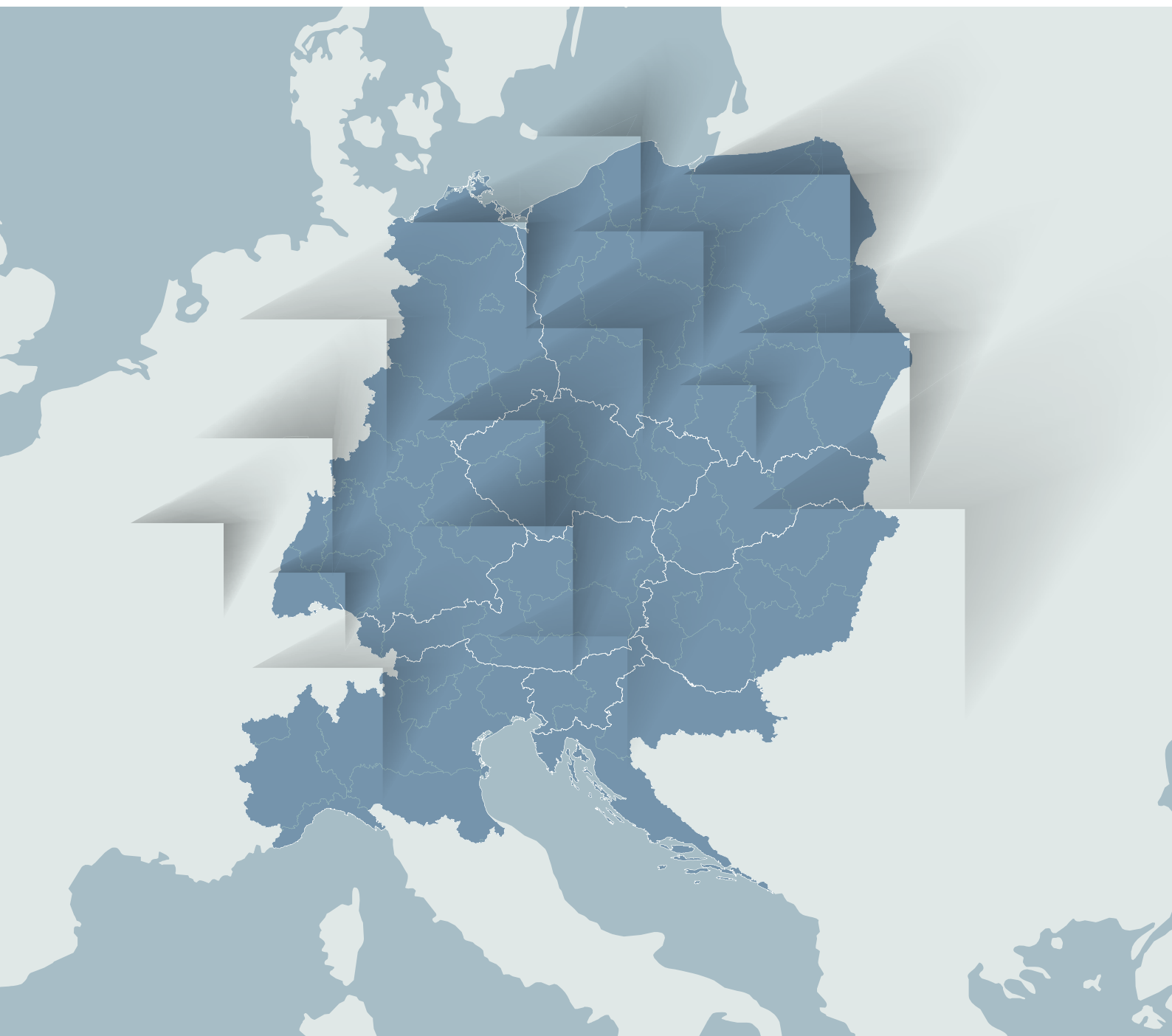


APPLICATION MANUAL

Third Call for Proposals

Version 1
September 2017



Content

PART A: WHAT IS INTERREG CENTRAL EUROPE

I. Interreg CENTRAL EUROPE Programme: An overview	A4
II. Programme area	A4
III. Strategic priorities and specific objectives	A6
IV. Programme budget	A11
V. Legal framework and programme related documents	A13
VI. Management structure	A15

PART B: WHAT PROJECTS WE ARE LOOKING FOR

I. Interreg CENTRAL EUROPE key principles	B3
I.1. Result-orientation.....	B3
I.2. Transnational and territorial relevance	B4
I.3. Partnership relevance.....	B5
I.4. Sustainability	B6
I.5. Innovation	B6
I.6. Horizontal principles.....	B7
II. Basic project requirements	B9
II.1. Partnership.....	B9
II.1.1 Definition of partners.....	B9
II.1.2 Partnership requirements and location of partners	B11
II.1.3 Lead partner principle and requirements	B13
II.1.4 Associated partners.....	B14
II.2. Location of activities.....	B15
II.3. Types of activities supported by the programme.....	B16
II.4. Project size and funding	B20
II.5. Duration	B20
II.6. Co-financing	B20
II.7. Financial requirements.....	B21
II.7.1 Hierarchy of rules on eligibility	B21
II.7.2 General eligibility requirements	B22
II.7.3 Budget lines specification.....	B24
II.7.4 Preparation and contracting costs.....	B31
II.7.5 Revenues	B32
II.7.6 Conversion into Euro.....	B33
II.7.7 Other financial requirements.....	B33

PART C: HOW TO DEVELOP A GOOD PROJECT

I. Introduction	C3
II. How to get started	C4
III. Developing the project intervention logic: from problem to solution (theory of change).....	C6
IV. Setting up a relevant project partnership.....	C8
V. Developing a sound management structure.....	C12
VI. Designing relevant project communication	C18
VII. Designing a sound project budget	C21

PART D: HOW TO APPLY WITH US

I. Application procedure	D3
II. Application package.....	D3
III. Online submission system	D4
III.1. Technical information and system requirements	D4
III.2. Registration	D5
III.3. Filling in and submitting the application form.....	D6
III.4. Helpdesk and technical support	D7
IV. Drafting the application form	D8
IV.1. Structure of the application form - overview	D8
IV.2. Contents of the application form	D10
V. Project assessment and contracting.....	D46
V.1 Assessment procedure	D46
V.2. Communication to lead applicants and resolution of complaints.....	D53
V.3. Application and assessment overview	D55
V.4. Contracting.....	D56

PART E: WHAT SUPPORT WE OFFER

I. Introduction to support offered by the programme	E3
II. Support in preparing the application form	E3

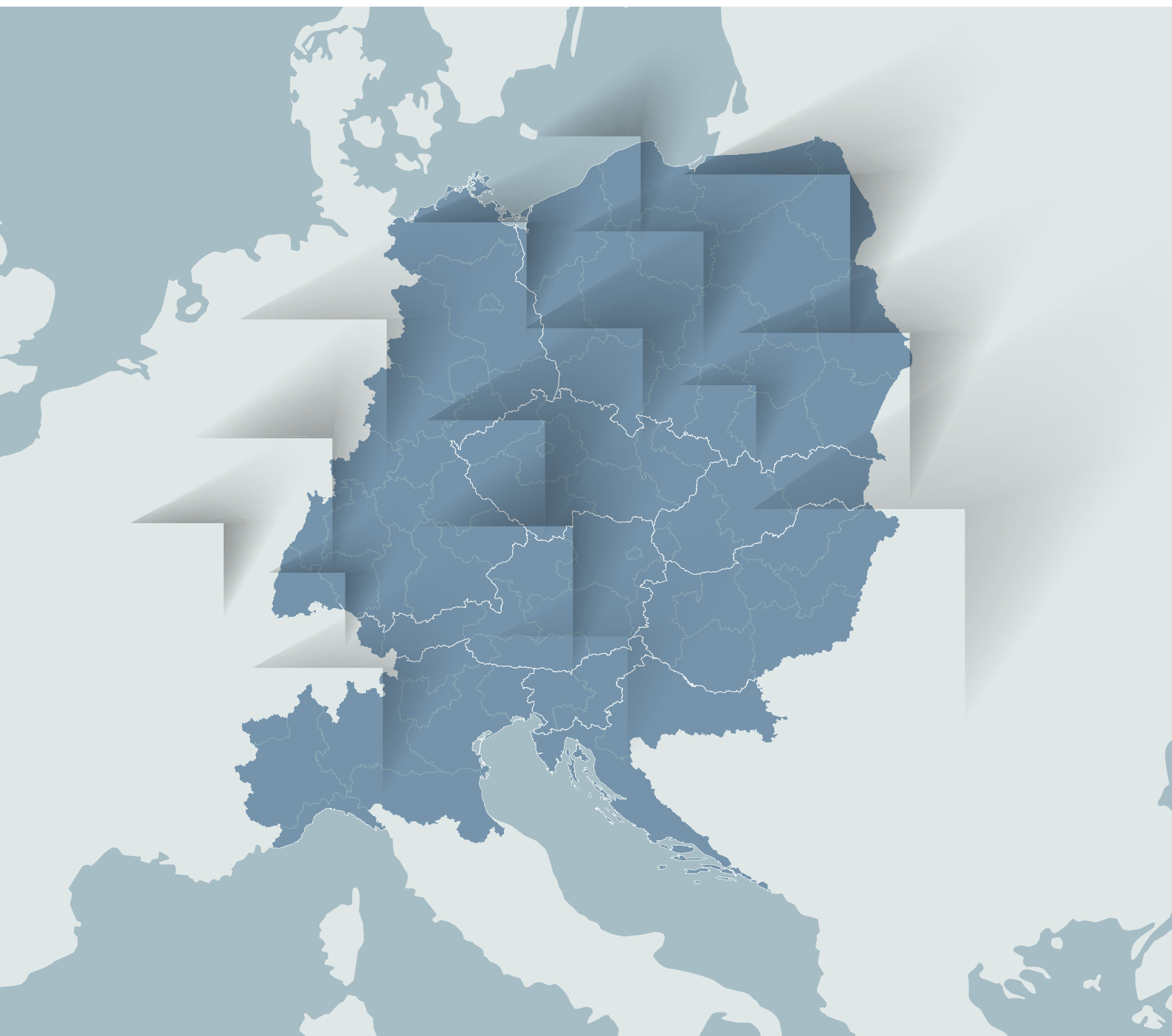
ANNEXES

Programme specific objectives and thematic focus of the third call	Annex 1
Programme intervention logic and thematic focus of the third call	Annex 2
Typology of outputs and indicators and thematic focus for the third call	Annex 3
Types of partners and target groups	Annex 4
Templates of lead applicant and partner declarations.....	Annex 5
Glossary	Annex 6
Simplified financial statement	Annex 7

APPLICATION MANUAL

Third Call

Version 1
September 2017



Content

I. Interreg CENTRAL EUROPE Programme: An overview	4
II. Programme area	4
III. Strategic priorities and specific objectives	6
IV. Programme budget	11
V. Legal framework and programme related documents	13
VI. Management structure	15



Table of abbreviations

Abbreviation

AF	Application form
BL	Budget line
eMS	Electronic monitoring system
ERDF	European Regional Development Fund
ETC	European Territorial Cooperation
LA	Lead Applicant
LP	Lead Partner
MA/ JS	Managing Authority/ Joint Secretariat
MC	Monitoring Committee
NCP	National Contact Point
PP	Project Partner
SO	Specific Objective
WP	Work Package

I. Interreg CENTRAL EUROPE Programme: An overview

The Interreg CENTRAL EUROPE Programme is funded by the European Regional Development Fund (ERDF) under the European Territorial Cooperation (ETC) objective, which supports regional cooperation among central European countries during the programming period 2014-2020.

Key variables of the programme were agreed by the participating Member States following thorough consultations with relevant partners and stakeholders. They are described in detail in the Interreg CENTRAL EUROPE cooperation programme document available for download in its latest version from <http://interreg-central.eu/cooperation-programme>

In the following sections a brief overview is provided on the programme area, the strategic programme orientation, the programme budget and its management structure. However, the main source of information on several key aspects to be considered when preparing a project proposal remains the above mentioned cooperation programme document.

II. Programme area

Covering an area of over 1 million square kilometres the Interreg CENTRAL EUROPE Programme is home to about 146 million people. The programme cooperation area comprises the territory or parts of the territory of nine EU Member States.

In total, the programme area is made up of 76 statistical NUTS 2 regions. The participating countries and regions are listed in the following table.

Table 1 - Countries and regions participating in the Interreg CENTRAL EUROPE Programme

The whole country	Germany	Italy
Austria, Croatia, Czech Republic, Hungary, Poland, Slovakia, Slovenia	Baden-Württemberg, Bayern, Berlin, Brandenburg, Mecklenburg-Vorpommern, Sachsen, Sachsen-Anhalt and Thüringen	Emilia-Romagna, Friuli-Venezia Giulia, Liguria, Lombardia, Piemonte, Provincia Autonoma di Bolzano, Provincia Autonoma di Trento, Valle d'Aosta and Veneto

Central Europe is highly heterogeneous in geographical terms (marked by coastal areas, mountain ranges, rural areas, large urban agglomerations etc.) as well as in economic and social terms (exposing the lingering east-west divide). The programme area has a large number of assets but also faces numerous challenges in various fields affecting regional development, which have all been thoroughly analysed before concentrating the programme on four strategic priorities. Results expected from the programme will directly contribute to reaching goals of the Europe 2020 strategy (EU 2020 strategy for smart, sustainable and inclusive growth).

An in depth analysis of the programme territory as well of its strengths and weaknesses is available in the Interreg CENTRAL EUROPE cooperation programme document (cf. sections 1.1.1.2 and 1.1.1.3), which can be downloaded from www.interreg-central.eu/application-documents

Figure 1 - Interreg CENTRAL EUROPE programme area





III. Strategic priorities and specific objectives

In direct response to the EU 2020 strategy for smart, sustainable and inclusive growth, the Interreg CENTRAL EUROPE Programme has formulated its overall programme objective as:

”Cooperating beyond borders in central Europe to make our cities and regions better places to live and work.”

More precisely, transnational cooperation in central Europe is the catalyst for implementing smart solutions answering to regional challenges in the fields of innovation, low-carbon economy, environment, culture and transport. It builds regional capacities following an integrated bottom-up approach involving and coordinating relevant actors from all governance levels.

In doing so, the programme will coordinate with other instruments for regional development in the area, including national and regional programmes supported by the European structural and investment funds (ESIF), macro-regional strategies, thematic EU programmes or the European Investment Bank (EIB).

The programme builds on four priorities of particular relevance to central Europe. These are further broken down to specific objectives and respond to the programme area’s challenges and needs or build on opportunities identified in the analysis included in the Interreg CENTRAL EUROPE cooperation programme document.

Projects to be funded have to address one of the specific objectives of the programme as formulated under each priority axis. They also have to meet a thematic focus for some of these objectives (see the call announcement and the overview table on the following pages). More information on the thematic scope of each specific objective including examples of supported actions is provided in annex I of this manual.

Figure 2 - Interreg CENTRAL EUROPE programme strategy, priority axes and specific objectives

CENTRAL EUROPE - Territorial needs

Cooperating beyond borders in CENTRAL EUROPE to make our cities and regions better places to live and work



PRIORITY AXIS 1

Cooperating on innovation to make CENTRAL EUROPE more competitive

Specific objective 1.1

To improve sustainable linkages among actors of the innovation systems for strengthening regional innovation capacity in central Europe

THEMATIC
FOCUS IN
THIRD CALL

Specific objective 1.2

To improve skills and entrepreneurial competences for advancing economic and social innovation in CENTRAL EUROPEAN regions

THEMATIC
FOCUS IN
THIRD CALL



PRIORITY AXIS 2

Cooperating on low carbon strategies in CENTRAL EUROPE

Specific objective 2.1

To develop and implement solutions for increasing energy efficiency and renewable energy usage in public infrastructures

THEMATIC
FOCUS IN
THIRD CALL

Specific objective 2.2

To improve territorially based low carbon energy planning strategies and policies supporting climate change mitigation

Specific objective 2.3

To improve capacities for mobility planning in functional urban areas to lower CO2 emissions

CLOSED IN
THIRD CALL



PRIORITY AXIS 3

Cooperating on natural and cultural resources for sustainable growth in CENTRAL EUROPE

Specific objective 3.1

To improve integrated environmental management capacities for the protection and sustainable use of natural heritage and resources

Specific objective 3.2

To improve capacities for the sustainable use of cultural heritage and resources

THEMATIC
FOCUS IN
THIRD CALL

Specific objective 3.3

To improve environmental management of functional urban areas to make them more liveable places



PRIORITY AXIS 4

Cooperating on transport to better connect CENTRAL EUROPE

Specific objective 4.1

To improve planning and coordination of regional passenger transport systems for better connections to national and European transport networks

Specific objective 4.2

To improve coordination among freight transport stakeholders for increasing multimodal environment-friendly freight solutions

Thematic focus of the third call - INNOVATION

PRIORITY AXIS (PA)	SPECIFIC OBJECTIVE (SO)	THEMATIC FOCUS
Cooperating on INNOVATION to make CENTRAL EUROPE more competitive	1.1 To improve sustainable linkages among actors of the innovation systems for strengthening regional innovation capacity in central Europe	<ul style="list-style-type: none"> > Bottom-up implementation of smart specialisation strategies (RIS3) in industrial sectors that are technology priority areas in central Europe ¹ • Triple and quadruple helix approaches to strengthen the participation of public and civil society actors (in particular RIS3 key actors) • Innovative practices such as open innovation and co-creation approaches involving e.g. the creative sector (<i>overlaps with SO 3.2 targeting cultural and creative industries have to be avoided</i>). • Actions for bringing innovation closer to the market such as financing mechanisms for market introduction and leverage of innovation
	1.2 To improve skills and entrepreneurial competences for advancing economic and social innovation in central European regions	<ul style="list-style-type: none"> > Social innovation and integration of disadvantaged groups and regions: <ul style="list-style-type: none"> • Bottom-up social innovation practices creating and strengthening support infrastructure, services and schemes (e.g. mentoring, community-owned initiatives, services of general interest) • Integration of migrants and other disadvantaged groups into society and the labour market • Innovation of social policies (e.g. tackling policy-related challenges, policy improvements and coordination) • Development of entrepreneurial competences for social entrepreneurship (including entrepreneurship of migrants) and entrepreneurship aiming to create positive social effects

¹ Energy and environment, Public health, medicine and life sciences, Agro- and bio-economy, Advanced materials and nanotechnology, Transport and mobility, Advanced manufacturing systems, ICT and electronics - see http://s3platform.jrc.ec.europa.eu/documents/20182/81824/S3-CE_160926_report.pdf/491bbef6-7610-4960-a74c-b58a57a-0c9f4. Projects are encouraged to address also multiple sectors under broader headings such as circular economy.

Thematic focus of the third call - LOW CARBON STRATEGIES

PRIORITY AXIS (PA)	SPECIFIC OBJECTIVE (SO)	THEMATIC FOCUS
Cooperating on LOW-CARBON strategies in CENTRAL EUROPE	2.1 To develop and implement solutions for increasing energy efficiency and renewable energy usage in public infrastructures	<ul style="list-style-type: none"> > Energy efficiency and renewable energy usage in public infrastructure other than public buildings and streetlights: <ul style="list-style-type: none"> • Transport infrastructure including railway, road, waterways, terminals etc. (<i>overlaps with Priority Axis 4 have to be avoided</i>) • Water infrastructure including distribution and maintenance of water supply • Waste and waste water infrastructure including collection and treatment • ICT infrastructure including data storage and distribution systems > Financing aspects of energy-efficient renovation, e.g. considering investment and operational costs or financial savings during the operation phase (exclusively related to above listed types of public infrastructure) > Integration of renewable energy sources (exclusively related to above listed types of public infrastructure)
	2.2 To improve territorially based low-carbon energy planning strategies and policies supporting climate change mitigation	<ul style="list-style-type: none"> > No thematic focus, all topics can be addressed as described in the Interreg CENTRAL EUROPE Cooperation Programme - Version 2.0 (available here)
	2.3 To improve capacities for mobility planning in functional urban areas to lower CO ₂ emissions	<ul style="list-style-type: none"> > Remains closed because topics are already sufficiently covered by projects. No project proposals can be submitted in this specific objective.

Thematic focus of the third call - NATURAL AND CULTURAL RESOURCES

PRIORITY AXIS (PA)	SPECIFIC OBJECTIVE (SO)	THEMATIC FOCUS
Cooperating on NATURAL AND CULTURAL RESOURCES for sustainable growth in CENTRAL EUROPE	3.1 To improve integrated environmental management capacities for the protection and sustainable use of natural heritage and resources	<ul style="list-style-type: none"> > No thematic focus, all topics can be addressed as described in the Interreg CENTRAL EUROPE Cooperation Programme - Version 2.0 (available here)
	3.2 To improve capacities for the sustainable use of cultural heritage and resources	<ul style="list-style-type: none"> > Cultural and creative industries (CCI) including: <ul style="list-style-type: none"> • CCI entrepreneurship • CCI policies • Cross-sectorial cooperation and linkages of CCI to other sectors or innovative technologies
	3.3 To improve environmental management of functional urban areas to make them more liveable places	<ul style="list-style-type: none"> > No thematic focus, all topics can be addressed as described in the Interreg CENTRAL EUROPE Cooperation Programme - Version 2.0 (available here)

Thematic focus of the third call - TRANSPORT

PRIORITY AXIS (PA)	SPECIFIC OBJECTIVE (SO)	THEMATIC FOCUS
Cooperating on TRANSPORT to better connect CENTRAL EUROPE	4.1 To improve planning and coordination of regional passenger transport system for better connections to national and European transport networks	> No thematic focus , all topics can be addressed as described in the Interreg CENTRAL EUROPE Cooperation Programme - Version 2.0 (available here)
	4.2 To improve coordination among freight transport stakeholders for increasing multi-modal environmentally-friendly freight solutions	> No thematic focus , all topics can be addressed as described in the Interreg CENTRAL EUROPE Cooperation Programme - Version 2.0 (available here)

TIP More detailed information on the priority axes and specific objectives of the programme can be found in the Interreg CENTRAL EUROPE Cooperation Programme document (section 2 and annex I), available on www.interreg-central.eu/discover as well as in annex I of this application manual, Annex I of the application manual also contains further information on the thematic focus of the third call (including examples of actions for the concerned specific objectives). Additional information on the programme intervention logic and types/examples of outputs is provided in annexes II and III.

Actions focusing on policy-learning and implementation-oriented approaches at the transnational level will be supported across all specific objectives applicable to this call. More concretely, these will include the development and implementation of strategies and action plans, the development, testing and implementation of tools, the preparation of larger investment, the implementation of pilot actions - including pilot investments - as well as capacity building measures including training.

IV. Programme budget and budget for the third call

The Interreg CENTRAL EUROPE Programme is financed by the European Regional Development Fund (ERDF) supplemented by match funding from projects (national counterpart). The ERDF contribution to the programme amounts to around EUR 246,6 million ERDF, out of which around EUR 231 million ERDF are available for projects.

The overall programme budget including also the national counterpart amounts to around EUR 299 million.

The programme budget allocation according to priority axes is provided in the table below.

Table 2 - Funds per priority axis

	ERDF budget (EUR)	National (public and private) counterpart (EUR)	Total budget (EUR)	%
PRIORITY AXIS 1: Cooperating on innovation to make CENTRAL EUROPE more competitive	69.042.711	14.141.278	83.183.989	28%
PRIORITY AXIS 2: Cooperating on low- carbon strategies in CENTRAL EUROPE	44.384.600	9.090.822	53.475.422	18%
PRIORITY AXIS 3: Cooperating on natural and cultural resources for sustainable growth in CENTRAL EUROPE	88.769.200	18.181.643	106.950.843	36%
PRIORITY AXIS 4: Cooperating on transport to better connect CENTRAL EUROPE	29.589.733	6.060.548	35.650.281	12%
PRIORITY AXIS 5²: Technical assistance	14.794.868	4.931.623	19.726.491	6%
TOTAL	246.581.112	52.405.914	298.987.026	100%

² Priority axis 5 (technical assistance) is devoted to the functioning and management of the programme. Funds under this priority axis are not available to projects.

The ERDF co-financing rate varies according to the Members States from which project partners are coming, as presented in the following table.

Table 3 - ERDF Co-financing rates

Maximum ERDF co-financing rate	80 %	85 %	80 %
Member State	Austria, Germany, Italy	Croatia, Czech Republic, Hungary, Poland, Slovakia, Slovenia	Others ³

The budget allocated to the third call for proposals is of **around 60m EUR ERDF**. An indicative ERDF allocation to the four programme priority axes is presented in the following table. When deciding for project funding, such allocation may be adapted by the Monitoring Committee according to programme needs.

PRIORITY AXIS	INDICATIVE ERDF ALLOCATION (m EUR)
PRIORITY 1 Cooperating on innovation to make CENTRAL EUROPE more competitive	20
PRIORITY 2 Cooperating on low-carbon strategies in CENTRAL EUROPE	10
PRIORITY 3 Cooperating on natural and cultural resources for sustainable growth in CENTRAL EUROPE	20
PRIORITY 4 Cooperating on transport to better connect CENTRAL EUROPE	10
TOTAL	60

³ For further information on the participation of partners from other countries outside the Interreg CENTRAL EUROPE programme area, please refer to Part B, chapter II.1.2 Partnership requirements and location of partners.



V. Legal framework and programme related documents

The relevant documents listed below or web links to these (non-exhaustive list) are available either on <http://eur-lex.europa.eu/homepage.html> (regulations and other legal acts) or on the Interreg CENTRAL EUROPE website <http://www.interreg-central.eu/application-documents>.

Relevant programme documents

- Interreg CENTRAL EUROPE Cooperation Programme document (version 2).

European Structural and Investment Funds 2014-2020: Key regulations

- Common provisions regulation (CPR)
Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006
- ERDF Regulation
Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006
- ETC Regulation
Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal
- EGTC Regulation
Regulation (EU) No 1302/2013 of the European Parliament and of the Council of 17 December 2013 amending Regulation (EC) No 1082/2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and functioning of such groupings

Strategic framework

- EUROPE 2020: A European strategy for smart, sustainable and inclusive growth, Communication from the Commission, COM(2010) 2020 final
- Territorial Agenda of the European Union 2020: Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions, Gödöllő, May 2011
- Sixth Report on Economic, Social and Territorial Cohesion: Investment for jobs and growth. Promoting development and good governance in EU regions and cities, European Commission, July 2014

Macro-regional strategies

- European Union Strategy for the Danube Region, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - COM(2010) 715 final
- European Union Strategy for the Baltic Sea Region, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2009) 248 final
- European Union Strategy for the Adriatic and Ionian Region, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2014) 357 final
- European Union Strategy for the Alpine Region, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2015) 366 final
- Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the implementation of EU macro-regional strategies (COM(2016) 805 final) and the accompanying Commission Staff Working Document (SWD(2016) 443 final)

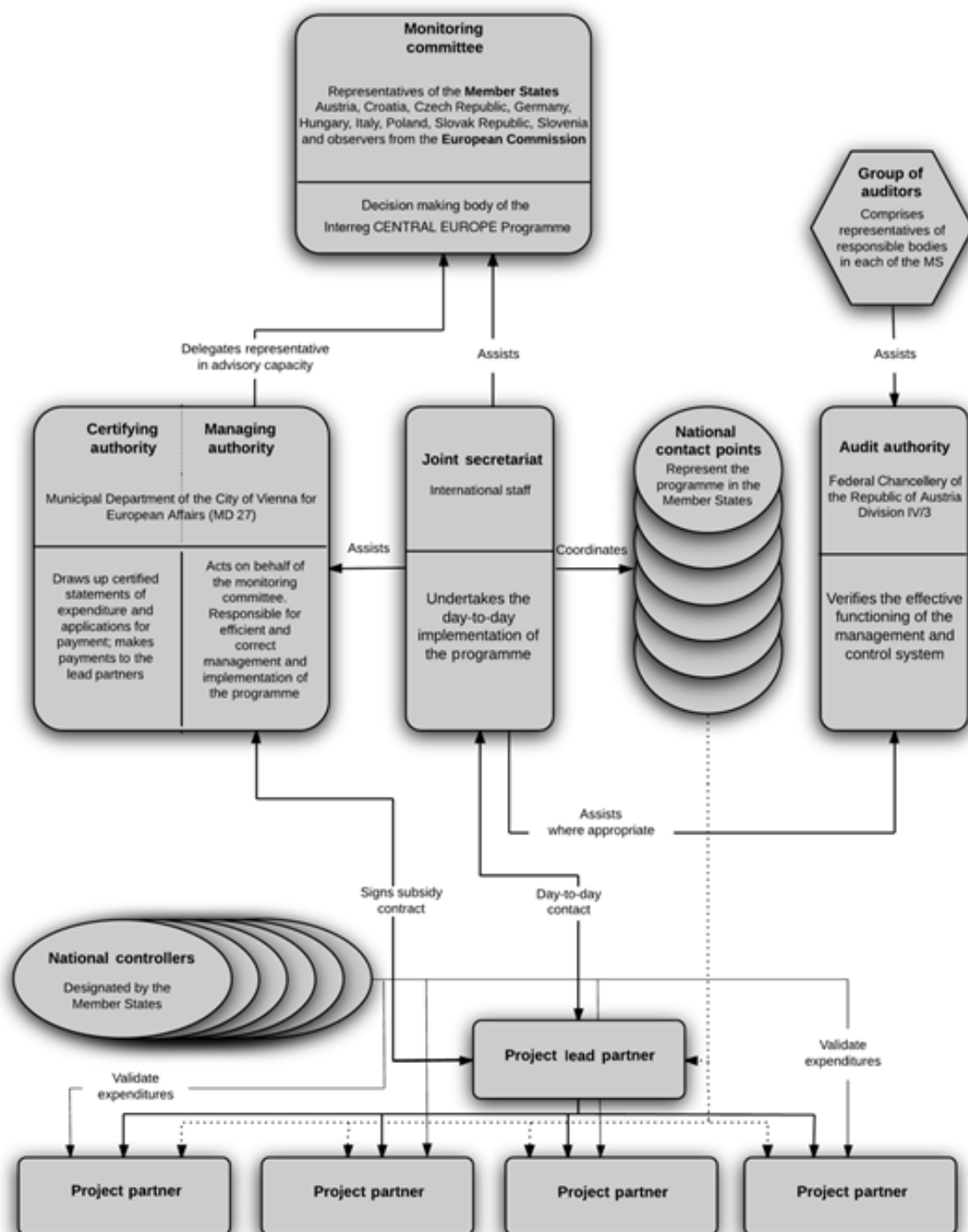
Other programme documents and relevant information

- CENTRAL EUROPE Programme: Results of the regional analysis (document analysis, online survey, interviews, SWOT), ÖIR/ IGSO PAS, September 2012
- Interreg CENTRAL EUROPE Programme Communication Strategy, September 2015
- Thematic studies analysing results of CENTRAL EUROPE projects 2007-2013 (Innovation, transport, environment, energy, demographic change, cultural heritage), 2013/2014.
- CENTRAL EUROPE 2007-2013 Portraits (Innovation, transport, environment, energy, demographic change, cultural heritage), June 2014,
<http://www.interreg-central.eu/discover>
- CENTRAL EUROPE 2007-2013 project output library, available at
<http://www.central2013.eu/documents-2007-2013/output-library>
- CENTRAL EUROPE 2007-2013 approved projects, available at
<http://www.central2013.eu/nc/projects-2007-2013/approved-projects/>

VI. Management structure

The Member States participating in the Interreg CENTRAL EUROPE Programme have established a shared management system to manage, coordinate and supervise the implementation of the programme (as illustrated in figure 3).

