

South East Europe (SEE) Programme Manual

Version 2.1 May 2010

2nd Call for project proposals



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Glossary

Beneficiary

As indicated in art. 2 of the Reg. (EC) 1083/06, the beneficiary is an operator, body or firm, whether public or private, responsible for initiating and/or implementing operations. In the context of aid schemes under Article 87 of the Treaty, beneficiaries are public or private firms carrying out an individual action and receiving public aid. Within the current document beneficiary is any ERDF / IPA Partner.

Candidate countries

This status currently applies to Croatia, the former Yugoslav Republic of Macedonia and Turkey.

Control system

A system for validation of ERDF expenditures at a national level (it is the Member state responsibility to set it up).

Controllers

Private or public bodies responsible for the ERDF control activities as designated by the Member states.

De-commitment

In the SEE Programme 2007 – 2013, if the entire ERDF sum committed for the year N has not been paid to the final beneficiaries and certified by the 31st December of the year N+3, the unspent ERDF funds are deducted from the sums initially planned. This rule will be applied until 2010 whilst from 2010 till 2013 the rule N+2 will be applied. In order to keep the programme financial performance on schedule, de-commitment may be applied to the approved projects that do not respect the spending timetable. Specific information can be found in section 4.1.10.

European Neighbourhood and Partnership Instrument (ENPI)

From 1 January 2007 onwards, as part of the reform of EC assistance instruments, the MEDA, TACIS and various other programmes have been replaced by a single instrument – the ENPI. The ENPI will provide grants for local development projects that target sustainable development and link to EU policies and standards in countries that are direct neighbours of the enlarged EU (except for candidate and potential candidate countries). This will involve both EU Member states and partner countries. Eligible countries covered by the ENPI that belong to the SEE Programme 2007 – 2013 are the Ukraine and the Republic of Moldova.

European Regional Development Fund (ERDF)

The ERDF is one of the two Structural Funds and it is intended to help to reduce imbalances between regions of the Community. The Fund grants financial assistance for development projects in the EU regions. In terms of financial resources, the ERDF is by far the largest of the EU's Structural Funds.

Grant Contract (for IPA partners)

It is the contract regarding the relations between the relevant Contracting Authority and the IPA Financial Lead Partner. It determines the rights and responsibilities of the IPA Financial Lead Partner and the relevant Contracting Authority, the scope of the activities to be carried out, terms of IPA funding and the requirements for IPA reporting and financial control.

Instruments for Pre-Accession Assistance (IPA)

IPA aims at providing targeted assistance to countries which are candidates and potential candidates for membership of the EU. IPA supersedes the previously existing pre-accession instruments, i.e. Phare, ISPA, SAPARD, the Turkey pre-accession instrument, and CARDS, thus uniting under a single legal basis all pre accession assistance. IPA countries participating in the SEE Programme 2007 – 2013 are: Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro and Serbia.

Partners

Any legal entity that commits itself to the implementation a project selected and approved under the SEE Programme 2007 – 2013.

Partners can be distinguished by budget responsibility between:

- **Financing Partners:** directly financed by the Programme and with full responsibility on its budget share;
- **Associated Strategic Partner (ASP):** fully integrated in the project partnership but with no responsibility of its – eventual – budget share that is managed by an ERDF “sponsoring” partner.

For further details on partners please check also paragraph 3.2 and section 4.1.8 b) and c).

Partnership Agreement

The Partnership Agreement is a legal document signed by any project participant receiving funds from the Programme directly or indirectly (Financing Partners, 10% PP, EU Associated and EU Associated 20%), which contains a clear definition of the responsibilities among the partners and a framework for efficient project implementation and governance. The Partnership Agreement allows also the Lead Partner to extend the arrangements of the Subsidy Contract to the level of each partner. It is the responsibility of the partnership to define the contents of the Partnership Agreement as the Programme is providing only a template with the minimum mandatory requirements.

Potential Candidate Countries

Albania, Bosnia and Herzegovina, Montenegro, Serbia, Kosovo under UNSCR 1244/99, are potential candidates.

Project

The activity for which funding is being sought under a particular priority. Projects are also referred to as “operations”.

Subsidy Contract

It is the contract between the Joint Technical Secretariat (on behalf of the Managing Authority) and the ERDF Lead Partner. It determines the rights and responsibilities of the Lead Partner and the Managing Authority (MA), the scope of activities to be carried out, terms of ERDF funding, and the requirements for ERDF reporting and financial control.

Verification

This is the process of control for ERDF project expenditures carried out by the national Controllers. Verifications to be carried out shall cover administrative, financial, technical and physical aspects of operations as appropriate. Verification shall include the following procedures: administrative verification of each claim received by beneficiaries and on-the-spot verification.

Validation of expenditure

This is the result of verification.

List of acronyms

AA	Audit Authority
AF	Application Form
Aol	Area of Intervention
ASP	Associated Strategic Partner
CADSES	Central European Adriatic Danubian South Eastern European Space
CARDS	Community Assistance for Reconstruction, Development and Stabilisation
CBC	Cross-border cooperation
CfP	Call for Proposals
EAP	Environmental Action Plan
EC	European Commission
EDF	European Development Fund
EEC	European Economic Community
EIA	Environment Impact Assessment
ENPI	European Neighbourhood and Partnership Instrument
Eol	Expression of Interest
ERA	European Research Area
ERDF	European Regional Development Fund
ESDP	European Spatial Development Perspective
ETC	European Territorial Cooperation
EU	European Union
GHG	Green House Gas
ICT	Information and Communication Technology
IPA	Instruments for Pre-Accession Assistance
ISPA	Instrument for Structural Policies for Pre-accession
JHA	Justice and Home Affairs
JTS	Joint Technical Secretariat
LA	Lead Applicant

LP	Lead Partner
MA	Managing Authority
MC	Monitoring Committee
MoU	Memorandum of Understanding
MS	Member state
NC	National Coordination
OP	Operational Programme
PA	Partnership Agreement
PM	Programme Manual
PP	Project partner
PPP	Public Private Partnership
PRAG	Practical Guide to Contract Procedures for EC External Actions
R&D	Research and Development
R&TD	Research and Technology Development
SC	Subsidy Contract
SCP	SEE Contact Point
SEA	Strategic Environmental Assessment
SEE	South East Europe
SME	Small and Medium Enterprise
TA	Technical Assistance
TEN-T	Trans European Transport Network
TIA	Territorial Impact Assessment
ToR	Terms of Reference
UNSCR	United Nations Security Council Resolution
VAT	Value Added Tax

1 Purpose and content of the SEE Programme Manual

1.1 Purpose

This Programme Manual (PM) is aimed at providing further information on provisions laid down in the Operational Programme (OP), South East Europe Programme 2007 – 2013. The SEE Programme 2007 – 2013 was adopted by the European Commission on 21st December 2007 (Commission decision CCI 2007CB163OP069).

The focus of the Programme Manual is to give guidance on all phases of project development and application while the implementation phase is tackled separately in the SEE Implementation Manual.

The SEE Transnational Cooperation Programme 2007 – 2013 is characterised by the integrated use of Structural Funds (ERDF), the Instrument for Pre-accession Assistance (IPA) and the European Neighbourhood and Partnership Instrument (ENPI – although not available for the 1st and 2nd Call for Proposals). As a consequence, development and application provisions for the projects have been, as far as possible, harmonised.

Whenever there are specific provisions set for the IPA / ENPI financed project partners these are reflected separately in the respective chapters of this manual. When there is no reference to IPA / ENPI this means that the requirements and procedures described under the respective chapter are the same for all project partners regardless of their source of financing.

The table of contents of the SEE PM follows the project cycle.

The manual starts with a brief introduction to the general Programme objectives and legal background. For more details on the objectives of the Programme as well as expected content of the projects please refer to the Operational Programme, chapters 1 – 5. The OP can be downloaded on the Programme website at www.southeast-europe.net. The main legal framework is referred to in paragraph 2.7 Legal framework of this manual.

Chapter 3 of the Programme Manual starts with requirements and good practises in building of a project as well as writing of project application.

Chapter 4 provides an overview on the costs that are considered eligible for the implementation of the projects.

Chapter 5 gives in-deep information about the IPA sources use and participation.

Chapters 6 and 7 explain the procedure of application and selection of projects for financing.

The second version of the SEE PM has been approved by the Monitoring Committee on 25 September 2009.

The SEE PM is one of the main programme documents and a major component of the Application Pack.

Please note that the present version of the manual includes the provisions and other elements which are mainly relevant for the 2nd call for proposals. The outlined rules and

procedures (i.e. eligibility of partners, financial instruments, etc.) may change slightly for the next calls for proposals.

1.2 What does the SEE Programme Manual not cover?

The SEE PM does not contain:

- the timeframe and other specific information on the call for proposals – these can be found in the **call for proposals announcement** and on the **Programme's website**;
- the templates used to fill in the detail of your project proposal in order to participate in a call and be assessed for funding – these are the **Expression of Interest (Eol)** and the **Application Form (AF)**;
- the practical information on how to fill in the documents for the calls for proposals (Eol and AF) – this piece of information can be found in the **Applicants' Guidelines**;
- information on the obligations and duties of ERDF Lead Partners and MA throughout the implementation of the project – can be found in the draft **Subsidy Contract**;
- information on the obligations and duties of each project partner throughout the implementation of the project – can be found in the draft **Partnership Agreement**;
- any further relevant information at a **national level** – can be provided by the SEE Contact Points (SCP).

All the above mentioned information/documents are available in the Application Pack for Eol and/or Application Pack for AF.

Information on the management and implementation of approved projects are available in the **SEE Implementation Manual** and in the **SEE Control Guidelines**.

2 General Programme's information

2.1 Understanding the scope and purpose of transnational cooperation in South East Europe

The global objective of the SEE Programme 2007 – 2013 is **the improvement of the territorial, economic and social integration process and contribution to cohesion, stability and competitiveness through the development of transnational partnerships and joint actions on matters of strategic importance.**

This global objective is supported by three specific objectives, which aim at:

- facilitating innovation, entrepreneurship, knowledge economy and information society by concrete cooperation action and visible results;
- improving the attractiveness of regions and cities, taking into account sustainable development, physical knowledge accessibility and environmental quality by integrated approaches and concrete cooperation action and visible result;
- fostering integration by supporting balanced capacities for transnational territorial cooperation at all levels.

The global and specific objectives of the SEE Programme 2007 – 2013 will be pursued through five Priority Axes (Innovation, Environment, Accessibility, Sustainable Growth Areas and Technical Assistance), which contribute differently to these objectives.

The SEE Programme 2007 – 2013 supports projects which have a clear transnational focus, high quality partnerships and with appropriate transferable outputs/outcomes.

Applicants should be aware that the evolution of the transnational cooperation from the Community Initiative (INTERREG) to the mainstream calls for an increase in the effectiveness of the operations that will be co-financed. Plain networking exercises or stand-alone feasibility studies (i.e. without a clear link to the financial instrument that will support the subject of the study) will be no longer be taken into consideration.

It is important that projects demonstrate a clear need for transnational support and that the problem to be tackled has a clear transnational impact. Operations supporting local, national or cross-border actions only are recommended to apply for other instruments.

2.2 Programme's Priority Axes and Areas of Intervention

Detailed descriptions of each Priority Axis and the areas of interventions complemented by a number of practical project examples and indicative beneficiaries are to be found in the SEE OP and in the Annex 1 of this SEE PM.

The Priority Axes should not be considered as discreet entities; they follow an integrated approach and show many interfaces. In practice, applications may be closely aligned to one Area of Intervention only or may offer relevance for more than one priority axis. In the latter case applicants

have to consider which priority axis and Area of Intervention best matches the project's focus and apply under that Priority Axis/Area of Intervention only.

2.3 Role of the different management bodies of the Programme

Chapter 7 of the OP, the roles of the transnational and national bodies responsible for the management and implementation of the SEE Programme 2007 – 2013 are outlined as follows:

- Monitoring Committee (MC)

The overall tasks of the Monitoring Committee are to ensure the quality, effectiveness and accountability of the programme operations, and to select projects for funding.

- Managing Authority (MA)

The Managing Authority bears the overall legal responsibility for the management and implementation of the SEE OP.

- Certifying Authority (CA)

The main tasks of the Certifying Authority are to draw up and submit to the Commission certified statements of expenditure and applications for payment and receive payments from the Commission.

- Audit Authority (AA)

The Audit Authority is responsible for the tasks set out by article 62 of the Reg. (EC) 1083/2006. The Audit Authority is assisted by a Group of Auditors comprising of a representative from each of the Member states participating in the Operational Programme. Candidate and Potential Candidate Countries are not required to participate in the Groups of Auditors. However, they may send an observer in order to gain experience in this field.

The Audit Authority and the auditors appointed in the Transnational Group of Auditors shall be independent of the management and control system of the programme.

- Joint Technical Secretariat (JTS) :

The Joint Technical Secretariat is an internationally staffed management unit which is in charge of the day to day management of the programme. It supports the Managing Authority, Monitoring Committee and Audit Authority in programme coordination and implementation.

The Joint Technical Secretariat's tasks are set out in section 7.1.5 of the OP.

- SEE Contact Points (SCP)

SEE Contact Points are formed and organised in each partner state, which facilitate the effective representation the programme in each SEE Programme country and supports the development of potential transnational projects.

- National Coordination (NC)

Each partner state establishes a National Committee or corresponding national procedures in accordance with its institutional structure. This facilitates the involvement of regional and local authorities, relevant sectoral authorities and institutions, non-governmental organisations and any other socio-economic and institutional partner considered relevant by the concerned partner state. NCs are not entitled to pre-select project applications, as project selection is reserved for the Monitoring Committee's consideration.

- Contracting Authority for IPA

The European Commission, acting for and on behalf of the beneficiary country, in the case of countries where IPA funds are managed under centralised approach. The National Authority (Operating Structure/Implementing Authority), in the case of countries where IPA funds are managed under decentralised approach. For the time being, among the participating candidate/potential candidate countries, only Croatia applies decentralized management of EU funds.

2.4 Contacts at Programme level

In principle, the JTS gives support to potential partners of the SEE Operational Programme on all transnational issues relevant to both the application and implementation phases.

The JTS can be contacted at the following address:

SEE Joint Technical Secretariat

VÁTI Kht.

H-1016 Budapest, Hungary

Gellérthegy utca 30-32

Email: jts@southeast-europe.net

Phone: 0036 1 224 3180

Annex III contains a list of all National Contact Points for the SEE Programme (SCPs).

2.5 Programme area



Figure 1 SEE eligible area

The SEE cooperation area is defined by the Commissions Decision of 31 October 2006/769/EC (see Fig. 1).

Partners from IPA countries can participate in projects using IPA funds, provided through the IPA cross-border cooperation component as per the Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-accession Assistance (IPA). They can not apply for nor manage ERDF funds.

Italian and Ukrainian public authorities or bodies governed by public law which are competent in their scope of action for certain parts of the eligible area but which are located outside of it (i.e. Ministries) are in effect assimilated, both in terms of rights and of obligations, to partners located in the SEE Programme area.

2.6 Financing

The total programme co-financing from ERDF amounts to 206 MEUR. The IPA contribution for the first three years (2007–2009) has been of 10.5 MEUR in total.

2.7 Legal Framework

The SEE Programme 2007 – 2013 has been designed under the territorial cooperation objective of the European Community, while integrating the objectives of the cross-border cooperation of the Instrument for Pre-accession Assistance (IPA CBC) and European Neighbourhood and Partnership Instrument (ENPI CBC). In practice this means that the programme combines financing instruments from the EU structural funds/European Regional Development Fund (ERDF), as well as the Instrument for Pre-accession Assistance (IPA) and the European Neighbourhood and Partnership Instrument (ENPI). The programme shall first and foremost be administered according to the ERDF structural funds rules. However, in most cases the IPA financed project partners are to follow the relevant provisions of the IPA regulations, i.e. the aforementioned Council Regulation (EC) 1085/2006 and the Commission Regulation (EC) 718/2007 of 12 June of 2007. More details about the specific requirements for IPA financed project partners are to be found under the respective chapter below.

In general, projects are guided by three layers of rules and requirements:

1. EU legislation, as referred below, and corresponding national legislation;
2. SEE OP;
3. SEE PM, SEE Implementation Manual and other guidance documents to projects.

2.7.1 Structural Funds/ European Regional Development Fund (ERDF)

For project partners from the EU member states the following regulations apply:

- Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999. The “General Regulation” gives general rules and requirements for all structural fund programmes;
- Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999. The “ERDF Regulation” lays down specific provisions concerning ERDF co-financed programmes and projects. It defines especially the contents and other provisions for the Objective 3/ Territorial Cooperation Programmes, such as the SEE Programme 2007 - 2013;
- Commission Regulation (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund. The “Implementing Regulation” sets framework rules e.g. on information activities as well as audit and controls. It combines information for

programme implementation which was scattered across several separate regulations in the previous programme period 2000 – 2006.

Reference to the respective articles of the regulations is given in this SEE PM where relevant.

2.7.2 Instrument for Pre-accession Assistance (IPA) and European Neighbourhood and Partnership Instrument (ENPI)

Sources for funding the participation of Western Balkans Project Partners may come from IPAs. To ensure a properly working financial flow, close cooperation is necessary between the relevant European Commission's Directorates General, the Contracting Authorities of respective IPA countries, the programme management bodies (MA, JTS), the Monitoring Committee and the relevant national authorities. The IPA grant contracts will be concluded separately from the ERDF Subsidy Contract with the relevant Contracting Authorities.

Sources for funding the participation of Ukraine and Moldova Project Partners may come from ENPI (ENPI funds are not available for the 2nd Call for Proposals).

IPA funds

IPA funds are provided for the participation of Project Partners from candidate and potential candidate countries (i.e. Croatia, the former Yugoslav Republic of Macedonia, Albania, Bosnia and Herzegovina, Montenegro and Serbia)

The SEE Programme 2007 – 2013 is an ERDF programme and assessment and selection criteria will be set up according to the Structural Funds rules. Once awarded a grant, the IPA beneficiaries will implement the activities according to IPA rules. The ERDF Lead Partner signs the Subsidy Contract (on behalf of all Partners) with the SEE JTS (on behalf of the Managing Authority), while the IPA Financial Lead Partner (in case there are more than one project partner from the same IPA country) signs the contract with the respective Contracting Authority in its own country.

ENPI funds

ENPI funds (Republic of Moldova and Ukraine) are not available for the 2nd call for proposals.

2.7.3 Directive on public procurement

According to article 1 of Reg. (EC) 1083/2006 ERDF partners are required, during their procurements related to the projects financed by the SEE, to respect the relevant Community and national public procurement rules.

The procurement for IPA grants shall follow the provisions of article 121 of Reg. (EC) 718/2007 as well as the rules and procedures for service, supply and works contracts financed from the general budget of the European Communities for the purposes of cooperation with third countries adopted by the Commission on 24 May 2007 (C(2007)2034). For more information on IPA procedures, please check chapter 5 of this document.

2.7.4 Horizontal policies of the European Union

In addition to the regulations mentioned in the previous section, there are several horizontal policies and principles that are promoted by all European Union financed programmes. These include e.g. sustainable development, equal opportunities, partnership, additionality and competition (see also chapter 4.3 of the SEE OP).

Sustainable development

Sustainable development means respecting the right of future generations to change the path of development, i.e. to further access resources that are difficult to renew or non renewable and to maintain the elementary natural preconditions for life. In addition to the environmental aspect, sustainable development also covers economical, social and cultural aspects of sustainability. It is thus closely linked to the general objective of the programme to make the SEE area a better place to invest, work and live in.

Environment nevertheless remains the most important aspect of sustainable development. In case it seems that a planned project might have significant adverse impact on the environment, an environmental impact assessment must be carried out in accordance with the national legislation before the project is implemented. In the AF applicants are asked to clarify whether the planned project activities might have influence, either neutral or positive, to the environment and to present how the project contributes to environmental objectives at EU, national and local level.

Integrated territorial development

Actions under the transnational cooperation programmes support integrated territorial development (see Art. 3 (2c) of the Council Regulation (EC) No 1083/2006 and Art. 6 (2) of Regulation (EC) No 1080/2006). This means that the projects should take into account territorial conditions, such as infrastructure, resources, settlements, economic, social, ecologic and cultural conditions, as well as impacts on other sectors to the given territory in order to support balanced development. Policies adopted at regional, national (National Strategic Reference Frameworks, Operational Programmes under the Convergence and Competitiveness and Employment Objectives, etc.), SEE and European level, such as European Spatial Development Perspective (ESDP) and Territorial Agenda of the European Union adopted on 25th May 2007, TEN-T, Information Society 2010, ERA and R&D, Intelligent Energy for Europe, etc. should also be considered.

Equal opportunities

The Structural Fund programmes, including the SEE Programme 2007 – 2013, aim at ensuring equal opportunities between men and women.

Another objective from the equality point of view is to prevent all kinds of discrimination, e.g. based on sex, racial or ethnic origin, age or disability (see also Art. 16 of Council Regulation (EC) No 1083/2006).

Promotion of equal opportunities will be regarded, among other horizontal policies, as a positive factor when the Monitoring Committee selects projects for funding. All applicants are asked to integrate these issues in their projects, or at least, to consider the project's influence on matters of equal opportunities.

Projects that build structures (e.g. men and women equally presented in project planning, decision-making or in the project target groups) or implement activities that aim at promoting equal opportunities will describe these activities in the application form and their results in the progress reports. Further information can be found in Annex 4 of the SEE Implementation Manual.

Partnership

Projects can fulfil the partnership principle by ensuring that different levels of administration as well as different types of organisations participate in the project activities. This could be, for example, participation of national, regional and local levels or, correspondingly, public authorities, economic and social partners (such as SMEs, associations) and civil society (such as non-governmental organisations, environmental partners) (see also Art. 11 of Council Regulation (EC) No 1083/2006 and Art. 4 of Regulation (EC) No 1638/2006).

However, a broad partnership should not take place by involving too many partners in one project. A large amount of partners often leads to a complicated management structure, contradictory targets between project partners and, thus, difficulties to implement the project successfully.

Additionality

The principle of additionality means that EU financing shall not replace national public or equivalent financing of similar activities (see also Art. 15 of Council Regulation (EC) No 1083/2006).

Projects selected for financing are expected to bring value added, something that would not have been possible without the programme financing. In addition, organisations involved in the project activities cannot replace their statutory tasks with the programme financing.

2.7.5 Competition

In order to ensure undistorted competition on the internal common market, the European Commission laid down a set of rules, called state aid rules, to cover those operations that are related to a transfer of State resources aiming at providing financial assistance, such as funds, loan guarantees, capital injections, etc.

"(...)any aid granted by a Member state or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of

certain goods shall, insofar as it affects trade between Member states, be incompatible with the common market.”

According to art. 87 and 88 of the Treaty, as well as art. 54 of Regulation (EC) 1080/2006¹ aid can only be granted to applications that comply with state aid rules. The following criteria of the Treaty must be met simultaneously in order to apply the regulation in case of activities that fall under this rule:

- shall be granted from State Resources;
- shall confer an advantage;
- shall be selective;
- shall have effect on trade and competition between Member states.

The most important state aid rules applicable in case of the present call are:

- Article 87. and 88 of **EC Treaty**
- **Commission Regulation (EC) No 1998/2006** on the application of Articles 87 and 88 of the Treaty to de minimis aid (OJ L 379/5 15. 12. 2006);
- **Commission Regulation (EC) No 800/2008** on declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption Regulation) (OJ L 214/3. 2008. 9.8.)
- **Commission Decision 2005/842/EC** on the application of Article 86 (2) of the EC Treaty to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 312/67 29. 11. 2005.)

Compliance with the competition rules

The analysis on the State Aid compliance will be performed by the State Aid expert of the Managing Authority during the project evaluation and will be based on the examination of the Application Form and the information provided by the partners (Lead Applicant and ERDF Project Partners) in the *“Declaration on the status in relation to the State Aid discipline”*.

Community rules on State aid limit the grant, which may be provided from public funding to assist projects involving public or private actors that do economic activities on the market.

Should project activities be State aid relevant, funding limitations deriving thereof will apply not only to private companies but also to those public equivalent bodies acting as undertakings in the project.

The Applicants have to fill-in the above mentioned declaration on state aid to inform about the compliance of the activities they intend to perform with the State aid discipline.

The Lead Partner and the ERDF Project Partners have to ensure that the planned activities are in compliance with the competition legislation of their country. This should be clarified with the responsible national authorities already during the project preparation phase.

