INTERREG IVC
INNOVATION & ENVIRONMENT
REGIONS OF EUROPE SHARING SOLUTIONS

INTERREG IVC

Programme Manual

25 September 2007

EUROPEAN COMMUNITY

European Regional
Development Fund

Table of contents

0. Introduction 1
1. General Programme information 2
1.1. Main objectives of the Programme 2
1.2. Programme area 2
1.3. Programme funding 2
1.4. Programme priorities 2
1.5. Programme management 3
1.6. Programme related documents 3
1.7. Cross border, transnational and interregional cooperation 3

2. Project Development 5
2.1. Types of intervention 5
2.1.1. Regional Initiative Projects (Type 1) 5
2.1.2. Capitalisation Projects including Fast Track Projects (Type 2) 7
2.1.3. Summary of the main characteristics of the two types of intervention 9
2.2. Project activities 10
2.2.1. Project Components 10
2.2.2. List of indicative activities 12
2.2.3. Conditions to be respected by the proposed activities 13
2.2.4. Monitoring of activities 13
2.3. Partnership 17
2.3.1. Size of the partnership 17
2.3.2. Partner funding 17
2.3.3. Partner status 19
2.3.4. The Lead Partner 20
2.4. Details on budget and eligibility 20
2.4.1. Eligibility period 21
2.4.2. The budget lines 22
2.4.3. Other eligibility considerations 26
2.4.4. The payment forecast 27

3. Application and selection 28
3.1. Project ideas and partner search 28
3.2. Preparing an application 28
3.3. Submitting an application 29
3.4. Selection procedure 29
3.4.1. Eligibility Criteria 29
3.4.2. Quality Criteria 30
3.4.3. The Decision-Making Process 31

4. Project implementation 33
4.1. Contracting 33
4.1.1. The Subsidy Contract 33
4.1.2. The Partnership agreement 33
4.1.3. The Start date of an operation 33
4.2. Monitoring and decision-making 34
4.3. Reporting 34
4.3.1. Deadlines 34
4.3.2. Procedure 34
4.3.3. Accounting for project expenditure 35
4.3.4. First Level Control 37
4.4. Changes in project implementation 38
4.5. Second Level Audit / Sample checks on operations 41
4.6. Publicity and information requirements 41

5. Project closure 42

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, should provide relevant and useful information on Project implementation. **Applicants should therefore read the entire Manual carefully**.

Certain recommendations are specified in the Manual. 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:

- An Application Form;
- Co-financing Statement Templates;
- A Project Time Plan Model.

The above documents can also be downloaded from the Programme's website: **www.interreg4c.net**

1. General Programme information

1.1. Main objectives of the Programme

The INTERREG IVC Programme is part of the European Territorial Cooperation Objective of the Structural Fund policies for the period 2007-2013.

The overall objective of the INTERREG IVC Programme, with its focus on interregional cooperation, 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. 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 spread throughout Europe.

Good practice

In the context of the INTERREG IVC Programme, a **good practice** is defined as an initiative (e.g. methodologies, projects, processes, 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.

An important result of INTERREG IVC projects will be the creation of added value not only at the level of the partners but also at the 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.

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 it. Partners from other countries can participate at their own costs.

1.3. Programme funding

The INTERREG IVC Programme is financed by the European Regional Development Fund (ERDF). 302 million EUR 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 technological development;
    - entrepreneurship and SMEs;
    - the information society;
    - employment, human capital and education.

- Priority 2: The environment and risk prevention
  - natural and technological risks (including climate change);
  - water management;
  - waste management;
  - biodiversity and preservation of natural heritage (including air quality);
  - energy and sustainable transport;
  - cultural heritage and landscape.

The INTERREG IVC Programme supports Projects that aim, through interregional cooperation, to improve regional and local policies addressing the above sub-themes. These sub-themes can be interrelated not only within but also between the priorities. An integrated (cross-cutting) approach is encouraged and projects demonstrating this will be given priority in the selection process. Nevertheless, in the Application Form applicants will be asked to select one single sub-theme which they consider to be the main focus of their Project.

Chapter 5 of the INTERREG IVC Operational Programme provides examples of possible projects under each of the Programme's priorities. These examples can also be found in Annex 1 of the present document.

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**
- **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.net).

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 cooperation (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 Cooperation 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 is 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.

The 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 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 new generation of transnational cooperation programmes which often include priorities on topics such as ‘Transport’, ‘Water Management’, or ‘Information Society infrastructure’. The rationale behind this ‘type’ of cooperation explains why investment is often eligible as long as its transnational character is 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 and 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.

The approach behind interregional cooperation (strand C) is different from the above two ’types’ of cooperation. It is a ‘Capitalisation’ Programme, meaning that this Programme focuses on the identification, analysis and dissemination of good practices by public authorities in order to improve the effectiveness of regional and local policies. Projects supported under this Programme should demonstrate how they build on the stock of experiences gained under past or existing regional development programmes including Structural Fund programmes. As such, this Programme is not a pure ‘implementation’ or ‘experimentation’ programme. The core element in interregional cooperation is the exchange of experiences and, compared to cross-border and transnational programmes, it supports ‘soft’ cooperation where investment is not recommended.

Capitalisation

In the context of the INTERREG IVC Programme, **Capitalisation** is defined as a process of optimising the results achieved in a specific domain of regional development policy. Capitalisation activities consist of the collection, analysis, dissemination and transfer of good practices in the policy area in question. 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 ‘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

The 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[1] to work together on a shared regional policy issue, within the two thematic priorities of the Programme. They should contribute directly 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 the mini-programmes) should have a particular focus on the exchange of experience 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:

- Projects which propose 'traditional networking activities' such as the organisation of thematic seminars or the development of joint communication tools (newsletters, websites,) will be characterised by a basic level of intensity of cooperation.
- Projects which propose, in addition to normal networking activities, more demanding work related to the transfer of good practices or to the development of new approaches will be characterised by a medium level of intensity of cooperation.
- Finally, some projects may go beyond these activities by proposing the creation of a 'mini programme' under which sub-projects will be supported. These ambitious cooperation projects will require a high level of intensity of cooperation as they will for instance require the setting up of joint decision making procedures to decide on the sub-projects.