Figure 3 - Programme management structure



Monitoring committee

The monitoring committee steers the programme and ensures the quality and effectiveness of its implementation and approves projects for funding. It is composed of representatives of the Member States of the programme. The list of the monitoring committee members is available on the programme website.

Managing authority (with additional functions of certifying authority)

The managing authority is responsible for the management and implementation of the programme in accordance with the principle of sound financial management and in line with EU regulations ruling the ERDF funds. The managing authority will also carry out the functions of the certifying authority, i.e. certifying statement of expenditure and applications for payment before they are sent to the Commission. It is also responsible for ERDF payments to project lead partners.

Audit authority and group of auditors

The main task of the audit authority is to ensure that audits are carried out on the management and control systems of appropriate sample of projects and on the annual accounts according to internationally accepted audit standards in order to verify the expenditures declared. Audits on projects will be spread during the entire programme lifetime. In line with Article 25(2) of the ETC regulation, the audit authority will be assisted by a group of auditors comprising of representatives of responsible bodies of each Member State participating in the programme.

Joint secretariat

The joint secretariat assists the managing authority and the monitoring committee in carrying out their respective functions and undertakes the day-to-day implementation of the programme. It also provides guidance to project applicants and partners.

Network of national contact points

Member States participating in the Interreg CENTRAL EUROPE Programme have established national contact points representing the programme on national, regional and local level. In cooperation with the joint secretariat, the network of contact points provides information to potential applicants, advises and assists project partners, informs stakeholders on achievements of the programme and supports the national and transnational programme management.

Contact details of the national contact points are provided at
<http://www.interreg-central.eu/contacts>

National controllers

In line with Article 125(4) and 125(5) of the CPR as well as Article 23(4) of the ETC Regulation, each Member State has set up a control system making it possible to verify the delivery of the products and services co-financed, the soundness of the expenditure declared and the compliance of such expenditure with EU rules, programme rules and national rules.

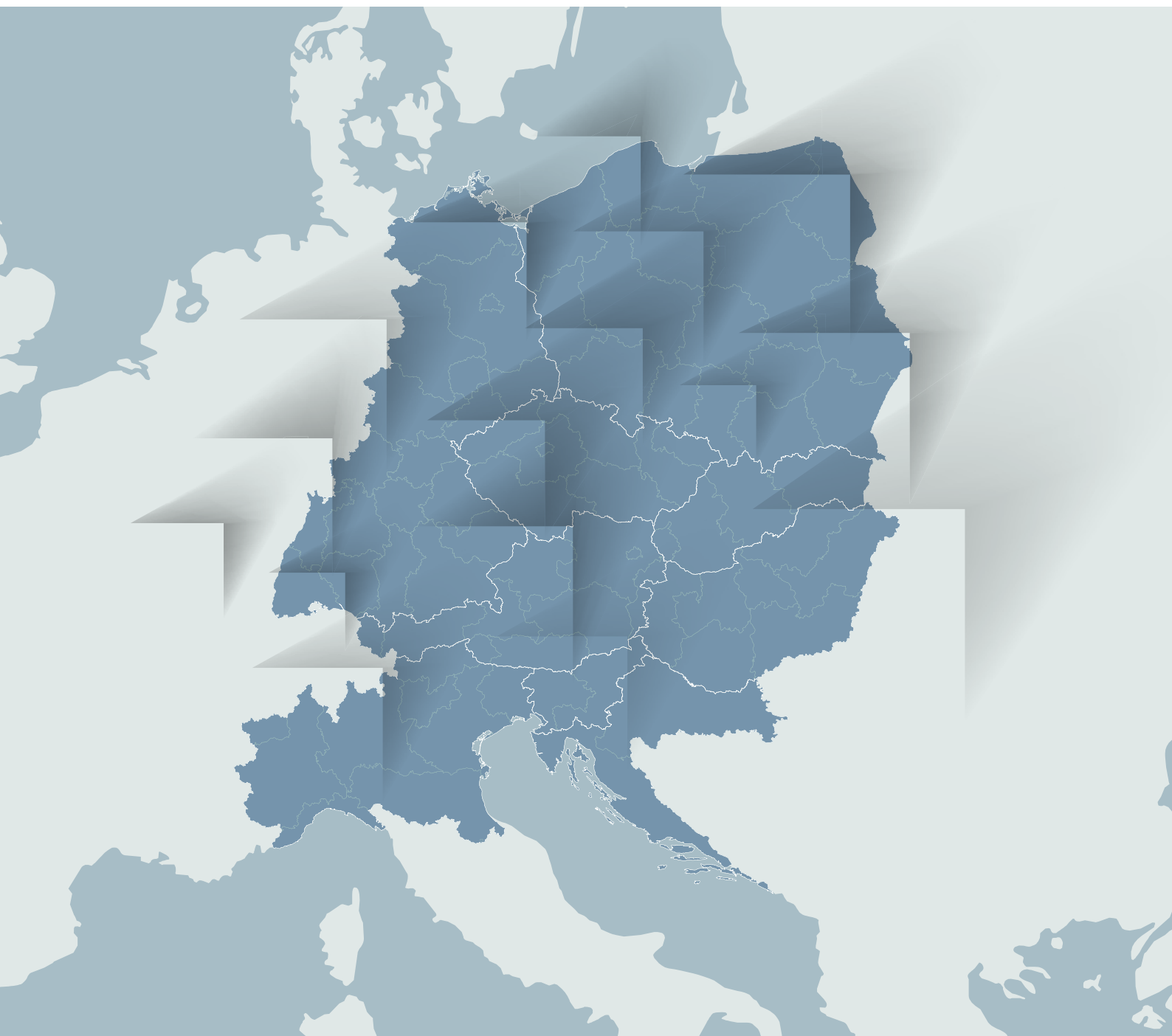
For this purpose, each Member State has designated controllers that are responsible for verifying the legality and regularity of the expenditure declared by each lead and project partner participating in a project located on its territory.

For detailed information on the control requirements in your country, please visit <http://www.interreg-central.eu/national-information>

APPLICATION MANUAL

Third Call

Version 1
September 2017



Content

I. Interreg CENTRAL EUROPE key principles	3
I.1. Result-orientation	3
I.2. Transnational and territorial relevance	4
I.3. Partnership relevance.....	5
I.4. Sustainability	6
I.5. Innovation	6
I.6. Horizontal principles.....	7
II. Basic project requirements	9
II.1. Partnership.....	9
II.1.1 Definition of partners.....	9
II.1.2 Partnership requirements and location of partners	11
II.1.3 Lead partner principle and requirements	13
II.1.4 Associated partners.....	14
II.2. Location of activities.....	15
II.3. Types of activities supported by the programme.....	16
II.4. Project size and funding	20
II.5. Duration	20
II.6. Co-financing	20
II.7. Financial requirements.....	21
II.7.1 Hierarchy of rules on eligibility	21
II.7.2 General eligibility requirements	22
II.7.3 Budget lines specification.....	24
II.7.4 Preparation costs.....	31
II.7.5 Revenues	32
II.7.6 Conversion into Euro.....	33
II.7.7 Other financial requirements.....	33

TIP

The Interreg CENTRAL EUROPE Programme fosters changes within the wider programme area, going beyond the regions involved in a project.

I. Interreg CENTRAL EUROPE key principles

I.1. Result-orientation

Programme intervention logic

The European Union requires programmes of the 2014-2020 funding period to set in place a **result-oriented** intervention logic demonstrating their clear contribution to the objectives of the Europe 2020 strategy and to the achievement of economic, social and territorial cohesion.

Programmes are to fund projects which demonstrate the translation of outputs arising from “soft” actions (surveys, studies, etc.) into concrete, visible and sustainable results. Those have to lead to a change (improvement) of the initial situation.

The intervention logic of the Interreg CENTRAL EUROPE Programme consists of four priority axes which are broken down into 10 programme specific objectives. For each **specific objective** main **expected results** are defined, which reflect changes that the programme seeks to achieve for the entire programme area through the implementation of projects. Results and related changes are measured through result indicators linked to each programme specific objective.

Outputs are the direct products of supported projects (measured by output indicators), which in turn contribute to results (see part D of this manual: chapters IV.2.3.2 on project focus and IV.2.4.2 on work package description as well as annex III).

An outline of the priority axes and the programme specific objectives is provided in part A, chapter III on strategic priorities and programme specific objectives as well as in annex I.

A visualisation of the full programme intervention logic including examples of actions and the linked result and output indicators as well as target groups per priority axis is provided as annex II of this manual.

Project intervention logic

Projects have to strictly apply a result oriented approach, clearly defining the results (i.e. changes) the project is striving for and linking them with the territorial challenges and needs (see also part C, chapter III on developing the project intervention logic and part D, chapter IV.2.3.2 on project focus).

The coherence of the project intervention logic (i.e. the project specific objectives, activities, outputs and expected results) with the targeted specific objective of the programme (if applicable, considering its thematic focus as defined for the third call) is a pre-condition for a project to be funded (see also the links between the programme and project intervention logic as presented in figure 1 below).

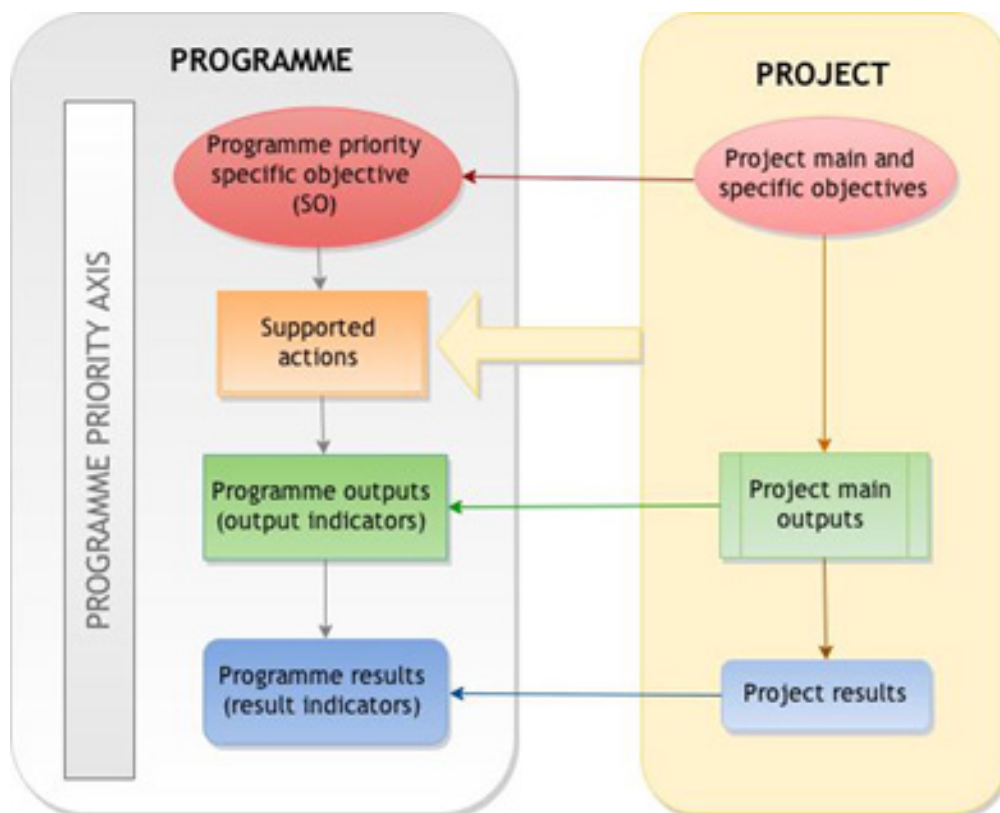
Projects not showing a clear link to a programme specific objective and, if applicable to the respective thematic focus of the third call, and/or not contributing to the respective expected programme result will not be supported by the Interreg CENTRAL EUROPE Programme.

TIP

Projects require a clear result-oriented approach contributing the attainment of a specific objective of the Interreg CENTRAL EUROPE Programme:

- Project objectives have to clearly target one single programme specific objective within the chosen priority axis.
- If applicable, project objectives have to comply with the thematic focus of the selected specific objective.
- The contribution of the project to the respective programme result (and the related result indicator) has to be clearly demonstrated.
- Project activities and outputs have to be logically linked to the targeted programme specific objective.

Figure 1 - Links between the programme and project intervention logic



TIP

The transnational co-operation character and territorial relevance has to be clearly demonstrated throughout the entire project (including the project approach and work plan).

I.2. Transnational and territorial relevance

Transnational and territorial relevance is one of the key quality requirements for a project to be funded. Each project has to clearly contribute to the chosen programme specific objective, addressing development needs and territorial challenges that are shared across the regions participating in the project. This means:

- The problems identified cannot be solved efficiently by individual regions or countries acting alone. This could be either:
 - An issue affecting a clearly defined transnational geographical area across national and regional borders (e.g., river basins, transport corridors etc.), or
 - A common issue of interest for which transnational cooperation leads to more innovative and efficient solutions.
- Solutions are jointly developed by organisations in different Member States working together in a project, thereby showing a clear transnational added value going beyond the mere addition of results independently achievable in the involved regions.
- Projects have to demonstrate an integrated approach to regional development by combining thematic and territorial dimensions.
- Project outputs should be embedded in a transnational working approach.
- All partners have to actively participate in the project according to their functions and competences, in order to achieve the joint project results.

Projects **are not considered transnational** if they just consist of a series of local actions which are linked only through a vague thematic relationship and/or an ex-post exchange of experience among partners without any joint implementation.

Projects that do not address an issue of transnational relevance or covering only issues fundable by regional/national or cross-border programmes will not be supported by the Interreg CENTRAL EUROPE Programme. Additionally, project proposals fundable under other European Structural and Investment Funds or other Union instruments (e.g. Horizon 2020, COSME, LIFE, Connecting Europe Facility) will not be supported by the Interreg CENTRAL EUROPE Programme.

I.3. Partnership relevance

In order to achieve tangible and sustainable project results, it is essential to involve partners who are most relevant and competent for the development, implementation, communication as well as capitalisation of the planned outputs and results. In this respect, for setting up a relevant partnership the thematic competence and expertise as well as the geographical and institutional relevance and capacity have to be considered. Depending on the goals of the project this can imply the involvement of different governance levels (national, regional and local authorities) as well as other players such as research institutions, intermediate bodies, agencies, enterprises and many others.

The partnership should reflect the integrated territorial approach to regional development to be set in place by the project, which requires multi-disciplinary and cross-sectoral partnerships.

All partners have to be involved in a way that demonstrates the joint implementation and transnational added value of the project.

TIP

Partners with relevant competences (thematic expertise, territorial relevance, institutional capacity etc.) for reaching the planned project objectives and results should be included in the partnership. In particular, the partnership should dispose of the necessary institutional capacities for implementing/adopting the developed outputs and results in order to ensure their sustainability.

TIP

The sustainability of project outputs and results (financial, institutional and political) has to be ensured. Sustainability has to be considered already when designing the project and setting up the partnership and the necessary activities should be integrated in the work plan (e.g. involvement of decision makers, preparation of political decisions, financing models etc.).

I.4. Sustainability

Sustainability of project outputs and results is crucial for ensuring territorial impact and long-term benefits which continue after the project end in order to reach the project's main objective.

Therefore, projects have to ensure that outputs obtained and results achieved are durable and suitable to be continued after project closure. This may include follow-up activities, uptake to the policy level, ownership, financing through other initiatives or funds, leverage of investments, etc.

Projects need to adopt from the beginning a longer-term, strategic perspective that leads to the desired results for the target groups over an extended time frame. In order to achieve such long-term benefits, it is essential to consider needs of key stakeholders as well as the institutional context already when designing the project. In particular, key stakeholders should be actively involved from the early stages of the project development.

A distinction between the following three dimensions of sustainability should be made:

- Financial sustainability (financing of follow-up activities and investments, leverage of funds, resources for covering future operating and maintenance costs, etc.)
- Institutional sustainability („ownership“ of project outputs and results - which structures will allow the results of the project to continue to be in place after the project end? And how?)
- Political sustainability (what structural impact will the project have? - e.g. will it lead to improved policies, legislation, plans, codes of conduct, methods, etc.?)

TIP

Projects supported in all programme priority axes need to demonstrate that they adopt an innovative approach to tackle the territorial challenges of central Europe. The „innovativeness“ of a project, which is a key aspect for being successful, is to be understood as the extent to which novel or innovative solutions are developed, tested and/or implemented.

Applicants should clearly describe how planned solutions and expected results go beyond the state of the art in the sector and/or the participating regions.

I.5. Innovativeness

Innovation is considered as one of the most important driving forces for regional development and economic wealth. It can be described as a process through which knowledge is created and translated into new products, services or processes of the private and the public sector. Innovation is conceived in a variety of contexts, such as technology, economy, social systems, policy development etc. and can be process-oriented, goal-oriented or context-oriented.

All projects supported by the Interreg CENTRAL EUROPE Programme have to apply novel or innovative approaches going beyond the state of art in the sector and/or the concerned regions and which also can be transferred beyond the partnership. Innovation can cover for example, technological, social, process or eco-innovation.

Innovative approaches may result from e.g. the testing and demonstration of novel solutions within different (regional) contexts, experimental piloting of new methods or tools with a view to their future mainstreaming and/or their policy integration as well as from capitalising on previously acquired knowledge etc. An important aspect in this regards is the involvement of relevant actors in the partnership and during project implementation in order to ensure availability of the relevant knowledge and expertise.

Applicants should be aware of recent developments and results achieved in the sector or field concerned and builds on these. It is therefore recommended that, before developing a project idea, applicants check if thematically similar projects have already been implemented or are currently supported, either by the Interreg CENTRAL EUROPE Programme, other Interreg programmes or other instruments. If applicable, applicants should make sure that their

projects and expected achievements will clearly build on previous results and demonstrate the added-value compared to these past or on-going initiatives.

The programme will not support basic research projects or purely academic networking.

I.6. Horizontal principles

Horizontal principles must be integrated throughout the programme and in all projects. Every project approved by the Interreg CENTRAL EUROPE Programme is required to contribute to the following horizontal principles.

Environment protection and sustainable development

All projects supported by the programme have to respect the relevant policies and rules regarding environment protection and sustainable development.

Project applicants have to describe the **contribution to sustainable development**, explaining how the sustainable development principles are anchored within the project design and planned activities.

Further, applicants have to specify which **possible environmental effects** (positive, neutral or negative) the project will likely have considering the following aspects: water, soil, air and climate, population and human health, fauna, flora and biodiversity, cultural heritage and landscape. This is of particular relevance in case of pilot investments.

Projects submitted under any priority axis are strongly encouraged to incorporate activities for tackling environmental concerns and **reducing their environmental and carbon footprint**, for example by:

- Including environmental criteria in procurement procedures
- Giving preference to environmentally-friendly mobility options (in particular for short travel distances)
- Considering online meetings instead of face-to-face meetings where possible
- Organising conferences and events in a sustainable way (e.g. by combining different meetings in one place, reducing printing and using recyclable materials, using video conference facilities, etc.)
- Considering resource efficiency and the use of renewable energy at all levels
- Making use of regional supply chains (reducing supply chain length and CO₂ emissions)

Equal opportunities and non-discrimination

Projects have to ensure that the activities implemented are in line with the principle of equal opportunities and do not generate discrimination of any kind (sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation).

Applicants have to describe how the equal opportunity and non-discrimination principle is anchored within the project design and planned activities.

Besides actions of projects which explicitly address the reduction of disparities, all projects submitted under any priority axis are encouraged to incorporate measures for promoting equal opportunities and preventing any discrimination, for example by actively tackling concerns of demographic change and inequality. Projects are also encouraged to **integrate the principle of barrier-free accessibility** at all levels, with a special focus on physical investments.

Equality between men and women

Projects have to ensure that the activities implemented are in line with the principle of equality between men and women and do not generate discrimination of any kind.

Applicants have to describe how the equality principle is anchored in the project design and planned activities.

Projects submitted under any priority axis are encouraged to incorporate measures for integrating the gender perspective, for example by actively promoting gender mainstreaming.

TIP

In the framework of the Interreg CENTRAL EUROPE Programme, the so-called “public equivalent bodies”, i.e. bodies governed by public law as defined in Article 2(1) of Directive 2014/24/EU on public procurement are eligible partners under category a. “national, regional and local public bodies”. Please note that such bodies have to fulfil all the following characteristics in order to be considered as eligible partners:

1. They are established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;
2. They have legal personality; and
3. They are financed, for the most part, by the State, regional or local authorities, or by other bodies governed by public law; or are subject to management supervision by those authorities or bodies; or have an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law.

II. Basic project requirements

II.1. Partnership

II.1.1 Definition of partners

Partners participating in projects and receiving funding from the Interreg CENTRAL EUROPE Programme shall be the following:

- a. National, regional and local public bodies (including EGTCs in the meaning of Article 2(16) of Regulation (EU) No 1303/2013);
- b. Private institutions, including private companies, having legal personality;
- c. International organisations acting under the national law of any CENTRAL EUROPE Member State or, with restrictions, under international law (see below for details)¹.

Partners should bear in mind that the absence of advance payments and the time gap between incurring the expenditure and having it reimbursed may lead to cash-flow problems. This might be particularly relevant for private institutions.

Private institutions acting as lead partners must comply with minimum criteria of financial capacity, as described in part D, chapter V.2.b.

ATTENTION

Please note that bodies whose main scope of activities within their business profile, as well as their project role, consists of project coordination, management, communication, knowledge management or other activities that are of a mere executive or supporting character (service providers) cannot be involved as project partners. Compliance with this requirement will be checked during the quality assessment of project proposals which, on a case by case basis, could lead even to the exclusion of such partners.

¹ It is to be noted that international organisations acting under the national law of Member States outside of the Interreg CENTRAL EUROPE programme area are not eligible.

International organisations acting under international law can participate in projects only upon their explicit acceptance of all requirements deriving from the Treaty² and the regulations applicable in the framework of the Interreg CENTRAL EUROPE Programme, including - but not limited to - the following:

- Adherence to applicable community policies, including the respect of rules on public procurement;
- Acceptance of the national control requirements set in the framework of the Interreg CENTRAL EUROPE Programme by the Member State in which the organisation acting as partner is located;
- Acceptance of controls and audits by all those bodies entitled to carry out such controls in the framework of the Interreg CENTRAL EUROPE Programme, including the managing authority and joint secretariat, the audit authority and the European Court of Auditors as well as the relevant national authorities of the Member State in which the international organisation acting as project partner is located. Storage of all documents required for these controls must allow performing them in the geographical area covered by the Interreg CENTRAL EUROPE Programme;
- Final financial liability for all sums wrongly paid out.

A project proposal involving international organisations acting under international law in the partnership must include an ad-hoc declaration to be signed by these institutions. For reasons of legal security additional legal information or the signature of direct bilateral agreements between the MA and these institutions may be requested prior to granting the funds.

² Treaty for the Functioning of the European Union (TFEU), available on <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12012E/TXT>.

TIP

The size of the partnership should reflect the scope of the project and remain manageable. Therefore, the recommended **maximum** size of a partnership should not exceed 12 partners. Larger partnerships are possible but need to be duly justified according to the specific project scope.

II.1.2 Partnership requirements and location of partners

Size of the partnership

As a minimum requirement the partnership must involve:

- at least **three financing partners**
- from at least **three countries** and
- with at least **two of the partners located in Interreg CENTRAL EUROPE regions**.

Geographical location of partners

As a basic principle, the Interreg CENTRAL EUROPE Programme supports cooperation between project partners located in the programme area. In case of an EGTC, its geographical location is in the country where it is registered.

Partners outside the programme area can exceptionally participate if any of the conditions below apply:

■ Assimilated partners:

German and/or Italian national public authorities/bodies located outside the programme area which:

- ☐ Are competent in their scope of action for certain parts of the eligible area (e.g. ministries);
- ☐ Carry out activities which are for the benefit of the regions in the programme area.

■ EU partners outside the CENTRAL EUROPE programme area³ (20 % geographical flexibility rule):

Organisations located outside the programme area but inside the European Union can become project partners (co-financed by the ERDF) **only in exceptional and duly justified cases**. This means that their participation needs to bring clear added value and expertise to the implementation of a project and has to be of benefit for the CENTRAL EUROPE programme area. The ERDF allocated to a single project for such partners together with the ERDF spent outside the programme area (as provided for in chapter II.2) cannot exceed 20 % of the **total ERDF contribution** to this project.

Institutions located in EU regions outside the programme area can only act as project partners. Lead partners must compulsorily be located in the programme area or meet the requirements of "assimilated partners" as mentioned above. Participation of EU partners in project proposals is open to all EU regions, under all four priority axes and irrespective of the legal status of the partners. Nevertheless, should the activities to be carried out by partners located in EU regions outside the programme area be considered as **State aid relevant**, the participation of these partners will finally not be allowed due to the impossibility for the programme monitoring committee to validate the result of the State aid assessment on behalf of a Member State not participating in the programme.

Furthermore, the correctness of the legal status declared by institutions located in EU regions outside the programme area when submitting the proposal is to be confirmed by competent national authorities of the respective Member States outside the programme area. It is a duty of the applicants located in EU regions outside the programme area to obtain the legal status confirmation by their competent national authorities, however the MA/JS will support the process to the possible extent.

³ For provisions on the implementation of project activities in regions outside the programme area, please refer to chapter II.2.

ATTENTION

In the case that this confirmation is not obtained within the timeframe set in part D, chapter V.1, the concerned applicant will be excluded from the project and the lead partner must initiate a partnership modification procedure as described in chapter D.3 of the implementation manual. For further information on the procedure for obtaining the required confirmation please refer to part D, chapter V.1

Please also note that, in case of project approval, the effective participation of partners from EU regions outside the programme area⁴ is subject to the condition that the Member States where they are located sign an agreement with the managing authority on the acceptance of all management, control and audit responsibilities as well as of liabilities in case of irregularities. The agreement shall be accompanied by a description of the national control system for the verification of expenditure incurred and paid by beneficiaries located in such Member States. The MA/JS will contact the relevant national authorities immediately after the MC decision for funding of projects which involve partners located in EU regions outside the programme area.

ATTENTION

If the responsible national institution of the Member State outside the cooperation area does not provide the signed agreement and the respective description of the national control system within 12 months from the date of the relevant MC decision for funding, the partner organisation concerned shall be excluded from the project. In this case, the lead partner must initiate a partnership modification procedure as described in chapter D.3 of the implementation manual.

- **Third country partners:** Participation in projects is open to institutions coming from any third country. However, partners from non-EU countries will not receive ERDF funding from the Interreg CENTRAL EUROPE Programme but could act as associated partners (see chapter II.1.4 in this regard).

⁴ With the exception of partners located in regions of Germany and Italy outside the programme area as well as in Belgium (Region Flanders and Region Brussels Capital), since the relevant national authorities already accepted the necessary conditions for programme implementation, management and control.

II.1.3 Lead partner principle and requirements

The “lead partner principle” applies to the Interreg CENTRAL EUROPE Programme, in compliance with Article 13 of Regulation (EU) 1299/2013. This means that each partnership appoints one organisation to act as lead partner. The lead partner takes full financial and legal responsibility for the implementation of the entire project.

Lead partner organisations can be public bodies, private institutions (including private companies) having legal personality, or international organisations acting under national law. On the contrary, international organisations acting under international law are only eligible as partners and they cannot act as lead partners. The lead partner must be located in the programme area or meet the requirements of “assimilated partners” (see previous [chapter II.1.2](#)).

After approval of a project by the monitoring committee, the lead partner will sign a subsidy contract with the managing authority (City of Vienna, Austria) and kick-off the project implementation. **The project shall start its implementation within two months from the date of signature of the subsidy contract.** During the implementation phase, the main task of the lead partner is the coordination of the project ensuring sound financial and project management. In addition, the lead partner should maintain a good communication flow among the partnership and ensure an efficient exchange of information that enables the successful delivery of the project outputs. The lead partner is also responsible for communication with the programme bodies, especially the managing authority and the joint secretariat.

The responsibilities of the lead partner are defined in the subsidy contract. The lead partner has to lay down the arrangements with all other partners in a written agreement (partnership agreement). The models of subsidy contract and partnership agreement are available on www.interreg-central.eu/implementation-documents.