¹ Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999 (OJ L 210 31. 07. 2006)

3 Project generation

3.1 Project generation

The SEE Programme 2007 – 2013 provides useful tools and resources to potential applicants to assist with project generation. The programme website, www.southeast-europe.net, hosts a “Partner Search” section, where all potential applicants can upload their project ideas in order to search for project partners and to facilitate collaboration between similar project ideas.

Transnational thematic workshops related to the programme’s priorities will be organised – normally during the Annual Events – in order to steer and inform potential applicants on specific programme needs. On a national level, information days and trainings will be organised by the SCPs.

The aim of all the above mentioned support is to encourage the generation of **high quality projects**.

Quality projects are generated and developed with the active contribution of partners and relevant stakeholders. This sharing and collaboration helps to prevent unilateral behaviour and mitigates the risks of operations being planned and drafted by the Lead Partner alone or even by an entity external to the project altogether.

A *bottom-up* approach (applicants’ driven) in project generation is therefore important, coupled with adequate support, including the provision of quality information from higher levels (i.e. programme level structures).

Partners with previous experience in the subject matter of the project as well as previous cooperation experience can add value to the development of a sound project.

A conceptually effective project should also contain sound financial planning that will carry the project through to implementation. To this end, the financial capacity of partners is another key criterion for successful project generation. In addition to that mentioned above, programmes which include new Member states such as the SEE Programme 2007 – 2013, need to effectively manage the transition from previous cooperation instruments to European Territorial Cooperation Programmes.

Importantly, the SEE Programme 2007 – 2013 strives towards generating projects with a deep and widespread impact along with strong political commitment.

Project format should be compliant with the classical principles of project cycle management. Clear objectives, activities (who does what) and results - in terms of quality and quantity - and the means to achieve these results have to be presented and described in the proposal.

3.2 Partners and partnerships

3.2.1 Eligibility of partners

ERDF Funding

According to Article 2 of Reg. (EC) 1083/2006, a wide range of actors such as public authorities, public equivalent bodies and any legal body governed by public or private law can be beneficiaries of ERDF and therefore are able to participate in the SEE Programme 2007 – 2013 as partners and receive direct financial support.

The OP (chapter 5) provides, for each Area of Intervention, an indicative list of potential beneficiaries.

The following types of partners are eligible:

- Public bodies
- Bodies governed by public law
- Bodies governed by private law

Legal entities not falling in one of the three categories are welcome to participate in projects additionally as *Observers* (see 3.2.2).

Public bodies

Public bodies are organizations which are founded and governed by public law. Their main purpose is to fulfil the needs of the public.

Bodies governed by public law

The definition of a body governed by public law is the following according to Article 1 of Directive 2004/18/EC:

A "body governed by public law" means any body:

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

What to do in case of uncertainty whether a legal entity is a “body governed by public law”?

In individual cases it might be difficult to ascertain whether a legal entity fulfils the criteria defining a “body governed by public law”. In this respect it can be helpful to first consult Annex XI of Commission Decision 2008/963/EC1 amending the Annex III to Directive 2004/18/EC. For all EU Member states participating in the SEE Programme 2007 – 2013, it sets out non-exhaustive lists of bodies and categories of bodies governed by public law which fulfil the criteria in question. Moreover, lawyers specialised in public procurement law, certified public accountants and national procurement authorities and national programme’s representatives could give advice. They will also be familiar with the national jurisdiction on the term “body governed by public law”. Contact details of SCPs are available at the programme’s website www.southeast-europe.net.

Considering the case-law of the European Court of Justice the following can be noted to interpret the three criteria of the term “body governed by public law” correctly on European level. In general, the European Court of Justice held that the term must be interpreted in functional terms and broadly.

a 1)	<i>established under public or private law for the specific purpose of meeting needs in the general interest</i>	<p>The term “needs in the general interest” is an autonomous concept of Community law. If a specific body is not listed in Annex XI of Commission Decision 2008/963/EC, its legal and factual situation must be determined in each individual case in order to assess whether or not it meets a need in the general interest.</p> <p>Needs in the general interest are generally needs which are satisfied otherwise than by the availability of goods and services in the marketplace and which, for reasons associated with the general interest, the State chooses to provide itself or over which it wishes to retain a decisive influence. Account must be taken of relevant legal and factual circumstances, such as those prevailing when the body concerned was formed and the conditions in which it carries on its activity. However, the existence or absence of needs in the general interest not having an industrial or commercial character must be appraised objectively, the legal form of the provisions in which those needs are mentioned being immaterial in that respect.</p> <p>A body which was not established to satisfy specific needs in the general interest not having an industrial or commercial character, but which has subsequently taken responsibility for such needs, which it has since satisfied, fulfils that condition provided that the assumption of responsibility for the satisfaction of those needs can be established objectively. Activities of the body in question linked to public policy can indicate that it meets needs in the general interest.</p> <p>The condition that the body must have been established for the “specific” purpose of meeting needs in the general interest, not having an industrial or commercial character, does not mean that it should be entrusted only with meeting such needs. It is immaterial that such an entity is free to carry out other activities provided that it continues to attend to the needs which it is specifically required to meet</p>
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a 2)	<i>(and) not having an industrial or commercial character</i>	<p>This criterion is intended to clarify the meaning of the term “needs in the general interest”. That means that within the category of needs in the general interest there is a sub-category of needs which are not of an industrial or commercial character.</p> <p>If a body operates in normal market conditions, aims to make a profit, and bears the losses associated with the exercise of its activity, it is unlikely that the needs it aims to meet are not of an industrial or commercial nature.</p> <p>The status of a body governed by public law is not dependent on the relative importance, within that body's activity, of the meeting of needs in the general interest not having an industrial or commercial character</p>
b)	<i>having legal personality</i>	<p>The question whether or not a body has legal personality is to be answered by national law. An entity's private law status does not constitute a criterion for precluding it from being classified as “body governed by public law” within the meaning of Directive 2004/18/EC</p>
c) 1	<i>financed, for the most part, by the State, regional or local authorities, or other bodies governed by public law</i>	<p>Each of the alternative conditions set out in the “c” criterion (c1, c2, c3) reflects the close dependency of a body on the State, regional or local authorities or other bodies governed by public law. Whilst the way in which a particular body is financed may reveal whether it is closely dependent on another public authority, that criterion is not an absolute one. Not all payments made by a public authority have the effect of creating or reinforcing a specific relationship of subordination or dependency.</p> <p>Only payments which go to finance or support the activities of the body concerned without any specific consideration therefore may be described as public financing.</p> <p>The term “for the most part” means more than half. That necessarily implies that a body may also be financed in part in some other way without thereby losing its character as a body governed by public law. In order to determine correctly the percentage of public financing of a particular body account must be taken of all of its income, including that which results from a commercial activity.</p> <p>To decide whether a body is a “body governed by public law” the way in which it is financed must be calculated on the basis of the figures available at the beginning of the budgetary year, even if they are only provisional</p>
c) 2	Or <i>subject to management supervision of those bodies</i>	<p>The criterion “management supervision” must give rise to the dependence on the public authorities' equivalent to the dependence which exists where one of the other alternative criteria (c1 or c3) is fulfilled. A mere review does not satisfy the criterion of management supervision. That criterion is, however, satisfied where the public authorities supervise not only the annual accounts of the body concerned but also its conduct from the point of view of proper accounting, regularity, economy, efficiency and expediency and where those public authorities are authorised to inspect the business premises and facilities of that body and to report the results of those inspections to other public authorities</p>

c) 3	or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law.	
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Bodies governed by private law

In the context of this programme, “bodies governed by private law” means all organizations which are founded by private law such as chambers of commerce, trade unions or non-governmental organisations. They may receive ERDF funding if they fulfil the following criteria:

- a) they are established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;
- b) they have legal personality;
- d) they make available the results of the project to the general public;
- e) they apply the principles of public procurement.

In order to foster the participation of key stakeholders, infrastructure and transport operators can apply as partners within Priority 3 if *they are established for the specific purpose of meeting needs in the general interest* (being not relevant the industrial and commercial character).

International organisations acting under international law are not eligible. However, international organisations acting under the national law of any SEE EU Member state can be considered as eligible for ERDF funding if they fulfill the criteria foreseen for the bodies governed by public or private law.

Only legal entities listed in the Application Form eligible for funding may report their costs. In order to ensure a proper audit trail the JTS/MA needs to know which organisations receive programme funding and whether they are eligible according to the programme rules. Therefore, an “umbrella” type of partnership structure, where one partner collects funding and represents other partners without naming them is not possible.

IPA Funding

The ERDF partners should carefully verify the eligibility of potential IPA project partners. In case there is more than one partner per IPA participating country in an application, and one among them is ineligible, no grant will be awarded to any partner from that IPA participating country. This occurrence might hinder the quality of the project. For more information on IPA procedures, please check chapter 5 of this SEE PM.

Furthermore, in case more than two Financing Partners (either ERDF or IPA) are not eligible or are rejected for formal reasons, **the full proposal is considered as not eligible**. Therefore, IPA Partners' eligibility should be carefully checked at a very early stage.

3.2.2 Sort and role of partners

Sort of Partner		Location	Does it have a separated budget?	ERDF budget lines	IPA budget lines	Partner eligibility rules
Financing Partners	LEAD PARTNER	Only EU part of the Programme area	Yes	All	No	Applicable (see section 3.2.1)
	ERDF PARTNER (Project Partner)	Only EU part of the Programme area	Yes	All	No	Applicable (see section 3.2.1)
	20% ERDF PARTNER (Project Partner)	Only EU outside the Programme area	Yes	All	No	Applicable (see section 3.2.1)
	IPA FINANCIAL LEAD PARTNER	Only Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia	Yes	No	Yes	Applicable (see chapter 5)
	IPA PARTNER	Only Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia	Yes	No	Yes	Applicable (see chapter 5)
Associated Strategic Partners	EU ASSOCIATED	Only EU Partners within the Programme area	No (it's part of a "sponsoring" ERDF PARTNER budget)	Only TRAVEL and ACCOMODATION	No	Applicable as ERDF (see section 3.2.1)
	EU ASSOCIATED 20%	Only EU Partners outside the Programme area	No (it's part of a "sponsoring" ERDF PARTNER budget)	Only TRAVEL and ACCOMODATION	No	Applicable as ERDF (see section 3.2.1)
	10% PARTNER	Only Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Republic of Moldova, Ukraine	No (it's part of a "sponsoring" ERDF PARTNER budget)	Only EXTERNAL EXPERTISE and SERVICES; and TRAVEL and ACCOMODATION	No	Applicable as IPA (see chapter 5)
	OBSERVER	No limitation	No (Observers do not receive any financial support)	No	No	Not applicable

Within the SEE Programme 2007 – 2013 two sorts of partners are identified:

- Financing partners: being directly financed by the Programme (by ERDF or IPA) and bearing full responsibility for their budget;
- Associated Strategic Partners: being **not** directly financed by the Programme but – eventually – “sponsored” by an ERDF Partner that is bearing the responsibility for their participation to the project. Associated Strategic Partners (ASP) in the SEE is an organisation whose participation is considered as crucial for the added value given to the partnership. As an example, ASP can potentially be a Ministry, which does not want to apply and contribute financially because of administrative burdens and financial reasons but it is interested to participate to a project for ensuring the *political sustainability* of delivered outputs and results.

Among ASPs, the following can be further identified:

EU Associated are actors located in an EU country of the Programme area, not contributing financially to the project. EU Associated partners can be only those bodies considered eligible following the rules defined in section 3.2.1. All expenditure incurred by these bodies shall be finally borne by any of the institutions acting as ERDF “sponsoring” partner in order to be considered as eligible. Expenditure is limited to reimbursement of *travel and accommodation* costs related mainly to their participation in project meetings.

EU Associated 20% are actors located in an EU country outside the Programme area, not contributing financially to the project. EU Associated 20% partners can be only those bodies considered eligible following the rules defined in section 3.2.1. Expenditure incurred by these bodies shall be finally borne by any of the institutions acting as ERDF “sponsoring” partner in order to be considered as eligible. Expenditure is limited to reimbursement of *travel and accommodation* costs related mainly to their participation in project meetings. Further information is available in section 4.1.8 c).

10% Partners are actors located in a candidate or potential candidate country inside the Programme area, not contributing financially to the project. 10% partners can be only those bodies considered eligible following the rules defined in section 4.1.8, b). Expenditure incurred by these bodies shall be finally borne by any of the institutions acting as ERDF “sponsoring” partner in order to be considered as eligible. Further information is available in section 4.1.8 b).

Observers are actors invited by the project beneficiaries to take part in the project in an observant role or with advisory capacity and do not contribute to the implementation of the projects in terms of financial contributions. ASP Observers can potentially be also actors not fulfilling the partners’ eligibility rules as set by the SEE Programme 2007 – 2013.

Lead Partner principle

A Lead Partner (LP) should be nominated by the partners from amongst themselves. The Subsidy Contract will be concluded between the JTS on behalf of the MA and the Lead Partner, being formally the final beneficiary of the ERDF funding and the only direct link between the project partnership and the programme.

According to Reg. (EC) 1080/2006, article 20, the LP assumes the following responsibilities:

- it shall lay down the arrangements for its relations with the Project Partners participating in the project in a Partnership Agreement comprising, inter alia, provisions guaranteeing the sound financial management of the ERDF funds allocated to the project, including the arrangements for recovering amounts unduly paid;
- it shall be responsible for ensuring the implementation of the entire project;
- it shall ensure that the expenditure presented by the Project Partners has been incurred for the purpose of implementing the project and corresponds to the activities agreed between those Project Partners;
- it shall verify that the ERDF expenditure presented by the Project Partners participating in the project has been validated by the controllers;
- it shall be responsible for transferring the ERDF contribution to the Project Partners;
- the LP is always responsible for securing repayment of the ERDF contribution unduly paid to the project. The LP is obliged to secure repayments from the ERDF PPs concerned and repay the amount specified by the Managing Authority before the due date.

The LP is the contact institution for the Joint Technical Secretariat on behalf of the partnership.

3.2.3 Composition of the partnership

Each project has to involve at least three Financing partners (see 3.2.2) from three different Countries of the programme area: the Lead Partner and at least two project partners. Out of these project partners, at least one, the Lead Partner, has to be located on the territory of a Member state of the Programme area (see also chapter 4.2 of OP).

The responsibilities of the project partners are listed below:

- carrying out activities planned in the approved AF and agreed in the Partnership Agreement;
- assuming responsibility of any irregularity in the expenditure which it has declared repaying the lead partner any amounts unduly paid in accordance of the partnership agreement signed between the lead partner and the respective project partner;
- carrying out information and communication measures for the public about the project activities.

The number of partners may considerably vary between the projects depending on the character of the project. The project consortium should be comprised in a strategic manner and well adapted to its purpose. A partnership that is too small might reduce the potential of the project while a partnership which is very large might cause significant organisational, communication and co-ordination problems and thus be cost ineffective.

Keeping this in mind, the applicant should always reflect on the optimal number and role of partners to be involved. No maximum limit of partners is fixed. It is not the number of institutions listed in the proposal that makes the project partnership ideal, but rather their expertise necessary

to carry out the planned activities. The topics addressed by the project (e.g. common environmental problems) determine the profile of the organisations that could be involved in the project activities.

The composition of project partners should include:

- sufficient transnational representation;
- necessary sectoral expertise (horizontal composition of the partnership);
- necessary expertise at relevant administrative levels (vertical composition of the partnership);
- sufficient financial, technical and human resources to implement project activities.

In order to apply integrated territorial approach (see chapter 2.7.4) the project partnership should not consist only of organisations from one sector (e. g. universities, ports, environmental associations) but include relevant organisations from other sectors affected by the project as well.

The actions that require a transnational or integrated territorial approach (e.g. related to transport, energy, civil protection or environmental pollution) should not be concentrated in only one country, at one administrative level nor focused on only one economic sector but should demonstrate a larger geographic or sector perspective.

Political commitment is often crucial for transferring the strategies worked out in the project into real actions or investments. In addition, involvement of public authorities might facilitate the implementation of project results. Otherwise there is a risk that e.g. the strategies developed by the projects are not recognised by the respective decision-makers.

Project Partners should be involved already in the project drafting phase in order to incorporate ideas from all partners and to ensure a high level of commitment to the project. In addition, during the preparatory phase partners can test how the co-operation works before the implementation of the project activities is started.

Involvement of permanent staff of the participating organisations helps the network to keep operating after closing the actual project activities and ensures that the knowledge gained during the project implementation stays in the organisation.

3.2.4 National contribution

Under the SEE Programme 2007 – 2013, projects are co-financed by ERDF and IPA. The co-financing rate per partner is 85%. The remaining budget (15%) has to be covered by national contribution, brought in by each project participant.

The ERDF PP's national contribution can be covered by state contribution and/or own public sources of the project participant and/or other public contribution (e.g. regional/local/other public sources). State contribution has to be indicated in the AF only in case the Member state provides by automatic or by specific calls national public contribution at state level for the project selected by the Monitoring Committee, and therefore the amount covered by state contribution will be reimbursed to the project partner.

Each Member state applies a different system in providing state public contribution. Some apply an automatic procedure for granting the funds (e.g. Hungary, Italy, Romania) whilst others envisage specific calls (i.e. Slovenia). Others require the project partners to provide the co-financing themselves. An overview on the national co-financing system of the SEE Partner states is available on the Programme website. However, as more detailed information might be available at national level, SCPs should be contacted in order to clarify the position.

As the programme follows the "public costs" principle, private sector expenditure can not generate EU co-financing. In the case whereby ERDF private project participants join a partnership as Project Partners, they have to prove that their national contribution will be provided by public authorities only for the project purposes and that it is therefore ensured that the expenditure co-financed by the ERDF are financed only by public funds. The regular public funds provided to private bodies for their operation can not be considered as public contribution to the project.

For further information on how the Programme will ensure that each ERDF Partner has secured its own public co-financing please check chapter 7.

The IPA project partner's co-financing (15 % of the total eligible costs of the action) can come from the partner's own resources or from sources other than from the European Community budget or the European Development Fund. For more information on IPA procedures, please check chapter 5 of this SEE PM.

3.3 Eligibility of project activities

Activities and related expenditures are eligible according to the eligibility rules set out in the Operational Programme. However, in conjunction with these there are wider considerations for project providers as the SEE Programme 2007 – 2013 is fully integrated within the European Territorial Cooperation Objective of the EU's Cohesion Policy which in turn is strongly linked to the achievement of the Lisbon and Gothenburg objectives. This being the case projects should carefully consider the following aims:

- contribution to sustainable territorial development
- leverage effect on investment, development perspectives and policy development
- facilitation of innovation, entrepreneurship, knowledge economy and information society by concrete cooperation action and visible results (creation of new products, services, development of new markets, improvement of human resources based on the principles of sustainability)
- contribution to integration by supporting balanced capacities for transnational territorial cooperation at all levels (systems building and governance)

The orientation on research, technology and innovation encompasses a significant entrepreneurial development aspect. As a consequence, pure academic research activities cannot be supported under this programme.

Projects could include activities such as studies and operational plans, capacity building activities, promotion actions, set-up of services, preparation and development of investments proposed by transnational strategic concepts, including infrastructure investment if appropriate and justifiable.

Additional activities could include networking and exchange of information, though not as stand alone activity, as purely networking activities will NOT be supported.

It is the task of each project applicant and each proposed intervention to present an adequate activity mix, which will produce visible outputs, assure the fulfilment of the proposed project objectives and contribute to the programme objectives.

The three dimensions of transferability and sustainability of the project's results are an essential element of the SEE Programme 2007 – 2013 and should be considered at a project level:

- *Financial sustainability*: securing one's own resources or other sources of revenue for covering future operating and maintenance costs after the completion of the project;
- *Institutional sustainability*: identification of the structures that will take over after the end of the project
- *Political sustainability*: the impact of the project on the political choices, leading to improved legislation, codes of conduct, methods, etc.

The programme emphasises the importance of building upon past efforts and existing knowledge. This being the case relevant and up-to-date knowledge, tools and partnerships which are appropriate for the development, implementation and dissemination of planned outputs and results are needed to build a solid ground for innovation and to avoid the duplication of efforts. Furthermore, this will allow for existing disparities between regions and uneven development of regions in the cooperation area to be effectively addressed. In this respect, the programme also invites partnerships to reach out to relevant stakeholders and professionals in order to ensure effective networking beyond the partnerships.

4 Eligibility of expenditures

4.1.1 General eligibility criteria

ERDF – Eligibility of Expenditure

ERDF costs are generally eligible for funding if:

- they have been actually incurred and paid by the project beneficiaries, and they can be verified on the basis of original invoices or other accounting documents of equivalent nature;
- they are directly related to the project, necessary for the development starting and/or implementation of the project, and they are planned in the approved project budget;
- they have been incurred and paid within the eligibility period of the project;
- they have been incurred in the eligible area of the SEE Programme 2007 – 2013 (see also section 4.1.3. and 4.1.8.);
- they are in compliance with the principles of efficiency, economy and expediency;
- they are in line with the relevant EC regulations and National legislation².

In all cases, if there is national legislation regarding eligibility of expenditure, project beneficiaries have to follow the national legislation of their country as well. National legislation applies also whenever stricter than the corresponding EU legislation, and vice versa. The Project Partners are responsible in clarifying which relevant national legislations of their country they may have to apply when implementing the project.

IPA – Eligibility of Expenditure

<p><u>For more information on IPA procedures, please check chapter 5 of this SEE PM</u></p>

4.1.2 Eligibility in time

All expenditures are eligible for ERDF funding from the date of approval of the project by the Monitoring Committee (“*Second step*”, in case of a “*Two-step procedure*”) to its end date, as defined in the approved Application Form. Preparation costs (section 4.1.8.) and control costs related to the Final progress report are exempted from this rule. Control costs related to the Final Progress Report have to be paid within 60 days from the project end date at the latest.

The eligibility period of the project means that for ERDF partners all expenditures shall be **incurred and paid** within this period.

² The relevant EC Regulations are listed in paragraph 3.4.9

As concerns IPA, grants may, as a rule, only cover costs incurred after the date on which the grant contract is signed. However, according to the provisions of PRAG, chapter 6 “Grants”, section 6.2.8 “Non-retroactivity”, a grant may be awarded for an action which has already begun only where the applicant can demonstrate the need to start the action before the contract is signed (e.g. participation at kick-off meetings, organized by the LP). In such cases, expenditure incurred, following a request in writing by the IPA Country Lead Partner and the subsequent approval of the relevant Contracting Authority, might be eligible

The costs must be incurred during the implementation of the action as specified in Article 2 of the Special Conditions with the exception of costs relating to final reports, expenditure verification and evaluation of the action, whatever the time of actual disbursement by the Beneficiary and/or its partners.

The duration of the contract might be different than the ERDF one therefore IPA Partners should always check with the respective SCP. The implementation deadline depends on the date when respective IPA country signed the Financial Agreement for that yearly allocation.

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

Projects must clearly indicate their intended duration when applying for funding. The maximum duration is specified in each call for proposal.

When deciding the starting date of the project, partners should take into account the timeframe for the selection process and any potential delays in the start-up phase, even if the programme seeks for an early start of operations soon after approval, as the eligibility of expenditure between the approval date and the starting date of the project is restricted only to certain necessary administrative procedures for the contracting (i.e. travel and accommodation costs related to conditions clearing and participation at the Lead Partner seminar).

4.1.3 Eligible area

As a general rule, eligible costs shall be incurred in the programme area defined by the SEE Operational Programme (see section 1.3).

An exception to the general rule is the case of those public authorities or bodies governed by public law which are competent in their scope of action for certain parts of the eligible area but which are located outside of it (e.g., ministries). Italian and Ukrainian institutions falling under this definition are in effect assimilated, both in terms of rights and of obligations, to partners located in the SEE programme area.

In addition, travel and accommodation costs incurred within the EU but outside the programme area are considered eligible.

IPA: Travel and accommodation costs incurred outside the programme area but inside the European Union are eligible.

4.1.4 Ineligible expenditures – ERDF

The following expenditure is considered as ineligible for ERDF funding. Please, keep in mind that this list is not exhaustive, as additional ineligible expenditures might be included at national level.