Mini-programmes

As defined in Point 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 operations:

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 point 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 point 2.3.3) in exceptional and duly justified cases.

[1] Project partners outside the EU cannot receive ERDF funds from the programme

- 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).

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 operation'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-project selection 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 point 2.3.3 can be involved in these sub-projects.

Sub-projects

A maximum of **twelve** sub-projects can be supported under each mini-programme. These sub-projects should be in line with the INTERREG IVC Programme. In particular, they should have a strong focus on the exchange of experience and they should demonstrate how they will contribute to improving regional/local policies or instruments.

The implementation of the sub-projects has 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 operation may depend on the internal reporting and payment procedures.

Even if they are selected through open calls for proposals, an idea on the nature of the 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
Basic Exchange and dissemination of experience	- Thematic seminars, - Study visits - Exchanges of staff - Conferences - Web sites, newsletters, brochures - Production of good practice guides	- New knowledge and skills - Possible improvement of regional / local policies and strategies
Medium Exchange and dissemination of experience + transfer of practices / development of new approaches	In addition to 'example 1' activities: - Pilot experimentations (for instance in the context of a transfer of practice) - Development of regional policy tools (methodologies, software)	In addition to 'example 1' results: - Successful transfer of practices between partners - Direct improvement of regional /local policies and strate-

		gies
High Exchange and dissemination of experience + joint development of new approaches (mini programme)	In addition to examples 1 and 2 activities: - Development of sub-projects	In addition to 'examples 1 and 2' results: - Improvements of policies / strategies at the sub-projects' level

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 of these kinds of activities cannot be financed under INTERREG IVC and is therefore the responsibility of the relevant regional or local funding programmes. This also applies to the second type of intervention (see point 2.1.2) where any significant implementation of the transfer of 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 point 2.2.1.4).

- <u>Number of partners involved</u>

The recommended number of partners should be 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. Exceptions to these recommendations can be accepted in clearly justified cases.

Further information on the partnership is provided under point 2.3.

- <u>Duration</u>

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 point 4.1.3.

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.

- <u>ERDF contribution</u>

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 it will also be related to 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.

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

- <u>Definition</u>

'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 should already be well aware of existing good practices in their field of cooperation. Potential partnerships interested in Capitalisation Projects should 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. It could also be the result of an INTERREG IVC Regional Initiative Project. More generally, it could result from any successful policy experience at the European, national, regional or local levels. This existing know-how should in any case be clearly demonstrated in the Application Form as it will constitute the basis for the transfer into mainstream programmes. One of the expected outcomes of the Capitalisation Projects is, for each participating region, a concrete <u>action plan</u>

specifying how the identified practices will be implemented under the mainstream programme of 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, 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 outcome 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 and relevant stakeholders in each of the participating regions.

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 operation will have to be clearly described and demonstrated in the Application Form. 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 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 operation 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, it should be noted that the term 'capitalisation' is generally understood as a wider concept comprising the collection, analysis and dissemination 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 output of the project activity.

- Fast Track Projects

Some of the projects approved under the second type of intervention may be offered additional assistance and expertise by the European Commission. These projects will be referred to as Fast Track Projects contributing to the Regions for Economic Change initiative of the EU. The Commission will provide this additional expertise at its own costs. The thirty possible themes of the Regions for Economic Change initiative are defined in Annex 3 of the INTERREG IVC Operational Programme.

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.net or on the Regions for Economic Change Website as indicated below:

http://ec.europa.eu/regional_policy/cooperation/interregional/ecochange/themes_en.cfm?nmenu=3

It should be stressed that there will not be specific applications 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.

- 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 cooperation. In this context, the complexity of managing a wide partnership should 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.

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 characteristics of the two types of intervention.

	Regional Initiative Projects (Type 1)	**Capitalisation Projects (Type 2)**
Purpose	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
Involvement of MA /intermediate body designated to carry out MA tasks	Not required	Compulsory
EC support	No	Yes, for Fast Track Projects
Recommended number of partners[2]	Depends in general on the intensity of cooperation proposed. Large	No recommendation on number of partners involved but recommen-

[2] Further information on partnership is provided under point 2.3.

	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 **must** not exceed 8.	dation in terms of the number of countries represented in the project: Minimum recommended number of countries represented: six Maximum recommended number of countries represented: ten
Recommended duration	36 months Mini programmes: up to 48 months	24 months
Recommended budget	Min ERDF: EUR 500,000 Max ERDF: EUR 5 million[3]	Min ERDF: EUR 300,000 Max ERDF: EUR 3 million
Beneficiaries	Public authorities and bodies governed by public law (as defined in point 2.3.3)	Public authorities and bodies governed by public law (as defined in point 2.3.3)

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 should 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 point 2.2.2.

To ensure an overview of the activities and outputs, all operations also have to submit a project time plan. A model of this is available on the Programme website (www.interreg4c.net). While it is compulsory to submit a time plan, applicants may use their own model.

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 re-

[3] The maximum recommended ERDF budget will be allocated only in exceptional cases.

lated 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 before they are 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 points 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 projects but also benefit other possible interested local and regional authorities in Europe.

2.2.1.4. Component 3 'Exchange of experience'

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

- <u>Regional Initiative Projects (Type 1)</u>

INTERREG IVC has a clear focus on the exchange of experience 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 "<u>Exchange of experiences dedicated to the identification and analysis of good practices</u>".

It is under this component that the good practices developed by the partners in the domain tackled by the project should be identified and exchanged. 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 point 2.2.2). However, in order to contribute to the capitalisation at the Programme level, the 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 as well as a description of the main lessons learnt from these practices. 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.

- <u>Capitalisation Projects (Type 2)</u>

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

Capitalisation Projects should describe under this Component precisely the way each participating region will develop its action plan. As indicated in point 2.1.2, projects submitted under the second type of intervention should 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. 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 could be developed under these components.