ATTENTION

Private lead applicants have to comply with obligatory financial capacity requirements detailed in [part D, chapter V.1](#). Proposals submitted by private lead applicants not meeting the necessary financial capacity criteria will be rejected. Private lead applicants should therefore carefully check their ability to fulfil the applicable financial capacity criteria before submitting their application.

Before signing the subsidy contract private lead partners will be asked to provide a valid financial guarantee, issued by a primary financial institution (bank, insurance)(see [part D chapter V.4](#)). A document setting the requirements of the financial guarantee set in place by the private lead partner is available on www.interreg-central.eu/application-documents

TIP

Please note that it is not mandatory to define associated partners. Relevant institutions can be also involved as external stakeholders or target groups. In any case, the required competences and capacities for implementing the project need to be covered by the financing partners (i.e. lead partner and project partners).

II.1.4 Associated partners

Institutions which are interested in the envisaged project results and willing to directly participate in the project but without financially contributing to it, could be involved as associated partners.

Associated partners belong to the key stakeholders which are relevant to be involved in the project for planning, developing and sustaining outputs and results. In other words, associated partners should be directly contributing and ensuring the ownership and mainstreaming of project results and/or generating multiplier and leverage effects according to a participatory approach.

Associated partners have to bring a clear added value to the project and help reaching the project results.

The purpose and way of their involvement as well as their role during project implementation and should be well defined in the work plan (involvement of target groups and sustainability/transferability - see part D chapter IV.2.4.2).

II.2. Location of activities

In line with the requirements for the geographical location of partners, and as a basic principle, the Interreg CENTRAL EUROPE Programme supports project activities taking place in the programme area.

This principle applies both to lead partners and partners located in the programme area as well as German and Italian “assimilated partners” (as defined in chapter II.1.2). For the latter, core thematic activities must be implemented in the regions of the programme area, with the exception of the necessary management activities.

All other activities implemented by the lead partners and partners of the CENTRAL EUROPE programme area in EU regions outside the programme area or in third countries - including the participation in missions, study visits and events - can be accepted only in exceptional and duly justified cases. The following requirements must be respected:

- They are for the benefit of the regions of the programme area;
- They are essential for the implementation of the project;
- They are explicitly foreseen in the application form or, if not, have been previously authorised by the MA/JS.

Costs related to such activities must be incurred by a lead partner, a partner located in the programme area or an assimilated partner. Please note that provisions in this chapter do not have to be confused with those concerning institutions located in EU regions outside the programme area participating in projects under the geographical flexibility rule for partnerships. For these specific provisions are defined in chapter II.1.2.

II.3. Types of activities supported by the programme

The Interreg CENTRAL EUROPE Programme supports project activities which put emphasis on policy support and/or practical implementation of explorative and/or pilot activities. Within a single project both types of activities (policy support and practical implementation) can be combined. However, projects can also set a specific focus (i.e. pure policy support or implementation).

In any case, projects should also foresee capitalisation and communication activities (i.e. making the results available and transfer them to a wider audience) in order to roll-out and mainstream the achieved results.

The types of activities are linked with the typology of outputs as applied by the programme which is further described in part D, chapter IV.2.4.2 and annex III (including examples of outputs per priority axis and programme specific objective).

Policy support related activities

Activities related to policy support should consider the development, effectiveness and coherence of policies of a certain thematic sector in the countries and regions concerned by the project. This should activate a mutual learning process among the project partners, with the aim to create new policies and/or improve existing ones leading to their concrete adoption and/or implementation. Respective activities could include analytical and research tasks as well as **strategy and action plan development** in the relevant thematic fields.

EXAMPLE *Project activities could consolidate knowledge and experience of various cities leading to the preparation and implementation of climate change mitigation plans for urban areas. This could result in cooperation agreements of concerned authorities and other stakeholders.*

Implementation-oriented activities

Implementation-oriented activities should focus on the practical implementation of knowledge and jointly (transnationally) developed **novel approaches/tools** in a certain thematic sector. They can be physical or technical objects, but also methods, concepts or services, e.g. analytical tools, management tools, technical tools, software tools, monitoring tools, decision support tools etc. To be effective, tools have to be tailored to user needs and the respective framework conditions and should be deployed within the frame of the project and used by a larger number of institutions.



The development of tools can be followed by their practical implementation through **pilot actions**. A pilot action should have the following characteristics:

- Experimental or demonstration character, i.e. testing, evaluating and/or demonstrating the feasibility and effectiveness of a scheme (e.g. services, tools, methods or approaches). Therefore, it covers either the testing of innovative solutions or demonstrating the application of existing solutions to a certain territory/sector. In case a project foresees several pilot actions, they should differ from each other in order to maximise the mutual learning of the whole partnership.
- Limited in its scope (area, duration, scale etc.) being unprecedented in a comparable environment.
- Results and practices of pilot actions should be jointly evaluated, exploited and transferred to other institutions and territories.

EXAMPLE *Project activities could address the development of innovative services for social enterprises, which are subsequently applied and tested in pilot actions involving disadvantaged target groups.*

Pilot actions can include **pilot investments** that represent small-scale interventions which contribute to the successful implementation of a pilot action thereby demonstrating the feasibility and effectiveness of a scheme (e.g. services, tools, methods or approaches) or investment.

A pilot investment must have a demonstrating/model or pilot character and show a clear transnational effect being jointly strived for and evaluated by the partnership. Such successful demonstration is supposed to pave the way for subsequent large-scale investments within the regions participating in the project and beyond.

A pilot investment can include items belonging to the budget lines infrastructure and works (e.g. setting up ex-novo of a building or adapting existing infrastructure) and/or thematic equipment (e.g. air quality monitoring equipment). For more information on budget line specifications please see chapter II.7.3.

In addition to the characteristics applicable to pilot actions (as stated above), pilot investments have to comply with the following requirements:

- Clear transnational effect and added value to the partnership, e.g. through mutual learning of the whole partnership and transfer of experience to other stakeholders and regions;
- Clear contribution to the project specific objectives and expected results being linked to a pilot action;
- Clear benefit for the target groups;
- Transparent integration into the work plan, with a clear anchorage of the investment within the other transnational project activities
- Durability of the investment (e.g. maintenance, financing) to be ensured after project end in line with provisions of chapter E.2 of the programme implementation manual;
- Ownership of investment, to be retained with the responsible partner⁵. If an investment consists of unmovable items, also the related investment site must be in the property of the partner or the partner must have set in place long-term legally binding arrangements in order to fulfil durability (including maintenance) requirements as provided for in chapter E.2 of the programme implementation manual;
- Where applicable, it should be demonstrated that necessary authorisations by competent national/regional/local authorities (building permission) are already available or can be timely obtained, therefore not hampering the realisation of the investment and the overall project implementation;

Compliance with environmental policies and legislation (see chapter I.6 on horizontal principles).

The compliance with the above mentioned requirements has to be demonstrated for each investment planned (see part D chapter IV.2.4.2).

EXAMPLE *A project under the programme Specific Objective 3.3 aims at improving the management of brownfield sites within functional urban areas, including the development of a joint management model. Its feasibility is tested in a series of pilot actions in different partner territories. One pilot action focuses on the measurement of pollution levels for which sensor devices are foreseen as investment by the respective partner. The measurements are conducted in the frame of the pilot action and the results are jointly evaluated at transnational level and feed into the improvement of the transnational joint management model.*

Projects can include **training activities** (e.g. training seminars, study visits, peer reviews, online training courses etc.) as a supporting measure for improving the understanding, knowledge, skills, competences and access to information of targeted stakeholders. Trainings should be jointly developed at transnational level and tailored according to the needs of the specific territories and target groups. On the other hand, a project having training as main objective cannot be supported by the Interreg CENTRAL EUROPE Programme.

⁵ In line with provisions of Article 71 of Regulation (EU) No. 1303/2013.

Capitalisation activities

Projects should include activities to capitalise on the achieved results aiming at their roll out into broader policies, strategies, action plans, thereby contributing also to the preparation of large scale investments and/or leverage of funds. Capitalisation activities should also focus on the widening up of the audience/target groups of existing project results beyond the partnership and/or the raising of ownership and awareness of relevant stakeholders.

For a detailed explanation on how to plan project capitalisation activities in the communication work package, please refer to part D, chapter IV.2.4.2.

II.4. Project size and funding

It is recommended that projects should have a **total budget in the range of 1 to 5m EUR**. In exceptional cases, smaller or larger projects can be supported.

In any case, partners should ensure that the financial size of the project truly reflects the activities foreseen in the work plan and that it is based on the principles of sound financial management.

II.5. Duration

The recommended project duration is from **24 to a maximum of 36 months**, taking into account that the latest possible end date for a project is **31 December 2021**.

II.6. Co-financing

The Interreg CENTRAL EUROPE Programme is financed by the European Regional Development Fund (ERDF). According to the location of lead partners and project partners the following ERDF co-financing rates apply:

Table 4: Co-financing rates

Maximum ERDF co-financing rate	80 %	85 %	80 %	NO ERDF CO-FINANCING PARTICIPATION WITH OWN FUNDS
Member State	Austria, Germany, Italy	Croatia, Czech Republic, Hungary, Poland, Slovakia, Slovenia	Outside Interreg CENTRAL EUROPE programme area but inside the EU	Outside the EU

In case of an EGTC covering a geographical area in which different co-financing rates apply, the co-financing rate applicable to the EGTC is the one of the country in which it is registered.

ERDF contribution to project lead partners and partners might be reduced following the application of State aid rules. For further information in this regard please see chapter II.7.7.

The share of expenditure not covered by ERDF shall be guaranteed by each project lead partner and partner by means of national co-financing, which can be provided as follows:

- a. **Public co-financing** - public funding at national, regional or local level, obtained via specific co-financing schemes set up by the Member States or provided directly with own funds by the partners having a public status. Co-financing of international organisations also falls under this category.
- b. **Private co-financing** - the amount of own funds provided as match funding by private institutions.

The contribution of each lead partner and project partner, be it a public or private institution, must be confirmed by the lead partner or partner declaration.

TIP Please note that, in line with Article 6 of Regulation (EU) No 1303/2013, all applicable EU and national rules, apart from eligibility rules, are on a higher hierarchical level than the rules set by the Interreg CENTRAL EUROPE Programme and they must be adhered to (e.g. public procurement law).

II.7. Financial requirements

This chapter gives a brief outline of the main financial requirements applicants have to consider when developing their project proposals. Further information on financial matters is enclosed in the programme implementation manual, available for download on www.interreg-central.eu/implementation-documents. **Applicants are strongly advised to consult this document.**

Further guidance on how to develop a sound project budget can be found in part C, chapter IV.2.5.

II.7.1 Hierarchy of rules on eligibility

Three levels of rules apply to the eligibility of expenditure in the framework of all Interreg programmes, including Interreg CENTRAL EUROPE:

1. **EU rules:** Due to the fact that the programme is co-financed from the ERDF, all general rules concerning eligibility of expenditure regarding the structural funds are applicable.
2. **Programme rules:** namely additional rules on eligibility of expenditure for the cooperation programme as a whole, as outlined in the programme implementation manual (available for download on www.interreg-central.eu/implementation-documents).
3. **National (including institutional) eligibility rules:** which apply for matters not covered by eligibility rules laid down in the abovementioned EU and programme rules.

TIP

As provided under chapter 7 of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) the principle of sound financial management builds on the following three principles:

- The principle of **economy** requires that the resources used by the beneficiary in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price;
- The principle of **efficiency** concerns the best relationship between resources employed and results achieved;
- The principle of **effectiveness** concerns the attainment of the specific objectives set and the achievement of the intended results.

II.7.2 General eligibility requirements

As a general principle, expenditure is eligible for funding when fulfilling **all** of the following **general eligibility requirements**:

- It relates to the costs of implementing a project as submitted by the lead applicant and approved by the monitoring committee;
- It relates to items that did not receive support from other EU Funds or other contributions from third parties;⁶
- It is essential for the achievement of the project objectives/outputs and it would not be incurred if the project is not carried out (the additionality of costs incurred for project purposes is to be ensured);
- It complies with the principle of real costs except for costs calculated as flat rates and lump sums;
- It complies with the principle of sound financial management (see tip box);
- It has been incurred and paid by a beneficiary for actions as defined in the latest approved application form in the period between the project start and end date set in the subsidy contract;⁷
- It is registered in the beneficiary's accounts through a separate accounting system or an adequate accounting code set in place specifically for the project;
- It is not in contradiction with any specific eligibility criterion applicable to the respective budget line (as described in the following chapter II.7.3 and as further detailed in chapter C.2 of the implementation manual);
- The relevant public procurement rules have been observed, if applicable;
- It has been validated by an authorised national controller⁸.

ATTENTION

Please note that costs which are not eligible according to the applicable eligibility rules cannot be claimed, even if included in the approved application form.

⁶ With the exception of financial contributions from third parties to the expenditure not exceeding the share of beneficiary's contribution to that expenditure (as further explained in chapter C.1.2 of the implementation manual).

⁷ Without prejudice to the eligibility of preparation and contracting costs - reimbursed as a lump sum (as provided for in chapter II.7.4 and as further specified in chapter A.1.4 of the implementation manual) - as well as project closure costs related to final reports and audit certificates as provided for in chapter C.1.4 of the implementation manual.

⁸ National controller is the body or person verifying at national level that the co-financed products and services have been delivered, that the related expenditure has been paid and that it complies with the applicable EU, programme and national/internal rules. For more information on the national controllers in your country please refer to the "country-specific information" section on www.interreg-central.eu as well as to chapter A.4.1 of the implementation manual.

Time-wise, expenditure is eligible according to the following three periods:

- a. Costs for the **preparation and contracting** of an approved project can be compensated through a lump sum under the terms and conditions further explained in chapter II.7.4 as well as chapter A.1.4 of the implementation manual. The lump sum will be paid out upon condition that the partnership successfully fulfilled all conditions for approval of the project set by the MC, all necessary information is included in the section "Supplementary information" in the eMS and the subsidy contract is signed. The date of the MA/JS acceptance of the revised application form fulfilling all conditions for approval is also the date by which preparation and contracting activities end. Costs for these are covered by the lump sum. In case a project starts its implementation phase earlier than such date, real costs linked to preparation and contracting (e.g. staff, travel and accommodation) cannot be charged under the implementation costs.
- b. Costs for the **implementation** of an approved project are eligible from its start date until its end date as set in the subsidy contract. At the earliest, costs are eligible as from the day after the submission of the application form, provided that this day is the official start date of the project as indicated in the application form. On this basis, partners may decide at their own risk to start the implementation of the project even before the monitoring committee decision for funding.
- c. Costs for project **closure** (e.g. preparation and submission of the last progress report, final report and costs for control of expenditure) are eligible, and must be paid until the deadline for submission of the final report as set in the subsidy contract (i.e. three months after project end).

With regard to **non-eligible expenditure**, provisions are given in the following chapter "Budget lines specification". Nevertheless, the following expenditure should be considered as not eligible in **all** cases:

- In-kind contributions, as defined in Article 69(1) of regulation (EU) No. 1303/2013;
- Fines, financial penalties and expenditure on legal disputes and litigation;
- Costs of gifts, except those not exceeding EUR 50,00 per gift where related to project promotion, communication, publicity or information;

ATTENTION

Please note that gifts can be eligible up to a maximum amount of EUR 500 for the entire project lifetime. For further information on requirements applicable to gifts please refer to chapter C.1.5.3 and C.2.4.3 of the implementation manual.

- Costs related to fluctuation of foreign exchange rate;
- Interest on debt;
- Purchase of land;
- Recoverable VAT except where it is non-recoverable under national VAT legislation;
- Charges for national financial transactions;
- Costs for alcoholic beverages;
- Splitting cost items among project partners (i.e. sharing of common costs);
- Discounts not considered when claiming the costs (only the discounted amount is to be regarded as eligible);

- Fees between beneficiaries of a same project for services, equipment and work carried out within the project;
- a. Any other cost not eligible according to general provisions on eligibility (as in this chapter) as well as specific provisions at budget line level (as provided for in chapter II.7.3 and as further specified in chapter C.2 of the implementation manual).

II.7.3 Budget lines specification

Project budgets must be structured according to the following budget lines:

1. Staff costs
2. Office and administrative expenditure
3. Travel and accommodation costs
4. External expertise and services costs
5. Equipment expenditure
6. Infrastructure and works expenditure

These budget lines apply to all work packages, excluding the management and communication work packages where budget line 6 is not applicable. Specification of investments included in the work plan (see part D, chapter IV.2.4.2) should specifically describe items foreseen under budget lines 5 and 6.

This information is intended to help partners to properly allocate costs to each budget line. More details as well as guidance on how to report these costs is provided in the implementation manual (available for download on www.interreg-central.eu/implementation-documents).

BL1. Staff costs

Expenditure on staff costs consists of the gross employment costs of staff employed by the beneficiary institution (lead partner or project partner) for implementing the project. Staff can either be already employed by the beneficiary or contracted specifically for the project.

Staff costs can be reimbursed according to one of the following options:

- a. Real costs; or
- b. Flat rate up to 20 % of direct costs other than staff costs⁹.

Each beneficiary must choose one of the above reimbursement options (a. or b.) in the application form. The same reimbursement option will apply to all staff members of the beneficiary institution working on the project and it will be set for the entire project duration. **The chosen option cannot be changed during project contracting or implementation.** However, different partners in a same project may choose different options for reimbursing staff costs.

⁹ Namely costs under all budget lines except "staff costs" (BL1) and "office and administrative expenditure" (BL2).



For staff costs reimbursed on a real cost basis, expenditure included under this budget line is limited to:

- a. Salary payments** fixed in an employment document (employment contract or any other equivalent legal agreement that permits the identification of the employment relationship with the partner's organisation) or by law relating to responsibilities specified in the job description of the staff member concerned. **Salary payments have to relate to activities which the beneficiary would not carry out if the project concerned was not undertaken.** Payments to natural persons working for the beneficiary under a contract other than an employment/work contract may be assimilated to salary payments and such costs are eligible if all the following conditions are respected:
- ☐ the person works under the beneficiary's instructions and, unless otherwise agreed with the beneficiary, on the beneficiary's premises;
 - ☐ the result of the work carried out belongs to the beneficiary;
 - ☐ the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.
- b. Any other costs directly linked to salary payments** incurred and paid by the employer (such as employment taxes and social security including pensions) as covered by Regulation (EC) No 883/2004 provided that they are:
- ☐ Fixed in an employment document or by law;
 - ☐ In accordance with the legislation referred to in the employment document and with standard practices in the country and/or institution where the individual staff member is working;
 - ☐ Not recoverable by the employer.

Unjustified ad-hoc salary increases or bonuses for project purposes are not eligible.

Additional detailed information on this budget line can be found in chapter C.2.1 of the implementation manual.



BL2. Office and administrative expenditure

Office and administrative expenditure covers operating and administrative expenses occurred by the beneficiary and necessary for the implementation of the project.

Eligible cost items under this budget line are (exhaustive list):

- a. Office rent;
- b. Insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurances);
- c. Utilities (e.g. electricity, heating, water);
- d. Office supplies;
- e. General accounting provided inside the beneficiary organisation;
- f. Archives;
- g. Maintenance, cleaning and repairs;
- h. Security;
- i. IT systems (operating/administrative IT services of general nature, linked to the implementation of the project);
- j. Communication (e.g. telephone, fax, internet, postal services, business cards);
- k. Bank charges for opening and administering the account or accounts where the implementation of the project requires a separate account to be opened;
- l. Charges for transnational financial transactions.

Office and administrative expenditure shall be reimbursed by the programme according to a flat rate of 15 % of eligible staff costs. Direct costs falling under this budget line are not eligible.

Additional detailed information on this budget line can be found in chapter C.2.2 of the implementation manual.

BL3. Travel and accommodation costs

Costs under this budget line refer to the expenditure on travel and accommodation of the staff of the beneficiary for missions necessary for the implementation of the project (e.g. participation in project meetings, project site visits, meetings with the programme bodies, seminars, conferences, etc.). Eligible cost items under this budget line are (exhaustive list):

- a. Travel costs;
- b. Costs of meals;
- c. Accommodation costs;
- d. Visa costs;
- e. Daily allowances.

Any cost item listed in points a) to d) which is covered by a daily allowance shall not be reimbursed in addition to the daily allowance.

Travel and accommodation costs occurred outside the programme area are eligible only if they are in line with programme general provisions on expenditure for activities implemented outside the programme area, as provided for in chapter II.1.2 and as further detailed in chapter C.3.3 of the implementation manual. Furthermore, travel and accommodation costs

outside the programme area are eligible only if they are indicated in the approved application form or they have been authorised by the MA/JS **prior to the travel**. For more information on the location of project activities please refer also to chapter II.2 as well as part D, chapter IV.2.5.2.

Travel and accommodation costs of external experts and service providers can be reimbursed only under the external expertise and services budget line. The same applies to travel and accommodation costs of associated partners.

Additional detailed information on this budget line can be found in chapter C.2.3 of the implementation manual.

BL4. External expertise and services costs

Costs under this budget line refer to external expertise and services provided by a public or private body or a natural person outside of the beneficiary organisation. The external experts and service providers are sub-contracted to carry out certain tasks or activities which are strictly linked to the project and are essential for its effective implementation (e.g. studies and surveys, translation, promotion and communication, services related to meetings and events). External expertise and services costs are paid on the basis of contracts or written agreements and against invoices or requests for reimbursement. Eligible cost items under this budget line are (exhaustive list):

- a.** Studies or surveys (e.g. evaluations, strategies, concept notes, design plans, handbooks);
- b.** Training (e.g. venue and trainers);
- c.** Translations;
- d.** IT systems and website development, modifications and updates (e.g. setting-up and/or update of a project IT system or website);
- e.** Promotion, communication, publicity or information;
- f.** Financial management;
- g.** Services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- h.** Participation in events (e.g. registration fees);
- i.** Legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- j.** Intellectual property rights;
- k.** Verification and validation of expenditure carried out by authorised national controllers;
- l.** Provision of guarantees by a bank or other financial institution where required by the programme;¹⁰
- m.** Travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;
- n.** Other specific expertise and services needed for the project.

¹⁰ A document setting the requirements of the financial guarantee set in place by the private lead partner is available on <http://www.interreg-central.eu/implementatiodocuments>

External expertise and services have to be duly specified in the application form by describing at least the nature and quantity of the expertise/service, the link to the relevant deliverable or output as listed in the work plan and the related budget of the concerned project partner.

Eligibility of costs for external expertise and services is subject to the full respect of EU, national and programme procurement rules and must comply with the basic principles as described in chapter C.1.5.1 of the implementation manual.

Costs referring to project-related tasks sub-contracted by the beneficiary to in-house bodies, as well as costs referring to cooperation between public bodies, are eligible as long as they are charged on a real costs basis, thus without any profit margin (with the exception of office and administrative expenditure, to be calculated as a flat rate of 15 % of eligible direct staff costs). Such costs shall be accounted under each relevant budget line (**and not under external expertise and services**), according to the nature of the service provided, as well as under the same general and specific provisions on eligibility, reporting and audit trail applicable to the relevant budget lines.

Sub-contracting to in-house-bodies as well as cooperation between public bodies shall comply with the applicable public procurement provisions (please see in this regard also chapter C.1.5.1 of the implementation manual).

Even if the programme does not set ceilings for this budget line, the share of external expertise **should not exceed 50 % of the total eligible budget** as beneficiaries of a project should be the actual implementers of the project. Higher shares are possible but must be duly justified.

Additional detailed information on this budget line can be found in chapter C.2.4 of the implementation manual.

BL5. Equipment expenditure

Costs under this budget line refer to equipment purchased, rented or leased by a beneficiary which is essential for the implementation of the project. This includes costs of equipment already in possession of the beneficiary organisation and used to carry out project activities. Eligible cost items under this budget line are (exhaustive list):

- a. Office equipment;
- b. IT hardware and software;
- c. Furniture and fittings;
- d. Laboratory equipment;
- e. Machines and instruments,
- f. Tools or devices;
- g. Vehicles;
- h. Other specific equipment needed for the project.

When drafting the proposal, the above equipment items shall be categorised within the following two categories:

1. **Equipment for general (office) use** as computers, office furniture, etc. which is necessary for the implementation of the project, which is used for project purposes only and which is not already included under the "office and administrative expenditure" budget line. Equipment for general (office) use **shall be reimbursed as depreciable asset** in compliance with national accounting rules and internal accounting policies of the beneficiary. The full cost of such equipment is eligible **solely** in the case that the depreciation period is shorter than the time lap between the purchase of the equipment and the end of the project.
2. **Thematic equipment** directly linked to (or forming part of) the project outputs, which will be used by beneficiaries and target groups in line with project objectives. Thematic equipment must be in line with the programme requirements for investments (as in chapter II.3) in order to be regarded as eligible. Thematic equipment can be **reimbursed in full**¹¹.

All equipment items have to be duly specified in the application form by describing at least the nature and quantity of the equipment to be purchased, the link with the relevant deliverable or output as listed in the work plan and the related budget of the concerned project partner. During project implementation, purchase of any equipment not explicitly mentioned in the application form will have to be subject to prior approval by the MA/JS.

Eligibility of costs for equipment is subject to the full respect of EU, national and programme procurement rules and must comply with the basic principles as described in chapter C.1.5.1 of the implementation manual.

Moreover, equipment items listed in the application form are only eligible:

- If they have not already been financed by other EU or third party subsidies (as provided for in chapter C.1.2 of the implementation manual);
- If they have not already been depreciated;
- If they are not already included as indirect costs under the office and administration budget line.

¹¹ I.e. outside depreciation schemes if in line with national accountability rules and internal accountability policies of the beneficiary.

“Thematic equipment” for which the exclusive use in the project cannot be demonstrated shall be charged pro-rata on the basis of a transparent method set in place by the beneficiary for allocating the share of its use in the project. Opposite, “equipment for general (office) use” for which the exclusive use in the project cannot be demonstrated shall be considered as not eligible.

The purchase of consumables linked to the use of laboratory or other thematic equipment is eligible and should be included under BL5.

Additional detailed information on this budget line can be found in chapter C.2.5 of the implementation manual.

TIP

Article 2(1) of the Directive 2014/24/EU defines a “work” as *“the outcome of building or civil engineering works taken as a whole which is sufficient in itself to fulfil an economic or technical function”*.

Furthermore, Annex II of this Directive provides a detailed list of all elements that are eligible under this budget line.

BL6. Infrastructure and works expenditure

Expenditure for works¹² refers to costs incurred by the beneficiary for the execution of an infrastructure which is essential for the implementation of the project.

Works expenditure may refer either to an object (e.g. a building) that will be set up ex-novo or to the adaptation of an already existing infrastructure. Whatever the case, these costs are only eligible if in line with the programme requirements for investments as provided for in chapter II.3.

Works expenditure shall be limited to elements listed in **annex II of the mentioned Directive**.

Costs of feasibility studies, environmental impact assessments, architectural/engineering activities and any other expertise needed for the realisation of the infrastructure and not comprised in the aforementioned Directive (see tip box) shall be allocated under “Staff” or “External expertise and services” budget lines (depending whether carried out internally by the beneficiary or with the support of external suppliers respectively).

Infrastructure and works items have to be duly specified in the application form to allow for a detailed presentation and evaluation of costs by describing at least the nature and quantity of each item foreseen, the link with the relevant output as listed in the work plan and the related budget of the concerned partner. The implementation of infrastructure and works not explicitly mentioned in the application form has to be subject to prior approval by the competent programme bodies.

Costs for infrastructure and works outside the CENTRAL EUROPE programme area are not eligible.

Eligibility of costs for infrastructure and works is subject to the full respect of EU, national and programme procurement rules. They must also comply with the basic principles as described in chapter C.1.5.1 of the implementation manual.

¹² In the sense of the definition of ‘work’ provided for in Article 2(1) of the Directive 2014/24/EU of the European Parliament and of the Council of 26.02.2014.

Furthermore, and depending on the nature of the intervention linked to the works to be carried out, the eligibility of costs for infrastructure and works is subject to the following:

- Fulfilment of all compulsory requirements set by Community and national legislation on environmental policies
- Fulfilment of all EU compulsory requirements on publicity
- Where applicable, availability of authorisations by competent national/regional/local authorities (building permission)
- The land and/or buildings where the works will be carried out must be in the property of the beneficiary or the beneficiary must have set in place long-term legally binding arrangements in order to fulfil durability (including maintenance) requirements as provided for in chapter E.2 of the programme implementation manual (available for download from www.interreg-central.eu/implementation-documents).

Infrastructure and works expenditure cannot refer to items financed by other EU or third party subsidies (as provided for in chapter C.1.2 of the implementation manual) and must not be already depreciated. In the case of works being part of a larger infrastructural investment, the part realised by the project must be clearly and univocally identifiable.

Additional detailed information on this budget line can be found in chapter C.2.6 of the implementation manual.

TIP When drafting the application form, it is up to the partnership to decide which partners will receive what share of the reimbursement of preparation costs. Even a single partner might advocate the entire lump sum. It is strongly recommended to achieve a joint agreement within the partnership on the distribution of preparation costs reflecting the actual preparation activities carried out by the partners.

II.7.4 Preparation and contracting costs

Approved projects may be entitled to receive reimbursement of their preparation costs in the form of a lump sum. The reimbursement of these costs will follow the principles detailed below:

- The lump sum will amount to EUR 15.000 of total eligible expenditure per project
- The lump sum covers all costs linked to the preparation and/or contracting¹³ of the project until the day on which the final application form fulfilling all conditions for approval set by the MC has been finally accepted by the MA/JS;
- The ERDF contribution effectively granted to the project is linked to the actual co-financing rate applicable to the partner(s) to whom the lump sum is allocated in accordance to the approved application form.

In order to apply for the reimbursement of preparation costs, the preparation costs budget must be indicated in the application form, giving information on the amount allocated to the concerned project partner(s) (for further information please see part D, chapter IV.2.5).

After the signature of the subsidy contract and completion of the section “Supplementary information” in the electronic Monitoring System (as provided for in chapter A.1.3 of the implementation manual), the lump sum will be transferred to the bank account of the lead partner. It is then the lead partner’s responsibility to transfer the agreed share of the lump sum to the respective project partners.

