



CENTRAL BALTIC  
INTERREG IV A  
PROGRAMME  
2007-2013

# Central Baltic INTERREG IV A Programme 2007-2013

**Cross-Border Co-operation Programme under  
the European Territorial Co-operation Objective**

## **Project Applicant's Programme Manual**

Version 1.0

(1<sup>st</sup> Call for Proposals: 18 June – 18 September)



*Central Baltic Interreg IV A Programme 2007-2013 is  
co-financed by the European Regional Development Fund  
"Investing in your future"*

Dear Project Developer, dear Applicant,

This Project Applicant's Programme Manual aims at providing you, the applicant for co-financing from the Central Baltic INTERREG IV A Programme 2007-2013, all the necessary information which you need to develop a project idea, to prepare your project, to write the project application and, if your project was approved for co-financing, to enable you to launch and successfully implement your project and hereby to make the Central Baltic area a globally recognised, dynamic, sustainable and competitive region that is attractive for business and visitors and where people want to live, work and invest. The background for this Manual are the relevant regulations by the Council of the European Union, the European Parliament and the European Commission mentioned in the Programme Document (→ *its chapter 1.3*) and partly listed in chapter 8.1.1. of this manual.

As it is impossible to predict every single case for the programming period 2007-2013 and as the programme was designed to be flexible, to be able to adapt to the resources, needs and developments in the Central Baltic area, not least through projects co-financed by the Central Baltic INTERREG IV A Programme 2007-2013, it has to be underlined that this Programme Manual is a living document – and it has to be read together with the Programme Document. The Programme Manual should not be seen as a document opposed by the programme's management structures on you, the project owners. Rather see this manual as your document – your feedback is important, be it positive or constructively critical.

A lot can be written on paper, but sometimes personal contacts and discussion are the better way. Therefore, use the Joint Technical Secretariat of the Central Baltic INTERREG IV A Programme 2007-2013 from the very beginning – we are at your service, at the service of the Central Baltic area. You can find our detailed contact information in Annex 1. Or visit our website at [www.centralbaltic.eu](http://www.centralbaltic.eu).



*Philipp Schwartz*  
*Head of the Joint Technical Secretariat*

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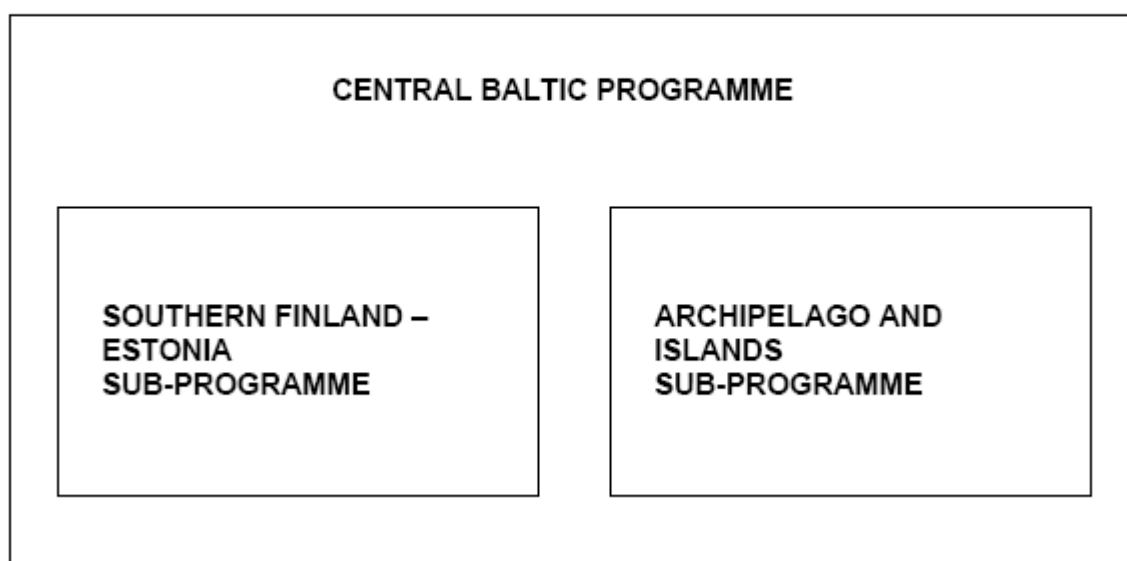
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## **1. The Project Life-span – A Quick Overview of the Manual**

The **eligibility is geographically defined**. As the Central Baltic INTERREG IV A Programme 2007-2013 consists of the overall *Central Baltic Programme*, the *Southern Finland – Estonia* as well as the *Archipelago and Islands Sub-programme*, the first step in project preparation is to find out which (sub-)programme you need to apply for. This will then allow you to read the proper guidelines and descriptions in the Programme Document and Manual.

### **CENTRAL BALTIC INTERREG IV A PROGRAMME 2007-2013**



Picture: The structure of the Central Baltic INTERREG IV A Programme 2007-2013

Any project with partners from two or more countries in the programme area, including adjacent areas, will submit its application to the overall *Central Baltic Programme*. This does, however, not apply to Finnish-Estonian bilateral co-operation. Whenever there are project partners solely from Finland and Estonia, the project has to be submitted to the *Southern Finland - Estonia Sub-programme*.

In all cases where the project focuses on sea island and archipelago issues and development the project must be submitted to the *Archipelago and Islands Sub-programme*. This is the only exception where Finnish-Estonian bilateral co-operation is not submitted to the *Southern Finland - Estonia Sub-programme*.

Sometimes, it might be difficult to identify in which (sub-)programme your project should apply for co-financing. This might actually also concern other relevant INTERREG programmes as the Estonia-Latvia ([www.estlat.eu](http://www.estlat.eu)) or the South Baltic Programme (cross-border co-operation) as well as the Baltic Sea Region Programme (transnational co-operation, [www.eu.baltic.net](http://www.eu.baltic.net)). If you have any doubt which (sub-)programme you should go for with your project, contact the Joint Technical Secretariat at the earliest possible (→ *Annex 1 Contact Information*). We would then discuss together with you which (sub-)programme is the most suitable for your project.

When planning a project within the Central Baltic INTERREG IV A Programme 2007-2013 it is crucial to bear in mind the **principle of joint projects**. This requires that at least two of the following criteria are met: joint development, joint implementation, joint staffing and joint financing (→ *Chapter 4.1.1.*).

The projects are required to fulfil the programme's **content criteria of cross-border activities** (→ *Chapter 4.1.*) and have to follow the **Lead Partner principle** (→ *Chapter 3.2.*). The Central Baltic INTERREG IV A Programme 2007-2013 does not support projects that could be implemented independently in any one country.

Once the Lead Partner has sent the completed project application package to the Joint Technical Secretariat, it will be assessed and brought to the respective Steering Committee for a funding decision. The Managing Authority will inform the Lead Partner in written about the **Steering Committee's funding decision** and in case it is positive, move on to sign a Subsidy contract with the Lead Partner. The project is then ready to start. Be aware that **no major changes** (e.g. change from one (sub-)programme to another) can be made to the project application **after it has been officially submitted** to the Joint Technical Secretariat. Therefore, it is highly recommended to use the services and expertise of the Joint Technical Secretariat from an early stage in your project preparation, not only when you have finalized the project application.

Throughout the project there will be a strong emphasis on **information and publicity** in order to effectively disseminate the results of your project (→ *Chapter 5.*). Each project will be **monitored** both in regards to how the project uses money and lives up to the content as described in the project plan (→ *Chapter 4.6.*)

The **only language** of the Central Baltic INTERREG IV A Programme 2007-2013 with its overall *Central Baltic Programme* and its *Southern Finland – Estonia* and the *Archipelago and Islands Sub-programmes* is **English**. This concerns all official correspondence and documentation including the application forms and all reporting to be submitted in English. Though, there are some exceptions as e.g. invoices, necessary evaluations or permits, where for the latter it might be sufficient to include a short summary in English (in case of any doubt, consult the Joint Technical Secretariat). And further, the language requirement does not exclude that in the day-to-day contact and communication within your project or between your project and the Joint Technical Secretariat other languages are used on an ad-hoc base.

## **2. What is a Project?**

### **2.1. Defining a Project by its Objectives, Tasks, Duration and Budget**

A project is by definition an operation that is limited by its objectives and tasks, its duration and its budget.

- A project has limited and fixed objectives and tasks. Their implementation, the project activities must be additional to the activities normally carried out by the organisations involved and not part of the organisation's ordinary activities;
- A project has a limited budget. Objectives and tasks are to be met with the financial resources foreseen in the project budget;
- A project has a limited lifetime. Objectives and tasks are to be met within the time specified and the project is then closed.

The **objectives and tasks** of any project must be clearly defined. A project tackles a certain problem or task using a pre-defined set of measures. Tasks that are part of an organisations regular work and that are intended to carry on indefinitely cannot be labelled projects and will not receive project funding. In order to avoid this, the Central Baltic INTERREG IV A Programme 2007-2013 does not finance follow-up projects with the same content and aims (i.e. Project I, Project II). Each project should set its individual aims. Projects are particularly good for trying out or spreading new innovations, models or methods or to establish new co-operations.

The **duration** and the tasks of a project are interlinked. The duration of a project is set according to the objectives and tasks at hand, but should always be only a few years. The general rule for projects in the Central Baltic INTERREG IV A Programme 2007-2013 is that they should last no longer than 3 years – though this being more of an indication as the “suitable” project duration very much depends on the concrete content of the project.

For achieving the set aims, a project must have a realistic and viable **budget**. As all other aspects of budget life, the budget is pre-set for a certain period of time. Projects cannot be used to sustain operations or to fund the every-day work of the partner organisations.

The Central Baltic INTERREG IV A Programme 2007-2013 will only support projects that bear these realities in mind. The project proposals must also respond to a real need. Needless to say, projects should not be planned for the sole purpose of receiving funding, securing someone's salary or as a favour to a partner organisation.

Despite the limited life-span of a project, it is crucial to consider the **sustainability** of the project activities and achievements. A successful project creates practices, models, solutions, networks or knowledge that live on after the project ends even without project funding. The sustainability of the results must be taken into account when planning a project.

To facilitate the building-up of partnerships, the programme's website [www.centralbaltic.eu](http://www.centralbaltic.eu) will contain i.a. a partner and project search tool. If you have a project idea, you might use this partner search engine to either publish your own idea to attract possible project partners. Or you might browse through the project ideas published by others looking for co-operation partners.

## **2.2. International Co-operation**

The Central Baltic INTERREG IV A Programme 2007-2013 always requires co-operation between **at least two of the programme's Member States**. Therefore, in case project involving partners from the Åland Islands, there has to be at least one other partner from Estonia, Latvia or Sweden (projects with only Åland and mainland Finland participation are not considered as being international respectively cross-border). Co-operation should be equal and balanced between the participating countries and benefiting all partners.

Cross-border co-operation should always bring added value to the project – and vice versa. In the project application partners are asked to explain why the project is best carried out by cross-border co-operation and with the chosen partners. The aims of the project have to be best fulfilled in the chosen cross-border partnership, rather than with partners from only one country or other international partners.

Co-operation in the Central Baltic INTERREG IV A Programme 2007-2013 is about working together to solve joint problems or support joint possibilities of the Central Baltic region or to disseminate and further develop good practices for the region. For this to take place, the Programme expects the partners to work together as equals. Each project partner should contribute to the project by bringing in expertise, ideas, personnel or other resources. The Programme does not foresee projects, where one partner has the role of a teacher and the other(s) simply copy a model. Keep the word “joint” in mind!

### **3. Eligible Project Partners**

#### **3.1. Geographical Eligibility**

As already stated above, the **eligibility is geographically defined**. As the overall *Central Baltic Programme* as well as the *Southern Finland – Estonia* and the *Archipelago and Islands Sub-programmes* cover different geographies, the question if you are an eligible project partner depends on for which of the (sub-)programmes you are aiming for. The following table gives you a quick overview where you have to be located to be an eligible project partner for one of the (sub-)programmes from the geographical point of view.

	<b>Estonia</b>	<b>Finland (except Åland)</b>	<b>Latvia</b>	<b>Sweden</b>	<b>Åland</b>
<b>Central Baltic Programme</b>	Yes	Yes	Yes	Yes	Yes
<b>Southern Finland – Estonia Sub-programme</b>	Yes	Yes	No	No	No
<b>Archipelago and Islands Sub-programme</b>	Yes	Yes	No	Yes	Yes

To be an eligible project partner, the respective organisation/structure has to be located either within the (sub-)programme area or the adjacent area(s) of the respective (sub-)programme. Certain special rules apply for the Archipelago and Islands Sub-programme (→ *Chapter 3.1.4.*). The difference between (sub-)programme area and adjacent area is that there are no limits for how much of the total ERDF funding of the Central Baltic INTERREG IV A Programme 2007-2013 can go into the (sub-)programme area. Though, only up to **20% of the total ERDF funding** of the programme may be used to finance operations or parts of operations **in the adjacent areas**.

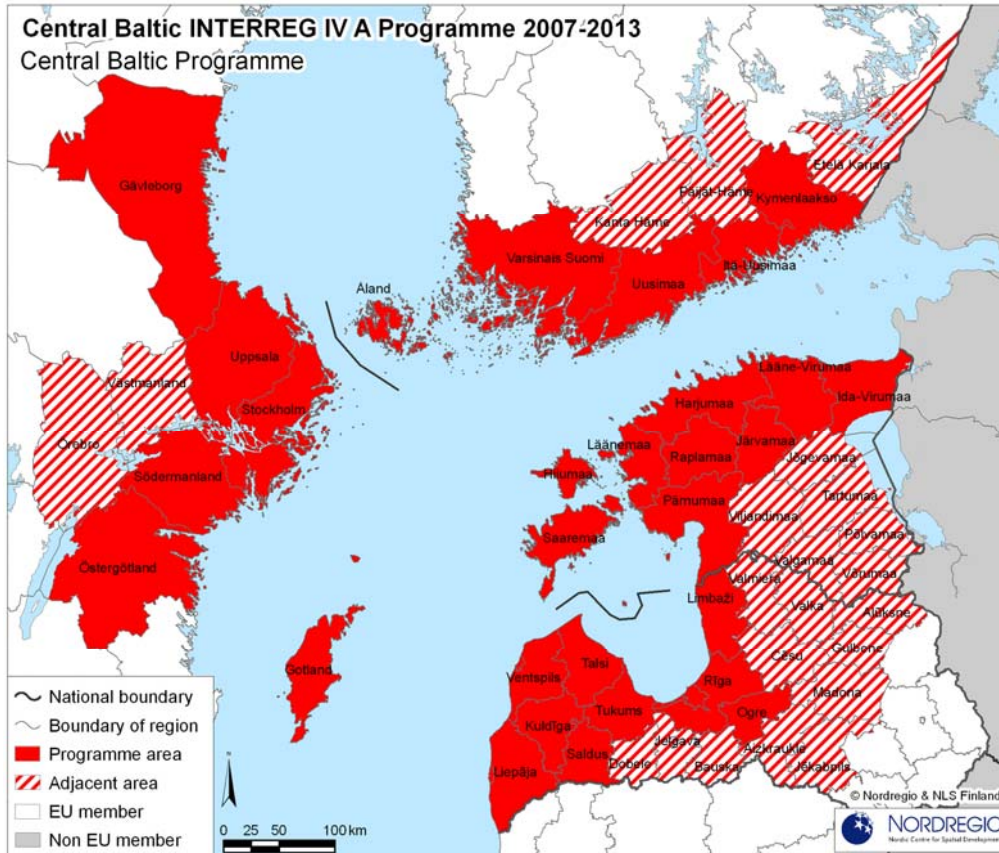
Other partners which are **not located in the respective (sub-)programme or its adjacent area** can participate in a project as additional partner. Though they must justify their participation in the project application and all activities and funding related to these partners must always be targeted to and benefit the respective (sub-)programme area. And, the most important, they do not generate ERDF co-financing!

Special rules apply for possible partners **outside the EU**. Up to 10% of the total ERDF funding of the Central Baltic INTERREG IV A Programme 2007-2013 can be used to finance expenditure incurred in implementing operations or parts of operations outside the EU as long as they are for the benefit of the area and the regions participating in the Central Baltic INTERREG IV A Programme 2007-2013. These expenditures would have to be included into the budgets of one or maximum two of the eligible project partners located within the Central Baltic INTERREG IV A Programme 2007-2013 area, that means in Estonia, Finland (including Åland), Latvia or Sweden.

Hereby, it should be ensured that special expertise and input which can come only from outside the EU can be integral part of a project in the Central Baltic area. The reasoning behind being that some challenges to the Central Baltic region, certain issues to be tackled and solutions to be found cannot be limited geographically to the area covered by the Central Baltic INTERREG IV A Programme 2007-2013. Though, keep in mind that this 10% rule does not aim at enabling cross-border co-operation with partners from outside the EU as for such co-operation other EU funding programmes are foreseen.