- 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 should be grouped under Component 3.

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 operations have to carry out:

- Management and co-ordination

  - Finalisation and conclusion of the partnership agreement
  - Preparation of progress reports
  - Organisation of Steering Committee meetings
  - Monitoring and control of the incurred expenditure

- Communication:

  - 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 point 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 explained under point 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 under point 2.2.3.

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:

- <u>Relevance to the programme</u>

  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.

- <u>Interregionality</u>

  The interregional character of the activities has to be demonstrated. 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.

- <u>Additionality</u>

  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 supported without the support of the INTERREG Programme.

2.2.4. Monitoring of activities

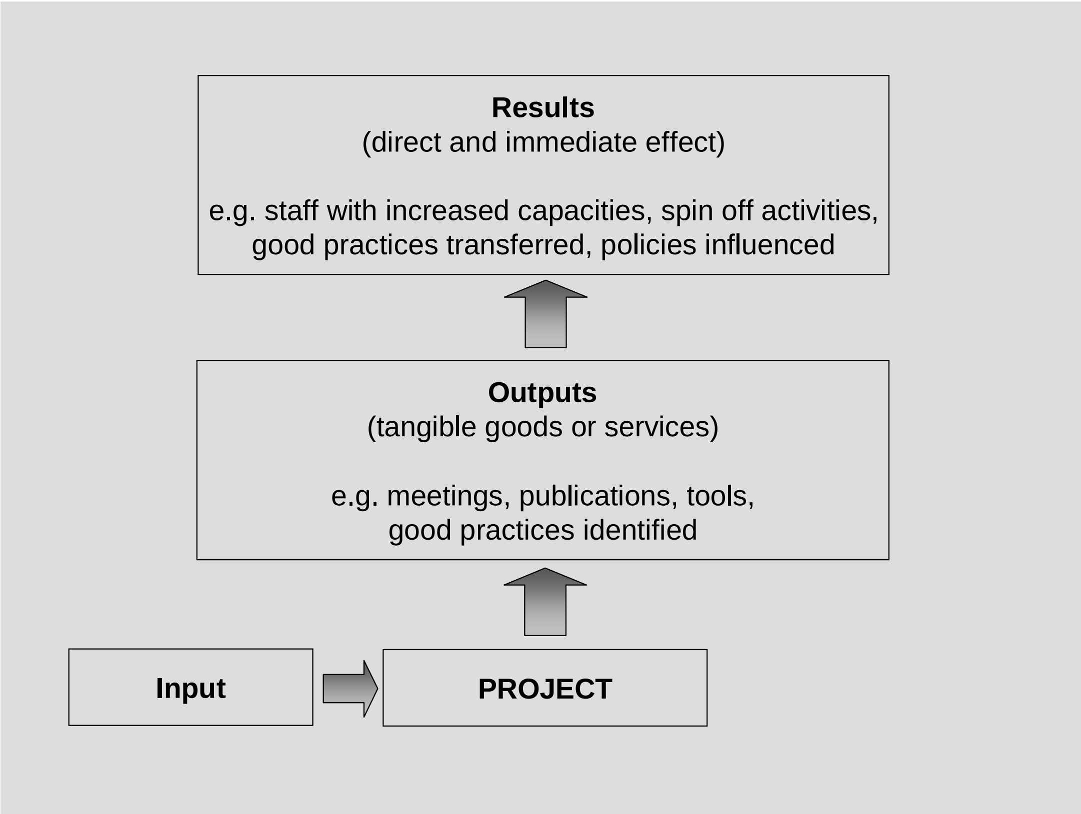
2.2.4.1. Definition of outputs and results

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.

<u>Outputs</u> are the tangible deliverables of the project. They directly result from the activities carried out in the project. They should report on <u>what</u> 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.

<u>Results</u> are direct and immediate effects resulting from the project and from the production of the outputs. They should not report on the ‘<u>what</u>’ but on <u>why</u> 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 should also

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

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.

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	• No. of interregional events organised by operations to exchange experience • No. of participants in these interregional events
Result Indicators	• No. of staff members with increased capacity (awareness / knowledge / skills) resulting from the exchange of experience at interregional events • No. of action plans developed by Objective 'Convergence' regions further to the lessons learnt from 'Objective Competitiveness' regions

1.2/ *Objective*: Identification, sharing and transfer of good practices into regional policies and into EU Structural Funds mainstream programmes	
Output indicators	• No. of good practices identified by Regional Initiative Projects • No. of good practices already identified and made available to regional and local actors involved in Capitalisation Projects
Result indicators	• No. of good practices successfully transferred within Regional Initiative Projects • No. of action plans developed under Capitalisation Projects • Amount of mainstream funds (Cohesion/ERDF/ESF) dedicated to the implementation of good practices coming from Capitalisation Projects
1.3/ *Objective*: Improvement of regional and local policies	
Output indicators	• No. of regional/local policies and instruments addressed in the field tackled by the project
Result indicators	• No. of regional/local policies and instruments improved in the field tackled by the project
2/ <u>General performance of projects</u>	
2.1/ Management and coordination	
Output indicator	• Average number of steering committee meetings organised by operations per year
2.2/ Dissemination	
Output indicators	• No. of press releases disseminated • No. of brochures (no. of issues created, not no. of copies printed or disseminated) • No. of copies of brochures disseminated • No. of newsletters (no. of issues created, not no. of copies printed or disseminated) • No. of copies of newsletters disseminated • No. of dissemination events organised • No. of other events participated in (with presentations/stands about the operation activities)
<u>Result indicators</u>	• No. of articles/appearances published in the press and in other media • Estimated no. of participants in events (organised and participated in) • Average no. of visits per month to an operation's website