Any difference between the granted lump sum and the real costs occurred for preparation is neither checked nor further monitored by the programme.

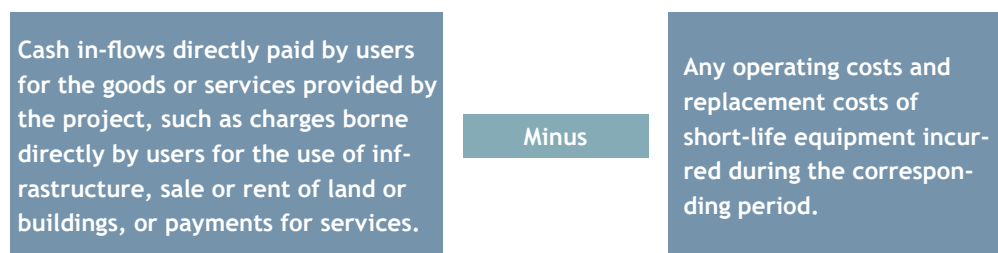
¹³ In the project contracting phase the partnership is often requested to revise its application forms following conditions for approval set by the monitoring committee. This might also include a meeting with the MA/JS in Vienna. For further information on contracting please refer to part D, chapter V.5.

In case the project is not implemented following the signing of the subsidy contract, the MA may recover the ERDF granted for preparation costs.

II.7.5 Revenues

As a general principle¹⁴, eligible expenditure of a project (and consequently the ERDF contribution to it) shall be reduced according to the net revenue generated by the project both during its implementation as well as until three years after its completion.

Net revenues are:



Please note that **operating cost-savings** generated by the project shall be treated as net revenue unless they are offset by an equal reduction in operating subsidies.

In case of revenue-generating projects, applicants are to calculate the expected net revenues as provided for in Article 61(3) b) of the Common Provisions Regulation and as further detailed under Articles 15 to 19 of the Delegated Regulation (EU) No 480/2014.

Expected net revenues **are to be indicated in the application form** in order to offset the corresponding ERDF contribution. Applicants shall not indicate expected net revenues in the application form in the following cases:

- If the total budget of the project does not exceed EUR 1.000.000¹⁵;
- If the specific project output generating net revenue is State aid relevant (for further information on State aid please refer to chapter II.7.7).

¹⁴ In accordance with Articles 61 and 65(8) of Regulation (EU) 1303/2013.

¹⁵ Please note that even if a project below EUR 1.000.000 total budget is exempted to include the forecast of expected net revenues in the application form, such project - in case of approval - must record and deduct from the ERDF contribution net revenues generated during implementation or after closure.



II.7.6 Conversion into Euro

The project budget must be developed in Euro and, in case of approval, reporting of project expenditure to the MA/JS shall be made solely in Euro.

All beneficiaries located outside the Euro-zone shall convert expenditure incurred and paid in national currency into Euro using the monthly accounting exchange rate of the European Commission in the month during which that expenditure was submitted for verification by the concerned partner to its national controller.

TIP It is strongly recommended to become familiar with applicable procurement rules and, if necessary, seek the advice of procurement experts early enough before launching an award procedure.

II.7.7 Other financial requirements

Even if detailed information on financial requirements related to project implementation is provided in the programme implementation manual, key principles explained in this chapter must be kept in mind by applicants when preparing their project proposals.

Compliance with EU policies and other rules

Public procurement

The acquisition by means of a public contract of works, supplies or services from economic operators is subject to rules on public procurement. Such rules aim at securing transparent and fair conditions for competing on the common market and shall be followed by the beneficiaries when procuring the above mentioned services, works or supplies on the market.

Rules differ depending on the kind of goods and/or services to be purchased, as well as the value of the purchase and the legal status of the awarding institution. They are set at the following levels:

1. EU rules as set by the applicable directives on the matter;¹⁶
2. National rules;¹⁷
3. Programme rules (see specification below).

In addition to what is set out in the procurement laws, all relevant laws related to procurement (e.g. rules on contracting, intellectual property, business law etc.) are to be observed as well.

Please note that, differing from the hierarchy of rules concerning the eligibility of expenditure (see chapter II.7.1), in case of public procurement all applicable EU and national rules are on a higher hierarchical level than the rules set by the Interreg CENTRAL EUROPE Programme and they must be followed.

For detailed information on public procurement rules see chapter 1.5.1 of the implementation manual available at www.interreg-central.eu/implementation-documents

¹⁶ More information on EU rules on public procurement can be found at the following link: http://ec.europa.eu/internal_market/publicprocurement/index_en.htm

¹⁷ National rules include laws on public procurement, related delegated or implementing acts or any other generally applicable legally binding rules and decisions.

State aid

Public support granted by the Interreg CENTRAL EUROPE Programme must comply with State aid rules applicable at the point of time when the public support is granted. According to Article 107 (ex Article 87) of the Treaty on the Functioning of the European Union, State aid is defined as *“any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods”*, therefore affecting trade between Member States.

In practical terms, State aid applies when **all five criteria** listed below are met:

1. The recipient of the aid is an **“undertaking”**, i.e. an entity engaged in an economic activity in the context of the proposed project. Any project partner offering good or services on a market in the context of the proposed project is an undertaking. This is the case regardless of its legal status and whether its aim is to make profit or not. An undertaking can be an SME, a large company, a public body, a charity, an NGO, an association, a university, etc.
2. The aid **comes from the State**, which is always the case for any Interreg programme.
3. The aid gives an **economic advantage** (a benefit) which an undertaking would not have obtained under normal market conditions.
4. The aid is **selectively** favouring certain undertakings or the production of certain goods.
5. The aid **distorts** or threatens to distort competition and trade within the European Union.

In the framework of the Interreg CENTRAL EUROPE Programme, **public support given by the programme to undertakings will be granted under the de minimis rule¹⁸ by the Member State Austria**. This implies that undertakings will receive grants from the Interreg CENTRAL EUROPE Programme **only if they have not received by Austria public aid under the de minimis rule totalling more than EUR 200.000 within three fiscal years from the date of granting the aid¹⁹**. This ceiling is reduced to EUR 100.000 in the road transport sector while other sectors as agriculture, aquiculture and fisheries have lower ceilings. Furthermore, aid to export-related activities and aid contingent upon the use of domestic over imported good cannot be granted under the de *minimis* rule.

Public aid considered for the applicable de *minimis* ceiling comprises all aids granted by the national, regional or local authorities of the Member State where the undertaking is located, regardless of whether the resources are provided from domestic sources or are partly financed by the European Union. However, this will not affect the possibility of an undertaking to receive public support under other State aid schemes.

As a consequence, undertakings (i.e. not only private companies but also public authorities, NGOs etc.) carrying out State aid relevant activities in the project **might receive limitations on the public contribution to their budgets**.

¹⁸ As provided for in Regulation (EU) No 1407/2013 on de *minimis* aid.

¹⁹ Date of signature of the subsidy contract.

EXAMPLE *A private company located in Austria and acting in the IT sector has applied for funding in an Interreg CENTRAL EUROPE project. The total budget of this company in the project is EUR 250.000, out of which EUR 100.000 refers to a specific project activity which will give an economic advantage to the company (production of a new IT tool which will be ready to be sold on the market). The company will co-finance its project budget through own resources.*

This company also received a national grant of EUR 150.000 under the de minimis rule in the same year in which it applied for funding through the Interreg CENTRAL EUROPE Programme.

According to the de minimis limitation of up to EUR 200.000 in three fiscal years, the aid granted by the Interreg CENTRAL EUROPE Programme will be calculated as follows:

- *ERDF contribution to non-State aid relevant project activities = EUR 120.000 (80 % of EUR 150.000)*
- *ERDF contribution to State aid relevant project activities = EUR 50.000 (80 % of EUR 100.000 = EUR 80.000 minus EUR 30.000. The reduction by EUR 30.000 follows the reaching of the de minimis ceiling of EUR 200.000)*
- *Total ERDF contribution granted by the programme to the company = EUR 170.000 (68 %)*

If this company was located in Germany instead of Austria and - in turn - was receiving the national grant of EUR 150.000 by Germany, the ERDF granted by Austria through the Interreg CENTRAL EUROPE Programme would have remained EUR 80.000 since the ceiling to the accumulation of de minimis aid applies "per Member State".

Applications will undergo a specific "State aid assessment" (as mentioned in part D, chapter V.2.e) focusing on the five criteria listed above, with particular attention to the assessment of the status of "undertaking" of project lead partners and project partners (criterion 1 above) and of the materialisation of an economic advantage for the undertaking (criterion 3 above). This assessment will be based on information included in the application form as well as on self-declarations provided by applicants.

In compliance with Article 3(3) d) of Regulation (EU) No 1301/2013 the Interreg CE Programme does not support undertakings in difficulty²⁰. In the occurrence that the LP and/or any of the PPs is in the situation of undertaking in difficulty, the affected institution is to leave the partnership following the procedure described in chapter D.3.2 of the implementation manual. Furthermore, in such cases the MA is entitled to terminate, in whole or in part, the subsidy contract and/or to demand repayment of the granted subsidy.

Further information on State aid can be found on the European Commission's DG Competition website (http://ec.europa.eu/competition/state_aid/overview/index_en.html) where also a comprehensive guideline on the notion of State aid²¹ is available. Applicants may also consult relevant national authorities to obtain more specific information on rules and limitations concerning State aid.

²⁰ As defined in point 24 (in conjunction with point 20) of the "Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty" (Communication from the Commission No. 2014/C 249/01 of 31.07.2014).

²¹ [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016XC0719\(05\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016XC0719(05)&from=EN)

Information and communication (branding)

Responsibilities of lead partners and project partners related to information and communication measures (including a set of instructions for project communication and branding) are laid down in Articles 115-117 and annex XII of Regulation (EU) No 1303/2013 as well as in Articles 4-5 of the Implementing Regulation (EU) No 821/2014. In addition to these, specific programme requirements also apply (as defined in chapter C.1.5.3 of the implementation manual). Please note that all these rules do not only apply to promotional material but are also relevant for the organisation of meetings and events and, if foreseen by the project, the purchase of physical objects and the realisation of works.

More details as well as guidance on branding requirements are provided in chapter C.1.5.3 of the implementation manual.

(available for download from www.interreg-central.eu/implementation-documents).

Shared costs

The practice of splitting cost items among project partners (i.e. sharing of common costs) is not allowed in the framework of the Interreg CENTRAL EUROPE Programme. Accordingly, the budget allocated to a project partner shall fully reflect the activities actually implemented by that partner.

TIP

Applicants are strongly advised to carefully plan the budget allocation to reporting periods (see part D, chapter IV.2.5), by realistically reflecting the actual spending capacity of the project as well as the time needed for paying out costs incurred. For further information on this please consult part C, chapter VII.

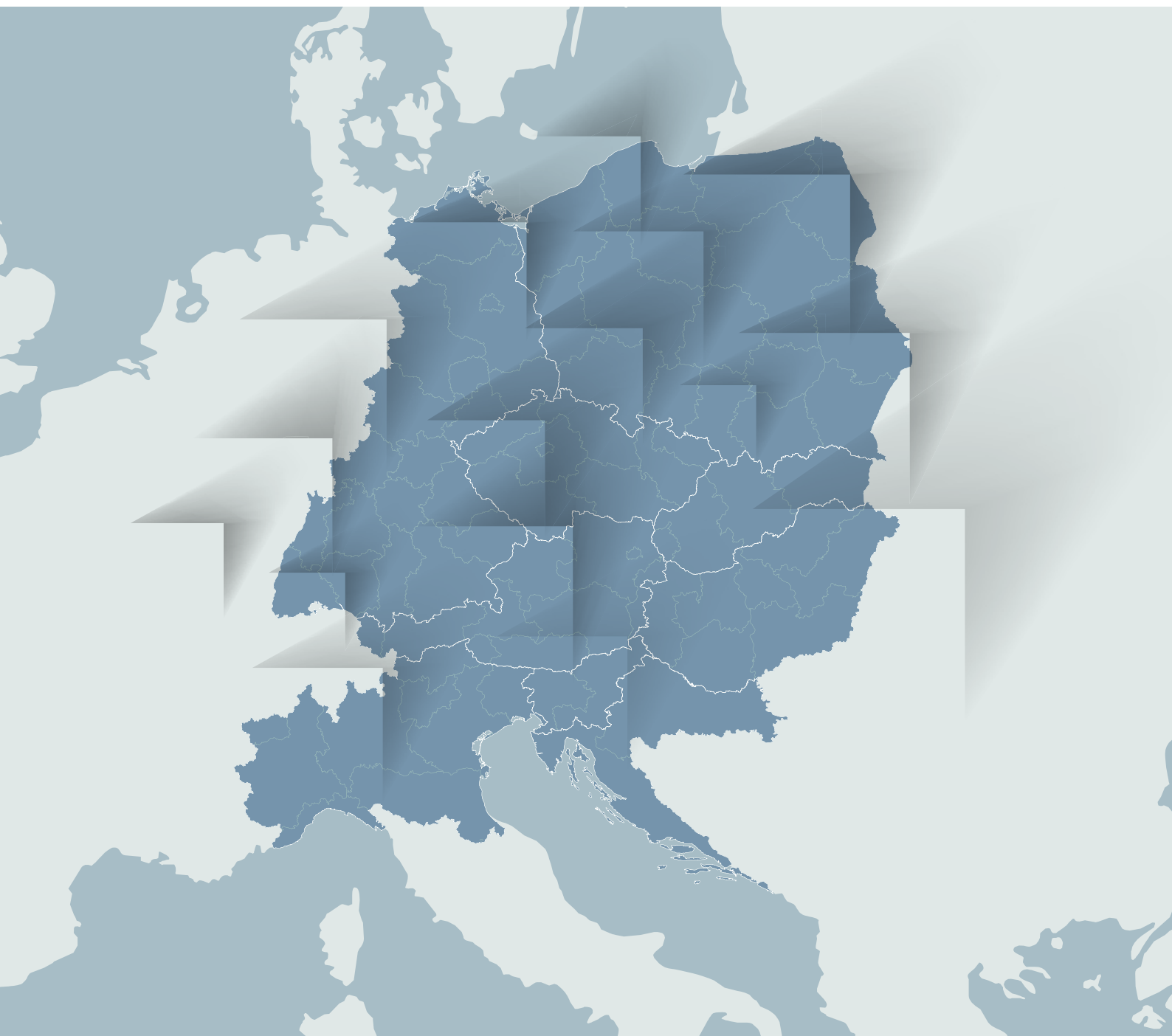
Financial performance and decommitment of funds

In order to be considered as eligible, expenditure must have been actually paid out following verification by national controllers. **Financial performance of projects will be measured exclusively on the basis of paid out expenditure.** For further information in this respect please refer to chapter B.5.3 of the implementation manual (available for download from www.interreg-central.eu/implementation-documents)

APPLICATION MANUAL

Third Call

Version 1
September 2017



Content

I. Introduction	3
II. How to get started	4
III. Developing the project intervention logic: from problem to solution (theory of change)	6
IV. Setting up a relevant project partnership	8
V. Developing a sound management structure	12
VI. Setting up relevant project communication	18
VII. Designing a sound project budget	21

I. Introduction

The preparation of a project application is a challenging process, especially in an international cooperation context. It usually starts off with a first project idea which is then further developed through the inputs of future project partners and according to programme guidance. It is therefore recommended to follow the structure of the application form in order to see which information is expected and not to miss out on any relevant topics.

The following chapters aim at helping you in preparing your application form. The “How to get started” chapter gives you practical hints for advancing from the initial project idea to a successful application. The subsequent chapters guide you through the workflow from the project idea to the application ready for submission (as illustrated in the figure below).

Figure 1 - Project development: from a project idea to the application



TIP

Please check at the programme website (www.interreg-central.eu/projects-2007-2020) on the thematically related projects already funded in the first and second call of the programme as well as by the CENTRAL EUROPE 2007-2013 Programme. In addition, achievements of CENTRAL EUROPE 2007-2013 projects are summarised in six thematic studies covering the topics of innovation, transport, environment, energy, demographic change and cultural resources. They are published on the programme website at www.interreg-central.eu/apply.

TIP

Become a member of the Interreg CENTRAL EUROPE Community by registering through the programme website. Joining the community allows you to get access to:

- Contact details of potential lead applicants that posted their project idea search function for potential partners according to themes and territories
- Interreg CENTRAL EUROPE newflash with the latest transnational news

II. How to get started

When you have a project idea:

- First of all read carefully all parts and chapters of this manual.
- Verify whether the idea clearly contributes to the chosen **programme specific objective**, **considering if applicable its thematic focus for the third call (see part A chapter III and annex I of the manual)**, and whether transnational cooperation brings real added **value** to solving/advancing the issue addressed. Consider whether other EU programmes could better fit your project idea.
- Check whether the **programme requirements**, such as the partnership requirements, location of partners, location of activities etc., can be fulfilled with your project idea (see also **part B, chapter II**).
- Have a look at past and current projects of CENTRAL EUROPE and other EU programmes (other Interreg programmes, LIFE+, Intelligent Energy Europe, 7th Research Framework Programme, HORIZON 2020 etc.). This will help you to get an idea of which types of activities have been funded within the CENTRAL EUROPE Programme and which results are already available on which further build your project. In any case, *duplication of previous activities and outputs has to be avoided*.
- Check-out **project ideas** already posted on the Interreg CENTRAL EUROPE website in order to get an idea of which projects are already under preparation or search for partners in your thematic field and find potential synergies.
- Get in contact with the **national contact point** of your country which will give you first-hand information on the Interreg CENTRAL EUROPE Programme and support you in identifying potential partners.
- Exchange with potential partners in order to further develop the project idea and start **building the partnership**. Keep in mind that the project idea needs to remain sufficiently open for further development and inputs of partners (e.g. experience, competence, regional challenges and needs) in order to ensure benefits to the whole partnership, contributing to its commitment and ownership of future results. Focus your search on relevant and competent partners (for more information see also **chapter IV**).
- Early agree within the partnership on who will be the **lead applicant**. This institution will be steering the further development of the project idea and will prepare the project application. In case of approval, this institution will be responsible for the whole project implementation. The lead applicant should be an institution having sound experience and capacity in managing EU projects. Please note that, once a project proposal is approved for funding and contracted, the lead applicant becomes the project lead partner.
- Use the various opportunities for support as laid down in **part E** of the application manual.

When turning the project idea into a project application:

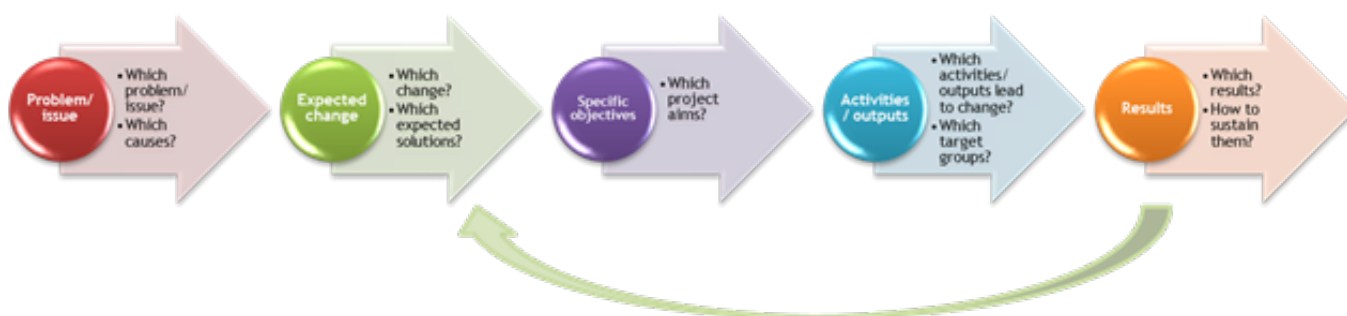
- Set a limited number of **specific objectives for your project** (not more than three). They must be specific and relevant for the programme (i.e. complying with the thematic scope of the addressed programme specific objectives considering, if applicable, its thematic focus) and the involved regions, and ambitious while still being realistic to be reached within the timeframe of the project. Keep in mind that these objectives need to be clearly defined and that their achievement within the project duration will need to be demonstrated (for more information see **also chapter III**).
- Transnational activities should bring a **clear advantage to all project partners**. The created added value should clearly activate synergies going even beyond the project partnership: just summing up local and/or regional actions is therefore not sufficient for a project to be successful. For more information, please refer to **part B chapter I.2**).
- Keep in mind that your project needs to be **innovative** (see **also part B chapter I.5**). Previous achievements and already available knowledge should be used, valorised and even further extended. Please see the tip box above on CENTRAL EUROPE thematic studies.
- Plan the **resources** (human and financial) for the project carefully. Keep in mind that:
 - ☐ Programme working language is English
 - ☐ Enough staff should be available already at the project start date and during the entire project duration (both at the lead partner and partner institutions)
 - ☐ No pre-financing is provided. Reporting is done on a six-monthly basis and retroactive reimbursement of approved co-financing takes place some months after the end of a respective reporting period (for more information see **also chapter VII**)
- Plan an **effective project management structure** with clear decision making procedures. This will support a good information flow and coordination within the partnership and is the basis for smooth implementation of the project. Remember that quality control and reporting are important parts of project management with direct influence on the quality of reports - and consequently the time for ERDF reimbursement (for more information see **also chapter V**).
- Ensure **ownership of results** by foreseeing the direct involvement of concerned target groups and stakeholders.
- Think about the **sustainability** and uptake of your project results (for more information please refer to **part B chapter I.4**). Keep in mind that transnational cooperation projects often have a seeding function: they are supposed to kick-off further developments (e.g. a larger investment) and improvements (e.g. an improved policy). The uptake of results, the deployment at a larger scale and/or the mainstreaming is a crucial success factor to be already considered during project development. All this is strongly linked to communication.
- In view of the above, design your project **communication** work package to help sustaining your thematic outputs. Define communication activities to raise awareness and knowledge about your outputs (often through dissemination tactics) or to convince relevant stakeholders to take up an output (often through more targeted, dialogic approaches). For more information see **also chapter VI**.

III. Developing the project intervention logic: from problem to solution (theory of change)

The **theory of change** should be at the heart of each Interreg CENTRAL EUROPE project¹.

Projects have to develop an intervention logic taking into account the attempted change as the basis for result-orientation. The project intervention logic has to show how a desired change will be achieved. It should thus reflect the current situation (e.g. a problem), its underlying causes and the change which the project seeks to achieve by implementing the planned activities. It also needs to indicate what has to happen in order to trigger the change. The following figure illustrates the process and includes related basic questions to be addressed.

Figure 2 - How to develop the project intervention logic



TIP

Please distinguish between following types of project objectives:

- **Project main objective** describes the general (strategic) and long-term change which the project seeks to support for the benefit of its target group(s). Usually a project sets only one main project objective which is further broken down into:
- **Project specific objectives** which describe the specific and immediate effects of the project and can be realistically achieved within the project life time. Usually a project defines not more than three project specific objectives.

Project development should start from describing the initial situation, i.e. the problem and/ or issue to be addressed. Project partners should then think about what they want to achieve and define the expected outcomes and results. These envisaged results have to reflect the desired change at territorial level and need to be translated into project specific objectives.

After the intervention logic is set in place (starting from the initial situation and ending with the envisaged change), preconditions, activities and outputs necessary to reach the objectives and results need to be defined.

¹ The "theory of change" is defined as "the description of the sequence of events that is expected to lead to a particular desired outcome" (Davies, 2012).

TIP

In order to be funded, the project intervention logic must be coherent with the targeted specific objective of the programme considering, if applicable its thematic focus of the call (see also part B, chapter I.1 providing detailed information on the required links between the programme and the project intervention logic).

When developing the intervention logic, the following questions on expected results (i.e. the change the project is aiming for) should be addressed:

- What is the issue or problem that you want to address?
- What do you see as the underlying causes of the issue or problem?
- Which change do you want to achieve? What would a solution to the issue/problem look like?
- Who would benefit?
- How can the project influence the situation? Which activities and outputs are needed?
- How can you measure the change caused by the project?

Please note that only activities directly contributing to the set project objectives and expected results can be supported by the Interreg CENTRAL EUROPE Programme.

Practical steps for defining the project intervention logic in the application form are provided in part D, chapter IV.2.3.2.

IV. Setting up a relevant project partnership

Having relevant and competent partners on board is essential for both setting up and successfully implementing a transnational cooperation project.

- In the **project development phase**: the continuous input of all partners from the beginning ensures the commitment and the joint ownership of the project idea and the project application.
- In the **project implementation phase**: the active participation of all partners ensures a transnational approach which builds on existing knowledge in different regions. This enables them to tackle shared issues together and helps them to go beyond the adding up of single outputs. The contributions of all partners are necessary to reach the project objectives and expected results.

The main points to be kept in mind when setting up a sound partnership are explained below.

TIP

The lead partner takes the role of the “engine” of the partnership, coordinating the work of the partners and being also the link between the project and the programme (MA/JS).

What is required from the lead applicant/lead partner?

The lead applicant (institution) is responsible for coordinating and driving the partnership from the project idea until the finalisation of the project application. The lead applicant formally submits the application and is thus responsible for contents and commitments expressed in the application form as well as for responsibilities arising in case of funding (for the latter please see part B, chapter II.1.3). Therefore, the lead applicant should be an institution experienced in the management of projects supported by EU funds.

Once the project is approved for funding, the lead applicant becomes the lead partner and, therefore, the contractual counterpart of the programme (signing the subsidy contract with the managing authority). Following the lead partner principle, the lead partner is responsible for ensuring sound management and successful implementation of the entire project (for further details on the lead partner principle see also chapter V as well as part B, chapter II.1.).

As a consequence, the lead applicant/lead partner institution should, at least, have the following profile (most skills are also applicable to project partners):

- Experienced in the management of EU funded projects;
- Prepared to take a leading and driving role within the partnership;
- Having sufficient capacity (institutional, financial and human resources) to prepare the project application and to manage the implementation of the project;
- Having the thematic knowledge and expertise relevant for the project;
- Being committed to the project throughout the entire project application and implementation phase.

What should a partnership look like?

The quality of a project depends largely on the appropriate and integrated composition of its partnership. A good partnership should pool all skills and competences of relevant institutions necessary to address the issues tackled by the project in order to achieve the set objectives. For information on the formal partnership requirements please refer to part B chapter II.1.

When building a partnership, the following general aspects should be taken into account:

- Focus your partnership on institutions **relevant for reaching the project results** (e.g. thematically, geographically, level of governance).
- Involve as project partners only institutions whose **interests are closely linked to the project objectives** and planned interventions. They should also have the capacity to create strong links to target groups addressed by the project.
- Apply a result-oriented approach by involving institutions who are supposed to develop and subsequently **implement the project outputs and results**. Ensure that they have the required **competences and capacities** (e.g. involve environmental authorities if you work on the development of environmental policies).
- Ensure a **balanced partnership** in terms of number of institutions involved per country. Distribution of project activities and responsibilities as well as related budgets should be also adequately balanced.
- Ensure that **decision makers** (e.g. ministries, regional authorities) are either directly included in the partnership or can be effectively reached by the project partners.
- Where necessary, involve **expert organisations** (e.g. universities, research institutions) as a source of knowledge.
- Keep the **partnership size** manageable (recommended **maximum of 12 partners**). Having a broad and too wide partnership should not be the goal when preparing a project.
- Ensure the **commitment of all partners from the very beginning**. In the implementation phase partner changes are to be regarded as exceptional cases, since they are posing a risk factor to the entire project.
- Institutions from **outside the programme area should only be involved in exceptional and well justified cases**. Their involvement should bring a clear benefit to the programme area and add value to the partnership.

Multilevel governance

Decision making competences are often shared by actors at different governance levels. Vertical integration (i.e. involvement of institutions representing various levels of administration like national, regional and local levels) is therefore expected to help reaching the intended structural change as well as policy improvement and implementation. It is recommended to:

- Create linkages (institutional, financial or informational) between the various levels of the governance system in a country/region;
- Explore a mix of horizontal and vertical cooperation approaches for tackling the challenges in the project.

The partnership needs to be tailored to challenges, objectives and results defined by the project. Two possible approaches (among others) which have proven to be effective for building a partnership are:

- **Triple and quadruple helix approach**, which requires the horizontal integration of competences from various sectors (research, public and business sectors and civil society). This approach is most fitting when for example new solutions, strategies and services are developed by the private sector, supported by public authorities with expertise coming from research.
- **Combined vertical and horizontal cooperation**, which brings together different governance levels in a Member State or region while, at the same time, involving similar types of institutions located in different countries. This allows creating multiple cooperation layers and therefore adding value to the project and its outcomes.

TIP

Please note that procurement rules need to be strictly followed when selecting and sub-contracting providers of external expertise (see also chapter C.1.5.1 of the implementation manual (available for download from www.interreg-central.eu/implementation-documents)).

Complementary external expertise

Due to the nature and complexity of issues addressed by transnational projects it may not always be possible to cover all required expertise and competences within the partnership as such. In these cases, external expertise could be sought to complement and bridge knowledge gaps to support the partnership in carrying out specific activities or delivering concrete services.

Please keep in mind that companies whose main scope of activities within their business profile, as well as their project role, consists of project coordination, management, communication or knowledge management or other activities that are of a mere executive or supporting character (service providers) cannot be involved as project partners. If required, such institutions should be sub-contracted (for further details see part B, chapter II.1.1).

Partner experience and capacity

Transnational cooperation projects can be challenging in terms of management and implementation, especially for newcomers. While this leads to the recommendation to choose an experienced lead partner, it shall explicitly not exclude but rather encourage newcomers to participate in projects. However, before joining a partnership the following has to be considered:

- Staff involved in the project should be able to speak and write in English.
- Since no pre-financing is provided, partner institutions should have sufficient financial capacity to pre-finance and implement the foreseen activities, keeping in mind that the time-lapse between the payment of project costs and the ERDF reimbursement usually takes some months.
- Even though the programme does not limit the participation of a same institution in several projects, the technical, financial and administrative capacity of the partner to accomplish project tasks and responsibilities has to be ensured.
- Rules between funding programmes might differ and, even if partners are experienced in other funding programmes, the Interreg CENTRAL EUROPE rules (based on rules applicable to ERDF co-funded programmes) have to be respected.



