



# Programme Manual

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## 0. Introduction

After summarising the programme's main features, this manual provides detailed information on the development, selection, implementation and closure of INTERREG IVC projects.

In terms of using this manual it is useful to note that while chapter 2 is specifically dedicated to project development, the information provided in the rest of the document is also crucial for the preparation of a good application. Similarly, the whole manual, and not only chapter 4, provides relevant and useful information on project implementation. Applicants should therefore read the entire manual carefully.

**The manual also provides specific recommendations. If applicants do not follow these recommendations, they need to provide clearly justified reasons in the application form.**

The programme manual is part of an INTERREG IVC application pack, which also includes the following documents:

- the terms of reference of the call
- the application form
- the co-financing statement template.

The above documents can also be downloaded from the programme's website: [www.interreg4c.eu](http://www.interreg4c.eu)

## 1. General programme information

### 1.1. Main objectives of the programme

The INTERREG IVC programme is part of the European Territorial Co-operation Objective of the Structural Fund policies for the period 2007-2013.

The overall objective of the INTERREG IVC programme, with its focus on interregional co-operation, is to **improve the effectiveness of regional development policies** in the areas of innovation, the knowledge economy, the environment and risk prevention as well as to contribute to the economic modernisation and increased competitiveness of Europe.

The exchange, sharing and transfer of policy experience, knowledge and good practices will contribute to achieving this objective. The role of INTERREG IVC should not be reduced solely to the exchange and transfer of 'operational' practices. The work on operational practices is of course important but it should be considered as a step towards policy improvements. Even if by transferring practices from one region to another, regions can contribute to enrich and renew the way they implement their policies, the transfer of practices is usually not sufficient to ensure long term policy effects. By approaching the practices in their wider policy context, partners in a project should also exchange their experience on the different policy frameworks of their regions. It is through this strategic approach that the cooperation can achieve more structural changes in each of the participating regions (e.g. modification of a specific policy measure or the creation of a new priority in a policy document).

#### Good practice

In the context of the INTERREG IVC programme, a **good practice** is defined as an initiative (e.g. methodologies, projects, processes and techniques) undertaken in one of the programme's thematic priorities which has already proved successful and which has the potential to be transferred to a different geographic area. Proved successful is where the good practice has already provided tangible and measurable results in achieving a specific objective.

By promoting Europe-wide cooperation, INTERREG IVC encourages regional and local authorities to view interregional cooperation as a means of enhancing their development through learning from the experiences of others. This way, the successful experiences gained in the different regions can be spread throughout Europe.

An important result of INTERREG IVC projects will be the creation of added-value not only at partner level but also at European level. In other words, INTERREG IVC projects should strive for EU-wide relevance. For this reason, experiences and know-how generated through these projects should be relevant not only to the partners of the project but also to organisations outside the partnership. This should be reflected in the nature of the theme tackled by the project as well as in component 2 dedicated to 'Communication and Dissemination' (see section 2.2.1 for further information on the project's components).

### 1.2. Programme area

The eligible INTERREG IVC cooperation area covers the entire territory of the European Union with its 27 Member States, including insular and outermost areas. In addition, Norway and Switzerland are full members of the programme and organisations from these countries are welcome to participate in projects. Partners from other countries can participate at their own costs.

Being the only INTERREG programme open to all EU regions, **it is highly recommended that the project partnership covers a wide geographical area** stretching beyond traditional cross-border and transnational cooperation areas (see also section 2.3.1). This wide geographical area of the partnership should contribute to enrich the exchange of experience and would therefore be considered with priority in the selection process.

### 1.3. Programme funding

The INTERREG IVC programme is financed by the European Regional Development Fund (ERDF). EUR 302 million is being made available to co-finance projects implemented by EU partners. Partners from Norway and Switzerland will be co-financed by national funds from the respective countries.

## 1.4. Programme priorities

The programme is organised around two thematic priorities related to the Lisbon and Gothenburg agendas. A certain number of sub-themes are defined for each of the priorities:

- Priority 1: Innovation and the knowledge economy
  - innovation, research and technology development
  - entrepreneurship and SMEs
  - the information society
  - employment, human capital and education.
- Priority 2: Environment and risk prevention
  - natural and technology risks; climate change
  - water management
  - waste prevention and management
  - biodiversity and preservation of natural heritage; air quality
  - energy and sustainable transport
  - cultural heritage and landscape.

The INTERREG IVC programme supports projects that aim, through interregional exchange of experience at policy level, to improve regional and local policies addressing the above sub-themes. It is evident that these sub-themes are interlinked in many ways, within and even between the two priorities. Therefore projects can propose a cross-sectoral and integrated approach where appropriate. However, **each project has still to select only one sub-theme and to have a clear focus on a specific regional policy issue.** The integrated approach does not mean that one project can address several sub-themes without any clear and precise focus. It should instead be reflected in the manner in which the project addresses its selected specific sub-theme. This would for instance be the case of a project focusing on cluster policies in the sector of renewable energy. Such a project would have a clear single focus on Priority 1 ('entrepreneurship and SMEs' sub-theme) but it would still have a link with Priority 2 ('energy and sustainable transport' sub-theme).

Examples of possible projects under each of the programme's priorities can be found in chapter 5 of the INTERREG IVC Operational Programme and in annex 1 of the present document.

### Points of attention on INTERREG IVC priorities

- Innovation

Under the first sub-theme of Priority 1, the concept of 'innovation' is closely related to economic development issues, in particular research and technology development (issues that directly contribute to the competitiveness of a region). This is reflected in the examples of possible projects that can be found in annex 1 of the manual. The way innovation should be tackled in INTERREG IVC is also explained in the extract below from the "Council decision of October 2006 on Community strategic guidelines on cohesion" (2006/702/EC):

*"1.2 Guideline: Improving knowledge and innovation for growth:*

*The Community's aims of growth and job creation will require a structural shift in the economy towards knowledge-based activities. This calls for action on a number of fronts: to address low levels of Research and Technological Development (RTD), especially in the private sector; to promote innovation through new or improved products, processes and services which can withstand international competition; to increase regional and local capacities to generate and absorb new technologies (ICTs in particular) and to provide more support for risk-taking."*

- Culture, tourism

The above two topics have to be tackled with care under the INTERREG IVC programme. First, these topics have already been covered widely under different EU programmes and in particular INTERREG. In the programming period 2007-2013, other EU programmes (such as the CULTURE

programme) are also directly dedicated to these topics. 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 topics of culture or tourism would need to be tackled in the framework of the Lisbon (e.g. tourism as an economic sector) and Gothenburg agendas (e.g. strategies related to sustainable tourism) to demonstrate their relevance to INTERREG IVC. In other words, the development of cultural or tourism activities as such are not relevant to the programme.

- Agriculture

As indicated in section 8.2 of the Operational Programme, 'the applicants will be asked especially to avoid overlaps between INTERREG IVC projects and similar projects in the other programmes like the **EAFRD**'. In any case, **topics directly related to agricultural issues will be considered as not eligible** to the INTERREG IVC programme.

The above points of attention are even more important since the competition is extremely high under INTERREG IVC. The total ERDF subvention is comparable to that of INTERREG IIIC although two new Member States are involved and more importantly the co-financing rate is much higher. This means that, mechanically, the programme will be able to approve fewer projects and only the most relevant will have a chance to be supported.

## 1.5. Programme management

The management of this programme is based on the management structure applicable for a Structural Funds programme and is made up of:

- a **Managing Authority**
- a **Certifying Authority**
- an **Audit Authority**
- a **Monitoring Committee**
- a **Joint Technical Secretariat and four Information Points**
- and **National Contact Points** (optional).

The characteristics, tasks and responsibilities of each of these bodies are described in the INTERREG IVC Operational Programme, section 6.1.

## 1.6. Programme related documents

- INTERREG IVC Operational Programme
- Communication from the Commission on Regions for Economic Change, COM(2006) 675 final of 8 November 2006

The above documents as well as the relevant European regulations are available for download on the programme's website ([www.interreg4c.eu](http://www.interreg4c.eu)).

It is recommended that potential applicants study the above documents carefully as they provide further information on the overall framework of the INTERREG IVC programme.

## 1.7. Cross border, transnational and interregional cooperation

Under the 2000-2006 programming period, INTERREG had three different strands: cross-border co-operation (strand A), transnational cooperation (strand B) and interregional cooperation (strand C). In the new programming period, the INTERREG Community Initiatives no longer exist as they have been 'mainstreamed' into the European Territorial Co-operation Objective. However, the distinction between cross-border, transnational and interregional cooperation still remains. It is important to briefly summarise the main differences between these three 'types' of cooperation for the following two reasons:

- The experience gained during the 2000-2006 programming period showed that it was often difficult for applicants to understand the distinction between the different INTERREG programmes and therefore to identify the most appropriate strand for their project.
- As a capitalisation programme, INTERREG IVC should contribute to building on the good practices developed under the different regional development programmes including the programmes dedicated to cross-border and transnational cooperation. As such, INTERREG IVC has a direct link with the other cooperation programmes.



The difference between interregional cooperation and the two other 'types' of cooperation does not only lie in their geographical coverage. In this respect it is true that interregional cooperation is the only 'type' of cooperation where all EU regions are eligible. By comparison, only the areas close to the border are eligible under the cross-border cooperation programmes and, under the transnational cooperation programmes, wider eligible areas are defined but they still do not allow cooperation at EU-wide level.

In addition to their geographical coverage, it is important to note that the nature of the cooperation supported under these programmes also makes them fundamentally different from each other.

Cross-border programmes (the former A strand of INTERREG) aim to bring adjacent cross-border regions closer together through the development of joint projects. Under these programmes, concrete and operational projects can be financed in a wide variety of themes ranging from culture to tourism (e.g. the organisation of cross-border festivals, the development of joint web portals in the tourism sector); and from economic development to transport (e.g. the organisation of joint business fairs, and the development and improvement of cross-border public transport connections).

Transnational programmes (the former B strand of INTERREG) were initially related to the implementation of the European Spatial Development Perspective (ESDP) and to the promotion of a better territorial integration within the European Union. Spatial planning therefore remains an important concept for the current generation of transnational cooperation programmes which often include priorities on topics such as 'transport', 'water management', or 'ICT infrastructure'. The rationale behind this 'type' of cooperation explains why investment can be eligible under strict conditions (e.g. the transnational character of possible investment has to be demonstrated). In general, the budgets of projects supported under transnational programmes are on average higher than those supported under other cooperation programmes. Flood risk management projects provide a good example of the added-value of transnational cooperation: a river does not stop at borders; flood management is therefore clearly an issue that cannot be tackled at the national or regional levels alone but requires intensive cooperation at the transnational level (e.g. missing infrastructures on the Meuse river in Northern France may lead to recurring flooding in the Netherlands; similarly, missing infrastructures on the Danube river in Austria can have an impact in Romania).

The approach behind interregional cooperation (strand C) is different from the above two 'types' of cooperation. As mentioned above, a certain number of issues are by nature cross-border, meaning that they can only be properly addressed at the cross-border level. This is for instance the case of issues related to labour markets, health, transport, tax systems. Similarly, the existence of quintessential transnational issues cannot be denied. This is true for flood risk management but also for other issues such as transport corridors or information society infrastructures. In comparison, interregional cooperation primarily addresses needs at the intra-regional level, through searching for solutions beyond its borders. This is also the reason why interregional cooperation aims at improving the effectiveness of regional / local policies through the exchange and transfer of experiences among EU regions (regardless of their location). For instance, it can be the case of a local authority, which realises that its waste management policy does not perform as well as it should. In order to renew and improve its own strategy, this local authority can decide to build a three-year project with other similar authorities in Europe to exchange and transfer their experiences in that domain. Interregional cooperation programme would be the perfect framework to do so.

This specific feature of interregional cooperation is crucial as it has fundamental consequences such as:

- Interregional cooperation programme has a **particular focus on networking and exchanging experiences (soft cooperation)**. The programme cannot be as 'implementation oriented' as the two other forms of cooperation because it would then be in contradiction with the additionality principle. In other words, the interregional cooperation programme cannot substitute regional mainstream policies (even if, under strict conditions, light experimentation can still be supported). It is the role of the respective regional 'instruments' to take over the concrete implementation of the lessons learnt during the exchange of experience.
- Projects supported under INTERREG IVC should demonstrate how they **build on the stock of experiences** gained under past or existing regional development programmes including Structural Funds programmes. As such, the programme is not a pure 'experimentation' programme.
- Finally, this programme's core feature implies also that the durability of the project's results is considered differently than in cross-border or transnational cooperation. In these two other forms of cooperation, and because of the existence of a 'permanent need', it is usually impor-



tant to demonstrate the durability of the project itself and of the partnership created beyond the funding period. In INTERREG IVC, the best way to demonstrate the durability of the results is to 'mainstream' the lessons learnt into relevant policies at local, regional or national levels. And there is no point in maintaining the project and its partnership if the initial need expressed by the regions has been answered.

To conclude, as a 'capitalisation' programme, INTERREG IVC is targeted at local and regional public authorities and it focuses on the identification, analysis, dissemination and transfer of good practices and policy experiences, in order to improve the effectiveness of regional and local policies. **The core element in interregional cooperation is the exchange of experiences at policy level** and, compared to cross-border and transnational programmes, it supports 'soft' cooperation but no investments in infrastructure.

#### Capitalisation

In the context of the INTERREG IVC programme, **capitalisation** is defined as a process of collecting, analysing, disseminating and transferring good practices and policy experience in a certain domain of regional policy with the objective of optimising the results achieved by the regions in this domain. In particular, one of the expected results of these activities is the transfer of the good practices identified into the mainstream Structural Funds programmes (i.e. 'Convergence', 'Competitiveness and Employment' and other 'European Territorial Cooperation' programmes) in regions wishing to improve their policies.

## 2. Project Development

### 2.1. Types of intervention

The following types of intervention are supported by the INTERREG IVC programme:

- Regional Initiative Projects (Type 1)
- Capitalisation Projects including Fast Track Projects (Type 2).

#### 2.1.1. Regional Initiative Projects (Type 1)

##### - Definition

Regional Initiative Projects are 'classic' interregional cooperation projects comparable to those already supported under the INTERREG IIIC programme. They allow partners from the different EU Member States, Norway, Switzerland, and even from non EU countries<sup>1</sup> to work together on a shared regional policy issue, within the two thematic priorities of the programme. Based on the exchange of experience and on the work on practices, they should contribute to achieving the programme's overall objective of improving the effectiveness of regional policies. The involvement of policy and decision makers is therefore an important element of their partnerships. Projects under this first type of intervention build on the experiences gained by the partners; experiences that will be enriched through interregional cooperation. Therefore, **regardless of their intensity of cooperation, all Regional Initiative Projects (including mini-programmes) must have a particular focus on the exchange of experience at policy level and on the identification, analysis and dissemination of good practices in the policy area tackled by the project.**

##### - Intensity of cooperation

Under this first type of intervention, different levels of intensity of cooperation are possible. The intensity of cooperation is defined by the nature of the activities proposed by a project:

- *Basic intensity of cooperation:* projects which propose 'traditional networking activities' such as the organisation of thematic seminars or the development of joint communication tools (newsletters, websites).
- *Medium intensity of cooperation:* projects which propose, in addition to normal networking activities, more demanding work for instance related to pilot actions or to the transfer of good practices.
- *High intensity of cooperation:* projects which propose the creation of a 'mini-programme' under which sub-projects will be supported. These ambitious cooperation projects are characterised by a high level of intensity of cooperation as they require for instance the setting up of joint decision making procedures to decide on the sub-projects.

#### Mini-programmes

As defined in section 4.4.1 of the INTERREG IVC Operational Programme, mini-programmes are "*projects with a limited number of partners developing a joint framework for interregional cooperation that will be implemented through a limited number of sub-projects that are developed via calls for proposals in the participating regions.*"

Deriving from this definition, a certain number of conditions apply to these projects:

##### Partnership requirements

- Because of the complexity of the approach, the number of partners must lie within a range from a minimum of three to a maximum of **eight** partners.
- It is highly recommended that only **public authorities** (not bodies governed by public law as defined in section 2.3.3) apply as main partners of the project (i.e. partners listed in the application form). Indeed, these bodies have a natural legitimacy in managing a mini-programme including selecting sub-projects and funding participants from their territory involved in them. Mini-programmes may however be supported by bodies governed by public law (as defined in section 2.3.3) in exceptional and duly justified cases. In order to precisely

<sup>1</sup> Project partners outside the EU cannot receive ERDF funds from the programme.

define the eligible area of the mini-programme' call for proposals, organisations applying as main partners should always directly represent a specific territory.

- The mini-programme should in principle be proposed by **regional** authorities themselves as the region often constitutes the relevant territorial level to implement such a project. But again, in duly justified cases, mini-programme can be proposed by public authorities at a lower level than the region (e.g. districts, metropolitan areas, cities).

The relevance and legitimacy of partners participating into a mini-programme must be highlighted and clearly described in section 5 of the application form ('Partnership').

#### Management requirements

The mini-programmes should, in principle, copy the programme implementation procedures established for INTERREG IVC. This means that, within each mini-programme, the procedures for sub-project selection, assessment, decision-making, contracting, reporting, payments, and monitoring must be established. Joint calls for proposals have to be published in the partner regions, following which applications are assessed and decisions on funding are taken by the project's steering group.

The INTERREG IVC Joint Technical Secretariat (JTS) has to be invited to the steering group meetings of each mini-programme. Costs for attending these meetings will be covered by the JTS.

The sub-projects selection criteria should be clearly specified in the application form. In any case, these criteria must respect the rules established at the programme level. In particular, each sub-project must involve participants from at least three countries, from which at least two participants must be from EU Member States and financed by the INTERREG IVC programme. Participants in the sub-projects must be located in the area represented by the main partners of the mini-programme. In addition, only public bodies or bodies governed by public law as defined in section 2.3.3 can be involved in these sub-projects. **A maximum of twelve sub-projects can be supported under each mini-programme.**

The implementation of the sub-projects has also to respect the financial and project management requirements set out by the INTERREG IVC programme.

It is recommended that the sub-projects are finalised in due time before closing the mini-programme. The time period required for closing the project may depend on the internal reporting and payment procedures.

#### Mini-programme's approach

In a mini-programme, component 3 is dedicated to the exchange of experience at the strategic level. Therefore, the main actors behind this component should be the main participating regions and not the participants in the sub-projects. This implies a more active and direct role of the regions in the exchange of experience as the regions themselves will have to develop specific activities at the strategic level. The aim is not only to go deeper in the identification and analysis of good practices but also to maximise the results achieved at the sub-projects' level, so that the results and lessons learnt at the level of each sub-project are not lost. Therefore, component 3 is the place where the main partners will consolidate these results in order to ensure that the sub-projects' achievements will have an impact not only on the policy of each participating region but also on the policies of other regional and local authorities in Europe ('European added-value' as defined in section 1.1 of the programme manual).

In comparison, activities under component 4 should be related to the development of the sub-projects. These sub-projects should be in line with the INTERREG IVC programme. In particular, they should have a particular focus on the exchange of experience and they should demonstrate how they will contribute to improving regional/local policies or instruments. Even if they are selected through open calls for proposals, an idea on the nature of the possible sub-projects should already be provided at the application stage.

During the assessment process, no preferences will be given to projects with a particular level of intensity of cooperation. In other words, projects with a higher intensity of cooperation will not be preferred to other projects, and good networking projects will always have a better chance of being approved than weak mini-programmes.

As a guide, the following table proposes a range of different possible levels of intensity of cooperation.

Intensity of cooperation	Example of activities	Expected results
<b>Basic</b> Exchange and dissemination of experience	<ul style="list-style-type: none"> <li>- Thematic seminars</li> <li>- Study visits</li> <li>- Exchanges of staff</li> <li>- Conferences</li> <li>- Websites, newsletters, brochures</li> <li>- Production of good practice guides</li> </ul>	<ul style="list-style-type: none"> <li>- New knowledge and skills</li> <li>- Possible successful transfer of practices between partners</li> <li>- Possible improvement of regional / local policies and strategies</li> </ul>
<b>Medium</b> Exchange and dissemination of experience + transfer of practices / development of new approaches	In addition to 'example 1' activities: <ul style="list-style-type: none"> <li>- Pilot actions (for instance in the context of a transfer of practice)</li> <li>- Development of regional policy tools (methodologies, software)</li> </ul>	In addition to 'example 1' results: <ul style="list-style-type: none"> <li>- Successful transfer of practices between partners</li> <li>- Direct improvement of regional / local policies and strategies</li> </ul>
<b>High</b> Exchange and dissemination of experience + joint development of new approaches (mini-programme)	In addition to 'examples 1 and 2' activities: <ul style="list-style-type: none"> <li>- Development of sub-projects</li> </ul>	In addition to 'examples 1 and 2' results: <ul style="list-style-type: none"> <li>- Improvements of policies / strategies at the sub-projects' level</li> </ul>

**For the sake of clarity, it should also be noted that, under INTERREG IVC, activities related to the transfer of good practices or to the development of new approaches have to be limited to light pilot implementation. Large scale implementation cannot be financed under INTERREG IVC** as it is the purpose of the relevant regional or local funding programmes to support this type of activities. This also applies to the second type of intervention (see section 2.1.2) where the implementation of the transferred good practices is financed by the Structural Funds programme of the respective region and not by INTERREG IVC itself.

As described above, projects under the first type of intervention will not always result in the transfer of good practices or in the development of new tools and approaches. However, regardless of the intensity of cooperation, all Regional Initiative Projects will have to produce a certain number of tangible deliverables such as policy recommendations or good practice guides (see also section 2.2.1.4).

#### **Transfer of good practices and improvement of policies (see also examples in section 4.3.6.1)**

Only a practice introduced by one partner and that has a concrete and measurable impact on another partner (for instance, through the initiation of a pilot project or through the adoption of a certain methodology by this other partner) can be considered as a transfer. The dissemination of good practices or the intention of a partner to adopt a new practice is not sufficient to consider the practice as transferred. In reality, the notion of good practice transferred is often more complex. Due the different regional contexts, it is rare that a practice developed in one region can be entirely transferred to another region. Sometimes only part of the practice is imported. In some other cases, the implementation that finally takes place in the importing partner cannot even be related to one specific practice of another region but it is the result of a mix of inputs coming from different partners. All these cases are valuable achievements and have to be reported under the programme's related indicator.

A policy can be considered as improved only when a concrete change has occurred in the policy framework of the region thanks to the exchange of experience carried out within the project.

The level of the practices should be as much as possible distinguished from the level of the policies. While a good practice is defined in section 1.1 of the manual as a concrete and specific initiative (e.g. methodologies, projects, processes, techniques), the notion of 'policy' relates to the public institutional framework of the regions and is therefore broader. Even if a transfer of practice constitutes a valuable result, it does not necessarily lead to a structural change that policy improvement usually implies (see also examples provided under section 4.3.6.1). From that point of view, transfers of practice shall be more considered as results (short term effects of the cooperation) while policy improvements relate more to impacts (long term effects of the cooperation).

### - Number of partners involved

The recommended number of partners is related to the level of intensity of cooperation. In general, the higher the level of intensity is, the lower the number of partners should be. For projects with a basic level of intensity of cooperation, it is recommended that the number of partners should be between a minimum of eight and a maximum of twenty. For projects with a medium intensity of cooperation, the partnership should ideally not exceed 10 to 15 partners. Exceptions to these recommendations are of course possible in justified cases.

Further information on the partnership is provided under section 2.3.

### - Duration

INTERREG IVC projects must clearly indicate their duration in the application form. The recommended duration for Regional Initiative Projects is 36 months. However, if justified, projects with a higher intensity of cooperation (such as the mini-programmes) may require a longer period of implementation and could last up to 48 months. Further information on the start date of projects is provided in section 4.1.3.

It is important to note that the above recommendations for the duration include the time needed to close the project since the end date of the project is also the end date for the eligibility of expenditure (see also section 5.1.1.2).

Since the programme must be finalised by the end of 2015, all activities within the projects must be completed and costs paid before the end of 2014.

### - ERDF contribution

The ERDF contribution to Regional Initiative Projects can be from EUR 500,000 to EUR 5 million. This contribution will depend not only on the number of partners involved but also on the level of intensity of cooperation proposed. Indeed, in general, activities carried out by projects with a basic level of intensity of cooperation will require a lower budget than activities such as the implementation of pilot experimentation or the development of sub-projects. The above recommendation is however quite broad and it should be noted that **the upper limit of the recommended ERDF contribution (i.e. EUR 5 million) can be requested only in exceptional cases (i.e. mini programmes). It is expected that the average ERDF budget of all the running IVC projects will be between EUR 1 and 2 million.**

## 2.1.2. Capitalisation Projects including Fast Track Projects (Type 2)

### - Definition

'Capitalisation Projects' are interregional cooperation projects which focus specifically on the transfer of regional development good practices into mainstream EU Structural Funds programmes (i.e. Convergence, Regional Competitiveness and Employment and other European Territorial Cooperation programmes) of the regions participating in the project or represented in the partnership. As such, projects submitted to this second type have already to be well aware of existing good practices in their field of cooperation. Potential partnerships interested in Capitalisation Projects must demonstrate that they have good results and transferable tools and approaches, as well as good management skills and knowledge of the theme in question. This knowledge could for instance be the result of a previous INTERREG IIIC project. More generally, it could result from any successful policy experience at the European, national, regional or local levels. This existing know-how has in any case to be clearly demonstrated in the application form as it will constitute the basis for the transfer into mainstream programmes. One of the expected results of the Capitalisation Projects is, for each participating region, a concrete Action Plan specifying how the identified practices will be implemented under the mainstream programme of the region. This means that the implementation itself of the good practices has to be financed by the Structural Funds programmes of the respective region (e.g. after the project's lifetime) and not by INTERREG IVC itself. Capitalisation Projects can also go beyond the transfer of practices into Structural Funds Operational Programmes. Based on the lessons learnt from the cooperation, certain regions may also proceed to a change of their Operational Programme ensuring a structural and long terms change in the region.

#### **Action Plan**

An Action Plan is a strategic document that defines precisely how the good practices will actually be implemented under the Operational Programme of each region participating in a Capitalisation Project. In particular, it needs to include detailed information concerning:

- the good practices (e.g. methodologies, projects, processes and techniques) that have been



- selected for implementation in the region
- the names and roles of the main stakeholders in the region that will need to be involved in the implementation process
- the precise steps and actions that need to be undertaken to ensure successful implementation
- the relevant indicators for implementation (including baseline and target values)
- details of the provisional mainstream funds allocated for the purpose of implementing the Action Plan.

This strategic document, which constitutes the final result of the Capitalisation Projects, is more than a simple statement of intent. In order to ensure its official and binding character, it should ideally be signed by the respective Managing Authority of the Structural Funds mainstream programme and relevant stakeholders in each of the participating regions. The Action Plan therefore reflects the political endorsement of each region. This is the reason why this strategic document is considered as a result and not as an output.

Capitalisation Projects address a regional policy issue of shared relevance to the partnership in line with the two thematic priorities of the programme. Because of this specific focus on transferring practices into mainstream programmes, **the involvement of the relevant bodies responsible for monitoring the Operational Programme in each of the participating regions (either the Managing Authority itself or the intermediate body designated to carry out some or all of the tasks of the Managing Authority) is a prerequisite for applying to the second type of intervention.** The way these policy and decision makers are to be involved in the project will have to be clearly described and demonstrated in the application form (in particular, in sections 2.2.2 - 'Involvement of the relevant policy makers' and 5 - 'Partnership'). In addition, other relevant regional and local bodies responsible for policy delivery should also be involved and will vary depending on the theme of the project. For instance, if the project tackles one of the sub-themes of Priority 1 ('Innovation and the knowledge economy'), the participation of regional development agencies and other important regional economic development actors may be essential. The direct involvement of these 'deep delegations' (i.e. policy makers and bodies responsible for policy delivery) in each participating region is a core element of the Capitalisation Projects. Moreover, it is essential for this kind of project that the findings are disseminated widely beyond the partnership of the project.

Historically, one of the aims of interregional cooperation has been to build on the good policy experiences and practices generated by cross-border and transnational cooperation programmes. Therefore, under the Capitalisation Projects, the transfer of good practices is not limited to the Convergence and Competitiveness programmes but also includes the European Territorial Cooperation programmes. As an example, a successful practice developed under the 'South West Europe' transnational programme could be transferred, under this second type of intervention, into the 'Baltic Sea' transnational programme.

Finally, the two following clarifications have to be noted as far as Capitalisation Projects are concerned:

- The term 'capitalisation' is generally understood as a wider concept comprising the collection, analysis, dissemination and possible transfer of good practices. This second type of intervention called "Capitalisation Project" focuses, however, on one specific aspect of capitalisation (i.e. 'the transfer'), since this is the expected result of the project activity (through the adoption of an Action Plan in each participating region).
- Even if Capitalisation Projects relate to the transfer of good practices into Structural Funds mainstream programmes, they focus in fact on the preparation of the transfer and not on the transfer itself (see definition of transfer in section 2.1.1) since the transfer will be funded by the relevant Structural Funds programmes.