### 3.1.2. Central Baltic Programme

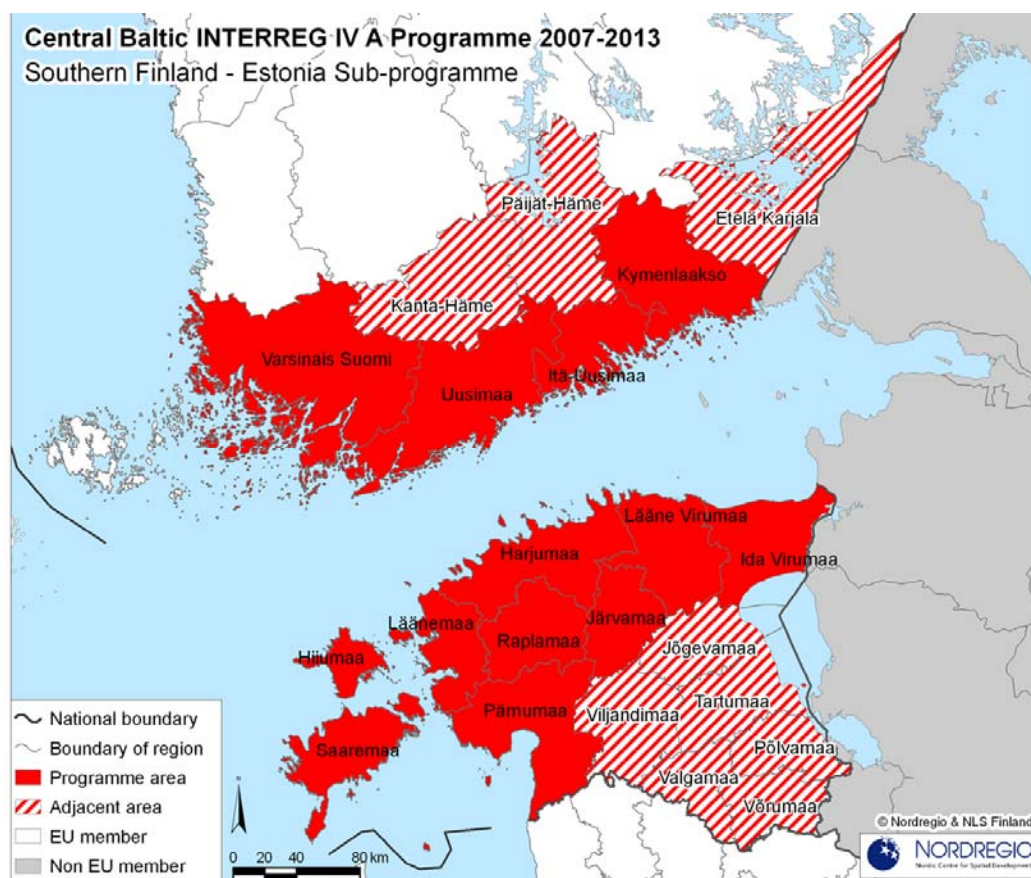
The Central Baltic Programme covers the following regions and adjacent areas:



ESTONIA	FINLAND	LATVIA	SWEDEN
<b>Programme Area</b>			
Kesk-Eesti (Järvamaa, Lääne-Virumaa, Raplamaa) Kirde-Eesti (Ida-Virumaa) Lääne-Eesti (Hiiumaa, Läänemaa, Pärnumaa, Saaremaa) Põhja-Eesti (Harjumaa)	Itä-Uusimaa Kymenlaakso Uusimaa Varsinais-Suomi Åland	Kurzeme Pieriga Rīga	Gotlands län Gävleborg län Östergötlands län Södermanlands län Stockholms län Uppsala län
<b>Adjacent Areas</b>			
Lõuna-Eesti (Jõgevamaa, Põlvamaa, Tartumaa, Valgamaa, Viljandimaa, Võrumaa)	Etelä-Karjala Kanta-Häme Päijät-Häme	Vidzeme Zemgale	Örebro län Västmanlands län

### 3.1.3. Southern Finland – Estonia Sub-programme

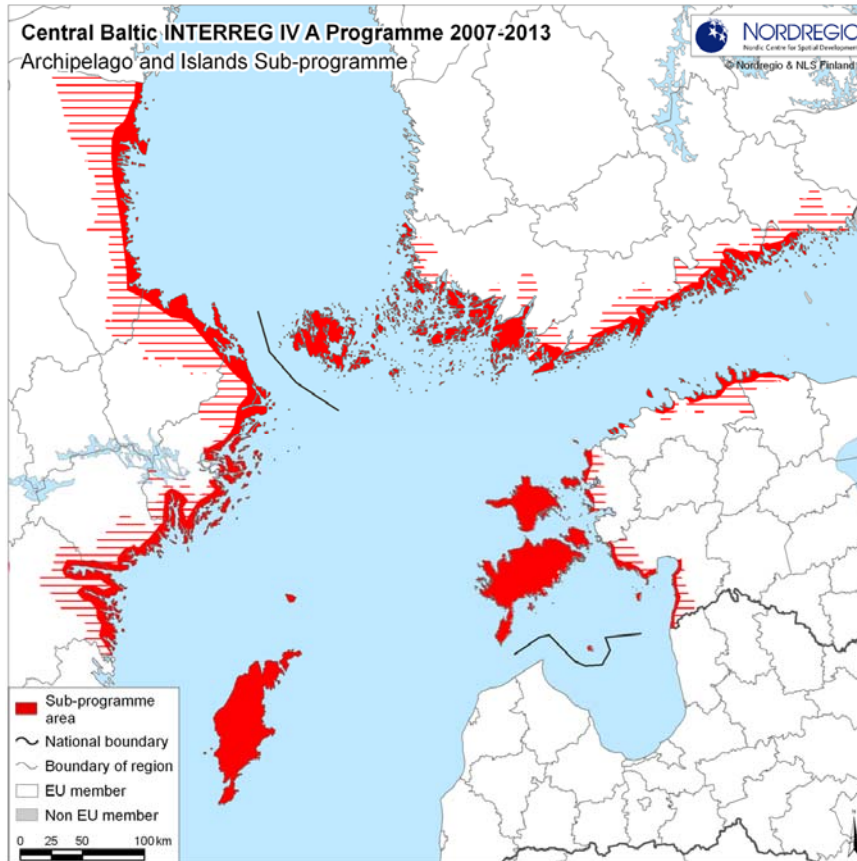
The Southern Finland – Estonia Sub-programme covers the following regions and adjacent areas:



ESTONIA	FINLAND
<b>Programme Area</b>	
Kesk-Eesti (Järvamaa, Lääne-Virumaa, Raplammaa) Kirde-Eesti (Ida-Virumaa) Lääne-Eesti (Hiiumaa, Läänemaa, Pärnumaa, Saaremaa) Põhja-Eesti (Harjumaa)	Itä-Uusimaa, Kymenlaakso, Uusimaa, Varsinais-Suomi
<b>Adjacent Areas</b>	
Lõuna-Eesti (Jõgevamaa, Põlvamaa, Tartumaa, Valgamaa, Viljandimaa, Võrumaa)	Etelä-Karjala, Kanta-Häme, Päijät-Häme

### 3.1.4. Archipelago and Islands Sub-programme

The Archipelago and Islands Sub-programme covers the below shown and mentioned municipalities (to keep the map readable, names of individual counties/läns/municipalities etc. have not been indicated on the map):



<b>ESTONIA:</b>
Hiiumaa (whole County)
Emmaste, Kõrgessaare, Käina, Kärkla, Pühalepa
Saaremaa (whole County)
Kaarma, Kihelkonna, Kuressaare city, Kärla, Laimjala, Leisi, Lümada, Mustjala, Muhu, Orissaare, Põide, Salme, Torgu, Pihtla, Ruhnu, Valjala
<b>ESTONIA – Archipelago Parts of:</b>
Harjumaa
Jõelähtme, Kuusalu, Paldiski, Tallinn
Läänemaa
Noarootsi, Ridala, Vormsi
Lääne-Virumaa
Vihula
Pärnumaa
Häädemeeste, Kihnu, Tahkuranna, Tõstamaa, Varbla,
<b>FINLAND (except Åland) – Archipelago Parts of:</b>
Itä-Uusimaa

Loviisa, Pernå, Porvoo, Ruotsinpyhtää, Sipoo
Kymenlaakso
Hamina, Kotka, Pyhtää, Virolahti
Uusimaa
Ekenäs, Espoo, Hanko, Helsinki, Ingå, Kirkkonummi, Siuntio
Varsinais-Suomi
Askainen, Dragsfjärd, Halikko, Houtskär, Iniö, Kimito, Korpo, Kustavi, Merimasku, Nagu, Pargas, Piikkiö, Rymättylä, Särkisalo, Taivassalo, Uusikaupunki, Velkua, Västanfjärd

<b>SWEDEN – Archipelago Parts of:</b>
Gotlands län
Gotland
Gävleborgs län
Gävle, Huddiksvall, Nordanstig, Söderhamn
Södermanlands län
Nyköping, Oxelösund, Trosa
Stockholms län
Haninge, Norrtälje, Nynäshamn, Österåker, Södertälje, Vaxholm, Värmdö

Uppsala län
Östhammar, Tierp, Älvkarleby
Östergötlands län
Norrköping, Söderköping, Valdemarsvik

<b>ÅLAND</b>
Brändö, Eckerö, Finström, Föglö, Geta, Hammarland, Jomala, Kumlinge, Kökar, Lemland, Lumparland, Mariehamn, Saltvik, Sottunga, Sund, Vårdö

Project activities should **always benefit the islands and archipelago parts** of the sub-programme area. To give the possible project partners an indication, these islands and archipelago parts have been marked in red in the above map without this being binding or conclusive. The Joint Technical Secretariat will evaluate if the benefit criterion is fulfilled on a case-by-case basis for each project application.

However, project partners (including the Lead Partner) can be located outside the Archipelago and Islands Sub-programme area as long as they are situated within the Central Baltic area of the Member States/Åland participating in the Archipelago and Islands Sub-programme (Estonia, Finland including Åland and Sweden) and if the organisation is actively operating in the Archipelago and Islands Sub-programme area and its expertise is crucial for the implementation of the project. Such organisations need to justify their participation in the project application. As a **minimum requirement, at least one partner** in each project has to be **located within a municipality belonging to the sub-programme area**.

### **3.2. Eligibility as Project (Lead) Partner**

All project partners are equal. There is, however, one project partner which bears the overall responsibility for the preparation and well-functioning of the project. This project partner is called the “Lead Partner”. When designing your project, you have to decide which one of you will take over the role as the Lead Partner – a demanding task which requires sufficient organisational and personnel resources (→ *Chapter 4.2.3.*). Finally, the number of project partners can not exceed 30.

#### **3.2.1 Who can be a Project Partner?**

Actors interested in participating in a project co-financed by the Central Baltic INTERREG IV A Programme 2007-2013 have to fulfil certain criteria to be an eligible project partner able to be funded by the programme. One of them is the already mentioned location of the project partner defined by the legal address of the organisation.

The following legal entities may be beneficiaries of and co-financed by the Central Baltic INTERREG IV A Programme 2007-2013:

- **Local and regional authorities;**
- **State organisations;**
- Organisations established for general interest needs as defined below;
- Non-governmental organisations as defined below;
- Private enterprises (NB! Only in the Southern Finland – Estonia Sub-programme private enterprises can be project partners. Private funding by private enterprises generates co-financing from the Central Baltic INTERREG IV A Programme 2007-2013 only in Estonia, → *below*).

**Organisations established for general interest needs** are organisations

- (a) Established for the specific purpose of meeting needs in the general interest, not having only an industrial or commercial character<sup>1</sup> and
- (b) Having legal personality and
- (c) - Being financed, for the most part (at least 51%), by the State, regional or local authorities, or other bodies governed by public law or
  - Being 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.

**Non-governmental organisations** are organisations

- (a) Established for the specific purpose of meeting needs in the general interest, not having only an industrial or commercial character<sup>2</sup> and
- (b) Having legal personality.

When applying for funding, both an organisation established for general interest needs as well as a non-governmental organisation will need to provide evidence that it fulfils the above-mentioned criteria.

**Some examples** of eligible Project/Lead Partners (NB! Be aware of possible differences in the legal status of these organisations in and even within the different countries): municipalities, universities, research institutions, vocational and other educational organisations and centres, regional associations, business incubators, chambers of commerce, public utilities and other public organisations etc.

**Private enterprises:** Private enterprises can be project partners only within the Southern Finland – Estonia Sub-programme. However, in Finland, the public support from the Central Baltic INTERREG IV A Programme 2007-2013 is granted to private enterprises according to the applicable national State Aid rules. Their private funding (own funding from the enterprises) does not generate ERDF co-financing in Finland. It is the responsibility of the project partners (including the private enterprises participating in the project) to guarantee that the needed amount of eligible national co-financing is available for the project.

In Estonia, private funding generates ERDF co-financing, but private enterprises have to obey the De minimis-rule, which determines the funding of private enterprises. When planning to involve private enterprises as project partners, please keep in mind the spirit and main aim of the Central Baltic INTERREG IV A Programme 2007-2013 which is to support only the development of the operational environment of the private sector in its cross-border activities in a way that does not distort competition. The majority of partners, however, should clearly come from the public sector and private participation rather being a well justified exception.

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<sup>1</sup> This does not exclude bodies having only partly an industrial or commercial character from being eligible. NB! It is the applicant's responsibility to provide the necessary information to the Joint Technical Secretariat on the legal nature and organisational structure related to the public/commercial character of the organisation. The failure to do so will result in the application not being approved or in the termination of the Subsidy Contract and the repayment of granted co-financing if violations of partner eligibility rules are detected during the project life-span!

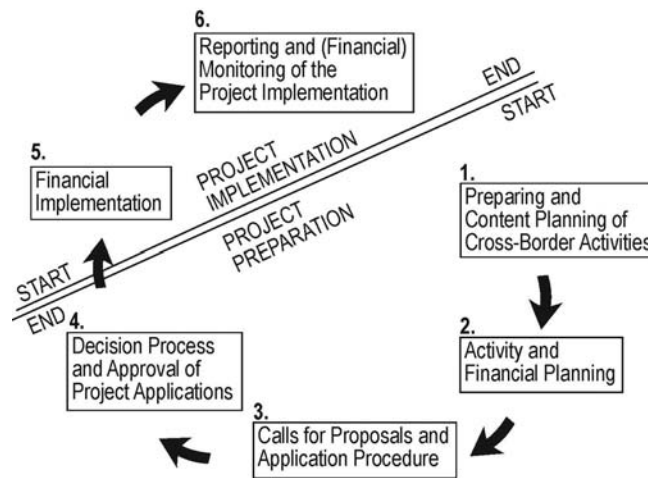
<sup>2</sup> This does not exclude bodies having only partly an industrial or commercial character from being eligible.

Should there be an organisation that does not fall under one of the mentioned categories, it can participate in projects as an "**Additional Partner**". Additional partners have to finance their activities from their own resources and are not entitled to co-financing from the Central Baltic INTERREG IV A Programme 2007-2013.

### **3.2.2. Who can be a Lead Partner?**

The Lead Partner has to fulfil the same criteria as all the other project partners (→ *Chapters 3.1. and 3.2.1*). There are no additional requirements to become a Lead Partner, though the responsibilities are different (→ *below Chapter 4.3.*).

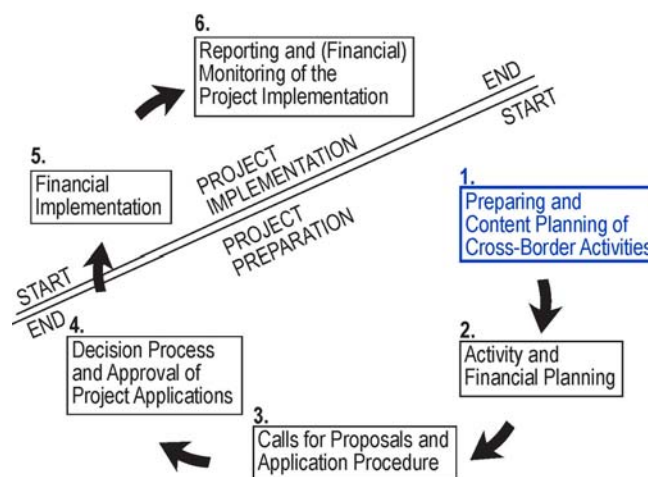
## 4. A Project's Life-span in Detail



Picture: The project's life-span

The project's life-span encompasses the preparation and content planning period (→ *Chapter 4.1*) going hand-in-hand with the activity and financial planning period (→ *Chapter 4.2*), followed by the application procedure (→ *Chapter 4.3*), the assessment and decision procedure (→ *Chapter 4.4*), and – if the project was approved – the (financial) implementation period including reporting and monitoring of the project (→ *Chapters 4.5. and 4.6*).

### 4.1. Preparing and Content Planning of Cross-Border Activities



Picture: Step 1 of the project's life-span

During the selection process, the first and most important criterion is how well your project supports the objectives of the relevant (sub-)programme which you have applied for. There are also a number of more technical requirements, that the projects are expected to meet.

Some have already been mentioned as the geographical location of the project partners and their eligibility as project partners (→ *above Chapter 3.1.*).

Besides these criteria, there are some more general aspects, overall requirements for your project which you should take into account from the very beginning of the planning process. First of all, your project has to be a joint project (→ *above chapter 1 and below 4.1.1.*) and it has to have a clear cross-border relevance – as you apply for co-financing from an INTERREG IV A (cross-border co-operation) programme (→ *Chapter 4.1.2.*). In addition, the operating principles and general criteria (→ *Chapter 4.1.3.*) have to be met as well as the specific criteria for each priority and (sub-)programme (→ *Chapter 4.1.4.*) and finally, – content wise – your project should include only eligible types of action (→ *Chapter 4.1.5.*).

### **4.1.1. Joint Project**

The Central Baltic INTERREG IV A Programme 2007-2013 supports real co-operation in joint projects. In order for these preconditions to be met, all partners must participate in the project planning. The partners together plan the actions, set the targets, define the steps required for meeting the targets and plan the required budget.

The joint spirit is reflected through the following criteria of which your project should fulfil **at least two**:

- **Joint development** – meaning that your project must be designed by representatives from all partner organisations together under the leadership of the Lead Partner. The project proposal must clearly integrate the ideas, expectations, priorities and contributions from all participating partners.
- **Joint implementation** – meaning that activities must be carried out and co-ordinated by all participating partners. There must be a balanced division of tasks and responsibilities, links between the activities of each partner and regular contacts. Again, it is the Lead Partner's responsibility to ensure that activities are properly co-ordinated, schedules kept and the right quality levels achieved. Within your project, you would have to set up a so called Steering Group which in addition to the Lead Partner would follow the project's implementation and would have to take necessary decisions in case of shortcomings (→ *Chapter 4.2.4.*).
- **Joint staffing** – meaning that the project structure should not duplicate functions. There should be one joint project manager, one joint financial manager etc. for the whole project. Normally, these would be the Lead Partner's responsibility.
- **Joint financing** – meaning that although the budgets of each project partner together make up the total budget, there is only one joint budget and one contract for co-financing per project. The Lead Partner is responsible for holding one project bank account or an accounting centre separated from other book-keeping, the financial administration and distribution of project funding as well as for reporting on its use.

Although the formal requirement is to fulfil a minimum of two of the above-mentioned criteria, your project can only benefit from all four criteria being fulfilled – and clear preference is given to projects that fulfil all four. Therefore, make sure that in your project application you clearly demonstrate the joint spirit of your project.

### **4.1.2. Cross-border Relevance of the Project**

All projects that receive funding from the Central Baltic INTERREG IV A Programme 2007-2013 must have a **clear impact on cross-border co-operation** and vice-versa, **cross-border co-operation must bring added value** to the project and improve its results.

Projects should, generally speaking, address a common problem or strategic question, which the project partners then attempt to solve together developing and using a cross-border approach. By working together across the border, you and your partners should produce new knowledge, a product or services with cross-border character. Your project should draw on the similar needs and conditions within the respective (sub-)programme area, but also make the best out of the different conditions, knowledge and experiences – diversity being a challenge and an opportunity at the same time.

In your project application, you are required to justify both the benefit of cross-border co-operation compared to national and other types of co-operation and the impact of your project on cross-border co-operation. The project results should benefit all partners. Even if the results are anchored in one place, they must be transferable to other partner's regions or to the other (sub-)programme areas of the Central Baltic INTERREG IV A Programme 2007-2013.

### **4.1.3. Operating Principles and General Criteria**

In addition to the requirement of your project being a joint project and of having cross-border relevance, it is also required to follow a set of operating principles and fulfil general criteria. These relate to the project's suitability for funding from the Central Baltic INTERREG IVA Programme 2007-2013 and the project's cross-border impact. Therefore, your project is required to report how it relates to a set of horizontal objectives and that it has no negative impact on namely: **sustainable development, gender equality and anti-discrimination**.