V. Developing a sound management structure

Management framework

- The partnership is governed by the **lead partner principle**. This means that among the partners implementing the project, one institution is appointed as lead partner acting as project interface with the programme (MA/JS). The lead partner, in addition to the responsibility of implementing its part of the thematic project activities, is also responsible for ensuring sound management (including internal communication) and successful implementation of the entire project. The lead partner is the contractual counterpart of the programme (signing the subsidy contract with the MA).
- The **subsidy contract** constitutes the legal framework for the implementation of the project, confirming the final ERDF commitment to the project, setting out the conditions for support and providing implementing arrangements. The most recent version of the approved application form is an integral part of the subsidy contract. The subsidy contract template is available for download on the programme website at www.interreg-central.eu/implementation-documents
- A **partnership agreement** establishes the legal base between the lead partner and all project partners. It has to be drawn up at the beginning of the project and lays down all arrangements for the relations of the lead partner with the project partners, such as the responsibilities and contributions to the work plan, reporting requirements, financial provisions, etc. A programme template with the minimum compulsory requirements of a partnership agreement is available on the programme website in section www.interreg-central.eu/implementation-documents. Additional provisions included in the document must in any case be in line with the programme objectives and the legal framework mentioned in the subsidy contract and the partnership agreement.

- At project level the **management is under the responsibility of the lead partner**. If the lead partner has no sufficient internal competences or capacities for project, financial or communication management, these positions can be taken over by other partners or subcontracted to external experts. However, the legal responsibility remains with the lead partner. The size of the management team set in place may vary but it has to comprise as a minimum the following functions:

MANAGEMENT FUNCTION	RESPONSIBILITIES / TASKS
PROJECT MANAGER (PM)	<ul style="list-style-type: none"> > Coordinates and manages project implementation > Drives the partnership > Monitors the project progress towards the set objectives and work plan as in the approved application form > Ensures internal information flow and knowledge management > Performs quality control of deliverables and outputs > Prepares the activity parts of the six-monthly progress reports and ensures a timely submission > Regularly communicates with the JS > Coordinates closely with the finance and communication managers
FINANCE MANAGER (FM)	<ul style="list-style-type: none"> > Ensures a sound financial management of the project > Passes on relevant financial programme information (e.g. on rules and requirements regarding eligibility of costs, financial reporting, audits etc.) to all PPs > Monitors financial project progress (including expenditure of partners and payments) > Prepares the financial part of the six-monthly progress reports > Is the contact person for the JS related to finances > Works in close contact with the project manager
COMMUNICATION MANAGER (CM)	<ul style="list-style-type: none"> > Coordinates and manages all project communication activities (in close cooperation with PPs and the project manager) > Builds the communication capacity of PPs > Is the contact person for the JS related to communication

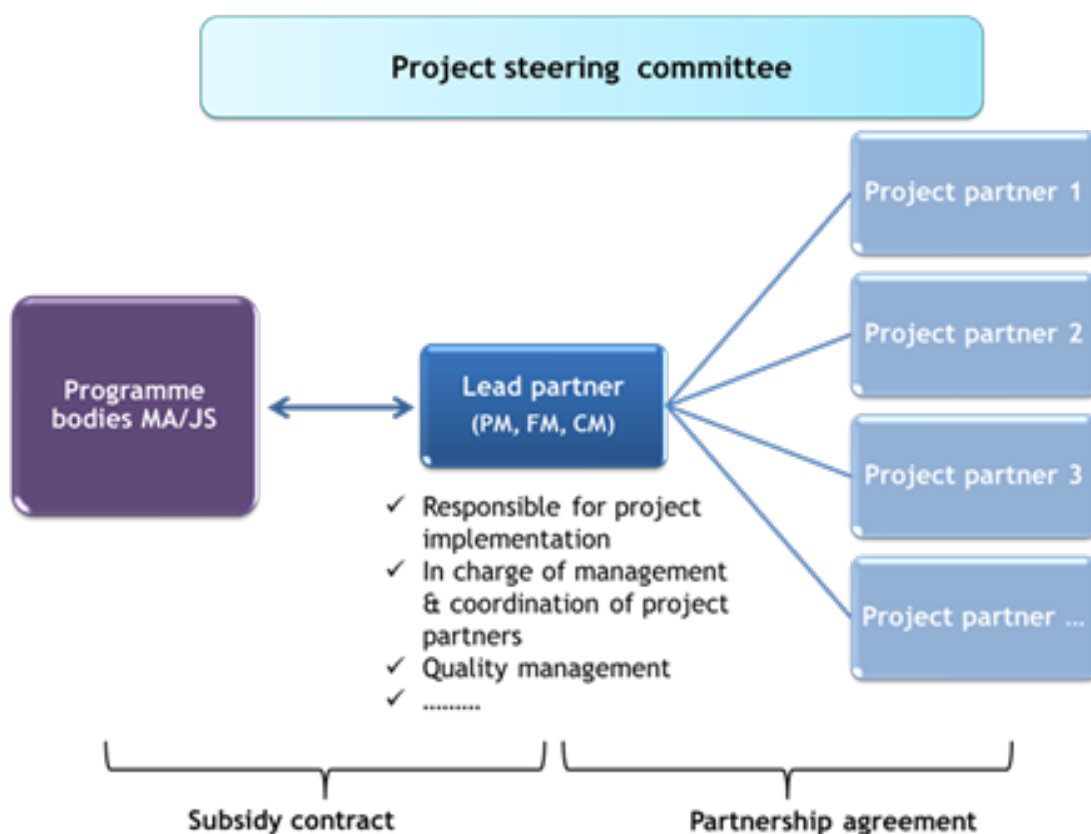
TIP The importance (and work load) of the project management team is not to be underestimated.

The above functions should be ideally assigned to different persons, who should work together closely. The project management team is also responsible for sharing relevant information and knowledge within the partnership, thus contributing to building and/or ensuring the necessary capacity of all project partners.

- At the partner level it is recommended to establish similar functions (project, finance and communication management) mirrored with a clear attribution of responsibilities within the partners' institutions in order to allow a good information flow and coordination.

The following figure illustrates interrelations between the Interreg CENTRAL EUROPE Programme, the lead partner and the project partners.

Figure 3 - Basic management structure of an Interreg CE project



Decision making structures

Projects need to establish a clear decision making structure from the very beginning. This will allow to steer and monitor the project progress and, in case of unforeseen situations, to adjust the project implementation and/or management. Such structure usually comprises of a **project steering committee** (see also chapter A.2 of the implementation manual) which holds meetings at least once per reporting period, i.e. every six months to which the appointed JS desk officers have to be invited. In the steering committee each partner has to be represented and should actively take part in the decision making process.

Main tasks of the project steering committee are linked to strategic coordination, evaluation and decision making and include the following:

- **Monitoring and validation of project implementation and achievements:** This includes verifying that the project implementation is in line with activities, deliverables and outputs indicator targets defined in the approved application form. Furthermore, it means validating the quality of project outputs and the progress towards achieving set objectives.
- **Monitoring of project finances:** This includes monitoring the project budget, budget flexibility and project spending.
- **Monitoring of project communication:** This includes monitoring of the branding of the project and review of progress made towards reaching communication objectives.
- **Review of the management performance and of the quality of progress reporting** towards the programme bodies.
- **Monitoring and management of deviations.**
- **If applicable, decisions on required project modifications** (e.g. partnership, budget, activities, duration) to be requested for approval to the programme bodies.
- **If applicable, discussion on project evaluation** (e.g. evaluation results, follow-up measures etc.).

In case of problems, the project steering committee has to take action. It is important that rules of procedure and decision making are established and approved at the latest in the first meeting of the steering committee.

The steering committee is usually supported by the project management team to facilitate the decision making process.

How to ensure high quality of project implementation?

Internal quality management

Proper quality management is essential for ensuring successful project implementation (see also chapter A.2.3 of the implementation manual). Projects should thus foresee setting up quality management procedures, feedback loops and/or other structures already at the application stage.

To ensure a good quality of project implementation, the project management team should:

- Stay in **regular contact with all project partners** (through project management platforms, emails, phone, skype etc.) in order to have a clear overview of activities that are implemented. Through this exchange it will be possible for the project manager to provide guidance and to ensure good quality of deliverables and outputs (in terms of contents, extent, timing, layout, etc.). See also chapter VI on relevant (internal) communication further below.
- Set up a proper risk management system foreseeing adequate mitigation measures.
- Closely monitor the project **progress and performance**, e.g. in terms of:
 - ☐ Progress of implementation (activities, deliverables, outputs of all work packages, indicators)
 - ☐ Finances
 - ☐ Identification of potential risks and problems, deviations and modifications
- Carefully **plan the reporting process** so that project partners provide the project management team with necessary information in time. Set up clear internal responsibilities as well as deadlines for getting partner information needed for preparing the joint progress reports.
- Perform a **systematic quality control** by checking the quality of information and supporting documents (deliverables, outputs, indicator figures, financial figures, etc.) provided by PPs in their partner reports. This should be done when consolidating the provided information into the joint progress report before submitting it to the programme bodies.
- Conduct **internal reviews** in order to analyse the current status and progress as well as to plan ahead for the next activities. This can be accomplished in the frame of regular project (steering committee) meetings.

Project evaluation

In addition to the above quality management provisions it is strongly recommended to foresee also project evaluation as a key management tool. There is, however, no standard approach as evaluation needs to be tailored to the actual needs of the project, notably in terms of project scope, timing (e.g. on-going, mid-term, final evaluation), type of partnership, strategic/operational evaluation etc.

A multitude of different evaluation approaches exists, which in the past have proven to be effective. Within a single project also different evaluation methods can be combined. Examples of evaluation types are:

- Evaluation of **project implementation and/or achievements** by external/independent experts (e.g. achievement of project specific objectives, related to specific elements of project implementation such as outputs or pilot actions, project communication, etc.)
- Evaluation of effects of project results on different target groups and stakeholders (e.g. satisfaction analysis)
- Internal/external evaluation of **project management** (e.g. internal feedback loops from project partners on project coordination, internal communication and information flows, etc.) and/or formalised **quality review** of outputs (e.g. peer reviews)
- **Scientific appraisal** by expert or advisory boards (e.g. involving also associated partners and/or key stakeholders for thematic assessment of outputs and results)

The status quo, main findings and results of both quality management processes and evaluations should be jointly discussed by the partnership, notably within the project steering committee in order to ensure that adequate decisions on necessary follow-up measures are taken and implemented.

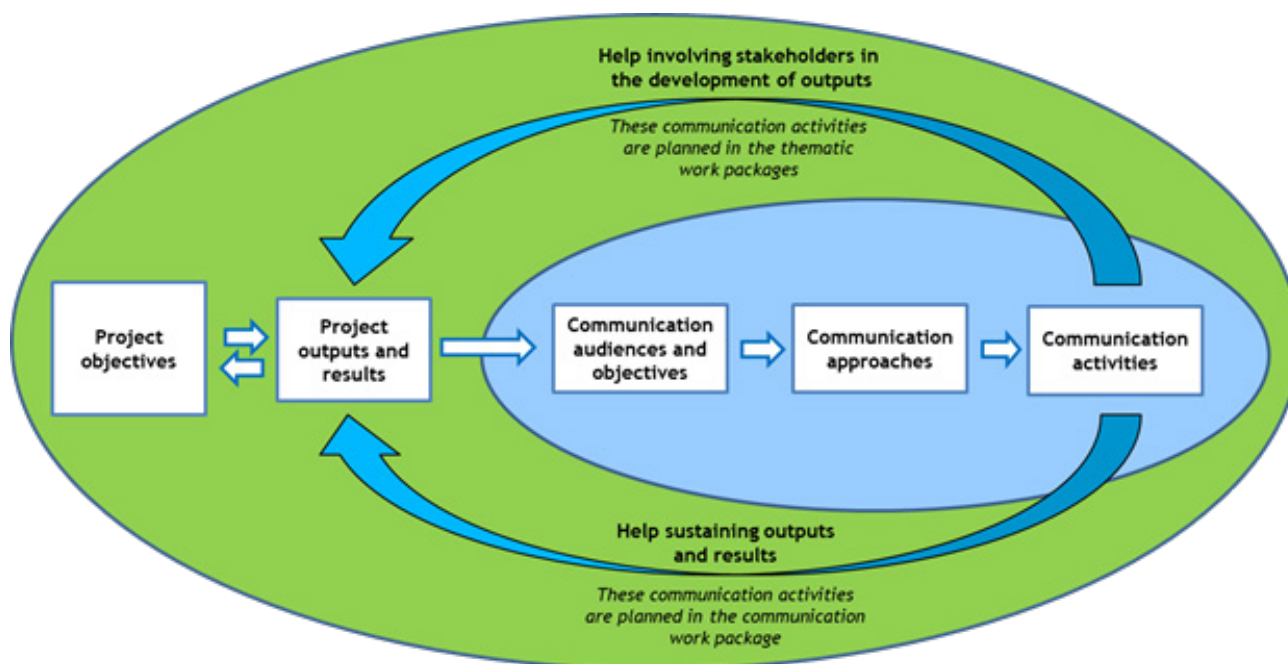
Please refer to chapter A.2.3 of the implementation manual for further guidance on evaluation principles, criteria and methods.

Activities referring to quality management and evaluation have to be foreseen in the application form, notably in the management work package (see part D, chapter IV.2.4.2).

VI. Designing relevant project communication

Communication plays an important role throughout transnational cooperation projects. To achieve the strategically defined change (see chapter III on project intervention logic), creating simply a set of outputs in a closed partnership - without ensuring external involvement and sustainability - will not be enough.

Interreg CE projects will have to ensure the proper involvement of stakeholders in the development of outputs and to ensure the sustainability of the outputs. Getting these two tasks right strongly depends on proper communication on various levels of the project. See also the visualisation of the communication process below.



Communication to ensure involvement of project partners and stakeholders

Communication contributes to trustful cooperation within a project. Interreg CE project managers will have to ensure that all project partners stay informed and involved from beginning to end, e.g. through establishing digital exchange platforms or organising partner meetings. Such **internal communication measures will have to be planned in the management work package.**

In addition, to successfully create outputs and results, projects will often have to cooperate with stakeholders from outside the partnership. Thematic work package leaders will thus have to ensure the involvement of target audiences by regular communicating with these, e.g. through stakeholder workshops. Such **involvement-related measures will have to be planned in thematic work packages.** Obviously, close links exist to the sustainability-focused communication work package (see below). Therefore, thematic work package leaders should work together closely with the communication manager of the project.

TIP

Carefully think about what you want to achieve with your project communication. Plan it in the correct work package:

- If you want to **involve project partners** to achieve your project outputs, communication activities should be planned in the **management work package**.
- If you want to **involve target groups and other stakeholders including associated partners** to achieve your project outputs, communication activities should be planned in the **thematic work packages**.
- If you want to communicate and thus **sustain achieved project outputs**, activities should be planned in the **communication work package**.

Communication to ensure sustainability of outputs and results

Outputs and results of Interreg CE projects are hardly ever an end in itself but rather serve as inspiration for stakeholders that were not involved in their development. Project communication managers will therefore have to ensure that project outputs are known and used outside the partnership through communication. Such **sustainability-related communication will have to be planned in the communication work package**.

Relevant communication is dissemination plus engagement

Whatever the focus of communication is (involvement or sustainability), relevant communication tactics usually have to go beyond the simple dissemination of information. Disseminating information will raise the awareness and knowledge about what the project does among certain target audiences but it will usually fall short of changing their attitudes and behaviour towards project activities and outputs.

Only trustful relationships will allow a project to influence a target audience's attitude or behaviour towards what the project does - no matter whether they are entrepreneurs, researchers, policy makers or decision makers. By directly addressing and getting into dialogue with partners and stakeholders, communication helps building these important relationships between the project and its target audiences.

More information on how to concretely plan your Interreg CE project communication is provided in part D, IV.2.4.2 of the application manual and in chapter A.3 of the implementation manual.

Harmonised programme and project communication: Effects on project communication

In view of start-up activities, please note that the **Interreg CENTRAL EUROPE Programme joined the harmonised Interreg branding initiative**, in which most Interreg programmes cooperate to increase the awareness of European Territorial Cooperation (ETC) as a valuable objective of EU cohesion policy.

Several programmes jointly decided to harmonise their brands as well as their project brands in the programming period 2014-2020. The well-known name "Interreg" has been re-introduced to this purpose while "European Territorial Cooperation (ETC)" will remain as the legal term used in official documents/regulations.

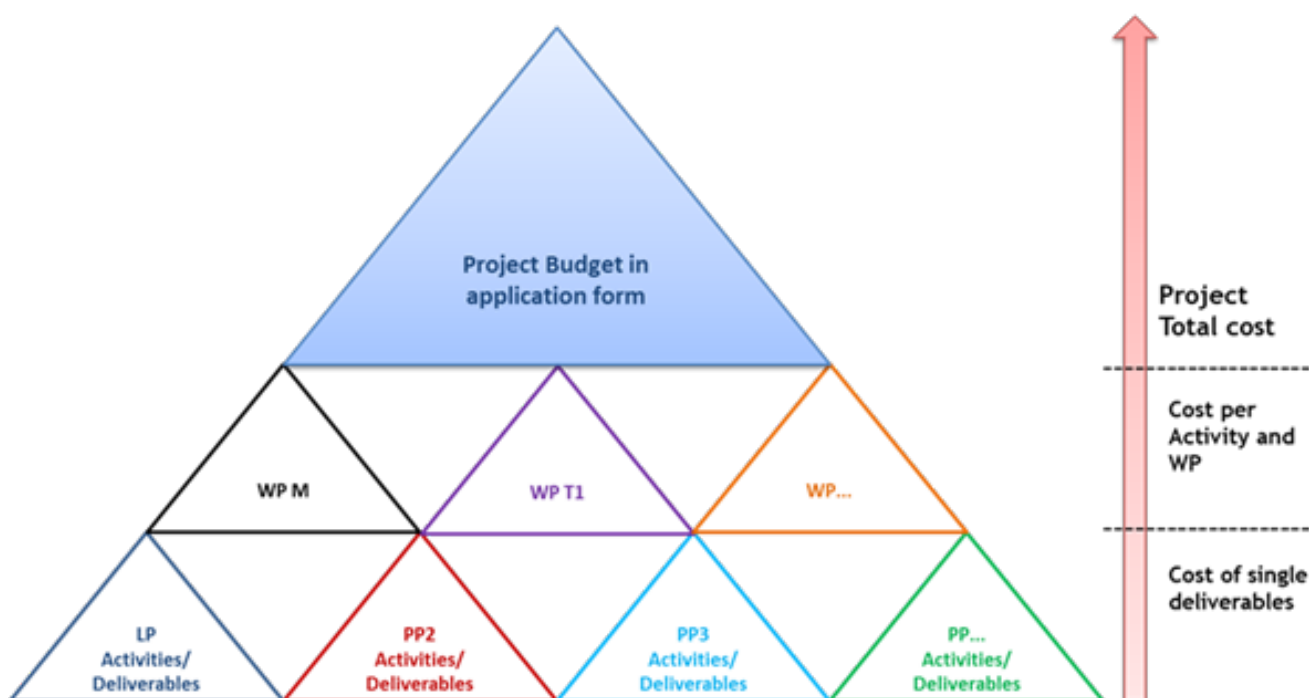
As a consequence, **all project logos will be aligned with the Interreg CENTRAL EUROPE programme logo**. This shared branding will offer direct benefits including an increased recognisability on the ground, helping projects to reach shared objectives from attracting relevant stakeholders in the regions to capitalising on thematic results in a more cost-efficient, effective and visible way.

In line with wider EU cohesion policy goals for the current programming period, an aligned branding will also contribute to better spending and simplification. **Projects will be provided with their logo and design templates** for publications (event invitations, project leaflets, etc.) and promotional materials, which can be easily adapted and implemented. However: specific logos could still be foreseen in thematic work packages for self-standing outputs that are expected to be marketed after the project. Please consult with the JS on this.

Similar to the approach in project branding, **project websites will be integrated and hosted on the programme website** as micro sites - with features according to needs expressed by projects and reachable at www.interreg-central.eu/projectacronym. Thus, for creating and maintaining the standard project website there will be no fixed costs since these services will be offered by the programme for free. However, as with logos above, specific websites can still be introduced by projects as an output of the communication work package for specific activities and products that are expected to sustain beyond the project duration or that deserve a more specific platform than the programme website (e.g. awareness campaigns, online IT tools, etc.).

VII. Designing a sound project budget

The budget of the project must be drafted following the real cost principle², fully accomplishing the principles of adequacy of costs and sound financial management (i.e. economy, efficiency and effectiveness) as explained in part B chapter II.7.2. Accordingly, the project budget shall reflect the work plan, i.e. activities, deliverables and outputs planned by each project partner in order to achieve the intended results.



Tools used by applicants when designing the project budget must therefore allow to plan, **at the level of each partner**, the budget allocated to budget lines, work packages, reporting periods. A non-binding example of such tool (a MS-excel sheet developed by the programme) that could be used by applicants when designing their project budgets is available for download at www.interreg-central.eu/apply³

² Except for preparation costs as well as when simplified cost options are used for calculating costs under staff and office and administration budget lines. For further information, please refer to part B, chapters II.7.3 and II.7.4.

³ The use of this tool is under the sole responsibility of the applicants and programme bodies do not bear any responsibility for possible non-functioning or misuse of this tool.

In view of the allocation of budget to reporting periods, the following elements are to be taken into consideration:

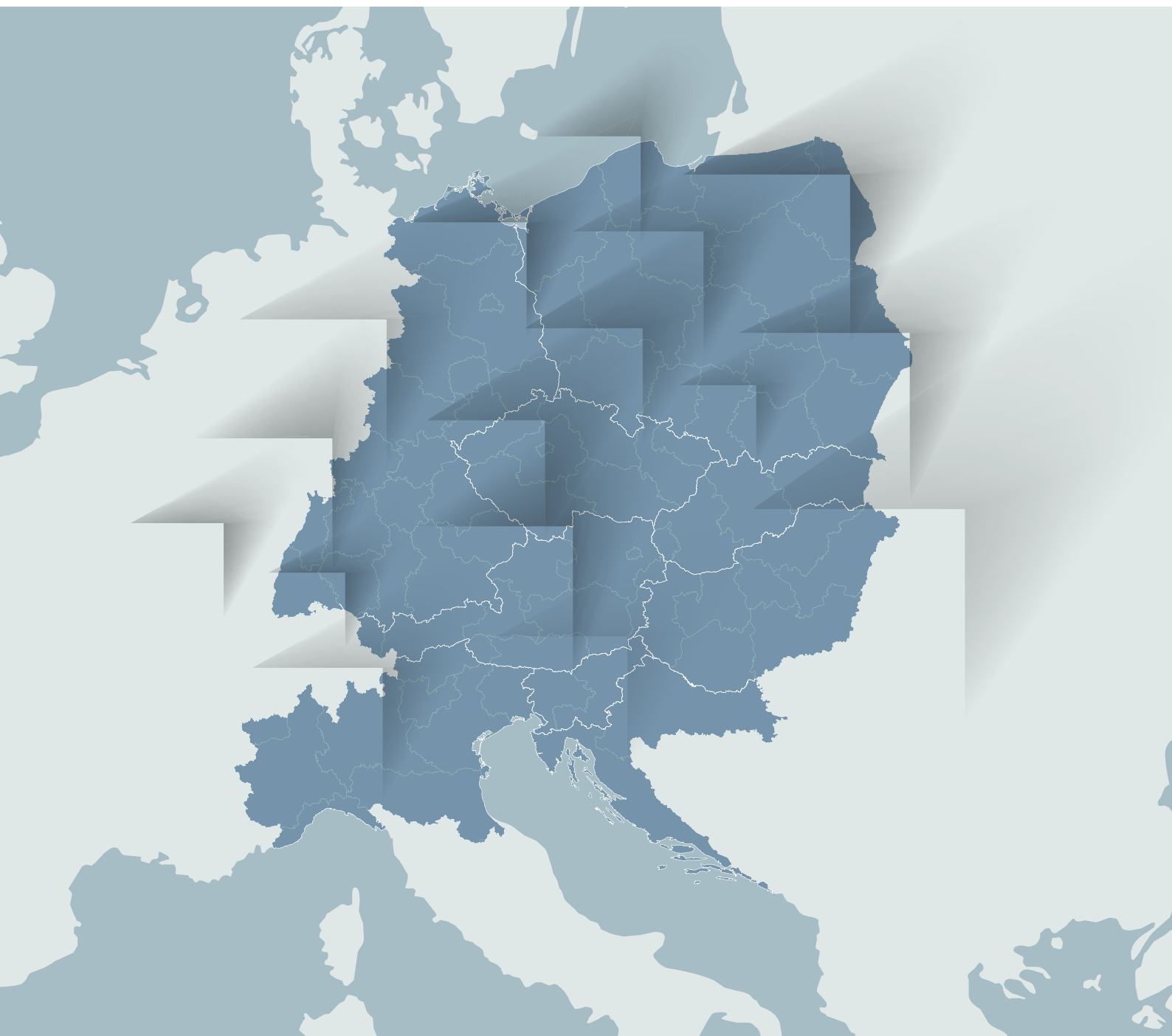
- The reporting periods run on a six-monthly basis as from the project start date.
- The budget allocated to each reporting period should be an estimation of the actual payments to be done in the respective reporting period. Therefore, the budget only partly reflects the activities taking place in a certain period. Indeed, if an activity is carried out close to the end of a reporting period, the related payment may take place in the following period and the costs should therefore be budgeted only in the following reporting period.

Spending forecasts will be subject to analysis during the assessment of applications. In particular, an artificial distribution of total costs (e.g. evenly throughout the project duration and therefore not reflecting actual payments) will be evaluated negatively due to its negative effect on the decommitment calculations on programme level.

APPLICATION MANUAL

Third Call

Version 1
September 2017



Content

I. Application procedure	3
II. Application package.....	3
III. Online submission system	4
III.1. Technical information and system requirements	4
III.2. Registration	5
III.3. Filling in and submitting the application form.....	6
III.4. Helpdesk and technical support	7
IV. Drafting the application form	8
IV.1. Structure of the application form - overview	8
IV.2. Contents of the application form	10
V. Project assessment and contracting.....	46
V.1 Assessment procedure	46
V.2. Communication to lead applicants and resolution of complaints.....	53
V.3. Application and assessment overview	55
V.4. Contracting.....	56



I. Application procedure

The application procedure for the third call for proposals is organised in a **one-step procedure**.

II. Application package

The application package for the third call can be downloaded from the programme website (www.interreg-central.eu/apply) and consists of the following documents:

- Call announcement for the third call;
- Application manual (this document) organised in five parts and seven annexes;
- Off-line template of the application form.

The project proposal (including required annexes) has to be **submitted by the lead applicant** solely through the online submission system (see chapter III). The **deadline for submission** is given in the call announcement.

The submission of the application form has to be accompanied by supporting documents (to be regarded as annexes), notably declarations by the lead applicant and all project partners as well as other documents, if applicable (see details in chapter IV.2.7).

Lead applicant and partner declarations have to be uploaded as scanned documents (signed by the legal representative of the respective institution) in the online submission system (see administrative requirements - chapter V). Original (hard copy) documents are only to be provided by projects selected for funding, during the contracting phase.

- Only complete applications submitted within the call deadline and containing all required annexes will be considered as eligible.



III. Online submission system

Applicants have to complete and submit the application form electronically via the electronic monitoring system of the programme (eMS) which can be accessed under the following link <https://ems.interreg-central.eu>.

In addition to guidance provided in this manual, the online application form also contains basic explanations of the various sections of the application form.



III.1. Technical information and system requirements

The eMS is a web application which can be accessed with recent versions of most common browsers (e.g. at least Internet Explorer 11, Firefox 47, Chrome 60¹).

The functionality of the system follows the common standards of web applications for entering and submitting form data.

ATTENTION

Please keep in mind the following important aspects when filling in the application form:

- The eMS does not provide any warning or request of confirmation before leaving a section of the application form or before logging out. Always **remember to save the data** before leaving a section in the application form (Save button  on upper left corner or at the end of the page  Save), otherwise data will be lost!
- When filling in longer sections, please remember to regularly save data, in order to avoid losing data in case of interruptions of the internet connection or other technical issues.
- Do not use the "Enter" key in the forms as it may lead to unexpected results. Always use the commands provided by the eMS interface.
- The generation of pdf-files might take some time. Please wait until the pdf-file appears in the filebrowser. Activating the pdf generation again might slow down the system.

¹ When working with Internet Explorer it has to be ensured that the option "display intranet sites in compatibility view" is de-selected in the compatibility view settings of the browser (to access Internet Explorer preferences for compatibility view you can press Alt + T + B).

TIP

The person creating the application must represent (or be delegated by) the lead applicant institution who can then give user rights to other registered users and, after completing the filling in of the application form, will finally submit it to the programme bodies (see below).

III.2. Registration

To use the online submission system, the **lead applicant must register** and create a set of credentials.

To register, go to <https://ems.interreg-central.eu/> and click on "Register". The person registering should be preferably the contact person of the lead applicant institution. Please note that automatically generated emails (e.g. on successful submission) will be sent to this email address only.

In the registration form, fill in the following information:

- Username: will be used to log in and submit the applications. It can be freely chosen by the lead applicant's contact person.
- Email: the email address of the lead applicant.
- Password: password used to access the system (in case the password is forgotten, it can be reset. An automatic email with the necessary instructions will be sent to the email address provided during the registration process).
- First name / Last name / Title: Personal information of the lead applicant's contact person.
- Language: English is pre-defined language, programme's official language). It cannot be changed.