- interest on debt (*Article 7 of Regulation (EC) No 1080/2006*);
- decommissioning of nuclear power stations (*Article 7 of Regulation (EC) No 1080/2006*);
- recoverable Value Added Tax (*Article 7 of Regulation (EC) No 1080/2006*);
- expenditures on housing (*Article 7 of Regulation (EC) No 1080/2006*);
- fines, financial penalties and expenditure on legal disputes (*Article 49 of Regulation (EC) No 1828/2006*);
- any forms of double financing of expenditures: expenditure which is already supported by a Community, or other international or national grant;
- unpaid partial amounts of invoices (e.g. discounts, rebates, etc.);
- subcontracting which adds to the cost of execution of the project without adding proportionate value to it;
- subcontracts with intermediaries or consultants in which the payment is defined as a percentage of the total cost of the project unless such payment is justified by the final beneficiary by reference to the actual value of the work or services provided;
- any expenditures invoiced further to third parties and not born by the LP or its partners;
- expenditures not directly associated with the Lead Partner or its partners;
- any costs incurred before or beyond the eligible period of the project (except preparation costs and control costs related to the Final Progress Report, see SEE Implementation Manual 8.1 for details);
- any costs of services, procurements or investments not directly related to the project and not approved in the Application Form;
- costs of settlement of interest payable, cost of credit overdrawing;
- currency exchange commissions and losses;
- commissions and dividends, profit payments;
- purchase of business shares;
- leasing;
- fringe benefits, rewards, redundancy payments;
- items for entertainment e.g. entrance fees, gifts, flowers, decoration materials, etc, if not necessary for the implementation of the project's activities.

4.1.5 Common costs

Costs associated with the project's activities normally related to the project's common management and coordination and to common communication and dissemination activities can be shared among ERDF Project Partners.

For each common activity, a responsible partner is to be selected. This partner is in charge of the implementation or the subcontracting of the activity and following the relevant National Public Procurement Law on behalf of the whole partnership.

Only expenditure of ERDF project partners under budget lines staff costs and/or external expertise and services are eligible as common costs. Partners can choose between the following ways of proceeding:

1. **Sub-contracting common activities** („external expertise and services”)

*Common costs are advanced by the responsible partner to the sub-contractor.
The involved PPs will transfer their shares to the responsible partner.*

2. **Common activity implemented directly by the responsible partner** (“staff costs”)

Common activities and related budgets are outlined in the approved Application Form with the partners who are involved in the common activity, and indicate their share of the costs in the related tables provided.

Partners should understand that the budget assigned to the common activities is not an additional budget, but a part within the partners' total budget.

The budget commitment of the partners and their responsibility within the common activities has to be detailed in a specific section of the Partnership Agreement.

Procedures for the eligibility of common costs can be different in each Member state. Partners will always have to ask their national Controller in the respect of the method accepted for sharing costs before the submission of the Application Form.

The detailed rules for the management of common costs are described in 5.2.3. of the SEE Implementation Manual.

Costs cannot be shared between ERDF and IPA Project Partners. For further information applicants should contact the relevant Contracting Authority

4.1.6 Project revenues

In line with Article 55 of the of Council Regulation (EC) 1083/2006, if a project generates revenue, the amount of net revenues must be deducted from the eligible costs in full or pro-rata depending on whether it was generated entirely or partly by the co-financed project. Where it is objectively not possible to estimate the revenue in advance, the revenue generated within five years of the completion of a project shall be deducted from the expenditure declared to the Commission.

Where it is possible to objectively estimate the revenues in advance, projects should indicate the amount of possible revenues in the Application Form. Project generated revenues have to be reported regularly by the Project Partners in the progress reports and in the final report, and

verified by the designated controllers at the partner level. The ERDF co-funding will be calculated on the basis of the eligible expenditure reduced by the amount of net revenues.

Only the cash in-flows *directly paid by users* for the goods and/or services provided by the project, such as charges borne directly by users for the use of infrastructure, sale or rent of land or buildings, or payments for services has to be considered as project generated revenues. Project generated revenues could as an example be conference participation fees, revenues from the sales of publications or books, etc.

These rules shall be applied only to projects which are co-financed by the ERDF and the total cost of which exceeds 1,000,000 Euro.

For more information on IPA project revenues please check chapter 5 of this document

4.1.7 Eligibility of expenditures by budget line

ERDF project expenditures are eligible under the following budget lines (IPA project expenditure must be presented in standard external aid budget tables that are part of the Application Form):

- 1. Staff costs**
- 2. Overheads**
- 3. Travel and accommodation costs**
- 4. External expertise and services**
- 5. Equipment**
- 6. Small scale investments**
- 7. Financial charges and guarantee costs**

1. Staff costs

The costs of the personnel executing tasks for the project management (project coordinator, project manager, assistant, financial manager, etc.) and/or tasks for the project activities are eligible under the following conditions:

- members of the project team should be directly employed by the project beneficiaries' organisation on the basis of a regular work contract (or any similar type of contract according to the national rules) between themselves as employees and the project beneficiaries' organisation as employer.
- contribution of civil servants as "employees" of a partner organisation can be considered under budget line "staff costs", if such contribution is allowed by the national legislation and its contractual basis for the appointment to the project is in accordance with national eligibility rules of the Member State where the project partner organisation is located.
- the employee could work full-time or part-time for the project. In instances where the beneficiary's organisation does not have the adequate professionals to perform the tasks

related to the project, they can employ/contract external experts for these tasks. These costs shall be budgeted under the cost category “*external expertise and services*”.

- staff costs shall be calculated in hourly rates according to the following rules:
 - only monthly gross salaries based on payslips or other documentation of similar status can be taken into consideration. This means that staff costs must be calculated on the basis of the real and actual salary of the project staff stated in its regular work contract/ similar type of contract according to the national rules/ designation order of civil servant), including the related social charges;
 - As exception, only the 13th-14th month's extra salaries included in the regular working contract or in national legislation are eligible *if* they proportionally allocated to the project in a transparent way *and are considered eligible according to national eligibility rules*;
 - social contribution charges shall be calculated according to the national legislation concerned. No additional charges besides the social contribution charge can be included in the hourly rate;
 - fringe benefits, rewards/ bonuses over the monthly salaries are not eligible in order to exclude ad-hoc additional payments over the monthly salaries and additional payments not related to project specific tasks.
 - Overtime is eligible only in case it is directly related to the project and it is contracted and proportionally allocated to the project.

- staff costs must be supported by the following documents:
 - list of project staff within the partner's organisation, stating name of the employee, function in the project;
 - work contract or any similar type of contract according to the national rules which establishes direct employment relationship between the person and the partner's organisation;
 - designation order according to national eligibility rules in case the “employee” of the partner's organization is civil servant;
 - In each case, the contract / designation order and/or the related job description shall contain the clear assignment of the person to the project including information on the extent of involvement within the project;
 - payslips, proofs of payment (e.g. bank statements), and calculation evidence for the determination of the hourly rates of the project staff;
 - timesheets which prove the overall working time and the time spent on carrying out activities for the project (name of the employee, date, time and detailed description of the activity); the timesheet must be signed by the project's assigned employee and by the employer.
 - calculation evidence for the determination of the hourly rates of the project staff

2. Overheads

The overhead costs shall be declared only on the basis of real costs (justified with all the supporting documents) up to the limitation of 20% of the staff costs., The same limit has to be applied at project partner level.

In this case, each item declared as overhead cost has to be directly related to the project and justified by receipted invoices or accounting documents having an equivalent probative value.

Eligible costs for this method are the followings:

- Office rental fee, electricity, heating, water and other services related to the maintenance of the office (e.g. cleaning);
- Phone, fax, internet, postal costs, courier;
- Stationery, printing, copying;
- Indirect staff costs or services supporting directly the project implementation and proportionally allocated to the project: administrative staff, book-keeping/accounting, salary administration, IT support.

It is also possible to allocate an invoice partially to the project in case it is demonstrated that a part of the expenditure is directly related to the project. In this case the method for distributing the cost to the project has to be presented for each type of expenditure to the Controller (e.g. the ratio of the number of people working for the project / number of people working in the organisation or department).

3. Travel and accommodation costs

Project related travel and accommodation costs and subsistence allowances (per diems) are eligible costs under the following conditions:

- only travelling costs of the “project staff” – as defined by the budget line 1. – are eligible. In case the “employees” of the partner’s organisation are civil servants and due to national legislation their staff costs can not be charged to the project, but it is proved that these persons are directly contributing to the project implementation, their travelling costs are considered eligible as well;
- travelling costs of the *Associated Strategic Partners* (EU Associated, EU Associated 20%, 10% Partner) are eligible, where the invoice is addressed to the ERDF “sponsoring” Partner and it is directly paid or reimbursed by the ERDF “sponsoring” Partner before submitting the expenditure for validation to the Controller;
- travelling costs of external experts shall be included in the service contracts and budgeted under the *external expertise and services* budget line;
- travels within the programme area and within the EU territory are eligible costs (see also section 4.1.8 for further details);
- as a general rule the most economical way of transport should be used. Exceptions from this principle must be duly justified in each case;

- *per diems* (travelling allowances) are eligible only for ERDF PPs “project staff” according to the national rules of the partner’s organisation. *Per diems* accounted for in the project include social contributions according to the relevant national rules;
- accommodation costs can be accepted without reservation if they are in the middle price range. Higher price ranges must be duly justified in each case.

4. External expertise and services

Services directly related to the project and ordered from an external party are eligible for the cost categories listed below, under the following conditions:

- the work of the external expert is essential to the project;
- rates charged by the external expert are reasonable and are in relation to level of experience and expertise;
- the selection of the external experts shall comply with the relevant National Public Procurement Law in force;
- project partners cannot be contracted as an external expert or a subcontractor;
- where allowed by national rules, additional contracts of external expertise nature signed with own staff of the partner institution must strictly apply transparent selection and, where applicable, public procurement procedures. The same person already charged under staff costs can not be contracted under external expertise;
- If applicable, the deliverables respect the information and publicity requirements of the SEE Programme 2007 – 2013 (see Annex 3 SEE Visual Identity Guidelines of the SEE Implementation Manual).

a) External expertise

- a. professional expertise (e.g. studies, researches, etc.);
- b. experts for project management, assistant, financial manager, etc (in circumstances whereby the Lead Partner or the partner’s organisation does not have the adequate professionals to perform the tasks related to the project or for shared activities as specified in section 3.4.5);
- c. costs of technical, financial and other special experts if they are directly linked to the project and are necessary for its implementation;
- d. control costs of the project according to national eligibility rules and the specific requirements of the control system at national level.

b) Organisation of meetings and events

- a. expenses for organisation of conferences, seminars, meetings, workshops, project events directly related to the project and traceable from the approved Application Form;
- b. documentation of the participants (participant list) shall be provided in each cases of “catering expenses”;
- c. renting of premises and equipment for events;

- d. fees for experts/speakers invited to project event. *In case an external expert can not receive a fee for participating in a project event as speaker (e.g. public administration), the contract/agreement with the external expert shall state that only travel costs and accommodation costs supported by invoices will be paid.*
- e. interpretation at events;
- f. printing of materials directly related to events, etc.
- c) *Promotion costs*
 - a. costs of brochures and leaflets;
 - b. press releases, inserts in newspapers;
 - c. newsletters;
 - d. the design and maintenance of web page for the project;
 - e. other publication costs related to the project but not linked to specific events or seminars; etc.
- d) *Other services*

Other services concerning costs not linked to specific budget lines, but necessary for the implementation of the project. Examples of eligible costs:

- translations of project documents not linked to specific budget lines;
- reproduction of project documents not linked to specific budget lines, etc;

5. Equipment

Purchase of equipment is eligible under the following conditions:

- equipment is necessary for the project implementation and is foreseen in the approved Application Form;
- equipment should be exclusively used for the project implementation;
- suppliers should be selected according to the rules of the relevant National Public Procurement Law;
- the full purchase price is only eligible in case that the total economic life and depreciation period are shorter than or equal to the project duration. In all other cases only depreciation costs shall be eligible.
- In case the total economic life of the equipment is longer than the project duration and the depreciation is not allowed by national legislation, only the purchase price proportionally reduced for the project period is eligible:

$$\frac{\text{project period}}{\text{total economic life of the equipment}} \times \text{total purchase price}$$

The following costs can be eligible:

- special equipment necessary for the project implementation and foreseen in the Application Form ("content related equipment"), like laboratory equipment and special measurement equipment including transportation and installation costs of these equipments;
- office equipment (e.g. computers, laptops, office furniture, etc.) related to the project management can be eligible in duly justified cases and only if clearly indicated in the approved Application Form.

Depreciation costs:

According to art. 53 of Regulation (EC) 1828/2006, the depreciation expenditure of depreciable assets directly used for a project, and incurred during the period of its co-financing, shall be eligible, provided that the acquisition of the assets is not declared as eligible expenditure.

The invoice shall be submitted to and checked by the designated controller of the project partner and shall be validated appropriately in order to avoid double financing. The relevant national rules for the depreciation of assets shall be applied and the calculation of depreciation costs shall be submitted to the controllers to verify the eligible depreciation cost.

Second hand equipment:

The purchase cost/depreciation cost of second hand equipment is eligible if the concerned Project Partner can prove the followings:

- it can be certified that the equipment has not been previously purchased with the co-financing of public funds;
- the price of the equipment is in line with its market value and less than the price of similar new equipment;
- The depreciation costs of second hand equipment are only eligible if these costs have not been already completely amortized.
- the equipment has the technical characteristics necessary for the project.

6. Small scale investments

The SEE Programme 2007 – 2013, as well as the other transnational cooperation programmes, is not intended as an investment programme. This is largely due to its limited budget and its cooperative nature.

Small scale investments are eligible where the transnational impact of the investment is demonstrated and the activity is approved in the Application Form.

Eligible investments either follow a transnational physical or functional link over the national border (i.e. technical infrastructure improving innovation performance of a transnational network for

development of entrepreneurship and research; technical infrastructure improving the diffusion of knowledge across the SEE; infrastructure and technical investments in ports, railway routes, inland waterways and road junctions improving the operability of a transnational transport corridor, etc.) or create a transferable practical solution through a case study in one area, which is jointly evaluated by the project partners and transferred for testing in at least two other participating countries (new broadly applicable technologies for the development of entrepreneurship; ICT solutions unlocking accessibility of peripheral areas; solutions reducing land-based river pollution; solutions for efficient production and using of bio-mass; solutions for energy saving in buildings; technical solutions increasing the share of public transportation).

The programme does not finance investments that do not have transnational relevance.

The contractors of investments should be selected according to the rules of the National Public Procurement Law in force.

The contractor cannot be a partner in the project.

The purchase of land is eligible in very exceptional and duly justified cases if it does not exceed 10 % of the total eligible costs for the ERDF Project partners of the project concerned, in line with article 7 of Regulation (EC) 1080/2006.

7. Financial charges and guarantee costs

Financial charges and guarantee costs are eligible costs according to article 49 of Regulation (EC) 1828/2006. The following charges and costs shall be eligible for a contribution from the ERDF:

- charges for transnational financial transactions;
- bank charges for opening and administering the account or accounts where the implementation of a project requires a separate account or accounts to be opened;
- the cost of guarantees provided by a bank or other financial institution to the extent to which the guarantees are required by national or Community legislation;
- legal consultancy fees, notarial fees if they are directly linked to the project and are necessary for its implementation.

These costs are normally related to the project's management and coordination and shall be planned in the project budget accordingly.

As opening of a separate bank account for the project is requested by the SEE Programme 2007 – 2013 only for the Lead partners, the following costs are mainly relevant for the Lead partners:

- bank charges for opening and administering the separate bank account opened for the project;
- charges for transnational financial transactions i.e. transfer of ERDF contribution to Project partners.

In case the Partnership Agreement or national rules requires the opening of separate bank account, these costs are also eligible for Project Partners.

In case of public bodies or bodies governed by public law where according to specific national/internal rules of the organisation it is not possible to open a separate EUR bank account or sub-account, only the bank charges incurred to identify, track and report all financial transfers and expenditure related to the project on the LP's single EUR bank account are eligible.

Any other types of financial charges are ineligible.

For information on IPA eligibility of expenditure, please check section 5.4 of this SEE PM.

4.1.8 Special eligibility rules

Special eligibility rules apply additionally to the general rules for project expenditures for the preparation costs, the expenditures incurred outside the EU territory or the programme area and the in-kind contribution.

a) Preparation costs

Costs that have been incurred for the preparation of the project are eligible costs for ERDF Partners only in accordance with the following conditions:

- preparation costs can only be eligible if they were incurred on or after the 1st of January 2007 and before the approval date of the Application Form ("*Second step*" in case of "*Two Step*" procedure) by the Monitoring Committee. Preparation costs shall be paid before the end date of the first reporting period;
- preparation costs should show direct connection to the approved project and should be included in the approved Application Form;
- costs for the preparation of the approved project cannot exceed **2%** of the total eligible expenditures of the project or **40.000 EUR** whichever is reached earlier.

Eligible costs for preparation are costs under the budget lines staff costs, travel and accommodation costs and external expertise and services, as follows:

- external expertise costs and/ or staff costs for the preparation of the application documents;
- joint meetings for the preparation of the project;
- travels directly related to the joint meetings, including participation at the Lead Applicant's seminar;
- preparatory studies, analysis and researches for activities to be carried on within the project.

Overheads, equipments, small scale investments, and financial charges and guarantee costs are not eligible under preparation costs.

Preparation costs are not eligible for IPA funding.

b) Expenditures according to the “10% ERDF flexibility rule”

Reg. (EC) 1080/2006, article 21, commas 3 and 4, states:

ERDF Regulation Article 21

3. In the context of cross border, transnational and interregional co-operation, the ERDF may finance expenditure incurred in implementing operations or parts of operations on the territory of countries outside the European Community up to a limit of 10% of the amount of its contribution to the operational programme concerned, where they are for the benefit of the regions of the Community.
4. Member states shall ensure the legality and regularity of these expenditures. The managing authority shall confirm the selection of operations outside the eligible areas as referred to under paragraphs 1, 2 and 3.

As a general rule, the “10% ERDF flexibility” rule is available for all projects and is limited to 10% of the ERDF budget of the project.

According to the aforementioned article, under the 10% ERDF flexibility rule expenditure incurred in implementing project activities can be financed. Activities implemented outside the EU but within the programme area by the ERDF Partners or for the involvement of the 10% Partners are eligible as follows:

- a) ERDF LP or ERDF PP: in case of expenditure incurred for the implementation of specific activities of the project in countries outside the EU but part of the programme area³;
- b) 10% Partners: for the implementation of specific activities of the project for the involvement of the 10% Partner in countries outside the EU but part of the programme area, in case the given partner is not financed by IPA funds within the same project. The 10% Partner is not financed directly by ERDF funds.

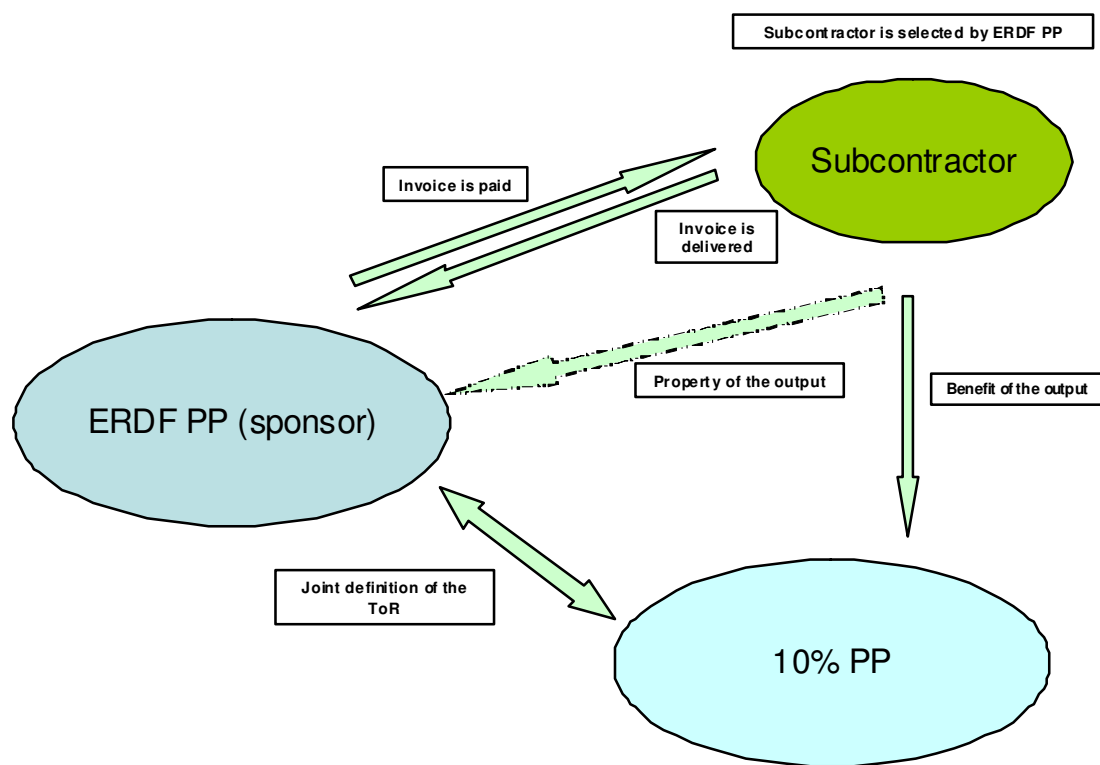
Special conditions and eligible expenditures under the 10% ERDF flexibility rule:

- costs to be spent according to the 10% ERDF flexibility rule must be traceable from the approved Application Form;
- **costs shall be clearly planned in the budget of the ERDF LP or ERDF PP and shall be paid and validated by the ERDF LP or ERDF PP;**
- the need for the activities outside the EU or the involvement of 10% Partner for the implementation of the project and the achievements of its objectives has to be clearly demonstrated;
- the benefit of the EU territory has to be always demonstrated, in the description of the project proposal and during the implementation.

³ Travel and accommodation costs can be considered eligible also outside the EU and outside the Programme area if clearly indicated in the Application Form and fulfil all the mentioned special conditions.

In case of the 10% Partner some further conditions apply:

- under the 10% ERDF flexibility rule, each ERDF LP or ERDF PP can sponsor the participation of non EU PPs of the programme area;
- all non EU PPs of the programme area, not financed by IPA funds of the SEE Programme for the project concerned can benefit from the 10% ERDF flexibility rule;
- costs shall be included in the budget of the ERDF LP or ERDF PP that provides the co-financing and is responsible for the validation of these costs;
- only expenditure related to cost categories *travel and accommodation* and *external expertise and services* are allowed;
- the overall financial responsibility lies within the ERDF LP; it is its responsibility to regulate the obligations of the “sponsoring” ERDF PP that has to provide the needed co-financing and to account and validate the costs incurred;
- responsibility of the ERDF “sponsoring” and the non EU “sponsored” PP towards the project and the programme are detailed in the Partnership Agreement;
- when subcontracting the procedure shall follow the rules of the ERDF “sponsoring” PP but contents of the Terms of Reference should be agreed with the non EU “sponsored” PP. Controller of the ERDF “sponsoring” PP shall be informed in advance;
- eligible expenditures are only those supported by an invoice clearly addressed to the “sponsoring” ERDF PP;
- the ownership of the outputs such as products delivered by the external expertise and services shall remain at the property of the responsible ERDF “sponsoring” partner.



Eligible expenditures:

- travel and accommodation costs of the 10% Partners within or outside the Programme area (i.e. participation of Serbian PP to project meetings in Austria);
- costs of the organisation of joint meetings in non-EU countries within the programme area (i.e. organisation of a workshop in the Ukraine);
- costs for the implementation of specific activities of the project in non EU countries within the programme area (i.e. organisation and implementation of training activities in Montenegro).

c) Expenditure according to the 20% ERDF flexibility rule

Reg. (EC) 1080/2006, article 21, commas 2 states:

<p style="text-align: center;"><i>ERDF Regulation Article 21</i></p> <p style="text-align: center;"><i>Special conditions governing the location of operations</i></p> <p>2. <i>In the context of transnational co-operation and in duly justified cases, the ERDF may finance expenditure incurred by partners located outside the area participating in operations up to a limit of 20% of the amount of its contribution to the operational programme concerned, where such expenditure is for the benefit of the regions in the co-operation objective area.</i></p>
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EU partners located outside the programme area can be involved in the projects, and financed by ERDF in two different ways, depending on the project structure:

- involvement of the partner as *Financing Partner (20% ERDF Partner)* with separate budget and related financial responsibility;
- involvement of the partner as strategic partner in the form of *Associated Strategic Partner* (so called **EU Associated 20%**), without separate budget but significant strategic role within the project.

