Interreg North-West Europe
2014-2020
Programme Manual

Version 1.1
07 April 2015

Disclaimer: This document was endorsed by the Programme Preparatory Group (PPG) on 1 April 2015. However, please note that it is still work in progress and subject to final approval by the Monitoring Committee to be established within three months of the date of notification of the Commission decision adopting the Cooperation Programme.
Table of Contents

LIST OF ABBREVIATIONS.................................................................................................................. 3

The North-West Europe Programme area ....................................................................................... 4

CHAPTER 1 – INTRODUCTION ....................................................................................................... 5
  1.1 Aim of the Programme ............................................................................................................ 5
  1.2 Key documents ..................................................................................................................... 7
  1.3 Programme Languages ........................................................................................................ 9
  1.4 Key Programme bodies ....................................................................................................... 9

CHAPTER 2 – PROJECT DEVELOPMENT .................................................................................... 11
  2.1 What makes a good project? ................................................................................................ 11
  2.2. How should a project be structured? ............................................................................... 15
  2.3. Who can participate? Types of partner and their roles ..................................................... 18
  2.4. Getting started .................................................................................................................. 23

CHAPTER 3 – APPLICATION and ASSESSMENT STEP 1.......................................................... 26
  3.1 How to access, complete and submit the electronic Application Form ............................ 26
  3.2 Application Form STEP 1 – Sections ............................................................................... 26
  3.3 Project Assessment STEP 1 ............................................................................................. 31

CHAPTER 4 – APPLICATION and ASSESSMENT STEP 2.......................................................... 34
  4.1 How to access, complete and submit the electronic Application Form ............................ 34
  4.2 Application Form STEP 2 – Sections ............................................................................... 34
  4.3 Project assessment STEP 2 .............................................................................................. 39

CHAPTER 5 – PROJECT IMPLEMENTATION ............................................................................. 43
  5.1 Eligibility of Expenditure .................................................................................................. 43
  5.2 Budget Lines ...................................................................................................................... 44
  5.3 Ineligible costs .................................................................................................................. 64
  5.4 Other Programme rules .................................................................................................... 64
  5.5 Public procurement .......................................................................................................... 70
  5.6 State Aid ........................................................................................................................... 73
  5.7 Ownership and intellectual property rights ..................................................................... 76
  5.8 Communication ............................................................................................................... 77
  5.9 Indicators (still to be developed) ....................................................................................... 84
  5.10 Reporting (still to be developed) ..................................................................................... 84
  5.11 Project Changes (still to be developed) ........................................................................... 84
  5.12 Controls (still to be developed) ....................................................................................... 84

CHAPTER 6 – PROJECT CLOSURE ............................................................................................. 85
  6.1 Requirements after project closure (still to be developed) .............................................. 85
  6.2 Durability of results (still to be developed) ...................................................................... 85
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td>Audit Authority</td>
<td></td>
</tr>
<tr>
<td>AF</td>
<td>Application Form</td>
<td></td>
</tr>
<tr>
<td>CPs</td>
<td>Contact Points</td>
<td></td>
</tr>
<tr>
<td>EGTC</td>
<td>European Grouping of Territorial Cooperation</td>
<td></td>
</tr>
<tr>
<td>eMS</td>
<td>(Programme's) Electronic monitoring system</td>
<td></td>
</tr>
<tr>
<td>EEIG</td>
<td>European Economic Interest Grouping</td>
<td></td>
</tr>
<tr>
<td>EGTC</td>
<td>European Grouping of Territorial Cooperation</td>
<td></td>
</tr>
<tr>
<td>ERDF</td>
<td>European Regional Development Fund</td>
<td></td>
</tr>
<tr>
<td>ETC</td>
<td>European Territorial Cooperation</td>
<td></td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
<td></td>
</tr>
<tr>
<td>FLC</td>
<td>First Level Control</td>
<td></td>
</tr>
<tr>
<td>GBER</td>
<td>General Block Exemption Regulation</td>
<td></td>
</tr>
<tr>
<td>GHG</td>
<td>Greenhouse Gases</td>
<td></td>
</tr>
<tr>
<td>JS</td>
<td>Joint Secretariat</td>
<td></td>
</tr>
<tr>
<td>LP</td>
<td>Lead Partner</td>
<td></td>
</tr>
<tr>
<td>MA</td>
<td>Managing Authority</td>
<td></td>
</tr>
<tr>
<td>MC</td>
<td>Monitoring Committee</td>
<td></td>
</tr>
<tr>
<td>MS</td>
<td>Member State</td>
<td></td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental organisation</td>
<td></td>
</tr>
<tr>
<td>NWE</td>
<td>North West Europe</td>
<td></td>
</tr>
<tr>
<td>PA</td>
<td>Partnership Agreement</td>
<td></td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium sized Enterprises</td>
<td></td>
</tr>
<tr>
<td>SC</td>
<td>Subsidy Contract</td>
<td></td>
</tr>
<tr>
<td>SLC</td>
<td>Second Level Control</td>
<td></td>
</tr>
<tr>
<td>SO</td>
<td>Specific Objective</td>
<td></td>
</tr>
<tr>
<td>SWOT</td>
<td>Strengths, Weaknesses, Opportunities and Threats</td>
<td></td>
</tr>
<tr>
<td>TA 2020</td>
<td>Territorial Agenda of the European Union 2020</td>
<td></td>
</tr>
<tr>
<td>VAT</td>
<td>Value-added tax</td>
<td></td>
</tr>
<tr>
<td>WP</td>
<td>Work Package</td>
<td></td>
</tr>
</tbody>
</table>
The North-West Europe Programme area
CHAPTER 1 – INTRODUCTION

1.1 Aim of the Programme

The Interreg North-West Europe (NWE) Programme is one of the fifteen transnational cooperation programmes\(^1\) financed by the European Union. These programmes encourage public, scientific, private and civil society organisations to cooperate with a view to improving the economic, environmental, territorial and social development of Europe's regions. The Programme co-finances these organisations to work together in transnational projects on specific themes.

In contrast to programmes that target specific sectors (e.g. energy, transport, or research related programmes) or a single region, this Programme focuses on cooperation across borders in a large European area; specifically North-West Europe. Transnational cooperation is therefore fundamental for the Programme and will be crucial in reaching stronger cohesion between its regions.

As the map shows, the Programme targets all or parts of 8 participating countries, including 7 EU Member States (Belgium, the Netherlands, United Kingdom, Ireland, Luxembourg, France and Germany) and the non-Member State Switzerland.

The Member States of the NWE Programme analysed the strengths and weaknesses of the area, and designed a strategy to address the challenges identified. The area's characteristics and challenges are presented in the Cooperation Programme. The analysis identifies significant disparities in the economic, environmental and social performance of NWE's regions. The aim of the NWE Programme is, therefore, to reduce these disparities, and to raise the overall level of performance in the whole NWE area.

By doing this, the Member States aim to achieve an overall ambition for NWE:

“To become a key economic player in the world and create an attractive place to work and live, with high levels of innovation, sustainability and cohesion”

To deliver this aim, the Programme has identified three thematic priorities, each of which is sub-divided into specific objectives. These priorities and specific objectives (SO) are:

<table>
<thead>
<tr>
<th>Priority 1: Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific Objective 1: To enhance innovation performance of enterprises throughout NWE regions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Priority 2: Low Carbon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific Objective 2: To facilitate the implementation of low-carbon, energy and climate protection strategies to reduce GHG emissions in NWE</td>
</tr>
<tr>
<td>Specific Objective 3: To facilitate the uptake of low-carbon technologies, products, processes and services in sectors with high energy saving potential, to reduce GHG emissions in NWE</td>
</tr>
<tr>
<td>Specific Objective 4: To facilitate the implementation of transnational low-carbon solutions in transport systems to reduce GHG-emissions in NWE.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Priority 3: Resource and materials efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific Objective 5: To optimise (re)use of material and natural resources in NWE</td>
</tr>
</tbody>
</table>

More details on the Programme’s priorities and the types of actions it supports can be found in the Cooperation Programme document.

The Programme has a budget of €372 million ERDF (European Regional Development Fund) available for projects. The maximum applicable co-financing rate for projects is 60% (ERDF). The Programme will seek project applications through “calls for proposals”, which are usually organised biannually. More details on how to submit an Application Form can be found in chapters 3 and 4.

Projects should bring together partners from at least three different countries (and usually more) of which two need to be from within the NWE area. All projects financed by the Programme will need to demonstrate high, transnational cooperation intensity throughout their lifetime; this means that partners must work together to deliver, evaluate, disseminate and roll-out the results of their project. More details on how to develop a good project are given in chapter 2.

The Programme Manual is essential reading for any organisation wishing to participate in a NWE project. In addition, specific support will be offered to all potential applicants (section 2.4).
## 1.2 Key documents

The table below lists the main documents that will be of help in developing or delivering a project. Some of these are essential, whilst others give useful background material.

<table>
<thead>
<tr>
<th>Document</th>
<th>Purpose</th>
<th>Where to find</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FOR PROJECT DEVELOPMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Essential reading</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperation Programme</td>
<td>The Programme document: sets out the aims, objectives and types of actions to be supported. Note that the Programme website contains the full approved version (as submitted to the European Commission) and a summary.</td>
<td>Available on the NWE website <a href="http://www.nweurope.eu">www.nweurope.eu</a></td>
</tr>
<tr>
<td>Programme Manual</td>
<td>The manual offers detailed guidance for project applicants and partners on project development and implementation in NWE. All rules and guidelines are explained in this document.</td>
<td>Available on the NWE website <a href="http://www.nweurope.eu">www.nweurope.eu</a></td>
</tr>
<tr>
<td><strong>Background reading</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EU 2020 Strategy</td>
<td>The overall strategy for smart, sustainable and inclusive growth in the EU</td>
<td><a href="http://ec.europa.eu/europe2020/index_en.htm">http://ec.europa.eu/europe2020/index_en.htm</a></td>
</tr>
<tr>
<td>SWOT analysis</td>
<td>Background document to the Cooperation Programme, detailing the challenges and opportunities of the NWE area.</td>
<td><a href="http://www.nweurope.eu/nwefiles/file/Reviewed_SWOT_NWE_FINAL.pdf">http://www.nweurope.eu/nwefiles/file/Reviewed_SWOT_NWE_FINAL.pdf</a></td>
</tr>
<tr>
<td>Common provisions regulation (EU) No. 1303/2013</td>
<td>The delegated and implementing acts detail the purpose and limits of European Regional Development Funds (e.g. on eligibility of costs, on revenues, on information and communication, on performance framework for climate change)</td>
<td></td>
</tr>
<tr>
<td>ERDF regulation No. 1301/2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ETC regulation No. 1299/2013</strong></td>
<td>Delegated acts and implementing acts</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>--------------------------------------</td>
<td></td>
</tr>
</tbody>
</table>

## FOR PROJECT IMPLEMENTATION

<table>
<thead>
<tr>
<th><strong>Electronic Monitoring System (eMS)</strong></th>
<th>For all partnerships, the eMS portal is the entry point for the electronic preparation, submission and administration (progress reports, change requests etc.) of an Interreg North-West Europe project.</th>
<th>Available on the NWE website <a href="http://www.nweurope.eu">www.nweurope.eu</a></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Application Form</strong></td>
<td>A binding document that describes the project (objectives, results, outputs and partnership) and gives detailed information on the work plan and budget. The AF has to be submitted in two steps during the application procedure and is assessed and selected by the Programme bodies. Once the project is approved, the AF becomes the reference document for the whole implementation of the project until its closure. It is the annex to the Subsidy Contract (see below). Its content may be modified to a certain extent during the project lifetime, but only in compliance with the Programme’s project modification rules and procedures.</td>
<td>Available on the NWE website <a href="http://www.nweurope.eu">www.nweurope.eu</a></td>
</tr>
<tr>
<td><strong>Subsidy Contract</strong></td>
<td>A contract between the NWE Managing Authority and the project Lead Partner that defines the rights and obligations of the partnership.</td>
<td>Link not yet available</td>
</tr>
<tr>
<td><strong>Partnership Agreement</strong></td>
<td>A contract between the Lead Partner and the partners that defines the rights and obligations of each partner within the context of the project.</td>
<td>Link not yet available</td>
</tr>
<tr>
<td><strong>Progress Report</strong></td>
<td>A reporting template for projects during their implementation. This can be accessed and submitted through the eMS. Projects usually submit a Progress Report twice per year to the JS.</td>
<td>Link not yet available</td>
</tr>
<tr>
<td><strong>eMS guidelines</strong></td>
<td>Help and guidance for the submission of claims and reports through the electronic monitoring system (eMS).</td>
<td>Link not yet available</td>
</tr>
</tbody>
</table>
1.3 Programme Languages

The official languages of the NWE Programme are English, German, French and Dutch.

The working language of the Programme is English. Therefore, all communication with the JS is to be carried out in English. Any information provided in Application Forms, Progress Reports as well as other official correspondence needs to be in English. However, for communication purposes, the project summaries in the Application Form will need to be provided in all the four Programme languages. Please note that all members of staff of the Programme (Contact Points and Joint Secretariat) speak at least two of the Programme languages.

1.4 Key Programme bodies

The NWE Programme has a 30-strong team ready to support projects in their different phases, from developing the project idea throughout implementation and post-closure. Approximately one third of the team works as an extensive geographical network of Contact Points in the eight countries of the Programme and about two thirds of the team work in Lille (France) at the Joint Secretariat. The team works closely together in all the phases of the Programme, but have a different focus:

Contact Points (CPs)

Each participating Member State has appointed a Contact Point to facilitate the development of project ideas at national/regional level. The Contact Points are the ‘front-office’ of the Programme possessing knowledge of the local, regional and national contexts, and are therefore the first port of call for project promoters.

Contact the CPs for:

- general and detailed information about the NWE Programme
- detailed information on national regulations
- development of a project idea (does it fit the objectives of the NWE Programme?)
- assistance with building a transnational partnership (partner search)
- feedback and guidance on how to develop a project idea up to STEP 1 submission; and assistance with the elaboration of a full project proposal (STEP 2)

Joint Secretariat (JS)

Appointed by the Managing Authority (see below), the Joint Secretariat is responsible for the day-to-day management of the Programme. The JS implements the Cooperation Programme and is responsible for the project development process in close collaboration with the Contact Point network as well as for project monitoring once projects have been
approved. It assists applicants and partners in all steps of the project (from development to post-closure).

**Contact** the JS officers for:
- detailed information about the NWE Programme and assessment procedures
- information on European Regulations and Programme rules
- development of a project proposal (in particular between STEP 1 and STEP 2)
- assistance during the implementation of a project

**Monitoring Committee (MC)**

The Monitoring Committee is the sovereign body of the Programme. It consists of national and regional representatives of the countries involved in the North West Europe Programme. It is responsible, among other things, for the development and implementation of the Programme Strategy, the planning and the contents of the calls for proposals and for the selection of project proposals. Decisions on project selection are taken on the basis of consensus.

**Managing Authority (MA)**

The Managing Authority, which is the Nord-Pas-de-Calais region in France, is responsible for managing the Cooperation Programme in accordance with the principle of sound financial management. It ensures that the different Programme bodies interact in a smooth way. It is assisted by the JS.

**Certifying Authority (CA)**

The Certifying Authority, which is the Province of East Flanders (Belgium), is responsible for drawing up and submitting payment applications to the Commission. It draws up the accounts, certifies their completeness, accuracy and veracity as well as certifies that the expenditure complies with applicable EU and national rules. The Certifying Authority is in charge of paying ERDF to the projects.

**Audit Authority (AA)**

The Audit Authority, which is the Commission Interministérielle de Coordination des Contrôles des actions cofinancées par les Fonds structurels (CICC) in France, is responsible for the audits of projects during the Programme lifetime (**second level controls**). The Audit Authority is assisted by a Group of Auditors consisting of a representative of each NWE Member State.
CHAPTER 2 – PROJECT DEVELOPMENT

2.1 What makes a good project?

A project is an undertaking that must be structured according to a particular intervention logic. The NWE Programme uses the project intervention logic that is shown below. This is not a rigid NWE structure, but is intended to achieve a common understanding of the relations between the different requirements. The different components are explained in the following text.