#### **- Fast Track Projects**

Fast Track projects are Capitalisation Projects which benefit from additional expertise from the European Commission in order to contribute to the Regions for Economic Change initiative. The Commission will provide this additional expertise at its own costs.

In order to earmark projects for additional assistance, the Commission will assess the Capitalisation Project applications according to a certain number of questions. These "assessment questions" can be consulted on the website: [www.interreg4c.eu](http://www.interreg4c.eu) or on the Regions for Economic Change website as indicated below:

[http://ec.europa.eu/regional\\_policy/conferences/regionseconomicchange/index\\_en.cfm](http://ec.europa.eu/regional_policy/conferences/regionseconomicchange/index_en.cfm)

**It should be stressed that there is no specific application to Fast Track Projects.** Applicants will have the choice of applying to only one of the two types of intervention (Regional Initiatives Projects or Capitalisation Projects). The approval of projects and their designation as Fast Track Projects will be the subject of separate and independent processes. However, the Monitoring Committee will know, when it decides on the approval of Capitalisation Projects, whether or not these projects have been labelled as Fast Track Projects by the Commission.

### **Themes for Regions for Economic Change to be covered by INTERREG IVC**

#### **I. Making Europe and its regions more attractive places to invest and work**

- Increasing adaptability
- Improving air quality
- Moving to a low carbon economy
- Improving quality of water supply and treatment
- Moving to a recycling society
- Making healthy communities
- Improving monitoring of environment and security by and for the regions

#### **II. Improving knowledge and innovation for growth**

- Improving the capacity of regions for research and innovation
- Bringing innovative ideas to the market more quickly
- Training and retaining researchers
- Helping to restructure regions most heavily dependent on traditional industries
- Bringing e-government to regions and businesses
- Better ICT connections between regions

#### **III. More and better jobs**

- Improving qualifications for innovation
- Promoting entrepreneurship
- Meeting the demographic challenge
- Improving the adaptability of workers and enterprises
- Expanding and improving education and training systems
- Increasing employment of older workers

#### **IV. The territorial dimension of European cohesion policy**

- Managing coastal zones
- Reaping the benefits of the sea
- Preventing and reducing floods
- Supporting the economic diversification of rural areas

#### **- Number of partners involved**

For Capitalisation Projects, there is no specific requirement in terms of the number of partners but there is a recommendation in terms of the number of countries represented in the project. It is recommended that a minimum of six and a maximum of ten countries are represented in the partnership. As Capitalisation Projects focus on the transfer of practices, they require a certain level of intensity of co-operation. In this context, the complexity of managing a wide partnership must not be underestimated. It is also important to ensure a sufficient budget is available to cover the expenses of the deep delegations needed to implement Fast Track Projects.

In order to cover the expenses of the deep delegations, it is highly recommended to include the organisations involved as partners in the application form. This allows them to receive ERDF funding. If they are not officially listed in the application form, it means that they either participate at their own costs or are involved and budgeted as “external experts” with the condition that their costs will be fully paid and thus definitively borne by one of the official partners.

Further information on the partnership is provided under section 2.3.



### - Duration

The recommended duration for Capitalisation Projects is shorter than for the Regional Initiative Projects and should in general not exceed 24 months. This is because projects are less expected to work on the identification of good practices than to prepare the ground for the transfer of already identified practices straight away. Further information on the start date of the projects is provided in section 4.1.3.

It is important to note that the above recommendations for the duration include the time needed to close the project since the end date of the project is also the end date for the eligibility of expenditure (see also section 5.1.1.2). Since the programme must be finalised by the end of 2015, all activities within the projects must be completed and costs paid before the end of 2014.

### - ERDF contribution

The ERDF contribution to Capitalisation Projects can be from EUR 300,000 to EUR 3 million. This contribution will mainly be related to the number of partners involved in the project.

## 2.1.3. Summary of the main characteristics of the two types of intervention

The following table summarises the main general characteristics of the two types of intervention.

	Regional Initiative Projects (Type 1)	Capitalisation Projects (Type 2)
<b>Purpose</b>	Exchange, dissemination and transfer of experience. Possible development of new approaches if based on the exchange of experience	Transfer of good practices into mainstream programmes
<b>Involvement of Managing Authority /intermediate body designated to carry out Managing Authority tasks</b>	Not required	Compulsory
<b>EC support</b>	No	Yes, for Fast Track Projects
<b>Recommended number of partners<sup>2</sup></b>	Depends in general on the intensity of cooperation proposed. Large partnerships are possible in light networking projects but a limited number of partners is recommended for projects with a higher intensity of cooperation.  In mini-programmes, the number of partners <b>must</b> not exceed 8.	No recommendation on number of partners involved but recommendation in terms of the number of countries represented in the project:  Minimum recommended number of countries represented: 6  Maximum recommended number of countries represented: 10
<b>Recommended duration<sup>3</sup></b>	36 months  Mini-programmes: up to 48 months	24 months
<b>Recommended budget</b>	Min ERDF: EUR 500,000 Max ERDF: EUR 5 million <sup>4</sup>	Min ERDF: EUR 300,000 Max ERDF: EUR 3 million
<b>Beneficiaries</b>	Public authorities and bodies governed by public law (as defined in section 2.3.3)	Public authorities and bodies governed by public law (as defined in section 2.3.3)

<sup>2</sup> Further information on partnership is provided in section 2.3.

<sup>3</sup> The recommended duration includes the time needed to close the project.

<sup>4</sup> The maximum recommended ERDF budget will be allocated only in exceptional cases (see section 2.1.1).

**Important:** It should be noted that further or stricter criteria may be defined in the Terms of Reference of each call. In case of a contradiction between the information given in the Programme Manual and the Terms of Reference, the stricter criteria apply. The Terms of Reference are published on the programme website: [www.interreg4c.eu](http://www.interreg4c.eu).

## **2.2. Project activities**

### **2.2.1. Project components**

Activities proposed by the INTERREG IVC projects have to be organised logically into a certain number of components which are described in the application form. The components have either an 'implementation-related' focus (e.g. 'Management and Coordination', 'Communication and Dissemination') or a 'content-related' focus (e.g. 'Exchange of experience'). In other words, it is not the location or the chronology of the activities that determines whether they belong to a certain component. Regional Initiative Projects can be sub-divided into a maximum of five components plus the component dedicated to the 'Preparation activities'. It is however recommended to limit as much as possible the number of components in order to facilitate the management of the project. A minimum of three components (that are already pre-defined) must in any case be filled in. Components 1 and 2 are dedicated to the 'implementation-related' activities (i.e. 'Management' and 'Communication'). As these activities apply to all INTERREG IVC projects, they are common to the two types of interventions. Component 3 focuses on the 'content-related' activities (i.e. 'Exchange of experiences') and is different according to the type of intervention selected. Examples of typical activities carried out under these components are provided in section 2.2.2.

The logic behind the planned activities and components has to be described in section 2.1.6 – 'Approach and methodology' of the application form.

#### **2.2.1.1. Component 'Preparation activities'**

Successful projects approved by the Monitoring Committee can receive programme funding for their costs related to the preparation of an INTERREG IVC project. Costs declared in the component Preparation activities have to show a direct and demonstrable link to the development of the project.

Typical activities during the preparation phase of a project are the following:

- development of the project idea and partner search
- meetings with project partners
- completion of the application form
- participation in INTERREG IVC partner search forum, Lead Applicant seminar, individual consultation with members of the Joint Technical Secretariat (JTS) and/or with the Information Points.

The preparation costs must be further described in the application form and broken down into the same budget lines as the other components of the project. The activities must take place and the related costs must be incurred between 1 January 2007 and the date of submission of the application form to the programme. These costs must be paid out by the end of the first reporting period. They have to be reported in the first progress report. The eligible preparation costs are subject to a ceiling of EUR 30,000.

#### **2.2.1.2. Components 1 'Management and Coordination'**

The first component is dedicated to management and coordination tasks. It deals with all the activities related to the administrative, legal and financial activities which are necessary to run an INTERREG IVC project. Further information on these tasks can be found in sections 2.3.4 and 4.2. It is recommended that the management and coordination costs represent a reasonable share of the total budget and, in general, they should not exceed 20% of this budget.

#### **2.2.1.3. Components 2 'Communication and Dissemination'**

Component 2 is dedicated to communication and dissemination tasks. Activities carried out under this second component are aimed at disseminating the project's activities and achievements outside the project to the relevant stakeholders in Europe (e.g. policy makers at the local, regional, national and European levels). These tasks are particularly important in a capitalisation programme such as INTERREG IVC where the project results should not only benefit the partners directly involved in the pro-

jects but also benefit other possible interested local and regional authorities in Europe. Further details on communication and dissemination can be found in section 4.6.

#### 2.2.1.4. Component 3 'Exchange of experience'

The focus of component 3 depends on the choice of the type of intervention.

- Regional Initiative Projects (Type 1)

INTERREG IVC has a clear focus on the exchange of experience at policy level and in particular on the identification and analysis of good practices. Therefore, component 3 of the Regional Initiative Projects deals with the core element of the cooperation which is the "Exchange of experiences dedicated to the identification and analysis of good practices".

It is under this component that the good practices developed by the partners in the domain tackled by the project have to be identified and exchanged. And it is based on these activities that the policies of the participating regions will hopefully be improved before the end of the cooperation.

The programme does not have any specific requirement regarding the way the exchange of experience should take place. It is up to each Regional Initiative Project to organise activities in this component in order to ensure an efficient exchange of experience amongst the partners (examples of activities dedicated to the exchange of experience are provided in section 2.2.2). However, in order to contribute to the capitalisation at programme level, Regional Initiative Projects have to ensure a proper record and follow up of these exchanges. In particular, at the end of the exchange process, the production of a concrete document such as a good practice guide, or a case study collection or a policy recommendations paper is required. This document should provide an attractive and comprehensive summary of the results of the exchange of policy experiences. For instance, it may provide detailed information on the relevant practices identified during the exchange of experiences, a description of the main lessons learnt from the exchange of experience and information on the main project's achievements in terms of good practices transferred and policies improved for the participating regions. Ideally, this document should be of interest to any other public authorities in Europe dealing with the field tackled by the project.

There are numerous methodologies dedicated to the identification and reporting of regional / local development practices. The practices themselves can be of different natures (e.g. methodologies, projects, processes, techniques). The table in annex 2 provides the minimum information that is generally required to describe a practice. It is recommended that the projects take into consideration this basic data within the work carried out under component 3.

Projects approved in the **fourth call** have in addition to elaborate 'Implementation Plans'. The implementation plan is defined as a document that specifies how each 'region' participating in the cooperation will work to integrate the lessons learnt from the cooperation into its local / regional or if relevant national policies. The aim is to go beyond the above mentioned requirements (which usually remain at the project level) by focusing on a more specific output at 'partner' level.

- Capitalisation Projects (Type 2)

As far as the second type of intervention is concerned, component 3 focuses on the core element of the Capitalisation Projects which is the "Exchange of experience dedicated to the transfer of good practices into the Structural Funds mainstream programmes".

Capitalisation Projects have to describe under this component the way each participating region will develop its action plan. As indicated in section 2.1.2, projects submitted under the second type of intervention have to already be well aware of existing good practices in their field of cooperation. This is the reason why, compared to Regional Initiative Projects, the focus of component 3 should not be on the identification of practices but on the way the participating regions will transfer the good practices already identified into their respective Structural Funds Operational Programme. It is up to each Capitalisation Project to define the activities needed to achieve this objective even if the transfer process consists in principle of three key milestones: selection, adaptation and commitment. The nature of these activities may be similar to those carried out under component 3 of the Regional Initiative Projects (e.g. seminars, workshops, study visits, staff exchanges).

#### 2.2.1.5. Components 4 and 5

- Regional Initiative Projects (Type 1)

As far as the first type of intervention is concerned, components 4 and 5 are not pre-defined and applicants are therefore free to use one or both of these components. As already indicated above, the higher the number of components is, the more difficult the project management becomes. If however

components 4 or 5 are used, activities described there should complement but not overlap with the activities already planned in the three pre-defined components. Activities related to pilot experimentation or to the development of new approaches should ideally be developed under components 4 or 5. As far as mini-programmes are concerned, the implementation of sub-projects has to be allocated only to component 4.

- Capitalisation Projects (Type 2)

As the second type of intervention focuses on the transfer of regional development good practices into mainstream EU Structural Funds programmes, there will not be an opportunity for the Capitalisation Projects to add components to the three already pre-defined components. Therefore, all content related activities for Capitalisation Projects must be grouped under component 3.

### Section 3 of the application form

Section 3 of the application form is dedicated to the description of the components and includes the detailed work plan of each component. **Activities in this work plan have to be described as precisely as possible.** For instance, as far as events are concerned, details such as the date (months), duration (days), location (region), type of participants and thematic content should ideally be provided. This level of detail is expected for two main reasons. First, it allows a better understanding of the proposal and of the exact nature of the activities planned. For instance with pilot actions, it allows to check whether the programme's requirements are met (see section 2.2.3). Second, this information is necessary to allow a proper monitoring of the project's implementation in case the application is finally approved.

## 2.2.2. List of indicative activities

Examples of activities that are characteristic of interregional cooperation are provided below. They are grouped according to core tasks that INTERREG IVC projects have to carry out:

### - Management and Co-ordination

- Finalisation and conclusion of the partnership agreement
- Preparation of progress reports
- Organisation of project's steering group meetings
- Monitoring and control of the incurred expenditure.

### - Communication and Dissemination:

- Publication and dissemination of joint leaflets / brochures / newsletters
- Organisation of joint launch and closing conferences
- Development of the project's web site
- Organisation of press conferences
- Dissemination of project outputs (good practice guides, policy recommendations, etc.).

### - Exchange of experience:

- Organisation of joint thematic seminars / workshops / conferences
- Organisation of study / site visits
- Organisation of staff exchanges
- Organisation of joint interregional 'training' sessions
- Production of joint thematic surveys / studies
- Production of case studies / good practice guides / policy recommendations / strategic guidelines
- Development of action plans.

As described under section 2.1.1, Regional Initiative Projects with a certain level of intensity of cooperation can propose more demanding work (**activities eligible only under certain conditions as ex-**

**plained under section 2.2.3).** In addition to the above listed examples, typical activities of these projects may include the following:

- Joint development of regional policy tools (methodologies, software, etc.)
- Joint implementation of pilot actions
- Joint implementation of sub-projects (within mini-programme).

This list is not exhaustive and other activities can also be supported by the programme provided that they directly contribute to the achievement of the programme's objectives, that they respect EU legislation in the fields of financial management and controls, and that they respect the funding principles laid down by the programme. These activities will also have to fulfil three core criteria as described in the following section.

#### **Activities at programme level**

Lead Partners of approved projects are regularly invited to participate in a certain number of events and activities organised at programme level such as:

- Lead Partner seminars (organised shortly after the approval to brief the Lead Partners on the programme main features and requirements)
- finance seminars
- communication seminars
- thematic capitalisation seminars.

Even if it is not compulsory, the participation in these events is very much encouraged as it contributes to improve the overall quality of the programme's implementation. Applicants should therefore be aware of the above activities when preparing an application and in particular when elaborating the budget. Lead Partners would be expected to participate in a maximum of three events per year at programme level.

### **2.2.3. Conditions to be respected for the proposed activities**

It should be stressed that INTERREG IVC cannot be considered and used as a substitute programme for the Objective Convergence and Competitiveness programmes or for any other main programmes at the national, regional and local levels.

In other words, the activities proposed within INTERREG IVC and in particular those related to the development of new approaches and to pilot actions will have to respect the following three fundamental conditions:

#### **- Relevance to the programme**

All activities proposed within an INTERREG IVC project have to be in line with the overall objective of the programme and should clearly contribute to the improvement of the regional or local policies tackled by the project.

#### **- Interregionality**

Activities of pure local character cannot be supported under INTERREG IVC. The interregional character of the activities has always to be demonstrated in the application form. This is obvious in activities such as the organisation of joint thematic seminars. For the development of new approaches or pilot actions, the interregional character is often more difficult to justify but it can be demonstrated in different ways.

For instance, the interregionality of pilot actions is clear when these actions are directly related to the transfer of practice from a region to another region.

Another example is the development of new approaches benefiting the whole partnership. Based on the exchange of experience, the partners of the project may realise that they have never tried a particular approach. In this situation, one partner may take the lead in testing this new approach on its territory with the close cooperation of the other partners. If these other partners are directly involved in the preparation, implementation and evaluation of this new approach, it can then be considered that this activity benefits the whole partnership. This is another case where the interregionality of the pilot actions is demonstrated.

### - Additionality

The added-value of the proposed cooperation has to be clearly demonstrated. Indeed, the activities proposed to the INTERREG IVC programme have to be different from the normal and regular tasks of the partners involved in the project. In particular, the pilot actions have to represent additional activities that would not be carried out without the support of the INTERREG programme.

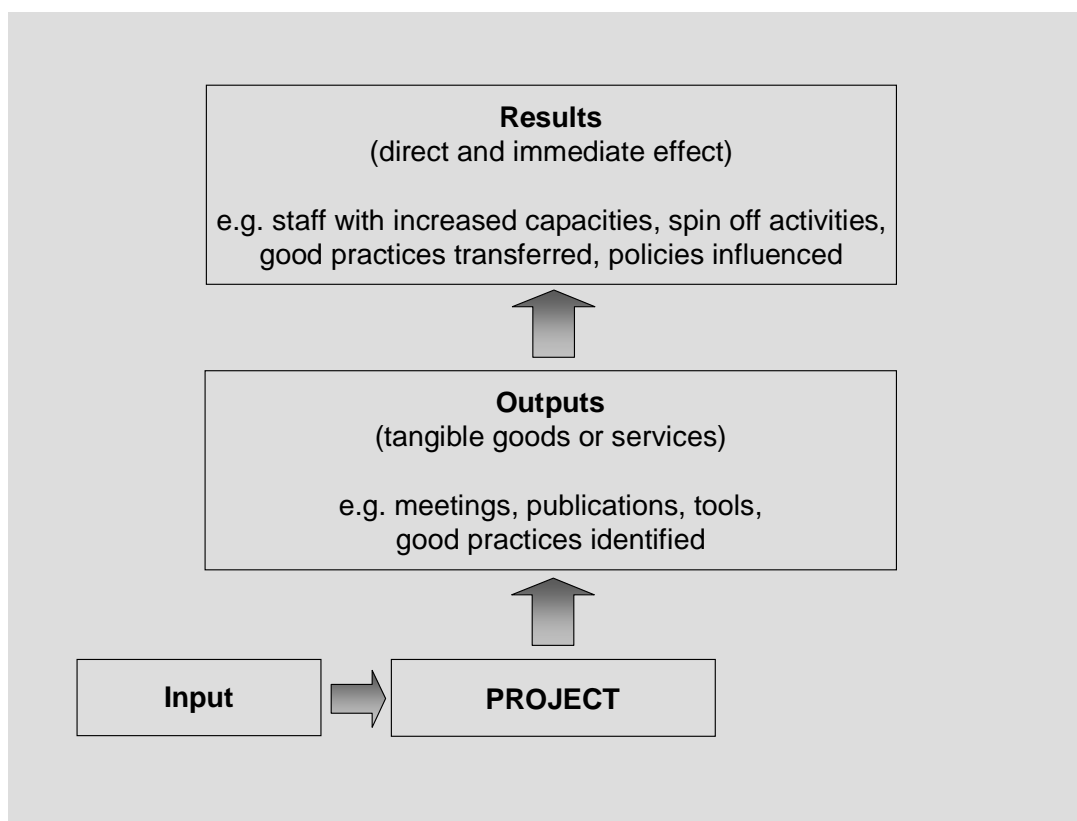
## 2.2.4. Monitoring of activities and projects' achievements

The evaluation of interregional cooperation programmes and projects is an important and challenging task. It is important because, during the implementation of the programme, the usefulness and efficiency of interregional cooperation will have to be clearly demonstrated. It is also challenging as, compared to other classic programmes of regional policy, the achievements of interregional cooperation are often less tangible. This is also the reason why the monitoring system focuses primarily on outputs and results, which are defined below. Impacts often occur after the end of the project and it will be up to each project to report if possible on this type of achievement.

### 2.2.4.1. Definition of outputs and results

Outputs are the tangible deliverables of the project. They directly result from the activities carried out in the project. They report on what the main 'products' delivered by the project are. They do not lead to a qualitative judgment on the project's outcomes. In other words, it is not because the project organises a high number of workshops that it will necessarily be successful. Output indicators are typically measured in physical units such as the number of seminars, site visits, conferences, participants, publications, good practices identified, or policies addressed.

Results are direct and immediate effects resulting from the project and from the production of the outputs. They do not report on the what but on why the project is delivering the specific outputs. The organisation of interregional events, the identification and dissemination of good practices, the production of policy recommendations are only means to an end. These activities are carried out in order to achieve specific effects that the result indicators should be able to assess and measure in quantified terms. Therefore, compared to the outputs, they imply a qualitative value. They also have to be measured in physical units such as the number of staff with increased capacity, the number of good practices successfully transferred or the number of policies improved.



More detailed information on the evaluation of the Structural Funds can be found on the following link: [http://ec.europa.eu/regional\\_policy/sources/docoffic/working/sf2000\\_en.htm](http://ec.europa.eu/regional_policy/sources/docoffic/working/sf2000_en.htm).



### 2.2.4.2. Project performance indicators

#### a/ Pre-defined indicators at programme level

Annex 2 of the INTERREG IVC Operational Programme provides an overview of the programme's monitoring system. In order to ensure consistency in the programme's evaluation, each project is requested to fill in a certain number of pre-defined output and result indicators according to the type of intervention selected. These indicators are automatically inserted in the component section of the application form and applicants just have to estimate their target value. The approach proposed by each project has to be realistic and it is therefore recommended not to overestimate expectations regarding these indicators. Additional information on the meaning of each of these indicators can also be found in [annex 3](#) of the present document. **It is highly recommended that applicants read carefully this annex before completing the indicator section of the application form.**

#### List of indicators pre-defined in the application form

##### 1/ Contribution to the programme's objectives

1.1/ *Objective:* Exchange of experience and improvement of capacities and knowledge of regional and local stakeholders in particular by matching less experienced regions with regions with more experience

- |                   |  |
|-------------------|--|
| Output indicators | <ul style="list-style-type: none"> <li>No. of interregional events organised by projects to exchange experience</li> <li>Total No. of participants in all interregional events</li> </ul>  |
| Result Indicators | <ul style="list-style-type: none"> <li>No. of staff members with increased capacity (awareness / knowledge / skills) resulting from the exchange of experience at interregional events</li> <li>No. of Action Plans developed by Objective 'Convergence' regions further to the lessons learnt from 'Objective Competitiveness' regions</li> </ul> |

1.2/ *Objective:* Identification, sharing and transfer of good practices into regional policies and into EU Structural Funds mainstream programmes

- |                   |   |
|-------------------|---|
| Output indicators | <ul style="list-style-type: none"> <li>No. of good practices identified by Regional Initiative Projects</li> <li>No. of good practices already identified and made available to regional and local actors involved in Capitalisation Projects</li> </ul>  |
| Result indicators | <ul style="list-style-type: none"> <li>No. of good practices successfully transferred within Regional Initiative Projects (if applicable)</li> <li>No. of Action Plans developed under Capitalisation Projects</li> <li>Amount of mainstream funds (Cohesion/ERDF/ESF) dedicated to the implementation of good practices coming from Capitalisation Projects</li> </ul> |

1.3/ *Objective:* Improvement of regional and local policies

- |                   |  |
|-------------------|--|
| Output indicators | <ul style="list-style-type: none"> <li>No. of regional/local policies and instruments addressed in the field tackled by the project</li> </ul> |
| Result indicators | <ul style="list-style-type: none"> <li>No. of regional/local policies and instruments improved in the field tackled by the project</li> </ul>  |

##### 2/ General performance of projects

##### 2.1/ Management and Coordination

- |                  |  |
|------------------|--|
| Output indicator | <ul style="list-style-type: none"> <li>Average number of steering group meetings organised by projects per year</li> </ul> |
|------------------|--|



## 2.2/ Communication and Dissemination

<b>Output indicators</b>	<ul style="list-style-type: none"> <li>No. of press releases disseminated</li> <li>No. of brochures (no. of issues created, not no. of copies printed or disseminated)</li> <li>No. of copies of brochures disseminated</li> <li>No. of newsletters (no. of issues created, not no. of copies printed or disseminated)</li> <li>No. of copies of newsletters disseminated</li> <li>No. of dissemination events organised</li> <li>No. of other events participated in (with presentations/stands about the project activities)</li> </ul>
<b>Result indicators</b>	<ul style="list-style-type: none"> <li>No. of articles/appearances published in the press and in other media</li> <li>Estimated no. of participants in events (organised and participated in)</li> <li>Average no. of visits per month to a project's website</li> </ul>

Past experience of interregional cooperation projects has shown that projects with a basic level of intensity of cooperation could sometimes lead to concrete transfers of good practices amongst the partners. This is the reason why Regional Initiative Projects with a basic level of intensity of cooperation may still commit themselves to a limited number of transfers of good practices within component 3. This pre-defined result indicator remains however optional for projects applying under the first type of interventions.

As explained in section 2.2.1, in case the transfer implies more demanding activities such as pilot actions, the Regional Initiative Project will be characterised by a higher level of intensity of cooperation and this more demanding activities should in principle be organised outside component 3 (for instance in component 4).

### b/ Self-defined indicators

In addition to the pre-defined indicators, each project has the opportunity to define its own output and result indicators. These 'self-defined' indicators have to be provided in the component section of the application form. Applicants who wish to include additional indicators have to make sure that these indicators are meaningful and measurable and that they do not repeat the programme pre-defined indicators. A clear distinction has also to be made between output and result indicators.

Examples of self-defined indicators		
Example of projects	Output indicators	Result indicators
On water management with a particular focus on flood prevention	<ul style="list-style-type: none"> <li>- Number of river basins addressed within the project</li> <li>- Number of comparative survey(s) on the number and characteristics of recent floods in the participating regions</li> <li>- Number of flood awareness campaigns that are analysed within the project</li> </ul>	<ul style="list-style-type: none"> <li>- Number of new projects dedicated to water management resulting from the exchange of experience</li> <li>- Number of new river basin management plans successfully initiated through the cooperation</li> <li>- Number of new tools successfully developed for flood awareness campaigns thanks to the cooperation</li> </ul>
On the development of regional/ local 'e-government' services	<ul style="list-style-type: none"> <li>- Number of technical analysis carried out to check the relevance of the innovative e-government solutions identified in the participating regions</li> <li>- Number of joint events organised to raise awareness of local policy makers on the development of e-government</li> </ul>	<ul style="list-style-type: none"> <li>- Number of new e-government applications successfully initiated through the cooperation</li> <li>- Number of local policy makers with increased capacity on 'e-government' issues</li> </ul>
A mini-programme on cluster management	<ul style="list-style-type: none"> <li>- Number of sub-projects supported</li> <li>- Number of participants involved</li> </ul>	<ul style="list-style-type: none"> <li>- Number of new links established between businesses, research institutes and public authorities</li> </ul>

	in the sub-projects - Number of existing clusters in the participating regions - Number of businesses represented in these clusters	- Number of additional businesses joining existing clusters thanks to the cooperation - Number of new clusters initiated through the cooperation - Number of new tools successfully created to support cluster development (e.g. recruitment of a 'cluster manager', creation of new risk capital schemes available to SMEs)
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#### 2.2.4.3. Innovative character of the project's results

Projects financed under the programme have to explain the innovative character of their expected results. It is clear that this notion of added-value is relative: what is common practice for large public authorities or in certain European context may be very innovative for smaller public authorities or in another type of context (and vice versa). Nevertheless, it is recommended that, before developing a project idea, applicants should at least check on the programmes' websites the kind of interregional cooperation projects that were already financed ([www.interreg3c.net](http://www.interreg3c.net)) or that are currently supported ([www.interreg4c.eu](http://www.interreg4c.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 project's added-value is particularly important for INTERREG IIIC follow-up projects, which need to clearly demonstrate how they would go beyond their past cooperation. This added-value can in particular be reflected in the following project's features:

- the proposed partnership
- the theme tackled
- the intensity of cooperation selected.

#### 2.2.4.4. 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 planned results to be achieved within the project will not be lost at the end of the funding period. Therefore, the way applicants envisage the durability of their project's achievements has to be clearly explained in section 2 of the application form. In the context of INTERREG IVC, it should be noted that this notion of durability is closely related to the relevance itself of the project. If the relevance of a proposal is clear, it means in particular that the way the interregional exchange of experience will directly impact regional policies is demonstrated. This impact on policies and the integration of good practices into regional / local policies and strategies are therefore the best way to demonstrate the durability of the project's results in INTERREG IVC.