The sum of the 20% ERDF partners' budgets and the amounts planned for the EU Associated 20% can not exceed the 20% of the ERDF project partners' budget.

(1) Financing Partner: 20% ERDF Partner

- The partner from the EU territory but outside the programme area participates directly to the project with a separate budget.
- The same eligibility rules apply for the 20% ERDF partners as for the ERDF partners located in the Programme area.
- The same budget lines are eligible for the 20% ERDF partners.
- National public contribution (state contribution, other public or own public contribution) has to be provided by the 20% ERDF partner. Co-financing statement is requested in the application phase, as for all ERDF partners of the SEE programme 2007 – 2013.
- The expenditure of the 20% ERDF partner is verified by its controller outside the SEE Programme area.
- An official bilateral Agreement ("*MoU*") has to be concluded between the Member state of the 20% ERDF partner and the SEE Programme 2007 – 2013, containing the same responsibilities as for the MSs of the SEE Programme 2007 – 2013.
- The designated controller of the MS shall appoint the controller to the project partner, which has to be communicated to the JTS.
- Coordination of audits out of the Programme area should be also regulated by the Agreement.

Conditions for the involvement of 20% ERDF Partner

1. Condition of the participation of the 20% ERDF Partner is that an Agreement ("*MoU*") is concluded between the Member State where the partner is located and the programme management bodies (MA, CA, AA). This Agreement shall ensure that the MS's control and audit procedures and the related legal system meet the requirements set up by SEE Programme 2007 – 2013. The MoU will be concluded between the MA and the respective national authorities after approval of the project.
2. Involvement in the project of ERDF Partners located outside the Programme area but within the EU territory is possible only in specific cases, where such expenditure is for the benefit of the regions of the Programme area. This benefit should be clearly demonstrated and justified. Applicants will also need to demonstrate that the project cannot be implemented without the involvement of the 20% ERDF Partner due to geographical or thematic reasons.

Steps:

1. The Lead Applicant has to attach to the Application Form a "*Data sheet on the MS Responsible bodies*" of the potential 20% ERDF Partner (provided and signed by the potential 20% ERDF Partner itself), which contains information on its control system, and the data of all responsible bodies at national level involved in other transnational or interregional ETC programmes (responsible body for the verification report, second level auditor, responsible body for irregularities, repayments). If no data sheet is attached (or not complete) the participation of the concerned 20% ERDF Partner will be rejected (see also section 7.2.2).
2. During the assessment of the proposal JTS will check whether the involvement of the 20% ERDF partner in the project proposal is for the "benefit of the regions in the co-operation objective area" and the "need for involvement". If the participation is not fully justified (e.g. clear geographical link, thematic evidence), the JTS will propose to the MC to reject the participation of the concerned 20% ERDF partner (but not the full project proposal – see also section 7.2.2)
3. In case the project is approved, MA/JTS contact the Member state concerned and sends them the Agreement for signing. The Agreement should be signed and received by the JTS within 30 days from the approval date of the project at the latest; otherwise the participation of the 20% ERDF Partner can be refused by the MA.
4. Only after signature of the Agreement, the Subsidy Contract with the Lead Partner related to the participation of the concerned 20% ERDF partners can be concluded.

(2) EU Associated 20%

The expenditure of the *Associated Strategic Partners* from EU Member states outside of the Programme area is eligible under the following conditions:

- Involvement in the project of ERDF partners located outside the Programme area but within the EU Territory is possible, where such it is for the benefit of the regions of the Programme area. This benefit should be clearly demonstrated and justified. In principle the involvement of the Associated Strategic Partner is possible if the project cannot be

implemented without involvement of the concerned partner due to geographical or thematic reasons. Cost and benefit of the involvement should be balanced.

- The Partner from the EU territory but outside the programme area contributes to the project without separate budget.
- The expenditure of an *Associated Strategic Partner* is included in the project budget of one ERDF “sponsoring partner” from the SEE Programme area.
- Only travel and accommodation costs are eligible.
- The project expenditure is verified by the controller of the “sponsoring” ERDF partner. The expenditure of the *Strategic Associated Partner* has to be distinguished under the 20% ERDF flexibility rule and summarized for each reporting period by the Lead Partners in the progress report.

d) In kind contribution

In line with article 51 of Regulation (EC) 1828/2006, in-kind contributions shall be eligible expenditure if they fulfil the following conditions:

- a) they consist of the provision of land or real estate, equipment or raw materials, research or professional work or unpaid voluntary work;
- b) their value can be independently assessed and audited
 - In the case of the provision of land or real estate, the value shall be certified by an independent qualified valuer or duly authorised official body;
 - In the case of unpaid voluntary work, the value of that work shall be determined taking into account the time spent and the hourly and daily rates of remuneration for equivalent work.

Only public bodies and bodies governed by public law (in case they are financed by public funds) are eligible for in kind contributions.

The in kind contribution can not be reimbursed from ERDF funds and state contributions, therefore the amount of in kind contribution can not be higher than the own public contribution given in the sources of funding table of the Application Form. This rule has to be applied at project partner level.

In any case, the rules of eligibility can be different in each Member state. In cases of uncertainty, the partners will have to ask their national Controllers for clarification in the respect of national eligibility rules.

In kind contributions are not eligible for IPA Project Partners. For more information please check Section 5.4 of this SEE PM.

4.1.9 EC regulations relevant for the eligibility of expenditures – ERDF

Article 56 of Regulation (EC) No 1083/2006

Article 7 of Regulation (EC) No 1080/2006

Article 48-53 of Regulation (EC) No 1828/2006

Article 13 of Regulation (EC) No 1080/2006

The following EC regulations should also be applied during the verification of expenditures:

Article 2 (5) Regulation (EC) No 1083/2006, and Directive 2004/18/EC (Public procurement)

Article 54 Regulation (EC) No 1083/2006, (State Aid)

Article 9 Regulation (EC) No 1828/2006, (Publicity)

Article 48 (2) Regulation (EC, Euratom) No 1605/2002, (Sound financial management)

Article 16 Regulation (EC) No 1083/2006, (Equality between men and women and non-discrimination)

Article 17 Regulation (EC) No 1083/2006, (Sustainable development)

Article 54 Regulation (EC) No 1083/2006, (Double financing)

Article 55 Regulation (EC) No 1083/2006, (Generation of revenue)

Article 24 (d) Regulation (EC) No 1828/2006, (Legality and regularity of expenditure paid outside the Community)

All expenditure has to be in line with the EC regulations and the relevant national rules and legislation. Please note that the list of regulations is not exhaustive and rules and regulations may be amended during the programme implementation period.

4.1.10 De-commitment Rule

According to the Structural Funds Regulation, programmes may have funds de-committed by the European Commission in case where the allocations set in the financial tables of the Operational Programme are not translated into effective requests for payment within the set timeframe⁴. Should this loss of funds result from operations lagging behind their payment targets (based on the spending forecast included in the final version of the approved Application Form), the programme will be obliged to reduce the budget of these projects.

In order to avoid losing funds both at the project and at the programme level, it is important that:

- applicants carefully prepare a realistic spending forecast;
- approved operations are ready to start implementation quickly after approval;

⁴ Four years for the allocations of the years 2007 to 2010 (n+3, being 'n' the year of commitment) and three years (n+2) for the allocations of the years 2011 to 2013.

- financial aspects are effectively monitored during implementation;
- partners ensure regular, timely and full reporting.

4.2 Information and publicity requirements for projects

In order to complement and strengthen the measures set up in the programme's general Communication Plan, an important role will be played by the projects themselves. Newsworthy stories about projects need to reach a wide range of media and stakeholders, including representatives from all levels of government, as well as the public. In order to achieve efficient communication, commitment from all projects is necessary.

Project beneficiaries are asked to follow the Information and Publicity Measures for the beneficiaries of ERDF funds mentioned in article 7, 8 and 9 of the Regulation (EC) No 1828/2006. Projects shall inform the public about the assistance obtained from the ERDF and ensure that those who take part in the operation have been informed of the funding source. These requirements will be further explained in seminars for Lead Partners of approved projects, and backed up by information on the programme website.

The regulations require that appropriate information and publicity (I&P) measures at a project and programme level are enacted, as laid down in section 7.4 "Information and publicity" in the Operational Programme.

Projects will be encouraged and supported by the JTS in setting up their own communication plans and delivering their own publicity activities, in order to be able to act as true ambassadors of the programme throughout the region and contribute to the strengthening of management and knowledge within each project.

Projects should ensure that information is tailored to the needs of their specific target groups. Communication measures envisaged at project level should take into account the nature, the size and the capacity of the relevant project. Project teams are advised to appoint a member to be in charge of communication and information activities which should assist in giving more impetus to their communication measures. Projects are recommended to unite their forces and collaborate whenever it is possible in organising their communication activities and thereby benefit from economies of scale. Each Programme can set its own information and publicity requirements, in addition to the ones included in the Regulation (EC) no. 1828/2006. These additional requirements are included in the Subsidy Contract (SC) and in the Partnership Agreement (PA). They are not meant as an additional burden for the projects, but as a means to enhance projects communication, visibility and value. Good communication will work for the benefit of all the parties involved. This will help the promotion of important results and outcomes, which will facilitate further the sharing of knowledge and experience and future collaboration between projects. Thus, the LP shall develop and implement a communication plan which includes the realisation of at least the following mandatory outputs:

- creation and use a project logo;
- setting up of a project website (whereby the respective activities shall start before the submission of the first progress report) and keeping it online for a period of at least two years after project closure;
- publication and dissemination of at least one brochure presenting the project results;

- organisation of a public final event.

More information about information and publicity at both a programme and project level is available in the Communication Guidelines for Projects (available for the implementation phase) as well as in the Communication Plan of the SEE Programme 2007 – 2013.

5 Relevant information concerning IPA participation

The SEE Programme 2007 – 2013 is the most complex territorial cooperation programme in Europe. The SEE is an ERDF Programme but most countries benefiting from IPA funds (Albania, Bosnia and Herzegovina, Croatia, former Yugoslav Republic of Macedonia, Montenegro and Serbia) and ENPI funds (the Republic of Moldova, Ukraine) were invited to participate. Their involvement confirms the EU political commitment to support these countries on their way to the EU. The Programme applies ERDF rules for EU Member States and thus helps the IPA and ENPI countries to get acquainted with structural funds' rules which will be applicable upon their accession to the EU.

The Programme is challenging for all parties – project partners, management structure of the Programme, National Authorities and EC structures. The evaluation and selection is done according to ERDF rules, based on a Call for Proposals – Application Pack for the implementation of the programme, prepared by the SEE JTS

To be eligible for financing by IPA, joint operations shall include beneficiaries from both Member States and IPA countries. Applications for joint operations shall identify a Lead Partner located in a Member State for the part of the joint operation taking place on the EU side with ERDF funds and overall project coordination, and a Financial Lead Partner in each of the participating candidate/potential candidate country for the part of the joint operation taking place on the candidate/potential candidate side with IPA funds. Applications must clearly distinguish between activities – and their costs – taking place on the EU side with ERDF funds and those taking place on the candidate/potential candidate side with IPA funds.

All applications will be submitted to the JTS which will carry out the assessment of project proposals and the Monitoring Committee is responsible for selecting joint operations in accordance with Structural Funds rules.

The Contracting Authority (the EU Delegation under the centralised implementation system or the corresponding national Implementing Agency in case IPA funds are implemented in a decentralized way) will issue the IPA grants to the national financial lead partners participating in the selected joint operations (while the JTS – on behalf of the MA – will sign the ERDF Subsidy Contract with the Lead Partners financially responsible for the part of the joint operations taking place on the EU territory).

Where appropriate, the relevant rules and templates of the Practical Guide to contract procedures for EC external actions (PRAG) apply to contracts awarded to IPA partners.

5.1 Eligibility of IPA Partners

(1) In order to be eligible for a grant, applicants **must**:

- be legal persons **and**
- be non profit making **and**
- be specific types of organisations such as:
 - o Associations: non-governmental organisations, trade unions, employer's associations, professional associations etc.

- Institutions: public sector operators, educational and research institutions,⁵ etc.
- Foundations;
- Chambers of commerce, chambers of crafts and trade, public employment service;
- Canton, municipalities/towns and the districts;
- Regional development agencies, business incubators, entrepreneurship centres, research and development institutes and other business support institutions
- International inter-governmental organisations; **and**
- be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary; and
- have stable and sufficient sources of finance to ensure the continuity of their organisation throughout the lifespan of the project and whose financial resources are not exclusively made up of subsidies and grants from EU budget or EDF.

The applicant must be registered or accredited in the IPA country for which funds is applying. The aforementioned means that the applicant's organisation in IPA country concerned should be established by or accredited under an instrument governed by the internal law of this IPA country.

The activities shall be mainly carried out on the territory for which IPA funds are meant. In exceptional cases, expenditure incurred outside the programme area may be eligible, if the project could only achieve its objectives with that expenditure.

The IPA organizations participating in an application are called partners. The partners shall select one, from among themselves (in case there is more than one partner applying under the same IPA country allocation), to be the **IPA Financial Lead Partner**. All partners are also known as applicants.

(2) Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the situations which are listed in Section 2.3.3 of the Practical Guide to contract procedures for EC external actions (available from the following Internet address: http://ec.europa.eu/europeaid/work/procedures/index_en.htm)

1. they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
2. they have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata; (i.e. against which no appeal is possible);

⁵ Private research and educational institutions are eligible to apply if they will not derive profit during implementation of the project. According to article 165 of the Commission Regulation (EC) no 2342/2002 (Implementing rules of the Financial Regulation), profit shall be defined as a surplus of receipts over the costs of the action in question when the request is made for final payment of a grant for an action. Lump-sums and flat-rate financing should be established in such a way as to exclude a priori a profit

3. they have been guilty of grave professional misconduct proven by any means which the Contracting Authority can justify;
4. they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Contracting Authority or those of the country where the contract is to be performed;
5. they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the Communities' financial interests;
6. they are currently subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation.

The cases referred to in point (5) applicable are the following:

- a. cases of fraud as referred to in Article 1 of the Convention on the protection of the European Communities' financial interests drawn up by the Council Act of 26 July 1995;
- b. cases of corruption as referred to in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member states of the European Union, drawn up by the Council Act of 26 May 1997;
- c. cases of participation in a criminal organization, as defined in Article 2(1) of Joint Action 98/733/JHA of the Council;
- d. cases of money laundering as defined in Article 1 of Council Directive 91/308/EEC.

Grant applicants and, if they are legal entities, persons who have powers of representation, decision-making or control over them, are informed that, should they be in one of the situations mentioned in:

- the Commission Decision (2008/969/EC, Euratom) of 16 December 2008 on the Early Warning System (EWS) for the use of authorising officers of the Commission and the executive agencies (0.1, L 344, 20.12.2008, p.125) or
- the Commission Regulation (2008/1302/EC, Euratom) of 17 December 2008 on the central exclusion database — CED (OJ L 344, 20.12.2008, p.12), their personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the EWS only or both in the EWS and CED, and communicated to the persons and entities listed in the above-mentioned Decision and Regulation, in relation to the award or the execution of a procurement contract or a grant agreement or decision.

5.2 Public Procurement

If the implementation of an Action requires procurement by the IPA partner, the procurement for IPA grants shall follow the provisions of Annex IV to the PRAG standard grant contract.

The external aid rules for public procurement are also available on the Internet address http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

In case of missing or wrong application of procurement rules in the context of European Union external actions, the Contracting Authority(ies) will reserve the right to reduce or cancel the funds assigned to the project.

Furthermore the IPA Partner should take note of the provision contained in Article 1 (General Obligations) of the General Conditions applicable to European Union-financed grant contracts for external actions (Annex II to the PRAG standard grant contract), which reads: *"The Beneficiary [...] may subcontract a limited portion of the Action. The bulk of the Action must, however, be undertaken by the Beneficiary and, where applicable, his partners."*

5.3 National contribution

The co-financing rate for IPA contracts will be up to 85%, meaning that no grant may exceed 85 % of the total eligible costs of the action. The balance (minimum 15%) must be financed from the applicant's or partners' own resources, or from sources other than the European Community budget or the European Development Fund.

5.4 Eligibility of expenditure

Only "eligible costs" can be taken into account for an IPA grant. The categories of costs considered as eligible and non-eligible are indicated below.

The eligible costs:

Eligible costs are costs actually incurred by the beneficiary of the IPA grant which meet all the following criteria:

- They are incurred during the implementation of the action as specified in Article 2 of the Special Conditions of standard grant contracts, with the exception of costs relating to final reports, expenditure verification and evaluation of the action, whatever the time of actual disbursement by the Beneficiary and/or its partners.
- must be indicated in the estimated overall budget of the action,
- must be necessary for the implementation of the action which is the subject of the grant,
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary,
- must be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

Eligible direct costs:

- the cost of staff assigned to the Action, The costs should correspond to actual gross salaries and include social security charges and other remuneration-related costs, salaries and costs

must not exceed those normally borne by the Beneficiary or its partners, as the case may be, unless it is justified by showing that it is essential to carry out the action

- travel and subsistence costs for staff and other persons taking part in the Action, provided they do not exceed those normally borne by the Beneficiary or its partners, as the case may be. This refers to partners' participation in meetings, seminars, conferences and other similar activities, closely related to the project, taking place in the Programme area and, if applicable, outside the Programme area but inside the EU;
- purchase costs of supplies and new equipment and rental costs for equipment and supplies specifically for the purposes of the Action, and costs of services, provided they correspond to market rates;
- cost of consumables;
- subcontracting expenditure or costs originating from the organisation of seminars, workshops, conferences, fairs or any other public event;
- costs deriving directly from the requirements of the Contract (dissemination of information, evaluation specific to the Action, audits, translation, reproduction, insurance, etc.)
- value added taxes, if the following conditions are fulfilled:
 - they are not recoverable by any means;
 - it is established that they are borne by the final beneficiary; and
 - they are clearly identified in the project proposal.
- Charges for trans-national financial transactions;
- where the implementation of an operation requires a separate account or accounts to be opened, the bank charges for opening and administering the accounts;
- legal consultancy fees, notaries fees, costs of technical or financial experts, and accountancy or audit costs, if they are directly linked to the co-financed operation and are necessary for its implementation;
- the cost of guarantees provided by a bank or other financial institutions, to the extent that the guarantees are required by national or Community legislation;
- the purchase of land for an amount up to 10% of the total eligible costs of the Action.

Contingency reserve

A contingency reserve not exceeding 5% of the direct eligible costs may be included in the Budget of the Action. It can only be used with the prior **written authorisation** of the Contracting Authority.

Eligible indirect costs (overheads)

Overheads provided they are based on real costs attributable to the implementation of the operation concerned. Flat-rates based on average costs may not exceed 25% of those direct costs of an operation that can affect the level of overheads. The calculation shall be properly documented and periodically reviewed.

Overheads include costs such as water, gas, electricity, maintenance, insurance, supplies and petty office equipment, postage, administrative service, book-keeping, salary administration, postal / telephone services, copying and centralized computer support, IT, etc.

These costs are considered “indirect” costs since they are not directly linked to performance of the action, but they can be identified and justified by the beneficiary using his accounting system as having been incurred in connection with the eligible direct costs for the action. They may not include any eligible direct costs.

Moreover, **it is possible that some costs can be considered either direct costs or indirect costs, but in any case no cost can be taken into account twice, as a direct cost and an indirect cost!**

How to apply overheads⁶

There are two methods how to apply overheads. Please read carefully.

The overhead costs shall be declared either on the basis of real costs (justified with all the supporting documents), or on a flat-rate basis (with no supporting documents / no justification needed), in both cases up to the limitation set up by the IPA Programme (ref. article 89.3.f of the Commission Regulation 718/2007).

1) Overheads directly allocated to the project (real / direct costs)

The IPA project partner shall declare the overhead costs on real costs basis.

In this case, each item declared as overhead cost has to be directly related to the project and justified by invoices or accounting documents having an equivalent probative value.

The list of eligible costs for this method is as follows:

- Electricity, heating, water and other services related to the maintenance of the office (e.g. cleaning);
- Phone, fax, internet, postal costs, courier;
- Stationery, printing, copying;
- Indirect staff costs or services supporting directly the project implementation and proportionally allocated to the project: administrative staff, book-keeping/accounting, salary administration, IT support.

It is also possible to allocate an invoice partially to the project in case it is demonstrated that a part of the expenditure is directly related to the project. In this case the method for distributing the cost

⁶ Staff costs are considered as direct costs of an operation which can affect the level of overheads. Please note that - according to the Practical Guide-Grants Section, E3h_1 Special Conditions, E3h_2 General Conditions (annex II) Article 9 - an amendment of the heading for administrative costs and an increase of the maximum grant referred to in Art. 3.2 of the Special Conditions are excluded.

to the project has to be recorded for each type of expenditure (e.g. the ratio of the number of people working for the project / number of people working in the organisation or department).

2) Overheads allocated proportionally to the project (indirect costs)

If the applicant will make use of an already existing office that operates regardless of the action proposed, but some of the resources of this office would be employed for the purpose of the action, part of the costs of this office can be included in the overhead costs taking into account the proportion of resources used for the purpose of the action compared to the total costs of the office.

This method of calculation is based on flat-rates. The level of the flat-rates **cannot exceed 25% of staff costs (sum of the budget lines 1.1 and 1.2. of the IPA budget)**! The administrative costs determined on a flat-rate basis will be included in the budget line 10 -"Administrative costs".

No further justification or supporting document is needed from the IPA project partner to justify the expenditure.

As said above, the applicant should decide which method to apply. **The combination of the two methods is not allowed.** In case overhead costs are directly allocated to the project (real/direct costs) in the budget heading "*4.Local office*", administrative costs can not be allocated proportionally to the project (flat rates based on average real costs) in budget line "*10.Administrative costs*" of the budget.

The threshold for the administrative costs has to be applied at partner level.

The final version of the IPA budget template is annexed to the Programme Manual

Finally, please note that if the applicant is in receipt of an operating grant financed from the Community budget no indirect costs may be claimed within the proposed budget for the action.

Ineligible costs:

The following expenditure shall not be eligible for Community contribution under this programme:

- taxes, including value added taxes; however value added taxes may exceptionally be eligible, see direct eligible costs above;
- customs and import duties, or any other charges;
- purchase, rent or leasing of land (for the purchase of land see eligible costs above) and existing buildings;
- fines, financial penalties and expenses of litigation;
- operating costs;
- second hand equipment;

- bank charges, costs of guarantees and similar charges (some of these charges can be eligible, please see direct costs above;
- conversion costs, charges and exchange losses associated with any of the component specific euro accounts, as well as other purely financial expenses;
- contributions in kind
- credits to third parties;
- interest on debt;

Civil servants or other public employees of the central, regional and local administrations may participate under this call for proposals but they shall not receive fees for their contribution to the action other than their standard, regular salaries in the respective institution. The salaries of the civil servants or other public employees of the central, regional and local administrations may be presented as co-financing contribution of the IPA partners, including the country leader.

Contributions in kind

Contributions in kind are not considered actual expenditure and are not eligible costs. The contributions in kind shall not be treated as co-financing by the Beneficiaries. The cost of staff assigned to the Action is not a contribution in kind and may be considered as co-financing in the Budget of the Action when paid by the Beneficiaries or their partners.

Contributions involving real estate shall be excluded from the calculation of the amount of co-financing.

Eligibility in time and area

As concerns IPA, grants may, as a rule, only cover costs incurred after the date on which the grant contract is signed. However, according to the provisions of PRAG, chapter 6 “Grants”, section 6.2.8 “Non-retroactivity”, a grant may be awarded for an action which has already begun only where the applicant can demonstrate the need to start the action before the contract is signed (e.g. participation at kick-off meetings, organized by the trans-national LP). In such cases, expenditure incurred, following a request in writing by the IPA Country Lead Partner and the subsequent approval of the relevant Contracting Authority might be eligible.

The costs must be incurred during the implementation of the action as specified in Article 2 of the Special Conditions with the exception of costs relating to final reports, expenditure verification and evaluation of the action, whatever the time of actual disbursement by the Beneficiary and/or its partners.

5.5 Project revenues

The beneficiary accepts that the grant can under no circumstances result in a profit for himself and that it must be limited to the amount required to balance income and expenditure for the Action. Profit shall be defined as, in the case of a grant for an Action, a surplus of receipts over the costs of the Action in question when the request is made for payment of the balance.