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 have to make sure that the indicators they propose are meaningful and measurable. A clear distinction should also 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	- Number of river basins addressed within the project - Number of comparative survey(s) on the number and characteristics of recent floods	- Number of new projects dedicated to water management resulting from the exchange of experience - Number of new river basin management plans initiated through the coop-

	in the participating regions - Number of flood awareness campaigns that are analysed within the project	eration - Number of new tools developed for flood awareness campaigns
On the development of regional/ local 'e-government' services	- Number of innovative e-government solutions identified in the participating regions - Number of joint events organised to raise awareness of local policy makers on the development of e-government	- Number of new e-government applications initiated through the cooperation - Number of local policy makers with increased capacity on 'e-government' issues
A mini programme on cluster management	- Number of sub-projects supported - Number of participants involved in the sub-projects - Number of existing clusters in the participating regions - Number of businesses represented in these clusters	- Number of new links established between businesses, research institutes and public authorities - Number of additional businesses joining existing clusters thanks to the cooperation - Number of new clusters initiated through the cooperation - Number of new tools created to support cluster development (e.g. recruitment of a 'cluster manager', creation of new risk capital schemes available to SMEs)

2.3. Partnership

2.3.1. Size of the partnership

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 these minimum requirements, which determine the eligibility of an operation, the partnership should always, as a general rule, facilitate efficient implementation and reflect the objectives of the operation. The number of partners involved in the project is also closely related to the intensity of cooperation. Finally, the complexity of a wide partnership should not be under estimated. Further recommendations for the suitable number of partners and participants by type of intervention can be found in section 2.1.

2.3.2. Partner 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 source 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 statement of expenditure 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 15% or 25% is always provided from other public sources. Project partners therefore need to set aside sufficient liquidity if they are to become involved in INTERREG IVC projects.

Interregional Cooperation under Convergence and Competitiveness Programmes

According to the Council Regulation (EC) No 1083/2006 art. 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 partner 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 point 2.3.4) for the implementation of the operation. This is the reason why the Lead Partner has to be a 'full' partner in the operation.
- besides the partner(s) funded from the regional programme, the partnership has to involve 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 the ERDF, but can receive co-financing of 50% from pre-allocated national funds, which Norway makes available in the context of its direct participation in the INTERREG IVC Programme.

Co-financing rate	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% pre-allocated Norwegian funding	Norway

2.3.2.2. Funding for partners outside the EU Member States and outside Norway

The participation of partners from outside the-EU Member States and outside Norway is welcomed, but cannot be co-financed from the INTERREG IVC Programme. Their participation therefore has to be financed at their own cost. However, based on Article 21 of Regulation (EC) No 1080/2006, expenditure incurred in implementing parts of the operations outside the EU, Norway and Switzerland, especially in countries eligible to receive IPA funds[4], can be co-financed if they are for the benefit of the operation and do not exceed 10 % of the operation'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.

In some cases it might be possible to obtain funding through other EU-instruments (such as ENPI or IPA) 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.
- 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 INTERRREG 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.

In order to facilitate the participation of Swiss partners in INTERREG IVC, Switzerland has also reserved some funding. Swiss partners should refer to the Cantons in order to find out more about the availability of these funds. Further information can be requested through the Swiss INTERREG National Contact Point.

2.3.2.3. Co-financing statement

At the application stage, the INTERREG IVC Programme requires proof that 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 EU and Norwegian partners as well as all other non-EU partners. It is a

[4] [4] IPA: Instrument for Pre-Accession Assistance, supports *candidate* and *potential candidate countries* for membership to the EU. For details see: http://ec.europa.eu/enlargement/financial_assistance/ipa/index_en.htm.

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 JTS. The templates for the different co-financing statements are available with the application pack on the Programme's website (www.interreg4c.net).

2.3.3. Partner 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 their status, the partner should contact its Member State representative directly. Member State contact details are available on the Programme web site (www.interreg4c.net).

The private sector (i.e. profit-making organisations) is addressed as a target group especially as far as Priority 1 ('Innovation and knowledge economy') is concerned and can participate in operations at their own cost.

Furthermore and subject to procurement rules, the private sector can be subcontracted by partners to provide services or to assist in the implementation of certain activities.

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 operations.

These rules reflect the specific objectives of the INTERREG IVC Programme and the particular focus on the participation of regional and local authorities.

INTERREG IVC operations can only involve contributing partners. It is not possible to participate with an "observer" status. 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.

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 point 2.1.1).

2.3.4. The Lead Partner

Each project must follow the so-called Lead Partner principle, which means that among the number of partners who carry out the project, one is appointed to act as Lead Partner and thus to forms the link between the project and the JTS/MA. 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 and
- should the project be approved, signs a subsidy contact 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
- 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
- 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 operation therefore lies with the Lead Partner. The Lead Partner may only be from the EU-MS or in well justified exceptional cases may also be from Norway. At the present time partners from Switzerland may not 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 operation 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 thematic priority of 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 contract with the coordinator, the controllers and the partners in order to enable efficient financial management of the operation. 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.