The NWE Project Intervention Logic

**NEED: What is the change needed in the territories?**

Why is NWE money needed and how does the proposed change fit with the Programme objectives?

What are the objectives of the project, baselines and targets?

What Inputs are needed? Budget, time, capacity?

How to do it? Work-packages, Investments, Activities,

What are the Project Outputs?

What are the Project Results?

Evaluation: did the results lead to the change needed?

Value for Money Economy Efficiency Effectiveness

A good project starts with defining its need

From the outset, each project must specify precisely WHY it is needed, what common issue or challenge it will address, and what change it aims to bring about (known as the project ‘result’), including who is going to benefit from it in the long term.

A good project is not stand-alone initiative but is embedded in an overall strategic framework (known as ‘external coherence’). This means that projects should be consistent with the trends, developments and the objectives of relevant European, national or regional strategies or policies in the specific field being addressed (for example regional or national energy plans or smart specialisation strategies). Projects must therefore demonstrate both the need and its strategic relevance to qualify for a public funding.
A good project contributes to the Programme objectives

Each project needs to contribute to achieving one of the NWE Programme’s specific objectives (SO’s) as outlined in the Cooperation Programme document. The Cooperation Programme document provides examples of Types of Actions and Guiding Principles for each Specific Objective. Reference to these will be helpful in identifying whether the project idea is in line with the Programme objectives.

In addition to the thematic fit, the territorial dimension is also crucial. The Cooperation Programme sets out which types of territories (such as urban, rural or socially deprived areas) are primarily addressed by each Specific Objective.

Each project should therefore precisely define both, the specific issue or challenge it intends to address and the territory where it will be addressed.

A good project quantifies as much as possible

With the help of the Programme indicator system, each project will be able to demonstrate its achievements towards the project and programme objectives both in terms of its outputs (how much and how well did the project do?) and results (is anyone better off and has anything improved?). At the same time projects will want to define additional indicators, which measure more specifically the project outputs and results.

Projects are also asked to adequately quantify their inputs, activities and outputs in the Application Form, see chapters 3 and 4.

More information on the Programme indicator system can be found in section 5.9 (still to be developed).

A good project delivers value for money

Since public money is a precious commodity, projects need to continuously monitor Value for Money. In other words, the project budget has to be used in accordance with the principles of economy, efficiency and effectiveness.

The principle of economy concerns minimising the costs of resources. The resources used by the institution for its activities should be made available in due time, in appropriate quantity and quality and at the best price.

The principle of efficiency concerns getting the most from the available resources. It is concerned with the relationship between resources employed and outputs delivered in terms of quantity, quality and timing.

The principle of effectiveness concerns meeting the objectives and achieving the intended results.

A good project shows a high level of cooperation

Projects must deliver joint activities, and explain the additionality of the transnational collaboration compared to, for example, regional, national or cross-border approaches. Stand-alone activities serving local aims alone cannot be part of a transnational project.
This means that, in order to achieve the project’s planned result, there is an intrinsic need for partners to work cooperatively.

NWE projects are therefore expected to work transnationally throughout each phase of the project (joint design and development, decision-making, implementation, evaluation and dissemination). Clear areas of cooperation need to be identified from the start when setting up the partnership and allocating roles.

A good project makes a lasting change

The NWE Programme will finance projects that generate tangible and lasting results; in other words, projects that have a demonstrable impact on the performance of cities, regions and territories. The Programme funds projects that implement tangible strategies, solutions and concepts. Paper-based deliverables such as studies and concepts are considered only as a means to obtaining the output, but not the main project output itself. Projects should be geared towards a specific product, service, process or transnational solution. They should test it on the ground and advocate its roll-out during and after the project’s lifetime.

Applicants must therefore be clear on what change they want to achieve through the project, who they will target and who will benefit from the project’s activities. Projects must set clear objectives, baselines and realistic targets and specify them at the start in the Application Form.

A good project evaluates and learns

Projects need to continuously monitor their results (e.g. answering questions such as whether anyone is better off or whether anything has improved as a consequence of the project’s activities). Evaluations (either internal or external, as part of project management) must be integrated into the action plan in such a way that lessons learnt and recommendations can be applied during the project’s lifetime.

A good project manages the risks

Projects should understand the implementation risks they face from the outset (e.g. potential changes to the project plan, partners dropping out, delays in delivery due to e.g. external factors influencing the implementation of the project, difficulties with decision-making, a need for additional expertise, etc.). To be able to mitigate any risks to successful delivery, projects should incorporate risk management into their project management practice. In the Application Form, projects need to provide an assessment of the main potential risks they envisage (see sections 4.2 and 4.3 for more information).

A good project is innovative

Innovation is a cross-cutting theme but also a Specific Objective of the Programme. A project idea must satisfy the innovation criteria as defined in the Cooperation Programme – i.e. that it is “something original, new, and important – in whatever field – that breaks into (or obtains a foothold in) a market or society” and predominantly focuses on ‘test’ or
'development' phases. Innovation can cover for example, technological, social, process or eco-innovation.

In the innovation chain, from fundamental research to the commercialisation of a product or service or the application of a new process, Interreg plays a role in the ‘intermediate’ stages. Interreg projects should focus on applied research and should include a testing or implementation phase, while commercialisation is to be left to the market. INTERREG's public funds therefore aim to fast track innovations in the sometimes long and difficult path from the brilliant idea to a market ready solution.

**A good project builds on previous work**

Experience shows that projects do not start from scratch, but take into account lessons learnt or research from previous projects at regional/national or European levels.

For the NWE Programme, projects will not be asked to re-invent the wheel but instead to build on previous work. For a number of specific objectives in the Cooperation Programme, the aim is indeed to implement or apply existing solutions by optimising, adapting or improving them.

At the same time, a project needs to ensure there is no duplication of activities carried out by other projects, and must clearly explain the added value.

In short: a good project is aware of recent developments and results achieved in the sector or field concerned and builds on these. It explains why transnational cooperation is needed in order to take the sector or field forward and to achieve the change that is needed.

**A good project has a strong partnership**

The partnership should involve the right types of organisations for the delivery of the project’s objectives. This would normally be a diverse mix of stakeholders, representing different levels of governance (regional, national, European) or sectors (e.g. public, private, academic or end users). A strong partnership combines a different mix of experiences and skills to achieve the best result possible. All partners must be meaningfully and actively involved in the project.

See section 2.3 for more details on the different types of partners and who may participate. The Guiding Principles for each Specific Objective in the Cooperation Programme also give more details on the types of partners who may be involved.

- The key features of a good project are listed above but this list is by no means exhaustive. More detailed information on the Programme’s requirements is given in chapters 3 and 4, on eligibility and quality assessment criteria.
2.2. How should a project be structured?

This section provides practical guidance on the key components of an Interreg NWE project. This does not mean that all projects should follow this approach to the letter, rather, this guidance is intended to ensure that all projects are on a stable footing and that their organisational arrangements are tailored to the results they are seeking to achieve.

**How should a partnership be structured?**

Each project is run by a Lead Partner, who manages and coordinates the project partners as well as the overall implementation of the project. The Lead Partner is responsible for submitting the Application Form and will be the single point of contact for the Joint Secretariat once the project has been approved.

More information on the partnership structure and types of partners can be found under section 2.3.

**What is the right size for a partnership?**

This depends on what a project's aims are. In the previous Interreg NWE Programme (2007-2013), the average partnership size was 9 partners, although this number varied greatly.

Project managers should seek the right balance: the size of the partnership has a direct impact on the efficiency of project implementation particularly in terms of reporting and financial management where large amounts of information will need to be collected (delays from some partners are almost inevitable).

In short: quantity does not mean quality. The Programme will encourage strong and focused partnerships where each partner has a specific role to play.

It is important to note that not all Member States need to be represented in each project.

**How should a work plan be organised?**

Projects implementation follows a work plan that consists of a set of work packages. Each work package is broken down into identified activities linked to deliverables, i.e. a side-product or service that contributes to the development of the project's main output. The main outputs must clearly contribute to the Programme's output indicators, which the project must select in the Application Form.

A project may have up to 6 work packages of which 3 are compulsory: long term effects, communication and project management.

For each work package, one of the project partners will be responsible for coordinating the delivery of the related activities.

The work plan may include investments, where these are necessary as pilot or demonstration actions to deliver the project's objectives. Interreg NWE is not an infrastructure programme and investments are usually limited in terms of size and budget and thematically specific. Investments should be proportionate to the work plan and
budget, and therefore represent good value for money.
More details on the Application Form and the Work Packages can be found in chapters 3 and 4.

How much should the project budget be?
Project budgets can vary significantly depending on the planned result, the size of the partnership, the duration of the project, and whether the project plans to make significant investments or not. In the previous Interreg NWE Programme (2007-2013), the total budget of projects varied greatly, with the average being €6.8 million (approximately of which 50% was financed by ERDF). In this Programme ‘value for money’ will be an important criterion for assessing the quality of the proposals. Resources allocated (such as staff time and other costs, e.g. for tangible outputs) need to be proportionate to the objective and planned result.
More information on the project budget can be read in sections 4.2 and 5.2.

How long should a project run for?
Projects should optimise their duration and this will be part of the assessment of the work plan carried out by the Joint Secretariat. The recommended duration is 30 to 36 months. This can vary of course depending on the work plan, the complexity of investments, etc. However, the duration should be as short as possible in order to ensure that results are achieved quickly and that the project is efficient and effective. The duration of a project should therefore be proportionate to the action plan and to the result envisaged.

What types of investments are possible?
The following types of investments are possible:

- **One investment for the whole project**
  - Developed and used by all project partners where a change is envisaged in line with the project objective. It is possible for several partners to contribute financially to one investment. For example, this could be one large transnational living lab in which all partners invest, and which can be used by all the partners for testing their products, services or solutions.

- **‘Network/spider web’ investments**
  - Several investments in different partner territories constitute one overall investment. This means the partnership develops a joint concept and implements the different components in a decentralised way (in different partner territories). The components are interdependent and require partner interaction and use. The investment only works when all decentralised components are implemented and jointly evaluated and used by other partners.
• Replicate investments
  
  o An investment concept is developed jointly and then implemented in different partner territories. Results are compared from all of them (e.g. creating a benchmark) to identify the importance of specific contextual factors. This type of investment particularly concerns projects with a specific territorial dimension.

Sufficient time should be planned between the delivery of an investment and the end of a project to allow its evaluation, dissemination and roll-out (the minimum should be 6 months).

More information on durability related obligations for partners with infrastructure investments can be found in chapter 6 (*not yet available*).
2.3. Who can participate? Types of partner and their roles

2.3.1 Types of partner

Participating project partners can be any public or private organisation that is a legal entity, as listed in the table below. Partner organisations can be categorised according to the following classification that is also used in the Application Form:

<table>
<thead>
<tr>
<th>Classification of type of partners</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main categories</strong></td>
<td></td>
</tr>
<tr>
<td>local public authority</td>
<td>municipality, etc.</td>
</tr>
<tr>
<td>regional public authority</td>
<td>regional council, etc.</td>
</tr>
<tr>
<td>national public authority</td>
<td>ministry, etc.</td>
</tr>
<tr>
<td>sectoral agency</td>
<td>local or regional development agency, environmental agency, energy agency, employment agency, etc.</td>
</tr>
<tr>
<td>infrastructure and (public) service provider</td>
<td>public transport, utility company (water supply, electricity supply, sewage, gas, waste collection, etc.), airport, port, railway, etc.</td>
</tr>
<tr>
<td>interest groups including NGOs</td>
<td>international organisation, trade union, foundation, charity, voluntary association, club, etc.</td>
</tr>
<tr>
<td>higher education and research</td>
<td>university faculty, college, research institution, RTD facility, research cluster, etc.</td>
</tr>
<tr>
<td>education/training centre and school</td>
<td>primary, secondary, pre-school, vocational training, etc.</td>
</tr>
<tr>
<td>enterprise</td>
<td>Any enterprise that does not fall under the SME category</td>
</tr>
<tr>
<td>SME</td>
<td>micro-, small, medium sized enterprises</td>
</tr>
<tr>
<td>business support organisation</td>
<td>chamber of commerce, chamber of trade and crafts, business incubator or innovation centre, business clusters, etc.</td>
</tr>
</tbody>
</table>

EEIG (European Economic Interest Grouping), EGTC (European Grouping of Territorial Cooperation)

International organisation under national law, under international law
The project should involve a variety of partner types based on the Guiding Principles specified in the Cooperation Programme for the respective Specific Objective (SO):

- **SO1**: Partnerships must involve a diversified mix of innovation stakeholders (e.g. enterprises, researchers, education institutions, training organisations, policy-makers, and private investors).

- **SO2**: Partnerships should involve all key stakeholders from the field in question and ensure an integrated approach. The involvement of local and regional public authorities is a basic prerequisite.

- **SO3**: Partnerships should involve all key stakeholders from the field in question, particularly from territories and sectors with high energy saving potential.

- **SO4**: Partnerships must involve a diversified mix of innovation stakeholders active in the transport sector (e.g. enterprises, researchers, education institutions, training organisations, policy-makers, and private investors).

- **SO5**: Partnerships must involve a diversified mix of innovation stakeholders active in the field of resource efficiency, waste management, industrial production or any other water and/or land intensive sectors.

It is important to note that private and public entities whose statutory activities consist in project management related tasks (such as consultants) will not be eligible as project partners.

**Private Partners**

Private partners, including profit-making partners (e.g. SMEs) can participate in the NWE programme. However, only not-for-profit private partners (this means that the entire business is not-for-profit and not only the aspect relating to the project delivery) can be Lead Partners. Economic activities performed by the partners influence the state aid relevance of the project. If the project activities are regarded as state aid relevant, additional restrictions (lower co-financing rate, ceiling of ERDF contribution etc.) might be applied.

More detailed information can be found in section **5.6**.

Private project partners should also be aware that:

- They will have to follow public procurement principles (transparency, non-discrimination and equal treatment). See **section 5.5**.

- There may be some restrictions on retaining Intellectual Property Rights. See **section 5.7**.

- In order to be reimbursed, costs will need to comply with the eligibility rules set out in **section 5.1 and 5.2**.

- Participating partners cannot act as external experts to other partners in the same project.

- The payment procedures may be prolonged due to possible controls, audits legal proceedings etc. In such cases, partners should consider higher liquidity levels.
• They will undergo a solvency check before the approval of the application in STEP 2. Potential (lead) partners are asked to inform the Contact Point of the concerned country as soon as it becomes clear that a private partner might join the partnership. See section 5.4.9 for more details.

Swiss Partners

Swiss organisations may participate in NWE projects but are not entitled to ERDF funding. They may receive funding from the Swiss federal government to co-finance their share in the project budget, and in some cases, may need to provide own funding to cover their entire share of the project budget. Swiss partners have to contact their national Contact Point before submitting their project application in order to discuss the possibilities of co-financing. Swiss organisations may only be project partners; they may not act as Lead Partner of a NWE project.

Partners from outside the NWE Programme area (assimilated project partners)

It is possible to include project partners from outside the NWE area provided that the contribution of this project partner is to the benefit of the project and the Programme area.

There are two possible cases:

• Partners located in a country that is part of the NWE area but the particular region is not (e.g. Munich, Germany): such partners can participate without further administrative requirements.

• Partners located in a country from or outside the European Union that is not part of the NWE area (e.g. Lisbon, Portugal or Vancouver, Canada): such partners can participate once the country in which the partner is located has signed an agreement (see below point 3) with the NWE Managing Authority. When a project with such a partner is approved, the JS will directly contact the country outside the NWE area with the request to sign such an agreement.

However, partners from outside the NWE eligible area cannot act as Lead Partners.

2.3.2 Partner roles

Lead Partners

The Programme applies the lead partner principle\(^2\), meaning that in each project, one partner will act as the ‘Lead Partner’.

The Lead Partner, in cooperation with the other project partners, will be responsible for drafting the project application and submitting it to the MA/JS.