Upon registering and accessing the system, **the user agrees to the terms of service for the use of eMS**. The full document containing the terms of service can be downloaded from the login page of the eMS.

A confirmation email will be sent automatically to the email address provided. Please follow the instructions in the message to confirm the registration.

Only after confirmation, the lead applicant will be able to log in to the online submission system and create a new application.

TIP

Please note that the creation of a pdf might require some time and consequently the pdf of the application form will appear in the filebrowser only after a certain time. Please wait until the pdf is available and do not press the "save as pdf file" button repeatedly, since this might slow down the eMS.

III.3. Filling in and submitting the application form

The lead applicant can give editing rights to some sections of the application form to other users (namely the project partners). These have to be registered in the system before and provide the lead applicant with their username.



The lead applicant can then add new users in the "User Management" section (see screenshot of project menu below). Users can be granted either read-only rights ("add for reading"), or edit and add data rights ("add for modification").

Project menu

The user accounts created to draft and submit the application will be available until the deadline of the call.


In case the project is selected for funding, a new set of credentials will be created for every project partner.

To a certain extent, it is possible for different users to work in parallel (at the same time) on the same application form. When working in parallel, users have to make sure though that they are not working in the same section or sub-section (in case that the section is divided).

Please note that you can create a pdf file of the application form at any time of its development by pressing the button  **Save As Pdf File** in the project menu section "General/Save as pdf file" (see screenshot of project menu above). You will find the created pdf file(s) in the dashboard menu in the section "Personal/Filebrowser"  **Filebrowser** (the saving of the pdf document in the filebrowser might take several minutes).

Automatic checks of the application form

Once the application form is at an advanced stage, but well before its final submission, it is recommended to perform the automatic checks on the correctness of data entered into the application form.


This check is done by pressing the "Check Saved Project" button  **Check Saved Project** in the project menu on the left. The system then performs several automatic checks of the formal requirements (e.g. completeness of information, minimum number of partners, etc.). If all automatic checks are successfully passed, the message "Success" will be displayed. In case the automatic checks show any deficiencies, the system indicates these in an error message on top of the page and the applicants should amend the application form accordingly.

TIP

Please note that only the user who initially created the application form (i.e. the lead applicant) can submit the application form. The application form which has been successfully submitted is **final and cannot be changed** anymore (it will only appear in read-only mode in the system).

Submission of the application form

Before the final submission of the application form it is **recommended to save the final version of the application form as pdf file**.

When submitting the final application form by pressing the "submit saved project" button  **Submit Saved Project**, the system performs once more the same automatic checks as described above. Only if all automatic checks are successfully passed, the application form will be officially submitted.

Upon the final submission of the AF, an email is sent automatically to the email address of the user of the lead applicant institution, confirming the successful submission.

III.4. Helpdesk and technical support

The eMS has a built-in help function which provides both online help and instructions for every section of the application form. For additional information you can refer to the FAQs published on the website of the programme (www.interreg-central.eu/FAQs).

For any IT related problems you might experience with the online submission system, please contact the helpdesk at helpdesk@interreg-central.eu or contact the joint secretariat under +43 1 89 08 088-2403 during office hours.



IV. Drafting the application form

The application form has to be filled in **in English** as this is the working language of the programme. The following chapters describe the structure and content of the application form.

IV.1. Structure of the application form - overview

The application form is structured in seven sections and several sub-sections as presented below:

Application form	
SECTION	HEADERS (SUB-SECTIONS)
A	A - PROJECT OVERVIEW A.1 Project identification A.2 Project summary A.3 Project budget - breakdown per partner A.4 Project outputs
B	B - PARTNERS B.1 Lead partner/project partners B.2 Associated partners (if applicable)
C	C - PROJECT DESCRIPTION C.1 Project relevance C.2 Project focus C.3 Project context C.4 Horizontal principles C.5 Additional indicators
D	D - WORK PLAN (INCLUDING TIME LINE) D.1 Work package description D.2 Target groups D.3 Periods
E	E - PARTNER BUDGET E.1 Partner budget E.2 Activities outside the programme area E.3 Project breakdown budget
F	F- PROJECT BUDGET Project budget overview tables
G	G - ANNEXES > Partner declarations > Supporting documents for private lead applicants (if applicable)

Please note that in the online application form some fields in various (sub-) sections will be automatically filled in (grey cells) by the system by displaying data which are inserted in other sections of the application form or which are automatically calculated.


IV.2. Contents of the application form

In the application form all essential information about the project must be presented.

The application form will be the basis for the quality assessment and subsequently the project selection by the programme Monitoring Committee (see chapter V).

In case the project will be selected for funding, the approved application form will become part of the subsidy contract and will be the basis for monitoring the project implementation. The following chapters describe the main contents which are required for each section of the application form.

IV.2.1. Section A - Project overview

SECTION	APPLICATION FORM
 A	PROJECT OVERVIEW A.1 Project identification A.2 Project summary A.3 Budget summary - breakdown per partner A.4 Project outputs

Section A contains general information about the project.

TIP Please keep the project title and acronym short and straightforward, illustrating the main project scope. If selected for funding, this will be the official name of the project during the whole implementation period.

It is strongly recommended to check whether the intended acronym is used already, to avoid duplication of names with other projects/initiatives. Please pay special attention to avoid any potential infringement with existing copyrights for the selected acronym (linked to brands, products, trademarks, etc.).

A.1 Project identification

This section contains the project identification, notably the project title, acronym, number, duration and selection of programme priority axis and specific objective. **When defining the project duration in eMS, please ensure that the project starts on the first day of the starting month and ends with the last day of the closing month.**

A.2 Project summary

A brief summary description of the project shall be written in the style of a press release capturing the main features of the project. **Please pay attention to writing a well-structured and non-technical summary (without using acronyms) as this summary will be published.**

ATTENTION

- The application form can only target one priority axis and one programme specific objective of the Interreg CENTRAL EUROPE Programme (contributions to other priorities and specific objectives are however possible).

A.3 Budget summary - breakdown per partner (automatically generated)

A budget table summarising the budget information as filled in in the budget section E is displayed in this section.

A.4 Project outputs (automatically generated)

An overview table is automatically generated listing the project outputs as defined in the work plan, linking them to the programme specific output indicators.

IV.2.2. Section B - Project partners

SECTION	APPLICATION FORM	
	PARTNERS	
B	B.1 Lead partner/project partners	
	B.2 Associated partners (if applicable)	

This section contains information on the partnership (lead partner, project partners and associated partners). Please also note that information provided in this section will support the assessment of State aid relevance of project activities. For further information on State aid please refer to part B, chapter II.7.7.

B.1 Lead partner/project partners

TIP

An **economic activity** is defined as “offering goods or services on a given market”. It has to be kept in mind that not only profit-making companies perform economic activities and that very often public bodies or non-profit organisations do also perform economic activities. For example, research organisations (including public universities and private research institutes) can carry out both economic and non-economic activities. Non-economic activities of research organisations include their primary activities such as public education and independent research and development. Economic activities of research organisations include, for example, contract research or renting of laboratory facilities for a fee.

a. Competences

In this section information is to be provided on the specific competences of each organisation participating in the project regarding the following aspects:

- Information on the organisation’s thematic competences and experiences relevant for the project.
- Description of the main field(s) of interest of the organisation in its daily business.
- Information on economic activities carried out by the organisation in its daily business, specifying which type of activities in which market.

b. Role in the project

In this section information is to be provided with regard to the role of each organisation participating in the project (either as lead partner or project partner) regarding the following aspects:

- Description of the role and responsibility in the project (e.g. work package leader, responsible for implementation of a specific pilot action or pilot investment etc.)
- Description of the benefit which the organisation will gain from participating in the project (e.g. new knowledge and data, practical experience with new methods etc.)
- Information on economic activities performed by the organisation within the project or as a consequence of its implementation. This might include for example selling of the new products developed within the project following the knowledge acquired and/or the availability of a project output (e.g. a feasibility study).

c. EU/international projects experience

In this section information about the previous experience of each project partner in EU/international projects (e.g. Interreg, EU Research Framework Programme/HORIZON 2020, Intelligent Energy Europe, LIFE etc.), if any, should be provided regarding the following aspects:

- Experience in management/coordination of previous EU/international projects
- Participation and role in previous EU/international projects

TIP


Please note that associated partners are not to be regarded as mandatory, but are part of the relevant stakeholders and target groups to be involved in the project. In any case, the competences and capacities needed for implementing the project must be covered by the financing partners (i.e. lead partner and project partners). For further information on associated partners please refer to part B chapter II.1.4.

B.2 Associated partners (if applicable)

For associated partners only limited information is required, i.e. information on the institution name in original and English language, the country and the project partner to which it is associated.

Based on the information filled in in this section a partner list is automatically generated by eMS.

IV.2.3. Section C - Project description

	SECTION	APPLICATION FORM
	C	PROJECT DESCRIPTION
		C.1 Project relevance
		C.2 Project focus
		C.3 Project context
		C.4 Horizontal principles
		C.5 Additional indicators

In this section, applicants have to provide information on how well the project proposal contributes to the objectives of the Interreg CENTRAL EUROPE Programme, considering in particular the scope of the specific objective of relevance and, if applicable, its thematic focus for the third call.

In particular, this section includes the description of the key characteristics and strategic elements of the project, notably information on its relevance, focus and context.

In order to answer these questions, it is important that applicants read part B, chapter I of the application manual to be able to understand the Interreg CENTRAL EUROPE key principles which are a pre-condition for a project to be funded by the programme.

IV.2.3.1 Project relevance (C.1)

Within the section on project relevance applicants have to provide information on the following project characteristics:

Territorial challenges

The applicants should explain the relevance of the project in relation to the territorial challenges and/or common assets of the programme area. In particular, the description has to address:

- the common territorial challenges and needs as identified in the Cooperation Programme **for the entire programme area** and
- how the project proposal addresses the **specific challenges of the involved regions**.

This should reflect the initial situation (i.e. before project implementation) and clearly describe why the project is considered as necessary for the involved regions/countries.

Project approach and innovativeness

The description should highlight the project's approach for addressing common challenges and/or assets identified by the partnership and to reach the expected project results. It should describe how the project will be structured and the methods that will be applied.

In addition, the innovativeness of the project should be clearly demonstrated in terms of new or innovative solutions (e.g. process, goal and content oriented innovation) which will be developed and/or implemented. In this respect, it should be highlighted how the planned solutions and expected results go beyond the state of the art in the related sector and/or the participating regions. For further information and examples please refer also to part B chapter I.5

Transnational cooperation

The applicant should demonstrate the need for transnational cooperation, i.e. why the project objectives cannot be reached acting only on a national/regional/local level, as well as the added value for the project partners and target groups gained through the transnational cooperation.

More detailed information on the required transnational and territorial dimension of projects to be supported can be found in part B, chapter I.2.

The partnership should also specify the level of **intensity of cooperation** according to the following cooperation criteria:

- **Joint development (compulsory)** - i.e. partners have to be involved integrating their ideas, priorities and actions in the project development process.
- **Joint implementation (compulsory)** - i.e. project activities must be carried out by the partners in a cooperative way ensuring clear content-based links and be coordinated by the lead partner.
- **Joint staffing** - i.e. the project should not duplicate functions within the partnership. In particular, project management functions should be carried out at project level.
- **Joint financing (compulsory)** - i.e. the joint project budget shall be organised according to the activities carried out by each project partner. The lead partner is responsible for the administration and reporting towards the programme bodies as well as the distribution of the funds to the partners.

IV.2.3.2 Project focus (C.2)

Within the sub-section "project focus" the **intervention logic** of the project proposal has to be presented which is composed of the following elements:

- Project main objective
- Expected project results
- Project specific objectives

Detailed guidance for setting up the project intervention logic is provided below. Please refer also to part B chapter I.1 where the required linkage between the programme and project intervention logic is explained as well as to part C, chapter III describing the principles of the project intervention logic).

Please note that the planned project outputs forming part of the project intervention logic (see also explanations below on how to build the project intervention logic) have to be defined within the respective work packages (see section D of the application form).

How to build the project intervention logic?

The most important step in developing the project proposal right from the beginning, is to clearly define the intervention logic, notably the project objective(s) and expected results. The results should be as specific as possible and clearly express **what kind of changes the project intends to bring about in relation to the initial situation.**

The project intervention logic has to be coherent and shall provide the necessary information on how the project contributes to the targeted programme specific objective and its expected result, considering, if applicable, the thematic focus of the third call.

The project intervention logic should be built according to the process displayed in figure 2 and as described below. Definitions of the main terms used for the intervention logic are provided in table 1.

Figure 2: Building the project intervention logic

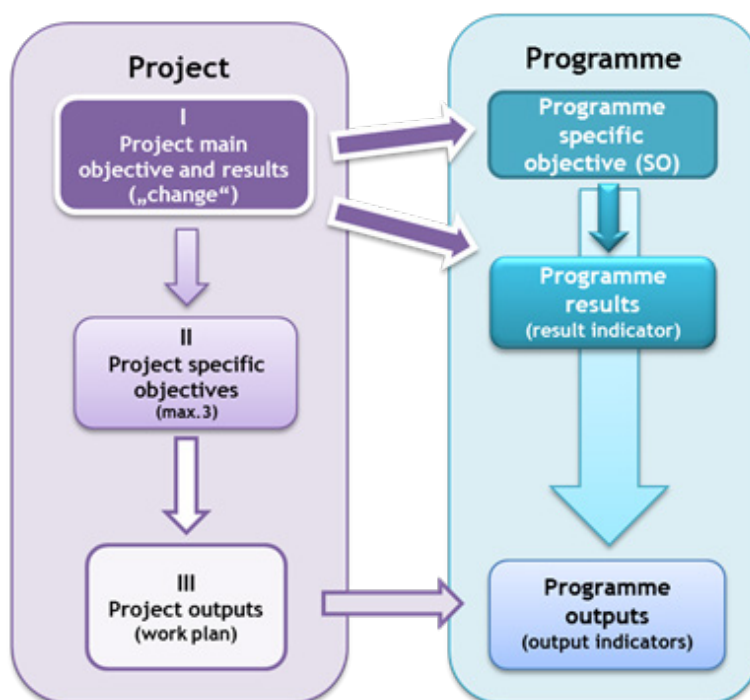


Table 1 - Project intervention logic glossary

TERM	DEFINITION
PROJECT MAIN OBJECTIVE	Provides the overall context for what the project aims to achieve. It describes the long-term objective the project seeks to support and relates to the strategic aspects of the project. It has to be in line with a programme specific objective and result (considering, if applicable, the thematic focus for the third call).
PROJECT SPECIFIC OBJECTIVE	Describes the immediate objective sought by the project, which can be realistically achieved within the project lifetime through the development of the project outputs. It should be verifiable at the end of a project whether the specific objective was achieved or not. Each project specific objective has to clearly contribute to the project main objective.
PROJECT RESULT	Describes the advantage of carrying out the project and the change compared to the initial situation. Results are derived from the outputs achieved by the project. They have to be coherent with project objectives and contribute to the programme results.
PROJECT OUTPUT	Is the outcome obtained following the implementation of project activities paid with project funds (i.e. strategy/action plan, tool, pilot action, training etc.). Each output should be captured by a programme output indicator and should directly contribute to the achievement of the project result.

Steps for building the project intervention logic:

1. Setting of project main objective and results

- Define the project main objective which outlines the “strategic” focus of the project and its expected results. Results should indicate the changes the project will achieve following its implementation (“theory of change”).
- Select a programme specific objective to which the project contributes within the chosen priority axis. The project main objective has to be fully consistent with the selected programme specific objective.
- Explain the linkage between the envisaged project results and the programme result referring to the chosen programme specific objective. Please give clear evidence of how and to which extent the project will contribute to the programme result indicator linked to the chosen programme specific objective. Please note that the contribution to the result indicator shall relate *not only to project partners, but also to the target groups of the project considering also the transferability of project results to other territories facing similar challenges.*

2. Defining project specific objectives

- Define **up to three specific objectives** describing what the project aims to achieve within its lifetime. Project specific objectives should be as concrete as possible and directly address the problems/challenges as described within the sub-section C.1 (Project relevance) of the application form. When defining the project specific objectives, it has to be considered that the partnership should have the necessary capacity to directly influence their achievement. The reaching of project specific objectives has to be verifiable during and after project implementation.
- Each of the set project specific objectives has to clearly contribute to the project main objective and the expected project results. This will ensure the internal coherence of the project intervention logic.

3. Defining project outputs

Project outputs have to be defined in the **work plan** (see also section D of the application form as well as explanations in chapter IV.2.4) and can be characterised as follows:

- Outputs are the direct outcomes of the project and have to directly contribute to the achievement of the project objectives and results.
- Project outputs should follow the typology of outputs (see chapter IV.2.4 related to the description of thematic work packages) as applied by the Interreg CENTRAL EUROPE Programme and be captured by programme output indicators. Detailed explanations on the output typology and the respective output indicators including examples of outputs per priority axis and specific objectives (for the latter, and if applicable, considering their thematic focus for the third call) are explained in annex III of the application manual.
- Within investment specifications the defined outputs/investments have to be linked to the category “investment” as included in the list of output indicators (see chapter IV.2.4.2). The relationship between project activities, outputs and deliverables is explained in chapter IV.2.4.1.

TIP

Please check at the programme website (www.interreg-central.eu/projects-2007-2020) on the thematically related projects already funded in the first and second call of the programme as well as by the CENTRAL EUROPE 2007-2013 Programme. In addition, the programme has prepared comprehensive thematic studies summarising the results of the CENTRAL EUROPE 2007-2013 projects (see part A, chapter V and available on the programme website). This will help in building a project based on available knowledge and existing achievements.

IV.2.3.3 Project context (C.3)

In this section the applicant should describe how the project proposal contributes to the relevant existing policy framework (at EU, national, regional levels) relevant for the thematic scope of the project and for each of the regions participating in the project:

- the EU policy framework given by the Europe 2020 strategy, EU sectoral policies for the thematic scope of the project, European Territorial Agenda etc.
- national, regional or local policies (referring only to the relevant governance level applicable for the project scope and territories)

If applicable, possible contributions of the project to the following **macro-regional strategies**² covering the Interreg CENTRAL EUROPE programme area should be described:

- EU Strategy for the Danube Region (EUSDR)
- EU Strategy for the Baltic Sea Region (EUSBSR)
- EU Strategy for the Adriatic and Ionian Region (EUSAIR)
- EU Strategy for the Alpine Region (EUSALP)

The description should clearly specify the linkage with the respective macro-regional strategy and explain how the project will explicitly contribute to the objectives of the macro-regional strategy.

Furthermore, **coordination** or **synergies** with other national or European projects and initiatives (past, on-going or planned) should be described. If applicable, applicants should highlight if and how the project builds on past efforts and results in order to avoid duplication of efforts. Applicants should describe relevant **experiences or lessons-learned** and how gained knowledge will be used. If applicable, linkages to previous CENTRAL EUROPE 2007-2013 projects should be highlighted. For further information, please see also part C chapter II. Applicants should indicate if the application is linked to any other proposal currently under preparation within other EU funds, also specifying the concerned EU programmes (e.g. other Interreg programmes, Horizon 2020, COSME, LIFE, national or regional programmes supported by ERDF, ESF, Cohesion Fund, EAFRD, EMF, etc.).

IV.2.3.4 Horizontal principles (C.4)

Applicants have to indicate how the project proposal contributes to the following horizontal principles of the programme, by characterising the type of possible effects:

- Environment Sustainable development
- Equal opportunities and non-discrimination
- Gender equality

In the application form a self-assessment on the respect of the above principles has to be performed. In case of possible negative effects, adequate mitigation measures have to be designed already in the application stage in order to avoid occurrence of such negative effects. For example, if a project foresees the promotion of river and sea transport, specific attention should be placed on the ecological status of the water body and its hydro morphology. For more detailed information on horizontal principles please refer to part B chapter I.6.

² http://ec.europa.eu/regional_policy/index.cfm/en/policy/cooperation/macro-regional-strategies/

IV.2.3.5 Additional indicators (C.5)

The programme has defined the following **thematic result indicators** which aim at capturing the result and implementation-oriented project effects:

- Number of institutions adopting new and/or improved strategies and action plans
- Number of institutions applying new and/or improved tools and services
- Amount of funds leveraged based on project achievements
- Number of jobs created (FTE) based on project achievements
- Number of trained persons

Applicants have to choose from the thematic result indicators listed above those of relevance for the project considering its scope and the planned achievements. Applicants have also to quantify the respective targets. Please note that in case the project will be funded, the respective progress for the chosen indicators will have to be reported during project implementation.

In addition, applicants have to define targets for the following **communication result indicators** which aim at capturing the project`s communication effects:


- Unique visits to the project website (monthly average of digital reach in the reporting period)
- Number of participants at project events, which are planned in WP Communication (physical reach)
- Percentage of participants satisfied with information provided at project events, which are planned in WP Communication (satisfaction with information)
- Number of communication activities jointly implemented with stakeholders from outside the project (including associated partners), such as shared publications or shared events (external cooperation)

The progress on all communication result indicators will have to be reported during project implementation.

Additional guidance on the above-mentioned indicators and their definitions in order to ensure a common understanding of their scope and meaning is provided in annex III of the manual.

IV.2.4 Section D - Work plan

IV.2.4.1 Introduction to the work plan

	SECTION	APPLICATION FORM
	D	WORK PLAN (INCLUDING TIME LINE)
		D.1 Work package description
		> Preparation work package (if applicable)
		> Thematic work packages
		> Management work package
		> Investment specification (if applicable)
		> Communication work package
		D.2 Target groups
		D.3 Periods

The project work plan describes the activities which will be performed by the project in order to deliver the outputs necessary for achieving the project specific objectives. The work plan is composed of a set of work packages, part of them to be defined by the applicants.

The programme foresees four different types of work packages and a specification of investments (see table below).

Table 2 - Types of work packages (WP)

WP TYPE	MANDATORY	CONTENT
PREPARATION	NO	Related to the request of a lump sum for preparation and contracting costs (as explained in chapter IV.2.4.2 and part B, chapter II.7.4)
MANAGEMENT	YES	Project management and coordination activities (including communication activities to ensure the involvement of the project partners) One management WP per project
THEMATIC	YES	Content-related activities linked to the achievement of project specific objectives and results (including communication activities to ensure the involvement of external target audiences) WP title is to be defined by the partnership reflecting the intended result of the WP. From one to max. four thematic work packages per project
INVESTMENT SPECIFICATION	ONLY FOR INVESTMENTS ABOVE EUR 15.000	Applicable only if the project foresees investment(s). Each investment is to be described by a separate investment specification. Such specification is to be filled-in only if the total value of the concerned investment exceeds EUR 15.000 of total costs Investment title is to be defined by the partnership reflecting its focus.
COMMUNICATION	YES	Communication activities that will ensure the sustainability of achieved outputs and results One communication WP per project

At the beginning of the work plan section, a **work package overview list** is displayed which is automatically filled-in according to information included in the subsequent work packages descriptions.

The overall project **time line** is displayed in the form of a Gantt chart. The chart is automatically generated on the basis of information inserted in the work plan and it visualises the timing of all work packages, project outputs, activities and deliverables.

TIP

Activities and deliverables should describe a transparent work flow ensuring the necessary level of detail and an adequate time-wise sequence.

In general, a work package (WP) is characterised by the following:

- WP title
- WP responsible partner and involved partners
- WP start and end date
- A comprehensive WP summary including clear roles and responsibilities of project partners
- Thematic WPs must produce at least one output
- A number of activities (recommended not more than 4-6 per WP)
- One or more deliverables within each activity. In case of thematic WPs, deliverables have to contribute to the achievement of the output(s)

The following figure illustrates the relationship between project activities, outputs and deliverables (applicable to thematic work packages).

Figure 3: Relationship between project activities, outputs and deliverables (applicable to thematic work packages)

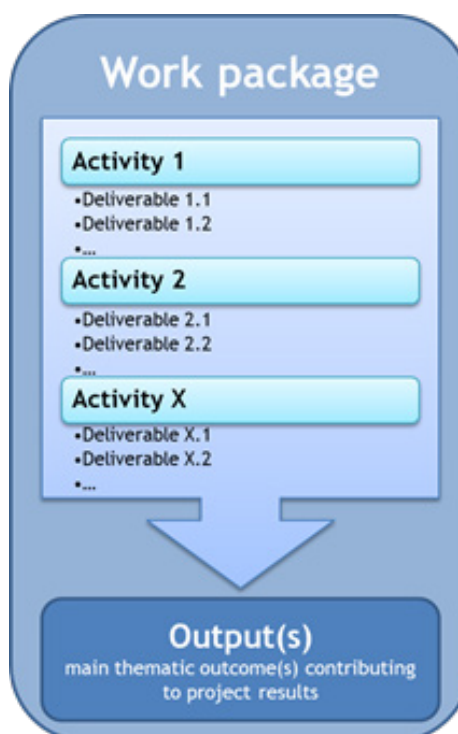


Table 3 - Definitions: activities/outputs/deliverables

TERM	DEFINITION
PROJECT OUTPUTS	Are the outcomes obtained following the implementation of project activities paid with project funds , i.e. strategy/action plan, tool, pilot action, training, (innovation network -applicable only for SO 1.1). Each output should be captured by a programme output indicator and should directly contribute to the achievement of the project result. Each thematic work package must foresee at least one output. See also further explanations on output types below.
PROJECT ACTIVITIES	Each work package (except for WP preparation and investment specification) is divided into activities (ideally not more than 4-6 activities per work package). For each activity the start and the end month as well as the indicative cost must be specified. The sum of the indicative budgets of the single project activities within a work package have to be equal to the work package budget. Activities of thematic work packages have to lead to the development of one or more project outputs.
PROJECT DELIVERABLES	Each activity should include one or more deliverables (e.g. analysis report, feasibility study etc.) that contribute to the achievement of project outputs. All small steps of a single activity, such as stakeholder meeting documentations, working groups etc., do not need to be listed as separate deliverables, but should be aggregated into one deliverable, e.g. a qualitative report describing the stakeholder involvement.

ATTENTION

For each project output a corresponding deliverable (e.g. strategy document, pilot action report etc.) has to be foreseen in the work plan. Such deliverable should contain a detailed description and documentation of the output produced.

In addition, finalised project outputs have to be reported to the programme through an "output fact sheet" containing summary information of the output. For further information, please refer to section B.2 of the programme implementation manual.

The following table presents a comparative overview on the main features of outputs and deliverables:

Table 4 - Comparative overview of outputs vs. deliverables

	OUTPUT	DELIVERABLE
CHARACTERISTICS	<ul style="list-style-type: none"> > Main outcome of a thematic work package > Contributing to achievement of the expected project result > Following output typology and linkage to programme output indicator 	Reflecting the product of single activities or their intermediary steps
NUMBER	Min. 1 output per work package	One or more deliverables per activity
DOCUMENTATION	Output factsheet (according to programme template tailored to each output type)	Tangible item to be delivered as part of progress reporting, e.g. study, report etc.

EXAMPLE *The output of a thematic work package will be action plans for the reduction of air pollution in functional urban areas for four cities. In order to achieve this output, several activities with the following deliverables are foreseen, such as:*

- **Activity 1: Analysis of the current air quality situation and collection of best practices**
 - Deliverable 1.1: Study on air quality for the participating four cities
- **Activity 2: Analysis of air quality policy framework**
 - Deliverable 2.1: Transnational report on policy framework
- **Activity 3: Stakeholder involvement**
 - Deliverable 3.1: Concept on how to involve relevant stakeholders in the four cities
 - Deliverable 3.2: Summary report on stakeholder involvement
- **Activity 4: Elaboration of transnational action plan**
 - Deliverable 4.1: Transnational action plan concept
- **Activity 5: Adaptation of the transnational action plan to the local context**
 - Deliverable 5.1: Action plan for city A
 - Deliverable 5.2: Action plan for city B
 - Deliverable 5.3: Action plan for city C
 - Deliverable 5.4: Action plan for city D

➤ **Output: Four action plans developed** for four central European cities (to be documented within four output fact sheets summarising the activities and their outcomes related to the action plan development)

Output indicator: "Number of strategies and action plans for the improvement of environmental quality in functional urban areas developed and/or implemented"

Indicator quantification/target: 4

IV.2.4.2 IV.2.4.2 Work package description (D.1)

Work package: preparation

In case a project foresees to claim the lump sum for preparation cost, as explained in part B, chapter II.7.4, the preparation work package has to be created, however no content-related information is to be provided. Financial information is to be included in section E Partner budget.

Work package: management

In order to successfully reach its objectives, the project has to set up a sound coordination and management structure (see also part C, chapter V).

The project management has not only to ensure the implementation of the tasks described in the application form according to the foreseen timeline but, amongst others, also to:

- Safeguard a clear division of tasks and effective involvement of the partners, efficient operational management and a sound information flow within the partnership;
- Set up a dedicated financial management system which includes the validation of expenditure by authorised national controllers;
- Set up tools for monitoring the project performance, quality management and evaluations or reviews;
- Set up internal communication activities to ensure the information and involvement of all project partners.

The following four pre-defined and compulsory activities have to be foreseen within the management work package.

Table 5: Work package management - pre-defined activities

	PRE-DEFINED MANAGEMENT ACTIVITIES
ACTIVITY 1	Start-up activities (e.g. signature of the partnership agreement, kick-off meeting, setting up of management structures, etc.)
ACTIVITY 2	Day to day project management, coordination and internal communication (tools and procedures, incl. coordination meetings, monitoring of progress of activities and preparation of reports, quality management)
ACTIVITY 3	Steering and monitoring of the project implementation (structure and procedures, meeting of the decision making bodies / steering committee / advisory board, appraisal of project progress and management such as evaluation and reviews)
ACTIVITY 4	Financial management (incl. monitoring of incurred expenditure, transfer of funds and cash flow management), preparation of necessary documentation in view of the validation of expenditure and of controls/audits

For each of the pre-defined activities the respective deliverables have to be defined. Please keep in mind that within the management work package no outputs are to be foreseen. Project outputs relate only to thematic achievements and are therefore only to be included in the thematic work packages.