### **4.1.4. Specific Criteria for each Priority and (Sub-)Programme**

Further, your project must meet the criteria of the chosen common priority of the Central Baltic INTERREG IV A Programme 2007-2013 and its specific focus deriving from the geographical and thematic needs and opportunities of the chosen (sub-)programme in which you want to implement your project. These are:

<b>Priority 1: Safe and healthy environment</b>	This priority focuses on protecting and improving our common environment and puts a special focus on the Baltic Sea. This priority supports a sustainable environmental development of the programme area, making it attractive for both inhabitants and visitors.
<i>Central Baltic Programme</i>	<ul style="list-style-type: none"> <li>- Environmental awareness raising and expertise (e.g. regarding how the environment in the Baltic Sea can be improved or to improve environmental practices in the programme area)</li> <li>- Supporting sustainable spatial planning and environmental management (e.g. contributing to increased cross-border co-operation in the field of spatial planning and environmental management in energy, water and waste systems)</li> </ul>

	<p><i>Example of <u>eligible</u> activities:</i> Networking of experts; disseminating good practices; awareness-raising campaigns directed to the general public; investments in the field of environmental management; developing and testing new models, methods or systems.</p> <p><i>Example of <u>non-eligible</u> activities:</i> Ex-post exchange of experience as the main activity of the project; “teacher-student-projects” without joint development of ideas.</p>
<p><i>Southern Finland – Estonia Sub-programme</i></p>	<ul style="list-style-type: none"> <li>- Maintaining and improving the condition of the natural environment (e.g. improving the environment of the Gulf of Finland and transferring increased environmental awareness of individuals and the community about their impact on the environment, creating reduced environmental loads, joint environmental management systems, improved risk management)</li> <li>- Taking responsibility for our physical environment (e.g. preserving values of the cultural landscapes in the Southern Finland – Estonia Sub-programme area)</li> </ul> <p><i>Example of <u>eligible</u> activities:</i> Developing and testing new models, methods or systems; expert co-operation; training of people; investments in the field of environmental management and restoration of landscapes.</p> <p><i>Example of <u>non-eligible</u> activities:</i> Networking without tangible outputs; analyses of the current situation or ex-post exchange of experience as the main activity of the project; “teacher-student-projects” without joint development of ideas.</p>
<p><i>Archipelago and Islands Sub-programme</i></p>	<ul style="list-style-type: none"> <li>- Sustainable infrastructure (e.g. targeting at improved conditions of the archipelago and islands environment in the sub-programme area by i.a. locally functional and sustainable solutions)</li> <li>- Raising environmental awareness (finding new ways) (e.g. awareness of the possibilities to protect island landscapes and sea environment as well as co-operation in the field of environmental management)</li> </ul> <p><i>Example of <u>eligible</u> activities:</i> Networking of experts; disseminating good practices; awareness-raising campaigns directed to the general public; investments in the field of environmental management; developing and testing new models, methods or systems; finding solutions suited for the sub-programme area.</p> <p><i>Example of <u>non-eligible</u> activities:</i> Networking without tangible outputs; Analyses of the current situation or ex-post exchange of experience as the main activity of the project; “teacher-student-projects” without joint development of ideas.</p>

<p><b>Priority 2: Economically competitive and innovative region</b></p>	<p>This priority focuses on enhancing the overall economic development and competitiveness of the programme area. It emphasises innovations and broad, qualitative co-operation. Moreover, the development of connections to facilitate cross-border co-operation and a better flow of goods and people is another focus, together with the utilisation of the labour force and the development of the tourism sector.</p>
<p><i>Central Baltic Programme</i></p>	<ul style="list-style-type: none"> <li>- Supporting innovation and improving competitiveness (e.g. create an improved environment for innovations and increased economic activities in the Central Baltic area)</li> <li>- Improving internal and external accessibility (e.g. facilitating transportation, travel and ICT within the Central Baltic area, improving the accessibility of the involved regions and sustainable ways of transport)</li> <li>- Optimising the potential of the labour force (e.g. aiming at well matching skills throughout the Central Baltic area)</li> </ul> <p><i>Example of <u>eligible</u> activities:</i> Developing and testing new models, methods and services; development of services or products; studies, strategies, assessments and priorities of actions; expert co-operation and establishing networks; investments for joint tourism facilities or communication services; co-operation between research institutions, private and public bodies.</p> <p><i>Example of <u>non-eligible</u> activities:</i> Ex-post exchange of experience as the main activity of the project; “teacher-student-projects” without joint development of ideas.</p>
<p><i>Southern Finland – Estonia Sub- programme</i></p>	<ul style="list-style-type: none"> <li>- Improving of connections within the programme area (e.g. developing sustainable transport links and services for the benefit of the inhabitants and tourists in the Southern Finland – Estonia Sub-programme area)</li> <li>- Creating and supporting innovative and competitive environments (e.g. increasing competitiveness and economic performance in the strategic relevant business branches)</li> <li>- Meeting challenges of the labour market (e.g. improving the outputs and effectiveness of the regional economy by improving working conditions and skilled labour force)</li> </ul> <p><i>Example of <u>eligible</u> activities:</i> Developing and testing new models, methods and services; joint development of services or products; expert co-operation; training for young people and further training for adults; investments for joint tourism facilities or communication services; co-operation between research institutions, private and public bodies.</p> <p><i>Example of <u>non-eligible</u> activities:</i> Networking without tangible outputs; analyses of the current situation or ex-post exchange of experience as the main activity of the project; “teacher-student-projects” without joint development of ideas.</p>
<p><i>Archipelago and Islands Sub- programme</i></p>	<ul style="list-style-type: none"> <li>- Sustainable tourism (e.g. broadening economic activities on the islands and in the archipelago by developing the tourism industry, supplying the regional</li> </ul>

	<p>and international market with high quality sustainable tourism products)</p> <ul style="list-style-type: none"> <li>- Knowledge based economy (e.g. broadening economic activities on the islands and in the archipelago)</li> <li>- Developing archipelago and island specific economic activities – traditional small scale farming, fishing, handicrafts, maritime heritage etc. (e.g. improving economic viability of the traditional island and archipelago economy and products)</li> <li>- Supporting accessibility to and information about the archipelago and the islands (e.g. improving physical and virtual connections in the archipelago and on the islands, improving the infrastructure for sustainable travel, improving the availability of information on the archipelago and islands outside the region)</li> </ul>
	<p><i>Example of <u>eligible</u> activities:</i> Developing and testing new models, methods and services; joint development of services or products; expert co-operation; investments for joint tourism facilities; co-operation between research institutions, private and public bodies.</p> <p><i>Example of <u>non-eligible</u> activities:</i> Networking without tangible outputs; analyses of the current situation or ex-post exchange of experience as the main activity of the project; “teacher-student-projects” without joint development of ideas</p>

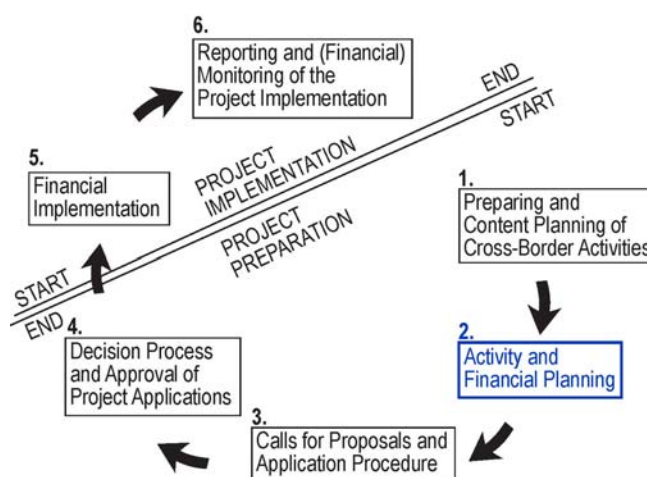
<p><b>Priority 3: Attractive and dynamic societies</b></p>	<p>This priority focuses on creating a better living environment for the programme area’s inhabitants. Thus, it is important to address people’s health, well-being and security as well as co-operation aiming at strengthening cultural exchange and the programme area’s togetherness. Improving the quality of life for the citizens is an important aspect of sustainable development.</p> <p>This priority deals with creating a region with equal opportunities for different groups of the population. It also supports their active participation in society. The Lisbon objective of building a more inclusive EU is one element in achieving the strategic goal of sustainable economic growth, more and better jobs and greater social cohesion.</p>
<p><i>Central Baltic Programme</i></p>	<ul style="list-style-type: none"> <li>- Improving living conditions and social inclusion</li> <li>- Increasing cultural exchange (e.g. strengthening the sense of togetherness and awareness of uniting features in the Central Baltic area)</li> </ul> <p><i>Example of <u>eligible</u> activities:</i> Creation and testing of new models and methods; expert co-operation and network creation; people-to-people co-operation.</p> <p><i>Example of <u>non-eligible</u> activities:</i> Ex-post exchange of experience as the main activity of the project; “teacher-student-projects” without joint development of ideas.</p>

<p><i>Southern Finland – Estonia Sub-programme</i></p>	<ul style="list-style-type: none"> <li>- Social security and well-being of different groups in society (e.g. increasing participation of inhabitants in their local communities)</li> <li>- Stimulating and preserving our heritage and culture (e.g. strengthening regional identity through co-operation in the cultural field, both preserving historical values and creating new cultural activities, increasing cultural exchange and togetherness in the Southern Finland – Estonia Sub-programme area)</li> </ul>
	<p><i>Example of <u>eligible</u> activities:</i> Creation and testing of new models and methods; expert co-operation; people-to-people co-operation.</p> <p><i>Example of <u>non-eligible</u> activities:</i> Networking without tangible outputs; analyses of the current situation or ex-post exchange of experience as the main activity of the project; “teacher-student-projects” without joint development of ideas.</p>
<p><i>Archipelago and Islands</i></p>	<ul style="list-style-type: none"> <li>- Social and demographic issues, especially young people (e.g. increasing social and cultural viability and improving living conditions especially for young people with a holistic view on culture as a large network of stakeholders and participants)</li> </ul>
	<p><i>Example of <u>eligible</u> activities:</i> Creation and testing of new models and methods; developing or improving products or services; building new extensive networks; supporting grass-root activities.</p> <p><i>Example of <u>non-eligible</u> activities:</i> Networking without tangible outputs; analyses of the current situation as the main activity of the project; ex-post exchange of experience as the main activity of the project; “teacher-student-projects” without joint development of ideas.</p>

#### **4.1.5. Ineligible types of action**

Your project always has to produce an added value beyond being a series of one-time events. Therefore, your project cannot content wise consist merely of individual sponsorships for participation in or organisation of workshops, seminars, conferences or the like. Project funding will not be available for only supporting individual studies, training courses, tourism trips and tours, entertainment activities, export aid focused on specific enterprises, loan or grant schemes, aid to private companies or similar. Though, such activities might be eligible if they are part of a bigger project. More about eligibility rules, you will find later in chapter 4.5.

## 4.2. Activity and Financial Planning



Picture: Step 2 of the project's life-span

When having set the general aim and outline of your project and after having found the right project partners, it is time to get more concrete and to start planning your activities and the timetable for their implementation (→ *Chapter 4.2.1.*), – especially important – to draft the budget of your project (→ *Chapter 4.2.2.*) and finally, to chose the project's Lead Partner and to discuss the distribution of responsibilities between the project partners (→ *Chapter 4.2.3.*).

### 4.2.1. The Duration of the Project

The **advised length** of projects in the Central Baltic INTERREG IV A Programme 2007-2013 is **no more than 3 years**. Though, this can be only an indication as the project duration depends heavily on the set targets and activities.

You have to indicate the actual duration of your project in the project application. The starting and finishing dates are then fixed in the Subsidy Contract, the project starting normally after the financing decision by the Steering Committee. Only costs incurred and paid during the duration of the project, as approved by the Steering Committee, are eligible.

Project partners can however already **before the financing decision** accumulate costs for the project - **at their own risk**. Meaning that in case of a positive financing decision, costs, which occurred after submitting the project application and before the financing decision has been taken, will be considered as eligible costs. Contrary, in case of a negative financing decision, if the project is rejected, there will be no compensation of occurred costs, but they remain at the risk of the rejected applicants. If you choose to take such a risk, bear in mind that the eligibility rules set out in this manual and in the possible Subsidy Contract apply for all project expenditure (before and after the financing decision).

While planning the project activities, make sure that you have reserved the **necessary time for the closure of the project**. In practice, this means that the activities should be finalized in good time before the end of the project implementation period so that the

project accounts can be closed and the project personnel is able to finalize the Final Report and to submit it to the Joint Technical Secretariat.

Should you want to **continue** your project even **after the finishing date** fixed in the Subsidy Contract, the issue must be brought forward to the Managing Authority for decision at least two months before the end of your project and documented by an official decision by the Steering Group of your project. This, though, is not an automatism, but an individual **case-by-case decision**.

#### **4.2.2. Financial Planning**

As all project planning, the financial plans must be made jointly between all partners hereby striving for a realistic budget for each partner as well as for the project as a whole. The budget is based on the targets and activities set by the project partners and must be built in a way to ensure that these targets can be met cost-effectively. As the **“right” budget size** depends heavily on the concrete content, set-up etc. of each individual project, it is more or less impossible to give a very concrete answer on how big a “normal” project budget should be. At least, the total project budget should not be below 200.000 EUR for a 3-year project though this should not be understood as a binding figure. It should also not be forgotten that the Central Baltic INTERREG IV A Programme 2007-2013 is a cross-border co-operation programme and not a transnational or interregional programme. And finally, the available financial resources of in average 14,59 MEUR per year<sup>3</sup> give an indication taking into account that the aim is to co-finance more than just a few projects per year.

Therefore, the starting point for drafting your budget should be a thorough analysis by which activities you can reach the objectives and targets of your project. These activities should then be sorted as detailed as possible:

- thematically into **Work Packages**;
- time wise into **Milestones** (January-April, May-August, September-December);

In the project application the budget (NB! all budget figures to be rounded to full Euros) will be broken down annually per partner as well as per work packages. This ensures that the partners have considered all aspects of the budget. The individual partner budgets are at the same time a good tool for the Lead Partner to keep the overview if/to which extent project partners fulfil their obligations (as the use of the budgeted money is one indicator for it). The project budget should only cover the realistic costs enabling the activities of the work packages (NB! Budget only costs which you will also be able to conduct and spend!). However, the Lead Partner should also ensure that there is reasonable flexibility in the budget for unexpected costs. The project owners are obliged to follow the stipulations of the Subsidy Contracts e.g. the set out project implementation and reporting timetables to avoid the risk of decommitment, or losing co-financing and be aware of the respective stipulations in the Subsidy Contract on decommitment).

You would then – the activities being adequately clarified – have to identify the required resources to implement these activities and taking into account the financial and human resource capacities of each project partner, decide who is going to do what. Each project

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<sup>3</sup> → Programme Document, Annex 4.

partner would then have to calculate the budget for the activities it has taken the responsibility for.

Be aware that all projects are required to have a share of **national contribution** in the project in order to generate ERDF funding. The requested partner's own contribution (minimum 25% for project partners from Finland including Åland Islands and Sweden and minimum 15% for project partners from Estonia and Latvia)<sup>4</sup> must always consist of public funds. The only exception applies for Estonia in the Southern Finland - Estonia Sub-programme (→ below). In the application phase, the project partners must guarantee that the needed amount of eligible national co-financing is available for the project. This eligible national co-financing can consist of:

- Project partner's own eligible funding (NB! Project partner's own eligible funding must also come from similar eligible public sources as the other national co-financing);
- Other eligible public funding (e.g. municipalities, regional development organisations);
- National state co-financing (in Finland/Åland);<sup>5</sup>
- Private funding of Estonian enterprises in the Southern Finland – Estonia Sub-programme only.

For the project application, each partner has to provide a so-called national co-financing statement signed by a person entitled to make financial commitments on behalf of the organisation. A template of the national co-financing statement will be available at the programme website at [www.centralbaltic.eu](http://www.centralbaltic.eu). Similar national co-financing statements must also be filled in by other possible organisations that are contributing to the partner's financing (incl. national state co-financing in Finland and Åland). For the formal requirement of the co-financing statements → *Chapter 4.3.1.*, for detailed instructions on the project partner's in-kind contribution → *Chapters 4.5.1.2. and 4.5.1.8.*

Practically, that means that although you will receive a substantial co-financing, you will have to cover first all (100%) expenses and get the costs (up to 75% respectively 85%) reimbursed only afterwards. You therefore have to ensure that you have the financial resources available when conducting the activities! Please be aware that the European Commission pays the last 5 % of the remaining ERDF financing of the Programme to the Certifying Authority in 2017 or 2018. As soon as the cumulative spending rate of finalised projects exceeds 95% of the Programme funding, the Certifying Authority will also withhold its own payments to the project partners until the European Commission has made the final payment to the Certifying Authority. Therefore project owners need to take this into account and have sufficient financial resources to cover the remaining 5 % of the total eligible costs first by themselves after the project closure.

The Central Baltic INTERREG IV A Programme 2007-2013 operates in **Euros only**. This means that the application package and all payment claims have to use Euros. Planned total costs by budget lines in other currencies have to be converted according to the

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<sup>4</sup> Which co-financing rate is applicable (up to 75% or up to 85%) depends only on the location of the paying project partner, not on where the costs in reality occur. If e.g. a Finnish project partner pays for conference facilities in Estonia, these costs might be co-financed only up to 75%, not up to 85% percent. Although, an Estonian project partner would receive for the same expenditure a co-financing of up to 85%.

<sup>5</sup> The National State co-financing authorities in Finland may have special instructions concerning the application procedure, the project co-financing, the project content and the reporting and payment procedures. Therefore Finnish project partners applying for national state co-financing should as early as possible get into contact with the respective authorities. A contact list of these authorities and basic instructions will be available at the Programme's website at [www.centralbaltic.eu](http://www.centralbaltic.eu).

average monthly exchange rate of the Euro set by the European Commission for the last month of the respective reporting period and published at <http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en>. Likewise the ERDF funding is paid out to the Lead Partner and forwarded to the project partners in Euros only. All costs foreseen in your budget should be **rounded to full Euros**.

#### **4.2.3. The Lead Partner Principle - The Distribution of Responsibilities and Partnership Agreement**

The project partners must decide on the division of tasks and responsibilities within their partnership. One of the project partners will be chosen as the Lead Partner being also the project partner who later will sign the project application, and other relevant documents (e.g. the Subsidy Contract) and who is the only one who can submit the Payment Claim for ERDF co-financing as part of the Progress Report. The individual division of duties and responsibilities will then be laid down in the so called Partnership Agreement between the Lead Partner and the other project partners.

The Lead Partner does play a **central role not only towards the other project partners, but also towards the management of the Central Baltic INTERREG IV A Programme 2007-2013**, namely the Joint Technical Secretariat, the Managing Authority and the Certifying Authority. These structures see each project as an entity with one project plan, one set of targets and one budget and communicate during the whole project's lifespan only with the Lead Partner. The Lead Partner therefore is the link between the project (partners) and the programme management, responsible to co-ordinate the information flow between these. Therefore, be careful when appointing the Lead Partner, its responsibilities cannot be delegated later to any other organisation or project partner. The Lead Partner must understand that it has the overall responsibility for the project implementation and reaching the set targets. **In case the project fails, it also is the Lead Partner which would be held (financially) responsible by the Managing Authority/Joint Technical Secretariat!** Nevertheless, all project partners have their role to play and should take an active part in the project preparation, the project work, information and communication and in good management.