After the approval of their project, the Lead Partner will need to sign the subsidy contract

---

\(^2\) See REGULATION (EC) No 1299/2013 Art. 13
with the MA and can then start the project. During the implementation phase, the Lead Partner’s main task is to coordinate the project and respect the principle of sound financial and project management. The LP must ensure the durability of the project’s outputs and results. In addition, the Lead Partner should maintain effective communication within the partnership and ensure that there is sufficient exchange of information to guarantee the successful delivery of outputs. Internal communication and transferring messages to and from the Programme level (MA/JS/CPs), as well as to and from project level (project partners and all stakeholders involved) is a pivotal responsibility of the Lead Partner.

In order to define partners’ mutual responsibilities, the Lead Partner also establishes the Partnership Agreement between project partners.

To summarise, the Lead Partner:

- submits the Application Form and the Partnership Agreement;
- signs the Subsidy Contract;
- submits the Progress Reports and the Payment Claims;
- ensures that the Payment Claims include only expenditure that has been incurred in implementing the operation and that corresponds to the activities agreed;
- ensure that Payment Claims include only expenditure that has been verified by a controller (see section 5.12, controls);
- is responsible for financial and project management;
- acts as contact organisation for the Joint Secretariat (JS) in Lille.

Project partners

Project partners have the following tasks:

- delivering project outputs planned in the Application Form and agreed in the Partnership Agreement;
- ensuring the durability of the main outputs and results;
- assuming responsibility for any irregularity in the expenditure claimed;
- contributing to the delivery of the progress reports;
- carrying out information and communication activities in line with the communication plan and the Programme’s publicity requirements.

Sub-partners

Small organisations without the financial capacity to participate in the project or that only wish to participate to a limited degree in the project (in one or two activities) may participate as sub-partners. In general, sub-partners should be considered the exception rather than the rule. Sub-partners fall under the responsibility of another partner (‘responsible partner’) with which they are required to sign an agreement to ensure good working relations.
Sub-partners may only claim costs through their responsible partner and only if they are listed as sub-partner in the Application Form.

The responsible partner’s budget should represent at least 50% of the overall project partner’s budget. As a consequence, the budget of the sub-partner(s) may never exceed the budget of the partner who is responsible for them. If this condition is not fulfilled, then the proposed sub-partner(s) must become (an) official partner(s).

**Associated partners (observers)**

Associated partners are partners who do not financially contribute to the project but who have an interest in its results. They effectively act as observers. The travel and meeting costs may be covered by one of the project partners.
2.4. Getting started

This section describes when and how applicants can receive assistance from the Programme during the development of their project.

During each call for proposals, projects follow a two-step application process. Only if a STEP 1 Application Form is approved can the full project Application Form (STEP 2) be submitted. Project proposals are therefore assessed twice. More information on the application and criteria can be found in chapters 3 (STEP 1) and 4 (STEP 2).

The two-step application process has been introduced in order to better guide applicants in the development of their project. Along with the STEP 1 decision, applicants receive early feedback on their project’s strategic fit with the Programme.

There will usually be two calls for proposals each year. These will be published on the NWE website.

How to get help: From project idea to application

A project idea must first be checked against the main features that make a ‘good project’ (see section 2.1). All project ideas should be registered in the Programme’s project idea data-base. This will enable the Contact Points to contact the project applicants. The Contact Points will help to develop the project idea and will facilitate partner search across the participating countries.

The STEP1 online application form can then be completed. For more details on the items that need to be covered in STEP 1 see chapter 3 on the Application Form.

Illustration of project idea development and early stage application process:
**STEP 1 Submission of the Application Form**

Once the STEP 1 Application Form has been finalised it can be submitted online as soon as the call is open and until the STEP 1 submission deadline. Calls have fixed deadlines and are announced on the Programme website.

Applications will be assessed against a set of eligibility and quality assessment criteria, see **section 3.3**. The JS will notify all projects of the decisions taken by the Programme Monitoring Committee (MC).

If the project receives STEP 1 approval by the MC, the notification will include a set of recommendations to further improve the project proposal. These should be taken into account by the projects when preparing the full application in STEP 2.

**Illustration of application process STEP 1:**

There will only be one unique opportunity for applicants to submit a specific project idea. If the project proposal is rejected, the applicants will have to come up with a new proposal (new scope, new objectives) in order to be able to re-apply at STEP 1.

**Project Development after STEP 1 approval**

Following STEP 1 approval, the applicant should contact the Joint Secretariat (JS) as soon as possible to discuss the recommendations in the notification.

The period between STEP 1 and STEP 2 submission is crucial. Comprehensive support will be offered by the JS and the Contact Points to maximise the chances of approval. This period will usually last 4 months. Should more time be needed to finalise the project application, it is always possible to submit it to a subsequent application round (usually 6 months later). This would increase the time for project development after STEP 1 approval to a maximum of 10 months.
**STEP 2 Submission of the full Application Form**

The full Application Form must be submitted online by the deadline set by the Programme.

STEP 2 Application Forms will then be assessed against a second set of eligibility and quality assessment criteria; see section 4.3.

If the full Application Form (STEP 2) is declared eligible according to the eligibility criteria, the Programme will provide a lump sum for preparation costs, see section 5.4.

As for STEP 1, the JS will notify all projects of the outcome of the decisions taken by the MCs decision.

The Programme strongly recommends the partnership to submit a scanned version of the signed Partnership Agreement (in pdf format only) together with the STEP 2 Application Form in the eMS in order to not delay the start of the project. If the decision is positive and no signed Partnership Agreement has been submitted with the STEP 2 Application Form, the notification will contain a deadline for submission (usually within 2 month from the MC meeting). If the signed agreement has not been submitted by the deadline set, the subsidy contract does not enter into force and the project will not receive funding.

The MC may decide, in exceptional cases, that projects rejected at STEP 2 may be re-submitted at the next call. This concerns those projects that have a good strategic fit with the content-related requirements of the NWE Programme but that failed due to minor operational issues that have a realistic chance of being resolved in a satisfactory manner before the next call.

**Illustration of application process STEP 2:**

- **Project Development**
  - Assistance by JS/CPs 4 to max. 10 months

- **Call STEP 2**
  - Submission AF online

- **MC decision**
  - Approved or Rejected

- **Notification**
  - Subsidy Contract (if approved)
CHAPTER 3 – APPLICATION and ASSESSMENT STEP 1

3.1 How to access, complete and submit the electronic Application Form

All applications must be submitted online through the Programme’s electronic monitoring system (eMS).

The online Application Form will be available from the NWE website. Its submission will only be possible when a call for proposals is open. For STEP 1, the online Application Form will remain editable until it is submitted. After the submission, a copy (pdf or html version) can be extracted from the online system. If the proposal is approved by the Monitoring Committee, the Form will be re-activated. The project can then edit and complete this Form for the submission at STEP 2.

It is possible to work on some STEP 2 sections before the application is submitted at STEP 1. However, assessors will only access and study STEP 1 sections. Any other drafted part in the Application Form will not be considered (thus, it will neither penalise nor benefit the proposal).

The Application Form can be found on the NWE website at www.nweurope.eu

For information purposes, applicants can also download a pdf or html version of the Application Form template in the online system at all times. These versions cannot be used for the submission of an application.

The Application Form in STEP 1 is a shortened version. The Application Form in STEP 2 will be the full version.

The following sections need to be completed in the STEP 1 Application Form:

- Project Summary (including, for example, information on the duration of the project and an indicative budget)
- Partners
- Project Description (including relevance, project focus, policy context, work packages and investments)

These sections are described below in more detail (section 3.2).

3.2 Application Form STEP 1 – Sections

3.2.1 Summary

This section of the Form provides the main information on the project and its partnership and also summarises its content and budget.

Duration: In STEP 1, the project duration will need to be filled in (in number of months). The start date of a project will be set according to the date of the STEP 2 Monitoring Committee where the decision for approval will be taken. Dates for STEP 2 submission can be found in the terms of references of each call. When deciding on the duration of the
project, partners should bear in mind potential delays at the start of the project as well as the winding-up period of the project (usually a few months). The duration can be amended in STEP 2.

**Summary:** The summary of the project idea, which will need to be updated in STEP 2, needs to be provided in all 4 Programme languages.

**Partners:** The eMS will automatically generate an overview table of the partnership using the information given in the partner section.

**Indicative budget:** In STEP 1, the partnership indicates the total envisaged budget, as well as the total envisaged budget for investments.

### 3.2.2 Partners

**Strategic concept of the partnership**

The strategic concept of the partnership should be described in STEP 1. At this stage, the Programme does not expect all project partners to have already been confirmed. The partnership only needs to be finalised in the STEP 2 application. However, the project does need to outline which types of territories it will include and to describe in detail which types of partners should ideally be in the partnership in order to successfully deliver the envisaged change on the ground (project result). Partners can be changed between STEP 1 and STEP 2, but at least two of the partners listed in STEP 1 need to be maintained in STEP 2 (see eligibility criteria, section 4.3.2).

Information should be provided on:

- Profiles of organisations, their competencies and their role in the project
- Where in NWE these organisations are based (to demonstrate the partnership's ability to cover the territory where a measurable change is envisaged to take place)

This section on the strategic concept of the partnership is exclusive to the STEP 1 application and will not therefore need to be revised in STEP 2.

For more details on possible types of partners see section 2.3.

**Partner description**

In this section additional information on all the partners should be provided. The purpose of individual partner descriptions is to describe in one place the basic administrative data about each partner organisation, their specific role in the project and the experience they can offer. In STEP 1, partners who have confirmed their participation should be listed, as well as any partners who are seriously interested in joining, but with whom discussions are still ongoing.

According to the eligibility criteria (section 3.3.2) the project must involve at least 3 partners from 3 different countries. At least 2 of these partners must be from a region within the NWE Programme area.
Partner organisations have to be categorised according to the INTERACT classification (section 2.3).

For STEP 1, the project is only required to indicate a preliminary Lead Partner. This means the Lead Partner can be changed between STEP 1 and STEP 2 submissions. The STEP 1 Lead Partner has to indicate its bank details so that preparation costs can be paid out in due time once STEP 1 was passed successfully and the STEP 2 Application Form is eligible.

Not all partners need to be full partners. It is possible to involve sub-partners in specific cases, see section 2.3. The project can define the sub-partners in the STEP 2 application once the full partnership has been confirmed, see section 4.2.2.

3.2.3 Project description

Relevance

Necessity: In this section the project needs to explain the rationale and need for the project. This description cannot be changed in the STEP 2 application and remains binding. It is crucial that the project decides and specifies in detail in STEP 1 which specific issue or market failure in the North-West Europe Programme area it will seek to address and which particular area it will target. It also needs to be made clear in this section why addressing this particular issue or market failure is important for reducing disparities in North-West Europe.

Novelty of approach: It is also important to outline in what way the approach taken by the project is novel. The Programme will not finance a simple repetition of activities. Projects must therefore adequately describe what kind of approach will be taken; whether they will implement a newly developed solution, or an existing one in a new context, for example. In any event, it is crucial to clearly highlight any elements that are innovative and explain how this approach goes beyond existing practice in the sector and/or the Programme area.

Cooperation intensity: As part of this section, the partnership is required to describe their approach to cooperation and explain how intensely it will cooperate to deliver the project and reach its results. In STEP 1, projects only need to select the applicable cooperation criteria from the list provided in the Application Form. This choice cannot be changed in STEP 2. However, the description on how cooperation is to be integrated into the work plan can be modified.

Project focus

Objective, expected result: This section is crucial as it determines the objective and planned result of the project. Defining both of these in a precise and concise way is the main challenge in the STEP 1 application. The objective cannot be changed in STEP 2.

- The project objective defines what the project aims to achieve (what, who will benefit, where in the NWE Programme area?) and should not be limited to a mere description of activities.
• The project result must quantify the envisaged positive change or improvement on the ground and explain the scope of the change. The project result has to be ‘measurable’, and the work plan should reflect how partners will actually measure it and by when the planned result will be achieved. When filling in the Application Form it is important to keep in mind that clear baselines and realistic targets need to be set for the subsequent STEP 2. This will involve detailing the level of improvements obtained through the project by the end date, as well as five and ten years in the future.

The project objective only needs to correspond to ONE of the Programme’s Specific Objectives. This means projects should define their objective in relation to the selected Specific Objective of the Programme. For details on all Programme Specific Objectives, see the Cooperation Programme.

Policy context

Policy fit: In this section the project needs to describe how it ‘fits’ into the current policy context. In STEP 1, it is important to show that the project is aware of policy developments at all relevant levels and is able to explain how it is aligned with relevant European, national or regional strategies or policies that address the same thematic field (for example, regional or national energy policies or smart specialisation strategies).

Work Plan: Work packages and Investments

Work packages: The Application Form requires applicants to set out their project work plan. This may include up to six work packages. The following 3 work packages are compulsory:

1) Long-term effects

The project is required to demonstrate how it will ensure the long-term effects of its activities (five and ten years after the end of the project). It must explain:

   o what exactly it will do step-by-step to sustain all the main project outputs (including investments) and their results (durability);
   o how the project will roll-out its main outputs (including investments) to additional places/organisations within partner regions or other regions; and how it will put a strategy in place so that, by the end of the project, an update can be submitted to the Programme on its short and mid-term benefits/effects.

2) Communication

Projects are expected to communicate tailored messages to their target groups about the project’s objectives, results and benefits, i.e. the reasons why the envisaged change is important for North-West Europe. This Work Package should cover all the steps from the development of a project communication plan to its implementation, and should include examples of communication messages, activities, tools and target groups. In STEP 1, general information on the communication goal and organisational arrangements should
be provided. More information is available in section 5.8.

3) Project management

This Work Package describes how the project will be managed on a strategic and operational level and should ideally contain information on the organisational arrangements, responsibilities and procedures for the day-to-day management and co-ordination of the project. This will include how internal communication and decision-making in the partnership, the reporting and evaluation procedures as well as provisions for risk and quality management will be organised.

Remaining Work Packages

In STEP 1, the content of the Work Packages does not need to be finalised at this stage. Only the project concept and basic structure need to be provided, outlining all the main steps of the project.

Applicants should select the content and structure of Work Packages in STEP 1 carefully. Each Work Package should be focused, and structured logically around the planned groups of activities. Work Packages may, for example, be structured chronologically (e.g. research phase, pilot phase, evaluation phase etc.) or according to themes (e.g. Technological innovation, Process innovation, Innovation support etc.). For the project to work result-oriented, the objectives and results should be logically linked to the project work plan (work packages, activities, time plan).

The work plan should clearly show how the objective will be reached and how the results will be achieved. Evaluation should be visibly embedded into the work plan in STEP 1. It is up to the project to decide how to embed it.

In STEP 1, each Work Package needs to contain a brief summary description focusing on the main objective and key activities. It should also include an explanation of how the different types of partners will be involved in its implementation. The Work Package descriptions may still be revised in STEP 2.

Investments: In STEP 1 investments do not need to be described in full. Similarly to the Work Packages a brief summary description focusing on the objective and explaining how the different types of partners will be involved (in planning, implementation, evaluation etc.) will be sufficient. It is particularly important to explain why an investment is necessary for achieving the project objective. The project should also explain who will benefit from the investment and why. Investments may still be added in STEP 2.

Possible types of investments are described in section 2.2.
3.3 Project Assessment STEP 1

STEP 1 is obligatory. Only applicants who have submitted a project outline in STEP 1 and received a positive notification from the Monitoring Committee will be allowed to submit a full Application Form in STEP 2.

3.3.1 Assessment procedure STEP 1

While the 2 STEP application procedure is presented in section 2.4 of the Programme Manual this section focuses on the assessment procedure. All applications submitted before the closure of a call are assessed according to a standardised procedure and against the criteria listed below.

The assessment procedure starts with the eligibility check by the JS. The JS assesses if the proposal meets the Programme eligibility criteria (see section 3.3.2 below). Ineligible projects will not be assessed further and will be notified of the decision.

If the application is considered eligible it will then be assessed against a number of quality assessment criteria, which look at the “strategic fit” with the Programme and at the overall quality of the project application. The JS assesses four quality assessment criteria in total (see section 3.3.3).