TIP

Please keep in mind that the summary should "tell the story" of what you want to achieve in this work package. Avoid all too technical terminology and acronyms. It is recommended to draft the summary and discuss it with your partners, before filling in the detailed information on outputs, activities and deliverables.

Work package type: Thematic work package

Thematic work packages describe the **"thematic"** activities carried out within the project and the related outputs. Thematic work packages must be limited to a **maximum of four**.

The work package title should reflect the strategic transnational focus and the intended results of the work package rather than the planned activities.

The work package summary should include:

- The main objective(s) of the work package and a summary description of its contents (including activities and foreseen outputs);
- A clear description of how partners and target groups will be involved (if applicable, also the involvement of associated partners);
- Description of the planned activities as well as the outputs and deliverables foreseen which will contribute to reaching the project objectives and results;
- If applicable, information whether one or more investments linked to a pilot action of the respective thematic work package is/are foreseen.

Types of outputs

The Interreg CENTRAL EUROPE Programme has pre-defined the following categories of project outputs which put emphasis on policy support and implementation-oriented approaches (please see part B, chapter II.3 for further information on this):

- Strategy and action plan development and/or implementation
- Tool development and/or implementation
- Pilot actions
- Trainings
- Innovation networks (only applicable to programme specific objective 1.1)

For each programme specific objective, a set of programme output indicators has been defined, building on the typology of outputs as indicated above. In order to provide project applicants with practical guidance and a common understanding of the definition of output indicators, more detailed information is provided in annex III of the application manual (types of outputs and programme specific output indicators).

For each project output and deliverable, besides a brief description, also its quantification and planned delivery date have to be provided.

Each thematic work package must have at least one output.

Within each thematic work package, activities and deliverables have to be defined (see figure 3 of chapter IV.2.1) leading in a transparent way to the achievement of the planned outputs.

In order to ensure a transparent work plan structure and to focus the activities within one work package, it is recommended to limit the number of different output types (strategies, tools etc.) within a single work package. However, a work package can contain several outputs of the same type (e.g. 7 pilot actions in 7 different regions participating in a project).

Attention should be paid to how outputs can be used by the **target groups** addressed, as well as to their durability and transferability in order to achieve the intended results.

In this context the main target groups for the work package outputs have to be chosen from a list of pre-defined target groups (see annex IV classification of target groups). It should be described how those target groups and other stakeholders will be involved in the development of the foreseen outputs (i.e. involvement-related communication). If applicable, the description should clearly highlight the purpose and way of involvement of associated partners.

In addition, information on **sustainability and transferability** has to be provided for the outputs of each work package. It should be explained how the sustainability of the developed output(s) is anchored in the project design. **If applicable, in this section also the involvement and roles of associated partners (see part B chapter II.1.4) in sustaining and transfer of project outputs and results should be described.** Sustainability and transferability can be defined as follows:

- Sustainability refers to the continuation or follow-up of outputs including their valorisation. This may include also durability and ownership aspects (see also explanations including the three dimensions of sustainability provided in part B, chapter I.4 as well as chapter E.2 of the implementation manual).
- Transferability is the potential to apply the project outputs or results in other regions or different contexts. The knowledge created in the project should be easily applicable, transferable and possible to use in other organisations/regions/countries outside of the defined partnership. Such transfer of knowledge, outputs and results should allow for efficiently addressing existing disparities between regions.

Investment specification (if applicable)

A separate investment specification for each investment exceeding EUR 15.000 total cost has to be provided. Investments of EUR 15.000 total costs and below should only be described in the thematic work package and linked to a deliverable.

Irrespective of whether a separate investment specification is required, a specification at the level of each cost item composing the investment is to be provided under section E "Partner budget" of the application form with regard to **only** the two following budget lines:

- Items referring to budget line 5 "equipment expenditure" and to the category "thematic equipment" (e.g. air quality monitoring equipment); and/or
- Items referring to budget line 6 "infrastructure and works expenditure" (e.g. setting up ex-novo of a building or the adaptation of an existing infrastructure).

All other costs concerning an investment, but belonging to other budget lines, should be included under the thematic work package to which the investment is linked (see below).

For further information on the above mentioned budget lines, please refer to part B, chapter II.7.3 on budget line specifications.

ATTENTION

Irrespective to the planned cost of the investment (i.e. requiring or not a separate investment specification), all investments have to comply with the requirements set by the programme. Further guidance is available in part B, chapter II.3.

EXAMPLE *Investment - Energy management for a waste management facility (public infrastructure)*

The goal of the investment is setting up an energy monitoring system of waste management facility for improving its energy management, to be implemented on the basis of a transnational management model developed within the project. The facility is owned by the project partner being in charge of the investment. The investment consists of:

- *Works such as the installation of electrical wiring and fittings estimated at EUR 12.000 total cost.*
- *Thematic equipment such as smart devices, computer and monitoring software estimated at EUR 9.000 total cost.*

The total investment costs (composed of thematic equipment and works) amount to EUR 21.000, therefore the investment specification in the application form has to be provided for this investment.

Data and experience gathered from the pilot investment will be jointly evaluated by the partnership.

Investments for which an investment specification has to be provided (i.e. exceeding EUR 15.000 total costs) have to be linked to a pilot action carried out within a thematic work package.

The investment specification shall include the following information:

- Investment title
- Start and end date of investment implementation
- Responsible partner
- Technical description of the investment (including linkage to thematic WP and pilot action, quantification and break down of investment costs)
- Justification (relevance, transnational added value, transferability, target groups etc.)
- Investment location (NUTS 0, 2 and 3)
- Risks associated with the investment (including potential negative effects on the environment and mitigation measures)
- Investment preparation (e.g. requirements and permissions), if applicable
- Investment ownership and durability

An investment for which an investment specification is provided is regarded as a project output (in addition to the types of outputs indicated under the “thematic work packages”). It has to be linked to the category “investment” as included in the list of output indicators.

TIP

Within the investment specification the realisation of the investment is to be defined as output. All accompanying activities and deliverables linked to the investment (e.g. feasibility study, preparatory analysis etc.) have to be included solely in the thematic work package to which the pilot investment is linked and not under the investment specification. Therefore related costs (such as staff costs, external expertise etc.) have to be included under the respective thematic work package.

For technical reasons in eMS one “virtual” activity has to be defined (called e.g. “investment implementation”) which should reflect the start and end date of the investment implementation. Please note that no deliverable shall be foreseen, since the respective investment report will have to be delivered as output documentation (see also section B.2 of the implementation manual).

Work package: communication

As outlined in part C, chapter VI of this application manual, communication has a strategic function in the project and helps to achieve management goals: to communicate for the sake of communication should not be the objective. Communication should always be intrinsically linked to project and management goals.

Based on this understanding, well-planned communication plays a key role throughout an Interreg CE project and will help the project management to ensure:

- The **involvement** of project partners in the overall project (to be planned in the management work package)
- The **involvement** of stakeholders including associated partners in the development of outputs (planned in the thematic work packages)
- The **sustainability** of achieved project outputs (planned in the communication work package)

4 key steps for planning the communication work package

When planning the communication work package, the following four steps have to be taken by the project partnership (see also visualisation below):

1. Select up to 5 key project outputs to be sustained through communication

After developing the thematic work plan, project partners should jointly decide which key outputs can best be transferred and sustained through communication activities. In the communication work package of the application form applicants will find a drop-down menu of all outputs previously defined in thematic work packages. Please note, however, that the choice has to be limited to a minimum of 1 and a maximum of 5 outputs that are considered most transferable by the partnership.

The discussion on which outputs will be transferred to which target audience should basically have taken place already when preparing the thematic work packages.

Consistency of information provided in the thematic work packages and the communication work package should be ensured: if an output will be communicated, this should be mentioned in the relevant section of the thematic work package (section related to sustainability and transfer), including a reference to what is planned in the communication work package.

2. Define the communication objectives that will help to sustain the output

In this step, project partners should jointly decide in how far communication can realistically contribute to the transfer and sustainability of an output. To facilitate the choice, the programme has pre-defined and clustered two basic communication objectives to choose from:

- Raise awareness and increase knowledge
- Influence attitude and behaviour

Even if both objectives seem relevant for transferring and sustaining an output, the project partners need to be realistic about what they can achieve through communication before the end of the project. Please keep in mind that sustainability-related communication can often only begin in a later stage of the project, when an output is fully developed.

In this regard it is also important to note, that raising awareness and increasing knowledge about an output are usually the basis for influencing attitudes and behaviour. Nevertheless, projects should also go for the latter objective, even if it needs more time and more dedicated efforts.

3. Define the approach to communication - how will you communicate to whom

In line with information provided in the sustainability and transferability section of the thematic work packages, the project partners should describe their approach to reaching the chosen communication objective. In other words, two questions need to be answered:

To which target audience will the output be communicated? Which tactic will be used?

Tactics depend much on the chosen target audience and the communication objective. Simply disseminating information in publications will help to increase the knowledge but not change the attitude of an audience, while a targeted and dialogue-oriented seminar organised with influential multipliers might do so. Please consider as a tactic also the

TIP

When defining communication approaches, the following gap text could be a good starting point:

“The project output [insert NAME] will be communicated to the additional target audiences [insert DESCRIPTION] by employing the communication tactics [insert DESCRIPTION] to change their [insert OBJECTIVE].”

involvement of associated partners (see part B chapter II.1.4) in order to sustain and transfer project outputs and results.

Examples of approaches (i.e. combination of tactic and target audience) include amongst many others:

- Dissemination of soft facts or light stories (storytelling, visualisation) to e.g. policy makers to raise their awareness on an output
- Dissemination of hard facts and figures to e.g. experts to increase their knowledge about an output
- Cooperation with relevant multipliers (e.g. associated partners) to raise awareness and increase knowledge or even influence attitudes and behaviour towards an output
- Branding, edutainment or gamification to raise awareness or even increase knowledge of e.g. a more general audience about pilot actions
- Pressure-campaigning or targeted dialogue to influence the attitudes or behaviour of decision makers towards an output

Please note that it is important to clearly define the additional target audiences to which an output will be communicated. Without a clear description of the target audience, the relevance of communication tactics is difficult to assess.

4. Define specific communication activities (and deliverables)

Last but not least, project partners have to start thinking creatively about translating their chosen approaches into activities: How will hard facts be disseminated? Through media relations or project publications? Or both? How exactly will the visualisation and storytelling approach be put into action? Through digital activities or publications? Or both? What kind of cooperation will be sought with which multipliers? Joint events or joint publications? Or both? The options are sheer endless.

To facilitate the initial choice of communication activities, the programme has therefore pre-defined clusters of basic activities from which the projects have to choose (see further information on these clusters below).

For the clustered activities, an indicative budget as well as start and end dates will have to be provided. The activity clusters will also have to be broken down into more specific deliverables. For example, the cluster “Publications” could be broken down into “Study”, “Leaflet”, “Infographic” or other fitting deliverables. It is important to quantify these specific deliverables and to describe them thoroughly based on the following questions: What will be done to reach whom with which intention? Where and when will it happen?

Please note, that some of the following activities and deliverables might as well be relevant for involvement-related communication that is planned in the thematic work packages. The project website and social media for example have to be planned in this work package but are relevant for all kinds of project communication.

■ **Start-up activities** include activities such as:

- ☐ Preparation of the project communication strategy. Interreg CE will provide a simplified template for developing the strategy, which should be used by the projects.
- ☐ Creation and regular content updates of the project website. This will be hosted on the Interreg CE programme website and additional project websites require a pre-approval by the programme.
- ☐ Provision of basic information about the project on all project partners' institutional websites.
- ☐ Production of office materials. The design of these has to be in line with the Interreg CE project design manual. Additional corporate designs require a pre-approval by the programme.
- ☐ Production of a poster for all project partners' offices with basic project information. A template will be provided in the Interreg CE project design manual.

■ **Media relations** include all kinds of activities leading to the publication of information about the project in print and digital news media, such as:

- ☐ Press releases
- ☐ Press conferences
- ☐ Journalist on-site visits

As a general principle, the programme does not allow paying for any publication of information in news media. If this is foreseen by a project, it has to be duly justified and pre-approved by the MA/JS.

■ **Publications** include any kind of laid out digital and print product which carry information about the project and its outputs, such as:

- ☐ Leaflets
- ☐ Brochures
- ☐ Infographics
- ☐ Books
- ☐ Studies

The quantification of a publication refers to the number of publications published and not to the print-run. However, please mention the print-run in the deliverable description. Information should also be provided on the planned content and the target audience of a publication.

■ **Public events** include any kind of larger-scale event activity which disseminate information on the project and its outputs to wider audiences, such as:

- ☐ Public conferences
- ☐ Campaigns
- ☐ Exhibitions
- ☐ Contributions to multiplier conferences

Please describe always which output(s) will be in the focus of an event and who is the target audience. Also provide information on where it is planned and what the expected attendance is.

- **Targeted events** include any kind of smaller-scale and dialogue-oriented event activity, which allows for discussion of the project and outputs, such as:

- ☐ Seminars
- ☐ Trainings
- ☐ Workshops
- ☐ Personal meetings

Please describe always which output(s) will be in the focus of an event and who is the target audience. Also provide information on where it is planned and what the expected attendance is.

- **Digital activities** include any kind of online activity beyond the project website (to be planned as start-up activity), such as:

- ☐ Social media platforms
- ☐ Electronic newsletter
- ☐ Direct mailings
- ☐ Video content
- ☐ Mobile apps
- ☐ Animations
- ☐ Games

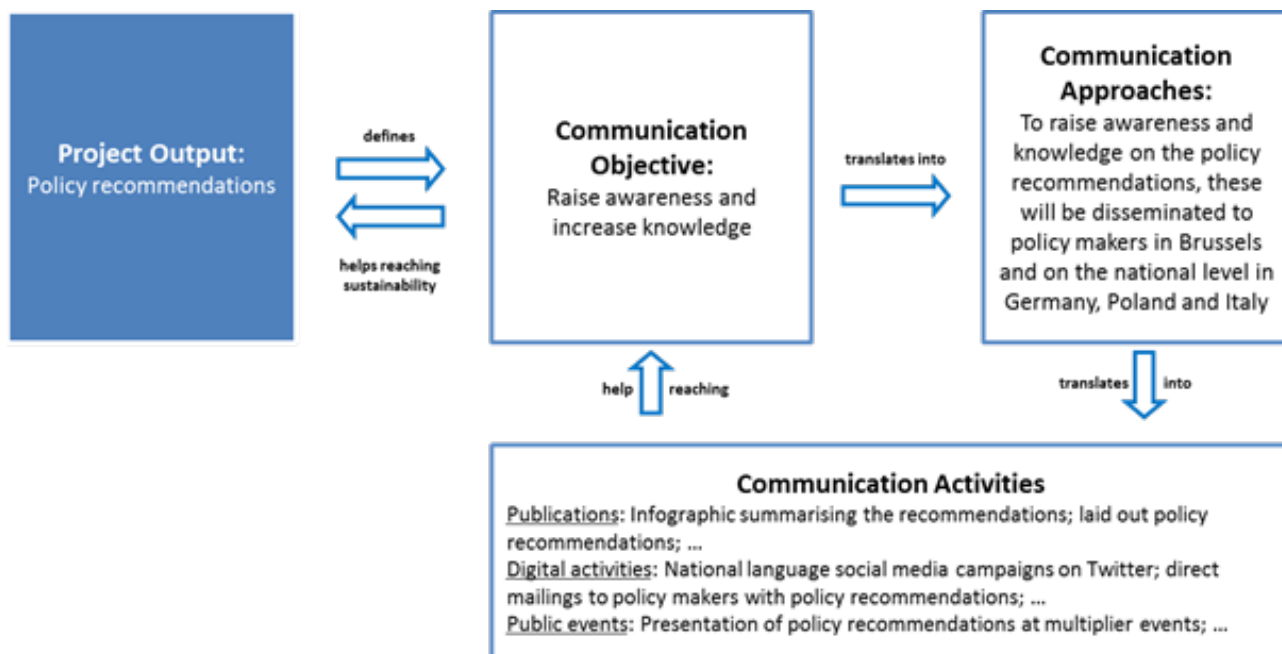
In the deliverable description information should be provided on the planned content and the target audience of a digital activity.

- **Promotional materials** should be limited to the most necessary event materials, including mainly:

- ☐ Roll-ups
- ☐ Pens and pencils
- ☐ Notepads
- ☐ USB sticks
- ☐ Cotton/linen/paper bags
- ☐ Lanyards

A complete list of authorised promotional materials will be provided to funded projects. Any additional materials not included in this list have to be pre-approved by the MA/JS.

Figure 4: Visualisation of communication work package development (basic example)



TIP

The target value should only reflect an active involvement of target groups, e.g. participation in trainings, interviews, workshops, local stakeholder groups, advisory boards, testing of tools, implementation of pilot actions etc.



IV.2.4.3 Target groups (D.2)

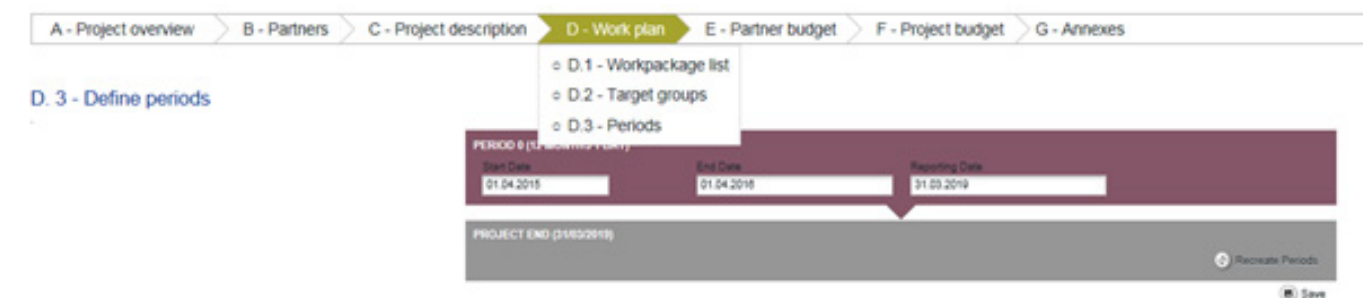
This section provides an aggregation of the target groups which have been defined within the thematic work packages for the outputs obtained in these.

A list of the target groups which were chosen within the work plan is automatically displayed. Those target groups should be further specified at the level of the entire project, including also an estimation of the target value for each group.

In this respect please refer also to annex IV which provides a classification of types of target groups.

IV.2.4.4 Periods (D.3)


Out of technical reasons, in order to be able to fill-in section E "Partner budget" you have to firstly open section D.3 "Periods" and press the button  **Recreate Periods** (see screenshot below). The project periods are then automatically created by the system based on the project start and end dates in section A "Project overview". When modifying the start and/or end date of the project at a later stage, the button  **Recreate Periods** needs to be re-activated in order to adapt the project periods accordingly. Before starting filling-in section E "Partner budget" make sure that the project periods have been updated. **Please note that no data have to be entered in this section.**




TIP Whenever changing the start and/or end date of the project in section A "Project overview", please remember to update the project periods in section D "Work plan/D.3 Periods". Please note that modifications of project dates and periods have an impact on section E "Partner budget" (financial data are inserted per period and are lost when deleting a period!) as well as on section D "Work plan" and budgets per period. Therefore start and end dates of work packages activities and dates for deliverables and outputs might need to be updated accordingly. budgets per period as well as start and end dates of work packages, activities and dates for deliveries and outputs might need to be updated accordingly.

IV.2.5. Section E - Partner budget

IV.2.5.1 Partner budget (E.1)

	SECTION	APPLICATION FORM
	E	PARTNER BUDGET E.1 - Partner budget E.2 - Activities outside the programme area E.3 - Project breakdown budget

The partner table is partly pre-filled by the system with data on project partners entered under section B.

The starting point for the project budget is section E "Partner budget". The budget of each partner is broken down per budget line, work package and reporting period. For further information on how to design a sound budget please see part C, chapter VII.

In order to fill-in the partner budget section, applicants first have to fill-in the following sections of the application form:


- Section A "Project summary" (at least project start and end dates)
- Section B "Project partners" (at least the partner organisation data, NUTS and co-financing rate³)
- Section D "Work plan" (at least one project work package and, as explained in chapter IV.2.4.4, reporting periods (D.3) must be defined correctly)

ATTENTION



Please note that modifications of project start and end dates and periods after the insertion of budget data might have an impact on section E "Partner budget". Financial data are inserted per period and are lost when deleting a period!

³ When filling in the budget please make sure that the co-financing rate applicable to the partners, as defined in part B, chapter II.6, is correctly selected.

Steps to be undertaken when defining the budget in section E of the application form are the following:

- a. To enter the budget of the partner click on the "define budget" button  **Define Budget** in the partner list of section E "Partner budget", and select the partner for which you want to enter the budget
- b. At first, it is important to select the flat rate option in order to choose whether the concerned partner organisation will charge staff costs to the project according to real costs or a flat rate. Please note that, after the submission of the application form, the partner will not have the possibility to change this choice anymore. For further information, please refer to part B, chapter II.7.3.
- c. At this point three tables will be displayed on the screen:
 - ☐ The first table displaying budget lines and work packages;
 - ☐ The second table displaying budget lines and reporting periods;
 - ☐ The third table displaying reporting periods and work packages.

Preferably the applicant enters the partner budget in the first table "Budget lines and work packages". The other two tables will be automatically updated once budget data are entered. The system allows to access and amend the budget also from the other two budget tables.

- d. From the table "Budget lines and work packages", the applicant has to click the edit button  corresponding to the budget line and work package to be filled in. A pop-up window will open where the applicant has to enter the total amount allocated to each reporting period for the chosen budget line and work package. The following specifications apply to the different budget lines as well as to preparation costs and revenues:
 - ☐ For **budget line 1 "Staff costs"**: one aggregated amount is to be included for the entire work package and reporting period. Partner institutions choosing the flat rate option for the reimbursement of staff costs cannot enter data, since the budget allocated to this budget line is automatically calculated;
 - ☐ For **budget line 2 "Office and administrative expenditure"**: data cannot be entered since the budget allocated to this budget line is automatically calculated.
 - ☐ For **budget line 3 "Travel and accommodation costs"**: one aggregated amount is to be included for the entire work package and reporting period.
 - ☐ For **budget line 4 "External expertise and services costs", budget line 5 "Equipment expenditure" and budget line 6 "Infrastructure and works expenditure"**: a breakdown of the budget line at the level of each item included under this budget line is to be created by clicking on the add button . A pop-up window will appear in which the applicant has to specify for each concerned item to be purchased the number of the deliverable as listed in section D of the application form as well as the nature and quantity of the item. In the case of equipment items, information is to be included also on the equipment type (i.e. "equipment for general office use" or "thematic equipment" - please see part B, chapter II.7.3). The budget allocated to the single cost item has then to be entered at the corresponding work package and reporting period following the procedure described above.

EXAMPLE *Here below three examples of how budget line specifications should be filled in:*

BL4 External expertise and services costs

- *D.T2.1.3 External expertise for the preparation of the strategy for the development of clean fuel policy;*
- *D.T2.3.2 External expert for the preparation of the joint action plan;*
- *D.T4.2.3 Policy Advisory Group Meeting, 1-day event with approximately 40 participants (venue, catering, handouts, translation etc.)*


BL5 Equipment



- *D.M.2.2 purchase of 1 laptop with software for technical and administrative project management (for general office use);*
- *D.T.2.2.1 Thematic equipment for the pilot and investment implementation 4 smart devices for thermal energy.*

BL6 Infrastructure and works



- *D.T.2.2.1 Works for smart devices installation on a railway station*

- The lump sum for preparation costs must be allocated to the concerned partner(s) by creating a new line under budget line 4 "External expertise and services costs" following the same procedure as described above. In this new line it must be specified that it refers to the lump sum for preparation costs and the amount allocated to the partner must be entered under work package "Preparation" and period 0. Please remember that the total amount allocated to a project for preparation costs cannot exceed EUR 15.000. For further information on preparation costs please see part B chapter II.7.4.
- In case that the project proposal is expected to generate revenues (as specified under part B chapter II.7.5), the expected net revenues must be included in the relevant category available in the budget table. One aggregated amount is to be included for the entire work package and reporting period.

When entering data, please remember to regularly save by clicking the save button  Save at the bottom of the pop-up window. If you close the window without saving your data will be lost!

- e. Once the partner budget is inserted, information on national co-financing type and source is to be included by clicking the button  **Define Contribution** available in the partner list of section E "Partner budget". Under this section two tables are available. The first one presents the overall programme co-financing and the partner contribution according to the applicable co-financing rate (automatically filled-in by the system), while the second one refers to the partner co-financing sources and is to be filled in by the applicant. In the table on partner co-financing sources, the system by default includes the partner's own resources as first co-financing source, in line with information on legal status which is automatically transferred from section B. To add other co-financing sources the applicant has to click on the add button  and fill-in information on the source of co-financing, the legal status (i.e. private, public, automatic public) and the amount. Please check carefully the consistency of the total amount of co-financing manually entered in the second table with the amount automatically calculated in the first table!

Automatic public co-financing refers to specific co-financing schemes set up by some Member States (e.g. the "Rotation Fund" for public authorities in Italy). Total public expenditure is to be understood as the ERDF co-financing plus all public contributions and automatic public contributions. In case the partner budget is changed, please remind to update the information in the partner contribution section.

When entering data, please remember to regularly save by clicking the save button  on top of the main menu (left side of the screen) or the save  Save at the end of the page. If you leave a section without saving your data will be lost!

The overall project budget coming from data entered at partner level can be seen in sections E.3 Project breakdown budget (see chapter IV.2.5.3) and in section F "Project budget" of the application form. Each budget table available under sections E.3 and F can also be exported as an Excel file.

IV.2.5.2 Activities outside the programme area (E.2)

In case activities are foreseen to be carried out outside the programme area (EU or third countries), those activities should be described and justified providing information on the following:

- What are the benefits for the regions of the programme area?
- Why are those activities essential for the implementation of the project?

Activities described in this section may also include planned missions and/or events outside the programme area.

The indicative ERDF allocated to such activities within the project shall also be indicated under this section. Activities and budget of EU partners coming from outside the programme area is not to be included here.

ATTENTION

Please note that activities to be carried out outside the programme area which are not specified in this section of the application form will have to be **previously authorised** by the MA/JS in order to be considered as eligible.

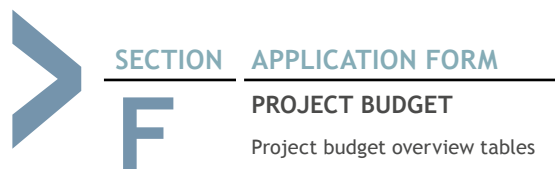
For further information on the location of project activities please refer to part B chapter II.2.

IV.2.5.3 Project breakdown budget (E.3)

The eMS provides an overview table for filtering budget items according needs. The table is also exportable to an Excel file.

A - Project overview > B - Partners > C - Project description > D - Work plan > E - Partner budget > F - Project budget > G - Annexes > Attachments J T S												
Project Breakdown Budget												
Partner 0	Period 0	Period Start 0	Period End 0	Budgetline 0	Subbudgetline 0	Workpackage 0	Staff type 0	Unit type 0	Units 0	Amount per Unit 0	Total 0	Comment 0
1 MANVER	Period 1	01.06.2016	31.05.2016	BL1 Staff costs	Staff costs	T1 Implementation WP			€ 1.00	€ 0.00	€ 0.00	
1 MANVER	Period 2	01.06.2016	31.05.2016	BL1 Staff costs	Staff costs	T1 Implementation WP			€ 1.00	€ 0.00	€ 0.00	
1 MANVER	Period 3	01.06.2016	30.11.2016	BL1 Staff costs	Staff costs	T1 Implementation WP			€ 1.00	€ 0.00	€ 0.00	
1 MANVER	Period 4	01.12.2016	31.05.2016	BL1 Staff costs	Staff costs	T1 Implementation WP			€ 1.00	€ 0.00	€ 0.00	

IV.2.6. Section F - Project budget



Section F of the application form provides the following set of predefined project budget overview tables, automatically filled in by the system:

- per partner/per budget line
- per partner/per period
- per partner/per WP
- per work package/per budget line
- per work package/per period

These overview tables are exportable to an Excel file and no data is to be entered in this section.

IV.2.7. Section G - Annexes

	SECTION	APPLICATION FORM
	G	ANNEXES
	>	Lead applicant declaration
	>	Partner declarations
	>	Supporting documents (if applicable)

Lead applicant and partner declarations

The lead applicant and each partner have to fill in and provide a declaration. Templates of lead applicant and partner declarations are provided as annex V to this manual and are differentiated according to the legal status of the applicant:

- Annex V.1 Lead applicant and State aid declarations for: national, regional and local public bodies; International organisations acting under national law
- Annex V.2 Lead applicant and State aid declarations for private institutions
- Annex V.3 Template of project partner and State aid declarations for: national, regional and local public bodies; private institutions; international organisations acting under national law
- Annex V.4 Template of project partner and State aid declarations for international organisations acting under international law

Lead applicant and partner declarations are organised in the following sections:

- Section 1** "Identification" contains information on the application form and the declarant as mentioned in the application form;
- Section 2** "Lead applicant/partner declaration" contains the actual set of legal declarations which a lead applicant or a partner must provide in order to apply in the framework of the Interreg CE Programme;
- Section 3** "State aid declaration" serves for collecting information ensuring the compliance with the applicable State aid rules and contains detailed guidance on State aid;
- Section 4** "Signature" contains relevant declarations as well as the date, stamp and signature of the declarant.

Lead applicant and partner declarations also contain a complimentary abstract of Regulation (EU, Euratom) No 966/2012 which is for information purposes only and should not be included in the signed declaration to be submitted.

The templates of lead applicant and partner declarations are provided as annex V as fillable pdf documents (to be filled in using **Adobe Reader 8.0 or higher**). The latest version of Adobe Acrobat reader may be downloaded for free at <http://get.adobe.com/reader>. Templates of declarations are provided also as protected MS Word documents.