In terms of communication and dissemination, the programme has the two following requirements to ensure the availability of the project's outputs:

- each approved project has to develop its own website where core information on the project is available (e.g. objective, partners, activities, main outputs such as good practice guides). See also section 4.6.1 below;
- **the project's website has to remain available for a minimum of five years after the closure of the project.** The costs for this measure, which should be relatively low, have to be fully borne by the partnership.

## 2.3. Partnership

**Important:** It should be noted that besides the general conditions outlined below further or stricter criteria may be defined in the Terms of Reference of each call. In case of a contradiction between the information given in the Programme Manual and the Terms of Reference, the stricter criteria apply. The Terms of Reference are published on the programme website: [www.interreg4c.eu](http://www.interreg4c.eu).

### 2.3.1. Partnership composition

Projects have to involve partners **from at least three countries, from which at least two partners must be from EU Member States and financed by the INTERREG IVC programme.**

Besides this minimum requirement, which determines the eligibility of a project, the partnership should always, as a general rule, facilitate efficient implementation and reflect the objectives of the project. The complexity of a wide partnership must not be under-estimated and the number of partners involved in the project is closely related to the intensity of cooperation. The higher the level of intensity is, the lower the number of partners should be. Recommendations for the suitable number of partners by type of intervention can be found in section 2.1.

It should be further noted that the INTERREG IVC programme is the only INTERREG programme covering the whole Europe. **It is therefore highly recommended that partnerships cover a wide EU area** as this configuration allows partners to broaden their experience and to confront their practices with very different cultures and contexts. This issue is reflected in the fifth selection criterion dedicated to 'Quality of partnership' (see [annex 4](#)). In particular, the geographical coverage should in principle go much beyond the normal cross-border and transnational programme areas. It is most likely that a partnership which is in essence mainly 'transnational' (e.g. most of the partners coming from an INTERREG IVB area with a few other 'external' partners only symbolically involved in the co-operation) would not be considered of added-value within INTERREG IVC. This is particularly true in this programming period where Article 21 of ERDF Regulation (EC) No 1080/2006 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 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.

The quality of the partnership composition is also related to the **proportionate involvement of the different partners**. A balanced participation of the partners is recommended and is reflected at two levels. First, the involvement of the partners in the different project's activities and in the project's co-ordination has to be explained in as much detail as possible in the application form itself. Second, the proportionate involvement of the partners is also reflected through their financial contribution. It is clear that the budget of a partner has also to be in line with the level of costs in its specific country. But any major differences between the budgets of the partners must be clearly justified in the application form.

Finally, matching less experienced regions with more advanced regions also represents one of the programme objectives and should be taken into consideration by project applicants when building up their partnership.

## 2.3.2. Partnership funding

### 2.3.2.1. Funding for partners from EU-Member States and from Norway

Under the INTERREG IVC programme, the eligible project activities are co-financed from the ERDF at either 75% or 85% depending on the Member State in which the partner is physically located (determined by its address). The other 25% or 15% has to be provided by the partners themselves. The sources of the partners' own co-financing amount can be manifold. It can come from the partners' own budget, or from other public sources at central, regional or local levels.

It is not possible to receive an advance payment from the ERDF under the INTERREG IVC programme. This means that each project has to pre-finance its activities until it submits a progress report and claims funds from the programme for the activities carried out and paid in the past period. The programme then reimburses 75% or 85% of the total eligible expenditure declared by each partner – ensuring that 25% or 15% is always provided from other public sources. Project partners therefore need to set aside sufficient liquidity if they are to become involved in an INTERREG IVC project.

#### Interregional Cooperation under Convergence and Competitiveness programmes

According to the Council Regulation (EC) No 1083/2006 Article 37 §6 (b), some regions may have foreseen a priority on interregional cooperation within their regional Convergence or Competitiveness Operational Programme. In principle, these regions should develop projects with other regions that have included the same reference to interregional cooperation in their Operational Programme. For cooperation projects under Convergence or Competitiveness programmes, each will have its own contract with its own Managing Authority. As this offers significant coordination challenges across the partnership, this type of initiative should be dedicated to intensive cooperation projects with a limited number of regions.

It may occur that the above regions have to work with partners which do not have such a reference to interregional cooperation in their Operational Programme. In this case and in order to avoid additional complexity, it is strongly recommended that all the partners of the project apply to INTERREG

IVC ensuring that no partner is in receipt of funding from its regional Convergence or Competitiveness Operational Programme.

In exceptional cases and if duly justified, some regions may use their regional funding to be involved in a project submitted to the INTERREG IVC programme. They would not receive any INTERREG IVC funding, but would instead finance their participation with the budget of their regional programme, which would be listed as “other funding” in the INTERREG IVC application. The following conditions will apply to these particular projects:

- The region funded by its Operational Programme cannot be the Lead Partner of the INTERREG IVC project. The Lead Partner bears all the administrative, financial and legal responsibility (see section 2.3.4) 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 from the regional programme, the partnership has to involve at least two more partners which are from two other EU Member States and actually financed by the INTERREG IVC programme.
- At least three partners who are from two other EU Member States and funded under INTERREG IVC.
- A partner has to be financed either under INTERREG IVC or under the regional programme, but not under both programmes at the same time. It should also be stressed that expenditure can only be financed from one funding source.
- The deadlines, approval and reporting procedures of the regional programmes will differ from the INTERREG IVC programme and thus make the management of the activities of partners under different funding mechanisms complex. This should be taken into consideration when the project is set up.

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

Funding rate and source	Participating States (EU + Norway)
75% ERDF	Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxemburg, Netherlands, Spain, Sweden, UK
85% ERDF	Bulgaria, Czech Republic, Cyprus, Estonia, Greece, Hungary, Lithuania, Latvia, Malta, Poland, Portugal, Romania, Slovakia, Slovenia.
50% Norwegian funding	Norway

### 2.3.2.2. Funding for partners and activities outside the EU Member States

Partners coming from countries outside the EU territory can participate with their own funding.

Partners from Norway are eligible for Norwegian funding provided by the INTERREG IVC programme. Switzerland has also reserved some funding which is directly provided by the Cantons. Further information can be requested through the Swiss INTERREG National Contact Point.

In some cases it might be possible to obtain funding through other EU-instruments (such as ENPI<sup>5</sup> or IPA<sup>6</sup>) or through special national allocations. In case of co-financing from other EU instruments, the following has to be kept 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.

<sup>5</sup> The European Neighbourhood and Partnership Instrument for more information see: [http://ec.europa.eu/world/enp/funding\\_en.htm](http://ec.europa.eu/world/enp/funding_en.htm)

<sup>6</sup> IPA: Instrument for Pre-Accession Assistance, supports candidate and potential candidate countries for membership to the EU. For details see: [http://ec.europa.eu/regional\\_policy/funds/ipa/index\\_en.htm](http://ec.europa.eu/regional_policy/funds/ipa/index_en.htm)

- The approval deadlines and the administrative procedures of the different instruments vary and might not be in phase with the INTERREG IVC 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. Actions budgeted and paid for by EU-partners and Norway and co-financed from the ERDF or the Norwegian allocation are reported to the INTERREG IVC programme. Other parts of the project budgeted and financed by other non-EU partners under other instruments, have to be monitored by the respective other management bodies.

Based on Article 21 of Regulation (EC) No 1080/2006, expenditure incurred in implementing parts of the projects outside the EU especially in countries eligible to receive IPA funds, can be co-financed if they are for the benefit of the project and do not exceed 10% of the project's INTERREG IVC budget. The expenditure has to be budgeted, paid and borne by the EU or Norwegian partners. The related activity has to be explicitly mentioned and justified in the approved application. Usually the activity outside the EU is linked to the official participation of a non EU-partner in the project and allows the EU-partners or Norway to take over part of the non EU-partner's costs to facilitate its participation.

Please note that travel costs for EU-partners travelling to places outside the EU do not fall under the 10% rule mentioned above, but are eligible as any other travel costs (provided that the related activity has been foreseen and justified in the application).

### 2.3.2.3. Co-financing statement

At the application stage, the INTERREG IVC programme requires proof that the Lead Partner and the partner's own co-financing amount has been secured and will be available for the project's implementation as laid out in the application form. This proof is delivered in the form of a co-financing statement. The co-financing statement is obligatory for all partners listed in the application form, i.e. for both EU and non-EU partners. It is a pre-requisite for a project to be eligible to the programme. It is therefore important to take this requirement into account early on in the preparation phase so that the co-financing statement is available at the latest before the closure of the call when the application has to be submitted to the programme. The template for the co-financing statement is available with the application pack on the programme's website ([www.interreg4c.eu](http://www.interreg4c.eu)).

Further requirements for the co-financing statement are outlined in sections 3.3 and 3.4 of this Programme Manual.

### 2.3.3. Partner's legal status

In order to be eligible to ERDF or to the pre-allocated Norwegian funding, beneficiaries have to be public authorities and bodies whose expenditure is considered as public expenditure in accordance with Article 2 (5) of Regulation (EC) No 1083/2006. This applies especially to bodies acting in accordance with Directive 2004/18/EC. The relevant section reads as follows.

#### **Definition of body governed by public law**

*Body governed by public law according to Directive 2004/18/EC, Art. 1 means any body:*

- (a) established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;*
- (b) having legal personality; and*
- (c) - financed, for the most part, by the State, regional or local authorities, or other bodies governed by public law;*
  - or subject to management supervision by those bodies;*
  - or 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.*

**Each Member State is responsible for confirming the legal status of partners located on its territory.** Therefore, in case of doubt about its status, the partner should contact its Member State representative directly. Member State contact details are available on the programme website ([www.interreg4c.eu](http://www.interreg4c.eu)).



The private sector (i.e. profit-making organisations or NGOs which do not fulfil the requirements mentioned above) can participate in projects at their own cost as long as the participation of the concerned private partner is clearly relevant to the overall objective of the project and in particular to the exchange of experience at policy level.

Furthermore and subject to procurement rules, the private sector can be sub-contracted by partners to provide services or to assist in the implementation of certain activities as external experts. **Applications from national, regional or local authorities, or partnerships having at least a solid and relevant participation of regional and local authorities in them, will be considered with priority in the selection process. In order to maximise the impact of this programme on regional and local policies across the EU, applicants are strongly encouraged to include the relevant and competent public authorities in their projects.**

These rules reflect the specific objectives of the INTERREG IVC programme and the particular focus on the participation of regional and local authorities. Bodies governed by public law are also eligible but their relevance to INTERREG IVC has to be precisely defined in the application form, in particular in section 5 'Partnership'. Their link with regional / local authorities should be explained and their capacity to influence policies at the local and regional level has to be demonstrated.

INTERREG IVC projects can only involve contributing partners. It is not possible to participate with an "observer" status, i.e. in order to be an official partner, a financial contribution is necessary. It is also not possible to participate as a "sub-partner" and to receive ERDF funding through another partner organisation/umbrella organisation officially listed in the application form. Any organisation that contributes to the implementation of the project and receives programme funding 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 and therefore requires the respect of 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.

The only case where ERDF is allocated through another partner organisation is the mini-programme. The main partners of the mini-programme allocate funding to sub-project participants on the basis of calls for proposals. Their expenditure is then reported as the expenditure of the main partner on whose territory the sub-project participant is located (see section 2.1.1).

#### 2.3.4. The Lead Partner

Each project must follow the so-called Lead Partner principle, which means that among the partners who carry out the project, one is appointed to act as Lead Partner and thus to form the link between the project and the JTS/Managing Authority. 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
- should the project be approved, signs a subsidy contract 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 partnership agreement comprising inter alia provisions guaranteeing the sound financial management (see also section 4.1.2), (A model partnership agreement can be found on the programme's website and has to be adapted to the project's and partnership's specific context and needs)
- ensures an efficient internal management and control system
- makes certain that the project reports timely and correctly to the JTS
- requests and receives payments of programme funding and
- transfers programme funding to the partners without delay in compliance with the amounts reported in the progress report.

The full administrative and financial responsibility for the project therefore lies with the Lead Partner. The Lead Partner may only be from the EU-Member States or in well justified exceptional cases may

also be from Norway. At the present time, partners from Switzerland cannot take on the role of a Lead Partner.

In order to ensure the implementation of these tasks, the Lead Partner has to set up an efficient and reliable management and co-ordination system. For this purpose each project should appoint or sub-contract the following two positions for project management:

- a coordinator

The coordinator is responsible for the organisation of 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 be able to act as a driving force in the partnership and to mobilise the partners in order to achieve the objectives laid down in the application within the given time.

- a financial manager

The financial manager is responsible for the accounts, financial reporting, the internal handling of ERDF funds and national co-financing. The financial manager should work in close contact with the coordinator, the controllers and the partners in order to enable efficient financial management of the project. The financial manager should be familiar with accounting rules, international transactions, EU and national legislation for the management of ERDF, public procurement and financial control.

The coordinator and financial manager should be fluent in English which is used for all communications with the JTS and other bodies involved in programme management.

## **2.4. Details on budget and eligibility**

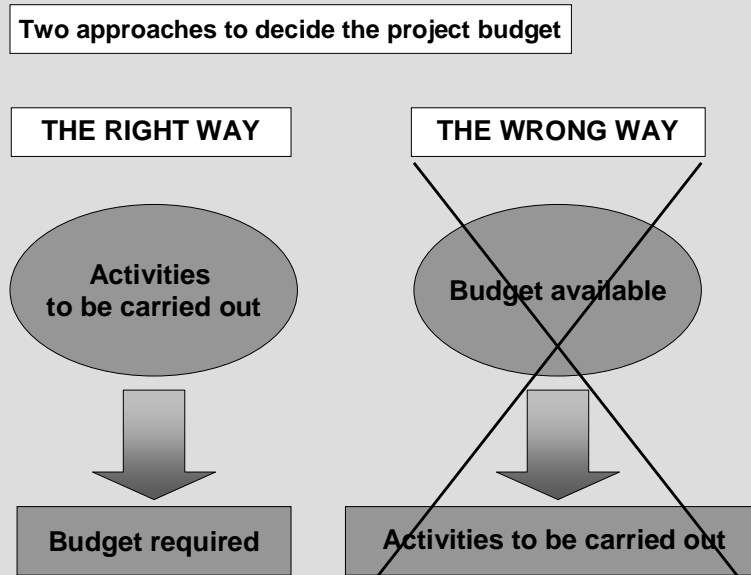
It is important that projects consider financial issues from the very beginning. This approach requires the involvement of all partners in the preparatory work and planning meetings during the development phase of the project application. Time invested prior to the submission of the application results in strong 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 by type of intervention provided in section 2.1. The overall budget has to be reasonable compared to the activities planned, the project's duration and the number of partners involved. In particular, 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.

The application form only requires a budget by budget line and component and a payment forecast for the whole partnership. However, the JTS strongly advises every project to develop a split by budget line, component and six-month period by partner as several countries will require these details for first level control purposes. In addition, it will then be easier for the Lead Partner to construct the budget for the whole partnership for the application form and to monitor partners' performance throughout the implementation phase.



## 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 tackled, the objectives to be reached and the main activities required to achieve these objectives.
2. Once the Lead Applicant has a clear overview of the main activities and outputs by component and by semester, it should decide in cooperation with its partners who will be responsible for which activity / output.
3. When the allocation of activities / outputs per partner is clear, the budget elaboration can start. It is advised to:
  - a) identify the resources needed by each partner to complete the activities by component
  - b) approximate the related cost and forecast the payment date
  - c) organise these figures by budget line.
4. This leads to the detailed budget by partner, component, budget line and six-month period.
5. By aggregating the detailed budgets of partners, the Lead Applicant gets the total estimated amount per budget line, component and six-month period for the whole partnership for the application form.

### 2.4.1. Eligibility period

With the exception of preparation costs (see below), costs for the projects are eligible from the date of approval by the Monitoring Committee<sup>7</sup> to the end of the month quoted as "finalisation month" in the approved application. The Monitoring Committee is expected to be held within eight months after the end date of each call. Projects should then be ready to start implementation within two months following the date of approval by the Monitoring Committee.

In order to determine the end date of a project it is important to take into consideration that all payments have to be made before this date in order to be eligible (incl. payment for the financial control of the last progress report). **The project duration should therefore include two to three months after the end of the main project activities for the administrative project closure if one wants to be**

<sup>7</sup> If a project is approved under conditions, the costs are already eligible from the initial decision date of the Monitoring Committee (MC) provided that the project is finally approved later on. The implementation of the project activities in the period between MC approval and fulfilment of the conditions is thus undertaken at the project's own risk because it could theoretically happen that the project does not fulfil the conditions and thus is ultimately not approved.

**sure that all activities related to the preparation and control of the last progress report and the final report are eligible.**

According to Regulation (EC) No 1083/2006 Article 56, the programme has to end on 31 December 2015. INTERREG IVC projects thus have to end by 31 December 2014 at the latest so that there is sufficient time for the submission and monitoring of the projects' last progress reports and for the JTS/Managing Authority to close the programme in 2015. Besides this regulatory limit, recommendations for suitable project duration (between 24 and 36 months - and exceptionally 48 months - depending on the type of intervention) can be found in section 2.1.

Preparation costs can only be eligible for successful projects approved by the Monitoring Committee and if they were incurred between 1 January 2007 and the date on which the application form has been submitted. These costs must be paid out before the end of the first reporting period and reported in the first progress report. The eligible preparation costs are subject to a ceiling of EUR 30,000.

## 2.4.2. The budget lines

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

- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>- staff</li> <li>- administration</li> <li>- travel and accommodation</li> <li>- equipment</li> </ul> | } | for the personnel employed by the partner institutions officially listed in the AF         |
| <ul style="list-style-type: none"> <li>- external expertise and services</li> </ul>  |   | comprising external experts' staff, administration + travel, equipment costs if applicable |
| <ul style="list-style-type: none"> <li>- sub-projects</li> </ul>   |   | only possible in mini-programme  |

It is possible to share costs between the partners. However, **it is important to note that the procedure for sharing costs and reporting them should always be checked with the controllers of each individual partner concerned (who will certify these costs)**. Moreover, in the past, reporting shared costs has sometimes proved to be difficult. Some national auditors refused to accept the sharing of staff and administration costs. **It is therefore recommended to limit the shared costs to the costs falling within the scope of the budget line "external expertise and services"** (which can be more easily reported in a transparent way). Further information on reporting shared costs can be found in section 4.3.4.

Projects have to comply with public procurement requirements. Projects which cannot provide documentary proof of compliance with European, national and their own internal public procurement rules risk losing ERDF funding. For further details see section 2.4.2.4 (grey box).

### 2.4.2.1. Staff costs

The staff budget line involves personnel costs for the time that the partner organisations' staff spends on carrying out the project activities in accordance with the application form (full-time or a certain percentage of total working time).

The persons whose staff costs are budgeted and later on reported must be directly employed and paid by the partner organisations officially listed in the application form (e.g. internal project coordinator, internal financial manager, internal independent financial controller; in compliance with country specific control requirements).

It is not possible to report any staff costs of personnel external to the official partner organisations in this budget category. If the project uses an external project coordinator, financial manager or external independent controller, the costs have to be specified, budgeted and reported under the budget line "External expertise and services".

#### Reporting staff costs

While for budgeting purposes it is possible to use average rates and estimates, the reporting of staff costs has to follow the following principles:

- the calculation has to be based on the actual salary rate (employee's gross salary + employer's charges in accordance with national legislation) of the individual employee who is actually involved in the project activities. The calculation excludes any administration overheads.
- if a staff member works less than 100% of his/her actual working time for the project, the

calculation must be based on the hourly rate. This hourly rate results from the actual salary rate divided by the total number of hours worked by the staff member for the partner institution (as registered in institution's time recording system). It is then multiplied by the number of hours actually worked on project activities. This applies to staff costs being calculated on an annual or a six-monthly basis.

- staff costs must be supported by documents that permit the identification of
  - o the employment relationship with the partner organisation (working contract),
  - o the real costs by employee (pay slips, payment proofs, calculation evidence for the determination of the staff time value/hourly rate),
  - o the overall working time (time recordings),
  - o the time spent on carrying out activities in the context of the project (record of tasks, project specific time sheets<sup>8</sup>), and
  - o in case a staff member is involved in several EU-funded projects: the time spent on other EU-funded projects (other project-specific timesheets or one timesheet showing time spent on all EU-funded projects + overall working time).

Staff costs are considered as a cash contribution (and not an in-kind contribution) as they are actually paid by the partner institution.

Further details can also be found in the fact sheet on staff costs in annex 8a).

#### 2.4.2.2. Administration costs

Administration costs may include cost items such as:

- stationery
- photocopying
- mailing
- telephone, fax and Internet
- heating, electricity
- office furniture, maintenance
- office rent
- other administration expenditure absolutely necessary for the successful completion of the project and clearly resulting from project implementation.

These costs may be direct or indirect general costs. While direct general costs can be identified as belonging directly to the project, indirect general costs (overheads related to the project activities) are calculated on a pro-rata basis.

In case the contract with an external expert also includes administration charges, these administration costs must be included in the budget line "External expertise and services" as they are a part of the expertise contract.

It is recommended that administration costs remain reasonable and the budget does not exceed 25% of the staff budget (for 1<sup>st</sup> to 3<sup>rd</sup> call projects). In order to simplify the reporting of administration costs, a flat rate has been introduced for projects to be approved under **the fourth call (see second grey box below)**.<sup>9</sup>

<sup>8</sup> An example of a timesheet can be found on the programme's website.

<sup>9</sup> in compliance with Article 7(4) of Regulation (EC) No 1080/2006 as amended by Regulation (EC) No 397/2009 and subject to the positive outcome of the EC's ex-ante assessment of the proposed method. Besides the application form, the following programme documents for the fourth call projects will be adapted accordingly: the progress report template (automatic calculation of administration costs) and corresponding templates for the confirmation of eligible costs and the partnership agreement.

### Reporting administration costs

(for project approved under the **first, second and third call for proposals**)

Administration costs have to fulfil the following criteria: they

- have to be eligible according to national rules and European regulations (in particular Regulations (EC) No. 1083/2006 Art. 56; No. 1080/2006 Art. 7; No. 1828/2006 Art. 48 to 53)
- must be calculated on the basis of actual costs and capable of verification, i.e. based on factual elements in the accounting system which can be verified by a controller. No lump sums, overall estimations or arbitrary keys are allowed!
- show a direct link to the project's activities
- have not already been financed from other EU-funds
- have not already been included in other budget lines or cost items.

In the case of indirect general costs (overheads related to the project's activities) this means that the calculation is done pro-rata on the basis of the actual costs according to a duly justified, fair and equitable method that should remain the same during the whole implementation period. This means that the costs are charged to the project to the extent that they represent a fair apportionment of the organisation's actual administration costs and have been necessary for the successful completion of the project.

The allocation of the organisation's eligible administration costs to the project could be done on the basis of the following keys (depending on which key best reflects the type of cost):

- the ratio "number of people working for the project / number of people working in the organisation or department" or,
- the ratio "number of hours worked on the project / number of hours worked in total in the organisation or department" or,
- the ratio "surface used by the personnel working for the project / surface of the organisation or department".

The Regulation (EC) no. 1828/2006 Art. 52 also provides the possibility of using an average rate, which cannot exceed 25% of the costs which directly affect the level of the overhead (e.g. staff costs). This average rate should nevertheless be properly documented and periodically reviewed.

In any case, when it comes to reporting these costs, it has to be demonstrated that the administration costs reflect only costs which :

- were really borne by the organisation, and
- were necessary for the project implementation.

If there have been problems with the reporting of administration costs in the past, it often resulted from partners trying to stretch the above-mentioned principles into grey areas. The reported administration costs have been artificially inflated through the inclusion of overhead cost categories which lacked a clear project link. **In case of doubt, it can only be advised to exclude the cost categories in question from the calculation to avoid problems later on.**

It is strongly recommended that the partners agree the allocation key with their financial controller.

Further details can also be found in the fact sheet on administration costs in [annex 8b](#).

For projects approved under the **fourth call**, the reporting of administration costs is based on a flat rate of 12% automatically applied to the actually reported and certified staff costs. **This flat rate method exclusively applies to the administration costs of fourth call projects and has no validity for projects approved under the first to third call, where the principles listed above continue to apply for reporting administration costs (see grey box below).**

### Reporting administration costs

(for projects approved under the **fourth call**)

In the application form for the fourth call, the administration budget is now automatically calculated by applying a flat rate of 12% to the budgeted staff costs. This budget comprises all types of administration costs such as the items listed above. It is not possible to declare any of these items directly under any of the other budget lines.

When it comes to reporting administration costs, the flat rate of 12% has to be applied to the actually reported and certified staff costs. The use of a single rate for administration costs applying to all partners in all states participating in the INTERREG IVC programme will thus simplify the reporting and first level control and audits of administration costs as no supporting evidence is required to back up the reported administration cost amount. For the reporting of staff costs (as well as the costs to be reported under the other budget lines) the real cost principle continues to apply, which means that supporting evidence about the costs actually paid out has to be provided.

#### 2.4.2.3. Travel and accommodation

This cost category refers to the travel and accommodation costs of employees of the partner institutions officially listed in the application form and relates to their participation in meetings, seminars, or conferences taking place within the EU. The trips are justified by the project's activities as foreseen in the application form. Trips to places outside the territory of the EU are possible if they are explicitly mentioned and justified in the application form.

Travel and accommodation costs should be budgeted taking account of the national and/or internal rules of the respective partner organisation for reporting these costs later on. Daily allowances for travel and accommodation are possible as long as the allowance is actually paid by the partner body to the employee and this is in line with the national or institutional conditions set for this partner body.

Similarly to the "Staff" and "Administration" budget lines, the travel and accommodation budget is also reserved to the personnel employed by the partner organisations officially listed in the application form. The travel costs of any external experts participating in project activities and to be financed by the project have to be budgeted under "External expertise and services".

#### 2.4.2.4. External expertise and services

The term "external expertise and services" is applied to expenses paid by the partners on the basis of:

- contracts/agreements and
- invoices/requests for reimbursement

to external service providers who carry out certain tasks for the project because the partners lack the resources to carry them out themselves. These might include, for example:

- external project coordination or financial management
- external independent financial control (in compliance with country specific control requirements)
- website design and hosting
- drafting, lay out, printing of promotion material such as newsletters
- external organisation of specific events
- room rental and catering for specific meetings
- interpretation/translation of specific documents or meetings
- studies and surveys on specific matters.

It may also include the cost of external speakers and external participants in project meetings and events if:

- the added-value of their participation and payment of their costs by the partners can be clearly demonstrated and
- the cost will be definitively paid and borne by partners officially listed in the application form.

There are no fixed rates or ceilings established by the programme for budgeting and reporting external expertise and service costs. Normal market rates resulting from public procurement procedures apply.

### Public procurement

Whenever a project purchases services, goods, equipment, etc. externally, public procurement rules must be adhered to, including European public procurement rules and the relevant national and internal rules of the partner responsible for subcontracting. As the national rules result from a transposition of the EU directives on public procurement into national law, the rules may vary between the countries.

The fundamental principles of public procurement (transparency, non-discrimination and equal treatment and effective competition) also apply to purchases of services and goods below the EU-threshold values. The procurement requirements below and above the thresholds mainly differ with regards to the set of formal procedures that a sub-contracting body has to go through (e.g. requirements for publication of the tender documents, minimum duration of the publication). The adherence to public procurement procedures have to be well documented. Documents such as public procurement notes, terms of reference, offers/quotes, order forms, and contracts have to be available for financial control and audit purposes.

All projects have to comply with public procurement requirements. Projects which cannot provide documentary proof of compliance with European, national and their own internal public procurement rules risk losing ERDF funding.

Further details can also be found in the fact sheet on public procurement in [annex 8c](#).

It should be noted that the main beneficiaries of an INTERREG IVC project have to remain the partners themselves (i.e. the organisations listed in section 5 of the application form). Therefore, **it is strongly recommended that the budget dedicated to “external expertise and services” does not exceed 50% of the total budget**. In any case, the external expertise or service has to be justified and specified as precisely as possible in the application form. Obviously these costs also have to be clearly in line with the activities described in the work plan (section 3 of the application form). In particular, the following elements should be described: the exact nature of the expertise or service, the partner responsible for sub-contracting, the budget, the partners with whom the costs are to be shared if applicable (for further information about reporting shared external expertise or service costs see section 4.3.4).

### 2.4.2.5. Equipment

This budget line refers to the purchase of equipment necessary for the successful implementation of the project. In the context of INTERREG IVC, this category usually refers to IT equipment such as a computer or a printer necessary for project coordination and financial management purposes. These purchases have to respect public procurement rules. The most economic type of equipment has to be chosen. The equipment features/functions have to be in line with the actual context of use.