The following table will in detail describe the different and partly complementing duties and responsibilities of the Lead Partner and the other project partners:

	<b>Lead Partner</b>	<b>Project Partner</b>
<b>General</b>	Ensure the implementation of the entire project according to the responsibilities defined in the partnership agreement	Fulfil the project activities responsible for or involved in as defined in the project application and partnership agreement
<b>Management Structure</b>	Set up an efficient and reliable system for the project management and co-ordination (incl. thematic activities, administrative and financial management)	
	Appoint or sub-contract a Project Manager fluent in English and qualified to handle the thematic co-ordination of project activities,	Nominate a co-ordinator being the contact point between the project partner and the Project Manager

	to act as a driving force in the partnership and to mobilise the partners to achieve the project objectives	
	<p>Appoint or sub-contract a Financial Manager fluent in English responsible for the accounting, financial reporting, internal handling of the ERDF funds and national co-financing according to audit guidelines set up by the national first-level controllers and national laws</p> <p><i>It is advisable, that the tasks of Project Manager and Financial Manager are carried out by two different persons.</i></p>	Nominate a book-keeper responsible for book-keeping in the project partner organisation
<b>Financial Management</b>	Guarantee the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid	Manage the co-financing according to the principle of sound financial management
	Ensure that expenditure presented by project partners has been paid for the purpose of implementing the project and corresponds to the activities agreed between the project partners	Assume responsibility in case of any irregularity in the expenditure which the project partner has declared
	Verify that expenditure presented by project partners has been validated by the first level controllers	Have its expenditure verified by the first level controller and send the audit report to the Lead Partner
	Transfer the ERDF contribution to the project partners without delay as soon as received from Certifying Authority	Repay to the Lead Partner amounts unduly paid in accordance with the existing agreement with the Lead Partner
<b>Progress and Financial Reporting</b>	Produce regular Progress Reports on the entire project and a Financial Report at the end of the project (NB! Observe the duty to keep the relevant documents like any other project partner)	Keep available all its documents related to the project until 2025 (NB! Observe eventually stricter national rules)
<b>Others</b>	Information and publicity measures on the project level	Information and publicity measures on the project partner level

The individual division of duties and tasks among the Lead Partner and other project partners is determined in the **Partnership Agreement**, which all the project partners must sign at the start of the project. In this agreement, the division of labour between the project partners and their respective financial obligations will be defined. Keep in mind that clearly defined procedures and responsibilities make co-operation easier and are of especial importance to the Lead Partner. Please also keep in mind, that the Managing

Authority/Joint Technical Secretariat can in no way be held liable for any disagreement between the Lead Partner and other project partners!<sup>6</sup>

The agreement must be delivered to the Certifying Authority before any ERDF funding can be paid out. Therefore, the agreement has to be sent to the Joint Technical Secretariat together with the signed Subsidy Contract. The Joint Technical Secretariat will then check that the document fulfils the basic content requirements and that there are no inconsistencies with the approved application or with the Subsidy Contract. The Partnership Agreement will then be included into the already received project material and uploaded to the monitoring system.

Although the partnership agreement is an agreement between the Lead Partner and each project partner and therefore, it is up to these to agree about the exact content of the partnership agreement, the latter should include at least the following:

- Role and obligations of each project partner in the partnership and the project implementation;
- Budgetary principles;
- Financial management provisions for accounting, reporting, financial control, receipt of ERDF payments;
- Distribution of the ERDF co-financing between the project partners (partner budget tables annexed) according to the approved project application;
- Liability in case of failures in project delivery and project spending including provisions for changes in the work plan;
- The partner's financial liability and provisions for the recovery of funds in case of amounts incorrectly reported and received by project partners;
- Information and publicity requirements;
- Resolutions of conflicts in the project partnership;
- Ownership rights of the project results.

The Joint Technical Secretariat will provide the Lead Partners with a basic sample partnership agreement which however is subject of discussion and amendments by the Lead Partner and the other project partners.

#### **4.2.4. The Project's Steering Group and its Tasks – Supporting the Fluent Management of the Project**

The Lead Partner is obliged to set up a Steering Group consisting of the representatives of all project partners and representatives from the key stakeholders in the project **within one month** after signing the Subsidy Contract. Naturally, the Joint Technical Secretariat should be informed about the set up immediately.

The **main tasks** of the Steering Group are to:

- Monitor and steer the project in order to meet the targets/objectives set in the project application. If necessary, the Steering Group can propose changes to the implementation of the project;
- Handle all changes in the project budget and project plan within the limits set by the project plan approved by the Managing Authority (→ *Chapter 4.5.3.*) and approve

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<sup>6</sup> The Managing Authority respectively Joint Technical Secretariat are not a party to the Partnership Agreement and all legal disputes that may arise from the Partnership Agreement are solely between the parties to this agreement, meaning the project partners.

- them before the Lead Partner submits the material to the Joint Technical Secretariat/Managing Authority;
- Approve Progress, Interim and Final Reports to be submitted by the Lead Partner to the Joint Technical Secretariat;
  - Handle all major purchase and expert services contracts;
  - Be informed on the personnel involved in the project from each project partner;
  - Participate in the planning of information activities;

The **number of members** in the Steering Group is related to the number of project partners. Each of them should be represented in the Steering Group but the size of the group should at the same time enable an effective functioning even if the number of project partners is very high. Therefore, it is recommended that in case of a very high number of project partners (e.g. several project partners in one country), all partners from one country could agree on a joint representation in the Steering Group. In addition, the nominated contact person for the project in the Joint Technical Secretariat has to be invited to the Steering Group meetings in an advisory function. The Steering Group should **meet 2-3 times per year** taking into account the reporting schedule determined in *chapters 4.6.1.1.-4.6.1.3*. The first meeting of the Steering Group should be held within three months after signing the Subsidy Contract. Naturally, meetings do not necessarily have to be conducted as physical meetings, but can also take place via e-mail, videoconferencing or other reliable technical solutions. Though, at least one meeting per year and especially the very first one has to be a “traditional” meeting. The costs of the Steering Group meetings are eligible in moderation as other direct costs (→ Chapter 4.5.1.7.).

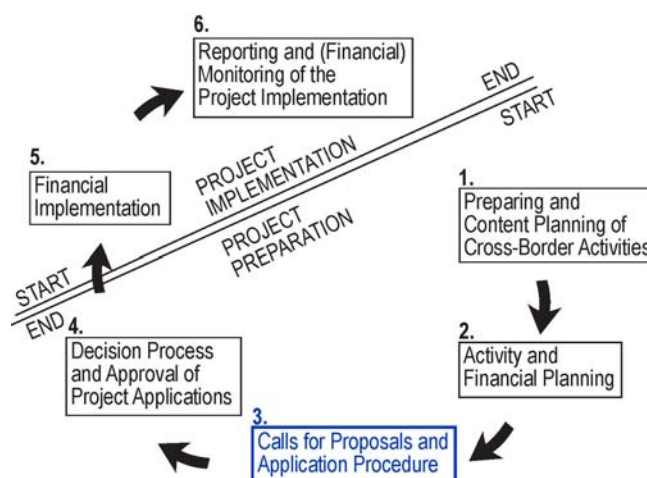
The Steering Group bears **no legal responsibility** towards the programme management structure or the project partners – the Lead Partner being the only responsible and accountable structure in relation to the Managing Authority and the national state co-financiers. This is due to the fact that the Subsidy Contract is signed only by the Managing Authority and the Lead Partner.

In its **first meeting**, The Steering Group **must** discuss e.g. the following issues:

1. Tasks and functions of the Steering Group and the legal status of the Lead Partner/Project Partners;
2. Subsidy Contract (aiming at getting acquainted with the different obligations and conditions set by the Managing Authority, to be presented by the representative of the Joint Technical Secretariat participating in the meeting);
3. Approved project application and project plan including the content and schedule of the different work packages;
4. Responsibilities of the project partners (Partnership Agreement) and introduction of the Lead Partner's personnel;
5. Financial rules of the Central Baltic INTERREG IV A programme 2007-2013 and national rules/specifications applicable to the project;
6. Reporting schedule/milestones and the First Level Control arrangements as well as information on the Second Level Control procedures.

As already mentioned, the project's contact person at the Joint Technical Secretariat has to participate in the first meeting of the Steering Group to provide the necessary information on the issues mentioned above and hereby to support the start-up of the project.

### 4.3. Calls for Proposal and Application Procedure



Picture: Step 3 of the project's life-span

During the programming period until 2013 several (open or targeted) calls for proposals will be launched setting a fixed deadline until when your project application has to be submitted to the Joint Technical Secretariat (→ *below Chapter 4.3.2.*). The day the call is launched is also the earliest day you can submit your application and hence project costs can be eligible. At the same time with these calls, the relevant documents (application form etc.) and instructions will be published. Therefore, when preparing your project application, ensure always to use the most updated information and instructions as they might be slightly amended from call to call taking into account past experiences and changed situations.

#### 4.3.1. Preparing the Application

The Application Package, together with detailed instructions on how to fill in the various forms, is provided on the home page of the Central Baltic INTERREG IV A Programme at [www.centralbaltic.eu](http://www.centralbaltic.eu).

In the application form, you have **on the project (not partner) level** to

- describe the **planned activities** (divided into Work Packages and Milestones)
- specify the **project budget** (divided into Work Packages and Milestones)

This overall project activity plan and overall project budget is naturally based on the individual activity plans and budgets of the various project partners, which have to be annexed to the project application. Although for the Joint Technical Secretariat the total project budget is the relevant one, the individual project partner budgets are annexed to the application form and will be used during the project assessment and first level control. In addition, they are an essential tool for the Lead Partner to keep track and eventually stimulate too passive or slow down overactive project partners. In any case, it is strongly recommended to be as detailed as possible when drafting the project plan with the planned activities and budget.

The **following annexes** have to be attached to your project application, whereas a separate project plan is not demanded:

- VAT Declaration by each project partner (in case VAT is presented as an expenditure by the Lead Partner respectively project partner);
- Individual partner budget tables and co-financing statements from the project partners;
- Registration certificate of each project partner proving the respective organisation having legal personality and in case of the Lead Partner who has the right to sign on behalf of the Lead Partner;
- In case of private enterprises in Estonia,<sup>7</sup> the confirmation from the state aid registry that the De minimis threshold has been observed (NB! Private enterprise participation only within the Southern Finland – Estonia Sub-programme);
- The necessary permits (e.g. permits required for environmental projects etc.) required for the implementation of the project by each project partner. If such permits are not yet available before submitting the project application, they have to be submitted before signing the Subsidy Contract with the Managing Authority. The risk that these permits will not be issued is born solely by the applicants and in such case the Managing Authority is entitled to refuse signing the Subsidy Contract.

The project application then has to be **signed by the Lead Partner** or more concretely a person with the legal capacity to sign documents on behalf of the Lead Partner organisation.

#### **4.3.2. Sending in the Application Package**

Once you have completed the project application with all the required annexes, the Lead Partner sends the application both in paper with original signatures and electronically (e-mail, Microsoft Excel format)<sup>8</sup> to the Joint Technical Secretariat:

Central Baltic INTERREG IV A Programme 2007-2013  
Joint Technical Secretariat  
P.O. Box 273 (Ratapihankatu 36)  
FI-20101 Turku, Finland  
E-mail: [application@centralbaltic.eu](mailto:application@centralbaltic.eu)

The Central Baltic INTERREG IV A Programme 2007-2013 has fixed application deadlines. That means that applications can be submitted **the earliest** on the day the call is launched and must be mailed **the latest** on the last day of the deadline (to be proved by postal stamp). If for whatever reason, the postal stamp is missing, it is decisive if the application has been received and registered in the Joint Technical Secretariat the latest by 15:00 local Finnish time on the last day of the deadline. Applications with a later postal stamp or received and registered after the deadline will not be considered.

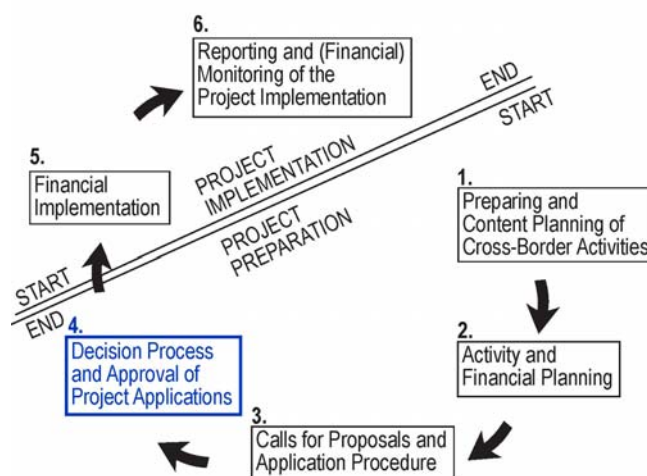
At this point, it should be once again underlined that **no changes to the project application** are allowed **once it has been officially submitted** to the Joint Technical Secretariat. Therefore, in case of any unclear issue, contact the Joint Technical Secretariat at the earliest time possible.

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<sup>7</sup> NB! The public assistance, which is allowed to an amount of up to 200.000 EUR (De minimis), comprises all aid granted by national, regional or local authorities, regardless of whether the resources are provided from domestic sources or are co-financed by the EU. The project's Lead Partner is responsible of verifying the information in the application form.

<sup>8</sup> NB! Be aware of possible changes due to the possible later introduction of the electronic signature.

## 4.4. Decision Process and Approval of Project Applications



Picture: Step 4 of the project's life-span

When the deadline for submitting project applications has expired, the call for proposals will be closed and all applications received in time will be assessed both technically (→ *Chapter 4.4.1.*) and by content (→ *Chapter 4.4.2.*). Based on this assessment, the Joint Technical Secretariat will prepare for the respective Steering Committee a suggestion on which projects to co-finance (→ *Chapter 4.4.3.*). The assessment methodology and criteria approved by the Programme's Monitoring Committee will be published at the programme website [www.centralbaltic.eu](http://www.centralbaltic.eu).

### 4.4.1. Admissibility check

The Joint Technical Secretariat will first perform an admissibility check of the project application within 20 working days after the closure of the call. The criteria of the admissibility check are of purely technical nature (e.g. if the application has been submitted in time including all required annexes etc.; if the project partners are eligible; if the project activities will take place in the (sub-)programme area and if the project has applied for the right (sub-)programme; if all relevant budget information are delivered etc.).

If needed, the Joint Technical Secretariat will ask the Lead Partner for complements or adjustments, though the latter being only of minor nature. If the application has severe flaws or is dramatically incomplete, the application will not pass the admissibility check and will not proceed to the content assessment. It is therefore, again, of utmost importance to be in contact with the Joint Technical Secretariat at an early stage to clarify open questions and avoid such technical ineligibility. If the project application has successfully passed the admissibility check, it will proceed to the content assessment.

### 4.4.2. Content Assessment

The content assessment of the project application consists of:

- **quality** evaluation
- evaluation of the **strategic relevance** of the project

For each project application that passes the admissibility check, the Joint Technical Secretariat will assign an individual **contact person in the Secretariat**. The contact person is responsible for communicating with (only!) the Lead Partner and for coordinating the content assessment of the application. The 1<sup>st</sup> part of the content assessment (quality evaluation) is supposed not to take more than 60 working days.

To ensure a neutral and equal assessment and as the projects apply for funding within the three different (sub-)programmes, the Joint Technical Secretariat will use the so called **Joint Assessment Tandem** which involves more than one person in the assessment and combines the overall project expertise, but also the special (sub-)programme expertise. Within the quality evaluation the project will be assessed if/to which extent it is suitable for the Central Baltic INTERREG IV A Programme 2007-2013 and especially the (sub-)programme chosen for the project application, it is mature (i.a. if it has a clear and realistic work plan, schedule and budget, if all partners benefit from the project etc.), if/what is the cross-border impact of the project, and if/how the project is in line with the programme's policy objectives (→ *Chapter 4.1.3.*). The term "tandem" both relates to the content, but also to the internal distribution of tasks for the quality assessment as this part of the assessment will be conducted in close co-operation between the main office of the Joint Technical Secretariat responsible for the overall coordination and the office responsible for the respective (sub-)programme. If necessary, in addition to the expertise of the Joint Technical Secretariat external expertise will be involved in the quality assessment where special expert knowledge is required to ensure an appropriate evaluation of the project application. These experts have to have the necessary sector knowledge, e.g. in environmental issues, education, transport or business development and to be well informed on the current situation in the (sub-)programme area in their field of activity.

#### **4.4.3. Decision-Taking by the Steering Committee and Following Procedures**

Based on the outcome of this assessment, the Joint Technical Secretariat will prepare a separate proposal for each of the three Steering Committees on which projects to be co-financed under the Central Baltic Programme, the Southern Finland – Estonia Sub-programme and the Archipelago and Islands Sub-programme. The three Steering Committees will then discuss separately the project applications which have passed the admissibility check and especially their strategic relevance before selecting the projects to receive ERDF co-financing from the Central Baltic INTERREG IV A Programme 2007-2013. It has, however, to be underlined that the proposal prepared by the Joint Technical Secretariat is **in no way binding for the Steering Committees**, but that the Steering Committees are totally free to choose the projects to be co-financed (including the total budget and the duration of the project). This, however, is not a decision only between "yes" and "no", but the Steering Committee can also decide to approve a project under certain **conditions** to be fulfilled before signing the Subsidy Contract. And if once approved, this approval covers the whole project duration. No annual "re-approval" by the Steering Committee is necessary. Please be aware that the decisions by the Steering Committees are **not appealable** at any place of jurisdiction.

The Joint Technical Secretariat is responsible for **sending the decision to the Lead Partner within 7 working days** after the Steering Committee's decision has become final by the approval of the Steering Committee meeting's minutes. It is then the responsibility of the Lead Partner to inform the other project partners about the (positive or negative) decision. The Managing Authority then signs the Subsidy Contract with the Lead Partner

(after eventual conditions laid down in the Steering Committee decisions have been fulfilled) and hereby, the funding decision enters into force.

You can (and have) now (to) **start** to implement your project. Your project should be launched within 30 working days after it has been approved, e.g. by the 1<sup>st</sup> Steering Group meeting. Should you finally not be able to start your project at all or should the start be **delayed**, the Lead Partner has to inform the Joint Technical Secretariat and where applicable other possible financiers (e.g. national state co-financer) immediately. To support the smooth launch of your project, the Joint Technical Secretariat will organise before the first Progress Report has to be submitted relevant training events for Lead Partners, financial managers etc. to discuss the details of project management and reporting.