A score from 1-5 will be awarded for each of the criteria:

<table>
<thead>
<tr>
<th>Score</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 (very good)</td>
<td>the application fulfils the given criterion to an excellent level and the information provided is sufficient, clear and coherent for assessing the criterion;</td>
</tr>
<tr>
<td>4 (good)</td>
<td>the application fulfils the given criterion well. However the information provided falls short in minor aspects (e.g. details are missing in information provided in minor parts of the application, the timeline provides little space for unexpected delays);</td>
</tr>
<tr>
<td>3 (sufficient)</td>
<td>the application fulfils the given criterion to a sufficient level; however some aspects of the criterion have not been met fully or not explained clearly or in full detail (e.g. the proposed partnership lacks certain expertise to address the identified challenge; the implementation steps are not fully clear based on the description in the Application Form);</td>
</tr>
<tr>
<td>2 (weak)</td>
<td>the application has serious shortcomings in fulfilling the given criterion and/or the provided information is of low quality; (e.g. the transnational relevance of the project is not clearly justified; the main outputs are not clearly described; the target groups of main outputs are not described);</td>
</tr>
<tr>
<td>1 (insufficient)</td>
<td>the application does not fulfil the given criterion/or information required is missing (e.g. the application addresses issues that are not of relevance to the Programme as set out in the Cooperation Programme; the information in the application form is not complete or is unclear).</td>
</tr>
</tbody>
</table>

In addition, each of the criteria has a different weighting, see the criteria list in section 3.3.3.
### 3.3.2 ELIGIBILITY CRITERIA STEP 1

The project will be declared eligible if it complies with the list of criteria defined for STEP1.

<table>
<thead>
<tr>
<th>Eligibility Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The application was submitted on time through the Programme electronic monitoring system (eMS).</td>
<td>By the deadline set in the terms of references for the call for proposals.</td>
</tr>
<tr>
<td>2. All sections of the application are completed.</td>
<td>Applications cannot be submitted via the eMS if any blank fields are detected by the system.</td>
</tr>
<tr>
<td>3. The project confirms that it obeys national and EU legislation.</td>
<td>The Lead Partner ticked the corresponding box in the Application Form.</td>
</tr>
<tr>
<td>4. The application is completed in English.</td>
<td>All sections of the application must be written in English, with the exception of the project summary which needs to be provided in the all 4 Programme languages (see eligibility criterion n°6).</td>
</tr>
<tr>
<td>5. The project summary is provided in the 4 Programme languages.</td>
<td>The project summary must be provided in English, French, Dutch and German.</td>
</tr>
<tr>
<td>6. The project involves at least 3 partners from 3 different countries. At least 2 of these partners must be from a region within the NWE Programme area.</td>
<td>As an example, this means that a project with three partners from Düsseldorf, Bristol, (both places within the eligible NWE area) and Marseille (outside the eligible NWE area) would be eligible whereas a project with three partners from Lyon, Bremen (both outside the eligible NWE area) and Rotterdam (within the eligible NWE area) would be ineligible.</td>
</tr>
<tr>
<td>7. The Lead Partner is an organisation from an EU Member State and from within the NWE Programme area.</td>
<td>This excludes Lead Partners from Switzerland and Lead Partners from outside the eligible NWE area (e.g. Toulouse, Hamburg etc.).</td>
</tr>
</tbody>
</table>

---

3 For Member States participating in the NWE Programme but that are only partly covered (i.e. Germany, the Netherlands and France), legal entities located outside the NWE Programme area

- which are competent in their scope of action for certain parts of the eligible area, e.g. federal or regional ministries, federal agencies, national research bodies which are registered outside the Programme area etc.,
- which fulfil the basic requirements as set out in the remaining eligibility criteria and
- which carry out activities that are for the benefit of the regions in the NWE Programme area can become lead partners in Programme funded projects.
The LP is a public, non-profit or public-similar organisation. ‘Profit-making’ organisations are ineligible as Lead Partner. The Lead Partner can be changed in the application for STEP2.

The project has chosen a single Programme objective and has described a project objective. In section C.2.1 of the application the project has chosen one of the five Specific Objectives. The project objective has been indicated in the appropriate textbox.

The Lead Partner confirms that partners will cooperate in the development, implementation, staffing and financing. In section C1.3 of the application the Lead Partner confirms that partners will cooperate in the development, implementation, staffing and financing of the project in accordance with EU Regulation 1299/2013, Art. 12, 4 on the selection of operations.

### 3.3.3 QUALITY ASSESSMENT CRITERIA STEP 1

Eligible STEP 1 applications will be assessed against the following quality assessment criteria:

<table>
<thead>
<tr>
<th>No.</th>
<th>Quality assessment criteria and questions</th>
<th>Scoring in pts</th>
<th>Weight of criterion</th>
</tr>
</thead>
</table>
| 1   | Project results contribute to one Programme specific objective  
- How well is the need for the project justified?  
- Is the approach chosen by the project relevant?  
- Will the project contribute to reducing disparities in NWE?  
- Is the envisaged change on the ground measurable, realistic and achievable? | /5 pts | 55% of total |
| 2   | Partnership consistency  
- Is the planned composition of the partnership relevant to deliver the envisaged result? | /5 pts | 20% of total |
| 3   | Long term effects  
- Will the project ensure long term effects? | /5 pts | 10% of total |
| 4   | Value for money  
- Does the project represent good value for money? | /5 pts | 15% of total |

**Total scoring weight of criteria** 100%
CHAPTER 4 – APPLICATION and ASSESSMENT STEP 2

4.1 How to access, complete and submit the electronic Application Form

Unlike in STEP 1, the Application Form in STEP 2 will be the full version.

The online Application Form will be re-activated once the Monitoring Committee has approved the project proposal in STEP 1 and will be available for editing until the deadline for STEP 2 submission. Only the partnerships whose project proposals were approved in STEP 1 will have the ability to submit their full application in STEP 2.

The Application Form can be found on the NWE website at www.nweurope.eu

The following sections need to be completed in the STEP 2 Application Form:

- Project Summary
- Partners
- Project Description (including relevance, project focus, policy context, horizontal principles, work packages and investments)
- Budget overview (automatically generated)
- Budget per partner
- Annexes

These sections are described below in more detail (section 4.2).

4.2 Application Form STEP 2 – Sections

4.2.1 Summary

The summary contains the most relevant information from the Application Form, such as an overview of the partnership, the budget, investments and project funding. Most of the information included in the various sub-sections will be filled in – i.e. taken from other sections - automatically. The project duration and project summary (including language versions) will need to be updated to reflect any changes made in the full and final project proposal for STEP 2.

4.2.2 Partners

Partnership

The strategic concept of the partnership was outlined in STEP 1. In STEP 2, the project is required to provide full details about the partnership and explain its relevance to achieving the project's objective.

In the summary section, information should be provided on:
• the types of organisations involved, their competencies and the roles they will play in the project
• where the organisations are based.

In order to confirm their participation, all project partners need to sign the Partnership Agreement, which must be submitted as an annex to the online application form (scanned version). In STEP 2, the partnership should also describe who will be involved in the project with observer status.

Partner description

Partner descriptions should be added and updated as necessary, for instance, if additional partners join, or if the roles and/or experiences change subsequent to the STEP 1 application. It is also important to appoint the Lead Partner organisation.

In STEP 2, sub-partners may also be added to partner descriptions, see section 2.3. If sub-partners are involved in a project, they must be clearly identified as such and listed under the corresponding partner description as well as in the Partnership Agreement. Information about sub-partners needs to include the name of the organisation, a description of their role in the project and a corresponding budget.

4.2.3 Project description

Relevance

Cooperation intensity: The partnership must demonstrate how intensely it will cooperate to deliver the project. In STEP 1, the partnership selected its approach to cooperation from the list provided in the Application Form. This selection cannot be changed in STEP 2.

In STEP 2, the partnership also needs to explain which part of the work plan (Work Packages, Activities, Investments) will require intensive cooperation and how this is to be achieved.

Project focus

While the project objective itself cannot be changed in STEP 2, projects are expected to give more information on the planned result. Each project is required to quantify its baseline (starting point) and then quantify (as value and/or volume) the estimated net change expected. To adequately describe the expected benefits of the project, projects should indicate the project result (net change) expected for three distinct points in the future: the project's end date; 5 years after the project; and 10 years after the project.

Sub-objectives: In STEP 2, the project needs to break its objective down into different stages and develop a detailed work plan on how to achieve the project result defined in STEP 1. This includes defining up to 3 ‘sub-objectives’, that is, smaller targets (or delivery milestones) which need to be reached to achieve the general, main project objective. These sub-objectives should lead to the main project outputs.
Project outputs and indicators: This section is generated automatically from the work plan. In the work plan the project needs to fill in the output indicators that are relevant for the chosen Specific Objective. Each indicator needs to be quantified, even if it is zero. For more details on indicators, see section 5.9.

Target groups: The project should specify its 3 main communication target groups and indicate their size. See section 5.8 for more details.

Risks: ‘Result-orientation’ must be at the core of the project and its implementation. To be able to mitigate any potential risks to successful delivery, the project should carry out risk assessment and management throughout its lifetime. The range and the gravity of the potential risks vary from project to project. In principle, they can be related to:

- Investment delivery (e.g. planning or construction related aspects, application of particular technology, political decisions required, investments being part of larger investments, match-funding)
- Links between the investments and the main project outputs or between the outputs themselves (delaying their delivery or potentially compromising them, the “domino effect” of non-delivery or implementation delays)
- Partnership related issues (e.g. match-funding difficulties, complex relationships, partners not delivering their input, Intellectual Property Rights in the Programme context)
- Quality of project management (e.g. poor Lead Partner skills, insufficient leadership, lack of focus on the essential project components such as objectives, results and main outputs)
- External factors that might influence the implementation of the project (e.g. political elections, reorganisations, etc.)

In STEP 2, the project will be required to indicate the three risks that will need to be addressed in order to successfully achieve the project result. The project will need to put together a complete risk matrix, which will involve indicating, for each risk, when the risk is most likely to occur, the likelihood it will occur, the potential impact it could have on delivery as well as the mitigation measures that are envisaged.

To ensure this exercise is valuable in terms of project management, it is important to focus on the core of the project and to exclusively identify the critical risks to the project. More general risks, such as the potential departure of a partner should only be included if there is a particularly high probability of such an event during the project.

Policy context

Policy fit: The information provided in STEP 1 should now be updated to reflect the state-of-the-art and latest policy developments. If the project aims to devote part of its work plan to policy work, it will be particularly important to take into consideration, and ideally also refer to: policy cycles, election rhythms or timelines for the programming of policies. This will be even more important if several countries are involved. Policy work should also be result-oriented, meaning it must be defined in precise terms and ideally measurable.
Use of EU projects or initiatives: Projects should summarise any past or current EU or other projects and initiatives it will make use of and explain how their results/lessons learnt will be built into the work plan.

Horizontal principles

Sustainable development, equal opportunities & non-discrimination, as well as equality between men and women & inclusion, are the three major horizontal principles that constitute an integral part of EU policies and the NWE Programme.

In practical terms this means that, projects must not violate these principles in their activities, outputs and results, or at the very least should be neutral in their effect on them. The project assessment will consider the promotion of these horizontal principles as a positive factor. Projects should therefore mention if they are planning any specific measures to follow these principles. Further details of the horizontal principles can be found in the Cooperation Programme.

Work Plan: Work Packages and Investments

Work Packages: In STEP 2, the basic descriptions of the Work Packages should be completed by a detailed work plan (6 Work Packages are the maximum) for the full partnership. The work plan must clearly show how the project objectives will be reached and the results achieved. In STEP 2, ‘management’, ‘communication’ and ‘long term effects’ must be included as distinct Work Packages. Evaluation activities should also be an integral part of the work plan. Project results will be achieved through its main outputs. Main outputs are project’s tangible, final products, services or solutions that will be used further by the relevant target groups in the region. Therefore, for a project to achieve its objective and to bring a positive change to the selected part of the Programme territory, it is of pivotal importance that the main outputs are of a good quality, relevant and properly applied and used. The main outputs have to be of transnational value and:

1) result from the intense cooperation of several partners,
2) be of practical use for the defined project target group in partner regions
3) be usable as a potential model solution that can be transferable to other locations within existing partner territories or in the longer term, even to other regions or countries. Ultimately, the durability of the main outputs and results will depend on their successful use.

The main outputs are a means to achieve the expected results and may take the form of different types of tools, methods, products or model solutions developed by a project. Projects should limit the number of main outputs as they also need to correspond to the output indicators pre-defined by the Programme (for more details on indicators see section 5.9).

As a rule, a project will also produce outputs other than its main outputs. These will be of an intermediary nature, i.e. they are understood as ‘in-between stages’ that will eventually feed into a main output. In the application form these intermediary outputs are referred to as deliverables which result from the Activities. A work package can contain up to 4
Activities, each of which might result in up to a maximum of 3 deliverables. When planning activities it is crucial to plan the timing for these deliverables carefully.

**Investments:** In STEP 2 all descriptions of investments should be updated and described in detail; further investments can also be added. Descriptions of investments are similar to those for the Work Package descriptions in so far as they contain Activities and Deliverables.

The following are additional sections:

- **Location and ownership:** It is important to define the exact physical location (NUTS3 code) and provide the name of the owner of the site where the investment is to be made. To ensure the durability of the investment in line with regulations, projects need to indicate who will retain ownership of the investment after the end of the project and who will maintain it so that it continues to function in line with Programme requirements (**section 6, still to be developed**).

- **Investment documentation and risk:** To ensure that the planning and implementation timeline is as realistic as possible, projects need to list the main technical permissions (e.g. building permits) required by the respective national legislation. Projects should indicate in detail if such permissions have already been acquired or when they can be expected. With respect to implementation risks, projects should take care to highlight any key implementation steps where a go/no-go decision will have to be taken, explaining the particular risks in each case.

Possible types of investments are described in **section 2.2**.

**4.2.4 Budget overview**

This section is generated automatically from the individual partners’ budget.

**4.2.5 Budget per partner**

Following the guidance given in **sections 5.1 and 5.2** (eligible costs, budget lines) each partner should enter their budget (any expenditure for which they expect to be responsible and will claim back from the Programme).

**4.2.6 Annexes**

The JTS highly recommends the partnership to submit a scanned signed version of the Partnership Agreement along with the Application Form in the eMS (in pdf format only).

The Lead Partner should submit its bank details together with the Application Form.

Additionally, to facilitate understanding of the ‘investment concept’, one map per investment can be attached (in pdf format only).
4.3 Project assessment STEP 2

4.3.1 Assessment procedure

For details on the assessment and decision procedures in STEP 1 please see section 3.5 of the Programme Manual.

If the STEP 1 application is approved, the project may proceed to completing the full application form and drawing up the Partnership Agreement. The full Form is then submitted in the next application round as published in the call’s terms of reference (usually within 4 months following the notification of approval).

Upon receipt of the STEP 2 application, the JS will assess the project against a number of eligibility and quality assessment criteria. If the STEP 2 project application is accepted as eligible, the project will receive a lump sum for preparation costs (see section 5.4). Ineligible projects will not be assessed any further, and the Lead Applicant will be notified of the decision.

The quality assessment criteria applied in STEP 2 are divided into strategic and operational quality assessment criteria. The strategic criteria are used to rank eligible project applications according to their strategic relevance for the Programme while the operational criteria relate to the quality of the work plan. The JS assesses seven different quality assessment criteria in total (see section 4.3.3).