As the purchase of equipment cannot be a core element in an INTERREG IVC project, it should remain exceptional and, if they are necessary, it is highly recommended that these costs do not exceed 5% of the total costs.

### Reporting equipment costs

Equipment items that have been initially planned in the application form can be reported:

- either as a single declaration at the time of purchasing the equipment, after receipt and payment or
- by depreciating the cost of the equipment, by applying national accounting regulations.

It has to be ensured that the items:

- have not already been financed by other subsidies (e.g. EU, national or regional)
- have not already been depreciated and
- are not already included as indirect costs in another category such as the administration budget line.

Generally, the purchase should be made well before the end of the project.

The amount for equipment has to reflect the actual use of these items in the context of the project. If



it is not exclusively used for project purposes, only a share of the actual cost can be allocated to the project. This share has to be calculated according to a fair, justified and equitable method.

An inventory of the purchased items as well as the documentation of the method for reporting them (single declaration or depreciation, full or partial use for the project) has to be kept for accounting, control and audit purposes.

For additional equipment items and equipment costs not initially planned in the application form, but exceptionally to be introduced by using the flexibility rule, the projects should contact the JTS before making the purchase to have the confirmation of their eligibility beforehand and avoid any rejection during the monitoring of the progress report (see also Section 4.4.5).

The equipment budget has to be specified as precisely as possible in the application form. In particular, the exact nature of the equipment to be purchased, the partner responsible for this purchase and the budget have to be provided.

#### **2.4.2.6. Sub-project funds**

Sub-project funds have to be budgeted only in case of a project opting to work as a mini-programme. Under this budget line, the mini-programmes are asked to forecast the expenditure on sub-projects to be selected on the basis of an open call for proposals and a transparent assessment and selection procedure. The expenditure of the sub-project participants will then be reported under the budget line sub-project funds. It will be included in the expenditure of the main partner on whose territory the sub-project participant is located.

Eligibility of expenditure in sub-projects:

- a) Preparation costs of sub-projects: if the mini-programme decides to finance preparation costs, this possibility has to be foreseen in the call for sub-projects documents. These costs can be eligible at the earliest from the date of approval of the mini-programme by the INTERREG IVC Monitoring Committee.
- b) Equipment costs: they can be eligible provided that they are well justified and respect the programme philosophy (i.e. the fact that INTERREG IVC is not an investment programme and that equipment costs have to remain exceptional and limited - see section 2.4.2.5. of the programme manual).

#### **2.4.3. Other eligibility considerations**

When project managers prepare their budget, it is important to take into account the eligibility rules for ERDF funded expenditure defined in:

- Regulation (EC) No 1083/2006, Art. 56
- Regulation (EC) No 1080/2006, Art. 7
- Regulation (EC) No 1828/2006 Articles 48 to 53
- the rules laid out in the programme manual and
- relevant national rules and requirements.

In this context, the following points should be highlighted:

##### **a) VAT**

VAT does not constitute eligible expenditure unless it is genuinely and definitively borne by the partner. VAT which is recoverable by whatever means cannot be considered as eligible even if it is not actually recovered by the partner.

##### **b) Financial Charges**

Charges for transnational financial transactions are eligible but interest on debt is not. Where the implementation of a project requires a separate account to be opened, the bank charges for opening and administering the account are also eligible. Fines, financial penalties foreign exchange losses are not eligible.

##### **c) In-kind contribution**

In the context of INTERREG IVC, contributions in-kind (e.g. through voluntary unpaid work) is not considered as eligible expenditure.



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.

#### d) Revenue

If a project generates 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 revenue. The deduction of revenues applies to IVC operations whose total expenditure co-financed by the ERDF exceeds EUR 1,000,000.

#### e) Expenditure already supported by other EU or other national or regional subsidies

Expenditure which is already co-financed from another EU-funding source is not considered to be an eligible cost in the context of an INTERREG IVC project. If an expenditure item is already fully supported by another national or regional subsidy, it is also not considered eligible as it would result in double-financing. In the case of partial subsidy by national or regional sources, the cost can be considered as eligible only if the national or regional subsidy does not exceed the national co-financing share for that expenditure (15 or 25% depending on the Member State in which the partner is located). In this case, the national or regional funding institution should also be notified to ensure compatibility.

### 2.4.4. The payment forecast

Programmes need to know how much will be claimed and when for two purposes.

1. Every year on 30 April, the JTS has to provide the European Commission with a spending forecast.
2. The programme financial tables indicate the ERDF allocations per year, which have to be spent within a certain time frame or will otherwise be lost (decommitment rule). The projects' payment forecasts give information on the contribution each project will make towards meeting the financial targets each year. If sufficient ERDF commitments are made at an early stage of the programme and the projects report as forecasted, the programme should not have any major problems in meeting these targets.

#### The Decolmitment Rule (n+3/n+2)

At the beginning of every year the Commission allocates a certain ERDF amount to the INTERREG IVC programme. For the allocations of the years 2007 to 2010, the ERDF amounts have to be spent within four years of the year when it is committed (n+3, where 'n' is the year of commitment)

For the allocations of the years 2011 to 2013, the ERDF amounts have to be spent within three years of the year when it is committed (n+2).

Any of these allocations which at the end of 3/2 years are not covered by programme expenditure will be lost. 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 payment forecast becomes 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 IVC programme is 2010.

The spending forecasts should take into consideration the following elements:

- The reporting periods run from January to June and from July to December each year.
- The spending forecast should be an estimation of the actual payments to be done in a certain period. 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 only in the following reporting period.
- Preparation costs, if applicable, have to be included in the payment forecast for the first reporting period.

Projects will be monitored on the basis of the payment forecast. If the programme does not meet its annual spending target because some projects are lagging behind their spending forecast or do not report in full and in time, it is likely that these projects will lose funds. It is therefore important that projects:

- carefully prepare a realistic spending forecast
- are ready to start project implementation very quickly after project approval
- monitor these aspects effectively during implementation and
- ensure regular, timely and full reporting.

### 3. Project application and selection

#### 3.1. Project ideas and partner search

INTERREG IVC provides the opportunity for institutions involved in regional policy to gain access to the experience of partners in other parts of Europe. Specific project ideas can be developed by regional and local authorities throughout Europe based on their specific responsibilities and interests. The search for partners 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 contacts between the future partners also contribute to building trust and confidence within the partnership, which can facilitate the future management of the project. As far as partner search and the development of project ideas are concerned, the programme provides two main tools to future applicants.

First, a Project Idea and Partner Search Database is available on the programme's website ([www.interreg4c.eu](http://www.interreg4c.eu)). All those who would like to publish their project idea and market it to future potential partners are welcome to submit this idea through a standard form. Similarly, bodies looking for interesting project ideas can search this database using key words. It should be noted that the programme does not screen the ideas submitted in this database, nor guarantee their relevance to the programme.

Second, Partner Search Forums are regularly organised at programme level. At these forums, a certain number of facilities will be proposed to help participants to promote their project ideas or to find relevant partners according to the theme they are interested in. Details of these events are also published on the INTERREG IVC website.

The four Information Points based in Katowice, Lille, Rostock, and Valencia may also be able to facilitate partner search by identifying suitable partners in their area.

Information Point (IP)	Geographical area
Katowice (Poland)	Austria, Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia
Lille (France)	Belgium, France, Ireland, Luxembourg, Netherlands, Switzerland and United Kingdom
Rostock (Germany)	Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Norway and Sweden
Valencia (Spain)	Cyprus, Greece, Italy, Malta, Portugal and Spain

Member States are also strongly recommended to appoint National Contact Points for the INTERREG IVC programme. These contact points may provide additional assistance to project applicants. A current list of National Contact Points is available on the programme website ([www.interreg4c.eu](http://www.interreg4c.eu)).

#### 3.2. Preparing an application

As mentioned under section 3.1, the application should be developed in close cooperation with the future partners. 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 3.4) provides useful information on the programme requirements and on the way the applications are assessed.

Applications have to be completed in English as it is the working language of the programme. Applications submitted in another language will be considered ineligible.

The application form is an Excel document, which includes a number of automatic links and formula. These features ensure that error messages appear in the form if it is not properly filled in. This will significantly reduce the risk of submitting ineligible applications. This also means that the protection on the Excel document must not be removed. Detailed instructions on how to fill in the application form are also provided in the application form itself.

For further assistance on project development and application procedures, applicants should not hesitate to contact the Joint Technical Secretariat and the four Information Points by phone or e-mail. In addition, individual consultations or workshops for applicants will be regularly organised. All the relevant information for project development and applications including contact details for the JTS and for the Information Points is online on the programme's website: [www.interreg4c.eu](http://www.interreg4c.eu)

### 3.3. Submitting an application

Applications are submitted to the programme through calls for proposals, which are organised on a regular basis between 2007 and 2011. They can be submitted at any time between the launch date and the closing date of each call.

The application form has to be submitted electronically by e-mail, as well as in an unbound hard copy with the original wet ink signature (not faxed, scanned or otherwise duplicated). The paper version of the application form has to be identical to the electronic version and must include the co-financing statements from all partners including the Lead Partner. Applicants are advised not to send the electronic version before they are sure that there will be no further changes in the paper version.

The above-mentioned documents have to be sent to the Joint Technical Secretariat at the latest by the deadline set by the call for proposals. Applications or corrected documents sent after the deadline will not be accepted. This eligibility criterion will be checked through the date of the postal stamp on the envelope or through an equivalent proof of the date of sending to be provided with the sent documents.

Co-financing statements must be attached to the application for all partners including the Lead Partner. The original co-financing statements or copies must be sent together with the printed and signed application form by mail. The name of the partner mentioned in this statement has to be identical to the institution name mentioned in the application form, section 5. The amount of national co-financing provided must cover at least the amount indicated for the partner in section 5 of the application form. Lower amounts indicated would not ensure the required co-financing. They should, if available, be printed on headed letter paper of the institution. Finally, they must be dated, and signed by the relevant person within the institution and stamped, if available. Only the standard form included in the application pack can be used and the wording must not be amended. The template of the co-financing statement is available on the programme's website.

### 3.4. Selection procedure

After submission, each application will be subject to a two-step selection procedure. At first, projects will be checked against the eligibility criteria in order to ensure that they fulfil the technical requirements of the programme. The eligibility assessment will be performed by the Joint Technical Secretariat. Only projects that satisfy the eligibility criteria will be subject to quality assessment. **There is no possibility to submit corrected documents after the deadline for submission.**

The quality assessment is based on a scoring system and results in a ranked list of all the applications submitted. It will be carried out by the Joint Technical Secretariat with the assistance of external experts.

**Important: It should be noted that further or stricter criteria may be defined in the Terms of Reference of each call. In case of a contradiction between the information given in the Programme Manual and the Terms of Reference, the stricter criteria apply. The Terms of Reference are published on the programme website: [www.interreg4c.eu](http://www.interreg4c.eu).**

### 3.4.1. Eligibility Criteria

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

Each INTERREG IVC project has to answer 'yes' to the following eligibility criteria:

Eligibility Criteria <sup>10</sup>
<ol style="list-style-type: none"> <li>1. Has the application form been submitted in due time in original and electronic versions, both versions being identical? Is a proof of sending provided (postal stamp or equivalent)?</li> <li>2. Is the application complete and include:             <ul style="list-style-type: none"> <li>- the application form (original)?</li> <li>- the co-financing statements for the Lead Partner and each partner (originals or copies)?</li> </ul> </li> <li>3. Is the application form dated and hand signed and fully and properly filled in according to the instructions (no error messages appear in the document)?</li> <li>4. Are all co-financing statements signed and dated (if available they should also be stamped and printed on headed letter paper)? Is the name of the partner mentioned identical to the institution name mentioned in the application form? Does the sum stated in the statement at least cover the "national co-financing" amount (or the "total amount" in case of partners not applying for INTERREG IVC co-financing) indicated in the application form? Is the standard form included in the application pack used and, besides the fields to be filled, have no amendments been made to the text?</li> <li>5. Is the project supported by partners from at least three countries, from which at least two partners are from EU Member States and are financed by the INTERREG IVC programme?</li> <li>6. For mini-programmes, are a maximum of eight partners involved in the cooperation?</li> </ol>

### 3.4.2. Quality Criteria

The quality assessment will only apply to projects that have fulfilled all eligibility criteria. It will be based on the following selection criteria:

- Content-related criteria

Criterion 1 - Relevance of the proposal

Criterion 2 - Coherence of the proposal and quality of approach

Criterion 3 - Quality of results

- Implementation-related criteria

Criterion 4 - Quality of management

Criterion 5 - Quality of partnership

Criterion 6 - Budget and finance

In order to decide on a score per criterion, the assessors use the 'quality assessment guidelines' which can be found in annex 4 of the present document. **Applicants should have a careful look at these guidelines before preparing their application.**

<sup>10</sup> Stricter criteria may be defined in the respective Terms of Reference of each call for proposals

### 3.4.3. The Decision-Making Process

After completion of the first step of the assessment, the Committee will be informed about the ineligible applications. The Lead Applicants of these ineligible applications will receive a notification letter specifying the unfulfilled eligibility criteria.

The JTS may be assisted by external experts to carry out the quality assessment of eligible projects. This quality assessment is based on the following scoring system.

5	excellent
4	good
3	adequate
2	poor
1	very poor
0	knock-out criterion

A score will be attributed to each quality criterion (except in case of knock-out criterion). This will result in an average score per project. Based on this average score, the JTS will produce a ranking list of all the eligible projects per type of intervention. Projects with a sufficient average score will be recommended for approval or recommended for approval under conditions. The remaining projects will not be recommended for approval.

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

Final decisions on eligible projects will be made by the Monitoring Committee of the INTERREG IVC programme, based on the results of the quality assessment.

This decision will be notified to all Lead Applicants soon after the meeting of the Monitoring Committee. All the Lead Applicants of the non-approved projects will receive a notification letter with a summary of the quality assessment results. They will therefore be informed about the reasons why their application failed. Similarly, all the Lead Partners of the approved projects will receive a letter from the Joint Technical Secretariat stating the decision of the Monitoring Committee as well as the total ERDF and possible Norwegian national funds 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 will be set in the notification letter. Only after these conditions are fulfilled can the subsidy contract be concluded.

## 4. Project implementation

### 4.1. Contracting

#### 4.1.1. Subsidy Contract

Should the project be selected for funding and fulfil the conditions set by the Monitoring Committee, a subsidy contract between the Managing Authority 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, terms of funding, requirements for reporting and financial controls, etc.

A model of the subsidy contract is available on the programme website ([www.interreg4c.eu](http://www.interreg4c.eu)).

#### 4.1.2. Partnership agreement

In order to secure 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 partnership agreement. The 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 in project implementation
- budgetary principles (partner budget by budget line and component, payment forecast by six-month period, the arrangements for sharing external expertise and service costs in the partnership, budget reallocation)
- financial management provisions for accounting, reporting, financial control, receipt of ERDF payments,
- liability in case of failures in project delivery and project spending; provisions for changes in the work plan
- the partner's financial liability and provisions for the recovery of funds in case of amounts 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 partnership agreement is available on the programme's website ([www.interreg4c.eu](http://www.interreg4c.eu)).

It is recommended that the partnership agreement is prepared as early as possible and that the principles are agreed before 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.

Before costs are reported for a partner in the progress report, the Lead Partner has to ensure that the partnership agreement has been signed by the partner in question.

#### 4.1.3. Start date of a project

Projects should be ready to start implementation as soon as possible after the decision of INTERREG IVC Monitoring Committee and in any case within a maximum of two months from the date of this decision. The Monitoring Committee is expected to be held within eight months after the end of each call. This should be taken into consideration when setting up the start date in the application form. With the exception of Preparation costs, costs are eligible from the date of approval by the Monitoring Committee.



## 4.2. Project monitoring and decision-making

Each project has to determine the necessary procedures for decision-making and coordination. In particular, a body (steering group) in charge of the strategic monitoring of the project has to be constituted. Adequate representation of the partners involved should be ensured when establishing the decision-making and monitoring mechanisms. Ideally, the steering group should be composed of representatives from all of the partners and should meet at least twice a year. The tasks of the steering group would normally include monitoring of the project and provision of guidance regarding its implementation, for example, reviewing and approving work plans and reports, agreeing on possible changes to the project. In the case of mini-programmes, the steering group also selects sub-projects.

The steering group usually sets up and implements a monitoring and evaluation system in order to carry out its tasks. The progress towards the achievement of the project's objectives is assessed mainly through the output and result indicators (as described in section 2.2.4). The monitoring system can 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 per budget categories being observed? How do the project's achievements relate to the encountered expenditure (costs-benefits)?
- Quality of the management and coordination: Are management and coordination procedures efficient and are the resources used in this process sufficient?

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

## 4.3. Reporting

### 4.3.1. Deadlines

Project implementation is subdivided into six-month periods running from:

- January to June
- July to December.

For each six-month period, a progress report has to be submitted to the programme. For this purpose, an OnLine Form system has been set up. Each Lead Partner has access to this system through a confidential code sent by the JTS. The full progress report has to be submitted to the JTS electronically through the OnLine Form system and a signed summary has to be submitted as a paper version within three months after the end of the reporting period i.e.

- on 1 October for the reporting period January to June
- on 1 April of the following year for the reporting period July to December.

### 4.3.2. Procedure

Each project is monitored by two officers: a Project Officer or Information Point Adviser for activity related issues and a Finance Officer for finance related matters.

The progress report includes both activity and financial information related to the project's implementation. It also comprises the controller's confirmation of expenditure.

The reporting procedure for Regional Initiative Projects and Capitalisation Projects can be summarised as follows:

- a) Each partner sends a report to the Lead Partner within the deadlines agreed with the Lead Partner and ensures that their part of the reported activities and expenditure has been independently verified by a controller in compliance with the country specific requirements.
- b) On the basis of the individual report, the Lead Partner compiles the joint progress report for the whole partnership.

- c) The Lead Partner's controller performs the checks on the Lead Partner's activities and expenditure as well as verifies that the information provided by the partners has been verified and confirmed by an independent body in compliance with the country specific control requirements and that the partner's information has been accurately reflected in the joint progress report.
- d) For the audit trail the Lead Partner retains the inputs to the progress report received from the partners.
- e) The Lead Partner submits the progress report to the JTS in both electronic and paper version. The paper version has to carry the signature and stamp of the Lead Partner and Lead Partner's controller. The JTS 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<sup>11</sup>.
- g) The Lead Partner transfers the funds to the partners.

### Contracting, reporting and payment procedures for mini-programmes

In case of Regional Initiative Projects, which are mini-programmes, the expenditure for sub-projects has to be reported in the budget line "sub-projects" in the progress report (see section 2.4.2.6).

#### **Contracting procedure**

A subsidy contract for the sub-projects is signed between the Lead Partner and the sub-project lead participant. This document determines the rights and responsibilities of the lead sub-project participant and the Lead Partner, the scope of activities to be carried out, the funding terms, the requirements for reporting and financial control, etc. At the same time a partnership agreement between the sub-project lead participant and the sub-project participants is concluded.

#### **Reporting procedure**

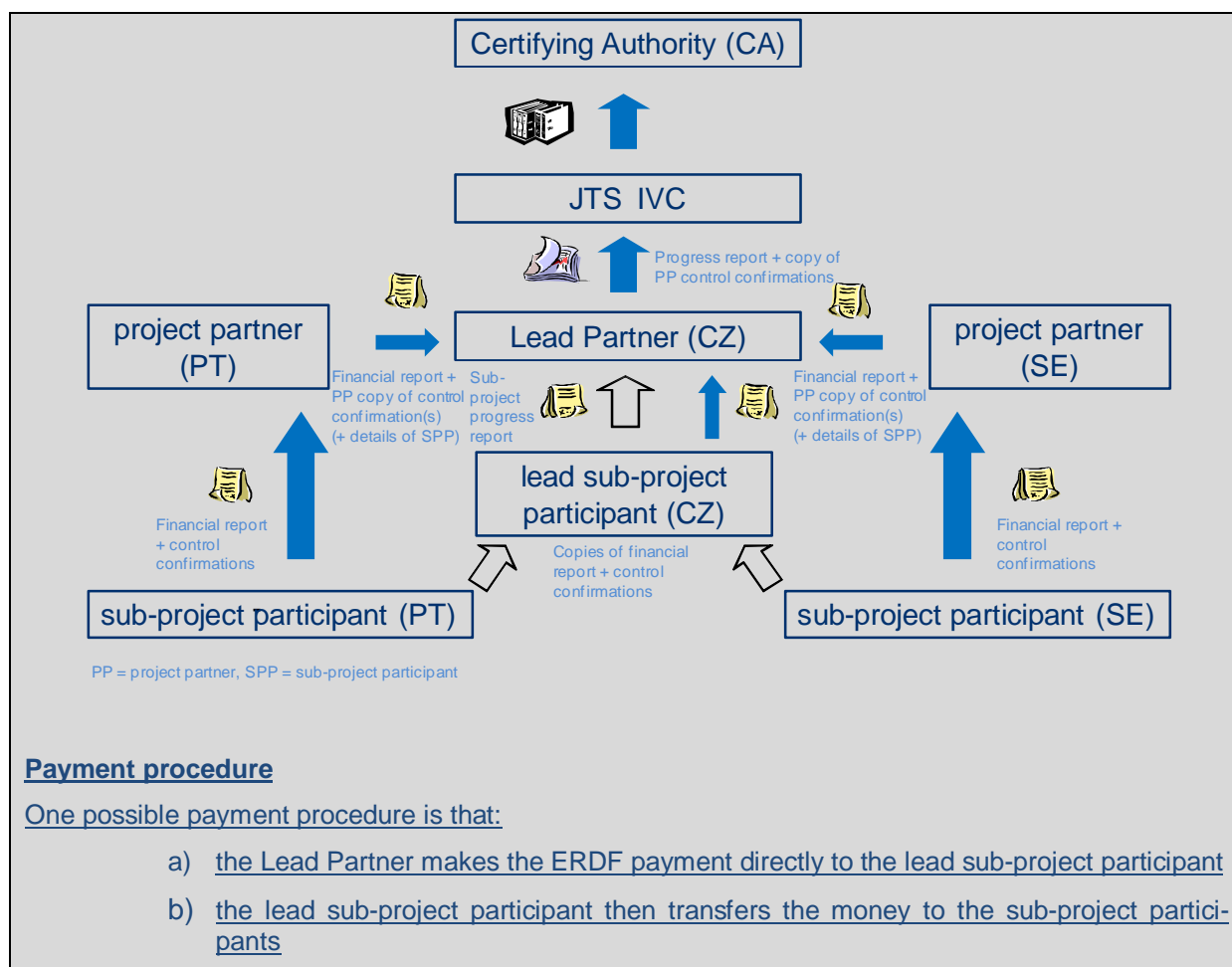
The following steps and diagram provide an example reporting procedure for mini-programmes at the different levels:

- a) Each sub-project participant (including the lead sub-project participant) prepares a report and ensures that its reported activities and expenditure are certified by an independent controller in compliance with the country specific control requirements. In case the first level control system is decentralised and there are different controllers for the regional level and the sub-project participants, the regional controller has to check that each sub-project participant controller has been approved in compliance with the country specific requirements applicable. However, the approbation certificates of the sub-project participants do not need to be sent to the INTERREG IVC JTS.
- b) In the next step, each sub-project participant sends this report (incl. the control confirmation) to its corresponding project partner located in the same region and a copy of the report to the lead sub-project participant.
- c) The lead sub-project participant compiles a joint report for the whole sub-project, based on the activity report and the expenditure certified by the sub-project participants, and provides it to the Lead Partner.

The project partner's controller performs the checks on the project partner's activities and expenditure and in addition, he/she verifies that the information provided by the sub-project participants located on the territory of the project partner has been verified and confirmed by an independent control body in compliance with the country specific control requirements.

- d) In the next step, each project partner sends a report with a consolidated partner control confirmation (including both the project partner's and the sub-project participant(s)'s expenditure) to the Lead Partner within the deadlines agreed.
- e) The reporting of the Lead Partner to the Managing Authority/JTS and the remaining steps follow the same principle as steps b) - g) in the section above.

<sup>11</sup> within approximately 4 weeks after the approval of the progress report by the JTS



### 4.3.3. Reporting activities

The progress report is a core document since it represents the main channel of information between the projects and the programme. This also means that the progress report will be the main source of information to demonstrate the programme's achievements and usefulness. In particular, it will provide the raw material to produce the analysis of the programme's achievements to be included in the annual report to the European Commission.

**Lead Partners should therefore not consider the progress report only as an administrative and compulsory task to obtain the ERDF reimbursement but it should be used as a means to communicate and promote the projects' results and successes.**

The basic principle of project monitoring implies that activities and outputs are monitored against what was originally foreseen in the application form. Any 'deviation' from the original plans has to be clearly justified in the report. The way these activities and outputs are described in the progress report has also to be fully consistent (i.e. the information provided in the indicator section has to be in line with the information provided in the activities and outputs sections). But beyond this minimum requirement, the aim is also to get as much as possible qualitative information on the lessons learnt and results achieved within the project and Lead Partners are encouraged to be as precise as possible in the information reported every six-month.

In particular, the experience has shown that the indicator part of the progress report is an important source of 'clarification requests' from the programme. Since these indicators constitute the backbone for the analysis of the programme's achievements, the programme is very demanding with their monitoring. Before completing this part of the report, Lead Partners should follow the two steps as described here:

- In order to avoid misinterpretation, Lead Partners should carefully check the definition of each indicator provided in annex 3 of the present manual.
- Each figure reported in the indicator sections of the progress report needs to be duly justified in the text sections of the report itself. Quantity is not necessarily a sign of quality and Lead Partners should be rather cautious when completing the indicators. An information which is

provided by a partner (e.g. production of one press release) but on which the Lead Partner does not have any evidence should not be reported in the report and in particular in the indicator section. This remark is particularly important for result indicators which can be filled in only if evidence of the results can be provided to the programme.

#### 4.3.4. Accounting for project expenditure

Financial reporting from the Lead Partner to the JTS has to be made in euro. For partners located outside the euro zone, the Lead Partner and the partners must agree on one option for converting national currency into euro and this option should be used for the entire duration of the project. The possible options to choose from are the following:

- The market exchange rate of the day the invoice (or equivalent) was paid,
  - The market exchange rate of the last day of the reporting period is used,
  - The exchange rate set by the Commission of the month the invoice (or equivalent) was paid is used,
  - The exchange rate set by the Commission of the last month of the reporting period is used.
- They are published on: <http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en>.

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 it is necessary to centralise the filing of accounting documents. It is the Lead Partner's responsibility to ensure an adequate audit trail which implies that the Lead Partner has an overview of:

- who paid,
- what was paid and
- who verified,
- where the related documents are stored.

The Lead Partner must ensure that all partners store the documents related to the project in a safe and orderly manner for a minimum period of three years after the payment of the final balance by the European Commission to the INTERREG IVC programme. This balance will only be transferred in an as yet unspecified period of time after 2015, when the programme implementation is finalised. Other possibly longer statutory retention periods, as might be stated by national law, remain unaffected. The documents are archived either as originals or as certified copies on commonly used data media (in compliance with national regulations). If deemed appropriate, the Lead Partner may ask for copies of accountancy documents from the partners.

#### Accounting documents

The following list gives an overview of the documents that should be available for financial control and audit purposes and retained for a minimum period of three years after the payment of the final balance by the European Commission to the INTERREG IVC programme (this balance will only be transferred in an as yet unspecified period of time after 2015, when the programme implementation is finalised):

- approved application form
- subsidy contract, partnership agreement
- relevant project correspondence (financial and contractual)
- progress reports
- details on budget by partner,
- list of declared expenditure by partner (possibility to provide it in Excel format in case of audit to be foreseen)<sup>12</sup>
- partners controllers' confirmations (and checklists/control reports)
- bank account statements proving the reception and the transfer of EU funds

<sup>12</sup> An example of a list of expenditure is provided on the programme's website [www.interreg4c.eu](http://www.interreg4c.eu).

- invoices or documents of equivalent probative value (e.g. pay slips for staff costs)
- bank account statements / proof of payment for each invoice
- method used by all partners outside the euro-zone for converting national currency into euro
- proofs for delivery of services and goods: studies, brochures, newsletters, minutes of meetings, translated letters, participant lists, travel tickets, etc.
- details of the calculation method used for shared costs
- evidence that the information and publicity requirements have been respected
- first level control confirmation, control report including checklist, approbation certificates in case of decentralised first level control system.

According to the budget line concerned by the costs, the following documents should also be available :

- staff costs: calculation of hourly rates, information on actual annual working hours, labour contracts, payroll documents and time records of personnel working for the project
- administration costs: proof and records of costs included in overheads and calculation method (for projects approved under the first, second and third call)
- travel and accommodation: travel expenses requests, evidence that the travel 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-rate basis, documents related to public procurement.

