call for additional activities in order to further help approved projects to deal with the crisis. This exceptional measure offers the possibility for approved projects:

- to further exchange experiences on the way the crisis impacts the issue they address and on possible measures to face and recover from the crisis,
- to further improve their regional development policies to better face and recover from this unprecedented situation.

3. Timing of the call

The call for additional activities opens on **1 April 2021** and closes on **2 July 2021 at 14:00** CEST (Paris time). The date of opening is the date by when the 'Application form for additional activities' will be available and by when the joint secretariat (JS) can start advising projects on the present call. The JS assistance will be available until the call closes.

Since applications will be approved on a rolling basis until available funds are committed (see section 10.4 below), the call may be closed earlier in case the total ERDF amount available for this call is allocated before 2 July 2021.

[47] *https://www.interregeurope.eu/fileadmin/user_upload/documents/2020-10-01_Interreg_Europe_COVID-19_measures.pdf*

4. Funding

The amount available for this call is estimated at around MEUR 20 and EUR 200,000 Norwegian funds[48], corresponding to the estimated remaining programme funding available for interregional projects taking into account expected project budget reductions and underspending.

The **maximum** recommended ERDF budget of a request is **EUR 500,000** per project.

5. Who can apply?

The present call is open to all 258 approved projects (including closed projects[49]) and projects from all calls are welcome to apply. The present opportunity may be of particular interest to the 1st and 2nd call projects for the following reasons:

- When the crisis started in March 2020, all 1st and 2nd call projects had already closed their phase 1[50]. Therefore, they could not benefit from the first COVID-19 measures taken in 2020 for their exchange of experience process. At the beginning of 2021, these projects are either closed or under finalisation and they are expected to have made full use of their budget. They have neither the time nor the budget to carry out additional measures to face the COVID-19 crisis and this call is thus their only possibility to continue cooperating.
- In comparison, 3rd and 4th call projects are still running for several months/ years and their level of underspending may be high due to the crisis[51]. With the measures taken in 2020, these projects can already propose additional activities to be financed through their unspent budget. Moreover and regardless of the present call, these projects can also be granted additional funds for implementing pilot actions in case their initial budget is not sufficient.

The scope of this call for additional activities is therefore different according to the calls to which the projects belong as reflected below:

- Opportunity offered to 1st and 2nd call projects

Possibility to apply for additional funding to support up to **one additional year** of exchange of experience activities (including pilot actions if justified) to address the COVID-19 crisis. This additional time will be reflected through an extension of duration.

- Opportunity offered to 3rd and 4th call projects

Possibility to apply for additional funding to implement exchange of experience activities (including pilot actions if justified) to address the COVID-19 crisis, in case unspent budget and pilot actions procedures are not sufficient to do so. The application for additional activities may be combined with an extension of duration depending on the project's situation and justification.

[48] *Due to the limited amount available and the crucial role of lead partners, Norwegian funding will be allocated in priority to Norwegian lead partners.*
[49] *The subsidy contract is applicable until the end of the archiving period. It is therefore possible to 'reopen' projects that already closed their activities and had their last progress report approved.*
[50] *3rd call projects lasting 48 months ended their phase 1 on 31 May 2020 but these 10 projects were granted the possibility to extend their phase 1 by six months.*
[51] *Due to lump sum for phase 2, 4th call projects would need to organise and finalise any additional activities within phase 1.*

6. Activities supported

The additional activities have to fit in the intervention logic of the programme: these activities have to be dedicated to the exchange of experience among regions on the way to address the crisis (in the field tackled by the project) with the objective that the lessons learnt from this exchange can lead to further policy improvements in these regions.

The possible additional activities are therefore mainly related to the traditional **exchange of experience** as described in section 4.2.1 of the programme manual. However, to provide all necessary means and allow maximum flexibility, the additional activities can also include **pilot actions** in justified cases (e.g. one region needs to test a measure from another region before it can be fully supported by the policy instrument addressed). Further information on pilot actions can be found in section 4.2.2 of the programme manual and on the programme website.