As in STEP 1, a score from 1-5 will be attributed to each of the criteria:

<table>
<thead>
<tr>
<th>Score</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5 (very good)</strong></td>
<td>the application fulfils the given criterion to an excellent level and the information provided is sufficient, clear and coherent for assessing the criterion;</td>
</tr>
<tr>
<td><strong>4 (good)</strong></td>
<td>the application fulfils the given criterion well. However the information provided falls short in minor aspects (e.g. details are missing in information provided in minor parts of the application, the timeline provides little space for unexpected delays);</td>
</tr>
<tr>
<td><strong>3 (sufficient)</strong></td>
<td>the application fulfils the given criterion to a sufficient level; however some aspects of the criterion have not been met fully or not explained clearly or in full detail (e.g. the proposed constellation of partnership lacks certain expertise to address the identified challenge; the implementation steps are not fully clear based on the description in the Application Form);</td>
</tr>
<tr>
<td><strong>2 (weak)</strong></td>
<td>the application has serious shortcomings in fulfilling the given criterion and/or the provided information is of low quality; (e.g. the transnational relevance of the project is not clearly justified; the main outputs are not clearly described; the target groups of main outputs are not described);</td>
</tr>
<tr>
<td><strong>1 (insufficient)</strong></td>
<td>the application does not fulfil the given criterion/or information required is missing (e.g. the application addresses issues that are not of relevance to the Programme as set out in the Cooperation Programme; the information in the application form is not complete or is unclear).</td>
</tr>
</tbody>
</table>

In addition, each of the criteria has a different weighting (see the list of criteria in section 4.3.3). More weight is given to the core strategic elements of the project, such as cooperation intensity, partnership quality, ensuring long-term effects and value for money. Operational elements, such as the work plan and the budget, are also crucial for assessing the quality and feasibility of a proposal.
### 4.3.2 STEP 2 ELIGIBILITY CRITERIA

<table>
<thead>
<tr>
<th>Eligibility Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The application was submitted on time through the electronic monitoring system (eMS).</td>
<td>Within the deadline set in the terms of references for the call for proposals.</td>
</tr>
<tr>
<td>2. All sections of the application have been completed.</td>
<td>Applications cannot be submitted via the eMS if any blank fields are detected by the system.</td>
</tr>
<tr>
<td>3. The project has successfully passed STEP 1 and submitted the STEP 2 application by the deadline indicated after the STEP 1 decision.</td>
<td>The Programme will only accept STEP2 applications from projects that have successfully passed STEP 1. STEP 2 applications must be submitted by the deadline that was indicated in the notification after the STEP 1 decision.</td>
</tr>
<tr>
<td>4. The project confirms that it obeys national and EU legislation.</td>
<td>The Lead partner ticked the corresponding box in the Application Form.</td>
</tr>
<tr>
<td>5. The application is completed in English.</td>
<td>All sections of the application have been drafted in English.</td>
</tr>
<tr>
<td>6. The project summary is provided in the 4 Programme languages.</td>
<td>The project summary (AF section A.2) must be provided in English, French, Dutch and German.</td>
</tr>
<tr>
<td>7. The project involves at least 3 partners from 3 different countries. At least 2 of these partners must be from a region within the NWE Programme area.</td>
<td>As an example, this means a project with three partners from Düsseldorf, Bristol, (both places are located within the eligible NWE area) and Marseille (outside the eligible NWE area) would be eligible while that a project with three partners from Lyon, Bremen (both places are located outside the eligible NWE area) and Rotterdam (within the eligible NWE area) would be ineligible.</td>
</tr>
<tr>
<td>8. At least two of the partners remain unchanged from STEP 1 to STEP 2.</td>
<td>At least two of the partners described in STEP 1 remain for STEP 2. The LP can be changed in STEP 2.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>9</td>
<td>The Lead Partner is an organisation from an EU Member State and from within the NWE Programme area.</td>
</tr>
<tr>
<td></td>
<td>This excludes LPs from Switzerland and LPs from outside the eligible NWE area (e.g. Toulouse, Hamburg etc.).</td>
</tr>
<tr>
<td>10</td>
<td>The Lead Partner is a public, non-profit or public-similar organisation.(^4)</td>
</tr>
<tr>
<td></td>
<td>‘Profit-making’ organisations are ineligible as Lead Partner. Please note that the Lead Partner can be changed in the application for STEP 2.</td>
</tr>
<tr>
<td>11</td>
<td>All partners are legal entities.</td>
</tr>
<tr>
<td></td>
<td>All partners included in the application form in section B.2 are legal entities.</td>
</tr>
<tr>
<td>12</td>
<td>The project has chosen a single Programme objective from the dropdown menu.</td>
</tr>
<tr>
<td></td>
<td>In section C.2.1 of the application, the project has chosen one Programme objective (i.e. one of the five Specific Objectives) from the dropdown menu. The chosen Programme objective is in line with the project objective formulated in STEP 1 in the appropriate textbox.</td>
</tr>
<tr>
<td>13</td>
<td>The project objective formulated in STEP 1 remains unchanged.</td>
</tr>
<tr>
<td></td>
<td>The project objective formulated in STEP 1 remains unchanged in section C.2.1 in the application form.</td>
</tr>
<tr>
<td>14</td>
<td>The project will be completed no later than 31 December 2022.</td>
</tr>
<tr>
<td></td>
<td>The project must end no later than 31 December 2022.</td>
</tr>
<tr>
<td>15</td>
<td>All partners contribute to project co-financing.</td>
</tr>
<tr>
<td></td>
<td>All partners have a budget in line with the eligible co-financing rate.</td>
</tr>
<tr>
<td>16</td>
<td>The project confirms that it makes a positive or neutral contribution to the Programme's horizontal principles: equal opportunities and non-discrimination, equality between men and women, sustainable development.</td>
</tr>
<tr>
<td></td>
<td>In submitting the application form the project confirms that it makes a positive or neutral contribution to the Programme's horizontal principles: equal opportunities &amp; non-discrimination, equality between men and women, sustainable development.</td>
</tr>
</tbody>
</table>

---

\(^4\) For Member States participating in the NWE Programme but that are only partly covered (i.e. Germany, the Netherlands and France), legal entities located outside the NWE Programme area

- which are competent in their scope of action for certain parts of the eligible area, e.g. federal or regional ministries, federal agencies, national research bodies which are registered outside the Programme area etc.,
- which fulfil the basic requirements as set out in the remaining eligibility criteria and
- which carry out activities that are for the benefit of the regions in the NWE Programme area can become lead partners in Programme funded projects.
### 4.3.3 STEP 2 QUALITY ASSESSMENT CRITERIA

For STEP 2 the quality assessment criteria are:

<table>
<thead>
<tr>
<th>No.</th>
<th>Quality assessment criteria and questions</th>
<th>Scoring in pts</th>
<th>Weight of criterion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Strategic assessment criteria</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 1   | Cooperation intensity  
  - How intensively will partners cooperate to deliver the change envisaged?                 | /5 pts         | 15% of total        |
| 2   | Partnership quality  
  - Is the partnership composition relevant for the proposed project?  
  - Is the partnership able to deliver the change envisaged? | /5 pts         | 15% of total        |
| 3   | Long-term effects  
  - Will the project ensure long term effects?                                                      | /5 pts         | 20% of total        |
| 4   | Value for money  
  - Does the project represent good value for money?                                                   | /5 pts         | 10% of total        |
|     | **Total scoring weight of strategic criteria**                                                          |                | 60%                 |
|     | **Operational assessment criteria**                                                                    |                |                     |
| 5   | Work Plan (main outputs, work packages, investments)  
  - Is the work plan realistic and coherent?                                                             | /5 pts         | 30% of total        |
| 6   | Budget  
  - Is the budget coherent?                                                                          | /5 pts         | 5% of total         |
| 7   | Risk management  
  - How risky is the project?  
  - Has the partnership identified the main risks?                                                        | /5 pts         | 5% of total         |
|     | **Total scoring weight of operational criteria**                                                        |                | 40%                 |
CHAPTER 5 – PROJECT IMPLEMENTATION

5.1 Eligibility of Expenditure

There are different levels of eligibility rules for expenditure:
- the European level: EU regulations
- the Programme level: specific rules decided for the NWE Programme
- the national level: national rules applicable in each Partner State
- the partner institutional level: internal rules applicable to each partner organisation

The stricter rule prevails if there are differences between rules at different level.

Generally speaking, to be eligible, project costs must
- relate to activities set out in the application form, be necessary for carrying out these activities and for achieving the project’s objectives and be included in the estimated budget;
- be reasonable, justified, consistent with the usual internal rules of: the partner, the EU, the Programme and national rules and be in accordance with the principles of sound financial management;
- be identifiable, verifiable, plausible and determined in accordance with the relevant accounting principles;
- be incurred and paid by the partner organisation, debited from its bank account after the start date and no later than the project end date, be substantiated by proper evidence allowing identification and checking.

Where expenditure is reimbursed on the basis of a lump sum or flat rate the latter two principles do not apply.
5.2 Budget Lines

The following sections provide an overview on the eligibility principles for the different budget lines:

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

For each budget line a definition is provided as well as guidance for budgeting and reporting. Projects are invited to study the information here carefully when planning their project, and also when preparing their progress reports.

i. Staff costs

Definition

Staff costs consist of costs for staff members employed directly by the partner organisation and working full time or part-time on the project implementation.

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

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

The following options for staff costs are eligible in this Programme:

A. staff costs calculated as 20% flat rate of direct costs (all costs other than staff costs and office and administration costs)

B. staff costs calculated on a real cost basis (4 methods are possible depending on the staff contract and/or working arrangements – see below)

Each partner organisation must decide on one of the two options and indicate this choice in the application form. This choice will apply to all staff members of the partner organisation working on the project. It will be set for the entire project duration (no change will be possible).

The following sections provide more details and information on the different options.
### In summary

#### STAFF COSTS: RECOMMENDED OPTIONS AND METHODS

<table>
<thead>
<tr>
<th>Option A: flat rate</th>
<th>20% of direct costs other than staff costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• documentation for direct costs: Yes</td>
</tr>
<tr>
<td></td>
<td>• documentation for staff costs: No</td>
</tr>
<tr>
<td></td>
<td>• Timesheet needed: No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Method 1: full gross employment cost</th>
<th>Staff working full-time on the project</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Full gross employment costs can be claimed</td>
</tr>
<tr>
<td></td>
<td>• Timesheet needed: No</td>
</tr>
<tr>
<td></td>
<td>• Only a document (e.g. work contract) setting out 100% of time to be worked on the project</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Method 2: fixed percentage of gross employment cost</th>
<th>Staff working on a fixed % on the project</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• (Gross employment costs) \times (fixed %)</td>
</tr>
<tr>
<td></td>
<td>• Timesheet needed: No</td>
</tr>
<tr>
<td></td>
<td>• Only a document (e.g. mission letter) setting out the % worked on the project</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Method 3: flexible percentage of gross employment cost</th>
<th>Staff working on a flexible % on the project</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• (number of hours) \times (hourly rate)</td>
</tr>
<tr>
<td></td>
<td>• Timesheet needed: Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Method 4: Hourly basis</th>
<th>Staff working on an hourly basis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• (number of hours) \times (hourly rate agreed in the contract)</td>
</tr>
<tr>
<td></td>
<td>• Timesheet needed: Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Method 5: country specific methods</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The Netherlands</td>
</tr>
<tr>
<td></td>
<td>• Belgium (Flanders)</td>
</tr>
<tr>
<td></td>
<td>• Luxembourg (tbc)</td>
</tr>
</tbody>
</table>
OPTION A - Staff costs calculated as 20% flat rate of direct costs

Key principles

The calculation of staff costs is based on a flat rate of 20% of the direct costs other than the staff costs and the office and administration costs.

The eligible amount for staff costs is equal to 20% of the total eligible amount budgeted and declared under all the other budget lines (excluding office and administrative expenditure).

Example

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Total eligible amount declared by the partner under all the other budget lines (excl. office and administrative expenditure)</td>
<td>€100,000</td>
</tr>
<tr>
<td>B</td>
<td>Staff costs flat rate</td>
<td>20%</td>
</tr>
<tr>
<td>C</td>
<td>Eligible staff costs (A * B)</td>
<td>€20,000</td>
</tr>
</tbody>
</table>

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

The advantage of this methodology is that the project partners do not need to provide any justification or supporting documents to claim the staff costs. Nor, therefore, do project partners need to document that the expenditure has been incurred or that the flat rate corresponds to the reality. Timesheets are not required. The FLC check focuses on the correct reporting of the other budget lines and that no expenditure related to staff costs is included in any other budget line.

OPTION B - Staff costs calculated on a real cost basis

Key principles

Staff costs must be calculated individually for each employee. Staff costs are taken from the payroll accounts and cover the partner organisation’s gross employment costs, which usually comprise the following:

- Salary payments (fixed in an employment/work contract)
- Other costs directly linked to salary payments (e.g.: employment taxes or social security, including health coverage and pension contributions) that 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 organisation
  - Not recoverable by the employer

In accordance with the partner organisation’s personnel policy, costs such as bonuses, fuel, lease car, relocation benefits, lunch vouchers etc. can be fully or partly claimed after calculating the eligible share for the project.
Within the real cost option for staff costs five different cases may be faced:

1. Person employed by the partner organisation, and working **fully** on the project
2. Person employed by the partner organisation, working **partly** for the project on a **fixed** percentage
3. Person employed by the partner organisation, working **partly** for the project on a **flexible** percentage. Here, there are two options possible:
   - Option 3.A. Calculation based on dividing the latest documented annual gross employment costs by the contractual hours as indicated in the employment contract
   - Option 3.B. Calculation based on dividing the latest documented annual gross employment costs by 1,720 hours
4. Person employed by the partner organisation on an hourly basis
5. Country specific methods (see annex XX)

Within the same partner organisation, different cases and related calculation methods may co-exist if several people are working on the same project, however with different working contracts and time involvement in the project. For each of these cases, one specific methodology of calculation shall be followed, as explained below.

**Method 1: Person employed by the partner organisation, and working fully on the project**

**Key principles**

Staff costs are calculated as follows:

- The employee's total monthly gross employment cost can be claimed.
- The employer issues a document for each employee setting out 100% of time to be worked on the project.
- No separate working time registration ("timesheet") is needed.

**Example**

<table>
<thead>
<tr>
<th></th>
<th>Total monthly salary costs (gross salary and employer's social charges)</th>
<th>€5,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Total monthly salary costs (gross salary and employer's social charges)</td>
<td>€5,000</td>
</tr>
<tr>
<td>B</td>
<td>Percentage of time worked monthly on the project</td>
<td>100%</td>
</tr>
<tr>
<td>C</td>
<td>Eligible costs : (A * B)</td>
<td>€5,000</td>
</tr>
</tbody>
</table>
Supporting documents for the verification of expenditure (first level control)

The following documents have to be provided to the first level controller to justify the eligibility of the costs:

- Employment contract or any other equivalent legal agreement that allows the identification of the employment relationship with the partner's organisation;
- A document clearly showing that the employee works 100% of the time on the project (it may be the working contract and/or any other document issued by the employer such as a ‘mission letter’);
- Document identifying the real salary costs (gross salary and employer’s social charges) for the employee, such as pay slips or other accounting documents where the employment costs are clearly detectable;
- Proof of payment, according to the national standard accounting principles.

Method 2: Person employed by the partner organisation, working partly on the project on a fixed percentage

Key principles

Staff costs are calculated as follows:

- A fixed percentage of the gross employment cost, in line with a fixed percentage of time worked on the project;
- A document clearly setting out the percentage of time to be worked by the employee on the project (it may be the employment contract and/or any other document issued by the employer like a ‘mission letter’);

No separate working time registration (“timesheet”) is needed.

**Example**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Total monthly salary costs (gross salary and employer’s social charges)</td>
</tr>
<tr>
<td>B</td>
<td>Fixed percentage of time worked monthly on the project</td>
</tr>
<tr>
<td>C</td>
<td>Eligible costs : (A * B)</td>
</tr>
</tbody>
</table>
Supporting documents for the verification of expenditure (first level control)

The following documents have to be provided to justify the eligibility of the costs when reporting to the Programme:

- An employment contract or any other equivalent legal agreement that allows the identification of the employment relationship with the partner's organisation;
- A document setting out the percentage of time to be worked on the project (it may be the employment contract and/or any other document issued by the employer, clearly identifying the fixed percentage of monthly time dedicated to the project);
- A document identifying the real salary costs (gross salary and employer's social charges) for the employee, such as pay slips or other accounting documents where the employment costs are clearly detectable;
- Proof of payment, according to the national standard accounting principles.

Method 3: Person employed by the partner organisation, working partly on the project on a flexible percentage

Method 3.A Calculation based on dividing the latest documented annual gross employment costs by the contractual hours as indicated in the employment contract

Key principles

Staff costs are calculated as follows:

- A flexible share of the gross employment cost, in line with a number of hours varying from one month to the other worked on the project.
- A time registration system ("timesheet" – the Programme will create a template (tbc)) is required and must cover 100% of the working time of the employee (including the working time not related to the project). The timesheet covering the working time not related to the project will not be used in the calculation of the staff costs but will be used to prove that there is no double financing if the staff member works for another EU project or any other activity that is partly financed by the EU.
- An hourly rate is calculated by dividing the monthly gross employment cost by the number of hours per month as per employment contract. The hourly rate is then multiplied by the number of hours actually worked on the project.