A follow-up of the amounts of expenditure reported in the context of the project must exist in computerised form. It must be possible to clearly identify which expenditure has been allocated and reported in the context of the project and to exclude that expenditure is reported twice (in two different budget lines, reporting periods, projects/funding schemes). This clear identification is usually ensured through:

- the opening of a specific bank account for the project payments and/or
- the introduction of project specific cost-accounting codes to record project costs by budget line, component and payment date/reporting period in the accounting system and/or
- recording costs in expenditure lists by budget line, component and reporting period and/or
- noting the allocation (project title, cost share, budget line and component) on the invoices.

Expenditure can only be reported if the following principles are fulfilled<sup>13</sup>:

- 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 the 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 the project. Costs related to activities that are not described in the application form are generally ineligible.

(See also section 2.4. on budget lines and eligibility).

<sup>13</sup> except for the **administration costs** in the case of projects approved under the **fourth call** for proposals, where the reported administration cost amount is the result of an automatic application of a flat rate of 12% to the paid, reported and certified staff costs and no further supporting evidence has to be provided to back up the administration cost amount.

### Reporting shared costs

In many cases, partners decide to share costs within the partnership (e.g. external project coordination, conference organisation, room rental, catering, website design and hosting, thematic studies). With regards to financial reporting and control of shared costs, the following procedure has to be followed:

- a) Each partner should check beforehand that their controllers agree with the foreseen shared costs.
- b) In the past, reporting shared costs has sometimes proved to be difficult. Some national auditors refused to accept the sharing of staff and administration costs. **It is therefore recommended to limit the shared costs to the costs falling within the scope of the budget line “external expertise and services”** (which can be more easily reported in a transparent way).
- c) One of the partners takes on the responsibility, on behalf of the partnership, for ordering and contracting in compliance with European, national and internal public procurement rules and for paying the expenditure on the basis of invoices or equivalent accounting documents.
- d) After payment, the responsible partner asks its own controller to confirm the total amount of shared costs (100%).
- e) Upon receipt of the controller's confirmation (see model confirmation form in [annex 5c](#)), the responsible partner sends a letter to the other partners with whom costs are shared. The letter
  - lists the total amount paid out by the responsible partner, each partner's share of the cost and the calculation method used to obtain the partners' shares.
  - is accompanied by
    - o the controller's confirmation for the total amount of the shared costs (100%) paid by the responsible partner
    - o a copy of the relevant documentation\* proving the eligibility and payment of the expenditure.

\* For example:

- For external expertise and service costs, copies of the public procurement documentation, the contract/agreement, the experts or service provider's invoice and a proof of payment (bank statement) for the amount paid by the partner to the expert or service provider should be provided to each partner sharing the cost.

- For staff costs, copies of the pay slips, information about time recording and copies of timesheets may be requested by each partner's controllers.

- f) There are then two possible ways of reporting shared costs:
  - either the partners pay their shares of the cost to the responsible partner and after reimbursement include the expenditure (the related share) in their financial report, which is then validated by their controller. This option is the most transparent one.
  - or the responsible partner deducts the partners' share for the common cost (both ERDF as well as national co-financing share) from the ERDF amount after receipt of the ERDF from the Certifying Authority and before transfer to the partners. This is only possible if the partners agree with their controllers and the responsible partner that the expenditure is validated and reported by the partners and their controllers, although the partners have not yet paid their share to the responsible partner.
- g) In both cases, it is the responsibility of each partner to include their share of the common costs in their own financial report and to obtain confirmation from their own controllers (who can accept the shared costs by basing their opinion on the responsible partner controller's confirmation). The JTS strongly recommends that the partners contact their controllers for further information and agreement on the exact procedures and on the costs that can be shared.
- h) Project partners who intend to share costs have to put down in the partnership agreement (or in any other formal written document) the type of costs to be shared, the partner responsible for contracting/ordering and the related payment and in addition, the reporting procedure.

Partners should always consult their controllers beforehand and especially if they consider using a method other than the ones above for reporting shared costs..



### 4.3.5. First level control

Before submission to the JTS, each progress report has to be verified and confirmed by an independent controller according to the first level control system set up by each Member State. The main aim of the controls is to provide a guarantee for the Managing Authority, the Certifying Authority and, importantly, to the project itself that costs co-financed under the INTERREG IVC programme are accounted for and claimed in accordance with the legal and financial provisions of the subsidy contract (especially the approved application form, the INTERREG IVC programme rules, national rules and EC regulations). It ensures that problems are spotted and dealt with before they get too important.

#### 4.3.5.1. Designation of the first level controller

According to Article 16 of Regulation (EC) No. 1080/2006, it is the responsibility of each Member State to designate the controllers for verifying the legality and regularity of the expenditure declared by each Lead Partner/project partner participating in a project. In practice this means that each Lead Partner/project partner has to seek confirmation of the reported expenditure from a controller who is authorized by the Member State or Norway, on whose territory the respective Lead Partner/partner is located. The controllers have to be independent and qualified to carry out the control of project expenditure.

The controllers have to fulfil certain criteria in order to be considered independent. An internal controller, if admitted 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 not any other contractual relationships with the project or partner organisation that could lead to a conflict of interest.

Concerning the qualification of both the external as well as the internal controller, the Lead Partner and the partners have to take into consideration that the task of controlling project expenditure co-financed under the Structural Funds and INTERREG goes far 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.

In principle there are four general models:

1. centralised control at Member State level through a public administrative body
2. centralised control at Member State level through a private audit firm
3. decentralised control through controllers selected by the project partner from a central short list
4. decentralised control through an internal or external controller selected by the project partner and approved at national level.

In case an external controller is selected by the project partner, this controller has to be designated in accordance with public procurement rules.

In Member States with decentralised control systems, each project partner has to provide an **approbation certificate delivered by the approbation body designated by the Member State**, for the chosen first level controller. If a new first level control body is appointed, a new approbation certificate has to be provided.

The detailed requirements per country can be found in the section "Country specific information" on the INTERREG IVC website.

#### 4.3.5.2. Role of the first level controller

The first level controllers' task is to verify that the expenditure reported by the Lead Partner/project partner 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 controller is responsible for the methods and techniques of the control in accordance with international and national audit standards. The controllers have to be familiar with the content of the following documents in order to be able to confirm the strict compliance with the provisions laid down in:

- the EU-regulations and directives, i.e. in particular with:
  - Regulation (EC) No. 1080/2006
  - Regulation (EC) No. 1083/2006
  - Regulation (EC) No. 1828/2006
  - Directive (EC) No. 2004/18/EC (on public procurement/the award of public works contracts, public supply contracts and public service contracts)
- further national rules and guidance (e.g. national public procurement rules)
- the programme manual
- the application form
- the subsidy contract
- the partnership agreement.

In case of amendments of the project application form, subsidy contract and partnership agreement, the Lead Partners and partners have to ensure that the latest version is made available to the first level controllers.

The programme provides three standard documents in order to guide the controllers during the control work, to ensure the application of the same quality standards on all levels and document the control steps properly:

- A standard control confirmation inside the joint progress report to be signed by the Lead Partner controller for the whole project (see [annex 5a](#) of the programme manual)
- A standard control confirmation (see [annex 5b](#) of the programme manual) accompanying the projects' internal financial report to be signed by each project partner controller (incl. the Lead Partner controller for the own expenditure) and to be submitted to the Lead Partner. A copy of the partner control confirmations – without annexes - also has to be submitted via the Lead Partner to the JTS.
- A control report template with a checklist (see [annex 6](#)), which has to be filled in by each project partner's controller (incl. the Lead Partner controller for the Lead Partner's own expenditure) and remains with the project partner and project partner's controller if not explicitly requested by the Lead Partner. However, it is recommended that the Lead Partner requests a copy of this document in order to ensure that the first level control is properly carried out at partners' level.

The text of the control confirmations may not be amended or extended. The control report template provides the minimum requirements for the controllers' checks and documentation. Additional points (e.g. documentation of checks on the basis of national rules) may be added.

The programme also provides a standard control confirmation to confirm shared costs (see [annex 5c](#) of the programme manual) on the level of the partner having contracted and paid these costs so that these common costs can be shared with the other partners and confirmed by their controllers.

The controllers have to take into consideration that when signing the control report for a certain reporting period, they are confirming the full amount of eligible expenditure. In order to have sufficient reassurance, the controllers are thus expected to check 100% of the expenditure. Only in very well justified cases, sampling is allowed and under the condition that the method, the scope and the results are fully documented and give sufficient evidence and reassurance for confirming the full expenditure.

The controllers also have to verify that the reported activities have taken place, the delivery of sub-contracted supplies, works and goods is in progress or has been completed. On-the-spot checks are

therefore usually required in order to gain sufficient evidence and to be able to give a reasonable opinion on this matter.

### Verifying the delivery of services, goods and works and carrying out on-the-spot checks

With the Lead Partner / partner control confirmation, first level controllers are requested to confirm that the reported activities have taken place, delivery of services and goods and works are in progress or have been completed. But how shall these checks be carried out in practice?

The INTERREG IVC programme typically supports activities such as meetings, seminars, studies, websites, good practice guides thus mainly involving staff, administration, external expertise and travel costs. Under INTERREG IVC, there is no financing of heavy investment and the purchase of equipment items plays a minor role.

In order to gain assurance that the activities reported in the progress report have actually taken place, it can mostly be done through the reviewing of supporting documents. Here are a few examples on how the existence and the delivery of certain outputs can be checked with the help of supporting documents:

- Meetings: the first level controller can usually check the delivery of the meeting through documents such as the agenda, participants' lists, meeting minutes, presentations and pictures;
- Travel: in order to gain assurance about a partner having actually travelled, original travel tickets, boarding passes, bus and metro tickets, hotel invoices and/or signed participants' lists are usually requested;
- Websites and other electronic publications: websites as well as other electronic documents can be checked online;
- Printed material: a copy of brochures, studies, guides, photos and similar are usually provided by the partners to the first level controller.

However, in the case of equipment items purchased in the context of a project, their actual physical availability has to be checked. An on-the-spot check is unavoidable.

But there are also other arguments that call for an on-the-spot check besides the need to check the physical availability of equipment items. Considering the list of accounting and other supporting documents that have to be reviewed by the controller for the different cost items (see INTERREG IVC Programme Manual, Section 4.3.4 Accounting for project expenditure), it is always advisable to go on the spot because:

- it accelerates the process: it avoids the sending of documents back and forth and thus helps to save paper and time; documents initially missing can be provided immediately; responsible persons can be met and supporting documents such as staff contracts, bank statements as payment proofs and procurement documents can be more easily reviewed and accessed.
- it 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 responsible people, 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.

It has to be kept in mind that according to Regulation (EC) No. 1828/2006 Article 13 (2) amended by Regulation (EC) No. 846/2009, **going on-the-spot is even an obligation**. At the same time, the means invested in going on-the-spot should remain proportional to the costs to be verified. Consequently, it is legitimate to sample. Therefore, controllers who are involved in several operations (especially in the case of Member States with a centralized first level control) sometimes establish criteria to classify their operations in order to identify those which are the most financially at risk. Among such criteria could be the following:

- size of partner budget/expected costs to be reported,
- number of contracts involving important public procurement processes,
- amounts of equipment items purchased.

Then the FLC decides to visit all the projects that cumulate several of these criteria and will thus be more at risk. For the others, checks are carried out on a sampling basis. This could be a random sample; every second or third project; or an oriented one where further sub-criteria are defined such as:

- the complexity of the project management due to its number of partners or project type (mini-programme?),
- general quality of the partner's reporting documents,
- reporting problems already encountered.

Another way to reduce the cost linked to an on-the-spot check is to carry it out once or twice during the lifetime of the project, instead of each time a report is certified. This method is especially interesting for first level controllers who are involved in one operation and thus cannot sample on the basis of a larger pool of projects. In any case, it is important to document in the control report the check of existence and reality of goods, works and services, what kind of evidence was viewed and the method chosen especially if sampling was applied and the reasons for it.

For further information, projects are also invited to refer to

- the INTERACT Compendium of First Level Control Procedures in Territorial Cooperation which can be found on the INTERACT website ([http://www.interact-eu.net/financial\\_management\\_news/flc\\_compendium\\_online/41/4787](http://www.interact-eu.net/financial_management_news/flc_compendium_online/41/4787)),
- the COCOF guidance on management verifications ([http://www.interact-eu.net/mint/pepper/orderedlist/downloads/download.php?file=http%3A/www.interact-eu.net/downloads/399/Guidance\\_Document\\_on\\_Management\\_Verifications\\_.pdf](http://www.interact-eu.net/mint/pepper/orderedlist/downloads/download.php?file=http%3A/www.interact-eu.net/downloads/399/Guidance_Document_on_Management_Verifications_.pdf)),
- the country specific requirements section on the INTERREG IVC website.

#### 4.3.5.3. Specific role of the Lead Partner's first level controller

The Lead Partner's controller has to confirm that

- based on his/her and the project partners' examination the reported expenditure for the whole partnership is correct from an accounting point of view, actually paid and eligible
- the project expenditure is related to the project and the activities foreseen in the application form and corresponds to the delivery status of the partner as described in the progress report
- the figures in the progress report coming from the individual partners are correctly summed up
- the input provided by the partners was confirmed by an independent controller in respect of the country specific control requirements.

On the one hand, the Lead Partner's controller thus has to check the Lead Partner's own direct expenditure. On the other hand, the Lead Partner controller is also asked to formulate an opinion on the other project partners' expenditure. This opinion can be based on the input provided by the project partners. This means that the Lead Partner controller has to verify at least that the partner control confirmation has been signed off by the project partner controller in compliance with the country specific control requirements. It is strongly recommended to ask also the expenditure list and control report (incl. control checklist).

#### 4.3.5.4. Timing of first level control

The Lead Partner has to ensure that project expenditure can be reported within three months after the end of the reporting period so that the progress report can be submitted to the JTS on 1 April / 1 October each year at the latest. In order to ensure timely submission, the controls on project partner and Lead Partner level have to be scheduled carefully according to the submission deadlines. In this context it has to be taken into consideration that

- expenditure has to be reported regularly, i.e. in the reporting period where it arose<sup>14</sup>
- the project partner's controller can only carry out the control after receipt of the complete set of 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 documentation is submitted (and for potential clarifications)
- the Lead Partner's controller can only carry out the work after having received the signed and stamped control documents from the partners reporting expenditure
- the progress reports have to be submitted within 3 months after the end of each reporting period to the JTS and the internal reporting process thus has to be adapted to this deadline.

<sup>14</sup> except in duly justified cases

#### 4.3.5.5. Control costs

Control costs are considered to be eligible costs if there are not any stricter national rules established at Member States' level. This point thus has to be carefully checked in the specific country requirements available on the INTERREG IVC website.

Internal independent control should be included under the budget line 'staff'; external independent control in the budget line 'external expertise and services'. It is therefore advised to foresee a budget for these controls depending on the control arrangements applicable in the relevant Member State/Norway for each of the project partners (see the section "country specific information" on the INTERREG IVC website for more details).

It is important to note that control costs (as any other costs of the project) which are paid after the end of the finalisation month as indicated in the approved application form will not be eligible and will therefore have to be borne by the partnership. If one wants to include the control costs as eligible costs in the project, partners are advised to foresee sufficient time within the official project duration for the administrative closure of the project so that the controller can carry out the control as much as possible before the end date of the project and the related invoice(s) can still be paid within the eligible project period (see also section 2.4.1 'Eligibility Period').

#### 4.3.6. Points of attention for reporting

##### 4.3.6.1. On activities/results

The following issues should help projects to avoid most common mistakes when reporting the activities and results in the progress report.

- Project summary (section I.2 of the progress report)

A particular attention should be paid to the quality and the nature of the information provided in this section since it is published on the INTERREG IVC programme website. In particular, the three following points are important.

1. The description provided in this section has to be cumulative from the start of the project until the end of the period of the report.
2. The information should not be related to internal management problems such as the delay in the start up phase or under spending issues. These elements are of course important for the monitoring of the project but they are not of interest to the general public.
3. In order for the reader to clearly understand the project and its focus, content-related information has to be provided in this section. For instance, the description of one specific good practice identified within the project can be of added-value in this regard.

- Publicity requirements

As stipulated in the subsidy contract, the main publicity and information material (e.g. presentation brochure, good practice guidelines, studies or analyses) have to be provided to the JTS. This does not only allow the programme to have a clearer idea of the project communication activities but it also gives the JTS the opportunity to disseminate information on the project at programme level.

- Consistency in the reporting of indicator / activities / outputs

For the overall coherence of the report, it is crucial that the information provided under the indicators, the activities and the outputs is fully consistent. In other words, when a specific output is reported under an indicator, it should also clearly appear in the description of the activities as well as under the outputs of the period. This also means that the terminology used should also be consistent throughout the report and in line with the terminology adopted in the application form.

- Reporting on indicators

As mentioned in section 4.3.3, each single figure reported under the indicator section should be justified as precisely as possible in the report. As this information will be used for the programme evaluation, it has to be as reliable as possible. This also means that it is better to be over-cautious than over-optimistic in this section of the report.

The results indicators are those which are the most difficult to justify. It often occurs that the following indicators are overestimated by Lead Partners: number of staff members with increased capacity, number of good practices transferred and number of policies improved. **If a specific figure cannot be justified by clear evidence, it should not be reported in the report.** In particular, a transfer of practice or a policy improvement can be reported only when actions have already been implemented on



the ground (i.e. the intention of transferring or of improving is not sufficient) and when it is clear that these actions resulted fully or partly from the exchange of experience carried out within the project.

Projects are also encouraged to report on any unexpected 'side effects' the cooperation may have under the indicator 'n° of new projects / activities / approaches resulting from the interregional exchange of experience'.

#### **Example of justification for staff with increased capacity**

Key staff from Civil Protection and Fire Brigade attended the four first interregional events. More specifically, one Civil Protection Officer from the *Lead Partner*, one Civil Protection Officer from partner four and three Fire Brigade Officers from Poland (*partner 2*) and Italy (*partner 3*). In total, the project resulted in 5 staff members with increased capacities in terms of knowledge and skills through the process of experience exchange at interregional events.

#### **Example of justification for good practice transferred**

As a result of the findings produced from the study visit in Austria in the September 2009, *partner 13* in Poland has imported a practice related to training school children on cycling in real traffic circumstances developed by *partner 2* in Austria. *Partner 13* organised a Schools Challenge workshop with an expert from *partner 2* to share knowledge with a group of trainers on how to organise such tuition for children in local schools. As a result this cycle training was piloted at a number of schools. The aim is to extend it to all primary schools in partner 13 region.

#### **Example of justification for policy improvement**

*Partner 7* reported that, through their membership of a network of environmental organisations and using the expertise gained from the project (in particular through the study visit organised in UK in January 2010), they succeeded in improving the *region* Strategic Development Plan 2010-2020, particularly by including a climate change mitigation and adaptation measure in the priority entitled 'Quality of the Environment and of Urban Spaces' (Policy D.IX on creating an Adaptation Plan for the city). The Strategy was submitted and adopted by the local government during the official meeting on 30 June 2010.

As a conclusion, two general recommendations can be drawn:

- as far as activity reporting is concerned, the description provided in the progress report has to be as precise as possible. Details such as the date, location, content, participants, main outcomes of the activities carried out are always welcome.
- As far as result reporting is concerned, **qualitative information** as well as the description of the main lessons learnt and results achieved will become more and more important in the course of the project implementation. Indeed, this kind of information directly contributes to demonstrate the programme's usefulness and success and as such it constitutes a core input for the annual report to the European Commission. It also means that qualitative information on the exchange of experience has to be provided in the report, even if the process is at an early stage and the result indicators cannot therefore be filled in.

#### **4.3.6.2. On finances**

The following issues should help projects to avoid most common finance mistakes when compiling the progress report.

- Link between activities and expenditure

All reported expenditure needs to be in line with the activities carried out for the reporting period. When compiling the progress report the project has to make sure that for all expenditure included a link to the activities can be made. For instance, if in the budget line travel & accommodation expenditure is reported, the corresponding meetings are expected to be reported as an activity and output/result (in case of exceptionally reporting delayed expenditure the 'Deviations from the original plans' sections of the progress report have to be used). By making sure that the activities are coherent with the expenditure clarifications during the monitoring procedure can be avoided.

- Link between description of external expertise and services and the application form

The application form is the basis for the monitoring of the progress report. Hence, it is very important to always make a clear link between the two documents. Thus the wording used for the description in the progress report has to refer to the information provided in the application form whenever possible and if necessary further details need to be given to be as precise as possible.



In case items which were not planned in the application form were added, a description in the respective deviation sections has to be provided. It is important that this description is self-explanatory and justifies these additional costs.

- Allocation of expenditure between components and budget lines

It is important to make sure that the expenditure is reported in the correct component and the correct budget line. For example, if a meeting is an activity belonging to and reported under component 1, the related catering costs also have to be reported under external expertise under component 1. Projects should always keep in mind that it is the task of the first level controllers to check the eligibility of expenditure as well as to ensure that the expenditure is reported in the correct component and/or budget line.

- Partner control confirmations

It is essential for a smooth reporting that the country specific requirements of each partner are respected. Accordingly each partner and its first level controller have to check on a regular basis the INTERREG IVC website to ensure that the latest developments are taken into consideration. Partner control confirmations which do not respect the country specific requirements can significantly delay the monitoring timeline, as they might have to be re-issued and re-submitted.

It is also important to note that the programme cannot accept any amendments/additions to the partner control confirmation. The text has been agreed by the EU Member States and Norway. The JTS has to gain assurance that the points listed in the confirmation have been checked and therefore can be confirmed by the first level controller. It is not possible to refer to any annexes, side letters etc. Any open points shall be solved with the Lead Partner and the partners (and their controllers where applicable) before the control confirmation is signed and submitted. The Lead Partner and the Lead Partner's first level controller are therefore advised to check carefully that the partners' control confirmations are correct, respect the country specific requirements and that the template has not been amended.

#### 4.3.6.3 Financial Correction Sheet

The financial correction sheet is used in exceptional cases where expenses were wrongly declared and the error is noticed only in a following report after the ERDF reimbursement has already been made by the Certifying Authority to the project. The financial correction sheet is a means to document such errors which are either detected by the project staff or first level controller themselves or by the EC or programme authorities (Audit Authority / Group of Auditors, Certifying Authority, Managing Authority/ JTS) during audits. The financial correction sheet template can be downloaded from the programme website ([www.interreg4c.eu](http://www.interreg4c.eu)).

Lead Partners are asked to

- specify the progress report and the component for which an error was identified as well as the partner that reported the ineligible expenditure
- ensure that the amount indicated under the column "Total partner expenditure in PRX after correction" is the same as the one indicated in the corresponding partner control confirmation and in the progress report, in which the correction is made;
- indicate the reasons of the financial correction as well as the body that has actually detected the ineligible expenditure (section 4 "Reasons for correction")
- submit the form signed, stamped and dated by the Lead Partner's representative and Lead Partner's first level controller
- submit the form as an original together with the progress report in which the correction is made.

## 4.4. Changes in project implementation

### 4.4.1. General principles

All minor changes (e.g. change in contact details, rescheduling of activities, and budget deviation within the 10% flexibility rule) can be reported as 'deviations' to the JTS through the six-monthly progress report. The report has to include a justification of such minor changes, an explanation on their

consequence on the project's implementation and the solution proposed to tackle them and avoid similar deviations in the future.

For more important changes in project implementation and, according to the subsidy contract, the Lead Partner is obliged to request approval from the Managing Authority and/or INTERREG IVC Monitoring Committee if the partnership, the core activities, the project duration or the budget of the project changes significantly. The JTS is responsible for the practical administration of changes requested by running projects.

In any case, any major changes related to partnership (e.g. drop out or replacement of partners), to activities, to project's duration and to budget should as much as possible be avoided. However, when duly justified, these changes may be approved by the Managing Authority or the Monitoring Committee through a 'request for changes' procedure.

As a basic rule, Lead Partners should inform the JTS as soon as they are aware of a possible major change in their project.

#### **4.4.2. Request for changes procedures**

For all major changes, a 'request for change' form has to be filled in. This form, which is an Excel based document, consists of two parts/worksheets:

- a) the "request for change summary" and
- b) the "application form for changes".

In the "request for change summary", Lead Partners are asked to describe the requested change and provide a clear justification for it. The "application form for changes" is based on the originally approved application form. It needs to be updated in the respective parts related to the change.

The request for change form is provided upon request by the JTS. It can be requested at any time during the year. However, unless duly justified, a request for change is generally not treated at the same time a progress report is still under clarifications, 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' form is first to be submitted as electronic version. Only once the electronic version is declared as acceptable and final by the JTS, a signed and stamped paper version of the 'request for change summary' (first worksheet) has to be submitted.

Depending on the nature of the requested changes, a decision on the approval will be taken either by the Managing Authority/JTS or through a written procedure by the INTERREG IVC Monitoring Committee. The changes enter into force only when the official approval notification letter is sent to the Lead Partner. In case the requested change had an impact on the budget and consequently on the payment forecast, a new subsidy contract will also be issued.

#### **4.4.3. Changes in activities/outputs**

In the application form activities and outputs are described in the work plan of each project component. Therefore, the work plan represents the road map of the project, 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 the process of project implementation.

If these changes are of minor character (e.g. postponement of a conference, lower/higher number of brochures/newsletters created) meaning that they will not have an impact on the main objectives of the project, they can be reported and justified in the progress report (i.e. in the deviations' section). This represents in fact the vast majority of cases.

In case these changes are of major character and have an impact on the main objectives of the project, they would require the formal approval of the INTERREG IVC Monitoring Committee. In this specific case, the Lead Partner has to get into contact with the responsible JTS / Information Point officers to request a formal change in activities/outputs. This type of request for change remains very exceptional and has not yet happened in the INTERREG IVC programme.

#### **4.4.4. Changes in partnership**

The partnership is considered as a core feature of a project and, as such, is officially approved by the INTERREG IVC Monitoring Committee. Therefore, changes in the partnership should be as much as possible avoided and all possible other solutions to solve the problem have 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 with regard to a partnership change:

- a) Withdrawal of partner(s)
- b) Integration of partner(s) (generally 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. It is recommended that the concerned partner gets in contact with its National Contact Point or Monitoring Committee member to inform them and try to find a suitable solution.

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 takes 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 requested change has to be clearly explained and justified in the 'request for change summary'. In addition, all relevant parts of the application form have to be updated; in particular section 5 of the 'application form for changes' (partnership section) but also all sections where the withdrawing partner is mentioned (e.g. section 3, work plan).

Once the JTS receives the completed request for change form, it will check whether the request for change is acceptable. The JTS will also ask the relevant National Contact Point to confirm the eligibility of the new integrating partner (if applicable).

A simple change of name of one partner which has no impact on its legal status is not considered under the above described partnership change issues and thus does not require a formal request for change procedure. Nevertheless, the change of name of one partner has to be officially communicated to the JTS (e.g. by updating the contact details of the concerned partner in the progress report).

Finally, it should be noted that specific geographical eligibility rules applied to the third and fourth call projects (see the relevant terms of reference). Projects from these calls requiring a change in partnership have to ensure that the revised partnership still complies with these rules.

#### 4.4.5. Changes in budget

Although the budget is another core project's feature approved by the Monitoring Committee, changes may become necessary during project implementation. It is therefore important to know that the INTERREG IVC programme provides the following rules for budget reallocation which allow some budget flexibility:

- a) **EUR 20,000 / 10% flexibility rule:** Without prior notification of the Managing Authority, the Lead Partner is entitled to exceed the budget lines, the component budgets and the budgets of partners, as stated in the approved application. The excess spending is limited to a maximum of EUR 20,000 or if more, up to 10 % of the original amount and has to be justified in the progress reports. Such changes do not require the submission of a Request for Change form.
- b) **20% flexibility rule:** Only once during the project period, the Lead Partner is entitled to reallocate the budget between budget lines, components and partners for an amount of up to 20% of the total project budget as stated in the approved application. Such reallocation requires the submission of a Request for Change Form to the JTS/Managing Authority. The reallocation will enter into force only after approval of the Request for Change by the JTS/Managing Authority.

It is important to note that changes between budget lines, between component budgets and between partner budgets are only allowed as long as the maximum amount of ERDF and Norwegian funding awarded is not exceeded.

The project payment forecast (see section 2.4.4) cannot be modified unless the total budget or the ERDF budget of the project is changed through a request for change procedure.

Besides this, modifications in the equipment budget line remain exceptional. In order to be sure that the additional equipment costs will be accepted, projects are therefore requested to consult the JTS before using the flexibility rule for reallocating budget to the budget line "Equipment". The JTS 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.