Receipts for the purpose of the IPA Regulation include revenue earned by an operation, during the period of its co-financing, from sales, rentals, services, enrolment fees or other equivalent receipts with the exception of:

- a. Receipts generated throughout the economic lifetime of the co-financed investments in the case of investment in firms;
- b. Receipts generated within the framework of a financial engineering measure, including venture capital and loan funds, guarantee funds, leasing;
- c. Where applicable, contributions from the private sector to the co-financing of operations, which shall be shown alongside public contribution in the financial tables of the programme.

Receipts as defined in paragraph 2 of this section represent income which shall be deducted from the amount of eligible expenditure for the operation concerned. No later than the closure of the programme, such receipts shall be deducted from the relevant operation's eligible expenditure in their entirety or pro-rata, depending on whether they were generated entirely or only in part by the co-financed operation.

6 Development and application

6.1 Project application: competitive and strategic calls

As mentioned in section 7.2 of the Operational Programme, different types of calls for project proposals are envisaged for the implementation of the programme:

- **Competitive calls** which are applied as standard procedure for the majority of projects, and
- **Strategic calls**, which are applied only in certain cases.

Different application and selection provisions apply for each type of call, namely:

- Competitive open call for proposals: transnational partnerships from all eligible potential beneficiaries can submit proposals in line with one of the four Priority Axes of the programme. It should be noted that the support of the programme managing and coordinating bodies in the project generation process is limited;
- Targeted call for “strategic projects”: a top-down approach (which means that the project generation is intensively supported and supervised by programme authorities and only selected pre-defined areas of intervention and types of institutions are eligible to apply) is foreseen in order to strengthen and steer the integration process of the SEE territories and structures. This procedure should increase the support for the “strategic projects” generation and development processes.

6.2 Competitive calls

6.2.1 “Two Step” procedure

The open competitive call for proposals, according to paragraph 7.2 of the Operational Programme, can follow one or two step application procedure. In case of “Two step” procedures, two are the relevant phases:

- “*First Step*” is the submission of the Expression of Interest (EoI);
- “*Second Step*” is the submission of the completed Application Form (AF).

In the first step, applicants are requested to submit a EoI based on a reduced form. The EoI presents the objectives of the project, the anticipated budget, the type of activities, their location and the cooperation area covered as well as the planned outputs and results and the structure of the partnership. An overview of the budget has to be provided as well.

Once filled in completely and accurately, the EoI can be uploaded onto the dedicated section of the website. No additional documents will be accepted and/ or considered. Only electronic submission is allowed and only the first version submitted will be taken in to account; any further version of the same project proposal will not be considered as valid and will not be assessed. Once the e-version of the document is submitted no changes are possible.

Once the deadline for submission has expired, the technical assessment of the EoI is carried out by the JTS as indicated in chapter 7. The assessment results are then presented to the MC who decides which EoI is to be invited to submit a full application.

In very limited and specific cases, the applicants are provided with comments on their proposal and furthermore might be asked to amend their proposal (e.g. extending the partnership, merging with other project proposals, changing the geographical scope of the project, etc.). Applicants of rejected proposals are informed about the reason for rejection upon request.

By way of general guidance, the programme recommends that project proposals are already at an advanced stage on EoI submission: project partners already contacted and involved and the overall structure well defined. Only project proposals matching a certain readiness, quality level and responding to the selection criteria can be invited to enter the 2nd step of the application procedure. As meetings are inevitable tools for project preparation, costs of such preparatory events are eligible in case of approval. For details on eligible preparatory costs please check section 4.1.8.

At the opening of the “*Second Step*”, the Application Pack will be available for download on the programme website. The Application Form will be filled in on the Front Office of the IMIS 2007-2013 Monitoring and Information System. Applicants’ Guidelines with detailed technical information for the use of the system will be part of the Application Pack.

The applicant shall submit the following documents, both in the electronic and paper version:

Joint documents:

- the Partnership Agreement signed and stamped by each partner (observers excluded) in **original**. The Partnership Agreement has to include in separate single pages the signature of each partner countersigned by the Lead Applicant;
- the Application Form including the LA Confirmation sheet signed and stamped by the Lead Applicant in **original**;

ERDF PP documents (to be filled in by ERDF partners only)

- the Declaration and co-financing statement signed and stamped by each ERDF partner (including the Lead Applicant and 20% ERDF, if any) in **original**;
- the State Aid declaration signed and stamped by each ERDF partner (including the Lead Applicant and 20% ERDF, if any) in **original**;
- the Data sheet on the Member state responsible body signed and stamped by each 20% ERDF partner (if any) in **original**.

IPA PP documents (to be filled in by IPA partners only)

- the IPA Declaration signed and stamped by **IPA Financial Lead Partner** in **original**;
- the total IPA Budget, signed and stamped, by **IPA Financial Lead Partner** in **original**;
- the Financial Identification Form signed and stamped by **IPA Financial Lead Partner** in **original**;
- the Legal Entity Sheets signed and stamped by **each IPA partner** in **original**, accompanied by the justifying documents which are requested therein.

For public entities:

- a copy of the resolution, law, decree or decision establishing the entity in question, **in copy**;
- or failing that, any other official document attesting to the establishment of the entity by the National Authorities, **in copy**;
- an official VAT document (if applicable), **in copy**;

For private entities:

- a copy of the VAT registration document if applicable and if the VAT number does not appear on the official document referred to at 2 below.
 - A copy of some official document (official gazette, company register etc.) showing the name of the legal entity, the address of the head office and the registration number given to it by the national authorities.
- the statutes or articles of association of **each IPA Partner, in copy**; or, where the applicant and/or (a) partner(s), is a public body created by a law, a copy of the said law must be provided;
 - **each IPA Partner's latest accounts** (the profit and loss account and the balance sheet for the previous financial year for which the accounts have been closed), **in copy**. This obligation does not apply to public bodies (e.g. Ministries).

In case the documents required in original are missing the IPA contract will be rejected automatically. If supporting documents, **in copy**, are missing the IPA Partner will have five working days to submit the requested document (from the moment the notification by the JTS is sent). If he / she does not meet the deadline or does not submit the requested document the IPA application will be rejected.

ASP documents (to be filled in by 10% Partners, Associated EU, Associated 20% and observers – if participating)

- the ASP Declaration signed and stamped by each ASP in **original** (only in case of proposals including ASPs).

For the above mentioned documents, one original and one copy have to be sent to the JTS.

N.B.: Whenever any document is requested "in original" scan copy can not be accepted!

The electronic version of the Application Package has to be uploaded and delivered to the JTS until the deadline. In case of differences the paper version is the binding one.

All packages that will not reach the JTS premises until the deadline will be rejected.

The address is:

SEE Joint Technical Secretariat

in VÁTI Kht.

Gellérthey u. 30-32

H-1016 Budapest, Hungary

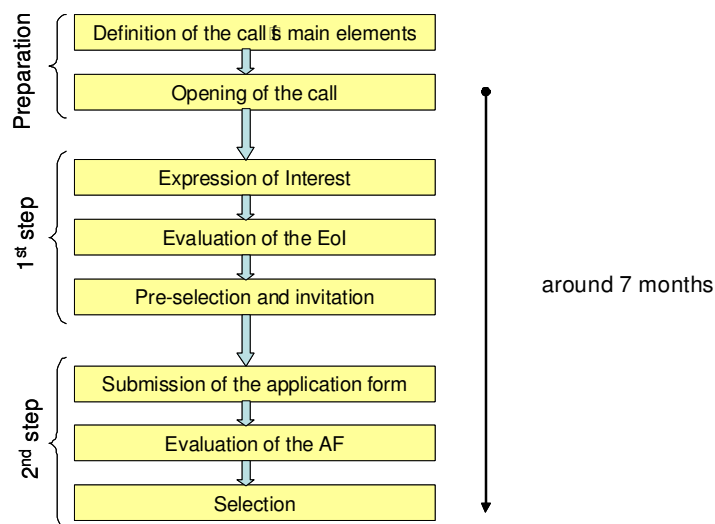
A shortlist ranking the proposals will be prepared which will serve as a basis for considering the project decision by the MC. Rejected projects will be informed about the reasons for rejections upon request. Applicants are free to resubmit their application in the following calls as appropriate.

Approved projects are expected to be ready-to-start after the approval.

All the detailed information on how to fill in the documents for the participation to the call are available in the **Applicants' Guidelines**. The information provided in there have to be considered binding.

During the “*Second Step*” the AF will be evaluated by the JTS and external experts with the support of SCPs. To better align the contents of the proposal and to check the compliance with the relevant national and regional regulations, it is highly recommended that the applicants get in contact with the SCP of their country.

Figure 2: Application Steps



Development of both the EoI and subsequently the AF is normally coordinated by the applicant. Nevertheless, the proper involvement of project partners should be included and valued. A good understanding of the content and project management arrangements included in the EoI by all Project Partners is a key factor in a successful transnational project. Indeed this level of cooperation is already expected at this stage.

7 Assessment and selection

7.1 The selection procedures and selection criteria

This paragraph illustrates clearly and transparently the project selection system. This system is made public in order to make all stakeholders and project partners aware of the selection procedures and criteria before preparing their applications. Hence they can develop high quality proposals and assist the programme to reach its aims of realising high quality, result-oriented transnational projects relevant to the programme area.

Regulation (EC) 1080/2006, article 19 provides a basic set of project selection criteria for all ERDF funded territorial cooperation programmes. The SEE Operational Programme further specifies project implementation principles (section 4.2) and project development and selection standards (section 7.2). Hence the present SEE PM project selection criteria follow the same logic and visualise to the applicant the principles they should take into account when developing their project idea.

7.2 The selection process within the “Two steps” procedure

7.2.1 The “First Step”

The aim of the “*First Step*” is to allow the Programme bodies and applicants to focus on the quality of the “partnership” and “contents” of the project proposals, reducing to the minimum the administrative burdens necessary for participating to the call. The overall procedure is based on a sense of trust toward the Lead Applicant who is submitting the project proposal as most of the verification on the documents is left to the “*Second Step*”.

In course of the selection process, during the “*First Step*”, two different sets of criteria are applied to come to the decision of approving an application:

- the **eligibility criteria**;
- the **quality criteria**.

The **eligibility check** is aimed at confirming that a submitted proposal has been uploaded within the set deadline and that the minimum requirements for proposals have met (e.g. the structure of the transnational partnership, the general compatibility with the programme objectives and principles, etc.). At this stage, eligibility criteria can be answered with a “Yes” or “No” and are not open to interpretation. Proposals, which do not fulfil the eligibility criteria, are not progressed to the next check phase.

The eligibility check is carried out by the JTS that is supported by the SCPs for the verification of the eligibility of the Lead Applicant.

Eligibility

	Eligibility check	How to assess? Method	Consequence on failure	Who is checking
1	Timely submission	Electronic submission within the deadline	Rejection of the proposal	JTS
2	Project fulfils minimum requirements for transnational partnerships	Minimum three financing partners (ERDF/IPA) located within the SEE eligible area of three different partner states, of which at least one shall be a Member state	Rejection of the proposal	JTS
3	Project complies in general with the <i>Priority</i> , the <i>Area of Intervention</i> and the specifications included the <i>Call for Proposals announcement</i>	Project proposal addresses clearly one of the Priority Axes of the OP. The project complies with the goals of the programme and Aol (<i>fully open</i> or <i>focused</i> according to the respective Call for Proposals Announcement)	Rejection of the proposal	JTS
4	Lead Applicant is eligible	Lead Applicant is eligible according to the eligibility rules set out in the OP, the SEE PM and the respective Call for Proposals Announcement. Its eligibility is confirmed at national level (SCP)	Rejection of the proposal	JTS/SCP

The **quality check** forms the basis for an assessment of the application with the aim of bringing the projects into a certain ranking for selection. Quality criteria are supplementary grouped into two categories: 1) Quality of the transnational partnership and 2) Quality of the content.

Each criteria group (“Partnership” and “Content”) is assessed on basis of sub-criteria with each being scored from 0 (not present / missing) to 5 (very good). Due to the high relevance of the budget, the weight of the score of sub-criteria 2.4 is doubled.

Score	Significance
0	None
1	Very poor
2	Poor
3	Fair
4	Good
5	Very Good

In the following tables the sub-criteria to assess “*partnership*” and “*content*” are illustrated. The sub-criteria are defined using a set of questions to be answered by the assessor. Due to the complex requirements of transnational projects, these questions can not be answered with a “yes” or “no” response, as in the phase on eligibility check. The assessor must assess to what extent the questions are applicable to the specific proposal and if they are satisfactorily answered by the applicant and then give an overall assessment score.

Quality

Sub-criteria	Questions with related guiding questions	Score
	PARTNERSHIP	
1.1 Composition of transnational partnership	Is the partnership composition well justified and able to contribute in a balanced manner to the implementation of the transnational co-operation project?	5 points
	Are types of territories/regions represented by the partners meaningful in respect to the project topic?	
	Is the size of the partnership appropriate for the project topic and for implementing the activities and achieving the objectives?	
	Is the partnership balanced and not overly dominated by one partner/country (in terms of number of partners and budget)?	
1.2 Quality of transnational co-operation	Do beneficiaries have the sufficient institutional and technical capacity to achieve the projects aims?	5 points
	Are key actors involved in the partnership and addressed in a meaningful way? Is their involvement in relevant networks at national and European level bringing a further value to their participation in the project?	
	Is the partnership representing the appropriate vertical and horizontal linkages in relation to the project topic? Is the partners role well explained and in line with their competences?	
	Are all partners involved in the transnational activities of the project in a balanced way?	
	Maximum total score	10 points

Sub-criteria	Questions with related guiding questions	Score
	CONTENTS	
2.1 Project's contribution to the overall objectives of the Programme and to EU principles, the Priority Axes and Aol	To what extent is the project expected to provide a significant contribution to the overall objectives of the programme?	5 points
	Has the project a clear transnational dimension and transnational impact (no mere addition of local actions)?	
	Will the achievement of the project objectives (outcomes) clearly contribute to the selected Aol and therefore the related Priority Axis? In case of Priority 2.2, 2.3 and 2.4 is the proposal in line with the focus as defined in the <i>call announcement</i> and the <i>SEE PM</i> ?	
	Does the project implement priorities already agreed in different papers/strategies/international agreements?	
	Is there evidence that the project proposal is consistent with the EU and Programme strategy? (Cohesion Policy)	
2.2 Quality of work plan and description of activities	Is the project's conceptual approach and work plan well designed and realistic?	5 points
	Is there a clear and logical link between the problems, objectives, resources, activities, outputs and results?	
	Has the present situation (status quo) related to the project context been thoroughly described and is the proposal addressing this situation? (status quo, should include analysis of the present with a consideration of relevant linked past activities along with planned future activities)	
	Are the described activities detailed (how, where, when and by whom they will be undertaken) and relevant?	

2.3 Concreteness and usability of the projects deliverables	Are the projects deliverables clearly defined and are the assumptions on their use realistic?	5 points
	Do the outputs and the expected results are realistic, concrete, innovative and useful?	
	Are the target groups/stakeholders clearly defined?	
	Does the project show adequate and realistic provisions for the uptake of deliverables from the target groups/stakeholders?	
	Are the plans for sustainability and transferability of the project's results clearly outlined and realistic?	
2.4 Value for money	Does the amount of the grant being requested represent value for money?	10 points
	Is the budget logically distributed between work packages?	
	Is the budget reasonable compared to the number of partners involved? Are the partner's budgets coherent with the role of partners in each WP?	
2.5 Synergies with other policies, programmes and projects	Are there synergies and / or complementarities with other territorial cooperation projects or other EU funded policies and programmes?	5 points
	Does the proposal have synergies with ongoing projects (if relevant) carried out under this or other EU-funded programmes?	
	Does the project make reasonable provisions for interaction with relevant actors, institutions and/ or existing networks to ensure the coordination of activities with other topic related projects and initiatives and to allow the highest visibility to the project and Programme?	
	Is the capitalization of results specific and relevant or the innovative character of the project in relation to past project clearly explained, avoiding risk of duplication of existing work?	
	Maximum total score	30 points

The overall score will be calculated as an average of the score related to the quality of partnership (weighted 45%) and quality of contents (weighted 55%).

The decision of the Monitoring Committee is twofold:

- invitation to the second step:** the proposal is considered matching a certain readiness and quality level and responding to the selection criteria. If the proposal is considered worth to be further developed under specific recommendations, these are included in the notification letter to the Lead Applicant;
- rejection:** the proposal is considered not matching a certain readiness and quality level and responding to the selection criteria.

Applicants are informed of the results of each criteria check after the endorsement by the MC of the JTS findings.

7.2.2 The “Second Step”

Formal check

The Formal Check aims at confirming to the applicant that their proposal has arrived within the set deadline and that the Application Form is complete and conforms to the requirements. This check will be carried out by the JTS.

The failure to meet the formal requirements leads to the rejection of the proposal or to the rejection of the partner which document is related to. In case more than two financing partners (ERDF or IPA) are rejected due to formal failure, the overall proposal is rejected. In case of failure related to Lead Applicant's documents, the proposal is rejected.

Tab. 1: 1. Phase Formal Check

Formal criteria	How to assess? Method	Consequence on failure	Who is checking?
Timely submission	Submission within deadline: - electronic version submitted by the deadline; - arrival of the package within the given deadline.	Rejection of the proposal	JTS
Completeness of submitted joint documents (Partnership Agreement)	All the financing partners (ERDF and IPA) and ASPs (observers excluded) have signed and stamped the Partnership Agreement according to the template given by the programme	Rejection of the proposal	JTS
	The LP has countersigned each page containing the signatures of the PPs	Rejection of the proposal	JTS
	Stamps and signatures are in original (no scan copies). For the PP signature pages, the page can be a fax (<u>not a scan</u>) but the LP countersignature has to be offered and stamped in original	Rejection of the proposal	JTS
Completeness of submitted joint documents (Application Form)	It is filled in all its parts	Rejection of the proposal	JTS
	The LP confirmation sheet is signed and stamped by the LP in original	Rejection of the proposal	JTS
Completeness of submitted ERDF partner documents (Declaration and co-financing statement)	It is in original (no scan)	Rejection of ERDF partner (in case of LP rejection of the proposal)	JTS
	It is stamped and signed	Rejection of ERDF partner (in case of LP rejection of the proposal)	JTS
Completeness of submitted ERDF partner documents (the State Aid declaration)	It is in original (no scan)	Rejection of ERDF partner (in case of LP rejection of the proposal)	JTS
	It is stamped and signed	Rejection of ERDF partner (in case of LP rejection of the proposal)	JTS

Formal criteria	How to assess? Method	Consequence on failure	Who is checking?
Submission of the Data sheet on the Member state responsible body signed and stamped by 20% ERDF Partner	It is in original (no scan)	Rejection of 20% ERDF partner	JTS
	It is stamped and signed	Rejection of 20% ERDF partner	JTS
Submission of the IPA Declaration signed and stamped by IPA Financial Lead Partner in original	Document submitted	Rejection of IPA contract	JTS
Submission of the IPA Legal Entity Sheets signed and stamped in original	Document submitted	Rejection of IPA contract	JTS
Submission of the IPA Financial Identification Form signed and stamped in original	Document submitted	Rejection of IPA contract	JTS
Submission of the IPA Budget in original	Document submitted	Rejection of IPA contract	JTS
Submission of the Associated Strategic Partner Declaration signed and stamped in original	It is in original (no scan)	Rejection of ASP	JTS
	It is stamped and signed	Rejection of ASP	JTS

Eligibility check

Eligibility criteria are of “knock-out nature” and should be clearly answered with a **YES or NO** as to a large extent they are not subject to interpretation.

This phase will be carried out by the JTS and assisted by the SCPs. In case of IPA PPs the eligibility check will be undertaken by SCPs.

The failure to meet the eligibility requirements leads to the rejection of the proposal or to the rejection of the partner which eligibility problem is related to. In case more than two financing partners (either ERDF or IPA) are not eligible or are rejected for other eligibility reasons, the full proposal is considered as not eligible.

Tab. 2: Eligibility Check

Eligibility criteria – proposal level	Description	Consequence on failure	Who is checking?
Lead Applicant is the same as in the EoI	Lead Applicant is the same as in the EoI	Rejection of the proposal	JTS
Financing partners (ERDF/IPA) cooperate jointly	ERDF/IPA partners cooperate in at least two of the following ways: joint development, joint implementation, joint staffing and joint financing (according Art. 19 ERDF Regulation). <ul style="list-style-type: none"> Joint development of the project: project and application should be jointly developed and agreed on by the partnership. Joint implementation: every partner should play an active role in the project implementation; activities are carried out and coordinated by all beneficiaries (not just run parallel). Joint staffing: there should be a joint core project staff to co-ordinate and manage activities and tasks. Joint financing: the joint project budget should show the commitment by each beneficiary to the joint project. 	Rejection of the proposal	JTS
The proposal is not against horizontal policies	The horizontal policies on sustainable development and equal opportunities have been taken into consideration in a neutral or positive way	Rejection of the proposal	JTS
The core original partnership is kept	Not more than two financing partners (ERDF or IPA) are missing in comparison to the original EoI (if not differently allowed by any MC recommendation)	Rejection of the proposal	JTS
The ERDF budget requested is not radically increased than the original in the EoI	Increase has to be limited up to 3% of the overall ERDF budget requested (if not differently allowed by any MC recommendation)	Rejection of the proposal	JTS

Eligibility criteria – partner level	Description	Consequence on failure	Who is checking?
Financing partners (ERDF/IPA) and ASPs (excluded observers) are eligible	Financing partners (ERDF and IPA) and ASPs (observers excluded) of the project are eligible according to the eligibility rules set out in the Operational Programme, the Programme Manual and the respective call for proposals	Rejection of ERDF Partner / IPA Contract / ASP	SCPs
ERDF partners have secured public co-financing	Own/national financial means are available and secured from public sources by the ERDF partners in the appropriate forms (Signed declaration and co-financing Statement)	Rejection of ERDF Partner	SCPs
Requested IPA grant is within the fixed thresholds	The IPA requested grant is between the eligible minimum and maximum amounts as identified in the respective call for proposals (if and where applicable)	Rejection of IPA Contract	JTS
The need for the involvement of 10% Partner is demonstrated	The need for the involvement of 10% Partners for the implementation of the project and the achievements of its objectives is clearly demonstrated	Rejection of 10% Partner	JTS

Eligibility criteria – partner level	Description	Consequence on failure	Who is checking?
In instance of 10% Partner participation, the benefit for the EU territory is demonstrated	The benefit is demonstrated	Rejection of 10% Partner	JTS
The need for the involvement of 20% (either ERDF or ASP) Partner is demonstrated	The need for the involvement of 20% (either ERDF or ASP) partner for the implementation of the project and the achievements of its objectives is clearly demonstrated	Rejection of 20% Partner	JTS
In instance of 20% ERDF Partner or EU Associated 20% participation, the benefit of the Programme area is demonstrated	The benefit is demonstrated	Rejection of 20% Partner	JTS

7.2.3 Phase 3: Quality Check

The purpose of the quality criteria is to assess the quality of the eligible project proposals. Quality criteria are closely linked to the nature and objectives of the SEE OP and are common to all Priority Axes or Areas of Intervention. This phase will be conducted by the JTS under the supervision of the Monitoring Committee according to the specifications of the SEE OP (sections 7.1.1 and 7.1.2).

The assessment is based on an assessment matrix with the following criteria groups:

- 1. Quality of Transnational Partnership**
- 2. Quality of Content**

Each criteria group (“Partnership” and “Content”) is assessed on basis of sub-criteria with each being scored from 0 (not present / missing) to 5 (very good). Due to the high relevance of the budget, the weight of the score of sub-criteria 2.5 is doubled.