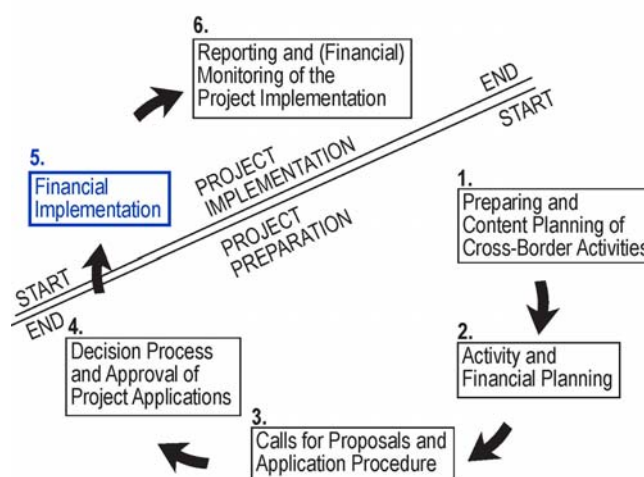
For the sake of transparency, a **list of all final beneficiaries and the amount of ERDF co-financing to be received** according to the Subsidy Contract **will be published** on the programme's website (→ *Chapter 6*).

#### **4.4.4. Subsidy Contract**

The Subsidy Contract is signed between the Managing Authority and the project's Lead Partner at the earliest when eventual conditions set by the respective Steering Committee have been met and when all the required permits are available. The Subsidy Contract constitutes the main agreement between the programme and the project. By setting out the rights and obligations of the contracting parties and confirming the final commitment of EU grants to each project, the Subsidy Contract regulates the legal and financial framework for the implementation of the project activities. A standard Subsidy Contract template will be available on the programme's website at [www.centralbaltic.eu](http://www.centralbaltic.eu).

The Subsidy Contract will also contain information on the appeal options for the applicants and as it is the only legally binding document between the programme and the project (Lead Partner), it is also the only decision which can be appealed against.

## 4.5. Financial Implementation of a Project



Picture: Step 5 of the project's life-span

In this chapter, you will find all the necessary information on the financial aspects of projects co-financed by the Central Baltic INTERREG IV A Programme 2007-2013. This encompasses first of all the question which costs are eligible for ERDF co-financing. The following chapter 4.5.1. on the eligible costs is structured along the budget lines which will be used in the project application and which should be used by all project partners when establishing their individual partner budgets. These budget lines are:

- Budget line 1: Office and Rent Costs (→ *Chapter 4.5.1.1.*)
- Budget line 2: Personnel (→ *Chapter 4.5.1.2.*)
- Budget line 3: Travel and accommodation (→ *Chapter 4.5.1.3.*)
- Budget line 4: External expertise (→ *Chapter 4.5.1.4.*)
- Budget line 5: Equipment (→ *Chapter 4.5.1.5.*)
- Budget line 6: Investments (→ *Chapter 4.5.1.6.*)
- Budget line 7: Other direct costs (→ *Chapter 4.5.1.7.*)
- Budget line 8: In-kind contributions (→ *Chapter 4.5.1.8., cf. also Chapter 4.5.1.2.*)
- Budget line 9: Income (→ *Chapter 4.5.1.9.*)

Also other issues are covered in chapter 4.5. on the financial implementation of a project as e.g. expenditures occurred outside the EU, the De minimis-rule and public procurement rules to be observed (→ *Chapter 4.5.2.*) and finally changes in the project budget or project plan (→ *Chapter 4.5.3.*). Although it is one programme, please be aware that due to national legislation, the various partly very specific **rules might differ from country to country** and that the same expenditure might be treated differently in the countries participating in your project.

Be aware that the Central Baltic INTERREG IV A Programme 2007-2013 operates in **Euros only**. This means that the application package and all payment claims have to use Euros. Occurred total costs by budget lines in other currencies have to be converted according to the **average monthly exchange rate of the Euro set by the European Commission for the last month of the respective reporting period** and published at <http://ec.europa.eu/budget/infoneuro/index.cfm?Language=en>. Likewise the ERDF funding is paid out to the Lead Partner and forwarded to the project partners in Euros only.

### **4.5.1. Eligible costs**

The eligibility of costs is based on EU regulations as well as national legislation. The Member States, in case of the Central Baltic INTERREG IV A Programme 2007-2013 Estonia, Latvia, Finland and Sweden are obliged to publish their national eligibility rules within 12 months after the programme has been approved by the European Commission on 21 December 2007.

For your convenience, the most relevant parts of these national eligibility rules are included in this chapter 4.5.1. following the division into budget lines applied also in the application form. Another valuable tool might be the INTERACT Eligibility eHandbook available at [www.interact-eu.net/913123/1422917/0/0](http://www.interact-eu.net/913123/1422917/0/0). This, though, does not discharge you from consulting the relevant national eligibility rules of your country made available by the responsible authorities:<sup>9</sup>

- Estonia: Ministry of the Interior (Siseministerium) at [www.siseministerium.ee](http://www.siseministerium.ee)
- Finland: [www.rakennerahastot.fi](http://www.rakennerahastot.fi); Ministry of Employment and the Economy (Työ- ja Elinkeinoministeriö) at [www.tem.fi](http://www.tem.fi); FINLEX ® Valtion säädöstietopankki (Finnish Legal Data Base) at [www.finlex.fi](http://www.finlex.fi)
- Åland: Government of Åland (Ålands landskapsregeringen) at [www.regeringen.ax](http://www.regeringen.ax)

It is crucial to bear in mind that costs are only eligible if they are **real, paid out costs, incurred during the duration of the project, related to the project and while fulfilling the project plan and not shared with any other project partner**. Therefore, expenditure cannot be reimbursed unless it is/has/was:

- occurred the earliest on the day the e-mail/electronic version of the project application has been received by the Joint Technical Secretariat (which will notify you automatically) if the project later will be/was approved;<sup>10</sup>
- actually paid out by an eligible partner and within the reporting period;
- related to products or services that have actually been delivered;
- included under an expenditure category listed in the project budget;
- directly linked to the project budget and to the project activities described in the approved project application;
- related to projects implemented during the programming period 2007-2013;
- not claimed before in this or any other EU co-financed programme or other donor programmes (to avoid double financing). Expenditure which is already co-financed from another EU-funding or national source is not an eligible cost in the context of the Central Baltic INTERREG IV A Programme 2007-2013!;
- supported by invoices or documented by accounting documents of similar value properly accounted, certified, audited and reported within the respective reporting period.

For certain types of expenditures, specific rules apply (→ *below Chapters 4.5.1.1.-4.5.1.8*). In case you plan to include such expenditures in your project, it is advisable to discuss this issue with the Joint Technical Secretariat at the earliest possible during the project planning process.

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<sup>9</sup> For Latvia and Sweden, the reference to the respective national eligibility rules was unfortunately not available at the time of the Programme Manual being approved by the programme's Monitoring Committee, but will be added to later revisions of the Programme Manual as soon as it becomes available.

<sup>10</sup> Regarding the formal requirements and deadlines to be observed → *Chapters 4.3.1. and 4.3.2.*

NB! Should the first level controllers find costs that cannot be considered eligible, they will be deducted immediately and the project partner in question will receive less co-financing. The **ineligible costs** found in the second level control are **recovered afterwards from the Lead Partner** by the Certifying Authority in the first instance!

#### **4.5.1.1. Office and Rent Costs (Budget Line 1)**

This budget line contains only general project and office administration costs:

- Office rent;
- Electricity, heating, water, cleaning and other maintenance costs;
- Operation costs for internet, copying, phone, fax, mail and consumables.

Note that all purchases of office equipment (i.e. PC, monitor, printer, incl. software, mobile phones, and office furniture) must be included in budget line 5 on equipment and administration costs and in case e.g. IT-services are outsourced and provided by external experts they must be included in budget line 4 on external expertise.

All costs must be essential to the project's implementation and supported by invoices which are directly attributable to the project. Direct general costs (for example phone bills of project employees) can easily be identified to belong to the project, but indirect general costs (for example a share of regular monthly payments such as rent, electricity, data/communication) must be calculated based on real, paid out, costs and on a pro-rata basis according to a duly justified, fair and equitable method. A cost calculated simply on the basis of coefficients or percentages proportioned to payroll costs is not an adequate proof of an actual expense and will therefore be deemed ineligible.

The **allocation** of the organisation's eligible office administration costs to the operation could be done on the basis of the following ratio (depending on which best reflects the type of costs):

- *number of people working for the project vs. number of people working in the organisation or department* or
- *number of hours worked for the project vs. number of hours worked in total in the organisation or department* or
- *surface used by personnel working for the project vs. total surface of the organisation or department.*

The indirect costs calculation should remain the same during the whole implementation period. Note also that administration costs cannot at the same time be financed from other sources (no double financing!) or be included in other budget lines or cost items.

National rules/specifications apply as follows:<sup>11</sup>

- **Estonia**: Ministry of the Interior (Siseministeerium) at [www.siseministeerium.ee](http://www.siseministeerium.ee)
- **Finland**: [www.rakennerahastot.fi](http://www.rakennerahastot.fi); Ministry of Employment and the Economy (Työ- ja Elinkeinoministeriö) at [www.tem.fi](http://www.tem.fi); FINLEX ® Valtion säädöstietopankki (Finnish Legal Data Base) at [www.finlex.fi](http://www.finlex.fi)

<sup>11</sup> For Latvia and Sweden, the references to the respective national eligibility rules were unfortunately not available at the time of the Programme Manual being approved by the programme's Monitoring Committee, but will be added to later revisions of the Programme Manual as soon as they become available.

- Åland: Relevant legislation by the Government of Åland, which is Ålands Landskapsregerings beslut gällande vissa upphandlingar (Ålands Författningssamling 2006 Nr 41) 11.04.2006 and Landskapslag om ändring av landskapslagen angående tillämpning i landskapet i Åland av lagen om offentlig upphandling (Ålands Författningssamling 2007 Nr 50) 31.07.2007/09.08.2007 (Åland landskapsregeringen (Government of Åland) at [www.regeringen.ax](http://www.regeringen.ax))

#### **4.5.1.2. Personnel (Budget Line 2)**

In this budget line, the actually paid out salary costs either based on full-time or part-time arrangements described below as well as unpaid voluntary labour based on a written agreement are eligible.

##### ***Sub-Budget Line: Personnel employed by the project***

Personnel costs (including salaries, wages, compulsory employment taxes, social security costs, health insurance, pension contributions and holiday payments) of the staff **directly engaged in the project** and employed by a project partner institution on the basis of an employment/labour contract according to the national/Åland applicable law are eligible according to the actual hours worked for the project only if they have been actually paid out and shown in the bookkeeping.

The budgeted personnel costs have to be based on the actual salary of the individual employee involved in the project activities (employee's gross salary + employer's charges in accordance with the national legislation and collective agreements). Please note that the salary of the project personnel cannot differ considerably from the salary that is actually paid for similar tasks in a comparable structure (either public or private)! Compulsory social security costs are eligible, whereas optional social security costs are not. Note also that additional unjustified payments or voluntary bonuses not based on the employment/labour contract or collective agreement are not eligible. Personnel costs must always be supported by documents that permit identification of the employment relationship with the project partner organisation (working contract, pay slips, payment proofs, working time recording/timesheets).

If the staff member works less than 100% of his/her total working time for the project, the calculation must be based on the hourly rate resulting from the actual salary divided by the total number of hours worked for the partner institution (as registered in the institution's working time recording system). This hourly rate is then multiplied with the number of hours actually spent for project activities.

It is also mandatory to indicate the other activities performed by the staff member concerned outside the project (e.g. work carried out for another project or statutory tasks within the organisation in question) including information on the total hours worked per month so that the national First Level Controllers (as well as the Joint Technical Secretariat and the Certifying Authority) can verify that the total percentage share of hours does not exceed 100% (NB! In some cases the employment contracts do not necessarily reveal the nature and division of working time assigned to the project and other statutory tasks).

Note that in case of part time employment the timesheets must always be filled in separately for each person involved in the project on daily basis reported monthly about

the hours worked for the project. The activities performed within the project by the personnel in question must be briefly stated also. Ensure that the timesheets are always signed by the employee and his/her supervisor and that the salary slips must be in accordance with the actual work time allocated to the project.

***Sub-Budget Line: Other partner personnel contributing to the project***

Please note that when an employee of the same project partner organisation is not working directly within the project itself but has been assigned by an internal decision of the project partner organisation to provide research or professional work temporarily for the project in question the cost must be indicated under the sub-budget line “other partner personnel contributing to the project”. In these cases the salary is paid out from another accounting centre of the organisation and it has to be clearly reported and traceable from the bookkeeping system. Other partner personnel costs are considered in the Application and Report forms as a cash contribution (and not in-kind contribution) as they are actually paid out by the partner organisation. In case of part-time contribution the partner organisation must provide timesheets showing what was done, by whom, when and for how many hours. The salary slips must be in accordance with the actual work time allocated to the project.

Please note that the same person cannot both work directly within the project and be assigned to work temporarily for the project elsewhere in the partner organisation at the same time. **Please be aware that all the organisations contributing in this way must always be project partners.**

***Sub-Budget Line: Unpaid voluntary labour***

In-kind contributions in form of unpaid voluntary labour of a public or private beneficiary can be eligible if they fulfil the following conditions:

- a) They consist of unpaid voluntary labour;
- b) Their value can be independently assessed and audited as no payments/transfer of money take place;
- c) They are based on written agreement

Unpaid voluntary labour must be certified by means of documentation that enables the identification of the in-kind contribution in relation to the project. The project partner must provide a timesheet, showing what was done, by whom, when and for how many hours. Please also note that the same person cannot receive any salary payments from the project organisation (e.g. students carrying out research for the project or volunteers working for an NGO not receiving any salary/wage for the work done within the project).

Note that the eligibility of in-kind contributions in form of unpaid voluntary labour must always be evaluated and approved by the Joint Technical Secretariat before co-funding can be granted to the project and that the values and amount of the in-kind contributions cannot exceed the levels of the approved application. Be aware of the national specifications related to in-kind contributions in form of unpaid voluntary labour stated below.

National rules/specifications apply as follows:<sup>12</sup>

**Sub-budget line: Personnel costs:**

- **Estonia:** Ministry of the Interior (Siseministeerium) at [www.siseministeerium.ee](http://www.siseministeerium.ee)
- **Finland:** [www.rakennerahastot.fi](http://www.rakennerahastot.fi); Ministry of Employment and the Economy (Työ- ja Elinkeinoministeriö) at [www.tem.fi](http://www.tem.fi); FINLEX ® Valtion säädöstietopankki (Finnish Legal Data Base) at [www.finlex.fi](http://www.finlex.fi)

The payroll expenditure for civil servants or other public office holders together with employer contributions are eligible only in the following cases:

- 1) When the employee has been assigned temporarily by the employer to a task;
- 2) When other staff have temporarily handled tasks in a project. Handling a task must not be part of the office holder's normal duties. In addition, the persons mentioned above must be working under the project managers and their normal duties must be handled by a stand-in.

- **Åland:** Relevant legislation by the Government of Åland, which is Ålands Landskapsregerings beslut gällande vissa upphandlingar (Ålands Författningssamling 2006 Nr 41) 11.04.2006 and Landskapslag om ändring av landskapslagen angående tillämpning i landskapet i Åland av lagen om offentlig upphandling (Ålands Författningssamling 2007 Nr 50) 31.07.2007/09.08.2007 (Åland landskapsregeringen (Government of Åland) at [www.regeringen.ax](http://www.regeringen.ax))

**Sub-budget line: Other personnel contributing to the project:**

- **Estonia:** Ministry of the Interior (Siseministeerium) at [www.siseministeerium.ee](http://www.siseministeerium.ee)
- **Finland:** [www.rakennerahastot.fi](http://www.rakennerahastot.fi); Ministry of Employment and the Economy (Työ- ja Elinkeinoministeriö) at [www.tem.fi](http://www.tem.fi); FINLEX ® Valtion säädöstietopankki (Finnish Legal Data Base) at [www.finlex.fi](http://www.finlex.fi)
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**Sub-budget line: Unpaid voluntary labour:**

- **Estonia:** Ministry of the Interior (Siseministeerium) at [www.siseministeerium.ee](http://www.siseministeerium.ee)  
In-kind contribution in form of unpaid voluntary labour to the project cannot be higher than national co-financing of the project. The official national annual minimum net salary level is followed when calculating the value of an in-kind contribution. If a higher salary level is used an independent assessment by a certified assessor has to be provided before submitting the project application. The assessment has to be organised by the respective project partner.
- **Finland:** [www.rakennerahastot.fi](http://www.rakennerahastot.fi); Ministry of Employment and the Economy (Työ- ja Elinkeinoministeriö) at [www.tem.fi](http://www.tem.fi); FINLEX ® Valtion säädöstietopankki (Finnish Legal Data Base) at [www.finlex.fi](http://www.finlex.fi)

Voluntary labour reported as the organisations in-kind contribution can not make up more than 50% of each of the project partners' own financial contribution. In-kind contributions must always be supported by timesheets and its value shown in bookkeeping. This 50 % rule covers both the

<sup>12</sup> For Latvia and Sweden, the references to the respective national eligibility rules were unfortunately not available at the time of the Programme Manual being approved by the programme's Monitoring Committee, but will be added to later revisions of the Programme Manual as soon as they become available.

unpaid voluntary labour as well as the provision of land or real estate, equipment or raw materials.

- Sweden: In case of Sweden unpaid voluntary labour is **not** considered eligible.

#### **4.5.1.3. Travel and accommodation (Budget Line 3)**

This budget line refers to travel and accommodation costs of employees of the project partner's institutions listed in the Application Form and relates to their participation in activities relevant for the project implementation (e.g. meetings, seminars or conferences).

Travel costs **within the (sub-)programme area** that are related to carrying out the project are eligible on the basis of state regulation on travelling or equivalent national regulations. All costs for travel and accommodation must be reasonable and the most cost-effective option should be chosen. Public transport should be used whenever possible. Note that travels in the first/business class are deemed ineligible unless it is clearly proved that there was no other option. Daily allowances for project staff occurring from travelling in the framework of the project implementation are eligible. Note that the allowances must not exceed the usual subsistence allowances in public authorities of the respective country and must comply with the rules applicable in that country. This applies to all project partners (regardless of their legal status).

Costs for travels **outside the area of the Central Baltic INTERREG IV A Programme 2007-2013** must always be included and justified in the project plan. Such travels are always an exception and the Joint Technical Secretariat must be consulted before submitting the application and prior approval by the Joint Technical Secretariat is required for such travels to be included in the project budget. If co-financing for such travels is claimed afterwards in the Progress Report/Payment Claims without prior approval by the Joint Technical Secretariat, these costs will be deducted and not reimbursed.