#### Flexibility rules - Examples:

##### a) EUR 20 000 /10 % flexibility rule

Budget line	Original amount in the approved application form	Maximum possible spending on this line	pos-over-on	Explanation
Travel and accommodation costs	EUR 50,000	EUR 20,000		As 10 % of the original amount (i.e. EUR 5,000) is smaller than 20,000 this budget line can be exceeded by a maximum of EUR 20,000.
Staff costs	EUR 500,000	EUR 50,000		As 10 % of the original budget (i.e. EUR 50,000) is higher than 20,000, this budget line can be exceeded by EUR 50,000

In conclusion,

- if the original amount of the budget line, the component or the partner budget in the application form (at the level of the overall budget of the project) is lower than EUR 200,000, it can be exceeded by a maximum of EUR 20,000
- if the original amount of the budget line, the component or the partner budget in the application form is higher than EUR 200,000, it can be exceeded by a maximum of 10 %.

##### b) 20 % budget reallocation

If the project needs to deviate from the original budget by more than what is allowed by the EUR 20 000 /10% flexibility rule, then the Lead Partner has to ask for a budget reallocation through a request for change.

In the case of a budget reallocation, the shifts allowed to increase components, budget lines and partners budgets (using the underspending of other budget lines/components/partners) are of a maximum of 20 % of the total budget of the project, **for each change**. Example :

Components	Original amount in the approved application form	New amount after the budget reallocation	Explanation
Component 1	EUR 250,000	EUR 410,000	This component can be increased by a maximum of EUR 160,000.
Component 2	EUR 500,000	EUR 310,000	Component underspent which allows reallocation to other components.
Component 3	EUR 50,000	EUR 80,000	This component can be increased by a maximum of EUR 160,000.
Total	EUR 800,000	EUR 800,000	

In this example, a maximum of EUR 160 000 can be shifted to partners' budgets, budget lines and components in the request for budget reallocation, as long as the maximum amount of ERDF and Norwegian funding awarded is not exceeded.

The reallocated budget can again be subject to deviations within the limits of the flexibility rule described under section a).

### c) Preparation Costs

The flexibility rules also apply to the component “preparation activities”. However, the ceiling of EUR 30,000 cannot be exceeded.

Example :

Original preparation cost amount in the approved application form	New amount after the budget reallocation	Explanation
EUR 5000	EUR 25,000	The preparation costs can be increased by a maximum of EUR 20,000 within the EUR 20,000/10% flexibility rule and up to the ceiling of EUR 30,000 through a 20% budget reallocation.
EUR 20,000	EUR 30,000	The preparation costs can only be increased up to the ceiling of EUR 30,000

Changes to the preparation costs component have to be however remain exceptional and be well justified, as these costs are supposed to be known before the submission of the application form.

It is important to note that the **financial implication of changes made in the partnership or in activities / outputs are not considered as a “budget change”**. Those budget modifications (e.g. reduction of the overall budget in case a partner withdraws) are considered as a consequence of the concerned change and have to be treated within the same request for change.

#### 4.4.6. Extension of project duration

The duration of the project can be modified only in exceptional and very well justified cases and should as much as possible be avoided. For instance, an extension of duration may be granted if the project demonstrates that severe delays were incurred due to external or unpredictable factors. In any case, the programme does not envisage granting any extension beyond three months.

### 4.5. Second level audit / Sample checks on projects

Every year between 2010 and 2015, 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 one representative from each participating country. The actual checks will be sub-contracted and carried out by an outside 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 the 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, JTS/Managing Authority, 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 selected for checking 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 2020 (see section 4.3.4 for further details concerning the archiving period).

### 4.6. Publicity and information requirements

In accordance with the greater emphasis put on communication and dissemination of results, not only at EU level but also at programme level, project partners are required to dedicate sufficient time to information and publicity throughout the lifetime of their project, and beyond. In order to increase the impact of a given project, the benefits and results should be clearly visible – not only to the project part-

ners themselves but also to external stakeholders, e.g. the European Commission, other national, regional or local actors. Guidelines are provided below on the preparation of the communication plan, and the basic legal requirements. A more detailed guide to project communication has been developed to accompany project partners with the implementation of their communication plan, and is available for download from the 'Project Resources' section of the programme website: [www.interreg4c.eu](http://www.interreg4c.eu). This provides more detailed examples of communication activities, along with advice and templates.

#### 4.6.1. Communication plan

Project partners are strongly advised to appoint one person responsible for creating and implementing a **communication plan** for the life of the project (see box below). This person would ensure the coherence of communication activities, and be the liaison between the project partners and the Communication Officer of the JTS.

##### **Developing a communication plan**

While not every project will have a communication professional, it is still possible to devise a communication plan. Answering the following questions will help you identify the key elements:

##### **What do you want to achieve?**

It is important to set clear objectives for communication actions in advance. Communication needs to be goal-driven, but these goals need to be SMART:

S – Specific

M – Measurable

A – Appropriate

R – Realistic

T – Timed

##### **Who do you want to reach?**

Listing the target publics of your project is the next step in developing effective communication. Examples include: national/regional policy –makers – be specific e.g. politicians dealing with water management; innovation policy; specialist actors in this field (national or European); general public: women of working age; seniors; young entrepreneurs etc.

##### **What do you want to say?**

Define a message for each target group identified above. The message to communicate to policy-makers (e.g. change regional policy to take project results on board) differs from the message to the general public (e.g. showing how results impact on the daily lives of the general public).

##### **How should you say it?**

What means should be used to transmit a particular message to a given target group. Decisions such as whether a brochure, conference, or press release is the best way to reach your target public. The resulting outputs decided here will determine what outputs are submitted in the application form (see section 2.2.4 for more details on outputs).

##### **When should you say it?**

Create a time plan for your communication activities. In the application phase, this will determine the actions and outputs listed per semester in Component 2 of the application form. Once the project is approved, it is useful to gather all project partners and create a more detailed time plan (specifying times, places, responsibilities etc).

##### **Did it work?**

It is important to put tools in place to measure the impact of the different communication outputs and to potentially improve its effectiveness. This will enable project partners propose effective results indicators and to measure them throughout the project lifetime (see section 2.2.4 for more details on results).

The communication activities listed as examples in section 2.2.2 above, and those developed in the Project Communication Guide, should not be taken as a complete and exhaustive list of possibilities,



nor a prescription of what should be carried out by the project. Depending on the project's target audience, the means of communication should be adapted, as described in the box above.

It is considered essential for every project however to implement a project website that presents at least the objectives of the project, the partners involved, and – as the project progresses – the project results. Partners are strongly advised to take this into consideration in component 2. Please see section 5 on project closure for website archiving requirements.

#### **4.6.2. Publicity measures**

No matter what support chosen to communicate on a project, there are minimum requirements for publicising the European co-financing and the programme that facilitates the funding. Partners will find here specific guidelines on how to meet these requirements. Beyond the purely regulatory nature of information and publicity measures, they are also important in creating awareness of a project's activities and results, and in helping other regions to potentially capitalise on these results.

##### **4.6.2.1. Legal basis**

All projects must comply with the publicity and information requirements laid down in the Commission Regulation (EC) No 1828/2006 (Articles 8 and 9) of 8 December 2006 and in the subsidy contract signed between the Lead Partner and the Managing Authority (Article 7). The regulation and the subsidy contract template can be downloaded from the programme's website.

##### **4.6.2.2. Publicity rules**

The use of the INTERREG IVC logo and EU emblem is compulsory on all communication materials and tools produced by the co-financed project. Normally, these logos should be the versions that contain the slogan "Regions of Europe Sharing Solutions" for the IVC logo, and the reference to the European Regional Development Fund for the EU flag. Images of these logos are provided in [annex 7](#). Exceptions may be allowed in well-justified cases, for example on small publicity items. It is recommended that such exceptions be agreed with the JTS before production, to avoid any cost eligibility issues at a later stage.

Any document produced by the project should include a reference to the contribution of the ERDF and the programme. This could be for example the phrase "This project is co-financed by the European Regional Development Fund and made possible by the INTERREG IVC programme". Such documents may include attendance certificates, registration sheets, or non-publicity documents where the logos mentioned above are not used.

Where EC Regulation No 1828/2006 speaks of a statement by the Managing Authority, please note that this statement is integrated into the programme logo: "Regions of Europe sharing solutions".

[Annex 7](#) provides complete technical details of the various logos and their use on various supports. This should be implemented with great care to respect the size, colour and other dimensions specified. The INTERREG IVC graphic identity charter provides all technical specifications graphic designers may need to properly use the INTERREG IVC logo. This charter is available for download on the programme website.

The elements as described in [annex 7](#) can be downloaded from the INTERREG IVC website in high-definition vectorial format for printing use (EPS format). JPEG, GIF or other low-definition formats should only be used for electronic versions of documents.

It is up to the project partners to ensure they have the latest version of the publicity guidelines and ensure they are followed. The project undertakes to send three copies of the main publications to the JTS/Managing Authority, who are authorised to use this material in promoting the programme.

## 5. Project closure

### 5.1.1.1. Procedure

Last progress report: as for all other reporting periods, projects also have to submit an audited progress report for the last reporting period. This last progress report has to be submitted at the latest three months after the end date of the project. Nevertheless and because of the end date for the eligibility of expenditure, this last progress report (as well as the project final report below) is usually submitted earlier. The progress report template is available on the programme's website.

Final report: after finalisation of the project, a final report has to be submitted to the JTS. It has to be submitted together with the last progress report. This report summarises the project's main achievements and lessons learnt. It has to be submitted at the latest three months after the end date of the project. The final report template is available on the programme's website. The final payment to the project can be done only when both the last progress report and the final report are approved by the programme.

### 5.1.1.2. End date for the eligibility of expenditure

It is important to note that the end date indicated in the application form is also the end date for the eligibility of expenditure. Therefore, all activities must be finalised and the related expenditure paid out (including payment for the financial control of the last progress report) before the end of the month stated as the finalisation month in the application form in order to be eligible. This information is very important for projects in order not to envisage activities until the last minute. It is even recommended that no major activities take place within the three final months in order to ensure that this period is dedicated to the closing of the project.

### 5.1.1.3. Other considerations

Information and publicity requirements (see also section 4.6): the rules laid down in Regulation (EC) No 1828/2006 Articles 8 and 9 on information and publicity must be respected for all products produced with the assistance from INTERREG IVC, including after the closure of the project.

Archiving of documents: the Lead Partner must ensure that all partners store the documents related to the project in a safe and orderly manner for a minimum period of three years after the payment of the final balance by the European Commission to the INTERREG IVC programme. This balance will only be transferred in an as yet unspecified period of time after 2015 when the programme implementation is finalised. Other possibly longer statutory retention periods, as might be stated by national law, remain unaffected. Project partners are also required to maintain their project website accessible online for five years following the end of the project. The partnership bears this cost as it is not eligible for ERDF co-financing.

## Annexes

### Annex 1: Examples of INTERREG IVC projects<sup>15</sup>

#### Examples of projects under Priority 1 'Innovation and the knowledge economy'

##### ▪ Innovation, Research & Technology Development

Exchange of experience and knowledge, transfer and further development of policies dedicated to:

- *supporting activities and organisations involved in research and development*
- *supporting the research and innovation infrastructure, for example, science parks, innovation centres, incubators or support to clusters*
- *strengthening creative interaction in the knowledge - businesses - public sector triangle*
- *optimising / enhancing eco-innovation and the use of new environmentally sound technologies and management approaches such as public procurement for environmentally sound products and services*
- *helping to restructure regions most heavily dependent on traditional industries*
- *improving the capacity of regions for research and innovation*
- *bringing innovative ideas to the market more quickly*

##### ▪ Entrepreneurship and SMEs

Exchange of experience and knowledge, transfer and further development of policies dedicated to:

- *promoting entrepreneurship and business creation, especially in knowledge-based, innovation driven sectors.*
- *supporting regional business support structures and approaches to assisting SMEs*
- *developing financial assistance to SMEs and development of non-grant instruments (such as loans, risk capital, etc.)*
- *strengthening the economic profiles of regions sharing an interest in a specific economic sector and reinforcing the global competitiveness of the sector*
- *supporting regional business clusters*
- *supporting and promoting certain specific groups e.g. young or female entrepreneurs*
- *supporting the economic diversification of rural areas*
- *enabling enterprises to internationalise and increase their competitiveness*
- *supporting eco-innovations and the use of environmental management systems in SMEs*

##### ▪ Information Society

Exchange of experience and knowledge, transfer and further development of policies dedicated to:

- *developing ICT-based public services to increase the productivity and competitiveness of businesses and entrepreneurs*
- *promoting the development and use of ICT-based services and products (for example in public services such as e-government and e-health, bringing e-government to regions and businesses)*
- *enhancing the participation of the public in the information society, e.g. programmes for improving computer skills*

<sup>15</sup> Based on Point 5 of the INTERREG IVC Operational Programme

- *establishing better ICT connections between regions*

#### ▪ **Employment, Human Capital and Education**

Exchange of experience and knowledge, transfer and further development of policies dedicated to:

- *improving qualifications for innovation*
- *safeguarding and creating new employment opportunities in innovation and knowledge-based jobs and adapting local and regional employment policies to major socio-economic changes, notably globalisation and demographic change*
- *training and retention of researchers*
- *setting up or improving local employment development (LED) initiatives*
- *supporting capacity building and knowledge transfer for staff involved in business development and support*
- *increasing investment in R&D related human capital*
- *enhancing the labour market participation of discriminated groups such as women and older workers*
- *improving the adaptability of workers and enterprises, promoting a healthy workforce in healthy workplaces and expanding and improving education and training systems*

### Examples of possible projects under Priority 2 'Environment and risk prevention'

#### ▪ **Natural and technological risks, climate change**

Exchange of experience and knowledge, transfer and further development of policies dedicated to:

- *improving the monitoring of environmental risks*
- *supporting awareness-raising and emergency planning for populations located in very sensitive areas, such as heavily built-up river basins, or other areas prone to flooding or seismic activity, etc.*
- *facing air pollution, managing and communicating on associated risks*
- *developing or coordinating existing observatories for a better understanding of natural hazards*
- *development of strategies for minimising relevant natural and technological risks*
- *developing tools and action plans and carrying out awareness-raising and capacity building actions in order to more effectively respond at all levels to all relevant natural and technological risks*
- *developing appropriate coordinated spatial planning measures in geographically sensitive areas*
- *developing measures to deal with and raise awareness of climate change and the promotion of adaptation and mitigation policies*
- *developing strategies for preventing and reducing floods*

#### ▪ **Water management**

Exchange of experience and knowledge, transfer and further development of policies dedicated to:

- *improving the quality of the water supply and water treatment, including cooperation in the field of water management*
- *supporting integrated, sustainable and participatory approaches to the management of inland and marine waters, including waterway infrastructures*
- *developing an ecosystems based approach to the sustainable management of the seas, the management of coastal zones; reaping of the benefits of the sea.*
- *adapting to the effects of climate change which are relevant to the area of water manage-*

ment

▪ **Waste prevention and management**

Exchange of experience and knowledge, transfer and further development of policies dedicated to:

- *moving to a recycling society*
- *enhancing waste management methods and policies – developing practical guides for integrated local waste management*
- *developing innovative solutions for waste disposal as part of sustainable regional waste management systems*
- *re-using landfill and waste-disposal sites*

▪ **Biodiversity and preservation of natural heritage, air quality**

Exchange of experience and knowledge, transfer and further development of policies dedicated to:

- *ensuring the overall ecological coherence and robustness of the actions (especially within the Natura 2000 network)*
- *developing management mechanisms (including management plans where necessary) related to sites designated as special areas of conservation*
- *promoting species or habitat action plans that set management priorities for Natura 2000 species across their entire natural range in the EU*
- *ensuring the overall coherence of the Natura 2000 network*
- *improving air quality*

▪ **Energy and sustainable transport**

Exchange of experience and knowledge, transfer and further development of policies dedicated to:

- *moving to a low carbon economy, including providing information to industrial customers, service providers and citizens on issues such as ‘how to reduce energy consumption’*
- *transferring knowledge concerning long-term targeted energy efficiency campaigns, including efficiency in buildings, notably public buildings*
- *exchanging and transferring knowledge on mechanisms to stimulate investment in the production of renewable energy and in energy efficiency projects*
- *adopting environmentally sustainable strategies in the transport sector*
- *promoting low-consumption vehicles and new propulsion technologies to reduce emissions*
- *promoting the use of improved collective and non-motorised modes of transport in conjunction with mobility management schemes*
- *improving information systems for better traffic management and for improving the monitoring of travel data*

▪ **Cultural heritage and landscape**

Exchange of experience and knowledge, transfer and further development of policies dedicated to:

- *protecting and enhancing cultural heritage and landscapes*
- *development of innovative approaches to soil protection and to the rehabilitation of contaminated land and brown field sites*
- *supporting risk management in the field of cultural heritage and cultural landscapes (both rural and urban contexts)*
- *supporting the development of tourism with a particular focus on integrating sustainability aspects*

## Annex 2<sup>16</sup>: Proposed framework for reporting identified practices

	Section	Indication of content
1	<b>Title of the practice</b>	
2	<b>Precise theme/issue tackled by the practice</b>	
3	<b>Objectives of the practice</b>	
4	<b>Location</b>	<ul style="list-style-type: none"> <li>- country</li> <li>- region or district or metropolitan area or municipality</li> </ul>
5	<b>Detailed description of the practice</b>	<ul style="list-style-type: none"> <li>- origin</li> <li>- timescale</li> <li>- bodies involved / implementation</li> <li>- process and detailed content of the practice</li> <li>- legal framework</li> <li>- financial framework</li> </ul>
6	<b>Evaluation</b>	<ul style="list-style-type: none"> <li>- possible demonstrated results (e.g. through indicators)</li> <li>- possible success factors</li> <li>- difficulties encountered</li> </ul>
7	<b>Lessons learnt from the practice</b>	
8	<b>Contact information</b>	
9	<b>Other possible interesting information</b>	<ul style="list-style-type: none"> <li>- website</li> <li>- various documents (reports, presentations, etc.)</li> </ul>

<sup>16</sup> This template has to be distinguished from the Good Practice annex that will be required during project's implementation.



### Annex 3: Additional information on the 'pre-defined' indicators

This annex provides additional information for each pre-defined indicator in the application form. The two following recommendations have to be taken into consideration in the context of project's evaluation:

- During the project development phase, applicants need to be realistic when estimating the target value of these indicators (to be over ambitious is not a criterion of quality).
- During the implementation phase when all Lead Partners have to report regularly on these indicators, only indicators where a precise and clear justification is provided should be filled in. As this information will be used to assess the programme's achievements, lead partners will have to be very careful and accurate when estimating each indicator. It will also be their role to gather and check this data from all partners involved in the project.

#### 1/ Contribution to the programme's objectives

##### **1.1/ Exchange of experience and improvement of capacities and knowledge of regional and local stakeholders in particular by matching less experienced regions with regions with more experience**

*Output indicators:*

- **The number of interregional events organised by projects to exchange experience**

This indicator measures the number of interregional events organised by the project with the specific aim of exchanging experiences among partners (i.e. events organised within component 3). The word 'events' should be taken in a broad sense as it covers diverse activities such as workshops, seminars, conferences, study trips, staff exchanges, etc. In principle, the steering group meetings of the project should not be considered under this indicator since this meeting is supposed to be mainly dedicated to management and coordination issue. Despite the above definition, it is recommended that, when different kind of activities occur at the same time in the same place (e.g. thematic workshop on the first day and a study visit on the second day), this is considered as one main interregional event organised only.

- **Total number of participants in all interregional events**

This indicator monitors the total number of participants involved in the interregional events dedicated to exchanging experiences. The figure under this indicator represents the basic sum of the number of participants in each event (even if the same persons are represented in different events).

*Result Indicator:*

- **The no. of staff members with increased capacity (knowledge/skills/expertise) resulting from the exchange of experience at interregional events**

This indicator aims to estimate the number of staff members whose capacity has increased thanks to the exchange of experience. Compared to the previous indicator ('Total number of participants'), projects should take into consideration the two following elements when estimating this indicator. First, the logic behind this indicator is to think in terms of 'individuals'. In other words, the same person participating in different events should be counted only once under this indicator. This is not the case under the previous indicator where the total number of participants at each event just needs to be added (even if it is the same persons that participate in the events). Second, only the persons very actively involved in the project should be considered under this indicator and not a person participating occasionally in the events. This is the reason why only staff members of the partners should be considered here. The figure under this indicator should therefore be reasonable compared to the total number of partners involved in the project.

- **No. of new projects/activities/approaches resulting from the interregional exchange of experience**

This indicator does not appear in the application form as it relates to spin-off activities which cannot be forecasted at the application stage. It is included in the progress report and aims to monitor all possible unexpected new 'activities' which result from the exchange of experience. This can therefore take

various forms such as the adoption of new tools at project or partner level, the development of new joint services, the adoption of new cooperation agreement between partners, the submission of new bids, etc.

- **The number of action plans developed by Objective 'Convergence' regions further to the lessons learnt from 'Objective Competitiveness' regions**

This indicator only applies to the 'Capitalisation Projects'. Its aim is to contribute to the assessment of the success of matching 'less experienced regions with regions with more experience'. The core output of a Capitalisation Project is an Action Plan for each participating region. This Action Plan will precisely define the way the practices will be implemented in the Operational Programme of the region in question (see section 2.1.2 of the programme manual). In this context, this indicator measures the number of action plans produced by the 'Convergence regions', which includes the transfer of good practices from the 'Competitiveness and Employment regions'.

**1.2/ Identification, sharing and transfer of good practices into regional policies and into EU Structural Funds mainstream programmes**

*Output indicators:*

- **The number of good practices identified by Regional Initiative Projects**

This indicator only applies to the 'Regional Initiative Projects'. It measures the number of good practices identified during the exchange of experience activities carried out under component 3. In principle, only practices that have been carefully analysed and validated as valuable within the project should be considered under this indicator. They should also primarily be located in the partnership area.

- **The number of good practices already identified and made available to regional and local actors involved in Capitalisation Projects**

This indicator only applies to the second type of intervention. It is an estimation of the number of good practices that are made available by the partners involved in Capitalisation Projects and that are therefore ready to be transferred within the project.

*Result indicators:*

- **The number of good practices successfully transferred within Regional Initiative Projects**

This indicator only applies to the 'Regional Initiative Projects'. From all the practices identified within a Regional Initiative Project, some may be partly or entirely transferred between the partners of the project. The above indicator aims to estimate the number of identified practices that have actually been transferred within the project. Only a practice introduced by one partner and that has a concrete and measurable impact on another partner (for instance, through the initiation of a pilot project or through the adoption of a certain methodology by this other partner) should be considered under this indicator. In other words, the intention of the partner to implement the practice is not sufficient. Finally, it should be noted that this indicator monitors the number of practices transferred and not the number of transfers. It means that, if the one and the same practice is transferred to three different partners, the figure 'one' and not 'three' should be reported.

- **The number of Action Plans developed under Capitalisation Projects**

This indicator only applies to the 'Capitalisation Projects'. As described above for the last indicator of Objective 1.1, Action Plans are a core element of Capitalisation Projects as they will lead to the implementation of the practices in the regions. They represent the final deliverables of the project. In principle, each region participating in a Capitalisation Project should produce its own Action Plan. Therefore, the figure reported under this indicator should in theory be identical to the number of regions represented in the Capitalisation Project.

- **The amount of mainstream funds (Cohesion/ERDF/ESF) dedicated to the implementation of good practices coming from Capitalisation Projects**

This indicator only applies to the 'Capitalisation Projects'. Its aim is to contribute to the assessment of the success of the Capitalisation Projects. As described in section 2.1.2, the Action Plan developed by each region involved in a Capitalisation Project has to include information on the amount of mainstream funds from the regional Operational Programme that will be dedicated to the implementation of

the good practices. This is the amount estimated under this indicator. Due to the rationale of Capitalisation Projects, this amount should in principle be related to Structural Funds. However, regions may also mobilise funds which do not come for the EU cohesion policy. These funds should also be counted under the indicator. In the final report, projects will be asked to specify the amount mobilised per region as well as the source of the funding (ERDF or not).

### 1.3/ Improvement of regional and local policies

*Output indicators:*

- **The number of regional/local policies and instruments addressed in the field tackled by the project**

Given the programme's overall objectives, all INTERREG IVC projects are necessarily related to a certain number of regional/local policies or instruments<sup>17</sup>. The aim of this output indicator is to monitor the number of policies/instruments addressed by each project. For instance, if a project focuses on the way several regions are trying to encourage entrepreneurship in their territory; it can be considered that the economic development policy of each of the participating regions is addressed through the project. By being involved in an IVC project, the policy of each partner's area in the domain tackled by the project is necessarily addressed. This also means that the figure reported under this indicator should in theory be identical to the number of regions represented in the project.

*Result indicators:*

- **The number of regional/local policies and instruments improved in the field tackled by the project**

All the INTERREG IVC projects should contribute to improve the regional/local policies or instruments they address. This improvement can take different forms. In some cases, it will be a policy document that is modified to take into consideration some of the lessons learnt within the cooperation project. In other cases, it will be the transfer of an approach that influences the way the policy/instrument is implemented. The figure reported under this indicator can obviously not exceed the figure reported under the number of policies addressed.

In case a region can demonstrate that its policy has been influenced in different ways thanks to the exchange of experience (e.g. introduction of a new measure in its Structural Funds regional Operational Programmes as well as the creation of a new regional funding instrument), still only one policy should be reported under this indicator as improved as these two improvements refer to the same regional policy.

## **2/ General performance of projects**

### 2.1/ Management and coordination

*Output indicator*

- **The average number of steering group meetings organised by projects per year**

In each project, a decision making body is created in order to ensure the efficient and smooth strategic management of the project. This body is called 'steering group' at the programme level but some projects may give a different name to this committee. Depending on the characteristics of the projects, the steering group meets either once or twice a year. This indicator measures the frequency of these meetings.

<sup>17</sup> In the INTERREG IVC context, "instrument" is considered as any financial tool or strategic programme established to implement a part of a regional or local policy

**2.2/ Communication and Dissemination***Output indicators:*

- **The number of press releases disseminated**

A press release is a public relations announcement issued to the news media and other targeted publications with the aim of drawing media attention to a specific activity of the project (e.g. a kick-off meeting, a dissemination conference). This indicator measures the number of such announcements during the implementation of the project.

- **The number of brochures** (no. of issues created, not no. of copies printed or disseminated)

This indicator measures the quantity of the project's brochures (or leaflets) created by the Lead Partner or by the project partners. It is related, firstly, to the number of editions created and not to the number of copies disseminated (a translated version of the brochure should also not be considered as a specific edition). Secondly, it should concern only the brochures dedicated to the project itself.

- **The number of copies of brochures disseminated**

This indicator measures the number of the project's brochures (as defined above) that are actually distributed during events or sent electronically or by post in order to promote the project.

- **The number of newsletters** (no. of issues produced, not the no. of copies printed or disseminated)

This indicator measures the quantity of project newsletters created by the Lead Partner or by the project partners. As for the brochures, this indicator focuses on the number of editions created and not on the number of copies disseminated and it is related only to the newsletters of the project itself.

- **The number of copies of newsletters disseminated**

This indicator measures the number of project newsletters (as defined above) that are actually distributed during events or sent electronically or by post in order to promote the project.

- **The number of dissemination events organised**

This indicator measures the number of events dedicated to the promotion and dissemination of the project. It can for instance take the form of a kick-off meeting or a closing conference. To be considered under this indicator, these events should first be organised by the project itself (Lead Partner or other partners). Second, it has to be entirely dedicated to the dissemination of information on the project to an audience which is different from the partners already involved in the project.

- **The number of other events participated in** (with presentations/stands about the project's activities)

This indicator measures the number of events in which the project is promoted. To be considered under this indicator, the event should not be organised by the project. For instance, it can be an event organised at the local, regional, national or European level in which the Lead Partner is invited to take part. In addition, only events where the project is actively presented (through a presentation or through a stand) can be reported under this indicator. In other words, it cannot be an event where the Lead Partner or another partners of the project are involved as 'passive' participants.

*Result indicators:*

- **The number of articles/appearances published in the press and in other media**

The aim of this indicator is to contribute to the assessment of the success of the communication activities by monitoring the press and media coverage of the project (i.e. articles dedicated to the project as well as project appearances on radio, television, news sites, etc.). Therefore, only the appearances in external press and media shall be counted under this indicator (i.e. project appearances in the partners' publications or websites cannot be considered).

- **The estimated number of participants in events** (organised and participated in)

This indicator estimates the number of participants not only in the dissemination events organised by the project but also in the other events in which the project was actively promoted (see output indicators above). It is also considered as a result indicator as it gives an estimation of the size of the audience which has benefited from information on the project.

- **The average number of visits per month on project's website**

The aim of this indicator is to contribute to the assessment of the success of the project's website by monitoring its average number of visits per month. It should be noted that this indicator focuses on the number of visits and not on the number of 'hits'. A hit is recorded every time a web browser requests a file (e.g. image, text, banner) from the website. As a web page is constituted of different files, the number of 'hits' is therefore not an accurate indication of traffic to a website. A visit, on the other hand, is recorded every time someone looks at a page of the project's website, regardless of how many files (hits) have to be downloaded as part of that process.