Overtime (number of hours worked exceeds the number of hours fixed in the contract) is eligible only if the extra hours are paid to the employee by the employer.
Example

1/ STARTING POINT

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Total monthly salary costs (see point 5.1.1.2 for the charges that can be included)</td>
</tr>
</tbody>
</table>

2/ CALCULATION OF HOURLY RATE

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Number of working hours per working day according to the employment contract</td>
</tr>
<tr>
<td>C</td>
<td>July 2014: number of workable days (any public/bank holidays* are subtracted)</td>
</tr>
<tr>
<td>D</td>
<td>Number of workable hours in July 2014 (B * C)</td>
</tr>
<tr>
<td>E</td>
<td>Number of annual holidays (days) according to employment contract</td>
</tr>
<tr>
<td>F</td>
<td>Number of monthly holidays (days) according to employment contract (E / 12 months)</td>
</tr>
<tr>
<td>G</td>
<td>Number of monthly holidays (hours) according to employment contract (B * F)</td>
</tr>
<tr>
<td>H</td>
<td>Monthly working time, excluding holidays (D - G)</td>
</tr>
</tbody>
</table>

* Bank/public holidays refer to days such as 1 May, 1 January or Christmas Day.

3/ HOURLY RATE

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Hourly rate for July 2014 (A / H)</td>
</tr>
</tbody>
</table>

4/ NUMBER OF HOURS WORKED (Based on timesheet)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>J</td>
<td>Total number of hours worked on the project during the month of July</td>
</tr>
</tbody>
</table>

5/ ELIGIBLE COST FOR THE HOURS WORKED ON THE PROJECT

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>K</td>
<td>Eligible cost (I * J)</td>
</tr>
</tbody>
</table>

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

Following documents have to be provided to justify the eligibility of the costs when reporting to the Programme:

- Employment contract or any other equivalent legal agreement that allows the identification of the employment relationship with the partner's organisation;
- Document identifying the monthly or weekly working time and number of holidays per employee such as the employment contract or other internal document of equivalent value;
• Document identifying the real monthly salary costs (gross salary and employer's social charges) for the employee, such as pay slips or other accounting documents where the employment costs are clearly detectable;

• Proof of payment, according to the national standard accounting principles;

• Document showing the calculation of the hourly rate;

• Registration of the monthly working time covering 100% of the working time of the employee and identifying the time spent on the project: timesheet or equivalent time recording system.

Method 3.B Calculation based on dividing the latest documented annual gross employment costs by 1,720 hours

Key principles
If a staff member is employed by the partner organisation and is working partly on the project on a flexible percentage, then there is also the possibility to calculate the hourly rate on the basis of a fixed 1,720 hours worked per year.

Staff costs are calculated as follows:

• A flexible share of the gross employment cost, in line with a number of hours varying from one month to the other worked on the project.

• A time registration system ("timesheet" – the Programme will create a template (tbc)) that is required and must cover 100% of the working time of the employee (including the working time not related to the project). The timesheet covering the working time not related to the project will not be used in the calculation of the staff costs but will be used to prove that there is no double financing if the staff member works for another EU project or any other activity that is partly financed by the EU.

• An hourly rate is calculated by dividing the annual gross employment cost by the 1,720 hours. The hourly rate is then multiplied by the number of hours actually worked on the project.

Overtime (number of hours worked exceeds the number of hours fixed in the contract) is eligible only if the extra hours are paid to the employee by the employer.

Supporting documents for the verification of expenditure (first level control)
Following documents have to be provided to justify the eligibility of the costs when reporting to the programme:

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

• Document identifying the monthly or weekly working time and number of holidays per employee such as the employment contract or other internal document of equivalent value;
- Document identifying the real monthly salary costs (gross salary and employer's social charges) for the employee, such as pay slips or other accounting documents where the employment costs are clearly detectable;
- Proof of payment, according to the national standard accounting principles;
- Document showing the calculation of the hourly rate;
- Registration of the monthly working time covering 100% of the working time of the employee and identifying the time spent on the project: timesheet or equivalent time recording system.

**Method 4: Person employed by the partner organisation on an hourly basis**

**Key principles**

Staff costs are calculated as follows:

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

**Example for the calculation**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1/ STARTING POINT</strong></td>
<td></td>
</tr>
<tr>
<td><strong>A</strong></td>
<td>Hourly rate (as indicated in the employment contract)</td>
</tr>
</tbody>
</table>

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

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

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

The following documents have to be provided to justify the eligibility of the costs when reporting to the Programme:

- Employment contract or any other equivalent legal agreement that allows the identification of the employment relationship with the partner's organisation and the hourly rate;
- Proof of payment, according to the national standard accounting principles;
• Registration of the hours worked covering 100% of the working time by the employee and identifying the time spent on the project: timesheet or equivalent time recording system.

**Method 5: Country specific methods**

Some Member States have expressed the wish to include the possibility to use a country specific method developed at national/regional level. The method is generally not compulsory for the partners located in the Member States having a country specific method. Only the partners located in the relevant Member States can chose to use the national/regional method developed.

The Member States having developed a country specific method for calculating staff costs are:

The Netherlands: Dutch partners can choose from all the possible methods and are not bound by their country specific method.

Belgium (Flanders): Flemish partners cannot choose from all the possible methods but only from option A (flat rate) and their regional method.

Luxembourg is exploring specific guidance for Luxembourg partners, which is aligned to other EU funding instruments in Luxembourg.

For more information on these methods, please see the additional documents provided on the NWE website.
ii. Office and administrative expenditure

Definition

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

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

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

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

Key principles

The budget line ‘office and administrative expenditure’ does not require a detailed budget to be drawn up as the application form will automatically calculate a budget on the basis of 15% of the planned staff costs for each partner.

Regarding the reporting of office and administrative expenditure, the flat rate of 15% is automatically applied to each project partner’s eligible reported staff costs.

**Example**

<table>
<thead>
<tr>
<th></th>
<th>Eligible reported staff costs</th>
<th>Flat rate for office and administrative expenditures</th>
<th>Eligible reported office and administrative expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>€36,000</td>
<td>15%</td>
<td>€5,400</td>
</tr>
</tbody>
</table>
Supporting documents for the verification of expenditure (first level control)

Project partners do not need to provide any justification or supporting documents as they don't need to demonstrate that the flat rate corresponds to the reality. The FLC check focuses on the correct reporting of the staff costs and that no expenditure related to the office and administrative budget line is included in any other budget line.

Points of attention

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

Where a project partner chooses the 20% flat rate for staff costs, the method for calculating the office and administrative expenditure would be:

A. The basis of the expenditure is all costs reported in the budget lines relating to direct costs (i.e. Travel & accommodation, external expertise and services and equipment, infrastructure and construction works) and from this number 20% is calculated;

B. On this basis 15% would be reported for office and administrative costs.

Example

<table>
<thead>
<tr>
<th></th>
<th>Total eligible amount declared by the partner under all the other budget lines (excl. office and administrative expenditure)</th>
<th>€100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Staff costs flat rate</td>
<td>20%</td>
</tr>
<tr>
<td>B</td>
<td>Eligible staff costs (A * B)</td>
<td>€20,000</td>
</tr>
<tr>
<td>C</td>
<td>Flat rate for office and administrative expenditures</td>
<td>15%</td>
</tr>
<tr>
<td>D</td>
<td>Eligible reported office and administrative expenditures (automatic reporting without proof of actual costs) (D*C)</td>
<td>€3,000</td>
</tr>
</tbody>
</table>
iii. Travel and accommodation

Definition

This budget line concerns the travel and accommodation costs of staff employed by a project partner.

Key principles

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

- a) travel;
- b) meals;
- c) accommodation;
- d) visa;
- e) daily allowances.

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

The following general principles must be respected:

- Costs must be definitely borne by the partner organisation. Direct payment by an employee must be supported by a proof of reimbursement from the employer.
- Real costs and daily allowances must be in line with the specific national or institutional rules applicable to partner organisation. In the absence of national or internal rules on daily allowances, real costs apply. Note that travel and accommodation costs should remain reasonable as they are reimbursed with public money.
- Normally, travel and accommodation costs should relate to trips undertaken within the programme area. However, trips to places outside the programme area are eligible if they are explicitly mentioned and justified in the application form. For trips outside the European Union that are not mentioned in the application form, a specific request (hyperlink) needs to be submitted by the Lead Partner to the JS for validation in advance. This request should clearly demonstrate the added value of the trip to the project, the specific roles of each person travelling and the detailed travel budget.

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

The following documents must be available for control purposes:

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

**Points of attention**

Travel and accommodation expenses related to individuals other than staff directly employed by the beneficiaries of the project (such as consultants, experts, observers), have to be included under the 'external expertise and service' budget line.
iv. External expertise and services

Definition

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

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

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

Key principles

External expertise and services costs are connected to the implementation of certain project tasks that cannot be carried out by the project partners themselves (mainly to bring in more expertise or capacity) and are therefore outsourced to external service providers.

The work of external service providers must be necessary for the project and should be linked to activities foreseen in the application form.

All applicable EU, national and internal public procurement rules must be respected. Even below EU thresholds, contracts with external providers must comply with the principles of

---

5 Project management would be covered under ‘other specific expertise and services needed for operations’
transparency, non-discrimination, equal treatment and effective competition (see also section 5.5 on public procurement)

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

The following documents must be kept available for control purposes:

- Evidence of the selection process, in compliance with the applicable EU, NWE Programme, national and internal public procurement rules. Any changes to the contract must comply with the public procurement rules and must be documented.
- A contract or other written agreements of equivalent probative value laying down the services to be provided with a clear link to the project.
- An invoice or a request for reimbursement providing all relevant information in line with the applicable accountancy rules.
- Proof of payment
- Outputs of the work of external experts or service deliverables.

**Points of attention**

- Project partners cannot enter into contracts with one another in relation to activities required as part of the same project. This is due to the fact that the roles of project partner and service provider are different and not compatible: a project partner is required to cooperate with the other partners in the delivery of the project against partial reimbursement of ERDF; a provider delivers services/goods against payment and in compliance with the applicable public procurement rules. If a project partner cannot implement a certain task, the task may be reallocated to another partner or procured to an external service provider.

- Subcontracting in-house or other affiliated companies must be done on a real costs basis and reported in:
  
  A. Each relevant budget line, according to the nature of service provided, as far as the reporting requirements applicable to the budget lines are fulfilled. For instance, in case of an internal audit department carrying out first level control, time spent on checking the claims must be reported as staff costs, provided that the rules applicable to staff costs are fulfilled.
  
  B. External expertise and services budget line, where a service from an internal service inside a different legal entity is provided. In this case, the relevant public procurement rules have to be complied with.

- Advance payments may only be accepted if they are supported by an invoice or another document of probative value. The corresponding activity must have taken place (and verified by the first level controller) by the end date of the project at the latest.

- The costs of services contracted by project partners for arranging the travel and accommodation of their own staff members (e.g. travel agencies, etc.) must be claimed under the budget line ‘travel and accommodation’.
v. Equipment

Definition

Expenditure for the financing of equipment purchased, rented or leased by a partner, and necessary to achieve the objectives of the project. This includes costs of equipment already in possession by the partner organisation and used to carry out project activities.

According to the Commission Delegated Regulation (EU) No 481/2014 Article 7 equipment expenditure is limited to the following items:

- office equipment
- IT hardware and software
- furniture and fittings
- laboratory equipment;
- machines and instruments
- tools or devices
- vehicles
- other specific equipment needed for operations

Key principles

Costs of equipment are eligible if they have been approved through the application form by the Programme. Normally, only planned equipment is eligible for funding. Unplanned equipment can be eligible for funding only in exceptional cases and needs to be agreed with the JS.

Also, equipment items can only be funded by the Programme if no other EU funds have contributed towards the financing of the planned equipment. Equipment has to be purchased in line with public procurement rules.

When reporting expenditure for equipment the following points need to be considered:

- If the equipment is used solely for the purpose of the project and was incurred and paid within the eligible period, the full purchase cost of the equipment should be reported.
- If the equipment was purchased before the project was approved, a pro-rata depreciation will be applied. Only the value of the depreciation incurred during the project timeframe is eligible.
- If the equipment is purchased during the project lifetime but the depreciation plan is longer than the project duration, a pro-rata depreciation will be applied. Only the value of the depreciation incurred during the project timeframe is eligible. For example, a project buys a machine that has a depreciation period of 5 years. The machine is bought when the project will run for another 24 months. Therefore, only $2/5$ of the purchase price of the machine is eligible. This is assuming that the machine is used 100% for the project (see below).
• If non-depreciable equipment (e.g. low-value asset) is purchased, the full purchase cost of the equipment should be reported where the equipment is used 100% on the project.

• If the equipment is rented or leased, depreciation does not apply, i.e. full cost is reported where the equipment is used 100% on the project.

• If the equipment is purchased by the partner organisation, but is used only partially for the project, only the share related to the use of the equipment for the project may be reported. This share has to be calculated according to a justified and equitable method in line with legislation or general accounting policy of the partner organisation.

• If the equipment represents a core component of the project investment. This means that the equipment is essential to carry out the investment, for example the purchase of a laboratory machine for the purpose of research activities in the project, or the purchase of fixed assets necessary for infrastructure) the full cost of the item can be reported (in the equipment budget line).

Provision of equipment as in-kind contribution is eligible (ref: Art. 69.1 Common Provisions Regulation (EU) No 1303/2013), provided that the value of the contribution does not exceed the generally accepted price on the market and it can be independently assessed and verified.

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

The following documents must be available for control purposes:

• Evidence of compliance with the applicable EU, national and internal procurement rules.

• Invoice (or a supporting document having equivalent probative value to invoices, in case of depreciation) providing all relevant information in line with the applicable accountancy rules.

• Calculation of depreciation in compliance with the applicable national schemes.

• Proof of payment

Points of attention

- Rented equipment: any equipment necessary for the implementation of project activities needs to be budgeted and reported in this budget line. Renting costs for equipment do not fall under the budget line ‘external expertise and services costs’.

- Second hand equipment: costs of second-hand equipment may be eligible under the following conditions:
  A. no other assistance has been received for it from the European Structural and Investment Funds;
  B. its price does not exceed the generally accepted price on the market in question;
  C. it has the technical characteristics necessary for the project and complies with applicable norms and standards.
vi. **Infrastructure and construction works**

**Definition**

The Infrastructure and construction works budget line covers costs related to investments in infrastructure that do not fall into the scope of other budget lines. This includes costs for:

- Purchase/provision of land (limited to maximum 10% of the project budget)
- Purchase/provision of real estate
- Site preparation
- Delivery
- Handling
- Installation
- Renovation
- Other costs necessary to the implementation of construction works

In order to be eligible, infrastructure and construction works must be the result of transnational cooperation activities specifically directed at improving the development of the Programme area in line with the additionality principle. The transnational dimension and added value must be evident.

Infrastructure and construction works will be financed only if crucial for the achievement of the project's outputs and results, and if they are inscribed in one or more investment work packages described in the Application Form.

In-kind contribution is also eligible under this budget line, insofar as the requirements of Article 69 of Regulation No 1303/2014 are fulfilled (for further information see below “Focus on In-kind contribution”)

All investments with costs claimed under this budget line have to comply with Article 71 Common Provisions Regulation (EU) No 1303/2013 on durability. This means that the investment must be in line with the following requirements up to 5 years after the final payment to the beneficiary:

- Cessation of operation
- Relocation outside the Programme area
- Substantial change (e.g. different use than indicated in the AF)
- Change ownership giving an undue advantage

There will be no exceptions from this rule for different kind of partners. Should the investment fail to comply with any of those criteria; the unduly paid sums will be recovered in proportion to the period of non fulfilment. In the case of a non-fraudulent bankruptcy of a partner, Article 71 will not be applied.

Investments without an infrastructure budget will have to comply with the rules set out in Section 6.2 on durability.
Key principles

All costs are subject to applicable European, NWE Programme, national and internal procurement rules. The partners in charge of the infrastructure and construction works are responsible for ensuring that these rules are respected.