National rules/specifications apply as follows:<sup>13</sup>

- Estonia: Ministry of the Interior (Siseministeerium) at [www.siseministeerium.ee](http://www.siseministeerium.ee)
- Finland: [www.rakennerahastot.fi](http://www.rakennerahastot.fi); Ministry of Employment and the Economy (Työ- ja Elinkeinoministeriö) at [www.tem.fi](http://www.tem.fi); FINLEX ® Valtion säädöstietopankki (Finnish Legal Data Base) at [www.finlex.fi](http://www.finlex.fi)
- Åland: Relevant legislation by the Government of Åland, which is Ålands Landskapsregerings beslut gällande vissa upphandlingar (Ålands Författningssamling 2006 Nr 41) 11.04.2006 and Landskapslag om ändring av landskapslagen angående tillämpning i landskapet i Åland av lagen om offentlig upphandling (Ålands Författningssamling 2007 Nr 50) 31.07.2007/09.08.2007 (Åland landskapsregeringen (Government of Åland) at [www.regeringen.ax](http://www.regeringen.ax))

<sup>13</sup> For Latvia and Sweden, the references to the respective national eligibility rules were unfortunately not available at the time of the Programme Manual being approved by the programme's Monitoring Committee, but will be added to later revisions of the Programme Manual as soon as they become available.

#### **4.5.1.4. External expertise (Budget Line 4)**

For external expert service costs to be eligible they must correspond to actions and targets described in the project plan. The experts should have the required competence and language skills. The service provided by an expert must lead to a result that supports the targets of the project. The service must be clearly definable and transparent.

**Examples** of external expert services are:

- External project coordination or financial management;
- (In Finland) External independent financial First Level Control (in compliance with country specific control requirements);
- External IT consultants, website design and hosting; external drafting, layouting and printing of promotional material (e.g. newsletters, leaflets, brochures);
- External IT-maintenance services;
- External companies organising events related to the project implementation;
- External interpretation/translation services;
- Externally provided studies and surveys, consultancy fees;
- External researchers;
- In some well justified cases external speakers/participants in project meetings/ seminars presuming that the added-value of their participation and of the payment of their costs by the project partners can be clearly demonstrated and that the related costs are definitively paid and borne by the approved project partners.

The purchase and use of external expertise and services have to be based on either contracts or invoices. A call for tender for expert services has to be conducted if the minimum threshold for public procurement of 1.500 EUR is estimated to be exceeded (→ *Chapter 4.5.2.3*). Even if the threshold of 1.500 EUR is not reached, you should be able to justify your choice of supplier/expert service. The expert service used must e.g. represent unique skills not available elsewhere in the market and as such making the call for tender unnecessary or even impossible. In case of any uncertainty, contact the Joint Technical Secretariat. The costs must be a defined salary or fee (including costs for travel, accommodation and food as well as subsistence allowances). Daily allowances are paid according to national regulations. Be aware, that you cannot subcontract own project partners or employees of project partners, who already are assigned to the project within their organisation.

National rules/specifications available:<sup>14</sup>

- Estonia: In case a project buys expert services, the fees of the expert should be paid directly to the expert's personal account, rather than to a firm.

In case similar service costs from the same service provider exceed 3.000 EUR (without VAT) during the period of 24 months, three price offers have to be provided to prove the reality of the costs. It is also recommended to ask for price offers in case of smaller costs. This helps to decrease the number of questions by the first level controller and the risk of cutting eligible costs.

<sup>14</sup> For Estonia, Latvia and Sweden, the references to the respective national eligibility rules were unfortunately not available at the time of the Programme Manual being approved by the programme's Monitoring Committee, but will be added to later revisions of the Programme Manual as soon as they become available.

- Finland: [www.rakenerahastot.fi](http://www.rakenerahastot.fi); Ministry of Employment and the Economy (Työ- ja Elinkeinoministeriö) at [www.tem.fi](http://www.tem.fi); FINLEX ® Valtion säädöstietopankki (Finnish Legal Data Base) at [www.finlex.fi](http://www.finlex.fi)
- Åland: Relevant legislation by the Government of Åland, which is Ålands Landskapsregerings beslut gällande vissa upphandlingar (Ålands Författningssamling 2006 Nr 41) 11.04.2006 and Landskapslag om ändring av landskapslagen angående tillämpning i landskapet i Åland av lagen om offentlig upphandling (Ålands Författningssamling 2007 Nr 50) 31.07.2007/09.08.2007 (Åland landskapsregeringen (Government of Åland) at [www.regeringen.ax](http://www.regeringen.ax))

#### **4.5.1.5. Equipment (Budget Line 5)**

This budget line refers to the purchase of equipment necessary within a project partner's organisation for the successful implementation of the project.<sup>15</sup> Any equipment that the project may need to purchase must be included in the project budget and explained in the project plan. Calls for tender must be organised for all of these if the total estimated purchase price exceeds 1.500 EUR (→ *Chapter 4.5.2.3.*) and the costs must be reasonable and any purchase must always be made well before the end of the project. Otherwise, these purchase costs are not considered eligible.

##### **Examples of equipment:**

- IT equipment (PC, monitor, printer, incl. common software);
- Special software;
- Scanner;
- Digital video camera, projector;
- Mobile phones;
- Office furniture;
- Exhibition equipment;
- Special measurement equipment;
- Laboratory equipment;

Any acquisitions, such as furniture for the office or a computer with accessories, are considered as one. For instance, if the operation of a project requires the acquisition of a desk, chair and shelves, they shall be considered together. Similarly, the screen, central processing unit, keyboard and other equipment are considered as one acquisition. Also a group of small technical equipments for e.g. laboratory use/special measurement equipment are considered as one acquisition.

The costs for purchasing or renting equipment can only be eligible **for the time the project uses them**, but equipment cannot be purchased near the end of the project. In case of renting equipment, the costs may not exceed the costs of purchase. Any other costs related to the rent or leasing (such as administration, financing, insurance, repairs or others) are not eligible. The costs of equipment are eligible only if they are not (co-) financed from other EU, international or national financial instruments or other financial sources. The rules on when equipment bought for the project can be sold will be specified in the Subsidy Contract.

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<sup>15</sup> Note the difference between the purchase of individual equipment and cross-border investments (→ *Chapter 4.5.1.6.*). The term investment refers to an output or a result of project activities that has an impact on a wider set of countries and project stakeholders. In the application form there are separate tables for the specification of equipments and investments.

For purchased individual items with a **price up to 200 Euros**, a one-time full payment is considered eligible. For individual equipment with an original **price above 200 EUR**, only the depreciation allowance/deduction is eligible. But only, if the equipment in question has not yet been financed by any other financial source. The national accounting method for calculating the depreciation allowance/deduction has to be applied. The depreciation rate may vary accordingly. For items purchased before the eligible project duration, only the depreciation allowances related to the reporting period are eligible. When the payment of machinery, equipment or fixtures is reported in the Financial Report as part of the Progress Report for the first time, the copy of the invoice must be included together with the depreciation plan. The depreciation plan must show, for each purchase individually, the date of acquisition, acquisition price, depreciation instalments and the depreciation timetable. The depreciation must be calculated in accordance with the national bookkeeping and other regulations. The depreciation is only eligible for the time of project implementation.

The **calculation of depreciation** starts from the beginning of the month following the acquisition date. The minimum depreciation period is determined in accordance with national legislation. For a computer, it is usually estimated to be 3 years. If the duration of the project is shorter than the depreciation period, the purchasing project partner has to cover the remaining costs outside the project implementation period.

Calculation Example:

Device	Price (€)	Month of Acquisition	Depreciation Period	Depreciation Period (months)	Depreciation Price acc. to 36 Month Rule	Total
Device 1	3500	<b>September</b>	1.10.2008-31.12.2009	15	97	1458
Device 2	550	<b>October</b>	1.11.2008-31.12.2009	14	15	214
Device 3	1200	<b>November</b>	1.12.2008-31.12.2009	13	33	433
Device 4	2500	<b>December</b>	1.1.2009-31.12.2009	12	69	833

For **technical machinery and devices outside the ordinary project partner's office use** (e.g. laboratory use of technical measurement devices used in the pilot projects) a rental/leasing procedure (based on tender process) is strongly recommended, as the Central Baltic INTERREG IV A Programme 2007-2013 does not support the regular activities of the project partner's organisations. After the lease term expires machinery/devices will return to the leasing company and therefore the possession of devices only promotes the achievement of the goals of the approved project, not the regular activities of the respective organisation after the project is over).

**Second-hand equipment** can be bought only on the following conditions:

- The seller of the equipment must provide a declaration stating its origin, and that the equipment at no point during the previous seven years has been purchased with the aid of national or Community grants;
- The price of the equipment shall not exceed its market value and shall be substantially less than the cost of similar new equipment;
- The equipment shall have the technical characteristics necessary for the operation and comply with applicable norms and standards. Though, the equipment cannot be below the sufficient required level.

If the equipment is **not exclusively used for project purposes**, only a share of the actual costs can be allocated to the project. This share has to be calculated according to a fair, justified and equitable method. An inventory of the purchased items as well as the documentation of the method for reporting them (single declaration or depreciation, full or partial use for the project) has to be kept for accounting, control and audit purposes.

National rules/specifications apply as follows:<sup>16</sup>

- **Estonia**: Ministry of the Interior (Siseministeerium) at [www.siseministeerium.ee](http://www.siseministeerium.ee)
- **Finland**: [www.rakenerahastot.fi](http://www.rakenerahastot.fi); Ministry of Employment and the Economy (Työ- ja Elinkeinoministeriö) at [www.tem.fi](http://www.tem.fi); FINLEX ® Valtion säädöstietopankki (Finnish Legal Data Base) at [www.finlex.fi](http://www.finlex.fi)
- **Åland**: Relevant legislation by the Government of Åland, which is Ålands Landskapsregerings beslut gällande vissa upphandlingar (Ålands Författningssamling 2006 Nr 41) 11.04.2006 and Landskapslag om ändring av landskapslagen angående tillämpning i landskapet i Åland av lagen om offentlig upphandling (Ålands Författningssamling 2007 Nr 50) 31.07.2007/09.08.2007 (Åland landskapsregeringen (Government of Åland) at [www.regeringen.ax](http://www.regeringen.ax))

#### **4.5.1.6. Investments (Budget Line 6)**

Investments are eligible under the Central Baltic INTERREG IV A Programme 2007-2013 as long as they have clearly defined cross-border relevance and support the overall aims of the programme. Without a clear proof of cross-border relevance, **investment-only projects** cannot be approved and the generation of projects of such nature is not recommended. Therefore, you are strongly advised to consult the Joint Technical Secretariat while planning and developing an investment project and before submitting the project application for such a project.

**Cross-border character and relevance** of an investment can be achieved either through an extensive geographical coverage, by establishing functional relations between different regions and countries or by a model character. The project partners from different regions and countries should carry out the investment in joint working arrangements. This way the transfer and input of ideas and knowledge is the most effective.

Furthermore the project owners are strongly advised to prepare investments which later are (co-)financed through other, mainly national sources. The investments should always be clearly linked to the development of a cross-border operational environment having a pilot nature paving the way for such future larger and sustainable investments. It is of utmost importance that you can provide credible information on the sustainability of the investment. In your project application, you therefore have to present beside the normal information and documentation a **well-analysed investment plan** as a part of a project plan including a **long-term financial plan** for the investment part and a **feasibility study** (an analysis of possible alternative solutions to a problem and a recommendation of the best alternative) to determine and document the viability/sustainability of the planned investment. Hereby, the Joint Technical Secretariat supported by national experts if needed will be enabled to properly evaluate the background, demand and scope of the proposed investment in a wider development context. The respective national experts

<sup>16</sup> For Latvia and Sweden, the references to the respective national eligibility rules were unfortunately not available at the time of the Programme Manual being approved by the programme's Monitoring Committee, but will be added to later revisions of the Programme Manual as soon as it becomes available.

provide their opinion or statement on the relevance of the investment or whether the investments are following the national regulations or whether it is possible to keep the proposed timetable.

Investments do not have sufficient cross-border character and relevance if they are:

- Local projects with no co-operation character;
- A series of investments interlinked only through a vague thematic connection;
- A series of investments with only an ex-post exchange of experience and no joint implementation or cross-fertilisation.

For the 1<sup>st</sup> call for proposals, no indications will be given on the **minimum or maximum amount of an investment**. This is also due to the fact that the Central Baltic INTERREG IV A Programme 2007-2013 is a totally new cross-border co-operation programme and the 1<sup>st</sup> call will also be used to assess on the basis of the submitted applications the need and plans for investments in the region. Clearer indications might then be given for the 2<sup>nd</sup> and/or later calls. However, investments will be evaluated on a case-by-case basis and in a detailed and orderly manner as described above. Investments will also be monitored on the Programme level.

The general co-financing rate for the project expenditures including investments can be either **up to 75 respectively 85%** depending on the location of the project partner. In case national state co-financing is required, the project partners have to follow in addition the rules and procedures regarding investments set by the national state co-financer. Be also aware that **specific national rules may differ** considerably and that eventually stricter national rules and/or co-financing rates might apply.

All projects carrying out investments have to be aware and follow the national and EU regulations concerning the **implementation of the investment** (permissions, licences, detailed eligibility issues, tender processes etc.). All the legally obligatory documents available during the application process must be annexed to the application package sent to the Joint Technical Secretariat. The decision making process by the respective Steering Committee cannot proceed before all the available legal documents on the investment(s) are submitted to the Joint Technical Secretariat. Naturally, due to the nature of investments, some legal documents (e.g. permits) will be available only during the first reporting period and therefore have to be annexed to the first Progress Report. In this case, the Joint Technical Secretariat has to be informed when the documents will be available at the latest possible.

**Investments** co-financed by the Central Baltic INTERREG IV A Programme 2007-2013 are **aimed at public use only and neither their ownership nor their purpose can be changed** during five years after the project has been finalised (→ *Chapter 5*).

Furthermore, a clear **difference between project equipment and investment** needs to be made. An investment is an output or a result of wider set of project activities and has a positive impact on project's target group whereas project equipment is purchased by a project partner or already in possession of a project partner and used in order to carry out project activities (→ *Chapter 4.5.1.5*). For example a computer is regarded as (a part of) an investment, if it belongs to a technical network that the project has created in order to support the cross-border performance of SMEs. Whereas a computer is regarded as equipment, if it is used by a project partner in order to work in a project and does not

belong to any project outputs that are benefiting project target groups also after the project. Note that an investment is always a part of a large set of cross-border activities having sustainable impact on key stakeholders years after the project has ended.

National rules/specifications apply as follows:<sup>17</sup>

- Estonia: Estonia: Ministry of the Interior (Siseministeerium) at [www.siseministeerium.ee](http://www.siseministeerium.ee)  
National public procurement rules should be followed while selecting the company or individual, which provides the investments. It is also recommended to ask for price offers (three different price quotations) to prove the reality of the costs. A project application which includes construction works must be in line with the national building regulations.

- Finland: [www.rakennerahastot.fi](http://www.rakennerahastot.fi); Ministry of Employment and the Economy (Työ- ja Elinkeinoministeriö) at [www.tem.fi](http://www.tem.fi); FINLEX ® Valtion säädöstietopankki (Finnish Legal Data Base) at [www.finlex.fi](http://www.finlex.fi)

Investments are to be carried out according to the national regulations and applying the rules set by the national state co-financer when state financing is involved. In general, the co-financing rate is lower in the investment projects than the maximum co-financing of up to 75%.<sup>18</sup>

- Åland: Relevant legislation by the Government of Åland, which is Ålands Landskapsregerings beslut gällande vissa upphandlingar (Ålands Författningssamling 2006 Nr 41) 11.04.2006 and Landskapslag om ändring av landskapslagen angående tillämpning i landskapet i Åland av lagen om offentlig upphandling (Ålands Författningssamling 2007 Nr 50) 31.07.2007/09.08.2007 (Åland landskapsregeringen (Government of Åland) at [www.regeringen.ax](http://www.regeringen.ax))

#### **4.5.1.7. Other direct costs (Budget Line 7)**

All direct costs generated by the project implementation which cannot be included in any other budget line should be included here. To be included into the budget line 7 on other costs, they must fulfil the following conditions:

- Being essential for the project implementation and would not have incurred if the project had not been carried out;
- Being supported by invoices or other equivalent accounting documents directly attributable to the project.

**Examples of eligible other direct costs:**

- Financial charges and guarantee costs (charges for international financial transactions between the project partners; bank charges for opening and administering bank accounts of the project);
- Promotion costs (articles; newspaper inserts; press releases; publications etc.) except for those provided by external services (→ budget line 4);
- Seminar/event announcements in newspapers;
- Information and dissemination costs for events directly related to the project (rent of premises; catering) and not provided by external services (→ budget line 4);

<sup>17</sup> For Latvia and Sweden, the references to the respective national eligibility rules were unfortunately not available at the time of the Programme Manual being approved by the programme's Monitoring Committee, but will be added to later revisions of the Programme Manual as soon as they become available.

<sup>18</sup> In Finland the applicants are advised to contact the Joint Technical Secretariat and the respective national authority well in advance during the planning phase of their investment project to construct the financial plan adequately.

- In case the website hosting is carried out by the project partners themselves, it should be included into this budget line if it cannot be interpreted as administration costs (→ budget line 1);
- Participation fees in external events if relevant for the project;
- Costs for lunch if related to a whole-day meeting; for shorter meetings coffee with coffee bread; alcoholic beverages only at special occasion together with meals and in moderation.

**Examples of non-eligible other direct costs:**

- Reserves and other bookkeeping adjustments;
- Vindictive damages, penalties and costs caused by legal disputes;
- Representation costs as e.g. gifts, membership fees, tokens or donations
- Fees/remuneration for participating in the work of a project's Steering Group.

This cost category also covers **activities aiming at promoting the objectives as well as the (interim/final) results of the project**. Meetings and seminars can be arranged to inform the key stakeholders and when necessary the general public on the objectives and achieved results. The interim and final outcomes can also be disseminated by official publications. All the dissemination activities must be included in the approved project plan and project budget to be implemented during the official project life time observing the requirements for publicity and dissemination activities (→ *Chapter 6*).

This cost category may also cover **meetings costs of the Project Steering Group**, but only the most essential ones as rental costs for meeting facilities and costs for basic catering (e.g. coffee/tea and refreshments).

#### **4.5.1.8. In-kind contributions (Budget Line 8)**

The eligible in-kind contributions consist of provision of land or real estate, equipment or raw materials by private or public beneficiary (in-kind contributions in form of unpaid voluntary labour are included in budget line 2). In the case of the provision of land or real estate, the value must be certified by an independent qualified evaluator or duly authorised body. The in-kind value of equipments must be determined based on their current real values used in the organisation (e.g. in the form of rent) taking into account the duration time of the project. The responsibility of organising the assessment of the in-kind values is with the partner organisation. Note also that the eligibility of in-kind contributions must always be evaluated and approved by the Joint Technical Secretariat before co-funding can be granted to the project.

National rules/specifications apply as follows:<sup>19</sup>

- Estonia: Ministry of the Interior (Siseministeerium) at [www.siseministeerium.ee](http://www.siseministeerium.ee)  
In-kind contribution to the project cannot be higher than national co-financing of the project. The value of in-kind contribution has to be assessed by an independent certified assessor before submitting the project application. The assessment has to be organised by the respective project partner.

<sup>19</sup> For Estonia, Latvia and Sweden, the reference to the respective national eligibility rules was unfortunately not available at the time of the Programme Manual being approved by the programme's Monitoring Committee, but will be added to later revisions of the Programme Manual as soon as it becomes available.