Score	Significance
0	None
1	Very poor
2	Poor
3	Fair
4	Good
5	Very Good

Tab. 3: Sub-criteria to assess the **Quality of Transnational Partnerships** (four sub-criteria)

Sub-criteria	Questions with related guiding questions	Score
	PARTNERSHIP	
1.1 Composition of transnational partnership	Is the partnership composition well justified and able to contribute in a balanced manner to the implementation of the transnational co-operation project?	5 points
	Are types of territories/regions represented by the partners meaningful in respect to the project topic?	
	Is the size of the partnership appropriate for the project topic and for implementing the activities and achieving the objectives?	
	Is the partnership balanced and not overly dominated by one partner/country (in terms of number of partners and budget)?	
1.2 Quality of transnational co-operation	Do beneficiaries have the sufficient institutional and technical capacity to achieve the projects aims?	5 points
	Does the partnership have proven experience and competence in the thematic field concerned (reference projects) to achieve the envisaged outputs and expected results?	
	Are key actors involved in the partnership or addressed in a meaningful way? The response should include vertical and horizontal linkages as appropriate.	
	Is the role of the partners detailed, balanced and adequate for achieving the aims of the proposal?	
	Are all partners involved in transnational activities in a balanced way according to the project topic?	
	In instances of observer participation, is there a clear relevance to their involvement <i>vis a vis</i> the project topic?	
1.3 Project management and coordination	Is the transparency and efficiency of project management and coordination secured?	5 points
	Are the project's operational and management structures well organised and controlled by the partnership?	
	Has the Lead Partner demonstrated that it will have sufficient resources to manage and deliver the project (human resources, equipment, premises etc.)?	
	Does the application include details of risk management provision and plans for change if required?	
	Is the Lead Partner experienced in complex project management and capable of managing the transnational partnership? Has the project team of the Lead Partner participated in at least one successful territorial cooperation project as a partner?	
	Is there evidence that partners have some experience in transnational partnership? (does not need to be all partners)	

1.4 Internal and external communication / dissemination, know-ledge management	Are internal and external communication / dissemination and knowledge management clearly addressed?	5 points
	Are the communication activities coherently integrated in the overall project strategy? (e.g. clear communication plan outlining the main objectives, etc.).	
	Does the partnership ensure proper dissemination of information and knowledge transfer between the partners? e.g.: provides measures to consolidate, categorise, and disseminate existing research, expertise and best practices through peer-to-peer learning, transfers and cooperation; promotes and uses tools for knowledge transfer (intranets; common databases via the Internet)	
	Does the partnership plan to develop and consolidate networking resources? (e.g.: is the partnership sufficiently embedded in relevant networks and associations in the Partner states and internationally?)	
	Are the proposed information and dissemination activities able to achieve visibility among relevant target groups? (E.g. the target groups relevant clearly defined and cover the entire project area. The general approach towards each group is described through relevant channels, tailored activities, etc.)	
	Does the project makes provisions for feedback mechanisms and evaluation measures for the communication activities?	
Maximum total score		20 points

Tab. 4: Sub-criteria to assess the **Quality of Content** (six sub-criteria)

Sub-criteria	Questions with related guiding questions	Score
CONTENTS		
2.1 Project's contribution to the overall objectives of the programme and to EU principles	To what extent is the project expected to provide a significant contribution to the overall objectives of the programme?	5 points
	Has the project a clear transnational dimension and transnational impact (no mere addition of local actions)?	
	Is the project clearly contributing to the territorial and/or economic and/or social integration process in the programme area through facilitation innovation, entrepreneurship, knowledge economy and information society and / or to improve the attractiveness of regions and cities taking into account physical and knowledge accessibility and environmental quality?	
	Is the project clearly contributing to the promotion of sustainable development?	
	Is the project clearly contributing to the promotion of equal opportunities and non-discrimination?	
2.2 Project's specific contribution to the Priority Axes and Areas of Intervention of the programme	To what extent is the project expected to provide a significant contribution to Priority Axes and Areas of Intervention of the programme?	5 points
	Will the achievement of the project objectives (outcomes) clearly contribute to the selected AoI and therefore the related Priority Axis? In case of AoI 2.2, 2.3 and 2.4 is the proposal in line with the focus as defined in the <i>call announcement</i> and the <i>SEE PM</i> ?	
	Has the present situation (status quo) related to the project context been thoroughly described and is the proposal addressing this situation? (status quo, should include analysis of the present with a consideration of relevant linked past activities along with planned future activities)	
	Does the project implement priorities already agreed in different papers/strategies/international agreements?	

2.3 Quality of work plan and description of activities	Is the project's conceptual approach and work plan well designed and realistic?	5 points
	Is there a clear and logical link between the problems, objectives, resources, activities outputs and results?	
	Are the described activities detailed (how, where, when and by whom they will be undertaken) and relevant?	
	Does the project include balanced activities at appropriate levels (national, regional and local), if relevant?	
	Is the time plan realistic and have any potential difficulties and delays been correctly assessed?	
2.4 Concreteness and usability of the projects deliverables	Are the projects deliverables clearly defined and are the assumptions on their use realistic?	5 points
	Do the outputs and the expected results are realistic, concrete, innovative and useful?	
	Are the target groups/stakeholders clearly defined?	
	Does the project show adequate and realistic provisions for the uptake of deliverables from the target groups/stakeholders and does it include follow-up activities after delivery?	
	Are the indicators proposed appropriate to assess the progress of the project	
	Are the transferability and the three dimensions of sustainability of the project's results clearly outlined and realistic?	
2.5 Value for money	Does the amount of the grant being requested represent value for money?	10 points
	Is the budget allocated to each project activities justified and correctly quantified in relation with the proposed project activities?	
	Is the budget logically distributed between work packages and budget lines? Is there coherence between the budget allocated to budget lines and the activities of each WP?	
	Are the partner's budgets coherent with the role of partners in project activities for each WP?	
	Are spending forecasts realistic and appropriately timed for the project?	
	Is the budget allocated to management and coordination tasks reasonable?	
	Is the budget allocated to external expertise reasonable?	
	If investments are foreseen, are these costs justified and consistent with the overall aim of the proposal?	
	If equipment costs are budgeted, are these costs detailed in the application and consistent with the overall aim of the proposal?	
2.6 Synergies with other policies, programmes and projects	Are there synergies and / or complementarities with other territorial cooperation projects or other EU funded policies and programmes?	5 points
	Does the proposal take into consideration the capitalisation of the results of previous INTERREG projects? Is it described in detailed and not just a simple listing?	
	Does the proposal have synergies with ongoing projects (if relevant) carried out under this or other EU-funded programmes?	
	Does the project make reasonable provisions for interaction with relevant actors to ensure the coordination of activities with other EU funded programmes and initiatives?	
	Is there sufficient reference to the innovative character of the project avoiding duplication of existing work?	
	Is there evidence that the SEE transnational cooperation programme is the most appropriate one? Is there enough evidence of the value added stemming from the use of SEE, both for addressing/tackling the issue and for the Programme area?	
	Maximum total score	35 points

The overall score will be calculated as an average of the score related to the quality of partnership (weighted 45%) and quality of contents (weighted 55%).

Applications receiving a minimum 75% of average score between quality of transnational partnership and the quality of content criteria will be recommended by the JTS for immediate selection by the Monitoring Committee.

Applications receiving between 60% and 75% of average score between quality of transnational partnership and the quality of content criteria will need further discussions and a final decision will be taken by the Monitoring Committee.

Applications receiving less than 60% of average score between quality of transnational partnership and the quality of content criteria will be recommended by the JTS for immediate rejection.

The decision of the Monitoring Committee is threefold:

- a) **approval:** the proposal is considered ready to start, fulfilling the requested quality level and responding to the selection criteria;
- b) **approval under condition:** the proposal is considered worth to be approved if the Lead Partner or one Project Partner satisfies specific conditions within a given deadline;
- c) **rejection:** the proposal is considered not matching a certain readiness and quality level and responding to the selection criteria.

In case of approval under condition the conditions are communicated to the LA in the letter informing on the decision of the MC and setting a deadline for conditions fulfilment.

In case one project proposal is approved but the IPA funding requested and available is exhausted for one or more IPA Partners, the AF is approved under condition that the partnership revises the envisaged project activities, the contribution of partners and the relevant parts of the project budget:

- 1) without requesting additional ERDF contribution;
- 2) respecting the eligibility criterion *"The core original partnership is kept"* involving the Partners by mean of own financial support or as ASPs;
- 3) ensuring the achievement of all expected outputs and results described in the approved AF.

Applicants are informed of the results of each criteria check after the endorsement by the MC of the JTS findings.

Annex 1: Presentation of the Priority Axes and corresponding Areas of Intervention

Summarized descriptions, based on the approved SEE OP, are elaborated for every Area of Intervention of the four Priority Axes (Innovation, Environment, Accessibility, Sustainable Growth Areas) in the SEE OP.

The purpose of the summarized description is to provide potential applicants with details in a concise form about the respective Areas of Intervention, the Operational Objective pursued and indications and suggestions for developing their project idea into a full fledged proposal.

The summarized description is completed by a number of practical project examples, which illustrate the aforementioned elements of each Area of Intervention.

It should be noted that the EU co-financing rate for the four Priority Axes is 85%. Applicants should also be aware that State Aid Rules should be respected in all cases.

Tab. 5: Priority Axes and Areas of Intervention (Aol)

Priority Axis 1 Facilitation of innovation and entrepreneurship	Priority Axis 2 Protection and improvement of the environment	Priority Axis 3 Improvement of the accessibility	Priority Axis 4 Development of transnational synergies for sustainable growth areas	Priority Axis 5 Technical assistance to support implementation and capacity building
Aol 1.1 Develop technology & innovation networks in specific fields (CLOSED)	Aol 2.1 Improve integrated water management and flood risk prevention (CLOSED)	Aol 3.1 Improve co-ordination in promoting, planning and operation for primary & secondary transportation networks	Aol 4.1 Tackle crucial problems affecting metropolitan areas and regional systems of settlements (CLOSED)	Aol 5.1 Secure the core management for the implementation of the programme
Aol 1.2 Develop the enabling environment for innovative entrepreneurship (CLOSED)	Aol 2.2 Improve prevention of environmental risks (OPEN FOCUSED)	Aol 3.2 Develop strategies to tackle the "digital divide"	Aol 4.2 Promote a balanced pattern of attractive and accessible growth areas (CLOSED)	Aol 5.2 Implement accompanying activities (...)
Aol 1.3 Enhance the framework conditions and pave the way for innovation	Aol 2.3 Promote co-operation in management of natural assets and protected areas (OPEN FOCUSED)	Aol 3.3 Improve framework conditions for multi-modal platforms	Aol 4.3 Promote the use of cultural values for development	
	Aol 2.4 Promote energy and resource efficiency (OPEN FOCUSED)			

Priority Axis 1: Facilitation of innovation and entrepreneurship

The specific objective of Priority Axis 1 is to facilitate innovation, entrepreneurship, the knowledge economy and to enhance integration and economic relations in the cooperation area. Priority Axis 1 shall contribute specifically to the future development of South East Europe as a place of innovation, contributing indirectly to the economic growth and employment in the technology sector.

This Priority Axis seeks in particular to achieve three operational objectives and will support transnational partnerships and action that contribute to:

1. **Develop technology and innovation networks in specific fields** (fostering networking and technological cooperation in specific technology fields e.g. advanced engineering, Information and Communication Technologies)
2. **Develop the enabling environment for innovative entrepreneurship** (addressing structural deficits especially in the SME sector)
3. **Enhance the framework conditions and pave the way for innovation** (strengthening the enabling innovation environment at the governance level and promotion of public awareness for innovation).

Potential Project Partners and stakeholders in the facilitation of innovation and entrepreneurship are all national, regional, local decision-makers and bodies in the fields of education, research, knowledge-transfer, technology, labour-market and regional development, such as local and regional public authorities, regional development agencies, chambers of commerce, SMEs, universities, tertiary education, associations, technology transfer institutions, R&TD facilities, research institutions, regional international centres of R&TD excellence; regional innovation agencies, incubator houses; education and training centres, labour market services, social partners, employers' associations, trade unions, as well as all population groups which are affected by the Areas of Intervention concerned.

The Areas of Intervention (AoI) are defined in detail in the following descriptions.

AoI 1.1: Develop technology and innovation networks in specific fields

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AoI 1.2: Develop the enabling environment for innovative entrepreneurship

Closed for the 2nd CfP

AoI 1.3: Enhance the framework conditions and pave the way for innovation

Purpose

The purpose of this AoI is primarily to set up exchange and coordination mechanisms for research, technology and innovation approaches and policies (governance aspect) and to increase public

awareness on the importance of technological progress and innovation developed through transnational actions in the area (awareness aspect).

The governance aspect

Strengthening the capacity of institutions and of the society for innovation is a critical component of overall innovation performance. Missing or lacking (national) innovation strategies are a main characteristic of the programme area's innovation capacity. Whilst there has been in the best case, attention focused on national and regional levels of innovation systems, the programme is also seeking to encourage a "transnational innovation system" for South East Europe. Transnational cooperation is considered to be a suitable means to develop the institutional framework to facilitate and foster innovation and to create an innovation friendly environment by coordinated action in the programme area (innovative milieu, new forms of institutional governance). This could be developed by taking into account the experiences from existing good practice in "Regional Innovation Strategies" from the EU's Innovative Action Programmes.

The awareness aspect

A modern system of promoting innovation requires the understanding of a majority of citizens. The image and success of technology locations also depends on the extent that the general social climate for new developments is open minded. In a society, which positively faces the "new", innovative ideas will more easily become generally accepted; this will be attractive for researchers and enterprises. As regards the long term impact of interventions, special attention should be paid to young people, especially in conjunction with educational schemes.

Activities should support the image formation of South East Europe as a place of innovation and growth, encourage young people to develop entrepreneurial spirit, mobilise existing institutions in contacting and communicating with the population, wake enthusiasm for scientific education, tackle information lacks in the area of technology and innovation, diminish fears concerning new technologies. Special attention should be paid to gender issues to increase the participation of women in technology and innovation.

Eligible activities

Projects could include activities such as networking and exchange of information activities (not stand alone purely networking activities, as these will NOT be supported), studies and operational plans, capacity building activities, promotion actions, set up of services, preparation and conduction of investments proposed by transnational strategic concepts, including infrastructure investment if appropriate and justifiable. It is the task of each project applicant and each proposed intervention to present an adequate activity mix, which will produce visible outputs, assure the fulfilment of the proposed project objectives and contribute to the programme objectives.

Target groups and/ or indicative potential beneficiaries

Preference should be given to:

- Universities, higher education institutions, research centres, scientific institutions, colleges, tertiary education institutions
- Regional and local development agencies focused on technology and innovation;
- National, regional and local authorities;

- Chambers of commerce, collective business support actors;
- Non governmental organisations / public like organisations

It is the task of each project applicant and each proposed intervention to present an adequate partnership, which will produce visible outputs, assure the fulfilment of the proposed project objectives and contribute to the programme objectives.

Examples of (multilevel) activities within transnational partnerships that can be supported under this Area of Intervention:

- Setting up exchange and coordination mechanisms for research, technology and innovation approaches and policies across South East Europe between key players of the innovation system (including exchange schemes);
- Improving the common governance at regional and local level with respect to innovative entrepreneurship. Activities can support the development of “innovation management”, “innovation support” and “innovation governance” through analysis and monitoring of innovation performance and the development and coordination of innovation policy
- Networking between regions sharing an interest in a specific economic field /sector, aimed at strengthening the economic profile of respective regions
- Promoting the image formation of South East Europe as a place of innovation and growth. Actions should maximise the use of ICT where appropriate
- Mobilising existing institutions (e.g. research institutes, education centres, media) in contacting and communicating with citizen to promote innovation. Actions should maximise the use of ICT where appropriate
- Using ICT tools of the evolving information society to encouraging young people to develop entrepreneurial spirit and wake enthusiasm for scientific education (e.g. open labs for pupils accessible by ICT)
- Taking the chance to explain and experiment with the potential of Environmental Technologies Innovation.

Categories (codes for the priority theme dimension) according to Annex II Implementation Regulation (EC) 1828/2006, matching the Aol

<i>Improving human capital</i>	74	Developing human potential in the field of research and innovation, in particular through post-graduate studies and training of researchers, and networking activities between universities, research centres and businesses
<i>Strengthening institutional capacity at national, regional and local level</i>	81	Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes.
<i>Information society</i>	11	Information and communication technologies (access, security, interoperability, risk-prevention, research, innovation, e-content, etc.)
<i>Information society</i>	13	Services and applications for the citizen (e-health, e-government, e-learning, e-inclusion, etc.)

Priority Axis 2: Protection and improvement of the environment

The specific objective of Priority Axis 2 is to override the constraints imposed by national barriers, to foresee future environmental threats and opportunities and to develop common transnational action for the protection of nature and humans.

This Priority Axis seeks in particular to achieve four operational objectives and will support transnational partnerships and action that:

1. **Improve integrated water management and flood risk prevention** (development of transnational structures and systems/tools for an integrated management of water resources and flood risk prevention)
2. **Improve prevention of environmental and technological risks** (development of transnational structures and systems/tools for environmental risk protection, and comprehensive policy development to reduce risks and impacts on human health, biodiversity and other environmental issues)
3. **Promote cooperation in the management of natural assets and protected areas** (cooperation and know-how transfer in managing natural assets – e.g. vulnerable ecosystems, natural/semi natural areas, protected areas – and support of transnational awareness building on the importance of natural assets as a development factor)
4. **Promote energy and resource efficiency** (establish coordination and transfer of know-how on energy and resource efficiency policies, to cooperate in the adoption and adaptation of EU policies and directives in the relevant fields and the preparation of the area to cover the expected rise in energy demand and resources consumption through environmental friendly approaches).

For the programme area, the 6th Environment Action Programme⁷ of the European Community 2002-2012 (6. EAP) and the derived seven thematic strategies (e.g. Thematic Strategy on Air, Waste prevention and recycling, Marine Environment, Soil, Pesticides, Natural resources and Urban Environment) offer a usable guideline for transnational action. Transnational action could primarily serve to overcome the area fragmentation and to provide the framework for the adoption and development of the required methods and structures.

Potential Project Partners and stakeholders in the protection and improvement of the environment are national, regional, local decision makers and bodies in the field of the environment, natural resources management, water management, environmental risk management and energy efficiency. Such Project Partners and stakeholders could be local and regional authorities, environmental interest groups, regional associations, regional innovation agencies, applied environmental research institutes, associations, energy suppliers, SMEs, interest groups as well as all population groups, which are affected by the Areas of Intervention concerned.

The corresponding Areas of Intervention (Aoi) are defined in detail in the following description.

Aoi 2.1: Improve integrated water management and transnational flood risk prevention

Closed for the 2nd CfP

⁷ <http://ec.europa.eu/environment/>

Aol 2.2: Improve prevention of environmental risks

Open focused for the 2nd CfP. Please check carefully the target focus in the *Call Announcement* as part of the Application's Pack!

Purpose

The purpose of this Aol is the development of transnational structures and systems/tools for environmental risk protection, and comprehensive policy development to reduce risks and impacts on human health, biodiversity and other environmental issues.

South East Europe is an area affected by a large number of environmental risks. Some of them are endemic (e.g. earthquakes, droughts, floods and forest fires), others are imposed or accelerated by human activities (e.g. contamination, landslides, erosion) and others are inflicted by global factors such as the climate change. In the programme area environmental risks take a variety of forms ranging from droughts, earthquakes and fires in the Southern part to chemical spills and landslides in the Northern part. Risks are expected to increase due to intensification of human activities and due to accelerated global climate change.

Transnational action is considered to be necessary since even single environmental hot spots can have a clear impact on a huge area and population.

The transnational cooperation should generate concrete projects, which will develop policies, plans and systems for the joint prevention of environmental risks while facilitating the exchange of information and coordination of activities in cases of emergency along with the rehabilitation of affected areas and risk sources.

Eligible activities

Projects could include activities such as networking and exchange of information activities (not stand alone purely networking activities, as these will NOT be supported), studies and operational plans, capacity building activities, promotion actions, set-up of services, preparation and conduction of investments proposed by transnational strategic concepts, including infrastructure investment if appropriate and justifiable. It is the task of each project applicant and each proposed intervention to present an adequate activity mix, which will produce visible outputs, assure the fulfilment of the proposed project objectives and contribute to the programme objectives.

Target groups and/ or indicative potential beneficiaries

- National, regional and local authorities;
- Regional and local development agencies;
- Universities, higher education institutions, research centres, scientific institutions;
- Non governmental organisations / public like organisations;
- Voluntary sector organisations;
- International organisations and bodies.

Examples of (multilevel) activities within transnational partnerships that can be supported under this Area of Intervention:

- Developing integrated policies for coordinated risk prevention and reaction to environmental risks;
- Developing plans, measures and systems, including spatial and land use planning to prevent and cope with natural risks (especially fires, floods, desertification, droughts, earthquakes) and technological risks;
- Developing monitoring systems (e.g. emission control, dataset about potential sources of pollution, emission monitoring systems for air quality, pollutants etc.) and alert mechanisms on potential natural and industrial hazards, forest fires as well as chemical and biological contamination of water, soil and air;
- Applying alert mechanisms on potential hazards (floods, coastal hazards, forest fires; chemical and biological contamination of water, soil and air; industrial accidents, safety control of nuclear power plants etc.);
- Developing information systems concerning the transport of dangerous goods and identification of relevant actions to inform the relevant groups;
- Developing regional “risks foresights” including future risk potentials, e.g. along transport corridors, economic activity zones etc;
- Identifying and managing risk sources (information policies, exchange of data and reports etc.);
- Promoting transnational actions on environmental objectives like reducing air emissions, protection of soil etc;
- Implementing awareness raising and emergency planning for the population located in very sensitive areas;
- Implementing strategies for rehabilitation of brownfields;
- Facilitating common procurement and/or operation of risk prevention infrastructure.

Categories (codes for the priority theme dimension) according to Annex II Implementation Regulation (EC) 1828/2006, matching the Aol

<i>Environmental protection and risk prevention</i>	44	Management of household and industrial waste
<i>Environmental protection and risk prevention</i>	53	Risk prevention (including the drafting and implementation of plans and measures to prevent and manage natural and technological risks)
<i>Environmental protection and risk prevention</i>	54	Other measures to preserve the environment and prevent risks
<i>Improving human capital</i>	74	Developing human potential in the field of research and innovation, in particular through postgraduate studies and training of researchers, and networking activities between universities, research centres and businesses
<i>Strengthening institutional capacity at national, regional and local level</i>	81	Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes.

Aol 2.3: Promote cooperation in management of natural assets and protected areas

Open focused for the 2nd CfP. Please check carefully the target focus in the *Call Announcement* as part of the Application's Pack!

Purpose

The purpose of this Area of Intervention is the cooperation and know-how transfer in managing natural assets (e.g. vulnerable ecosystems, natural/semi-natural areas, protected areas) and support of transnational awareness building on the importance of natural assets as a development factor.

The transnational cooperation should generate concrete projects, which will address the need for the implementation of EU legislation and will facilitate the coordinated management of the designated areas. The projects should also respect the demand for know-how transfer and the development of skills for the useful management of natural assets and protected areas.

The EU offers an extensive framework of directives, guidelines and tools for the management of natural assets and protected areas. In most of the cases this framework underlines the importance for transboundary and transnational action. In the "congested" programme area, with the expected rise in economic activity and correlated land use changes, this importance becomes a necessity.

Eligible activities

Projects could include activities such as networking and exchange of information activities (not stand alone purely networking activities, as these will NOT be supported), studies and operational plans, capacity building activities, promotion actions, set-up of services, preparation and conduction of investments proposed by transnational strategic concepts, including infrastructure investment if appropriate and justifiable. It is the task of each project applicant and each proposed intervention to present an adequate activity mix, which will produce visible outputs, assure the fulfilment of the proposed project objectives and contribute to the programme objectives.

Target groups and/ or indicative potential beneficiaries

- National, regional and local authorities;
- Regional and local development agencies;
- Universities, research centres, scientific institutions;
- Non governmental organisations / public like organisations (e.g. environmental interest groups);
- International organisations and bodies.

Examples of (multilevel) activities within transnational partnerships that can be supported under this Area of Intervention:

- Developing common strategies in managing natural assets and protected areas;
- Enhancing know-how transfer about comprehensive implementation of relevant EU Directives (Fauna-Flora-Habitat Directive, Bird Directive, Water Frame Directive, etc.);

- Enhancing public information and public participation with respect to the management of natural assets and protected areas;
- Developing and coordinating management plans and structures for areas of transnational interest designated as protected areas at the national level;
- Developing corporate identity for transnational networks of protected areas (e.g. Natura 2000);
- Promoting the development of actions linked to biodiversity and the preservation of natural heritage, especially in Natura 2000 sites;
- Developing and exchanging management practices (especially within Natura 2000), to ensure the overall coherence and complementarity of the protected areas and also addressing the problems of fragmentation and connectivity between Natura sites in the area;
- Implementing transnational strategies for sustainable rural/maritime tourism in sensitive areas;
- Building awareness on the importance of natural assets as a development factor for economic sectors like agriculture, tourism and health services.