The additional activities have to be considered as an add-on to the existing project. They are not bound to a specific phase of the existing project and they should in principle not impact the activities already approved so far. For 1st and 2nd call projects, they will be organised through an extension of project's duration (these activities can start already before the end of phase 2, depending on the implementation stage of the project). For the 3rd call projects, they can start in phase 1 or in phase 2, also depending on the project's state of play. For 4th call projects, the activities have to start and be finalised before the end of phase 1.

7. Partnership

7.1 Composition

Considering that the call targets approved projects, **the partnership should in principle remain the same**. In particular, the involvement of new regions or the replacement of a withdrawing partner are not possible. Any change related to the partnership (e.g. partner's withdrawal due to unavailability of co-financing, integration of an additional organisation due to pilot actions) need to be duly justified. While this seems obvious for running projects, it is important to stress this requirement for projects that are already closed or about to close.

7.2 Policy instruments addressed

The policy instruments addressed may be updated by the project depending on each regional context. If this is the case, these updates should be described and justified in the application form. The next generation of Structural Funds programmes can also be tackled. Again, this remark is particularly relevant for 1st and 2nd call projects who started in 2016 and 2017 respectively, and whose policy context may have evolved compared to their initial application form.

8. Reporting

For 3rd and 4th call projects, the reporting on the additional activities will follow the regular reporting procedure of the programme. For instance, if additional activities are approved in the last semester of phase 1, they would be reported together with the other activities in the corresponding progress report.

For 1st and 2nd call projects where an extension of duration is needed, the reporting of the additional period will be carried out only once through a single progress report covering the duration of the extension. For instance, when a full year of additional activities is approved, the project will have to submit only one single report covering the whole period of additional activities (one year plus the time needed for administrative closure). This report will have to be submitted by the new project end date at the latest.

9. How to apply?

9.1 Consultation with JS

The application for additional funding shall be prepared in close cooperation with the JS officers (Project and Finance officers). The first step for interested lead partners is thus to exchange with their JS officers on their proposal for additional activities. The aim of this step is to check the overall relevance of the proposal and to advise projects on how their proposal should be improved to best fit the call. When pilot actions are envisaged, their relevance to the programme should be also checked by the JS.

For 3rd and 4th call projects, the justification for the need to apply for additional funding will also be checked by the JS on the basis of the level and reasons for the current underspending of the project.

Only applications that were first checked with the JS shall be submitted to the programme.

9.2 'Application' procedure

The application pack is available on the programme website (www.interregeurope.eu) and includes the following:

- the present terms of reference
- a dedicated application form
- the partner declaration template
- the programme manual (version 9)

To apply to the call, lead partners are asked to complete a specific template called 'Application form for additional activities' and created specifically for this call. The form provides detailed information on the proposed additional activities and their budget. It also includes a specific annex in case of pilot actions.

In addition to this form, lead partners also have to provide new partner declarations for all partners involved in the additional activities and requesting additional funding.

Once the request is checked with the JS, the application including the relevant annexes will have to be submitted via iOLF to formalise the application. The submission is possible only once the JS opened the dedicated section in iOLF for the lead partner. Due to the rolling basis assessment and approval (see section 10.4), these documents should be submitted in iOLF as soon as they are ready. In any case, they must be submitted at the latest by the end date of the call. Once the application is submitted in iOLF, it will not be possible to change it (except for the eligibility 'healing procedure' described in section 10.1).

10. Selection process

10.1 Eligibility

The following eligibility criteria apply to this call:

1. Respect of deadline

Applications are submitted in iOLF by the deadline of the call, i.e. at the latest by **2 July 2021 at 14:00** CEST (Paris time). The date and time of the submission is automatically recorded in the iOLF system once the lead partner has submitted the application in iOLF.