- Finland: [www.rakennerahastot.fi](http://www.rakennerahastot.fi); Ministry of Employment and the Economy (Työ- ja Elinkeinoministeriö) at [www.tem.fi](http://www.tem.fi); FINLEX ® Valtion säädöstietopankki (Finnish Legal Data Base) at [www.finlex.fi](http://www.finlex.fi)

The eligible contributions reported as the organisations in-kind contribution can not make up more than 50% of each of the project partners' own financial contribution. In-kind contributions must always be certified by an independent evaluator. This 50 % rule covers both the unpaid voluntary labour as well as the provision of land or real estate, equipment or raw materials.

- Åland: Relevant legislation by the Government of Åland, which is Ålands Landskapsregerings beslut gällande vissa upphandlingar (Ålands Författningssamling 2006 Nr 41) 11.04.2006 and Landskapslag om ändring av landskapslagen angående tillämpning i landskapet i Åland av lagen om offentlig upphandling (Ålands Författningssamling 2007 Nr 50) 31.07.2007/09.08.2007 (Åland landskapsregeringen (Government of Åland) at [www.regeringen.ax](http://www.regeringen.ax))

#### **4.5.1.9. Income (Budget line 9)**

Should a project receive income from its activities, this income will proportionally reduce the ERDF co-financing. Thus, eligible costs are the total costs minus project related income.

**During the project application phase**, the applicants are requested to indicate any estimated income. In such case, the granted co-financing will be decreased proportionally. **During the project implementation**, any income must be reported in each Progress Report/Payment Claim. The reported income will be taken into account by the Joint Technical Secretariat at the end of the project, at the latest, and will be deducted by the Certifying Authority from the final amount of the received ERDF co-financing. **After the project has been completed**, any income generated within five years after the completion has to be reported to the Joint Technical Secretariat and has to be paid back at the latest three years after the closure of the programme.

#### **4.5.1.10. Value Added Tax (VAT)**

As the Value Added Tax (VAT) applies to all expenditures, the relevant information is not part of each single chapter above, but therefore will be treated separately here. The VAT does constitute an eligible expenditure if it is genuinely and definitely borne by the project partner and is shown in the bookkeeping. It must be noted that if the VAT is recoverable by whatever means, it cannot be considered eligible, even if the beneficiary does not actually recover it.

Whether VAT is genuinely and definitely borne by the project partner will be **defined for each project partner separately** in the project application. There can be partners for whom VAT is eligible and others for whom it is not. In case of any doubt, the VAT will be deemed not eligible for that partner.

National rules/specifications apply as follows:<sup>20</sup>

- Estonia: Ministry of the Interior (Siseministeerium) at [www.siseministeerium.ee](http://www.siseministeerium.ee)
- Finland: [www.rakennerahastot.fi](http://www.rakennerahastot.fi); Ministry of Employment and the Economy (Työ- ja Elinkeinoministeriö) at [www.tem.fi](http://www.tem.fi); FINLEX ® Valtion säädöstietopankki (Finnish Legal Data Base) at [www.finlex.fi](http://www.finlex.fi)
- Åland: Relevant legislation by the Government of Åland, which is Ålands Landskapsregerings beslut gällande vissa upphandlingar (Ålands Författningssamling 2006 Nr 41) 11.04.2006 and Landskapslag om ändring av landskapslagen angående tillämpning i landskapet i Åland av lagen om offentlig upphandling (Ålands Författningssamling 2007 Nr 50) 31.07.2007/09.08.2007 (Åland landskapsregeringen (Government of Åland) at [www.regeringen.ax](http://www.regeringen.ax))

## **4.5.2. Other financial issues**

### **4.5.2.1. Expenditures incurred outside the European Union**

The Central Baltic INTERREG IV A Programme 2007-2013 allows for up to 10% of the ERDF contribution to be spent outside the EU, if this presents a clear benefit to the programme. Hereby, it should be ensured that special expertise and input which can come only from outside the EU can be integral part of a project in the area of the Central Baltic INTERREG IV A Programme 2007-2013. The reasoning behind being that some challenges to the Central Baltic region, certain issues to be tackled and solutions to be found cannot be limited geographically to the area covered by the Central Baltic INTERREG IV A Programme 2007-2013. Though, keep in mind that this 10% rule does not aim at enabling cross-border co-operation with partners from outside the EU as for such co-operation other EU funding programmes are available. Rather, it has to be seen as an exception and must in all cases be explained and well justified in the project plan and needs the individual approval by the Joint Technical Secretariat beforehand!

All the costs in this respect must be borne by the actual project partners from within the programme area, meaning be paid and verifiable in the bookkeeping of one of the project partners. The expenditures incurred outside the EU are strictly limited to the following items:

1. Expert services for a study on future co-operation between regions/areas involved in the programme area;
2. Organisation of joint seminars and events promoting future co-operation. Note that such seminars/events must take place in a wider context promoting the co-operation in the Central Baltic INTERREG IV A Programme 2007-2013 area. Occasional events with no connection to clear set-out plans to create a permanent co-operation between the respective regions are not eligible;
3. Travel costs in the context of activities mentioned in points 1-2 (for a strictly limited number of participants from outside the EU).

### **4.5.2.2. State Aid and the De minimis-rule**

EU funding cannot distort the **EU Competition Policy**. It is the responsibility of each project partner, controller and auditor to be aware of Community competition rules and to

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<sup>20</sup> For Latvia and Sweden, the references to the respective national eligibility rules were unfortunately not available at the time of the Programme Manual being approved by the programme's Monitoring Committee, but will be added to later revisions of the Programme Manual as soon as they become available.

undertake the necessary steps to certify that the funds received from Central Baltic INTERREG IV A Programme 2007-2013 are compatible with those rules.

The **EU State Aid** rules are **applicable in Finland** in all cases where assistance from public funds is involved. State aid is regarded as incompatible with the Common Market if it distorts, or has the potential to distort, competition within the EU. Community rules on State Aid limit the support, which may be provided from public funds to assist projects in the commercial sector. State Aid will only be provided where it is consistent with the De minimis-rule (→ *below*) or the block exemptions for aid to small and medium-sized enterprises and training aid. **For Estonian private enterprises**, the De minimis-rule applies also.

The **De minimis-rule** requires that private project participants can only be granted aid if they can prove that they have not received public aid totalling more than 200.000 EUR over a three-year period. The De minimis-rule applies to all kinds of aid, irrespective of the form it takes or of the objective pursued, with the exception of export aid, which is excluded from the benefit of the De minimis-rule. It comprises all aid granted by the national, regional or local authorities, regardless of whether the resources are provided from domestic sources or are co-financed by the EU in **all participating Member States**. The ceiling of 200.000 EUR applies to the total of all public assistance considered to be De minimis aid and will not affect the possibility of the recipient obtaining other aid under schemes approved by the European Commission.

It is the responsibility of the project partners to prove their eligibility under the De minimis-rule during the application phase (→ *Chapter 4.3.1.*).

#### **4.5.2.3. Public Procurement Procedures**

The public procurement rules aim at securing transparent and fair conditions for competition on the common market. Therefore, a call for tender procedure is compulsory for contracts above a certain amount awarded by a public sector body (public supply, works or service contracts). The purchase of goods and services as well as the order for public works by project partners is subject to European Union and national rules. Be aware that **at the level of each member state, the rules may differ** with regard to the amount of the contract which requires a call for tender (national threshold) and other procurement procedure issues. Please consult the internal market web site ([http://ec.europa.eu/internal\\_market/publicprocurement/index\\_en.htm](http://ec.europa.eu/internal_market/publicprocurement/index_en.htm)) and/or the Joint Technical Secretariat for further information.

All project partners and Lead Partners must comply with public tender/procurement regulations whenever they intend to contract an external provider and are going to claim the costs in their Progress Report/Payment Claim to receive co-financing from the Central Baltic INTERREG IV A Programme 2007-2013. Only costs based on public procurement procedures will be considered eligible for funding. In any case, a tender procedure with a bid with minimum three offers (bid-at-three) has to be conducted for amounts **above the national threshold**. And even for amounts **below the national threshold**, it is strongly advised to use tender processes to determine cost- and quality-wise the best possible product or service available. Each project partner must document the tender process adequately as this documentation is required to be annexed to the Progress Report/Payment Claim.

Note that if the **estimated price level is above 1.500 EUR** (excluding VAT), the Managing Authority of the Central Baltic INTERREG IV A Programme 2007-2013 requires – besides any national regulation – that all bids must be based on written and documented procedures (e.g. minimum procedure being bid-at-three by e-mail). Purchases of services or products **below the estimated level of 1.500 EUR** can be carried out by comparisons made by the project personnel e.g. by e-mail to be later documented (and to be annexed to the Progress Report/Payment Claim documents). In case of any question regarding tender procedures, contact the Joint Technical Secretariat when planning your project!

National rules/specifications apply as follows:<sup>21</sup>

Estonia: <https://www.riigiteataja.ee/ert/act.jsp?id=12791579>

Finland: [www.kunnat.net](http://www.kunnat.net), [www.ktm.fi/index.phtml?s=102](http://www.ktm.fi/index.phtml?s=102) or [www.hansel.fi](http://www.hansel.fi)

Public procurement is subject to the Finnish Public Procurement Act (348/2007) which derives from the European Community directives on public procurement. Under these rules public sector procurement must follow transparent open procedures ensuring fair and non-discriminatory conditions of competition for suppliers.

Contracts with a value **below the EU-threshold (211.000 EUR excluding VAT)**:

A contract notice shall be published for contracts with a value below the EU-threshold, on the HILMA web site ([www.hankintailmoitukset.fi](http://www.hankintailmoitukset.fi)), a reporting channel and open electronic market place. Advertising is obligatory on all contracts with a value above the national threshold (Minimum 15.000 EUR, excluding VAT) set up in the Finnish Act on Public Procurement. Breach of the obligation to notify constitutes a substantial procedural defect, which can result in the annulment by the Market Court of a contract awarded.

Contracts with a value **above the EU-threshold**:

In the case of contracts with a value above the EU-threshold, EU-wide advertising is obligatory. A contract notice shall be published on the HILMA web site ([www.hankintailmoitukset.fi](http://www.hankintailmoitukset.fi)). HILMA then forwards the notice to be published in the Supplement to the Official Journal of the European Community (S series) and the TED (Tenders electronic daily) database. Breach of the obligation to notify constitutes a substantial procedural defect, which can result in the annulment by the Market Court of a contract awarded.

Latvia: Latvian national legislation and the development of the main national acts in the field of public procurement is available at [www.iub.gov.lv/iub/2nd/?cat=579](http://www.iub.gov.lv/iub/2nd/?cat=579)

Åland: Relevant legislation by the Government of Åland, which is Ålands Landskapsregerings beslut gällande vissa upphandlingar (Ålands Författningssamling 2006 Nr 41) 11.04.2006 and Landskapslag om ändring av landskapslagen angående tillämpning i landskapet i Åland av lagen om offentlig upphandling (Ålands Författningssamling 2007 Nr 50) 31.07.2007/09.08.2007 (Åland landskapsregeringen (Government of Åland) at [www.regeringen.ax](http://www.regeringen.ax))

### **4.5.3. Changes**

First of all, it is of utmost importance that **before** taking any action to modify the project budget or the project plan, you **consult with the Joint Technical Secretariat**. Any change must always be discussed with the Joint Technical Secretariat beforehand and

<sup>21</sup> For Sweden, the references to the respective national public procurement rules were unfortunately not available at the time of the Programme Manual being approved by the programme's Monitoring Committee, but will be added to later revisions of the Programme Manual as soon as they become available.

brought to the Steering Committee/Managing Authority for decision-making if certain threshold levels are exceeded. These rules apply unless otherwise stated in the Financing decision of a national state co-financier (Finland).

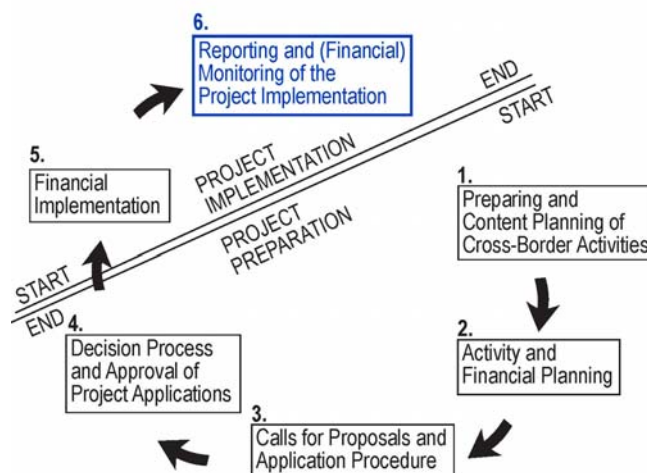
**Changes between the budget lines exceeding the 10% limit** (due to technical reasons mainly) require a well-justified written application approved in the project's Steering Group and submitted to the Joint Technical Secretariat/Managing Authority. Such changes above the 10 % limit with **major content related modifications** will always be submitted to the respective Steering Committee for approval. The Managing Authority will then inform the project in written if the change is accepted.

**Small changes below the 10% limit** in the project budget that do not change the original project activity plan can, as a general rule, be accepted without official decision making process but even these changes require a prior consultation with the Joint Technical Secretariat and approval and justification by the project's Steering Group. The Lead Partner has to file the respective correspondence with the Joint Technical Secretariat according to the applicable filing instructions (→ *Chapters 4.6.2.1. and 5.2.*).

**Changes between budget lines** of the project budget can be accepted if the sum transferred between budget lines makes up no more than 10% of the affected budget lines. **Changes between the work packages** can be accepted in a similar way, if the sum transferred between them makes up no more than 10% of the affected work packages (NB! There are no separate budget lines used in conjunction to the work packages).

As mentioned, the changes must first be consulted with the Joint Technical Secretariat and dealt with as well as approved by the project's Steering Group. Please notice that the project is allowed to do **budget changes (either small or big) two times during the project implementation** period (in conjunction with the Interim Report and six months before submitting the Final Report). In addition, projects can apply for the **extension of their implementation time** in well justified cases and according to the provisions laid down in the Subsidy Contract. Be also aware that the Lead Partner has to apply for and justify the extension of the date by which progress reports have to be submitted.

## 4.6. Reporting and (Financial) Monitoring of the Project Implementation



Picture: Step 6 of the project's life-span

All projects are subject to a strict monitoring, both regarding the progress of the project (→ *Chapter 4.6.1. Reporting and Monitoring*) and the financial implementation (→ *Chapter 4.6.2. Financial Control and Audit*). Monitoring naturally requires regular reporting by the project to the Joint Technical Secretariat. Certain special requirements apply to projects with e.g. a high strategic relevance (→ *Chapter 4.6.1.4.*). Finally, irregularities might occur (→ *Chapter 4.6.2.4.*).

### 4.6.1. Reporting and Monitoring

The **contact person** in the Joint Technical Secretariat which was assigned to the project during the evaluation and assessment process will remain the main contact person for an approved project also during its implementation phase. This person is responsible within the Joint Technical Secretariat for the follow-up of the project progress. E.g., the Joint Technical Secretariat may support the national controllers in carrying out on-the-spot verifications of your project. However, reporting and monitoring is a **two-way process**, as monitoring by the Joint Technical Secretariat requires reporting by the project and reporting by the project is wasted time and resources if not monitored by the Joint Technical Secretariat. Although a certain “control factor” cannot be denied, the reporting and monitoring process is not meant to make the project’s life difficult. By monitoring, the Joint Technical Secretariat as the project’s service unit rather wants to **help the projects to achieve the best possible output** for the benefit of our common Central Baltic region. And not least, reporting is the precondition to get the ERDF co-financing.

Therefore, do not be afraid of the Joint Technical Secretariat, but use its expertise also during the project implementation! That’s why the contact person has to be **invited as an observer with no decision rights to the project’s Steering Group meetings** and all the background materials for those meetings should be sent to him/her. The contact person also has the **right to ask for any additional information or material** during any point of time. If anyhow possible, the contact person would also **visit each project at least once annually** in order to keep up to date to the progress of the project.

It should be noted that a good report does **not include only the success factors but gives rather a balanced view of the project**. This includes of course reporting on the success factors, but also the lessons learnt and also what did not work as anticipated, where problems may have arisen and what these have taught the project partners. In this way, the reporting is of ultimate use to both the project and the Central Baltic INTERREG IV A Programme 2007-2013 in general.

#### **4.6.1.1. Progress Reports**

Each project has to hand in **regularly** a so called Progress Report **for each completed Milestone** (January-April, May-August, September-December). This report consists of the **activity report and the payment claim** for the respective milestone and has to be handed in not later than two months after the end of the respective milestone (e.g. for the January-April milestone no later than by the end of June). The Progress Reports should give a good overview of the project activities and spending in the given period. It is the Lead Partner's responsibility to collect and compile the information from all project partners and putting them together into one report. The Progress Report form which will be available on the programme's web site has to be submitted by e-mail to the Joint Technical Secretariat. Other electronically available material as e.g. produced publications etc. can be attached respectively sent by traditional mail/e-mail depending on the nature of the document.

The **activity report** should include at least the following information:

- a description of project **activities and results** in the reporting period;
- information on the realisation of both **programme and project indicators** which were set by the project partners themselves in the application form;
- a report of the **most important expenditures and tenders** for services and products;
- a description and justification of **expected changes** to the project plan, budget or timetable. *NB! However, should there be any need for changes, the contact person in the Joint Technical Secretariat should be notified immediately and the needs discussed jointly. It is not enough just to report on changes in the past or expected changes in the future. All changes must be made during the project implementation (→ Chapter 4.5.3.).*
- a plan of **action for the up-coming reporting period**.

The **payment claim** (NB! figures to be rounded to two decimals) follows the application package and contains:

- The expenditure per partner during the reporting period within the work packages and verified by the first level control (→ *below Chapter 4.6.2.2.*);
- The total expenditure of the project during the reporting period within the work packages;
- The total amount of claimed ERDF co-financing (project level) for the reporting period;

The contact person at the Joint Technical Secretariat together with the Financial Officer will check the relevance of the costs indicated in the payment claim with regard to the project application and ensures that all the necessary obligatory annexes are included. Once the check is completed, the contact person will forward the payment claim to the Certifying Authority, which makes the decision on the payment of funds if the verification of

the reported costs has been carried out adequately and further checks are not necessary (NB! The Certifying Authority together with national controllers and of course also the Joint Technical Secretariat can always ask for more information from the project partners if deemed necessary. Note also that the Certifying Authority is entitled to conduct sample checks on project costs). The Lead Partner then will receive the payment decision by the Certifying Authority with official written comments on the relevance of the costs for the overall implementation of the project. The payment to the Lead Partners bank account will be done by the Certifying Authority without any delay.