Categories (codes for the priority theme dimension) according to Annex II Implementation Regulation (EC) 1828/2006, matching the Area of Intervention

<i>Environmental protection and risk prevention</i>	51	Promotion of biodiversity and nature protection
<i>Tourism</i>	55	Promotion of natural assets
<i>Tourism</i>	56	Protection and development of natural heritage
<i>Improving human capital</i>	74	Developing human potential in the field of research and innovation, in particular through postgraduate studies and training of researchers, and networking activities between universities, research centres and businesses
<i>Strengthening institutional capacity at national, regional and local level</i>	81	Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes.

Aol 2.4: Promote energy and resource efficiency

Open focused for the 2nd CfP. Please check carefully the target focus in the *Call Announcement* as part of the Application's Pack!

Purpose

The purpose of this Area of Intervention is to establish coordination and transfer of know-how on energy and resource efficiency policies, to cooperate in the adoption and adaptation of EU policies and directives in the relevant fields and the preparation of the area to cover the expected rise in energy demand and resource consumption through environmental friendly approaches. Interventions should be accompanied by impact assessments, taking into account possible negative impacts on agriculture, forestry, biodiversity, soil, water, air and landscape development at a transnational level.

The EU Environmental Policies set clear objectives e.g. regarding climate change and reduction of greenhouse gas emissions. Other initiatives and in particular the Competitiveness and Innovation Framework Programme (CIP) 2007-2013 and its sub programme "Intelligent Energy for Europe" emphasize the promotion of energy and resources efficiency. Transnational action in this area contains a significant element of the transfer of know-how from the most experienced zones to those with still unutilised resources.

The transnational cooperation should generate concrete projects, which will support the adoption of energy and resource efficiency policies and technologies. Projects should also facilitate the coordination among relevant stakeholders and raise the awareness for resource efficiency policies and technologies in the programme area.

Eligible activities

Projects could include activities such as networking and exchange of information activities (not stand alone purely networking activities, as these will NOT be supported), studies and operational plans, capacity building activities, promotion actions, set-up of services, preparation and conduction of investments proposed by transnational strategic concepts, including infrastructure investment if appropriate and justifiable. It is the task of each project applicant and each proposed intervention to present an adequate activity mix, which will produce visible outputs, assure the fulfilment of the proposed project objectives and contribute to the programme objectives.

Target groups and/ or indicative potential beneficiaries

- National, regional and local authorities;
- Regional and local development agencies;
- Energy agencies;
- Chambers of commerce, collective business support actors;
- Transport authorities, (public) transport operators;
- Universities, research centres, scientific institutions;
- Non governmental organisations / public like organisations;
- Voluntary sector organisations;

- Associations for renewable energies.

Examples of (multilevel) activities within transnational partnerships that can be supported under this Area of Intervention:

- Developing policies for sustainable energy supply and resource efficiency at a national or regional level, which help to implement the relevant EU guidelines and directives;
- Setting up joint strategies for energy saving and energy efficiency;
- Developing “resources consumption foresights” including future bottlenecks and problem areas;
- Facilitating the coordination of energy providers, especially among renewable energy sources associations and regional and local authorities;
- Coordinating the development of infrastructure for the utilisation of renewable energy sources and especially hydropower at a transnational level;
- Supporting the development and use of fuel from renewable sources;
- Supporting the awarding and promotion of energy and resource efficient technologies and actions;
- Developing transnational policies for emission reduction to reduce greenhouse gas emissions;
- Developing transnational strategies which support and co-ordinate sustainable exploitation schemes of renewable energy sources (hydropower, biomass, geothermic energy etc.);
- Enhancing know-how transfer about comprehensive national strategies for sustainable waste management (avoiding – re-using – recycling);
- Enhancing know-how transfer about comprehensive national strategies for sustainable fresh water management (efficient water use strategies and technologies);
- Developing transnational networks on “green industries”, energy agencies, regional and local authorities;
- Developing measures for reducing the volume of traffic and/or support environmentally friendlier means of transportation, especially public transport;
- Promoting the development of sustainable waste management activities and the movement to a recycling society;
- Stimulating energy efficiency and the development of renewable energies as well as better co-ordinated efficient energy management systems and promoting sustainable transport including information to industrial customers, service providers and citizens on issues such as how to reduce energy consumption.

Categories (codes for the priority theme dimension) according to Annex II Implementation Regulation (EC) 1828/2006, matching the Area of intervention

<i>Research and technological development (R&TD), innovation and entrepreneurship</i>	6	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (introduction of effective environment managing system, adoption and use of pollution prevention technologies, integration of clean technologies into firm)
<i>Energy</i>	39	Renewable energy: wind
<i>Energy</i>	40	Renewable energy: solar
<i>Energy</i>	41	Renewable energy: biomass
<i>Energy</i>	42	Renewable energy: hydroelectric, geothermal and other
<i>Energy</i>	43	Energy efficiency, co-generation, energy management
<i>Environmental protection and risk prevention</i>	44	Management of household and industrial waste
<i>Environmental protection and risk prevention</i>	45	Management and distribution of water (drinking water)
<i>Environmental protection and risk prevention</i>	46	Water treatment (waste water)
<i>Environmental protection and risk prevention</i>	47	Air quality
<i>Environmental protection and risk prevention</i>	48	Integrated prevention and pollution control
<i>Environmental protection and risk prevention</i>	49	Mitigation and adaptation to climate change
<i>Environmental protection and risk prevention</i>	50	Rehabilitation of industrial sites and contaminated land
<i>Environmental protection and risk prevention</i>	52	Promotion of clean urban transport
<i>Strengthening institutional capacity at national, regional and local level</i>	81	Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes.

Priority Axis 3: Improvement of the accessibility

The specific objective of Priority Axis 3 is to promote coordinated preparation for the development of accessibility networks and the support of multi-modality.

This Priority Axis seeks in particular to achieve three operational objectives and will support transnational partnerships and activity that contribute to:

1. **Improve coordination in promoting, planning and operation for primary and secondary transportation networks** (physical accessibility - provision of tools and space for coordinated promoting, planning and operation for primary and secondary transportation networks);
2. **Develop strategies to tackle the “digital divide”** (virtual accessibility - access to ICT networks and services - joint initiatives to lessen the “digital divide” among states and regions especially where market failure is evident or expected);
3. **Improve framework conditions for multi-modal platforms** (support of multi-modal platforms and the promotion of alternative transport means, e.g. rail and or sea compared to road – from the view of the public interest).

The programme is challenged with a large number of issues and areas and limited funds. The transnational cooperation programme cannot substitute the existing programmes and plans. However, it can provide a platform for co-ordination and agreement among states, as well as a forum for negotiations with international financing institutions, donors etc.

Potential Project Partners and stakeholders in the improvement of the accessibility are national, regional, local decision makers and bodies in the field of transport, logistics, transport safety and ICT. Project Partners and stakeholders such as national, regional and local authorities; public transport associations; transport operators; infrastructure operators; logistic centres; logistics platforms; institutes for applied research in transport and mobility; regional associations; regional innovation agencies; transport alliances; SMEs; interest groups; all population groups, which are affected by the Priorities concerned.

The corresponding Areas of Intervention (Aol) are defined in detail in the following description.

Aol 3.1: Improve coordination in promoting, planning and operation for primary and secondary transportation networks

Purpose

The purpose of this Aol is the provision of tools and space for coordinated promoting, planning and operation for primary and secondary transportation networks. Interventions can be either for regional and local bodies pushing their agenda in the central states or for a number of South East European States towards the EU and other international institutions.

The programme cannot finance large infrastructure investments. However, significant financing could be expected towards mobilising stakeholders, conducting feasibility studies and action plans and coordinating operations that are financed on other budgets.

Transnational action can support policy coordination among competent partners and transnational networking of regionally anchored pilot projects.

Regional interests and needs should be taken into consideration when planning high ranked and secondary transportation networks. This is to ensure that the regions are actually profiting from the transportation networks.

The transnational cooperation should generate concrete projects, which will contribute to the creation and strengthening of networks for the coordinated development of transport connections and corridors and the elaboration of concrete action and financing plans for network development. The projects should also offer room for environmentally friendly transportation and the joint management of networks.

Eligible activities

Projects could include activities such as networking and exchange of information activities (not stand alone purely networking activities, as these will NOT be supported), studies and operational plans, capacity building activities, promotion actions, set-up of services, preparation and conduction of investments proposed by transnational strategic concepts, including infrastructure investment if appropriate and justifiable. It is the task of each project applicant and each proposed intervention to present an adequate activity mix, which will produce visible outputs, assure the fulfilment of the proposed project objectives and contribute to the programme objectives.

Target groups and/ or indicative potential beneficiaries

- National, regional and local authorities;
- Transport authorities, (public) transport operator, infrastructure operator;
- Regional and local development agencies;
- Universities, higher education institutions, research centres, scientific institutions;
- Non governmental organisations / public like organisations;
- International organisations and bodies.

Examples of (multilevel) activities within transnational partnerships that can be supported under this Area of Intervention:

- Promoting policy coordination among competent partners and elaborating coordinated strategies for infrastructure investments, promoting complementarities between various types of investments and mobilising various financial instruments;
- Developing joint action plans for the realisation of physical infrastructure financed by other programmes;
- Promoting transnational environmental assessment (EIA-SEA) and transnational territorial impact assessments (TIA) in co-ordination with the realisation of physical infrastructure financed by other programmes;
- Increasing the transparency of ongoing corridor related programmes and projects;
- Elaborating public private partnership (PPP) schemes for parts of the transportation infrastructure;
- Establishing joint transportation networks management bodies;

- Creating transnational facilities for maintenance and road pricing of physical infrastructure;
- Fostering transnational public participation in consultations over infrastructure network development;
- Strengthening coordinated development of regional airports;
- Creating intelligent traffic information systems for agglomerations;
- Developing solutions for the flexible public transport tackling the mobility needs;
- Analysing and maximising the effects of changed/improved accessibility on regional/location development opportunities;
- Tackling specific problems of peripheral and sensible regions (e.g. traffic in mountainous regions);
- Improving access to international maritime and river ports to achieve future strategic advantage in global freight competition;
- Joint promotional campaigns for maritime and river transport and raising awareness about its environmental and economic advantages.

Categories (codes for the priority theme dimension) according to Annex II Implementation Regulation (EC) 1828/2006, matching the Aol

Transport	16	Railways
Transport	17	Railways (TEN-T)
Transport	19	Mobile rail assets (TEN-T)
Transport	20	Motorways
Transport	21	Motorways (TEN-T)
Transport	24	Cycle tracks
Transport	25	Urban transport
Transport	29	Airports
Transport	30	Ports
Transport	32	Inland waterways (TEN-T)

Aol 3.2: Develop strategies to tackle the “digital divide”

Purpose

In the concept of virtual accessibility, ICT solutions reduce the need for travel and transportation to access services and information and the territories or ease the travelling. The “digital divide” is the gap between those territories with regular, effective access to information and services via ICT, and those without. Purpose of this Aol is the support of joint initiatives to lessen the “digital divide” among states and regions especially where market failure is evident or expected.

Transnational cooperation should generate concrete projects which will contribute to the accessibility of territories, information and services via ICT, as substitute for and supplementing physical accessibility, for local and regional authorities and public services, through concepts of public and private partnerships, the collaboration of public authorities and scientific institutions in

the development of public services, the interoperability and the harmonisation of information systems .

Eligible activities

Projects could include activities such as networking and development and exchange of information activities (not stand alone purely networking activities, as these will NOT be supported), studies and operational plans, capacity building activities, promotion actions, set-up of services, preparation and conduction of investments proposed by transnational strategic concepts, including infrastructure investment if appropriate and justifiable. It is the task of each project applicant and each proposed intervention to present an adequate activity mix, which will produce visible outputs, assure the fulfilment of the proposed project objectives and contribute to the programme objectives.

Target groups and/ or indicative potential beneficiaries

- National, regional and local authorities;
- Regional and local development agencies;
- Transport authorities, infrastructure operators;
- Chambers of commerce, collective business support actors;
- Universities, higher education institutions, research centres, scientific institutions;
- Non governmental organisations / public like organisations;
- Voluntary sector organisations.

Examples of (multilevel) activities within transnational partnerships that can be supported under this Area of Intervention:

- Fostering the use of advanced ICT to reduce the need to travel and to replace physical mobility through virtual exchanges;
- Raising awareness of ICT opportunities in regions where development of the information society is lagging behind;
- Developing public private partnerships for the development of accessibility solutions to and via ICT;
- Enhancing the role of regional and local administrations in the implementation of the ICT solutions especially in remote areas;
- Developing public services using e-government solutions and tools with the collaboration of public authorities and scientific institutions;
- Establishing common standards in ICT development in relation to support services and training courses;
- Promoting the interoperability of information systems e.g. in transport, business support or government.

Categories (codes for the priority theme dimension) according to Annex II Implementation Regulation (EC) 1828/2006, matching the Aol

Information society	11	Information and communication technologies (access, security, interoperability, risk-prevention, research, innovation, e-content, etc.)
Information society	12	Information and communication technologies (TEN-ICT)
Information society	13	Services and applications for the citizen (e-health, e-government, e-learning, e-inclusion, etc.)
Transport	28	Intelligent transport systems

Aol 3.3: Improve framework conditions for multi-modal platforms

Purpose

The purpose of this Aol is the support of multi-modal platforms and the promotion of alternative transport means (e.g. rail and or sea compared to road) from the view of public interest point of view. Multi-modal platforms can make existing transport more efficient and also stimulate the shift to environmentally friendly systems. Activities should go beyond singular interests and show a real cooperative character and offer mutual benefits.

The completion of the transportation networks, integration in the global market and rising consumption patterns in the area place a heavy burden on the transportation network, which is currently monopolised by road transport. Matters of operational efficiency, exploitation of the available alternative routes and last but not least environmental concerns underline the need for the promotion of multi-modal platforms. Transnational action is obviously an important issue due to the economic interrelations and transport patterns between the regions and the impact of multi-modality or lack thereof in large areas.

The transnational cooperation should generate concrete projects, which will contribute to the development of multi-modal concepts and action plans, foster agreements for the promotion of multi-modality and support the development of tools and systems for the facilitation of multi-modal platforms.

Eligible activities

Projects could include activities such as networking and exchange of information activities (not stand alone purely networking activities, as these will NOT be supported), studies and operational plans, capacity building activities, promotion actions, set-up of services, preparation and conduction of investments proposed by transnational strategic concepts, including infrastructure investment if appropriate and justifiable. It is the task of each project applicant and each proposed intervention to present an adequate activity mix, which will produce visible outputs, assure the fulfilment of the proposed project objectives and contribute to the programme objectives.

Target groups and/ or indicative potential beneficiaries

- National, regional and local authorities;
- Regional and local development agencies;
- Chambers of commerce, collective business support actors;
- Transport authorities, infrastructure operators;

- Universities, higher education institutions, research centres, scientific institutions;
- Non governmental organisations / public like organisations;
- Voluntary sector organisations;
- International organisations and bodies.

Examples of (multilevel) activities within transnational partnerships that can be supported under this Area of Intervention:

- Increasing the potential of inland waterway and maritime transport (short sea shipping and long distance maritime transport) by concepts and action plans for the development of multi-modal terminals and hubs and improved hinterland connections,
- Supporting platforms for communication and coordination between regional and city authorities and private service providers and investors and their collective associations;
- Developing concepts and agreements on multi-modal connections especially among agglomerations;
- Developing multi-modal transport solutions and action plans (mainly over waterways and sea) aimed at relieving or bypassing bottlenecks and missing links along transnational land transport;
- Improving interoperability and intermodality of passenger and freight transport on land, inland waterways, sea and air, including harmonisation of all forms of public transport across national borders and on transnational East-West and North-South corridors;
- Creating research and innovation networks focusing on multi-modal transport solutions including new equipment, technological developments and management of logistic chains etc;
- Developing transnational supply chain management structures including measures to improve the efficiency of multi-modal logistic chains (introduction of smart technologies, simplification of administration etc.);
- Developing ICT tools and structures for better connection with multi-modal platforms including optimisation of train capacities, road haulage pricing, one-stop shops for transport transactions;
- Developing networks of logistic centres and encouraging the exchange of experience in the field of management, provision of services, cooperation within and outside the programme area;
- Supporting joint planning efforts to harmonise transport and logistical investments as well as coordinated logistical capacities and services;
- Developing solutions to improve logistics of renewable energies.

Categories (codes for the priority theme dimension) according to Annex II Implementation Regulation (EC) 1828/2006, matching the Area of Intervention

Transport	27	Multimodal transport (TEN-T)
Transport	28	Intelligent transport systems

Priority Axis 4: Development of transnational synergies for sustainable growth areas

The specific objective of Priority Axis 4 is to develop and implement integrated strategies for metropolitan areas and regional systems of settlements, work towards optimal polycentric structures in the programme area and use cultural values for sustainable development. The Priority Axis 4 shall contribute specifically to the future development of South East Europe as a place of sustainable and polycentric development of metropolitan areas and regional settlement systems.

As the objective indicates, the priority of sustainable urban and regional settlement development takes different forms of preventive measures AND development factors, showing a specific cross-sectoral character strongly interlinking economic, environmental, social and governance issues.

This Priority Axis seeks in particular to achieve three operational objectives and will support transnational partnerships and activities that:

- **Tackle crucial problems affecting metropolitan areas and regional systems of settlements** (tackling the high concentration of economic, environmental, social and governance⁸ problems such as social segregation, growing poverty, lack of investments in certain areas, insufficient provision of public services, overburdening traffic capacities);
- **Promote a balanced pattern of attractive and accessible growth areas** (further increase of coordinated strategic planning, co-ordinated marketing and lobbying, and functional division and complementarity to achieve competitiveness, (international) visibility and ensure a sufficient level of public services);
- **Promote the use of cultural values for development** (further utilisation of the wide cultural diversity as a development factor and as an asset in global competition and to promote creativity, cultural identity and generate income and employment).

Transnational cooperation projects are tools to develop and in that sense apply integrated strategies, sharing knowledge and best practices and implementing pilot projects. The transnational level is the arena where more creative patterns and cooperation experiences can interact.

Transnational cooperation projects shall complement the (small) URBACT programme, as an instrument for exchange of experience and networking among cities.

Potential Project Partners and stakeholders in the development of transnational synergies for sustainable growth areas are national, regional, local decision makers and bodies in the field of urban and regional development, transport, housing, culture, tourism. Project Partners and stakeholders such as local and regional authorities, SMEs, planning and applied research institutions, development agencies, regional innovation agencies, interest groups, public transport operators, housing cooperatives and housing corporations, cultural initiative groups, institutions connected with health services sector, transnational organisations in the field of culture, as well as all population groups which are affected by the Areas of Intervention concerned.

The corresponding Areas of Intervention (AoI) are defined in detail in the following description.

⁸ The planning, influencing and conducting of the policy and affairs of an organisation

Aol 4.1: Tackle crucial problems affecting metropolitan areas and regional systems of settlements

Closed for the 2nd CfP

Aol 4.2: Promote a balanced pattern of attractive and accessible growth areas

Closed for the 2nd CfP

Aol 4.3: Promote the use of cultural values for development

Purpose

The purpose of this Aol is the inclusion of cultural values as an integral part of the programme area in the planning and development processes of urban centres, systems of settlements and surrounding rural areas.

The programme area is rich in cultural values (from prehistoric times and beyond to the ancient Greek civilization, Hellenistic times, the Roman and Byzantine Empires, the Ottoman Empire, Habsburg Monarchy and Communist period) and tourism potential. Urban development cannot take place in a “cultural vacuum” but should respect the cultural landscapes in which it is embedded. Hence the mobilisation of cultural values in the urban development context presents an opportunity for promoting local identities, bridging urban centres and rural periphery and making South East European cities an attractive place to live and work.

Transnational action should support joint conservation and the utilisation of cultural values as a development factor and a resource for sustainable tourisms.

Projects should make sure that the action undertaken contributes to developing the endogenous potential and generates directly or indirectly income and jobs.

Eligible activities

Projects could include activities such as networking and exchange of information activities (not stand alone purely networking activities, as these will NOT be supported), studies and operational plans, capacity building activities, promotion actions, set-up of services, preparation and conduction of investments proposed by transnational strategic concepts, including infrastructure investment if appropriate and justifiable. It is the task of each project applicant and each proposed intervention to present an adequate activity mix, which will produce visible outputs, assure the fulfilment of the proposed project objectives and contribute to the programme objectives.

Target groups and/ or indicative potential beneficiaries

- National, regional and local authorities;
- Regional and local development agencies;
- Chambers of commerce, collective business support actors, tourist associations;
- Universities, higher education institutions, research centres, scientific institutions

- Non governmental organisations / public like organisations (e.g. cultural initiative group).

Examples of (multilevel) activities within transnational partnerships that can be supported under this Area of Intervention:

- Improving good policy, programme design and capacity building with respect to joint conservation and the utilisation of cultural values;
- Enhancing joint promotion of historic places, joint labelling and communication strategies, development of transnational city marketing concepts for historical centres;
- Transnational pooling of specific expertise, e.g. for better management of archaeological sites;
- Coordinated approaches in cultural heritage conservation in combination with common professional training (database creation, mapping and monitoring the sites of cultural interest, restoring techniques, also utilizing ICT tools);
- Promoting cultural tourism, e.g. through the developing of cultural routes;
- Supporting education both in the field of traditional materials and cultural resources management;
- Developing public private civil society partnerships for the restoration of prominent sites;
- Improving the perception of heritage with the help of new media tools.

Categories (codes for the priority theme dimension) according to Annex II Implementation Regulation (EC) 1828/2006, matching the Aol

<i>Culture</i>	58	Protection and preservation of the cultural heritage
<i>Culture</i>	59	Development of cultural infrastructure
<i>Culture</i>	60	Other assistance to improve cultural services
<i>Strengthening institutional capacity at national, regional and local level</i>	81	Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes.
<i>Tourism</i>	57	Other assistance to improve tourist services

Annex 2: Common indicator set for monitoring and evaluation

The legal bases to set out programme indicators include Article 38, 66 and 67, General Regulation No 1083/2006; Article 12(4), ERDF Regulation No 1080/2006; and Article 11, Annex II and III, Implementation Regulation No 1080/2006.

We can differentiate basically between three sets of indicators:

1. Specific Project Indicators defined by each individual project (e.g. monitored by individual activity reports) and
2. The set of Common Programme Indicators, which is individually defined by each programme serving as the common framework to progress control especially at output and result level
3. Obligatory data on operations according to Annex II and III of the Implementation Regulation No 1828/2006 (see the detailed list in Annex II: Categorisation of Funds assistance for 2007-2013 (including various codes) and Annex III: List of data on operations). These input indicators are mandatory, must be collected for each project and are a core part of the monitoring system providing information on the financial means and on the characteristics of projects. They shall not be further analysed within the Programme Manual.

Description of Common Programme Indicators

The common programme indicator system described herein consists of two sets: the output and result indicator included in the Operational Programme (OP) and an additional set of indicators developed in the Programme Manual to serve the needs for the programme's visibility, management and information.

The indicator set should help to answer the following questions:

- Performance of the programme
- Management and delivery of the programme
- Approaching the impact of the programme

For each of these three focus levels (performance, management, impact) indicators are defined as outlined in the following table.

Tab. 1: Definition of indicators to monitor the implementation of the SEE Operational Programme

Focus level	Indicator type and scope	Reference
<i>Impact of the programme</i>	<i>Impact-indicators</i> <i>Information on the (long term) achievement of the global programme objective</i>	<i>Not included in the Operational Programme.</i> <i>It is recommended to apply in-depth methods such as inquiries and case studies to fill this gap</i>
Approaching the impact of the programme	Result indicators – summarizing the projects results in view of the programmes objectives Information on the contribution of each project in achieving the programme objectives	<ul style="list-style-type: none"> ▪ Result indicators on the project's specific contribution to the Priority Axes and Areas of Intervention of the programme (ex-ante quantified) ▪ Specific result indicators for the Environmental Monitoring ▪ Result indicators on the project's contribution to cross-cutting objectives of the programme
Management and delivery of the programme	Output and result indicators related to Technical Assistance Information on physical output and direct products generated by TA	<ul style="list-style-type: none"> ▪ Output and result indicators related to types of activity to reflect the implementation of the Technical Assistance
Performance of the programme	Output and result indicators at project level Information on physical output and direct products generated by specific project activities	<ul style="list-style-type: none"> ▪ General output and result indicators at project level related to types of activity (can be aggregated to show the programme's performance)
	Input indicators (or Resource indicators) Information on means and resources collected at project level for each component of a project)	<ul style="list-style-type: none"> ▪ Obligatory data on operations according to Annex II and III, Regulation No 1828/2006 ▪ Profile of partners/partnerships involved ▪ Profile of types of activities and costs

The Common Programme Indicator set shall be recorded at the project level related to types of activity in order to be able to flexibly connect and aggregate/cluster the entire set of indicators at the programme level.