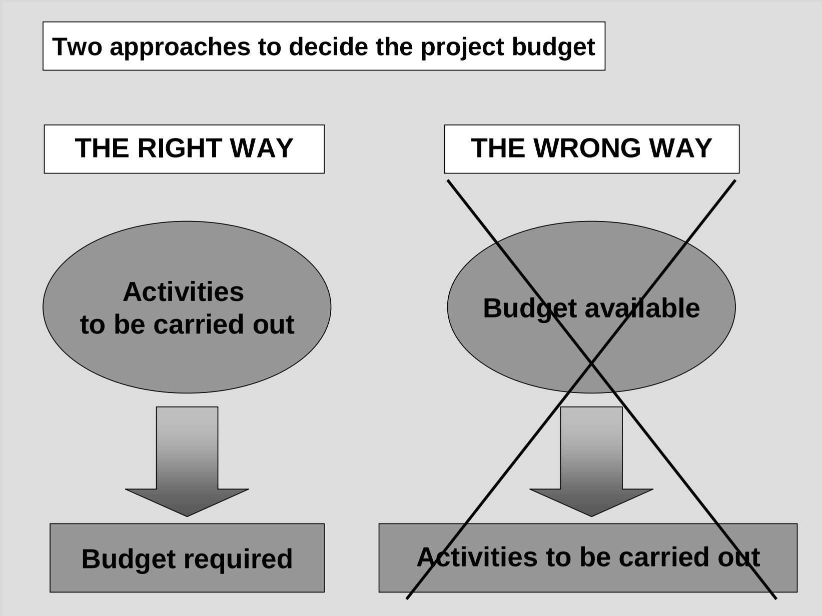
2.4. Details on budget and eligibility

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. However, the detailed budget should always be 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. After constructing the project time plan, the Lead Applicant will have an overview of the main activities by component, the start and end dates of project activities, and also the outputs.
2. The Lead Applicant should identify the partners which are to be involved in carrying out the activities mentioned in the time plan precisely.
3. It is therefore 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) reorganise 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 operations are eligible from the date of approval by the Monitoring Committee[5] to the end of the month quoted as "finalisation month" in the approved application. The Monitoring Committee is expected to be held within 5 months after the end

[5] If a project is approved under conditions, the costs can still be eligible from the 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.

date of each call. Projects should then be ready to start implementation within 2 months following the date of approval by the Monitoring Committee.

In order to determine the end date of an operation 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 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) 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/MA (Managing Authority) to close the Programme in 2015. Besides this regulatory limit, recommendations for a 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 operations 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 they are 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:

- staff - administration - travel and accommodation - equipment	for the personnel employed by the partner institutions officially listed in the AF
- external expertise and services	comprising experts' staff, administration + travel, equipment costs if applicable
- sub-projects	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 point 4.3.3.

2.4.2.1. Staff

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 by the partner organisations officially listed in the Application Form (e.g. internal project coordinator, financial manager, 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 operation 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 the member of staff works less than 100% of their actual working time for the operation, the calculation must be based on the hourly rate resulting 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). This hourly rate is then multiplied by the number of hours actually worked on project activities.
- staff costs must be supported by documents that permit the identification of the employment relationship with the partner organisation (working contract), the real costs by employee (pay slips, payment proofs, calculation evidence for the determination of the staff time value/hourly rate), the overall working time (time recordings) and the time spent on carrying out activities in the context of the operation (record of tasks, project specific time sheets).

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

2.4.2.2. Administration costs

Administration Costs may include cost items such as:

- stationary
- photocopying
- mailing
- telephone, fax and Internet
- heating, electricity
- office furniture, maintenance
- office rent
- other administration expenditure absolutely necessary for the successful completion of the operation 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.

Administration costs linked to services provided by external experts must be included in the budget line "External expertise and services".

Reporting administration costs

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 an auditor. No lump sums, overall estimations or arbitrary keys are allowed!
- show a direct link to the operation'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 operation'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 operation 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 operation.

The allocation of the organisation's eligible administration costs to the operation 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 operation / number of people working in the organisation or department" or
- the ratio "number of hours worked on the operation / number of hours worked in total in the organisation or department"
- the ratio "surface used by the personnel working for the operation/surface of the organisa-

tion 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 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 partner's agree the allocation key with their financial controller.

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. Any trip must be clearly justified by the project's activities and be necessary for successful project implementation.

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. As a general rule the most economic form of transport and accommodation has to be chosen. 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. 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 printers necessary for project coordination and financial management purposes. These purchases have to respect public procurement rules. The most economic type of equipment should be chosen. The equipment features/functions should 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) and
- have not already been depreciated
- 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.

The equipment budget has to be specified in the Application Form. In particular, the nature of the equipment to be purchased, the partner responsible for this purchase and the budget have to be provided.

2.4.2.5. External expertise and services

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

- contracts/agreement and
- invoices/request for reimbursement

to external service providers who carry out certain tasks for the operation 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 event organisation,
- meeting room rental and catering,
- interpretation/translation,
- studies and surveys.

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 should 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.

Projects shall 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.

The external expertise or service has to be specified in the Application Form. In particular, the following elements should be described: the 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 point 4.3.3).

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.

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 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 an operation requires a separate account to be opened, the bank charges for opening and administering the account shall also be 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) will not be considered as eligible expenditure.

Staff costs for personnel working in one of the partner institutions 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 operation. The ERDF funding is calculated on the basis of the total cost after deduction of any revenue.

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 the INTERREG IVC operation. 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 Decommitment 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.

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. 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.net). 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.

Second, Partner Search Forums will be regularly organised at the 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 will also be published on the INTERREG IVC web site.

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

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 formulae. 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.

Should further assistance be required on project development and application procedures, applicants should not hesitate to contact the Joint Technical Secretariat and the four Information Points by phone or email. 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 on line on the Programme's website: www.interreg4c.net

3.3. Submitting an application

Applications are submitted to the Programme through calls for proposals, which will be 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 characteristics of each call have to be carefully checked by applicants on the Programme's website.

The Application Form has to be submitted electronically by e-mail, as well as in an original and duly signed unbound hard copy, the latter is considered to be the official application. The paper version of the Application Form must also include the two following compulsory annexes:

- co-financing statements from all partners,
- project time plan (model available on the Programme's website).

The above documents have to be sent to the Joint Technical Secretariat before the deadline set by the call for proposals. The electronic version of the application has to be submitted at the latest by the end date of the call. Similarly, the original hard copy signed, stamped and dated has to be sent at the latest by the same date. This eligibility criterion will be checked through the date of the postal stamp on the envelope.

Co-financing statements must be attached to the application for all partners including the Lead Partner. The original co-financing statements or at least faxed copies must be sent together with the printed and signed Application Form by mail. This document will have to state the exact amount of national co-financing for each partner. They should also be printed on letter headed paper of the institution. Finally, they should be dated, stamped and signed by the relevant person within the institution. Only the standard forms included in the application pack shall be used and the wording must not be amended. The template of the co-financing statement for Partners from EU Member States and Norway as well as for non EU Member States 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. 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.