2. Completeness

The application has to be complete, meaning it includes:

- the 'application form for additional activities',
- the partner declarations,
- if applicable: the pilot action request(s).

3. Correctness

The application has to be fully and properly filled.

For criteria 2 and 3, there will be a possibility of 'healing procedure' after the submission of the application. However, the date of eligibility of the application, which is taken into account for the approval of the application (see section 10.4), will then be the date of the new submission of the correct application (automatically generated in the iOLF system).

10.2 Quality assessment

Since the projects targeted in this call already went through a full selection process, the quality assessment of the requests will be light. It consists in checking whether the following three criteria are met: relevance, coherence and budget. The set of evaluation questions is listed below for each criterion. In order for the request to be recommended for approval, the answer to all the questions listed below has to be positive. There will be therefore no scoring sytem and no priority list of applications.

1. Relevance

For all activities (including pilot actions if relevant):

- ✓ Are the additional activities clearly defined?
- ✓ Do they address the COVID-19 crisis?
- ✓ Do they clearly contribute to the exchange of experience process in the thematic area addressed by the project?
- ✓ Can they contribute to the improvement of the policy instruments addressed?

For pilot actions only:

- ✓ Is the testing character of the pilot action clear?
- ✓ Is its durability demonstrated (i.e. is there any clear plan how the pilot action can be continued and/or generalised in case of success)?
- ✓ Is its additionality demonstrated (i.e. is it clear why local, national, regional funds cannot finance the implementation of the pilot action)?

2. Coherence

- ✓ Are the planned activities feasible in terms of scope and timing?

- ✓ In case of partnership changes, is the change clearly justified? Does it not question the overall quality of the initial partnership?
- ✓ In case of policy instrument change, is the change properly justified?

3. Budget

- ✓ Is the requested budget coherent (i.e. in line with the additional activities)?
- ✓ Is the requested budget reasonable compared with the proposed activities?
- ✓ For 3rd and 4th call projects, is the additional budget really needed (convincing justification): it it clear thatthe underspending of the project cannot be used to finance the additional activities?

10.3 Approval process and timing

The decisions on the applications will be taken by the monitoring committee (MC) of the programme on the basis of the JS recommendations either through written procedure or during the MC meetings. This process will be managed on a rolling basis: the assessment will start as soon as an application is submitted in iOLF. The MC will also take decision on a monthly basis (if relevant, depending on the timing of the applications' submission).

Shortly after the MC decision, the projects which submitted an application, will be informed about the decision concerning their project.

10.4 Availability of funds

In case the amount of funds available (see section 4) is not sufficient to support all recommended applications, the programme will apply a 'first come first serve' principle. The date of submission of the eligible applications will be taken into consideration to apply this principle. This date will be the initial submission date in iOLF if the application meets all the eligibility criteria. However, as indicated in section 10.1, in case of the 'healing procedure', this date will be the date of the resubmission of the (eligible) application. The applications will be approved by the monitoring committee in the order of the dates of submission of the eligible applications.

To increase the chance of approval, projects should therefore submit their request as soon as it is ready and make sure that all the eligibility criteria are met.

11. Finalisation and start

Once the application form for additional funding is approved by the MC, the JS will open a 'Request for Changes' (RfC) procedure in iOLF. The lead partner will then have to complete the RfC justification and update the original application form based on the information provided in the 'Application form for additional activities'. Once the request for change is validated by the JS in iOLF, the lead partner will receive a final notification letter confirming the approval of the revised application form.

In order to match with the existing reporting periods, the official start date of additional activities for 1st call projects is expected to be 1 October 2021. For the 2nd call projects, the official start date of additional activities is expected to be 1 September 2021.

For 3rd and 4th call projects, the start date of activities should be discussed with the JS. This start date is important to determine if an extension of duration is needed. However, activities and costs will be eligible even before this date, as long as they are related to the approved additional activities or preparation of the application form for this call.