#### Annex 4: Quality assessment guidelines

Criterion 1 - Relevance of the proposal	
Sub category	Indicative questions
Relevance of the theme tackled	<p>Is the theme tackled clearly in line with the Lisbon / Gothenburg agendas? Is it clearly in line with one of the programme's sub-themes?</p> <p>Is this theme obviously related to regional development and/or EU Structural Funds policies? Is it clearly in line with the competences of regional and local authorities?</p> <p>Is the theme of clear European added-value? Can this theme be considered of general interest in the context of EU regional policy?</p>
Relevance of the proposed approach	<p>Is the theme of the project clearly tackled at policy level?</p> <p>Has the project 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 co-operation?</p> <p>Does the project demonstrate clearly how it will contribute to the programme's objectives and in particular to the improvement of regional / local policies and instruments?</p> <p>Is the proposed approach clearly interregional?</p> <p>Is the proposed cooperation win-win?</p>

Criterion 2 - Coherence of the proposal and quality of methodology	
Sub category	Indicative questions (and source in application form)
Clarity of the project's rationale	<p>Is the issue tackled clearly stated? Is this issue focused enough? (2.1.2)</p> <p>Are the objectives and sub-objectives of the project clearly described? (2.1.3)</p> <p>Are planned effects (outputs, results) clearly defined? (2.1.4, 2.1.7, 3)</p> <p>For Capitalisation Projects, is the stock of experiences properly described in the application form (e.g. name and short description of the practices)? (2.1.1, 2.1.5, 5)</p>

<b>Criterion 2 - Coherence of the proposal and quality of methodology</b>	
Coherence of the proposed methodology	<p>Are the following elements logically inter-related: issue tackled objectives and planned effects? (2.1.2, 2.1.3, 2.1.4, 2.1.7, 3)</p> <p>Can the expected results be achieved through the proposed methodology and planned activities? (2.1.4, 2.1.6, 2.1.7, 3)</p> <p>Is the overall proposed methodology realistic and consistent? Are the Components logically inter-related? Is it clear that the activities do not overlap between the Components? Are activities logically inter-linked? Is their sequencing logical? Is the selected intensity of cooperation in line with the proposed activities? (2.1.5, 2.1.6, 2.1.7, 3)</p> <p>For <u>Capitalisation Projects</u>, is the focus clearly on the transfer of identified good practices into Structural Funds mainstream programmes? Is the transfer process precisely explained and coherent? (2.1.3, 2.1.6, 3.3)</p>
Quality of the work plan (components)	<p>Are the planned activities and outputs described in enough detail in the project's work plan? (3)</p> <p>For each semester of the work plan, is the description of the outputs in line with the description of the activities?</p>
Consistency of the project with EU horizontal policies	Is the project in line with the two EU horizontal policies (equal opportunities and environmental sustainability)? (2.2.3)

<b>Criterion 3 - Quality of results</b>	
<b>Sub category</b>	<b>Indicative questions (and source in application form)</b>
Tangibility of the results	Are the expected results (and outputs) concrete? Are they clearly specified and precisely quantified? Are they realistic (e.g. target value provided for the programme indicators)? (2.1.4, 2.1.7, 3)
Visibility of the results	<p>Will the expected results be disseminated to other interested stakeholders in Europe? Are sufficient publicity measures planned for this? (2.1.4, 2.1.7, 3.2)</p> <p>Are the communication activities clearly defined under Component 2? For instance, is the target group of these activities specified? Are these activities well integrated in the overall work plan?</p>
Relevance of the results	<p>Does the project demonstrate a capacity to improve the regional policies and instruments? Will the expected results have a direct influence on the local / regional policies of the regions represented in the partnership? Are the decision makers from the participating regions directly involved in the project? (2.1.1, 2.1.2, 2.1.3, 2.1.4, 3, 5)</p> <p>Are the expected results of European relevance? Would they be applicable and replicable in other European regions? (2.1.4, 2.1.7, 3)</p> <p>For <u>Capitalisation Projects</u>, is an Action Plan per participating region expected? (2.1.4, 2.1.7, 3)</p>



Criterion 3 - Quality of results	
Added-value of the results	<p>Are the expected results innovative in the context of INTERREG IVC? Are they clearly different from the results already achieved in other running or past projects? (2.1.4, 2.1.7, 3)</p> <p>For follow-up projects, is the added-value clearly demonstrated through the partnership and/or the theme tackled and/or the intensity of cooperation selected? (2.1.2, 2.1.3, 2.1.5, 5)</p> <p>Is the synergy and added-value compared with similar running INTERREG IVC projects clarified in the application form?</p>
Durability of the results	Are there realistic provisions to ensure the durability of the operation's results? (2.1.8)

Criterion 4 - Quality of management	
Sub category	Indicative questions (and source in application form)
Clarity of project coordination and management structures and procedures	<p>Are the procedures for decision-making, monitoring and evaluation (strategic level) explained? Are they clear, transparent and fair? Are all partners involved in the decision making process? If not, is it justified in the application form? (2.3.3, 2.3.4)</p> <p>Are the procedures for day-to-day management and coordination explained? Are they satisfactory? (2.3.1, 3)</p> <p>Are the procedures for administrative and financial management clearly explained? Are the procedures for first level control clearly described? Are they in line with country specific rules? (2.3.2, 3, 5)</p> <p>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 in the application form? (2.3, 3, 5)</p>
Quality of Component 1	<p>Are the activities of Component 1 clearly and precisely defined? Does the work plan of component 1 include the basic management and coordination activities / outputs (i.e. progress reports and Steering Group meetings)? (3)</p> <p>Are these activities in line and coherent with the description provided in Section 2.3 of the Application Form? (2.3, 3)</p>
Experience of the Lead Partner and partners in similar programmes and projects	<p>Does the Lead Partner have an experience in managing similar projects? (5)</p> <p>Do the other partners have an experience of similar projects? (5)</p>

Criterion 5 - Quality of partnership	
Sub category	Indicative questions (and source in application form)
Coherence between the objectives of the project and partnership	<p>Is the issue tackled of interest to all partners? Will all the partners benefit from the operation? (2.1, 2.2.1, 2.3, 2.3, 3)</p> <p>Are the appropriate partners involved to solve the issue tackled? Are the involved partners in a position to influence their regional / local policies and strategies? (5)</p> <p>Is the number of partners involved in line with the intensity of co-operation and with the programme's recommendations? If not, is it justified in the application form or through the project's rationale? (2.1.5, 3, 5)</p> <p>For <u>Capitalisation projects</u>, are the relevant policy makers (e.g. Managing Authorities and other relevant stakeholders of the participating regions) clearly involved in the cooperation? (2.2.2, 5)</p> <p>For Capitalisation Projects, in case the Managing Authorities / Intermediate Bodies are not directly involved in the project, is the way they will participate clearly addressed in the application form? (2.2.2, 5)</p>
Proportionate involvement of all partners in developing project idea, preparing application, implementing and co-financing operation	<p>Do all partners seem to have been involved in developing the project? (2.1.1)</p> <p>Does the involvement of all partners seem proportionate? If not, is it justified in the Application Form or through the project's rationale? (2.3.4, 3, 5)</p> <p>Is the financial contribution between the partners balanced and realistic? In case of unbalanced situation, is it justified in the application form? (3, 5)</p>
Wide geographical coverage	<p>Does the partnership cover a wide EU area (in particular beyond the normal cross-border and transnational programmes area)? In case the geographical coverage is limited, is it justified in the application form or through the project's rationale? (5)</p> <p>Is the budget allocation balanced between countries (including between a group of geographically close countries and the other represented countries)? If not, it is justified in the application form?</p>
Good mix of regions with different levels of experiences	<p>Is the partnership a mix between well experienced and less experienced partners in the field tackled by the project? If not, is it justified in the application form or through the project's rationale? (5)</p>

Criterion 6 – Budget and finance	
Sub category	Indicative questions (and source in application form)
Value for money	<p>Is the overall budget reasonable compared with the planned activities / outputs and project's duration? Is the overall budget reasonable compared with the number of partners involved? (1.4, 4.1, 3, 5)</p> <p>Is the value for money demonstrated in the context of INTERREG IVC?</p> <p>Is the budget allocated to management and coordination tasks (component 1) reasonable (i.e. below 20% of the overall budget)? (4.1)</p> <p>Is the budget allocated to administration costs reasonable (i.e below 25% of the staff costs). If not, is this justified ? (4.1)</p> <p>Is the budget share dedicated to 'external expertise and services' reasonable (i.e. is it below 50% of the total budget)? If not, is it justified in the application form?</p> <p>Is the budget allocated to equipment reasonable (i.e below 5 % of the total budget)? If not, is this justified? (4.1)</p>
Consistency of the budget	<p>Do the financial arrangements reflect the planned activities? Are the costs by budget lines and Components coherent and in line with these activities? (3, 4.1)</p> <p>Is the payment forecast coherent and realistic? Does it reflect the planned activities? (4.2, 3)</p> <p>Are the 'External expertise costs and services' precisely 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)? (4.3)</p> <p>If equipment costs (e.g. IT equipment) are budgeted, are they clearly described? Is the level and nature of these costs justified? Are they benefiting the partnership? (4.4)</p> <p>If activities are organised outside the EU, is the location of these activities clearly specified (i.e. country or town concerned)? 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 10% of the total project's budget?</p>

**Annex 5a): INTERREG IVC Lead Partner control confirmation***- Extract from progress report template -**[to be signed by the Lead Partner controller inside the progress report  
which is submitted to the JTS]*

Based on our and the project partner controllers' examination, we confirm the following:

1. For this report the total paid and confirmed expenditure amounts to EUR
2. The rules listed in the subsidy contract have been observed, including, but not limited to rules governing the eligibility of expenditure (Article 56 of Regulation (EC) No 1083/2006, Article 7 of Regulation (EC) No 1080/2006, Article 48 to 53 of Regulation (EC) No 1828/2006, relevant national and internal regulations of the partners and rules laid down in the latest version of the INTERREG IVC programme manual).
3. The costs reported in this report refer to activities paid from the date of approval by the Monitoring Committee to the end of the reporting period. Costs reported under the component 'preparation activities' were incurred between 1 January 2007 and the date on which the first version of the application form approved by the Monitoring Committee has been submitted. They were paid out by the end date of the first reporting period.
4. Receipts and payments are accurately recorded in the project's accounting system, expenditure in another currency other than the euro was correctly converted, assets are properly recorded and amounts are correctly reflected in demands for payment. For project whose total expenditure co-financed by the ERDF exceeds EUR 1,000,000, any revenues generated were deducted from the eligible expenditure. The necessary audit trail exists for all activities, providing evidence in the form of contracts, invoices and payment records. For 1<sup>st</sup> to 3<sup>rd</sup> call projects: In case of staff costs and administration costs, the necessary evidence exists in the form of timesheets, listings of costs or formula descriptions and cost calculations. For 4<sup>th</sup> call projects: In case of staff costs the necessary evidence exists in the form of timesheets, listings of costs or formula descriptions and cost calculations. Administration costs have been calculated as a flat rate of 12% of the certified actual staff costs.
5. Services, supplies and works have been procured on the basis of proper call for tenders in compliance with European, national, internal or other relevant rules, sound controls have been exerted over the opening of the tenders and all tenders have been fully evaluated before the final decision has been made on the service provider, supplier or works contractor.
6. Progress made has been fully and fairly reflected in the report. There is evidence that the reported activities have taken place, delivery of services and goods, and works are in progress or have been completed. The expenditure refers to activities listed in the latest approved version of the application form and completed at the latest by the end of the approved finalisation month.
7. The partners have complied with Community rules and policies including publicity, information, equal opportunities, protection of environment, state aid, competition and public procurement.
8. All inputs for the progress report received from the partners were confirmed by an authorised controller/control body in respect of the country specific control requirements as announced on the INTERREG IVC website (in respect of Article 16 of Regulation (EC) No 1080/2006). The partner control confirmations for the expenditure reported by each partner in this report were provided by the project partners and signed by the authorized controllers/control bodies.
9. The project's activities have started and are implemented in accordance with the stipulations of Article 6 (1) of the subsidy contract.

I hereby confirm that I / the company is independent from the project's activities and financial management and authorized to carry out the control in the EU-Member State/Norway on whose territory the Lead Partner is located.

Place \_\_\_\_\_ Date \_\_\_\_\_ Official stamp<sup>18</sup> \_\_\_\_\_

Name \_\_\_\_\_ Signature of the controller \_\_\_\_\_

<sup>18</sup> If exists.

## Annex 5b): INTERREG IVC partner control confirmation

Name of the partner (English title):

Name of the project:

Reporting period that costs refer to (dd/mm/yyyy - dd/mm/yyyy):

*[The confirmation has to be accompanied by a financial report indicating the name of the project, project partner, the reporting period, the amount per budget line and component.<sup>19</sup> The confirmation has to be signed by each project partner controller in the partnership (incl. the Lead Partner controller for the Lead Partner's own expenditure) and sent to the Lead Partner for each progress report. A copy of the partner control confirmations (without annexes) also has to be submitted to the JTS via the Lead Partner<sup>20</sup>]*

Based on our examination, we confirm the following:

1. For this report the total paid and confirmed expenditure amounts to EUR <sup>21</sup>
2. The rules listed in the subsidy contract have been observed, including, but not limited to rules governing the eligibility of expenditure (Article 56 of Regulation (EC) No 1083/2006, Article 7 of Regulation (EC) No 1080/2006, Article 48 to 53 of Regulation (EC) No 1828/2006, relevant national and internal regulations of the partner and rules laid down in the latest version of the INTERREG IVC programme manual).
3. The costs reported in this report refer to activities paid from the date of approval by the Monitoring Committee to the end of the reporting period. Costs reported under the component 'preparation activities' were incurred between 1 January 2007 and the date on which the first version of the application form approved by the Monitoring Committee has been submitted. They were paid out by the end date of the first reporting period.
4. Receipts and payments are accurately recorded in the project's accounting system, expenditure in another currency other than the euro was correctly converted, assets are properly recorded and amounts are correctly reflected in demands for payment. For a project whose total expenditure co-financed by the ERDF exceeds EUR 1,000,000, any revenues generated were deducted from the eligible expenditure. The necessary audit trail exists for all activities, providing evidence in the form of contracts, invoices and payment records. For 1<sup>st</sup> to 3<sup>rd</sup> call projects: In case of staff costs and administration costs, the necessary evidence exists in a form of timesheets, listings of costs or formula descriptions and cost calculations. For 4<sup>th</sup> call projects: In case of staff costs the necessary evidence exists in a form of timesheets, listings of costs or formula descriptions and cost calculations. Administration costs have been calculated as a flat rate of 12% of the certified actual staff costs.
5. Services, supplies and works have been procured on the basis of proper call for tenders in compliance with European, national, internal or other relevant rules, sound controls have been exerted over the opening of the tenders and all tenders have been fully evaluated before the final decision has been made on service provider, supplier or works contractor.
6. Progress made has been fully and fairly reflected in the report. There is evidence that the reported activities have taken place, delivery of services and goods, and works are in progress or have been completed. The expenditure refers to activities listed in the latest approved version of the application form and completed at the latest by the end of the approved finalisation month.
7. The partner has complied with Community rules and policies including publicity, information, equal opportunities, protection of environment, state aid, competition and public procurement.
8. The control work has been documented in a control report (incl. a control checklist), which is based on the INTERREG IVC template serving as minimum requirements.

I hereby confirm that I / the company is independent from the project's activities and financial management and authorised to carry out the control in respect of the control requirements valid in the EU-Member State/Norway on whose territory the partner is located.

Place \_\_\_\_\_ Date \_\_\_\_\_ Official stamp<sup>22</sup> \_\_\_\_\_

Name \_\_\_\_\_ Signature of the controller \_\_\_\_\_

<sup>19</sup> The confirmation includes the partner's share of common costs in case the partnership decided to share certain expenditures.

<sup>20</sup> For partners from countries with a decentralised first level control system, the partner confirmation has to be accompanied for the first progress report by the first level control Approbation Certificate issued by the Member State approbation body.

<sup>21</sup> The partners and the Lead Partner have to make sure that the amount of reported expenditure indicated for the partner in the progress report and the amounts indicated in the partner control confirmation correspond.

<sup>22</sup> If exists.

### Annex 5c): INTERREG IVC control confirmation for shared costs of the partner responsible for contracting and paying these costs

Name of the partner responsible for contracting and paying (English title):

Name of the project:

Reporting period that costs refer to (dd/mm/yyyy - dd/mm/yyyy) for shared costs:

*[The confirmation has to be accompanied by a financial report of shared costs indicating the name of the project, project partner, the reporting period, the amount of shared costs per budget line and component. The confirmation has to be signed by the controller of the partner responsible for the shared costs. It is then sent to each partner participating in the shared costs together with the request for reimbursement. It is the partners' basis for including their share of the common costs in their own financial report and to obtain confirmation from their own controllers (who can accept the shared costs by basing their opinion on the responsible partner controllers' confirmation).]*

Based on our examination, we confirm the following:

1. For this report of shared costs the total paid and confirmed expenditure amounts to EUR .
2. The rules listed in the subsidy contract have been observed, including, but not limited to rules governing the eligibility of expenditure (Article 56 of Regulation (EC) No 1083/2006, Article 7 of Regulation (EC) No 1080/2006, Article 48 to 53 of Regulation (EC) No 1828/2006, relevant national and internal regulations of the partner and rules laid down in the latest version of the INTERREG IVC programme manual).
3. The shared costs reported in this report refer to activities paid from the date of approval by the Monitoring Committee to the end of the reporting period. Costs reported under the component 'preparation activities' were incurred between 1 January 2007 and the date on which the first version of the application form approved by the Monitoring Committee has been submitted. They were paid out by the end date of the first reporting period.
4. Receipts and payments are accurately recorded in the project's accounting system, expenditure in another currency other than the euro was correctly converted, assets are properly recorded and amounts are correctly reflected in demands for payment. For a project whose total expenditure co-financed by the ERDF exceeds EUR 1,000,000, any revenues generated were deducted from the eligible expenditure. The necessary audit trail exists for all activities, providing evidence in the form of contracts, invoices and payment records. For 1<sup>st</sup> to 3<sup>rd</sup> call projects: In case of staff costs and administration costs, the necessary evidence exists in a form of timesheets, listings of costs or formula descriptions and cost calculations. For 4<sup>th</sup> call projects: In case of staff costs the necessary evidence exists in a form of timesheets, listings of costs or formula descriptions and cost calculations. Administration costs have been calculated as a flat rate of 12% of the certified actual staff costs.
5. Services, supplies and works have been procured on the basis of proper call for tenders in compliance with European, national, internal or other relevant rules, sound controls have been exerted over the opening of the tenders and all tenders have been fully evaluated before the final decision has been made on service provider, supplier or works contractor
6. Progress made has been fully and fairly reflected in the report of shared costs. There is evidence that the reported activities have taken place, delivery of services and goods, and works are in progress or have been completed. The shared expenditure refers to activities listed in the latest approved version of the application form and completed at the latest by the end of the approved finalisation month. The shared expenditure is in line with the partnership agreement (or any other written agreement on this matter by the partners).
7. The responsible partner has complied with Community rules and policies including publicity, information, equal opportunities, protection of environment, state aid, competition and public procurement.
8. The control work has been documented in a control report (incl. a control checklist), which is based on the INTERREG IVC template serving as minimum requirements.

I hereby confirm that I / the company is independent from the project's activities and financial management and authorized to carry out the control in respect of the control requirements valid in the EU-Member State/Norway on whose territory the responsible partner is located.

Place, \_\_\_\_\_

Date, \_\_\_\_\_ Official stamp<sup>23</sup> \_\_\_\_\_

Name, \_\_\_\_\_

Signature of the controller, \_\_\_\_\_

<sup>23</sup> If exists



**Annex 6: INTERREG IVC Control Report (incl. Control Checklist)**

*[to be filled in by each project partner's Controller (incl. the Lead Partner controller for the Lead Partner's own expenditure)]*

*By signing the "INTERREG IVC Partner Control Confirmation" the controller is confirming having verified all requested items and declares the proper use of funds. This statement is based on proper checks, which are documented in a control report (incl. a control checklist). The controller's report is useful for the controller's as well as the partners and is also part of the project documentation/audit trail.*

*A control report has to be filled in by each partner controller. It is also filled in by the Lead Partner controller for the Lead Partner's own expenditure on the one hand, and for the checks carried out on the input provided by the partners on the other hand (see section Lead Partner specific checks in the control checklist below).*

*The report serves only as an internal document of the project and it should not be sent to the Joint Technical Secretariat, except if specifically requested. It remains with the project partner and the project partner controller. It is recommended that a copy of the control report is also submitted to the Lead Partner. We recommend using this template. Otherwise the control report should contain at least the elements mentioned in the following:*

**Project**

Name of the project	
Acronym	
Index	
Name of the Lead Partner organisation (English title) + country	
Project Duration	
Reporting period	

**Project partner to be checked**

Name of the contact person	
Division/Unit/Department + Organisation (English title)	
Address	
Telephone number / Fax	
e-mail	
Function in the project	<input type="checkbox"/> Lead Partner <input type="checkbox"/> Project partner

**Authorized project partner controller**

Name	
Job title	
Division/Unit/Department + Organisation	
Address	
Telephone number / Fax	
e-mail	

**Control Information (for the reporting period checked)**

Amount declared by partner to the controller	
Amount accepted and confirmed by the controller	
Total amount and percentage of expenditure checked by controller	<i>(usually 100%, in case of sampling the justification must be provided and type of expenditure checked on a sampling basis, the size of the sample, the selection criteria of the documents tested has to be indicated)</i>
Number of on-the-spot checks at partner premises carried out by the controller for this report	<i>According to Regulation (EC) No. 1828/2006 Article 13 (2), amended by Regulation (EC) No. 846/2009, on-the-spot checks are a requirement. If checks are carried out on a sampling basis, please ensure that the methodology is documented properly. For further reference, see also the programme manual, section 4.3.5.2. Role of the first level controller.</i>
Amount of expenditure checked by the controller on the spot	<i>Usually the same as amount and percentage of expenditure checked by controller unless</i> <ul style="list-style-type: none"> <li>- <i>some or all of the expenditure was checked through a desk check. In case of desk check, please pay particular attention to control question no. 7 under point 15 'other eligibility considerations'. See also guidance in grey box at the end of Section 4.3.5.2 of the main part of the programme manual</i></li> <li>- <i>during the on-the-spot check the controller did not only check expenditure linked to this reporting period but also to previous periods. Then please clearly indicate the amounts by reporting period.</i></li> </ul>
Amount of expenditure checked on the spot which is accepted by the controller	
Any further information concerning the control methodology and nature of the documents/evidence checked	

<p>General observations / reservations concerning the current control period</p> <p>Treatment given to these observations / reservations.</p> <p>Conclusions</p>	<p><i>A clear specification of the observations/reservations, if any, expressed about the eligibility of some expenses</i></p> <p><i>A clear conclusion whether the system in place can be considered as reliable and reasonable assurance could be provided about whether the cost statement is free of material misstatement.</i></p> <p><i>The conclusion takes into consideration the control findings documented in detail in the control checklist. It also describes the measures implemented to solve the errors detected and it eventually provides recommendations to avoid the repetition of the same typology of anomalies in the future.</i></p> <p><i>If any findings/issues are still open from the previous report, the implementation of follow-up measures should be described in this section and conclusions on their effectiveness, be drawn.</i></p>
<p>Any recommendations/issues to be followed-up in the next progress report</p>	

Place \_\_\_\_\_

Date \_\_\_\_\_

Name \_\_\_\_\_

Signature of the controller \_\_\_\_\_

Official stamp<sup>24</sup>

<sup>24</sup> If exists.

## Control Checklist

Control question	yes	no	N/A	Comments/Follow-up
<b>1. Partner status</b>				
Is the partner a public authority or a body governed by public law?				
General comments , recommendations, points to follow-up:				
<b>2. Partner funding</b>				
<p>In case the national co-financing does <u>not</u> come from the partner's own resources but from another funding source such as the national, regional or local level</p> <p>please check the following:</p> <ul style="list-style-type: none"> <li>Has the funding for the previous report been made available?</li> <li>Has the total national co-financing amount contributed by the partner not been exceeded?</li> </ul> <p>If the funding comes from the partner's own resources, please tick 'n/a'.</p>				Indicate funding source if the national co-financing does not come from the partner's own resources.
General comments , recommendations, points to follow-up:				
<b>3. Accounting</b>				
Are specific accounts kept for the project or have other methods like specific cost centres in the accounting system been established which allow to identify the costs allocated to the project and to provide a computerised list of declared expenditure?				
Are the amounts paid accurately recorded in the accounting system?				
<p>Has each reported expenditure been supported by an invoice or an accounting document of equivalent probative value?</p> <p>Are the documents complete and accurate in content as well as in accounting terms?</p>				

Control question	yes	no	N/A	Comments/Follow-up
Has each reported expenditure been supported by a payment proof (usually bank statement/bank transfer confirmations/cash receipts)?				
Can the amount of the reported expenditure be entirely reconciled with the supporting documents provided?				
General comments , recommendations, points to follow-up:				

#### 4. Expenditure by budget line, component and partner

Have the costs been correctly allocated to the budget lines and components (in line with the latest approved version of the application form)?				
Has the partner's budget by budget line and component (as fixed in the partnership agreement and within the limit of the total partner budget indicated in the latest approved version of application form) been respected? If not, has the excess spending been approved by the Lead Partner?				
General comments , recommendations, points to follow-up:				

#### 5. Eligibility period

<p>Is the expenditure related to activities undertaken / services contracted, and paid</p> <ul style="list-style-type: none"> <li>- between the date of approval of the project by the Monitoring Committee and</li> <li>- by the end of the reporting period in question (for the last report, it is the end of the finalisation month indicated in the application form)?</li> </ul> <p>For info: it is important to check also the date of delivery of the services (see also relevant control question under point 15 – last question).</p>				
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Control question	yes	no	N/A	Comments/Follow-up
<p>For preparation costs:</p> <p>Is the expenditure related to activities undertaken / services contracted and delivered</p> <ul style="list-style-type: none"> <li>- after 1 January 2007</li> <li>- by the date that the first version of the application form approved by the Monitoring Committee was submitted to the Managing Authority/JTS?</li> </ul> <p>Has the expenditure been paid by the end of the first reporting period?</p>				
General comments , recommendations, points to follow-up:				



Control question	yes	no	N/A	Comments/Follow-up
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## 6. Staff expenditure

Is the expenditure only related to employees of the organisation officially listed in the application form?				
Is the calculation based on the actual salary costs (employees' gross salary + employer's contributions)?				
<p>If a staff member works less than 100% of the actual working time for the project:</p> <ul style="list-style-type: none"> <li>- Is the calculation based on an hourly rate resulting from the actual salary rate divided by the total number of hours worked by the staff member (as registered in the institution's time recording system)?</li> <li>- Has the hourly rate afterwards been multiplied by the number of hours actually worked on the project activities?</li> </ul>				
Are the staff costs supported by documents such as the working contract, pay-slips, payment proofs, calculation evidence for the determination of the staff time/hourly rate, time recordings, project specific timesheets?				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
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## 7. Administration expenditure

For 1 <sup>st</sup> to 3 <sup>rd</sup> call projects				
Were the administration costs actually borne by the partner organisation?				
<p>Do all the administration costs fulfil the following conditions?</p> <p>They</p> <ul style="list-style-type: none"> <li>- are eligible according to national rules and European regulations (in particular Regulations (EC) no. 1083/2006 Art. 56; no. 1080/2006 Art. 7; no. 1828/2006 Art. 48 to 53);</li> <li>- have been calculated on the basis of actual costs and capable of verification, i.e. based on factual elements in the accounting system which can be verified by an auditor. <u>No lump sums, overall estimations or arbitrary keys are allowed!</u></li> <li>- were calculated on a pro-rata basis of the actual costs according to a duly justified, fair and equitable method (in case of indirect administration costs such as overheads)</li> <li>- show a direct link to the project's activities;</li> <li>- have not already been included in other budget lines or cost items.</li> </ul> <p>For info: as for all other expenditure items, it also has to be checked for the (direct + indirect) administration costs that they have not already been financed from other EU-funds (see also relevant control question under point 15).</p>				
For 4 <sup>th</sup> call projects only				
<p>Are administration costs calculated as a flat rate of 12% of the certified actual staff costs?</p> <p>Have no administration costs (such as stationery, photocopying, mailing, telephone, fax and internet, heating, electricity, office furniture, maintenance, office rent) been declared under any of the other budget lines?</p>				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
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### 8. Travel and accommodation

Were the travel and accommodation costs reported in respect of the national or internal rules of the respective partner organisation?				
Were the trips that these costs refer to justified by the project's activities as foreseen in the application form?				
Were the trips limited to the territory of the EU? In case of trips outside the territory of the EU, were they explicitly mentioned and justified in the approved application?				
Do the travel and accommodation costs exclusively result from trips undertaken by staff employed by the partner institution?				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
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### 9. Equipment

Have the purchased equipment items been initially planned in the application form? If this is not the case, is there a written agreement of these costs from the Lead Partner and JTS?				
Have the equipment costs been reported by using one of the following methods: <ul style="list-style-type: none"> <li>- by a single declaration at the time of purchasing the equipment, after receipt and payment or</li> <li>- by depreciating the cost of the equipment, by applying national accounting regulations?</li> </ul>				
Is it ensured that the items <ul style="list-style-type: none"> <li>- have not already been fully depreciated</li> <li>- are not already included as indirect costs in another category such as the administration budget line?</li> </ul>				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
<b>9. Equipment (continuation from previous page)</b>				
<p>Does the equipment purchase also fulfil the following criteria?</p> <ul style="list-style-type: none"> <li>- The purchase has been made well before the end of the project. If not, is the late purchase still justified? Or have the costs been depreciated and only the share corresponding to the remaining project period been reported?</li> <li>- The amount for equipment reflects the actual use of these items in the context of the project. If it is not exclusively used for project purposes, only a share of the actual cost is allocated to the project. This share is calculated according to a fair, justified and equitable method.</li> <li>- An inventory of the purchased items as well as the documentation of the method for reporting them (single declaration or depreciation, full or partial use for the project) has been kept for accounting, control and audit purposes.</li> </ul>				
For info: as for all other expenditure items, it also has to be checked for the equipment that it has not already been financed from other EU-funds (see also relevant control question under point 15).				
For info: as for all other expenditure items, but in particular for equipment items, assurance has to be gained to ensure that the goods were actually delivered and are physically available (see also the relevant control question under point 15). Usually this is done through an on-the-spot check.				
For info: As for all other expenditure items, it is important to check if the equipment was purchased in compliance with public procurement rules (see also relevant control question under point 16).				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
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### 10. External expertise and services

Are the following documents available to justify external expertise and services' expenses paid by the partner: <ul style="list-style-type: none"> <li>- contracts/agreements and</li> <li>- invoices/request for reimbursement?</li> </ul>				
Is the expenditure related to items foreseen under this budget line in the specifications provided in the application form?				
For info: As for all other expenditure items, it has to be checked if the external expertise and services were contracted in compliance with public procurement rules (see relevant control question under point 16).				
General comments , recommendations, points to follow-up:				

### 11. Sub-project funds

Does the amount reported under this budget line result from the expenditure of sub-projects that were selected on the basis of an open call for proposals by the mini-programmes?				
In case of a sub-project lead participant: Has a subsidy contract been signed with each of the sub-project lead participants reporting costs?				
In case of sub-project participants: Has a partnership agreement been signed by each of the lead participants with each of the sub-project participants reporting costs?				