3.4.1. Eligibility Criteria

The eligibility assessment is a 'yes or no' process. Each INTERREG IVC project has to fulfil the following eligibility criteria:

Eligibility Criteria
1. The Application Form has been submitted in due time in original and electronic versions;
2. The Application is complete and includes: - the Application Form, - the co-financing statement for each partner, - the project time plan.
3. The Application is fully and properly filled in according to the instructions (no error messages appear in the document).
4. All co-financing statements are printed on letter headed paper, are signed, dated and stamped and the sum stated in the statement corresponds to the national co-financing amount indicated in the Application Form.

5. The project is 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.
6. For mini-programmes, a maximum of eight partners are involved in the cooperation.

3.4.2. Quality Criteria

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

- ‘content related’ criteria,
- ‘implementation related’ criteria.

In order to decide on a score per criterion, the assessors have to answer a certain number of questions that are listed in the following tables.

Content Related Criteria

Criterion 1: Relevance of the proposal
• Does the project contribute to the main objective of the Programme (i.e. improvement of the effectiveness of regional / local policies)? • Is there a clear link between the project’s theme and the Programme’s priorities? • Are the proposed activities clearly interregional? • Does the project clearly build on the experiences of the partners? Does the project have a clear focus on the exchange of experience? • Does the project clearly contribute to the Lisbon/Gothenburg agendas?
Criterion 2: Coherence of the proposal
• Are the issues tackled by the project, the objectives and expected effects (outputs and results) clearly defined and meaningful? • Are the issues, objectives and expected effects logically interrelated? • Can the expected effects be achieved through the proposed approach and methodology? • Is the work plan clear and coherent? - Are the activities and outputs precisely defined in the work plan? - Are the proposed activities in line with the objectives and expected effects? - Are the components of the work plan logically inter-linked? - Is it clear that the activities do not overlap between the Components?
Criterion 3: Quality of the results
• Are the expected outputs/results concrete (visible and measurable)? Have they been precisely specified and quantified? • Are sufficient information and publicity measures planned? • Are the expected results innovative? Do they bring clear added value compared to other current or past initiatives? • Is the impact of the project on the policies of the partners clearly demonstrated? • Are there clear and convincing provisions to ensure the durability of the project’s results?

Implementation Related Criteria

Criterion 4: Quality of management
• Are the management and coordination procedures thoroughly thought through? • Is the management structure clear? Are procedures for decision-making and monitoring transparent? • Have the procedures for day-to-day management been clearly explained? • Are financial procedures explained? • Is the Lead Partner experienced in project management?
Criterion 5: Quality of partnership
• Does the operation involve the relevant partners for solving the defined problem? • Are the partners in a position to directly influence their regional policies / strategies? • Is the issue tackled by the project common to all partners? • Is the financial contribution between the partners balanced? If not, is it justified in the project's arrangements? • Does the geographical coverage of the partnership go beyond cross-border or transnational cooperation programmes? If not, is it justified in the project's rationale? • 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 project's rationale? • For Capitalisation projects, are the relevant policy makers (e.g. Managing Authorities and other relevant stakeholders of the participating regions) clearly involved in the cooperation?
Criterion 6: Budget and Finances
• Is the value for money demonstrated? Is the budget requested reasonable compared to the planned activities and number of partners involved? • Is the budget logically distributed between the budget lines and Components? • Is the budget allocated to management and coordination tasks (Component 1) reasonable? • Do the financial arrangements reflect the planned activities? • Is the six-monthly payment forecast coherent and realistic? • Is the level and nature of the "External expertise and services" costs justified and in line with the planned activities? • If equipment costs (e.g. IT equipment) are budgeted, do these costs benefit the partnership? Are these costs clearly justified in the application?

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 (condition is not fulfilled and puts at risk the implementation and achievement of the objectives of the whole project)

A score will be attributed to each quality 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.

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. The decision may 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 operation be selected for funding and fulfil the conditions set by the Monitoring Committee, a Subsidy Contract between the Managing Authority and the operation's Lead Partner will be concluded. The Subsidy Contract shall determine 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.net).

4.1.2. Partnership agreement

In order to secure the quality of the implementation of the operation, 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 web site (www.interreg4c.net).

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.

4.1.3. Start date of an operation

The Monitoring Committee is expected to be held within 5 months after the end of each call. Projects should therefore be ready to start implementation within 2 months following the date of approval by the Monitoring Committee. 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. Monitoring and decision-making

Each operation 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 once 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 shall also select 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 operation's objectives is assessed mainly through the output and result indicators (as described in point 2.2.4). The monitoring system can also cover the following issues:

- effectiveness and efficiency of implementation: is the operation 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 operation's achievements relate to the encountered expenditure (cost-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.

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 JTS. For this purpose the JTS sends out a pre-filled in form to the Lead Partner shortly before the end of each period. The progress report has to be returned to the JTS both electronically as well as in paper form 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

The progress report consists of an activity part and a financial part, which also comprises the controller's confirmation of expenditure. The paper version has to carry the signature and stamp of the Lead Partner and Lead Partner's controller.

The reporting procedure 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.