The full cost of infrastructure and construction works can be reported under this budget line insofar as it is fully justified as part of the project’s activities (no depreciation will be applied).

Purchase of land cannot exceed 10% of the total eligible expenditure of the project.

A project can also claim the provision of land and/or real estate in the form of in-kind contribution (see below “Focus on In-kind contribution”).

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

- Evidence of compliance with the applicable EU, NWE Programme, national and internal procurement rules;

- Documents pertaining to the work may be required such as feasibility studies, environmental impact assessment and planning permission;

- In the case of land and real estate purchase (or provision in the form of in-kind contribution), a certificate from an independent qualified evaluator or duly authorised official body confirming that the cost is in line with the market value;

- In the case of land and real estate provided in the form of in-kind contribution, evidence of compliance with the applicable rules in the field of in-kind contribution;

- Documents specifying the ownership of land and/or real estate where the works are carried out, as well as proof of commitment to establish and maintain an inventory of all fixed assets acquired, built or improved under the ERDF grant.
5.3 Ineligible costs

The following costs are not eligible:

(a) fines, financial penalties and expenditure on legal disputes and litigation;
(b) costs of gifts, except those not exceeding €50 per gift where related to promotion, communication, publicity or information;
(c) costs related to fluctuation of foreign exchange rate.

5.4 Other Programme rules

5.4.1 Grant rate

The maximum grant rate for all projects and project partners is 60%. Within a project not all partners need to have the same grant rate. Projects with a grant rate of lower than 60% may demonstrate better Value for Money for the Programme. The difference between the total project budget and the Interreg-grant is called match-funding and must be provided by each individual project partner.

5.4.2 Preparation costs

Preparation costs are reimbursed through a lump sum of €30,000 ERDF (irrespective of the grant rate) to all projects that have submitted an eligible application form in STEP 2 of the Application process. This means that the project does not need to be approved in the second step to receive preparation costs.

Points of attention

- Projects will only be able to receive their preparation costs reimbursed once
- Projects will not need to provide any justification or supporting documents to receive the preparation costs. Project partners will not need to document that the expenditure has been incurred or that the lump sum corresponds to the reality.
- In order to reduce the administrative burden, the lump sum for preparation costs will be exclusively reimbursed to the Lead Partner of the STEP 1 application. The project may still decide to share the lump sum among all the partners; however it will not be taken into account in the reporting.
5.4.3 Eligibility period

The start date is the date of the project's approval by the Monitoring Committee. Costs paid prior to this date are not eligible, except for:

- Costs related to preparation and covered by the lump sum
- Equipment items for which depreciation during project lifetime is eligible

The end date indicated in the application form is the date by which:

- All project activities must have been completed (including those related to the administrative closure of the project – e.g. first level control)
- All payments must have been made
- The final progress report must have been submitted to the Joint Secretariat

Any expenditure incurred, invoiced or paid after the project end date is ineligible.

Points of attention

- No content-related activities should be scheduled close to the end date of the project; the administrative closure often requires more time than expected (i.e. a minimum of 3 months based on past experience)
- Even if, in justified cases, the deadline for submission of the final progress report is extended, this does not alter the eligibility end date
- It is not possible to claim invoices that are paid in advance for activities that are not finalised by the project end date

5.4.4 Contribution in kind

Contributions in kind in the form of provision of works, goods, services, land and real estate for which no cash payment supported by invoices, or documents of equivalent probative value, has been made, may be eligible according to Article 69 of Regulation No 1303/2014, which sets also a number of specific conditions:

a) the public support paid to the operation which includes contributions in kind does not exceed the total eligible expenditure, excluding contributions in kind, at the end of the operation;

b) the value attributed to contributions in kind does not exceed the costs generally accepted on the market in question;

c) the value and the delivery of the contribution can be independently assessed and verified;

d) in the case of provision of land or real estate, a cash payment, for the purposes of a lease agreement of a nominal amount per annum not exceeding a single unit of the currency of the Member State, may be made;
e) in the case of contributions in kind in the form of unpaid work, the value of that work is determined by taking into account the verified time spent and the rate of remuneration for equivalent work.

Contributions in kind are eligible only if they are included in the original approved application form, if they comply with the applicable European rules and if they do not contravene national rules.

In-kind contributions in the form of unpaid voluntary work can be deemed eligible insofar as its value is in line with the cost of an equivalent typology of work in the Member State where the partner claiming in-kind contributions is located. In-kind contributions in the form of equipment can be deemed eligible insofar as the item of equipment was not previously paid for or co-financed by European funds.

In the case of land and real estate, the value must be certified by an independent qualified expert or duly authorised official body.

### 5.4.5 Exchange rate

All financial claims and project follow-up will be in euros. Expenditure has to be declared to the Joint Secretariat in euros. The Programme will also pay all ERDF funds in euros.

In accordance with Regulation (EU) 1299/2013 Article 28, partners located outside the euro zone will have to convert their expenditure from their national currency into euros. They will have to use the exchange rate of the Commission in the month during which the claim was first electronically submitted to the partner FLC. This will be done automatically by the online submission system (eMS). The monthly exchange rates of the Commission are published on:


<table>
<thead>
<tr>
<th>Partner located</th>
<th>Expenditure incurred in</th>
<th>Exchange rate to apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outside the euro zone</td>
<td>Euro</td>
<td>No conversion. The expenditure is already in euros.</td>
</tr>
<tr>
<td>Outside the euro zone</td>
<td>Other currency</td>
<td>Exchange rate of the Commission in the month during which the expenditure was incurred. Note that the exchange rate must only be applied for the expenditure actually incurred by the partner organisation. If the expenditure in a currency other than euros was firstly paid by the employee and then reimbursed by the partner organisation, the conversion rate will apply to the amount finally paid by the organisation.</td>
</tr>
</tbody>
</table>
For partners located inside the Euro zone and incurring expenditure in another currency, internal rules apply.

<table>
<thead>
<tr>
<th>Partner located</th>
<th>Expenditure incurred in</th>
<th>Exchange rate to apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inside the euro zone</td>
<td>Euro</td>
<td>None. The expenditure is already in euro.</td>
</tr>
<tr>
<td>Inside the euro zone</td>
<td>other currency</td>
<td>Institutional (internal) rules apply.</td>
</tr>
</tbody>
</table>

5.4.6 Budget flexibility

Projects are allowed to overspend by a maximum of 20% of individual project budget lines without prior approval of the Joint Secretariat. The overall ERDF funding cannot be exceeded.

Increases of more than 20% on individual project budget lines must be submitted and duly justified to the Secretariat via a Request for Changes. A maximum of 3 requests for changes are allowed during the lifetime of the project and no later than 6 months before the project end date (see section 5.11, on project changes, still to be developed).

Partner budget lines are not monitored as such by the Programme. This means that partners can over- or underspend their budget lines provided that all their activities are implemented and that budget lines at project level stay within the 20% flexibility described above.

5.4.6 Shared costs

As a general recommendation projects are advised to share tasks and not costs. Experience has shown that it is much more efficient to allocate tasks which are for the common benefit of all project partners equally among the partnership instead of sharing the costs for those tasks.

It is nevertheless also possible to share costs between the partners, but the contracting-partner-only principle applies to the budgeting and reporting of these costs. In practice this means that:

- the contracting partner is the only one that budgets, actually pays and claims 100% of the cost item and receives the related ERDF,
- all the other partners can decide to reimburse the share of the cost that is not covered by the ERDF to the contracting partner. However, the other partners cannot claim this reimbursement in their payment claims because the total ERDF share has already been paid to the contracting partner. It is nevertheless advised to agree on the procedures and the shares of such contributions in the Partnership Agreement.
5.4.7 Revenues

Definition

**Revenues** are defined in the EU regulation as cash in-flows directly paid by users for goods or services provided by a project, such as charges borne directly by users for the use of infrastructure, sale or rent of buildings, or payment for services.

**Net revenues** are revenues as defined above less any operating costs and replacement costs of short-life equipment incurred during the corresponding period.

Treatment of revenues

a) **At the project application stage**

The eligible expenditure shall be reduced in advance taking into account the potential of the project to generate net revenue over a specific period covering both the implementation of the project and the period after its completion.

If known beforehand, the amount of net revenues should be specified in the Application Form, in the net revenues budget line. Net revenues will be deducted from total eligible expenditure and will consequently decrease the ERDF contribution. If the net revenues are only partially generated due to the eligible expenditure they should be reported on the pro-rata basis.

b) **At the project implementation stage**

All revenue (including those not foreseen at the application stage) generated during the project's implementation must be reported in the project progress reports before the closure of the project.

Project partners are responsible for keeping account of all the revenues and to have the required documentation available (e.g. for control purposes).

c) **After the completion of the project**

If revenues are expected to be generated after the project's end date (e.g. to ensure durability of the results), it must be estimated and deducted from the budget at the application stage. Guidance from the European Commission on how to estimate the revenues is expected in the coming months and the projects will be kept informed.

Where it is objectively not possible to estimate the revenue in advance, the net revenue generated within 3 years of the completion of the project or by the Programme closure deadline, whichever is earlier, shall be reported to the Secretariat and deducted from the expenditure declared by the Programme to the European Commission.

If the project is subject to State Aid rules (de minimis / general block exemption / notification was applied) the net revenues will not be deducted unless national rules request otherwise.
5.4.8 Advance payments (“pre-financing”) – (still under discussion)

5.4.9 Solvency of non-public partners

All non-public partners will undergo a solvency check before the approval of the application in STEP 2. The responsibility of such checks lies with the National Authority of the Member State of the potential non-public partner. This authority will decide on a case by case basis how intense this check will be and what documentation is needed.

In many cases this check will be limited and based on previous national or regional knowledge.

To fit this procedure as smoothly as possible in the NWE selection process, potential (lead) partners are asked to inform the Contact Point of the concerned country as soon as it becomes clear that a non-public partner might join the partnership.

The Contact Point will contact the National Authority and find out what type of information is needed for the solvency check.

Contact Points together with the National Authorities assisted by the Joint Secretariat will inform the potential project what to do when.

In case that such a check has to be done from scratch the usual information that will be asked are the national equivalents of:

1. Financial statement of the last three years;
2. Excerpts from the national company register;
3. Declaration of no-bankruptcy.

The Joint Secretariat will collect the requested documents as soon as possible within the STEP 2 preparation phase and provide them to the National Authority for the solvency check.

To mitigate the risk that a possible case of insolvency harms the project or the Programme a clause will be included in the Subsidy Contract that no payments will (have to) be made to non-public partners in danger of insolvency and that the Programme will automatically pose itself as one of the creditors in case of bankruptcy.

Non-public partners are held to inform – without delay – their Lead Partner and the Joint Secretariat of such problems.

Lead Partners must – after receiving such information – immediately suspend any payments to such partners and the Programme will immediately suspend the payment of the non-public partners’ part of any pending payment claim.
5.5 Public procurement

What is public procurement?

During the implementation of a project, virtually all project partnerships buy goods and services externally. For example, external auditors are hired to carry out the first level control; a project, finance and communication manager are hired to assist the Lead Partner with the organisational and administrative aspects of project implementation; catering and technical equipment for conferences and meetings is ordered, etc. Whenever purchases are made and contracts are awarded to external suppliers, the public tendering principles must be observed so that project partners demonstrate efficient use of public funds.

The public procurement rules define the tendering and publicity procedures applicable to different threshold values. Each contract should be awarded on the basis of objective criteria that ensure compliance with the principles of transparency, non-discrimination and equal treatment and which guarantee that tenders are assessed under the conditions of effective competition.

How to comply with public procurement rules?

When dealing with public procurement rules, four levels have to be taken into consideration:

- the EU public procurement directives
- national rules
- internal rules of the partner organisation
- Programme specific rules

As a matter of principle, the stricter rules must always be applied. In the case national/regional rules set stricter requirements (such as for publicity, free competition, lower thresholds) than those established by the European directives, then they must be applied. The same principle goes for internal rules and Programme rules.

Specific NWE Programme rule:

For all contracts above €5,000 (excl. VAT) project partners need to have documented proof that three quotes have been asked for. In the case where the partner must comply with other, stricter rules (e.g. internal rules), these stricter rules apply.

The fundamental principles of transparency, non-discrimination and equal treatment also apply for all purchases and subcontracted activities below the threshold values. Basically, below and above the thresholds, the main difference for public contracts is the degree of publicity and formality of the tendering procedure: in certain cases a request for three offers (‘bid-at-three’) might be sufficient whereas for others it is necessary to announce the tender in national/regional media or EU wide, etc.
Central to ensuring adherence to the public tender rules is the tender documentation, which usually consists of the following:

- Terms of reference (sufficiently specified, including clear information to candidates on award and weighting criteria)
- Request for offers or procurement publication/notice
- Offers/quotes received
- Report on assessment bids (evaluation/selection report) including:
  - justification for the procedure chosen in the light of the identified needs
  - evaluation of the offers in the light of the previously announced award and weighting criteria
  - Letters of acceptance and rejection
  - Contract, including any amendments and/or renewals (with evidence that these did not modify the economy on the market and that there was no modification of the object of the initial contract)
  - Evidence that the payments made match the contract (invoices and proof of payment);
  - Proof of delivery of goods or services

Where there are doubts about the specific rules applying to the specific case, the Joint Secretariat recommends that projects refer to the following sources:

- The internal market website: [http://ec.europa.eu/internal_market/publicprocurement/index_en.htm](http://ec.europa.eu/internal_market/publicprocurement/index_en.htm)
- National approbation body
- The National public procurement authority
- The legal department of the relevant project’s partner organisation

**Points of attention**

- Public procurement rules and principles are applicable to all public authorities and bodies governed by public law and therefore also apply in the context of their participation in an Interreg NWE project.
- Private bodies participating in an Interreg NWE project, and receiving ERDF and/or other national/regional/local funding, have to follow the public procurement procedures applicable to their organisation, according to the European, national and internal rules.
- Evidence has to be available that the choice made regarding publicity requirements (sufficient degree of advertising) is in compliance with the EU Directives and the national applicable legislation (depending on the thresholds). Project partners must keep a record of every step of the public procurement procedure for first level control and audit purposes.
- The greater the interest of the contract to potential bidders from other Member States, the wider the coverage should be. So depending on the nature of the services and goods, an EU-wide advertising may be advised even if the value of the contract is below the EU-threshold.

- The applicable tendering procedure changes are applied according to the contract value. When calculating the value of a contract, the maximum total amount that may be paid during the entire contract period (incl. renewal periods) needs to be estimated. That means that partners cannot exclude the value of potential renewals periods of the contract with the aim of staying below a certain threshold so as to avoid a given tendering procedure.

- When calculating the contract value, the project partner has to take into consideration all (potential) contracts of the same type that the partner organisation has implemented or will implement during the financial year (including contracts outside the project scope).

- Procurement may not be divided into several smaller procurements with the purpose of fitting them individually into the value range applicable to direct awards.

- If a direct award procedure is used for reasons of urgency, it has to be proven that the urgency is due to unforeseeable circumstances. Insufficient planning by the project partner does not justify the direct award procedure.

- If a direct award procedure is used for technical /exclusivity reasons, it must have been ruled out that any other supplier than the one being contracted is capable of providing the requested services. This elimination procedure must be based on objective criteria. With regard to project management services for example, a direct award of procedure for technical reasons/exclusivity cannot normally be justified. The fact of having already worked with a certain external provider in the past, having been satisfied by the quality of the work and wanting to benefit from the knowledge the provider acquired through working with the partner organisation in the past and on similar subjects does not represent sufficient justification for a direct award. If objective proofs do not exist, an open tender still has to be organised. Its outcome will then prove if there is really no equivalent alternative on the market.

- To avoid any loss of ERDF, projects have to be in the position to prove that the awarding of contracts is in compliance with public procurement rules. Due to the complexity of public procurement matters, project partners are invited to work closely with their legal department to ensure the compliance of awarded contracts with EU, national and internal public procurement rules.

- Should corrections be necessary, they should be made in compliance with the COCOF Guidelines for determining financial corrections to be made to expenditure finance by the Union under shared management, for non-compliance with the rules on public procurement. http://ec.europa.eu/regional_policy/sources/docoffic/cocof/cocof/2013/cocof_13_9527_annexe_en.pdf
5.6 State Aid

What is state aid?