Control question	yes	no	N/A	Comments/Follow-up
Are the sub-project participants all located on the territory covered by the project partner body who is reporting these costs (the location is determined by the address)?				
Is the sub-project participants' expenditure confirmed by an independent controller in compliance with the country specific control requirements?				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
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## 12. Exchange rate

<p>In case of a partner from a country outside the euro-zone:</p> <p>Has one of the following options for converting national currency into euro been used:</p> <ul style="list-style-type: none"> <li>- The market exchange rate of the day the invoice was paid is used.</li> <li>- The market exchange rate of the last day of the reporting period is used.</li> <li>- The exchange rate set by the Commission of the month the invoice was paid is used.</li> <li>- The exchange rate set by the Commission of the last month of the reporting period is used. They are published on: <a href="http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en">http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en</a>.</li> </ul> <p>Is the used option the one agreed with the Lead Partner for all partners from outside the euro-zone in the partnership and the same as in the previous reporting period?</p>				
General comments , recommendations, points to follow-up:				

## 13. Shared costs

Are costs declared in compliance with the procedure provided in the programme manual (chapter 4.3.4 grey box on 'reporting shared costs')?				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
<b>14. Activities outside the EU</b>  If activities outside the EU have been financed, is it ensured that they <ul style="list-style-type: none"> <li>- do not exceed 10% of the project's approved INTERREG IVC budget,</li> <li>- have been budgeted paid and borne by the EU partner and</li> <li>- are mentioned and justified in the approved application?</li> </ul> The same applies in the case of Norwegian partners financing activities outside the EU and Norway.  Note: Travel & Accommodation costs for EU Partners travelling to countries outside the EU Member States, do not fall under the 10% rule – Art. 21 (3) 1080/2006				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
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### 15. Other eligibility considerations

Is the expenditure eligible according to EU-regulations, programme rules, national and internal rules of the partner?				
In case VAT is refundable, has it been deducted? If the VAT is not refundable, then please tick N/A.				
Is it ensured that <ul style="list-style-type: none"> <li>- fines,</li> <li>- financial penalties,</li> <li>- foreign exchange losses</li> <li>- interest on debt</li> </ul> are <u>not</u> included in the report?				
In-kind contributions are ineligible under INTERREG IVC. Is it ensured that in-kind contributions are <u>not</u> included in the report?				
For project whose total expenditure co-financed by the ERDF exceeds EUR 1,000,000, has any revenue been deducted from the total reported eligible costs (i.e. before the calculation of the ERDF/Norwegian funding)?				
Was it confirmed that the expenditure has not already been supported by any other funding (EU, regional, local or other)? Are there mechanisms in place to avoid double-financing?				

Control question	yes	no	N/A	Comments/Follow-up
<p>Is there evidence that the reported activities have taken place, the delivery of services, goods and works are in progress or have been completed?</p> <p>For info: 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.</p> <p>In case of the payment of contractual advances treated as actual eligible expenditure: Has the service, good or work been delivered at the latest by the end of the finalisation month as quoted in the application form?</p> <p>For info: Payment of contractual advances is defined as payments on account relating to the execution of works or services for the project in accordance with normal commercial law and practice on the basis of contracts entered into by a final beneficiary or final recipient, and which are supported by receipted invoices (e.g. payment for a travel ticket or advance payment for a consultant carrying out a study).</p>				
General comments , recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
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## 16. Public Procurement

Has the tender procedure been chosen in compliance with the provisions of European directives, national regulations and internal rules, ie. has the tendering procedure respected the European, national and internal thresholds, the related defined procedures, an adequate degree of publicity/advertising?				<i>Please indicate</i> <ul style="list-style-type: none"> <li>- the title of the contract checked and name of contractor</li> <li>- the type of tender (works, goods, services)</li> <li>- the contract values (incl. all potential renewal periods)</li> <li>- the relevant threshold</li> <li>- procedure and degree of publicity applying to the threshold</li> <li>- the media chosen for publication</li> <li>- the FLC's conclusion about the adequacy of the procedure.</li> </ul>
Have the works, goods and services purchased been sufficiently specified in the terms of reference guaranteeing equal treatment and non-discrimination?				
Have the offers been assessed in full respect of the selection, award and weighting criteria as they were announced in the terms of reference?				



Control question	yes	no	N/A	Comments/Follow-up
<p>Have all necessary steps of the tendering procedure been followed and documented? The steps and related documentation usually consist of the following:</p> <ul style="list-style-type: none"> <li>- terms of reference</li> <li>- request for offers or advertisement in relevant media</li> <li>- offers/quotes received,</li> <li>- analysis report/evaluation grid,</li> <li>- refusal / acceptance letters to communicate the refusal/acceptance of offers to the bidders in writing (tender notice if applicable),</li> <li>- contract,</li> <li>- order forms,</li> <li>- contract renewal letters (amendment of contract if applicable).</li> </ul>				
Have the principles of transparency, non-discrimination, equal treatment and effective competition been complied with (also for items below the EU-thresholds)?				
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?				
Have invoices been issued and payments been done in respect of the tender's budget and the amounts fixed in the contract/accepted offer (global price, unit prices)?				
General comments, recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
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### 17. Compliance with information and publicity requirements

Have the information and publicity requirements of the EU and the programme been respected?				
General comments, recommendations, points to follow-up:				

### 18. Compliance with other Community rules

Note for the first level controllers:

The FLCs are asked here for a professional judgment as a controller, but not for an expertise on EU environmental or equal opportunities policy. The FLCs are asked to confirm that they have not come across anything that made them doubt that the EU horizontal principles are not adhered to. In this context it is therefore important to indicate what the professional judgment is based on such as the progress report compared to the application form and/or partner confirmations obtained on these matters and/or insight gained during an on-the-spot check, interviews with the project partner, clarifications obtained from a project partner on certain reported activities, further internal documents that a partner provides to document the adherence to these general principles. It is usually a mixture of these elements depending on the type of activities reported and financed.

Does the project comply with the EU 'horizontal objectives' of the promotion of equality and the protection of the environment?				<p>It is advisable to check the following:</p> <ul style="list-style-type: none"> <li>- to verify that the activities the project partner reports are without any negative impact on the environmental sustainability and in line with the application form and especially to what the project indicated in Section 2.2.3</li> <li>- to ask the project to lay out to you for example during an interview how the EU principle horizontal objectives (promotion of equality and protection of environment) is respected in relation to their own project staff and project activities.</li> </ul>
Have Community rules on state aid been respected?				<p>It is recommended to check if</p> <ul style="list-style-type: none"> <li>- the activities are in line with the application form</li> </ul>

				<p>- <i>the activities financed within the project do not create an economic advantage for a partner, that it has no potential impact on competition, but that the activities serve a general common interest.</i></p> <p><i>Should there be an activity creating a potential economic advantage, compliance with state aid rules have to be checked. Particular attention should be paid to this point when it comes to deviations from the Application form and pilot actions that are financed within the project.</i></p> <p><i>In case of doubt for a particular project/activity, it is recommended to check with the national contact point for state aid matters.</i></p>
General comments, recommendations, points to follow-up:				

Control question	yes	no	N/A	Comments/Follow-up
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**19. Lead Partner specific checks** (only to be filled by Lead Partner controller)

Did the Lead Partner forward the correct ERDF/Norwegian funding for the previous report to the project partner and this without any delays				
Has the financial input provided by the partners been correctly entered into the joint progress report (by budget line, component and partner) and correctly added up?				
Has a partnership agreement been signed with each of the partners reporting costs in the progress report?				
Has the project's overall budget by budget line, component and partner been respected (within the limits of the flexibility rules stipulated in the subsidy contract)?				
Has the total ERDF budget been respected?				
Was the amount declared by the partners confirmed by an independent controller in respect of the country specific control requirements?				
For Lead Partners of a mini-programme:				
- did each project partner provide a single project partner control confirmation which confirms the total amount to be reported by each project partner, i.e. both the project partners' own costs as well as the costs of the sub-project participants' located on their territory?				
- have the costs of each sub-project participant been consolidated at some level within the mini-programme (usually at the level of the sub-project lead participant) in order to have assurance that the sub-project for which costs are reported under the budget line "sub-project funds" complies with the approved sub-project application and the overall sub-projects approved budget?				
General comments , recommendations, points to follow-up:				

## Annex 7: Information & Publicity Factsheet

This factsheet details the use of EU emblem and INTERREG IVC logo in all your communications.

### What you need

#### 1. INTERREG IVC logo:



- a. For websites [www.interreg4c.eu](http://www.interreg4c.eu) > Projects > Resources for project partners
- b. For printing: [www.interreg4c.eu](http://www.interreg4c.eu) > Projects > Resources for project partners

#### 2. EU logo:



- a. To download: <http://www.interreg4c.eu> > Projects > Resources for project partners

### The technical part (for your graphic designers):

- 1. **INTERREG IVC graphic identity guidelines:**  
<http://www.interreg4c.eu> > Projects > Resources for project partners
- 2. **European Union graphic identity guidelines:**  
[http://europa.eu/abc/symbols/emblem/graphics1\\_en.htm](http://europa.eu/abc/symbols/emblem/graphics1_en.htm)

### Legal basis:

The regulation (EC 1828/2006, articles 8 & 9) specifies what measures project beneficiaries need to take to show that the project has been financed in part by the European Union, and in particular the European Regional Development Fund.

Further programme requirements are detailed in the subsidy contract (article 7), and the programme manual, concerning the INTERREG IVC logo.

## How to use them:

### A. Publications

- e.g. brochures, leaflets, press releases, event invitations, best practice guides (list non-exhaustive)

#### Requirements:

- On **front** of document: **EU logo** (as above, with reference to EU and fund included); **INTERREG IVC logo** (as above, with slogan included)

**Project Partners**

The 14 partners, drawn from eight member states, represent a broad spectrum of authorities and climate change challenges, all with varying degrees of strategic policy and experience.

For further information please visit [www.grabs-eu.org](http://www.grabs-eu.org) or contact Diane Smith, GRABS Project Manager at: [diane.smith@tcpa.org.uk](mailto:diane.smith@tcpa.org.uk) t: +44 (0) 20 7830 8903 m: +44 (0) 7520280370 skype: dianesmith152 a: TCPA, 17 Carlton House Terrace, London SW1Y 5AS, UK

**Austria**  
Provincial Government of Styria

**Greece**  
Municipality of Kalamaria

**Italy**  
Etrambiente SRL  
Province of Genoa  
University of Catania

**Lithuania**  
Klaipeda University Coastal Research and Planning Institute

**Netherlands**  
Amsterdam, City District of Geuzenveld-Slotermeer

**Slovakia**  
Regional Environmental Centre for Central and Eastern Europe, Country Office Slovakia

**Sweden**  
City of Malmö

**UK**  
London Borough of Sutton  
Southampton City Council  
Northwest Regional Development Agency (NWDA)  
Town and Country Planning Association (TCPA)  
University of Manchester

**New era in European partnership to plan for climate change adaptation**

A network of leading organisations involved in integrating climate change adaptation into regional planning and development has been established across Europe in the new Green and Blue Space Adaptation for Urban Areas and Eco Towns (GRABS) project.

The GRABS project will facilitate the much needed exchange of knowledge and experience and the actual transfer of good practice on climate change adaptation strategies to local and regional authorities.

The project has been co-financed by the European Union European Regional Development Fund (ERDF) and made possible by the INTERREG IVC Programme.

[www.grabs-eu.org](http://www.grabs-eu.org)

**grabs**  
green and blue space adaptation for urban areas and eco towns

**INTERREG IVC**  
Innovation & Entrepreneurship Programme for economic development

**European Union**  
European Regional Development Fund

All photos are courtesy of the City of Malmö

**N.B.** on material that isn't designed for publicity purposes (e.g. internal meeting documents, etc) where the logos are not used, a written reference must in any case be made to funding by INTERREG IVC and the European Union's European Regional Development Fund, e.g. "This project is funded by the EU's European Regional Development fund through the INTERREG IVC programme."



## B. Websites, Electronic information and audio-visual material

### Requirements:

- EU logo & INTERREG IVC logo must appear at least on the home page of website, on the first slide of any electronic presentation, on electronic newsletters, and in a prominent position.
- Logos should be clickable in electronic versions:
  - o Hyperlink to INTERREG IVC website: <http://www.interreg4c.eu>
  - o Hyperlink to DG Regio website: [http://ec.europa.eu/regional\\_policy/index\\_en.htm](http://ec.europa.eu/regional_policy/index_en.htm).
- On websites, a short description of INTERREG IVC programme should be present. We can suggest the following text:

The **Interregional Cooperation Programme INTERREG IVC**, financed by the European Union's Regional Development Fund, helps Regions of Europe work together to share experience and good practice in the areas of innovation, the knowledge economy, the environment and risk prevention. EUR 302 million is available for project funding but, more than that, a wealth of knowledge and potential solutions are also on hand for regional policy-makers.

e.g. project website with clickable logos



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### C. Conferences, events, exhibitions

#### Requirements:

- EU flag displayed in meeting rooms, conferences etc
- Attendance or other certificates shall include a statement such as “This project is co-financed by the ERDF and made possible by the INTERREG IVC programme”.

Some examples of use of flag during seminars and conferences



**N.B.** exceptions can be made for small promotional objects (e.g. USB keys) if there is no room for all publicity requirements. The EU flag and the IVC logo symbol (both without slogans) may be sufficient. Check with the JTS if in doubt.



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### Other things to check:

#### INTERREG IVC layout and spelling

The programme name INTERREG IVC shall always be presented in capital letters, with Roman numerals as shown here.

#### Sending publications

Three copies of main project publications (general brochure, good practice guidelines, final results) should be sent to the INTERREG IVC secretariat.

Any apparitions in the media should also be sent to the INTERREG IVC Communication Officer.

#### Eligibility

Communication elements that do not respect the information and publicity guidelines will not be considered as eligible costs for ERDF funding. Please **double check**, and if in doubt, contact the Communication Officers of the JTS!

For any queries, to receive guidance or feedback on use of logos etc. please do not hesitate to contact:

Nuala MORGAN or Irma ASTRAUSKAITE  
Communication Officers – INTERREG IVC  
[Nuala.morgan@interreg4c.eu](mailto:Nuala.morgan@interreg4c.eu) or [Irma.astrauskaite@interreg4c.eu](mailto:Irma.astrauskaite@interreg4c.eu)  
+33 (0)328 144 103 or +33 (0) 328 144 108

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## **Annex 8: Fact sheets on financial matters**

The following three factsheets on

- a) Staff costs
- b) Administration costs and
- c) Public procurement

give some practical advice on recurring issues in the financial management of projects.

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## Annex 8a) Fact Sheet on staff costs

The information provided here gives some practical advice on recurring issues in the financial management of projects. It does not of course substitute the INTERREG IVC Programme Manual or any EC or national regulation or the advice of the first level controller.



### What the manual says:

“Staff costs involves personnel costs for the time that the partner organizations’ staff spends on carrying out the project activities in accordance with the application form (full-time or a certain percentage of total working time). The persons whose staff costs are budgeted and later on reported must be directly employed by the partner organizations officially listed in the application form (e.g. internal project coordinator, financial manager, financial controller in compliance with country specific control requirements). [...] Staff costs are considered as a cash contribution (and not in-kind contribution) as they are actually paid by the partner institution.”

**INTERREG IVC Programme Manual, Section 2.4.2.1 Staff costs**

Common errors:	The right way:
Staff costs calculations for a year or a semester are <b>wrongly based on contractual working hours and not on actual working hours</b> .	 If the member of <b>staff works</b> for the project <b>less than 100%</b> of the actual working time, the calculation must be based on the hourly rate resulting from the actual salary rate for the year/semester divided by the total <b>number of hours actually worked</b> that year/semester by the staff member for the partner institution (as registered in the institution's time recording system, where the actual number of registered hours worked might be higher than the contractual number of working hours)! This hourly rate is then multiplied by the number of hours actually worked on project activities that year/semester.
Staff cost calculations are <b>based on lump sums</b> (one single hourly rate is applied to all staff involved in the project). As this method does not take into consideration the differences in staff salaries, it will lead to deviations concerning the real staff costs and cannot be applied in the INTERREG IVC context.	 The calculation has to be <b>based on the actual salary rate</b> (employee's gross salary + employer's charges in accordance with national legislation) of the individual employee who is actually involved in the project activities! The calculation has to exclude any administration overheads.
Staff costs are <b>calculated without</b> providing required project <b>time records (time sheets)</b> . The share of staff costs allocated to the project is not traceable.	 Staff costs must be <b>supported by documents</b> that permit the identification of the employment relationship with the partner organisation (working contract), the real costs by employee (working contract, pay slips, payment proofs, calculation evidence for the determination of the staff time value/hourly rate), the overall working time (time recordings) and <b>the time spent on carrying out activities in the context of the project</b> (record of tasks, <b>project specific time sheets</b> ).  An example of a timesheet is provided on the INTERREG IVC website.

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<p>Staff costs <b>include the expenditure for external experts / sub-contractors.</b></p>	 <p>It is not possible to report any staff costs of personnel external to the official partner organisations in this budget category. Only costs for employees who are <u>directly employed</u> by the partner organisations (officially listed in the application form) can be reported as staff costs. Staff members are on the organisation's payroll and are paid on the basis of a working contract and salary sheets. If the project uses an external project coordinator, financial manager or external independent controller, the <b>costs</b> have to be specified, budgeted and <b>reported</b> under the budget line "<b>External expertise and services</b>"! These external costs are paid on the basis of a service contract and an invoice.</p>
<p>Methods used in other European or national funding programmes are applied in order to report staff costs under INTERREG IVC.</p>	 <p>Differences between the rules valid in different programmes might exist resulting from different funding objectives and legal bases. It is important to distinguish between the rules applicable in other programmes and the ones specific to INTERREG IVC.</p>

**Useful references:**

- INTERREG IVC Programme Manual (i.e. Section 2.4.2.1 Staff costs)
- Annex 6 of the Programme Manual, INTERREG IVC control report, Checklist question n°6 Staff expenditure
- An example of a timesheet can be found on the programme's website ([www.interreg4c.eu](http://www.interreg4c.eu)).

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## Annex 8b) Fact Sheet on administration costs (for projects approved in the 1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> call for proposals)





The information provided here gives some practical advice on recurring issues in the financial management of projects. It does not of course substitute the INTERREG IVC Programme Manual or any EC or national regulation or the advice of the first level controller.

### What the manual says:

“Administration costs may include cost items such as **stationery, photocopying, telephone, fax and internet, heating electricity, office furniture, maintenance, office rent**. Administration costs may be direct or indirect costs. Direct administration costs belong directly to the project while indirect administration costs (overheads related to the project activities) are calculated on a pro-rata base.

*INTERREG IVC Programme Manual, Section 2.4.2.2 Administration costs*

Common errors:	The right way:
<u>Calculation &amp; Documentation</u>	
Administration costs are <b>not</b> based on <b>real costs</b> , but on lump sums. No invoices, no paid out expenditure are traceable, as a single fixed amount is applied (e.g. 10% of the partner's budget).	 <p>Administration <b>costs must be calculated on the basis of actual costs and capable of verification</b>. For both direct and indirect costs, it must be possible for an auditor to verify the respective expenditure on a basis of invoices and expenditure born directly by the project institution!</p>
The <b>method for calculating</b> the administration costs <b>is not traceable</b> (e.g. the percentage of office rent / heating costs / telephone costs allocated to the project is not clear).	 <p>All <b>calculations</b> must be <b>properly documented</b> and self-explanatory!</p> <p>The allocation of the organisation's eligible administration costs to the project could be done e.g. on the basis of the following keys (depending on which key best reflects the type of cost):</p> <ul style="list-style-type: none"> <li>the ratio “number of people working for the project / number of people working in the organisation or department” or</li> <li>the ratio “number of hours worked on the project / number of hours worked in total in the organisation or department” or</li> <li>the ratio “surface used by the personnel working for the project/surface of the organisation or department”.</li> </ul> <p><b>DO NOT USE LUMP SUMS, OVERALL ESTIMATIONS OR ARBITRARY KEYS!</b></p>
<u>Ineligible items</u>	
Administration costs include <b>non-project related costs</b> , e.g. a project includes in the administration costs (partially) the costs for the construction or maintenance of a car park or the installation of an office alarm system, although these items have no direct link to the project and are not directly necessary for the implementation of the project.	 <p>All administration costs (direct or indirect) reported <b>must have a direct link to the project</b> and must be <b>absolutely necessary</b> for the implementation of the project (such as the cost items listed in the programme manual and above)!</p> <p>Do not artificially inflate the administration cost budget through the inclusion of overhead cost categories which lack a clear project link. In case of doubt it can only be advised to exclude the cost categories in question from the calculation to avoid problems later on.</p>

Some administration costs are in general ineligible: <b>general legal consultancy fees, notarial fees, costs of technical and financial experts, accountancy and general audit costs</b> when they lack a direct link to the project.	 Certain administration costs which <b>are in general not eligible can be reported and are eligible</b> if they are directly linked to the project, e.g. the audit of the project (see Regulation (EC) No 1828/2006 Article 49 c).
<u>In-equitable calculation method</u>	
Administration costs are reported twice. Once as direct administration costs with 100% (i.e. total telephone costs for an employee working exclusively for the project) and as indirect costs (overheads) (i.e. x% of the total institution's telephone costs (overhead costs related to the project's activities)). This <b>double funding</b> is of course not eligible.	 The calculation of indirect administration costs have to be done on the basis of the <b>actual costs according to a duly justified, fair and equitable method</b> that should remain the same during the whole implementation period and cannot include the already directly reported administration costs!
Applying an unreasonable pro rata base, e.g. 80% of staff costs are reported as administration costs.	 It is clearly stated in the programme manual that the calculation of administration costs has to be according to a <b>duly justified, fair and equitable method!</b>
Methods used in other European or national funding programmes (eg. declaration on the basis of a lump sum / flat rate) are applied in order to report administration costs under INTERREG IVC.	 It is important to distinguish between the rules applicable in other programmes and the ones specific to INTERREG IVC. Differences might exist resulting from different funding objectives and legal bases. In INTERREG IVC, the calculation of indirect administration costs can only be done on the basis of the <b>actual costs according to a duly justified, fair and equitable method!</b> The allocation key must be verifiable.

#### Useful references:

- INTERREG IVC Programme Manual (i.e. Section 2.4.2.2 Administration costs)
- Annex 6 of the Programme Manual, INTERREG IVC control report, Checklist question n°7. Administration expenditure, n°15 Other eligibility considerations
- Regulation (EC) no. 1828/2006; Regulation (EC) no. 1080/2006; Regulation (EC) no. 1083/2006.

## Annex 8c) Fact Sheet on public procurement

The information provided here gives some practical advice on recurring issues in the financial management of projects. It does not of course substitute the INTERREG IVC Programme Manual or any EC or national regulation or the advice of the first level controller.

### What the manual says:

“Projects have to comply with public procurement requirements. Projects which cannot provide documentary proof of compliance with European, national and their own internal public procurement rules risk losing ERDF funding.”

*INTERREG IVC Programme Manual, Section 2.4.2.4 External Expertise and services*

Common errors:	The right way:
Some partners award contracts or purchase goods <b>without competition, because they think it's not necessary below European thresholds.</b>	 <b>Even below European thresholds, European public procurement principles</b> (transparency, equal treatment and non-discrimination), <b>national and internal rules</b> still need to be applied. It is thus usually still necessary to go for a tender. The formality and publicity may vary depending on the value of the contract.
Some organisations believe that they do not have to comply with public procurement rules because they are not public authorities.	 ERDF is public money, so public procurement rules apply to all INTERREG IVC projects and their project partners. <b>Not only public authorities but also “bodies governed by public law” have to comply with European public procurement rules.</b> In fact, the definition of “bodies governed by public law” comes from a European directive on public procurement!
The internal public procurement rules applicable in the partners' organisations are not properly documented.	 Below EU and national thresholds, <b>specific public procurement rules set and applied internally by the organisation must be documented and available for first level control and audits.</b>
A public procurement procedure is followed but is not documented.	 <b>Keep a record of every step of the public procurement procedure</b> (publicity, correspondence with candidates, offers, award of contract...) so that the relevant documentation is available for first level control and audit purposes.
Some project activities are delegated by a partner to another organisation who they are used to working with, but this without following any public procurement procedure.	 <b>Any delegation of project activities to another organisation has to be done in line with public procurement rules.</b> See also points 1, 3 and 4.  Remember that sub-partners are not allowed under INTERREG IVC. Therefore costs of organisations not listed in the application form are not eligible (unless they have been contracted as service providers in line with public procurement rules).  Note that costs have to be paid on the basis of a contract and invoices and have to be reported under the budget line “external expertise”.

Some organisations award a contract to a company without following any public procurement procedure on the basis that it is the only company able to perform the contract (according to the contracting partner ...).



Only where the contract can **OBJECTIVELY** be awarded to a particular company (for **technical or artistic reasons or for reasons connected with the protection of exclusive rights - which is very rare!**), can there be an exception to public procurement rules. In such cases, ❶ the facts demonstrating that there is objectively only one company able to perform the contract, ❷ the rules applicable, and ❸ the procedure followed have to be clearly documented. See also point 4 and European, national and internal public procurement rules.

**Useful references:**

- Section 2.4.2.4 of the INTERREG IVC Programme Manual
- Annex 6 of the Programme Manual, INTERREG IVC control report, Checklist question n° 16 (Compliance with Community rules)
- EU website on Public Procurement:  
[http://ec.europa.eu/internal\\_market/publicprocurement/index\\_en.htm](http://ec.europa.eu/internal_market/publicprocurement/index_en.htm).

**Commission guidance:** Commission interpretative communication on the Community law applicable to contract awards not fully subject to the provisions of the Public Procurement Directives (24/07/2006) ([http://ec.europa.eu/internal\\_market/publicprocurement/key-docs\\_en.htm](http://ec.europa.eu/internal_market/publicprocurement/key-docs_en.htm)).