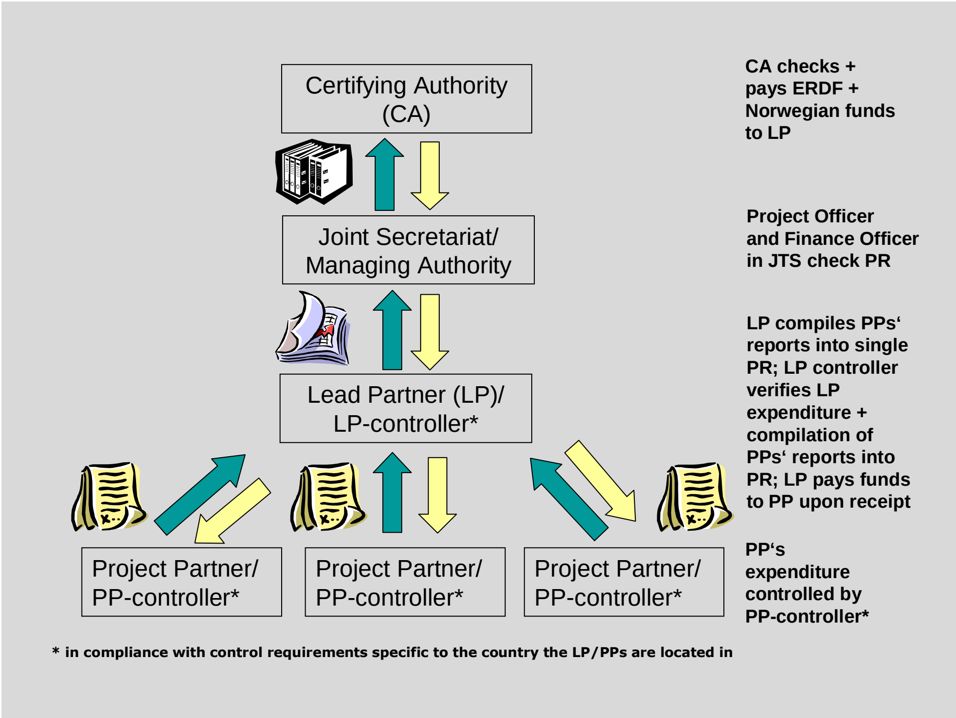
c) The Lead Partner's controller performs the checks on the Lead Partner's activities and expenditure as well as verifies that the information provided by the partners has been verified and confirmed by an independent body in compliance with the country specific control requirements and that the partner's 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, which checks it 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 payment to the Lead Partner.

g) The Lead Partner transfers the funds to the partners.



4.3.3. Accounting for project expenditure

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

- The market exchange rate of the day the invoice was paid is used.
- The market exchange rate of the last day of the reporting period is used.
- The average monthly exchange rate set by the Commission of the month the invoice was paid is used.
- The average monthly 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 file accounting documents centrally). 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 at least until 2020 (i.e. a period of three years following the closure of the Programme) if there are not national rules that require an even longer archiving period. 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 at least until 2020:

- 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
- partners controllers' confirmations (and checklists/control reports)
- bank account statements proving the reception and the transfer of EU funds
- invoices
- bank account statements / proof of payment for each invoice
- method used by all partners outside the EURO-zone for converting national currency into EUR
- 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
- list of subcontracts and copies of all contracts with external experts and/or service providers
- calculation of administrative costs, proof and records of costs included in overheads
- documents relating to public procurement, information and publicity
- public procurement notes, terms of reference, offers/quotes, order forms, contracts
- proofs for delivery of services and goods: studies, brochures, newsletters, minutes of meetings, translated letters, participant lists, travel tickets, etc.),
- record of assets, physical availability of equipment purchased in the context of the project.

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 reported if the following principles are fulfilled:

- 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. 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).

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:

1. Each partner should check beforehand that their controllers agree with the foreseen shared costs.
2. 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.
3. After payment, 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 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.

4. There are then 2 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 in their financial report, which is then validated by their controller.
    - or the responsible partner deducts the partners' national co-financing share for the common cost from the ERDF amount after receipt of the ERDF from the Paying 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.
5. In both cases, it is the responsibility of each partner to include their share of the common costs in their financial report and to obtain confirmation from their controllers. 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.
6. It is also strongly recommended to already include in the partnership agreement the type of costs to be shared, the partner responsible for contracting/ordering and the related payment and reporting procedure.

If partners consider using another method for reporting shared costs, they should always consult their controllers beforehand.

4.3.4. First Level Control

Before submission to the JTS, each progress report has to be verified and confirmed by an independent controller. For this purpose partners and Lead Partners have to follow the country specific control requirements set up by each Member State. More information about these requirements can be found in the country specific information section on the INTERREG IVC website. In principle there are four general models:

1. centralised control at MS level through a public administrative body,
2. centralised control at MS 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.

Control costs may be considered as eligible costs (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 set aside a budget for these controls depending on the control arrangements applicable in the relevant Member State for each of the project partners.

The controllers' task is to verify that :

- 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 activities have actually taken place and that sub-contracted supplies and services 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,

In addition, the Lead Partner controller has to check and confirm that :

- all partner inputs to the progress report were confirmed by an independent controller and the country specific control requirements respected.

The checks have to be obligatorily documented with the help of a control checklist and a control report. Further information will be made available in audit guidelines to be published on the Programme's website.

4.4. Changes in project implementation

According to the Subsidy Contract, the Lead Partner is obliged to request approval from the Managing Authority if the partnership, the activities, the duration or the budget of the project change. The Joint Technical Secretariat is responsible for the practical administration of changes to running operations.

All minor changes (e.g. change in contact information, rescheduling of activities, small budget deviation) can be reported as 'deviations' to the JTS through the six-month progress report.

Any major changes related to partnership (e.g. drop out or replacement of partners), to activities (e.g. extension of 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 operation.

'Request for changes' procedure

For all major changes, a 'Request for Change' Form has to be filled in. In this form, Lead Partners are asked to briefly describe the requested change and provide a justification. In addition, a revised version of the Application Form (with updates in the respective parts) has to be attached. For this purpose a special version of the original Application Form has to be used.

In the case where a new partner replaces a dropout partner, a co-financing statement from the new partner has to be attached as well.

Depending on the extent of the changes, a decision will be taken either by the MA or through the written procedure by the INTERREG IVC Monitoring Committee. The change enters into force only when the official notification is sent to the Lead Partner.

Specific flexibility rules exist for the budget modifications. The budget in the Application Form should of course be as precise as possible. However, as projects are not static entities, changes may become necessary during project implementation. It is therefore important to know that the INTERREG IVC Programme provides the following rules for budget reallocations which allow some budget flexibility:

"Changes in budget lines, component budgets and partner budgets are allowed as long as the maximum amount of ERDF and Norwegian funding awarded remains the same.

a) Without prior notification of the Managing Authority (MA), 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.

b) Only once during the operation period, the LP is entitled to reallocate the budget between budget lines, components and partners up to 20% of the total costs as stated in the approved application; such reallocation requires an application to the JTS/MA. It will enter into force only after approval by the JTS/MA."