State aid is defined as any advantage the Programme may give a project partner in the context of their funded project, if this advantage has a potential to distort the competition or trade within the Union. During the project preparation, project assessment or during the project implementation phase, it may turn out that some of the activities are state aid relevant.

*State aid is generally not allowed* (incompatible with the internal market) because it may distort the competition by favouring certain undertakings or the production of certain goods. However, there are several exceptions which allow for aid in certain areas, up to a certain amount (de minimis) or for certain undertakings crucial for European economy to perform certain activities (e.g. specified in the General Block Exemption Regulation).

Who is affected by state aid?

All entities engaged in an economic activity fall under the State Aid rules, regardless of their legal status and regardless of whether they aim to make a profit. This means that both public and private partners can be affected by state aid. Public institutions may perform economic activities (e.g. a regional council can implement a support scheme for SMEs) and therefore be state aid relevant. On the other hand, the participation of an SME in a project does not necessarily mean that its activities will be state aid relevant.

NWE procedure to assess state aid relevance

State aid compliance in the NWE Programme will be assessed on the basis of the activities to be undertaken by project partners as described in the submitted application forms. The initial assessment will be done when the STEP 1 application is submitted. A further and more in-depth state aid assessment will be performed when the STEP 2 application is submitted, as that is where work packages and activities will be described in detail.

In the case state aid activities are identified, project partners should take into account that some restrictions may be applied (e.g. there will be a maximum ERDF contribution or the grant rate will be lowered).

De minimis

The ‘de minimis’ rule allows for state aid relevant activities, but only those that are of minimum financial importance, up to a threshold. The amounts of de minimis aids granted to a single undertaking within the last 3 financial years cannot exceed €200,000⁶. It must be however stressed that state aid can have different forms: apart from grants, an undertaking may receive tax exemptions, or its employees may participate in free seminars granted on the ‘de minimis’ basis. The undertaking receiving ERDF from the NWE

---

⁶ In the road freight transport sector this threshold is decreased to €100,000 and will not apply for acquisition of road freight transport vehicles.
Programme and that falls under the ‘de minimis’ rule will be asked to provide a self-declaration listing all de minimis aids received within the last 3 fiscal years. The maximum ERDF grant rate will be calculated on the basis of this declaration. After the ‘de minimis’ state aid is granted (i.e. the Subsidy Contract is signed), the Programme will send a letter to the undertakings with the granted de minimis amount. These amounts will have to be taken into account when applying for further de minimis aid and included in self-declarations in other aid schemes.

**General Block Exemption Regulation (GBER)**

Another possibility is to use one of the exemptions offered by the General Block Exception Regulation. This can happen for example if the de minimis quota has already been exhausted or the beneficiary is applying for ERDF higher than €200,000. However, GBER may also be used directly without considering the application of de minimis.

5a) Article 20, Cooperation costs incurred by SMEs participating in European Territorial Cooperation projects

If this exemption is applied, the maximum grant rate (from all public sources) will be limited to 50% (known as ‘maximum intensity’) of eligible costs and the absolute ceiling for co-financing will be limited to €2,000,000 per undertaking per project. Among other requirements, the applicant will have to meet all the criteria to be regarded as an SME that is not in difficulty. The eligible costs under this exemption scheme will be claimed under the following budget lines:

- Staff costs, to the extent that it is linked to the cooperation project;
- Office and administrative expenditure, to the extent that it is linked to the cooperation project;
- Travel and accommodation, directly related to the project;
- External expertise and services linked to cooperation and delivered by external consultants and service providers. These services cannot be a continuous or periodic activity nor relate to the undertaking's usual operating costs, such as routine tax consultancy services, regular legal services or routine advertising.
- Equipment, directly related to the project and depreciation of tools and equipment used directly for the project.
- Infrastructure and construction works

5b) Exemptions regulated by other articles of the GBER

There are also different exemptions (for example aid for research and development, aid for innovation clusters) which might apply other restrictions especially on the maximum grant rate, maximum ERDF ceiling or scope of activities to be co-financed.

**Notification to the European Commission**

In other cases, where neither de minimis nor GBER can be applied, notification to the
European Commission can be considered. Project partners must however take into account that it is a burdensome and lengthy administrative process. The project activities will be allowed to be implemented only once the European Commission approves the state aid scheme.

**State aid granted by the project partner**

The project might also involve granting state aid by the project partners “downstream” to other organisations. It means that the NWE subsidy will not be regarded as state aid, only the activities which are offered by project partners to undertakings. These activities might include offering free services to undertakings (e.g. SMEs) for which they would otherwise have to pay. In such a case state aid will be deemed to be granted by project partners and project partners will be required to meet the state aid requirements (e.g. ask for de minimis self-declarations, keep the register and inform SMEs about the amounts granted). Alternatively, the project partners might exclude state aid relevant activities by charging market prices for services offered to SMEs, or excluding selectivity i.e. offering services to all interested SMEs. Where a project involves such “downstream” state aid project partners should contact the JS for additional guidance.
5.7 Ownership and intellectual property rights

Cohesion policy and European Territorial Cooperation (Interreg) in particular are about solidarity, collaboration, joint results and joint activities. Therefore the outputs and results (so called foreground Intellectual Property) must be owned by the partnership as a whole.

Furthermore and as a general principle of serving the general interest with the ERDF public funding project outputs (e.g. processes leading to new products or services, studies, policy recommendations, good practice guides) are expected to be freely available for the public. A wide dissemination of project outputs and results amongst a wide European public, whether they are partners of the project or not, is necessary.

However - in exceptional cases - partnerships might have good reasons to protect their project outputs and results. These cases must be part of the assessment process before approval of the project and should therefore be mentioned in the (draft-) Partnership Agreement. Access-rights to foreground will be granted on a royalty-free basis.

Projects should make use of the Partnership Agreement to make the necessary provisions for questions on ownership and intellectual property rights. The Partnership Agreement template already includes a paragraph, which indicates shared ownership among all project partners.
5.8 Communication

Communication is an integral part of projects and requires careful planning as well as the adequate resources (human and financial). The rules and recommendations included in this chapter aim to help projects plan and implement their communication successfully.

5.8.1 Communicate well to manage your project well

The communication within the partnership should be described in the Work Package 3 “Project Management”. This part of the work should be planned and budgeted for from the start of the project to ensure engagement of partners and the smooth running of the project. Communication is an essential element of a successful project.

---

Executives and project managers around the world agree that poor communications contributes to project failure (low performance)⁷. The main recommendations are to:

- Focus on project benefits and thus optimise outcomes by relaying the information to project teams and their organisations frequently and effectively.
- Tailor communications to different stakeholder groups
- Acknowledge the value of project management, including project management communications.
- Use standardised project communications practices, and use them effectively throughout the organisation. One form of standardised project management practice is a formal communications plan, which, though standardised, must be adaptable and suitable to all stakeholders.

---

⁷ Project Management Institute: “The High Cost of Low Performance: The Essential Role of Communications”
5.8.2 Planning and taking action

Before developing communication tools – a good video documentary, for example – it is necessary to develop a strategy and a plan that reflects an ongoing and iterative process. A communications strategy is a means of organising how the project networks, participates, and interacts in its context. Good communication is iterative: listening to the needs and wishes of the target group(s) and gathering feedback to assess and adapt the results.

All projects should define a communication plan. There are many ways to do this, but the following steps may be considered useful:

1) Planning
   a. Set goals: What to achieve? Communication goals are brief and few. To determine them it is essential to define the communication problem first. Example: Problem: “Only 10% of Anytown’s residents use the public transport system, despite its quality and affordability”; Goal: “To increase the use of public transport”.
   b. Define the target group(s): The success will very much depend on how well the specific target group is known.
   c. Define objectives. Communication objectives always include the following elements: A specific target audience, a behavioural outcome, the level of change expected and a timeframe. Example: “To increase by 10% employers’ use of public transport in Anytown by 2018”.

2) Taking action
   a. Establish strategies: The broad approaches the project is going to take in order to achieve the goal. Example: “Demonstrate that riding public transport to work is an attractive alternative to driving”.
   b. Develop tactics – the tools that will be used in order to achieve the objectives. Example: “Develop asocial media campaign encouraging prominent community leaders who take the bus to communicate about their positive experience”.

3) Evaluating
   a. Regularly checking whether – and to what extent - the activities are bearing fruit will allow communication tactics to be reviewed and readjusted, thereby increasing the likelihood of reaching the objectives. To do so, it is important to measure change in perception behaviour and knowledge and to adapt the strategies and tactics accordingly.
5.8.3 The project application process

The project should consider communication from the very outset. In both STEP 1 and STEP 2 applications, it is necessary to think about communication from two perspectives:

Work package: Communication (external audiences)

This focuses on communication aimed at audiences outside the project’s partnership (external communication)

Work package: Management (within the partnership)

This refers to the communication among partners to ensure the smooth and successful implementation of the project (internal communication). This includes professionals with tasks within the partnership and people working for the same organisation but without tasks or direct involvement in the project.

The planning efforts do not stop at the application phase. Once the project is approved, project partners should prepare a fully-fledged communication plan as indicated in point 5.8.4

Difference between STEP 1 and STEP 2

STEP 1 application: General communication goal and organisational arrangements

Project partners are expected to describe the general goal for their project’s communication and how they will coordinate and share the task among themselves. The summary should answer the following questions as clearly and concisely as possible:

- What should communications achieve? (i.e. Goal)
- What are the main target groups (i.e. well defined groups of people with whom the project needs to establish a relation in order to achieve its goal)

STEP 2 application: Detailed information on strategy and tactics

Project partners are expected to describe the communication objectives, as well as give a general overview on the strategies and tactics they will use. That is: how the project intends to interact with the target groups and how this translates into types of activities and a related budget.
5.8.4 Responsibilities

To ensure consistency, the Lead Partner should appoint a communication manager. The communication manager should be a qualified person in charge of the planning and coordination of the project's communication plan. This will involve the following main responsibilities:

- Define the project's communication plan in close cooperation with the project coordinator and project partners. This plan should focus on: 1) Supporting the management of the project with measures to ensure fluent communication among partners; 2) Supporting the achievement of project objectives, with measures aimed at external audiences.
- Coordinate the implementation of communication activities
- Liaise with the Joint Secretariat on project/Programme communication issues

5.8.5 Project and Programme communication

Project communication contributes to the Programme Communication Strategy. Project communications must systematically include the message that the positive effects of their activities are possible thanks to financial support by the European Regional Development Fund provided by the Interreg North-West Europe Programme. The Joint Secretariat will support project communication with training, joint communication initiatives and templates. In return, the Secretariat expects projects to actively participate in Programme's communication initiatives by delivering content (text and high-quality, copyright-free photos) for digital and print communication materials and involving the Secretariat in major communication events (as speakers at events, for example).

5.8.6 Branding

Consistency is a cornerstone of brand identification. For this reason and in order to limit costs, projects will share the Programme's brand. NWE will provide a visual identity brand package and related templates for plaques, billboards, posters, publications, etc. to all approved projects. These documents will be downloadable in professional files from the NWE website.

Projects may exceptionally develop brands for their products or solutions if sufficiently justified in the application form.

---

8Link to document to be added when approved
5.8.7 Legal responsibilities of the beneficiary

Annex XII, section 2.2 of EC Regulation 1303/2013 lays down the obligations of beneficiaries regarding information and communication measures for the public.


All information and communication measures provided by the beneficiary shall acknowledge and promote the ERDF support received from the Interreg NWE Programme.

NOTE: Non-compliance with the following rules will lead to the withholding of payment.

In the application phase

i. The beneficiary name must correspond to the records in the Companies Register where relevant.

ii. We recommend using project names that are concise and informative. They should be able to be clearly communicated to the general public and easily displayed on the project communication material (A3 posters, list of operations and in certain cases on billboards and plaques). Where a technical name is required, you can add it as a subtitle to the project's name.

iii. Indicate the geographical coordinates of your activities and investments to enable the use of electronic maps by the Programme.

During and after implementation of the project

i. Beneficiaries (i.e. all project partner institutions) must publish information about the project on their websites, where such websites exist. This should include, at least, the following:
   - the EU emblem together with reference to the European Union and the relevant EU fund; the Union emblem and the reference to the Union must be visible, when landing on the website, inside the viewing area of a digital device, without requiring a user to scroll down the page; and the reference to the relevant Fund must be made visible on the same website.
   - a brief description of the project, its objectives and results together with information on EU financial assistance.

ii. Beneficiaries must place at least one poster with information about the project (minimum size A3), including the financial support from the European Union, at a location readily visible to the public, such as the entrance area of a building (e.g. the institution's headquarters).

iii. During activities, such as training sessions, conferences, work sessions, specific training courses, trade fairs, exhibitions, etc. beneficiaries should ensure that all stakeholders are provided with information on EU funding of the project by displaying the emblem together with reference to the European Union and the
relevant EU fund at a location (for example in front of the premises) where the project operation/event is implemented. It is appropriate to use easily movable, folding banners (if possible it is advisable to enclose photographs of such banners in project documentation).

iv. **Infrastructure and construction sites** financed by NWE must be branded during and after the completion of works. This obligation applies to projects with a total public contribution of more than €500,000. By “public contribution” we mean from NWE and other sources and the budget threshold refers to the total contribution to the project (not to a particular investment or partner). To ensure transparency, the NWE Programme strongly encourages projects with a public contribution of less than €500,000 to apply the same rules.

While works are ongoing, the beneficiaries must put up, at a location readily visible to the public, a **temporary billboard** of a significant size for each project consisting in the financing of infrastructure or construction works for which the total public support to the operation exceeds €500,000. This temporary billboard must be replaced by a **permanent billboard plaque** no later than 3 months after completion of the works.

**Characteristics of the temporary and permanent billboard/plaque:**

a. **Information required**

The name of the project, its main objective, the Union emblem together with the reference to the Union and the reference to the Fund or Funds displayed on the temporary billboard must take up at least 25% of that billboard.

b. **Consistent visual style**

To facilitate project's task, the NWE Programme will provide a standard template of information billboards/panels and permanent plaques meeting the technical characteristics laid down by the European Commission. These templates will be downloadable from the Programme's website as professional files to which beneficiaries will only have to add specific data concerning the relevant project (type, name and purpose of the project, end date and the amount of the allocated support).

c. **Size**

The size of the billboard should be 2.4 x 5.1 metres. The exception should be only cases where it is not possible, due to the nature and place of the operation, to meet such dimensions.

d. **Placement**

The billboard must be in place at the date when the work physically starts. If the physical implementation of the project starts prior to signing the contract on EU support the billboard must be put in place directly after signing the contract.

The billboard must be maintained at the location of implementation for the duration of the operation concerned.
If the operation is implemented at several locations, the Joint Secretariat should agree in advance with the beneficiary where the billboard/billboards will be located.

e. Materials

For the permanent billboard/plaque, projects should use durable materials (metal, glass, stone, cured/reinforced plastic substance, etc).

Promotional giveaways (e.g. project gadgets) will only be eligible for funding if they are the only way to reach one or more of the defined target groups and objectives. Such publicity material needs explicit approval of the Joint Secretariat before being produced.

v. Project websites

The Interreg NWE 2014-2020 website will include one detailed page per project. The Joint Secretariat will give projects access information (username and password) and guidance on how to produce and upload content (textual and audiovisual) to their page. Project pages in the NWE website will include:

- Pre-filled information fields (to be completed by the Joint Secretariat): Budget, partnership
- Dynamic information to be filled in manually by projects:
  - Project summary
  - Project results (i.e. positive change achieved in the territory)
  - News and events
  - Audiovisual gallery

Projects could develop a separate website for self-standing tools or products with a life reaching beyond the project. The development of such a separate website will be subject to approval during the assessment of the project and a specific justification will be required. In the event that this separate website is approved, the project will be required to follow the Programme's corporate design guidelines and include the Programme logo set on the tool's website.
5.9 Indicators (still to be developed)

5.10 Reporting (still to be developed)

5.11 Project Changes (still to be developed)

5.12 Controls (still to be developed)
CHAPTER 6 – PROJECT CLOSURE

6.1 Requirements after project closure (still to be developed)

6.2 Durability of results (still to be developed)