Declarations have to be filled in in all their parts and signed by the legal representatives (or delegated persons) of the concerned institutions (lead applicant or partners) and have to be uploaded in the system as scanned documents.

In case of signature by delegated persons, each affected declaration must be accompanied by a document confirming the validity of such delegation.

ATTENTION

Please note that in case of missing signature of the lead applicant declaration, the application becomes non-eligible. For further information on the formal/administrative requirements to be observed when submitting the application form please refer to chapter V.2.

Supporting documents in case of private lead applicants

Further supporting documents of administrative and financial nature have to be provided as annex to the application form in case of private lead applicants. They consist of the following:

- a. The filled-in „Interreg CENTRAL EUROPE simplified financial statement“ (provided as annex VII) in which the private lead applicant is asked to transcribe - under its responsibility - the official financial data of the latest available financial documents. The simplified financial statement table must be completely filled in and uploaded as an Excel file.
- b. The most recent balance sheet and profit and loss account, to be uploaded as a scanned pdf file, printable in A4 paper format. If the lead applicant does not yet have a balance sheet and profit and loss account, because the organisation has only recently been created, it must provide a management/business plan (for at least 12 months in the future) with the financial data prepared in accordance with the standard required under national legislation.
- c. An audit report issued by an approved external auditor certifying the accounts for the last financial year. This document is to be delivered by a professionally qualified auditor who is independent from the applicant's organisation and who is listed in Member States official auditors registers. The audit document must be uploaded as a scanned .pdf file, printable in A4 paper format. In the case of a newly created organisation, the auditor's certificate provided must be based on a management/business plan where the financial data are presented in accordance with relevant national provisions.

ATTENTION

Please note that only scanned versions of the signed documents have to be provided. Signed hard-copies of the documents are to be provided only by applications selected for funding (i.e. during the contracting phase).



V. Project assessment and contracting

The assessment of received applications follows a standardised procedure safeguarding the principles of transparency and equal treatment as described below.

V.1 Assessment procedure

a. Formal/administrative compliance check

Formal/administrative requirements to be observed are:

1. Submission of the proposal before the deadline set in the call announcement;
2. Submission of the application form completed in all its parts and in English language;
3. Submission of the lead applicant declaration signed and filled in in all its parts using the template provided by the programme (writable pdf file) without any modification, as further explained in chapter IV.2.7;
4. Submission of all partner declarations filled in in all their parts using the template provided by the programme (writable pdf file) without any modification, as further explained in chapter IV.2.7;
5. In case of private lead applicant, availability of all other supporting documents as listed in chapter IV.2.7.

ATTENTION

Proposals failing in any of the above requirements will be regarded as non-eligible and will not be further processed.

The online submission system automatically checks the respect of some of the above formal/administrative requirements in order to help applicants avoiding mistakes. However, the check of the compliance of each proposal with the above requirements, including the correctness of the submitted annexes, will be carried out by the MA/JS during the assessment of the proposal.

In case of applications bearing mistakes of formal/administrative nature other than the ones listed above, lead applicants will have the possibility to heal such mistakes. Lead applicants will be asked by the MA/JS to provide corrected documents, through eMS upload, within **5 working days** from the date of written healing request from the MA/JS. **In case that lead applicants fail to upload the corrected documents on eMS within the given timeframe, the project proposal shall be regarded as non-eligible and shall not be further processed.**

The result of the administrative compliance check will be communicated to the lead applicant following decision of the monitoring committee on the matter.

b. Financial capacity check for private lead applicants

On the basis of the information contained in the documents submitted by private lead applicants (as listed in chapter IV.2.7), a financial capacity check is performed **when assessing project proposals**. The check is aimed at assessing whether „the applicant has stable and sufficient sources of funding to maintain his activity throughout the project implementation period and to participate in its funding“⁴. As a general principle, the financial capacity check will have to demonstrate that the private lead applicant:

- Has sufficient liquidity - is able to cover its short-term commitments;
- Is financially autonomous;
- Is solvent - capable of covering its medium and long-term commitments;
- Is profitable - generates profits, or at least with self-financing capacity.

A project proposal shall be regarded as **non-eligible** and shall not be further processed in case that the private lead applicant falls in one of the following situations:

- The auditor's report or auditor-certified balance sheet and profit and loss account provided with the project proposal has not given an „unqualified opinion“ about the private lead applicant's financial viability;
- On the basis of the financial viability test (see here below), it is concluded that:
 - The private lead applicant does not have the financial capacity to cover its share of co-financing within the proposed project period; and/or
 - The private lead applicant does not have the capacity to manage the financial amounts provided for in the budget within the proposed project period.

TIP Interreg CENTRAL EUROPE provides a complementary tool for calculating the ratios of the financial viability test ([available for download on www.interreg-central.eu/apply](http://www.interreg-central.eu/apply)). Please note that the use of this tool is under the sole responsibility of the applicants and programme bodies do not bear any responsibility for possible non-functioning or misuse of this tool.

The **financial viability** test of the private lead applicant is carried out as follows:

FOR PRIVATE COMMERCIAL ORGANISATIONS, AT LEAST CRITERIA NO. 1. AND 2. OF THE FOLLOWING FOUR CRITERIA MUST BE RESPECTED:

1. The ratio „total grant requested divided by the number of project years“ / „shareholders' equity“ is **lower than 1**
2. The ratio „current assets“ + „cash and cash equivalents“ / „current liabilities“ is **higher than 1**
3. The ratio „total debts“ / „total assets“ is **lower than 0.8**
4. There is a **positive** operational profit

FOR PRIVATE NON-COMMERCIAL ORGANISATIONS, AT LEAST TWO OF THE FOLLOWING THREE CRITERIA MUST BE RESPECTED:

1. The ratio „total grant requested divided by the number of project years“ / „subsidies“ is **lower than 1**
2. The ratio „current assets“ + „cash and cash equivalents“ / „current liabilities“ is **higher than 1**
3. The ratio „total debts“ / „total assets“ is **lower than 0.8**

The entire proposal will be rejected in case that the private lead applicant does not meet the necessary financial capacity criteria. This considered, **the programme strongly recommends private institutions planning to apply as lead applicants to check their ability to fulfil the financial capacity criteria mentioned in this chapter well before the submission of the application.**

⁴ As provided for in Article 202 of Regulation (EC, Euratom) No 1268/2012.

c. Legal status and capacity check

Checks on the correctness of the declarations submitted by applicants, including the verification of the declared legal status, will be carried out by competent national authorities of the concerned Member States. Such authorities might require additional documents in order to confirm declarations submitted by the applicants. Information on additional documents to be provided will be published on the programme website under "country specific information" pages.

It is to be noted that lead applicants declaring themselves as public that, following the legal status and capacity check, are declared as private by the competent national authorities, they have to heal the situation by uploading on eMS additional compulsory documents for private lead applicants as listed in chapter IV.2.7. Additional documents are to be provided within 5 working days from the date of written request by the MA/JS. **In the case that the concerned lead applicants fail to upload such documents on eMS within the given timeframe, the project proposal will become not eligible and will not be further processed.**

In case of applicants located in EU regions outside the programme area⁵, the correctness of their legal status declared when submitting the proposal is to be confirmed by competent national authorities of the respective Member States outside the programme area. This confirmation is to be obtained **within 45 calendar days counted as from the date of the MC funding decision for the call**. It is a duty of the applicants located in EU regions outside the programme area to obtain the legal status confirmation by their competent national authorities, however the MA/JS will support the process to the possible extent.

In case of EGTCs (as defined in part B, chapter II.1.1) the aforementioned checks are performed by competent national authorities of the country in which the EGTC is registered.

ATTENTION

In case that the capacity and legal status of any applicant is not confirmed by the competent national authorities, the concerned applicants will be excluded from the projects and partnership modification procedures shall be initiated in compliance with chapter D.3 of the programme implementation manual.

⁵ With the exception of applicants located in regions of Germany and Italy outside the programme area.

d. Analysis of State aid relevance

The analysis is aimed at checking the State aid relevance of activities that will be carried out by undertakings within the project proposal.

The State aid analysis of proposals will be performed during the quality assessment of the applications, on the basis of information included in the application form and in the lead applicant and partner declarations. During the State aid analysis, the MA/JS might approach lead applicants and/or partners in order to collect further information necessary for a proper assessment of State aid relevance of the proposal.

The result of the State aid assessment will be validated by the programme monitoring committee.

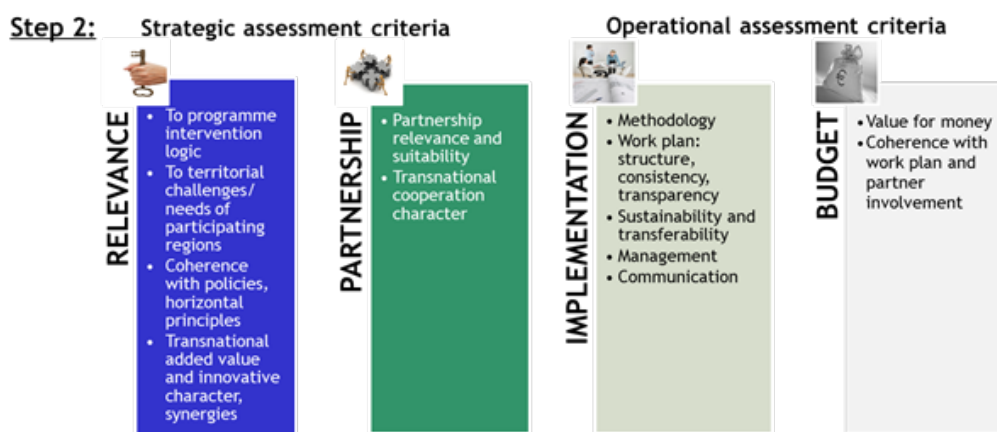
For further information on the approach followed by the Interreg CENTRAL EUROPE Programme with regard to State aid please refer to part B chapter II.7.7.

e. Quality assessment

Applications passing the checks described in the above points a) -and, where applicable, b) will enter into the quality assessment phase.

The quality assessment comprises a set of **strategic and operational assessment criteria**, as described under section 2 "Guiding principles for selection of operations" of the Interreg CENTRAL EUROPE Cooperation Programme document. The following illustration provides an overview on the four assessment criteria.

Figure 5: Quality assessment criteria



The quality assessment will be performed applying the following guiding questions under each criterion.

Strategic assessment criteria and sub-criteria

1. RELEVANCE

1.1 Intervention logic

- > How relevant is the project proposal in relation to the targeted programme specific objective considering its thematic focus, if applicable, and the expected result? How well are common and territorial challenges and needs of the programme area in relation to the targeted programme specific objective addressed?
- > Are the specific project objectives, expected results and outputs clearly defined and consistent?
- > Is the importance and added value of the transnational cooperation approach to the topic addressed clearly demonstrated?

1.2 Policy and territorial relevance

- > How relevant is the project for:
 - > the existing needs/challenges of the territories?
 - > the existing policy framework (at EU, national, regional levels, eventual contributions to macro-regional strategies) applicable for the project scope?
- > How well does the project integrate horizontal principles (i.e. sustainable development, environment, equality)?

1.3 Innovativeness

- > Is the innovativeness of the project clearly demonstrated?
- > How far does it go beyond existing practice in the sector and/or participating regions?
- > If applicable, does it build on available knowledge and make use of synergies with other projects or initiatives?

2. PARTNERSHIP⁶

2.1 Partnership expertise and competence

- > Does the lead applicant have sufficient experience and capacity to manage a transnational cooperation project?
- > Is the partnership suitable and does it include sufficient competences/expertise to implement the planned activities and to achieve the expected results?
- > In case of partners outside the programme area, is the added value of their participation duly justified?

2.2 Partnership composition and transnational cooperation approach

- > Does the partnership composition reflect the transnational cooperation approach and is it geographically balanced?
- > Are all partners actively involved to jointly implement the foreseen activities and have a defined role?

⁶ Please note that the assessment of the partnership only considers financing partners (i.e. lead partner and project partners). The involvement of associated partners is assessed under sub-criterion 3.1 (in the frame of the stakeholder and target group involvement).

Operational assessment criteria and sub-criteria

3. IMPLEMENTATION

3.1 Methodology and work plan

- > Is the planned approach/methodology suitable to obtain the intended outputs and results? Are the work plan and timing of activities, deliverables and outputs realistic, consistent and transparent? Is the overall project duration realistic to achieve the foreseen outputs?
- > In case of investments foreseen, are they clearly linked to reaching the project objectives and do they have a clear transnational character?
- > How well does the project demonstrate the sustainability and transferability of outputs and results?
- > To which extent are target groups (and other stakeholders including associated partners) involved in the development of the outputs?

3.2 Management and communication

- > Does the management structure show sufficient potential to secure sound financial management and content wise management of the project?
- > Are the communication objectives relevant for transferring and sustaining the selected outputs? Do the communication approaches outline additional target audiences and suggest relevant tactics for reaching them? Are activities and deliverables matching the communication approaches? Are deliverables concretely enough described?

4. BUDGET

4.1 Value for money, budget coherence and partner contributions

- > Does the total budget demonstrate value for money?
- > Is there coherence between project design and budget?
- > Are the financial contributions of the partners balanced and do they reflect partner responsibilities?

For the appraisal of each (sub-)criterion a scale ranging from 1 to 5 will be used:

5 "EXCELLENT"	The application fulfils the given criterion to an excellent level and the provided information is sufficient, clear and coherent for assessing the criterion.
4 "GOOD"	The application fulfils well the given criterion; however the provided information includes minor shortcomings.
3 "ADEQUATE"	The application fulfils the given criterion to a sufficient level however some aspects of the given criterion have not been met fully or not explained in full clarity or detail.
2 "POOR"	The application has serious shortcomings in fulfilling the given criterion and/or the provided information is of low quality.
1 "INSUFFICIENT"	The application does not fulfil the given criterion/or information required is missing.

ATTENTION

Proposals not showing an adequate quality regarding the following two sub-criteria of criterion 1 “Relevance” will not be further assessed against other criteria and will be rejected:

- 1.1 - “Intervention logic and transnationality”
- 1.2 - “Policy and territorial relevance”

Decisions on project selection will be taken by the Monitoring Committee of the Interreg CENTRAL EUROPE Programme at the level of each priority axis, on the basis of the results of the assessment described above.



V.2. Communication to lead applicants and resolution of complaints

V.2.1. Communication to lead applicants

The lead applicants will be notified in writing about the outcome of the formal/administrative compliance check, the financial capacity check (if applicable) and the quality assessment, notably the respective monitoring committee decision. In case of non-eligible or not-approved applications, information to lead applicants will include details on the reason for non-eligibility or non-approval.

V.2.2 Resolution of complaints

According to Article 74(3) of Regulation (EU) No 1303/2013 a complaint procedure shall be set-up for the Programme by the participating countries. The purpose of this is to ensure effective examination of complaints.

In the framework of the Interreg CE Programme, complaints may be made if failures during the project selection process of an application affecting the funding decision are suspected. Failure means that the project assessment did not comply with the selection criteria and/or the procedures laid down in the cooperation programme and in the specific call documents (application manual). Also technical mistakes may occur resulting in an incomplete or wrong assessment. If a project is not selected for funding as a consequence of such failures, the lead applicant has the right to submit a formal complaint.

Complaints against the project selection process have to be submitted by the lead applicant on behalf of all project partners via e-mail to the MA **within 14 calendar days** after the notification on the funding decision of the respective call. The lead applicant shall clearly specify what failures or mistakes have happened during the assessment of the proposal and include clear references to the relevant programme documents (cooperation programme, application manual, other call-specific documents).

Prior to filing a complaint, the lead applicant is **strongly recommended to request additional technical or legal information to the MA/JS within the timeframe (14 calendar days) available for submitting a complaint** (as presented above). Experience has shown that technical exchanges on this level between the lead applicant and the managing authority and joint secretariat brought to a quick clarification of the concerned cases minimising administrative burden. Submission of requests of information interrupts the deadline for submitting a complaint until the day of the reply by the managing authority and joint secretariat to the lead applicant. The lead applicant may indicate the preference for a written or oral answer on the submitted request. Oral answers or explanations will be provided directly by a managing authority or joint secretariat officer in charge of the case.

If, following the answer submitted by the managing authority and joint secretariat, the lead applicant is not satisfied with the received additional information, it may decide to submit a formal complaint to the managing authority. A confirmation of receipt of any written complaint is sent by the managing authority and joint secretariat to the complainant within 3 working days.



If a complaint includes an incomplete description of a case that does not allow for a thorough assessment by the joint secretariat or another competent body to be involved, further information may be requested at any time of the procedure. If the information requested is not provided within the period of time as specified by the requesting authority/body (at least 3 working days) the case shall be closed without further investigation.

Different procedures apply for the resolution of complaints depending on the subject of the complaint.

a. Complaint on formal/administrative aspects

In case of a complaint concerning the formal/administrative compliance check of the project proposal⁷, the legal status check of applicants⁸ or, where applicable, the financial capacity check of the private lead applicant⁹, the complaint is examined by the joint secretariat, on the basis of the information brought forward by the lead applicant. Following this analysis, the managing authority, in consultation with the monitoring committee member of the country of the lead applicant, will assess the case and decide whether the complaint is justified or not and will inform the monitoring committee on the decision taken. The managing authority and/or the concerned monitoring committee member may also refer the complaint to the entire monitoring committee for decision making. The monitoring committee may also set up a task force or a sub-committee to deal with the complaints and in this case the managing authority will inform the lead applicant on such a procedure including a provisional timeline for the settlement of the case, where possible.

If the complaint is considered justified, the managing authority and joint secretariat will review the project application and the related assessment part, subject to the complaint. This process will involve staff of the joint secretariat (and/or external experts where applicable) different from the ones involved in the first assessment of the project in question. The managing authority and joint secretariat will then provide the monitoring committee with an updated assessment on which basis the monitoring committee will take a new decision.

The final decision on the complaint is communicated by the managing authority to the lead applicant in writing. This decision will be final, binding to all parties and not subject to any further complaint proceedings within the programme if the complaint is based on the same grounds.

b. Complaint on quality and State aid aspects

In case of a complaint concerning the quality assessment¹⁰ or State aid assessment¹¹ of the project proposal, the assessment of the project proposal and the related monitoring committee decision cannot be reviewed. However, the lead applicant may request further information and details to the managing authority and joint secretariat on the assessment performed and the reasons for rejecting the project proposal or considering it as State aid relevant. This information and details can be provided to the lead applicant- if requested - also in the framework of a meeting at the premises of the managing authority and joint secretariat. Such a feedback might be advisable in case of a non-successful participation in a call combined with a planned participation in future calls.

⁷ As described in chapter V.1, point a.

⁸ As described in chapter V.1, point c.

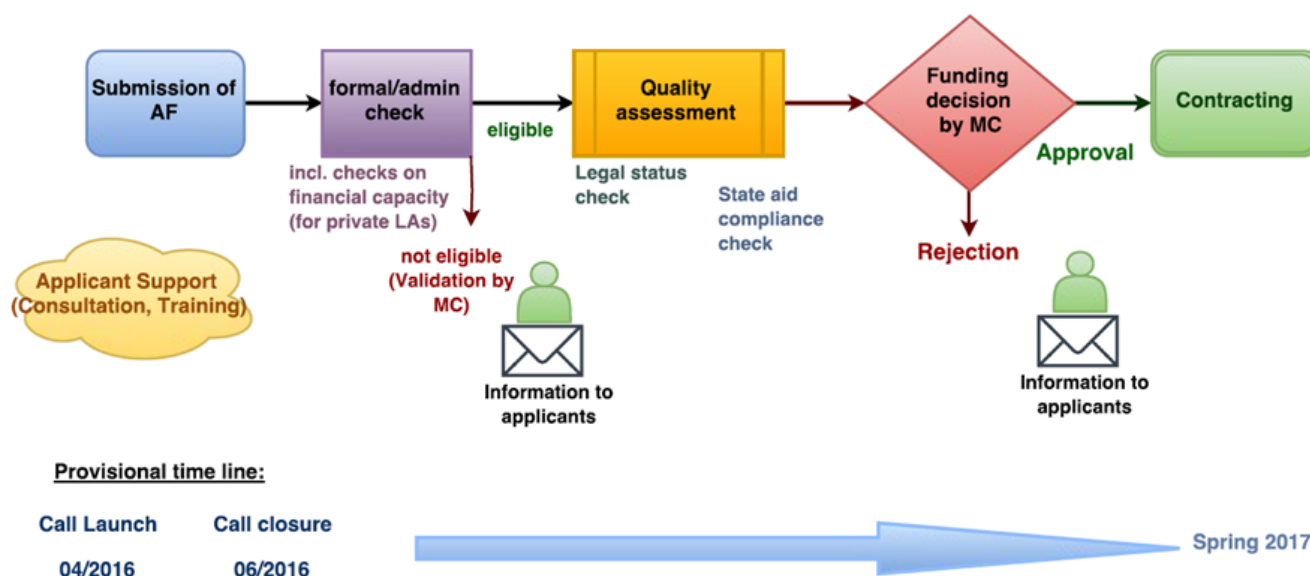
⁹ As described in chapter V.1, point b.

¹⁰ As described in chapter V.1, point e.

¹¹ As described in chapter V.1, point d.

V.3. Application and assessment overview

Figure 5 - Assessment and selection procedure, communication to lead applicants



V.4. Contracting

Should the project proposal be selected for funding by the Interreg CENTRAL EUROPE monitoring committee, it may have to fulfil conditions for approval before entering into contracting. In such case this will result in revisions of the submitted application form, to be carried out in the "contracting" phase. During this phase the lead applicant, in close exchange with the joint secretariat, has to make the necessary adaptations to the application form and to gather all relevant hardcopy documents within a given deadline.

ATTENTION

Please note that costs occurred by the partnership within the contracting phase are to be considered as covered by the lump-sum for preparation costs, paid to projects that successfully signed the subsidy contract with the MA (for further information please refer to part B chapter II.7.4). This considered, such costs cannot be claimed under project implementation costs.

If all conditions and requirements are fulfilled, a subsidy contract between the managing authority of the Interreg CENTRAL EUROPE Programme and the lead partner will be concluded. The subsidy contract shall determine the rights and responsibilities of the lead partner, the reference to the project implementation, terms of funding, requirements for reporting and financial controls, etc. A model of the subsidy contract is available on our website

www.interreg-central.eu/implementation-documents

In case of approval of a project having a private body as lead partner, the lead partner will additionally be asked, before the signature of the subsidy contract, to provide a valid financial guarantee, issued by a primary financial institution (bank, insurance), is in force.

The financial guarantee shall be issued for:

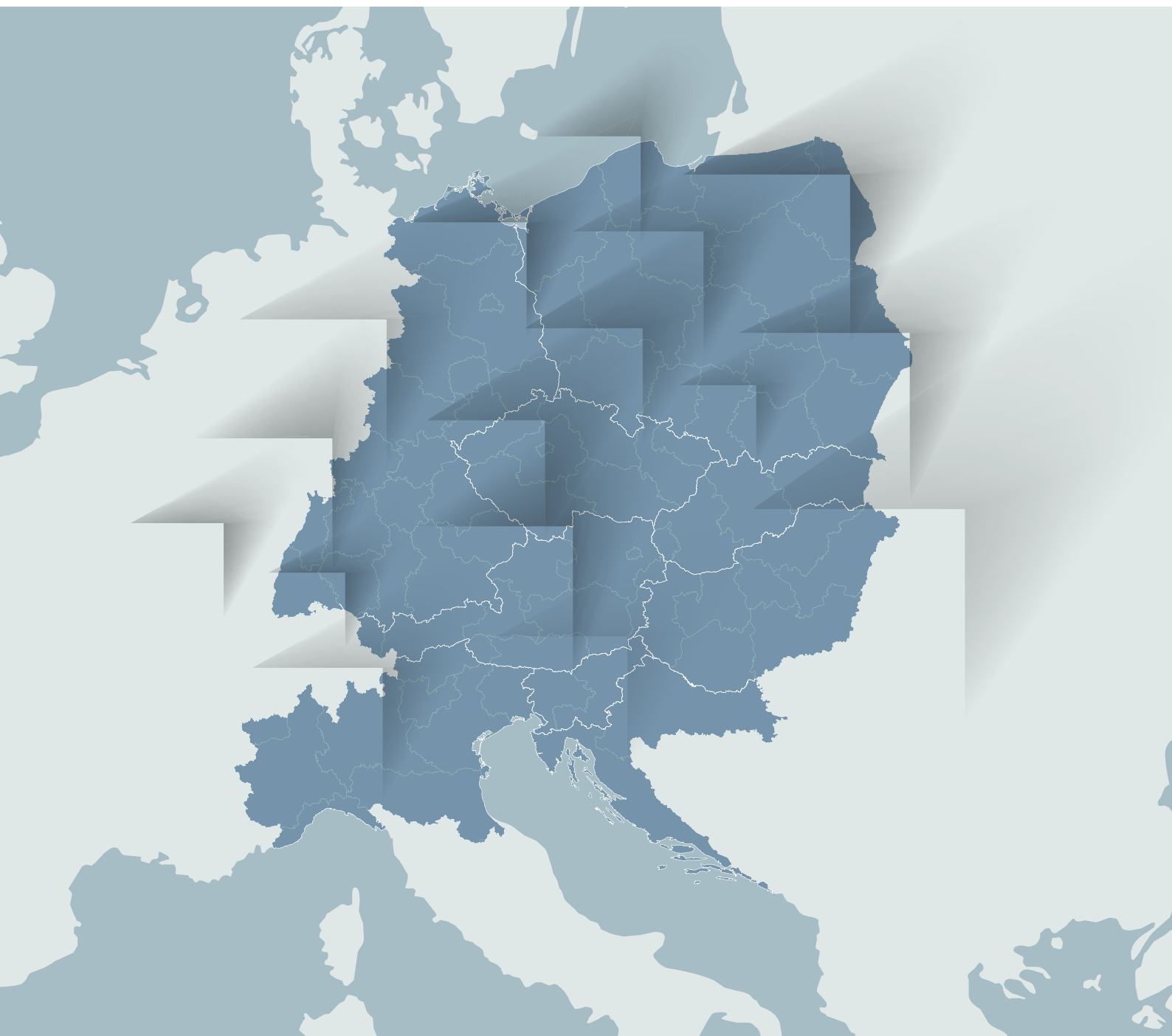
- The amount of the lead partner's eligible budget (ERDF + national co-financing);
- It shall last at least until project closure - i.e. about one year after the submission of the final report.

A document setting the requirements of the financial guarantee to be set in place by the private lead partner is available on www.interreg-central.eu/implementation-documents
Costs of the financial guarantee are eligible.

APPLICATION MANUAL

Third Call

Version 1
September 2017



Content

I. Introduction to support offered by the programme

II. Support in preparing the application form

3

3



I. Introduction

Providing comprehensive information, guidance and advice to applicants are key aspects for improving the quality of project applications. The Interreg CENTRAL EUROPE Programme offers thorough support in preparing project applications on the national and the transnational level during the application process.

II. Support in preparing the application form

In addition to this application manual, guidance and support will be offered through following tools and measures.

Main information tool: Interreg CENTRAL EUROPE website

The programme website on www.interreg-central.eu is the one-stop-shop for finding published information related to the call. It offers answers to frequently asked questions, all relevant call documents and tools as well as a timeline, news and information on applicant events.

For latest updates you can also register with the programme newsletter at www.interreg-central.eu/newsletter

Country-specific sections of the programme website provide additional information on national contacts as well as possible national obligations for applicants:
www.interreg-central.eu/national-information

Partner search tools: Interreg CENTRAL EUROPE Online Community and LinkedIn

The Interreg CENTRAL EUROPE Online Community is an online platform for connecting applicants before and during the call. It is accessible through the programme website at www.interreg-central.eu/community and - after free registration - offers a collection of transnational project ideas and contacts to lead applicants that are still searching for additional partners.

On LinkedIn, the programme offers applicants another opportunity to connect and exchange on project ideas. The project idea group can be joined on www.linkedin.com/in/InterregCE

Guidance in national languages: National contact points

National contact points function as the first point of contact for applicants seeking individual guidance. In their guidance, national contact points assist applicants during the development of their project ideas and provide general feedback especially related to national requirements. They also help identifying potential synergies between project ideas.



Guidance in national languages: National information days

National information days are organised by national contact points to provide applicants with basic programme as well as call- and country-specific information. Basic thematic guidance will also be offered in some of these events. If possible, it is recommended to participate in a national event before joining the transnational thematic workshops organised for project idea holders in November (see below).

For regular updates on national information events please check
www.interreg-central.eu/national-information

Guidance in English language: Webinars on specific issues

Detailed information about, for example, how to fill in the eMS application form, how to detect State aid issues, how to build a work package, etc. will be presented in a comprehensive series of short webinars and online walkthroughs. There will also be online Q&A sessions on specific topics enabling potential applicants to interact directly with the JS.

A detailed schedule of webinars and online walkthroughs is available at
www.interreg-central.eu/youtube

They will be recorded and published on the programme website and the programme YouTube channel to allow for distant learning at the applicants' own speed.

Guidance in English language: Thematic workshops

A support measure specially designed for the responsible drivers of an application are transnational thematic workshops. The workshops will take place back to back in Prague (Czech Republic) on 7 and 8 November 2017 offering a mix of theoretical inputs and practical exercises.

Please note that participation to the workshops will be limited to project idea holders that have already submitted their project idea(s) to the Interreg CENTRAL EUROPE Online Community (see above) before registration. Ideas submitted to the online community do not have to be published if preferred.

Registration to the workshops will open soon after the launch of the call, please check
www.interreg-central.eu for further information.

The training will be documented on the programme website for all other interested applicants.

Guidance in English language: Helpdesk

The helpdesk of the JS provides basic information on the call (including basic thematic guidance) and also the electronic monitoring system (eMS). It can be reached on weekdays during working hours at +43 1 8908088-2403 or via e-mail at helpdesk@interreg-central.eu.