It is important to note that the payment forecast (see point 2.4.4.) cannot be modified.

Flexibility rules - Examples:

a) EUR 20 000 /10 % flexibility rule

Budget line	Original amount in the approved application form	Maximum possible over-spending on this line	Explanation
Administration 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 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 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 operation 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 should ask for a budget reallocation.
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 operation, **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 point a).

4.5. Second Level Audit / Sample checks on operations

Every year between 2008 and 2015, sample checks on operations 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 operation 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.

4.6. Publicity and information requirements

All operations 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. The Regulation can be downloaded from the Programme's Web site. It is strongly advised that each operation designs an internal plan for information and publicity activities in order to ensure proper dissemination of information to other potentially interested authorities in Europe as well as to the general public.

The use of the EU emblem is obligatory on all communication materials and tools produced for the co-financed operation. It is also necessary to indicate on all communication materials a reference to the contribution of the ERDF and the statement chosen by the Managing Authority to highlight the added value of the intervention of the European funds. Operation-related websites must contain reference to the contribution of the European Union and of the ERDF and hyperlinks to other related Commission websites and websites of the INTERREG IVC Programme and related projects. Use of the EU logo is also obligatory when using any other emblem. The EU emblem should be at least the same size as the other emblems being used (like the INTERREG IVC Programme's or the operation's own logo). The INTERREG IVC logos are available for download on the Programme's website (http://www.interreg4c.net). A link to the official website of the European Union where different versions of the EU emblem are available can be found on the Programme website.

5. Project closure

With regards to project closure, it is important to be aware of the following points:

- End date for the eligibility of expenditure: 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.
- 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 within two months following the end date of the operation.
- Final report: after finalisation of the operation a final report must be submitted to the JTS. This report must provide information about the outputs, results and possible impacts of the operation. It has to be submitted within two months after the end date of the operation. A model form of the final report will be published on the Programme's website.
- Information and publicity requirements (see also section 4.4): the rules laid down in Regulation (EC) 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 operation.
- Archiving of documents: The Lead Partner is at all times obliged to retain for audit purposes all files, documents and data about the operation on standard data storage media in a safe and orderly manner at least until 31 December 2020. Other possibly longer statutory retention periods, as might be stated by national law, remain unaffected.

ANNEX 1: Examples of INTERREG IVC projects[6]

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

- **Innovation, Research & Technological 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*
- *establishing better ICT connections between regions*

[6] Based on Point 5 of the INTERREG IVC Operational Programme

- **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** (including 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.*
- *dealing with 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*
- *the transportation of dangerous goods and identifying relevant actions to inform the relevant groups*
- *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 management*

- **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** (including 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*
- *promoting cultural assets as potential for the economic development of the regions*

ANNEX 2: Proposed framework for reporting identified practices

	Section	Indication of content
1	**Title of the practice**	
2	**Precise theme/issue tackled by the practice**	
3	**Objectives of the practice**	
4	**Location**	- Country - Region or District or Metropolitan Area or Municipality
5	**Detailed description of the practice**	- Origin - Timescale - Bodies involved / implementation - Process and detailed content of the practice - Legal framework - Financial framework
6	**Evaluation**	- Possible demonstrated results (e.g. through indicators) - Possible success factors - Difficulties encountered
7	**Lessons learnt from the practice**	
8	**Contact information**	
9	**Other possible interesting information**	- Website - Various documents (reports, presentations, etc.)

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 operation.

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 operations to exchange experience**

This indicator measures the number of interregional events organised by the project with the specific aim of exchanging experiences among partners. 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. The Steering Group meetings of the project can be considered under this indicator only if they are partly dedicated to exchanging experiences.

- **The number of participants in these 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 (awareness / knowledge / skills) 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 ('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.

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

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 point 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:

- **<u>The number of good practices identified by Regional Initiative Projects</u>**

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.

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

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:

- **<u>The number of good practices successfully transferred within Regional Initiative Projects</u>**

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.

- **<u>The number of action plans developed under Capitalisation Projects</u>**

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.

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

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 point 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.

1.3/ Improvement of regional and local policies

Output indicators:

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

Given the Programme's overall objectives, all INTERREG IVC projects are necessarily related to a certain number of regional/local policies or instruments[7]. 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 a IVC project, the policy of each partner's area in the domain tackled by the project is necessarily addressed. Other policies/instruments at the local, regional national or EU levels may also be addressed by INTERREG IVC projects. These policies/instruments have to be in a policy area in line with the sub-themes listed under the two Programme priorities.

Result indicators:

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

Ideally, 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.

<u>2/ General performance of projects</u>

2.1/ Management and coordination

Output indicator

- **<u>The average number of steering committee meetings organised by operations per year</u>**

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

2.2/ Communication and Dissemination

Output indicators:

- **<u>The number of press releases disseminated</u>**

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.

[7] 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

- **<u>The number of brochures</u>** (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. Secondly, it should concern only the brochures dedicated to the project itself.

- **<u>The number of copies of brochures disseminated</u>**

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.

- **<u>The number of newsletters</u>** (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 indictor 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. If an article on the project is published in the newsletter of one of the partners, it should not be considered under this indicator but under the first result indicator described below (i.e. 'number of articles/appearances published in the press and in other media').

- **<u>The number of copies of newsletters disseminated</u>**

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.

- **<u>The number of dissemination events organised</u>**

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 or partly dedicated to the dissemination of information on the project to an audience which is different from the partners already involved in the operation.

- **<u>The number of other events participated in</u>** (with presentations/stands about the operation'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:

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

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 (articles dedicated to the project as well as any project appearance on web sites, radio, television, etc).

- **<u>The estimated number of participants in events</u>** (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.

- **<u>The average number of visits per month on operation's website</u>**

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 web site. 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.