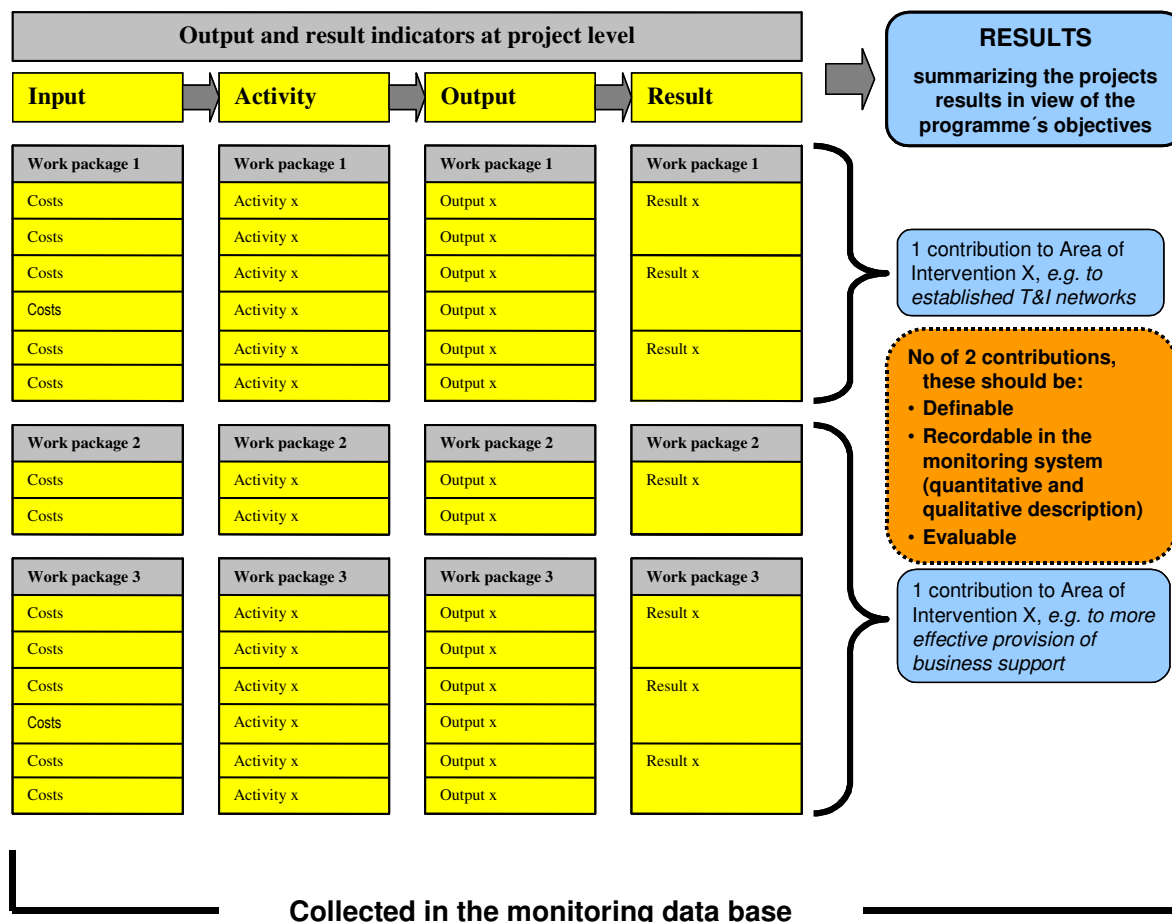
Therefore, all relevant indicators shall be included into the Application Form and into the reporting system in order to monitor planned contributions and effectively delivered contributions.

Specific Project Indicators and Common Programme Indicators should form a "Monitoring Sheet" following the Logical Framework principles. This "Monitoring Sheet" shall accompany projects, from the ex-ante application to the ex-post final report, through the entire project lifetime. The JTS shall be responsible for the maintenance of the "Monitoring Sheets".

The common programme indicators may overlap with the specific project indicators, if applied by the individual project to a feasible extent, e.g. the output indicators related to project activities.

In the following figure the systematic of the common programme indicators is outlined.

Fig. 1: Systematic of indicators



Three basic groups of indicators are defined based on the Working Papers of the European Commission:

- 1. Input indicators** (or Resource indicators) provide information on the financial, human, material, organisational means used to implement the programme. It is very useful to collect data on the characteristics of projects for evaluation use. They classify each project by selected categories/codes. The categorisation allows the establishing of a link between resources and types of projects (clustering). Input indicators deliver a major part of the information necessary to administrate operations and are very useful for collecting data on the characteristics of partnerships for evaluation use. Input indicators should be continuously updated according to the project progress.
- 2. Output indicators** represent the physical output of the projects activity and serve at project level for monitoring the implementation of activities (types of activity), which are related to various work packages of projects.
- 3. Result indicators** represent at the project level direct products generated (by a bundle) of outputs. These results at project level can be summarised in view of the programme objectives in order to reflect the contribution of the projects to the specific objectives of the

programme. It is important to record the contributions in terms of valuable qualitative descriptions, because pure numbers of contributions are very limited in their value in explaining the impact of the programme. The Commission's Working Paper 2 (page 10) encourages the Member states to concentrate their efforts on the improvement of result indicators.

Tab. 2: Input indicators

Issue	Indicators	Data collection
Type of co-operation	No of partnerships respecting only two of the following criteria: joint development, joint implementation, joint staffing, joint financing of the project	Part of the Application Form, checked by JTS
	No of partnerships respecting only three of the following criteria: joint development, joint implementation, joint staffing, joint financing of the project	
	No of partnerships respecting four of the following criteria: Joint development, joint implementation, joint staffing, joint financing of the project	
Geographic focus	Thematic cooperation with no specific geographic focus (Yes/No) ⁹	Part of the Application Form, checked by JTS
	Functional geographic areas co-operation (Yes/No) ¹⁰	
	No of project partners with a local geographic scope	
	No of project partners with a regional geographic scope	
	No of project partners with a national geographic scope ¹¹	
Type of partnership	No of total project partners	Part of the Application Form, checked by JTS
	No of participating states	
	No of partnerships including EU non member states	
	No of multilevel partnerships (including at least 2 levels: national, regional, local level)	
	No of homogeneous partnerships (e.g. all partners are municipalities)	
	New partnership, i.e. over 50% partners cooperating for the first time (Yes/No)	
	To a large extent established partnership, i.e. over 50% of the partners have worked together in a common project (e.g. in CADSES) (Yes/No)	
Time-dimension of co-operation	No of temporary networks / partnerships established for the project life span	Part of the Application Form and Final report, checked by JTS
	No of permanent networks / partnerships intended longer than the project life span	
Indicator reflecting Partners	No of project partners from national, regional and local authorities	Part of the Application Form, checked by JTS
	No of project partners from regional and local development agencies, regional associations	
	No of project partners from chambers of commerce, collective business support actors	
	No of project partners from infrastructure providers and operators	
	No of project partners from research and technology (universities, research centres, scientific institutions)	
	No of project partners from education and training centres, labour market services	
	No of project partners from non-governmental organisations / public like organisations	

⁹ Beneficiaries: Thematic cooperation without a concrete spatial character, e.g. cooperation on SME financing or Innovation capacity building that could be applied to "any" geographical area within the SE-Europe cooperation area.

¹⁰ Beneficiaries: Thematic cooperation with connection to a functional region is organized around a node or focal point with the surrounding areas linked to that node, e.g. along Corridor X, in the basin of the Danube, coastal Adriatic regions etc.

¹¹ Beneficiaries: Related to partners' scope of activities, e.g. ministries, national research institutes etc.

	No of project partners from voluntary sector organisations	
	No of project partners from international organisations and bodies	
	No of project partners from other relevant public like organisations	
	No of project partners from the private sector, especially SMEs	
	No of "other" project partners	
Type of costs occurring in projects	Allocation/expenditure on staff cost	Derived from the Application Form (planned) and of Progress Reports (delivered), conducted by JTS
	Allocation/expenditure on overheads	
	Allocation/expenditure on travel and accommodation costs	
	Allocation/expenditure on external expertise and services	
	Allocation/expenditure on equipments	
	Allocation/expenditure on small-scale Infrastructure Investments	
	Allocation/expenditure on financial charges and guarantee costs	
Type of activity to be implemented in projects	Allocation/expenditure on networking, dissemination and exchange of information activities	Derived from the Application Form (planned) and of Progress Reports (delivered), conducted by JTS
	Allocation/expenditure on studies and operational plans	
	Allocation/expenditure on capacity building activities	
	Allocation/expenditure on promotion actions	
	Allocation/expenditure on set-up of services	
	Allocation/expenditure on preparation and conduction of investments	
	Allocation/expenditure on infrastructure investment	
	Allocation/expenditure on administration	
	Allocation/expenditure on others	

Tab. 3: General output and result indicators at project level related to types of activity (can be aggregated to show in one table the programme's performance)

Type of Activities	Output of the activity (physical output)	Result (benefits)
Networking, dissemination and exchange of information activities (Allocation/expenditure)	<ul style="list-style-type: none"> No of articles/appearances published in the press and in other media (including online media, TV, radio) No of press conferences Average of hits per month on the project's website No of publications produced (editions, specify: e.g. folder, newsletter, brochure, report, guideline, handbook), No of copies disseminated No of transnational events implemented, no of participants involved No of national events implemented, no of participants involved No of regional events implemented, no of participants involved No of study visits organised, no of participants involved 	<ul style="list-style-type: none"> No of permanent information sources / channels in project (e.g. websites, regular publications) No of individuals reached directly through dissemination outputs in the co-operation area No of administrative actors reached directly through dissemination outputs in the co-operation area No of private sector actors reached directly through dissemination outputs in the co-operation area No of SME reached directly through dissemination outputs in the co-operation area No of advanced tools and methodologies adopted to increase the projects visibility among experts and wider communities, the public (additionally description necessary)
Studies and operational plans (Allocation/expenditure)	<ul style="list-style-type: none"> No of studies produced No of guidelines produced No of management plans developed No of joint action plans produced No of databases created or improved 	<ul style="list-style-type: none"> No of common positions / agreements formulated No of common methodologies adopted No of strategies adopted at governmental level No of innovative products developed No of regional/local policies and instruments improved or developed No of common standards established (e.g. through new guidelines) No of new tools / instruments developed No of impact studies on environmental issues carried out (e.g. in pre-investment projects) No of pilot actions prepared (first application) No of pilot actions implemented (first application)
Capacity building activities (Allocation/expenditure)	<ul style="list-style-type: none"> No of training events, seminars organised, No of participants involved No of individuals that participated in exchange schemes 	<ul style="list-style-type: none"> No permanent exchange programmes established No of staff members with increased capacity (awareness / knowledge / skills) No of advanced tools and methodologies adopted to improve knowledge management within the partnership (additionally description necessary)
Promotion actions (Allocation/expenditure)	<ul style="list-style-type: none"> No of promotion concepts No of promotion actions 	<ul style="list-style-type: none"> No of regions proactively promoted
Set-up of services (Allocation/expenditure)	<ul style="list-style-type: none"> No of services developed 	<ul style="list-style-type: none"> No of common management structures / systems established No of individuals benefiting directly from new / improved services

Preparation and conduction of small scale infrastructure investments (Allocation/expenditure)	<ul style="list-style-type: none"> No of small scale infrastructure projects 	<ul style="list-style-type: none"> No of investment proposals developed (if possible specify volume of investment) No of private market reactions achieved (e.g. private activities mobilized) No of investment projects implemented (specify volume of investment) No of infrastructures of common interest improved
Administration (Allocation/expenditure)	<ul style="list-style-type: none"> No of person in charge for administration of projects No of project meetings held 	<ul style="list-style-type: none"> No of successfully implemented projects¹²
Data collection: Indicators should be part of the Application Form (planned) and of the Progress Reports (delivered), checked by JTS		

Tab. 6: Result indicators on the project's contribution to cross-cutting objectives of the programme

Cross-cutting programme objectives	Results
Equal opportunities and non-discrimination	<ul style="list-style-type: none"> No of projects directly contributing positively to equal opportunities and non-discrimination No of projects being neutral to equal opportunities and non-discrimination
Environment	<ul style="list-style-type: none"> No of projects with positive effects on sustainability and eco-compatibility No of projects being neutral on sustainability and eco-compatibility No of bio diversity areas maintained
Interaction and coordination with other EU funded programmes	<ul style="list-style-type: none"> No projects achieving in fact synergies with Objective 1 and 2 Programmes No projects achieving in fact synergies with other Territorial Cooperation Programmes No projects achieving in fact synergies to other EU programmes (CIP, FP 7, etc.)

¹² Successful project implementation: Most of the project objectives and expected results have been achieved and the planned funds have been spent to a great extent

Tab. 7: Result indicators in view of the programme objectives

Focus	Indicators	Data collection
Priority Axis 1	Total no of contributions to facilitated innovation, entrepreneurship, knowledge economy and enhanced integration and economic relations in the co-operation area Of this:	Part of the Application Form (planned) and of Progress Reports (delivered), checked and summed up by JTS
	No of contributions to established technology and innovation oriented networks in specific technology fields	
	No of contributions to more effective provision of collective business and innovation support especially for SME	
	No of contributions to improved innovation governance and increased public awareness with regard to innovation	
Priority Axis 2	Total no of contributions to protected and improved environment Of this:	It is important to record the contributions additionally in terms of valuable qualitative descriptions
	No of contributions to improved integrated water management and flood risk prevention structures and systems	
	No of contributions to improved transnational risk prevention structures and systems	
	No of contributions to co-ordinated activities on management schemes of natural assets and protected areas	
	No of contributions to co-ordinated activities on energy and resource efficient technologies, services and policies	
Priority Axis 3	Total no of contributions to the co-ordinated preparation of accessibility networks and supported multi-modality Of this:	
	No of contributions to the co-ordinated promotion, planning and operation of primary and secondary transportation networks	
	No of contributions to co-ordinated activities to lessen the digital divide among states and regions especially in the case of market failure	
	No of contributions to co-ordinated activities for increased efficiency of existing transport and to the stimulated shift to environmentally friendly transportation systems	
Priority Axis 4	Total no of contributions to developed and implemented integrated strategies for metropolitan areas and regional systems of settlements, work towards optimal polycentric structures in the area and used cultural values for sustainable development Of this:	
	No of contributions to built up and disseminated strategies, skills and knowledge and pilot action for tackling crucial problems affecting metropolitan areas and regional systems of settlements	
	No of contributions to the provision of partners with new tools for the formulation of their role and the formation of new partnerships for functional growth areas	
	No of contributions to improved joint conservation and better utilisation of cultural values for development and sustainable tourism	

Tab. 8: Specific result indicators for the Environmental Monitoring according to SEA “Guiding Questions” to fulfil the SEA Directive requirements on environmental monitoring (2001/42/EC, Article 10 Monitoring)

Issue	Indicators	Data collection
Water	No of contributions influencing the surface and/or ground water quality in the sense of the Water Framework Directive (“good ecological and chemical status”)	Part of the Application Form (planned) and of Progress Reports (delivered), checked by JTS
	No of contributions positively affecting the hydro-morphology of river systems	
	No of contributions promoting the sustainable use of water resources	
Soil	No of contributions helping to protect soil attributes	It is important to record the contributions additionally in terms of valuable qualitative descriptions
	No of contributions having positive effects on the state of contaminated sites	
	No of contributions promoting sustainable waste management with focus on avoiding waste dumping and reducing land filling	
Air, Climate	No of contributions leading to reduction of air pollutants	
	No of contributions improving the ambient air quality	
	No of contributions leading to reduction of green house gases (GHG)	
	No of contributions increasing energy efficiency	
	No of contributions changing positively the role of renewable energy sources	
Population, Human Health	No of contributions leading to reduction of transport related emissions	
	No of contributions catalysing the reduction of the share of population exposed to noise	
Fauna, Flora, Biodiversity	No of contributions supporting endeavours to reduce environmental related health risks	
	No of contributions supporting the EU objective to stop the loss of biodiversity	
Landscape, Cultural Heritage	No of contributions improving the quality and/or quantity of protected areas, especially the NATURA 2000 network	
	No of contributions influencing the demand of land take for urban development	
	No of contributions supporting conservation or reconstruction of valuable cultural landscape	
	No of contributions facilitating protection of cultural heritage	
	No of contributions supporting sustainable urban and regional development	
	No of contributions enhancing protection against natural hazards	

Tab. 9: Output and result indicators related to Technical Assistance

Type of Activities	Output of the activity (physical output)	Result (benefits)
Activities related to public awareness	<ul style="list-style-type: none"> No of dissemination events organised No of press releases produced No of brochures, newsletters disseminated (editions and copies) Average no of visits per month on the programme's website 	<ul style="list-style-type: none"> No of permanent information sources / channels in operation (e.g. websites, regular publications) No of individuals reached directly through dissemination outputs in the co-operation area
Activities related to coordinating the programme	<ul style="list-style-type: none"> No of monitoring meetings held No of meetings with national coordination held No of meeting with financial controlling group held No of meetings with SEE programme actors held 	<ul style="list-style-type: none"> % allocated ERDF funds at programme level per end of 2009 % allocated ERDF funds at programme level per end of 2013
Activities related to project generation	<ul style="list-style-type: none"> No of information events carried out No of consulted applicants No of Expression of Interests submitted No of full applications submitted No of strategic projects developed (top down projects) 	<ul style="list-style-type: none"> No of applications approved and contracted
Activities related to project implementation	<ul style="list-style-type: none"> No of consulted project LPs No of reports received and treated 	<ul style="list-style-type: none"> No of successfully finalised projects

Data collection continuously by JTS

Annex 3: SEE Contact Points

COUNTRY	NAME	ORGANISATION	ADDRESS	PHONE	E-MAIL
Albania	Kebiana HAKA	Ministry of European Integration, EC Technical Assistance for CBC Programmes	Rr. Papa Gjon Pali II, No.3 Tirana	Tel: 00 355 4 2228 358 Fax: 00355 4 2256267	Kebjana.haka@mie.gov.al
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former Yugoslav Republic of Macedonia	Martina ANTIC	Ministry of Local Self- Government	Dame Gruev 14 1000 Skopje	Tel: +389 23 109 308 Fax: +389 23 106-303	martina.antic@mls.gov.mk
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Ukraine	Olexiy ROZHKOV	Ministry of Economy, Deputy Director of the Directorate for Cooperation with European Union of the	Grushevskoho str. 12/2, Kyiv-8, 01008	Tel: +380 44 272 1898 Fax: +380 44 272 5375	ukraine-eu@mfert.gov.ua

Annex 4: Draft template IPA budget (1)

Project acronym:					Project acronym:											
TOTAL Country					TOTAL Country											
All Years					Year 1 ²				Year 2				Year 3			
Expenses	Unit	# of units	Unit rate (in EUR)	Costs (in EUR) ³	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)
1. Human Resources																
1.1 Salaries (gross amounts, local staff) ⁴																
1.1.1 Technical	Per month			0	Per month			0	Per month			0	Per month			0
1.1.2 Administrative/ support staff	Per month			0	Per month			0	Per month			0	Per month			0
1.2 Salaries (gross amounts, expat/int. staff)	Per month			0	Per month			0	Per month			0	Per month			0
1.3 Per diems for missions/travel ⁵																
1.3.1 Abroad (staff assigned to the Action)	Per diem			0	Per diem			0	Per diem			0	Per diem			0
1.3.2 Local (staff assigned to the Action)	Per diem			0	Per diem			0	Per diem			0	Per diem			0
1.3.3 Seminar/conference participants	Per diem			0	Per diem			0	Per diem			0	Per diem			0
Subtotal Human Resources				0				0				0				0
2. Travel⁶																
2.1. International travel	Per flight			0	Per flight			0	Per flight			0	Per flight			0
2.2 Local transportation	Per month			0	Per month			0	Per month			0	Per month			0
Subtotal Travel				0				0				0				0
3. Equipment and supplies⁷																
3.1 Purchase or rent of vehicles	Per vehicle			0	Per vehicle			0	Per vehicle			0	Per vehicle			0
3.2 Furniture, computer equipment				0				0				0				0
3.3 Machines, tools...				0				0				0				0
3.4 Spare parts/equipment for machines, tools				0				0				0				0
3.5 Other (please specify)				0				0				0				0
Subtotal Equipment and supplies				0				0				0				0
4. Local office																
4.1 Vehicle costs	Per month			0	Per month			0	Per month			0	Per month			0
4.2 Office rent	Per month			0	Per month			0	Per month			0	Per month			0
4.3 Consumables - office supplies	Per month			0	Per month			0	Per month			0	Per month			0
4.4 Other services (tel/fax, electricity/heating, maintenance)	Per month			0	Per month			0	Per month			0	Per month			0
Subtotal Local office				0				0				0				0
5. Other costs, services⁸																
5.1 Publications ⁹				0				0				0				0
5.2 Studies, research ⁹				0				0				0				0
5.3 Auditing costs				0				0				0				0
5.4 Evaluation costs				0				0				0				0
5.5 Translation, interpreters				0				0				0				0
5.6 Financial services (bank guarantee costs etc.)				0				0				0				0
5.7 Costs of conferences/seminars ⁹				0				0				0				0
5.8 Visibility actions ¹⁰				0				0				0				0
Subtotal Other costs, services				0				0				0				0
All Years					Year 1				Year 2				Year 3			
Expenses	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)
6. Other				0				0				0				0
Subtotal Other				0				0				0				0
7. Subtotal direct eligible costs of the Action (1-6)																
8. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)																
9. Total direct eligible costs of the Action (7+8)				0				0				0				0
10. Administrative costs (maximum 25% of staff costs)																
11. Total eligible costs (9+10)				0				0				0				0
1. The Budget must cover all eligible costs of the Action, not just the Contracting Authority's contribution. The description of items must be sufficiently detailed and all items broken down into their main components. The number of units and unit rate must be specified for each component depending on																
2. This section must be completed if the Action is to be implemented over a period of more than 12 months.																
3. If the Contracting Authority is not the European Commission, the budget may be established in euro or in the currency of the country of the Contracting Authority. Costs and unit rates are rounded to the nearest euro cent.																
4. If staff are not working full time on the Action, the percentage should be indicated alongside the description of the item and reflected in the number of units (not the unit rate).																
5. Indicate the country where the per diems are incurred and the applicable rates (which must not exceed the scales published by the E.C. at the time of contract signature http://ec.europa.eu/europeaid/work/procedures/index_en.htm). If information is not available, enter a global amount. Per diems cover accommodation, meals and local travel within the place of the mission and sundry expenses.																
6. Costs for CO2 offsetting of air travel may be included. CO2 offsetting shall in that case be achieved by supporting CDM/Gold Standard projects (evidence must be included as part of the supporting documents) or through airplane company programmes when available. Indicate the place of departure																
7. Costs of purchase or rental																
8. Specify: Lump sums will not be accepted.																
9. Only indicate here when fully subcontracted.																
10. Communication and visibility activities should be properly planned and budgeted at each stage of the project implementation. These activities should not be only focused on publicising the EU support for the action but also on its outcome and impact. Please note that the communication and																
NOTA BENE: The beneficiary alone is responsible for the correctness of the financial information provided in these tables																

Draft template IPA budget (2)

Sources of funding		Amount EUR	Percentage of total %
Applicant's financial contribution			
Commission/EDF contribution sought in this application			
Contribution(s) from other European Institutions or EU Member States			
Name	Conditions		
Contributions from other organisations:			
Name	Conditions		
TOTAL CONTRIBUTIONS			
Direct revenue from the Action			
OVERALL TOTAL			

The final budget template will be available for the second step. This template is provisional, subject to further adjustments as appropriate