Be aware that the **European Commission withholds the last ERDF payment (5%)** to the Certifying Authority until 2017/2018 when all the closure documents of the Programme will be approved. As soon as the cumulative spending rate of finalised projects exceeds 95%, the Certifying Authority will also withhold its own payments to the project partners until the European Commission has made the final payment to the Certifying Authority. Naturally, this will not happen as long as the sum of ERDF co-financing claimed by finalized projects during their entire duration is lower than 95% of the cumulative total ERDF co-financing approved for these projects. The JTS will inform the projects immediately if the 5 % withhold will be applied.

#### **4.6.1.2. Interim Report and Payment Claim**

For projects **lasting more than 2 years**, in addition to the regular progress reports an interim report is expected. The time for submitting the report will be defined in the funding decision (approximately 15-18 months after the project start-up). This report **evaluates** cumulatively and analytically the real development of the project with regard to the agreed timetable and targets laid down in the project plan. Reasonable modifications to the original project plan and the reasons behind them together with the impact on the timetable and budget must be analysed and presented to the Joint Technical Secretariat (Note that major changes must always be **approved by the project's Steering Group and the Joint Technical Secretariat beforehand**, → *Chapter 4.5.3.*).

In addition the interim report will specifically emphasize:

- ... on the **past activities** and experience:
  - A short summary of the project's objectives and their realisation cumulatively (within the reporting period);
  - A list of all the activities implemented in the work packages during the reporting period with a detailed analysis of the results and targets achieved;
  - A list of all the information activities implemented and target groups reached;
  - A short description of problems encountered and the means used to overcome them;
  - Lessons learned during the reporting period;
  - How the project has contributed to the Community and Central Baltic INTERREG IV A Programme 2007-2013 Horizontal Objectives (i.a. sustainable development, gender equality, anti-discrimination);
  - If and what cross-border added value the particular project has.
- ... on the **future activities and the sustainability** of lessons learned:
  - A plan to apply the results of the lessons learned during the remaining implementation period (within the limits set by the approved project plan);
  - A list of forthcoming activities within the work packages and – if necessary – a modified short term implementation schedule (within the limits set by the timetable in the

approved project plan and in the Subsidy Contract). Please note also that the project owners must take into account the time needed for closure measures including the preparation and submission of the Final Report and Payment Claim.

#### **4.6.1.3. Final (Progress) Report at the Closure of the Project**

The Final (Progress) Report should include all the same information as the regular progress reports. In addition, the final written report should include the following information:

- A summary of the project's background (for what reason it was originally initiated);
- The objectives and the final results of the project as such (project level);
- A list of all work packages implemented during the project's life-span with a detailed analysis of the results and targets achieved within these work packages (work package level);
- A specified list of highlights from the project which could serve as *Best Practise* examples;
- A list of all information activities and other measures implemented to disseminate the results achieved and target groups reached during the project's total life-span;
- How the final outcomes of the project can be used by respectively serve as a best-practice example for others in the future (sustainability);
- A plan of action by the project partners for the future after the project has officially been closed (sustainability);
- The involved project personnel and its organisation structure;
- The realised total expenditure and the total amount of ERDF co-financing and funding by national co-financiers (public and private);
- How the project has contributed to the Community and the Central Baltic INTERREG IV A Programme 2007-2013 Horizontal Objectives (i.a. sustainable development, gender equality, anti-discrimination);
- If and what cross-border added value the particular project has.

#### **4.6.1.4. Decommitment of Funds for Projects with Substantial Delay (N+2/N+3 Rule)**

Please note that substantial delays in payments to projects **may** lead to de-commitment on project level. Therefore it is recommended that the Lead Partner jointly with the project partners plan the budget very carefully and set realistic spending targets (It is recommended to include this spending forecast into the partnership agreement). The spending rate of an average project is the lowest at the start-up period (usually the first 6 months) because the early stages of the implementation tends to focus on planning and preparation while the spending increases towards the end of the implementation phase. The approved application is to be annexed to the Subsidy Contract and hereby the spending forecast in the application will be followed up by the Joint Technical Secretariat and substantial delays in spending may lead to de-commitment on the project level!

#### **4.6.1.5. External Evaluation**

The Steering Committee can require (based on the results of the project assessment by the Joint Technical Secretariat) a project to carry out an external evaluation if the respective project is e.g. of a high strategic relevance for the programme implementation.

The evaluation should be done at different stages of the project life-cycle: ex-ante (before), mid-term and ex-post (after the project). The minimum is a mid-term and a final evaluation.

That would mean that the Steering Committee approves the project under the condition that the external evaluations will be added to the project activity plan and the project budget. Further, this requirement of an external evaluation will be included in the Subsidy Contract.

#### **4.6.2. Financial Control and Audit**

As already mentioned above, one part of the regular Progress Report is the Payment Claim in which you specify your expenses and the amount you claim for ERDF co-financing. It was also said that your expenditures have to be verified by the first level control. This brings us to the issue of financial control (→ *Chapter 4.6.2.2.*) and – more general – the audit trail (→ *Chapter 4.6.2.1.*).

##### **4.6.2.1. Audit Trail**

In the assessment of your Payment Claims the audit trail is of vital importance. The audit trail can be described as the records that show how each Euro of the Central Baltic INTERREG IV A Programme 2007-2013 co-financing has been spent. Although your accounts can be kept in Euros or in your national currency, all project **reports have to be filled in and accounted in Euros only** (for exchange rates → *Chapter 4.2.2.*).

The invoices must be stored and they must be traceable in your bookkeeping. The Lead Partner and the other project partners must ensure that all accounting documentation related to the project is filed separately, and that all project related payments have a clearly distinguishable book-keeping code. All these **documents have to be kept until up to five years after the formal closure of the Central Baltic INTERREG IV A Programme 2007-2013** (until 31.12.2025). Be aware, that due to stricter national rules, you might be obliged to keep the documents even for a longer period.

**For the Final Report**, each Project Partner including the Lead Partner is obliged to conduct a “traditional” audit of its project account and include the audit results (audit report) into the Final Report of the project. The audit covers the whole duration time of the project and is carried out by an external independent audit firm. The cost for the auditing is eligible presuming that the audit is conducted within the official project duration determined in the approved project application and in the Subsidy Contract. The project partnership may agree on using the same audit firm (NB! Note the possible need for tender process when choosing the audit firm!). Be aware that this audit has nothing to do with the First Level or Second Level Controls (→ *Chapters 4.6.2.2. and 4.6.2.3.*).

##### **4.6.2.2. First Level Control**

As mentioned above, each partner has to report to the Lead Partner for the regular progress reports its individual expenditure. Before sending these with the necessary documentation to the Lead Partner, each project partner has to have its own costs controlled by the assigned first level controller in its country (the respective audit confirmation to be included in the documents to be sent to the Lead Partner). The main goal is to secure the eligibility and correctness of all expenditures declared by the project partner.

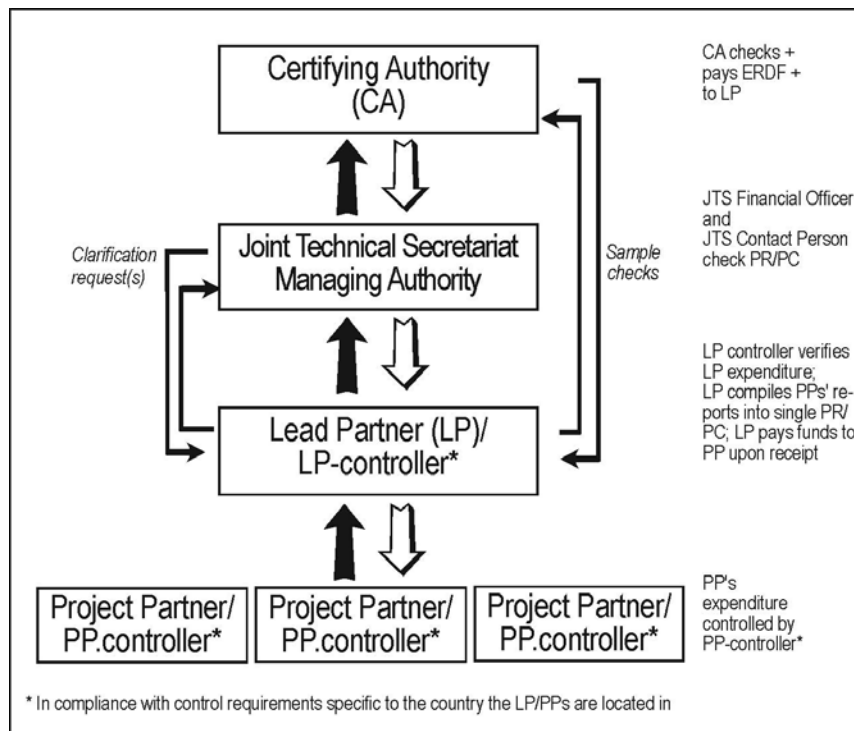
The assigned first level controllers (FLC) are:

Country	FLC
Estonia	<p>Estonian Ministry of the Interior Regional Development Department Interreg Programmes Supervision Bureau Pikk 61, EE-15065 Tallinn, Estonia Tel.: +372 612 5193 - Fax: +372 612 5101</p> <p>Head of Bureau Ms Raili Vesberg-Pikk E-mail: <a href="mailto:raili.vesberg-pikk@siseministeerium.ee">raili.vesberg-pikk@siseministeerium.ee</a></p>
Finland (excluding Åland)	<p>The beneficiary (project partner) itself selects a controller (an independent auditor or audit company) who will be authorized by the Ministry of Employment and the Economy based on the request made by the beneficiary. The authorization will always be given in written form.</p> <p>Qualification criteria: Controllers (auditors) must be a Chartered Public Finance Auditor or Auditing Co-operation authorized by the Board of Chartered Public Finance Auditing (JHTT) or an Authorized Public Accountant or Auditing Corporation authorized by the Central Chamber of Commerce (KHT) or an Authorized Auditor of Auditing Corporation authorized by a local Chamber of Commerce (HTM).</p>
Latvia	<p>State Regional Development Agency of Latvia Cross Border Project Control Department Elizabetes iela 19, LV-1010 Riga, Latvia Tel.: +371 6707 9019 - Fax: +371 6707 9001 E-mail: <a href="mailto:ppkn@vraa.gov.lv">ppkn@vraa.gov.lv</a></p> <p>Director of FLC Department Ms Oksana Dumpe E-mail: <a href="mailto:oksana.dumpe@vraa.gov.lv">oksana.dumpe@vraa.gov.lv</a></p>
Sweden	<p>NUTEK Joint Unit for Regional Structural Fund programmes Fyrvallavägen 1, SE-831 43 Östersund, Sweden</p> <p>Mr Björn Näsvall NUTEK SE-117 86 Stockholm, Sweden Tel.: +46 8 681 91 00 E-mail: <a href="mailto:bjorn.nasvall@nutek.se">bjorn.nasvall@nutek.se</a></p> <p>Ms Birgitta Pettersson NUTEK Fyrvallavägen 1, SE-831 43 Östersund, Sweden Tel.: +46 8 681 92 51 E-mail: <a href="mailto:birgitta.pettersson@nutek.se">birgitta.pettersson@nutek.se</a></p>
Åland Islands	<p>Ålands landskapsregering (Government of Åland) Department for Administrative Affairs PO 1060, AX-22111 Mariehamn, Åland Tel.: +358 18 25 000 - Fax: +358 18 25 155 E-mail: <a href="mailto:registrator@regeringen.ax">registrator@regeringen.ax</a></p> <p>Controller Mr Ralf Stolt Tel.: +358 18 25 000 - Fax: +358 18 25 155 E-mail: <a href="mailto:ralf.stolt@regeringen.ax">ralf.stolt@regeringen.ax</a></p>

First level controllers will check every item of expenditure entered in the project accounts, the supporting documents (such as time sheets), the calculated costs per Work Package and budget line. The controllers will look at key documents in the audit trail to make sure that the costs claimed are real costs, further that the activities really took place and that rules have been followed. The audit trail must allow controllers and auditors to enter the management system of the respective project partner and to eventually trace back all declared expenditure to the original invoices (or equivalent documents). It must also be possible to verify the transfer of ERDF funds to project partners in order to be able to control that the requirements set for the national financing are adequately met by the project partners including Lead Partner (NB! Note that the proper accumulation of total eligible costs as well as ERDF and national co-financing according to the approved application is crucial when the Certifying Authority is claiming payment from the EU Commission) and to be able to control the overall payment procedure as the partners have agreed on certain distribution of funds in the application process and especially in the partnership agreement. The transfer of the ERDF funds can naturally be verified for the first time only during the second payment round.

The first level controllers are also responsible to carry out **on the spot checks** at least once during the total life-span of at least 60% of the projects and at least of each project with an investment. On the spot check means that the controller will actually visit the project and verify that certain purchases of services and products of the approved application have actually taken place during the implementation and that the related processes (e.g. public procurement) have been carried out according to the national rules.

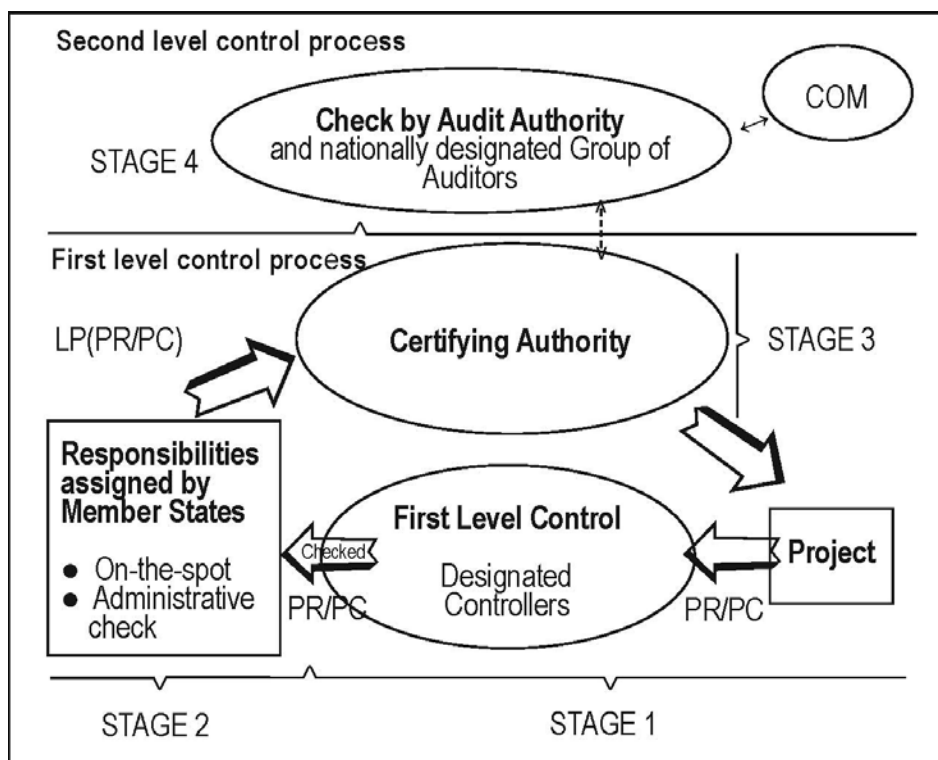
The costs of first level control are eligible costs for the project partners. Therefore, take care to include also the first level control costs into your project respectively partner budget to be able to claim ERDF co-financing for these expenditures. The Member States with centralised system are providing the First Level Control free of charge.



Picture: The basic work flow of the First Level Control process

### 4.6.2.3. Other Controls (i.a. Second Level Control)

Be aware of other further possible controls possibly conducted by any of the programme bodies or the European Commission. The **second level control** carried out by the Audit Authority covers structures and procedures both on the project and the programme level. It includes random sample checks covering the whole Central Baltic INTERREG IV A Programme 2007-2013 and a certain percentage of the programme expenditures will be examined this way.



Picture: The Second level control process

Be also aware that any project can **at any time** during or after its duration (finally until the end of 2025) be subject to a **financial and programme related control** by the Certifying Authority, the Audit Authority, the European Commission or any other programme body – in that case, you should commit yourself to giving any requested information to the controllers.

### 4.6.2.4. Irregularities

Irregularities are in reality ineligible use of granted programme funds and will imply follow-up actions such as withdrawal, reduction or recovery of the granted funds. However, the concept of irregularity covers a wider range of issues than just strictly financial matters. The non-compliance with e.g. archiving rules, documentation, publicity rules, and failure to provide adequate and correct information in the application form can lead to follow up actions and even to recovery of granted funds.

In case irregularities in financial matters have been detected by first or second level controls the project will be subject to corrective measures by the Certifying Authority or the respective national authorities. Should the **first level** controllers find in the project partner's expenditures costs that cannot be considered eligible, they will be deducted

immediately and the project partner in question will receive less co-financing. The ineligible costs found in the **second level** control are **recovered afterwards from the Lead Partner** by the Certifying Authority as they already have been paid out. Therefore, it is necessary to set out the proper arrangements and responsibilities between the Lead Partner and the other Project Partners in the partnership agreement covering the case of irregularities and repayment.

## **5. Duties and responsibilities after the Project's End**

### **5.1. Durability and Ownership of Project Outputs**

The Partnership Agreement must clearly state the ownership of outputs. Conditions set by this document must be kept for five years after the project closure date. The Lead Partner is obliged to notify the Managing Authority respectively Joint Technical Secretariat of any changes beforehand.

Anyway, major changes of the project within five years after its closure must be avoided – especially substantial changes which affect the nature or the implementation conditions of the project or which give a firm or a public body an undue advantage. The same applies for substantial changes which result either from a change in the nature of ownership of an item of infrastructure or the end of a productive activity. Sums unduly paid shall be recovered.

### **5.2. Storage of Project Documents and Accounting Records**

All accounting and supporting documents (e.g. project application form, Subsidy Contract, reports, service contracts, public procurement documentation, rental contracts, important communication between the project partners and with the programme authorities as well as documents required to ensure an adequate audit trail, documents related to expenditures as e.g. original invoices and controls and audits must be available and accessible until at least 31.12.2025 unless stricter national rules do not state a later date). The documents will be archived by the Lead Partner (official documents related directly to the communication with the programme authorities) and by the project partners (other documents, → *Chapter 4.6.2.1.*).

## **6. Information and Publicity**

The EU wants to ensure wide publicity for the various programmes and funded projects. The Central Baltic INTERREG IV A Programme 2007-2013 thus highlights the importance of effective communication as a mean to spread awareness of the results of individual projects, the overall result of the Central Baltic INTERREG IV A Programme 2007-2013 on cross-border co-operation in the Central Baltic area and on the role EU funding played in it. It is also every project's own interest to inform about their activities, results and achievements.

To ensure such wide communication and publicity, both the Central Baltic INTERREG IV A Programme 2007-2013 and each project funded by this programme are required to have a **communication plan for internal and external information and publicity**. The project communication plan is to be submitted with the first Progress Report/Payment Claim. It is the responsibility of all project partners to ensure that there is sufficient external (and internal) information and publicity on the launching, progress and results of the project. The communication plan of course differs from project to project as each project has a different message, different target groups etc. Therefore, different information and publicity tools are useful for the different projects. **Examples of external information and publicity tools** include press releases and conferences, websites, leaflets, posters, audiovisual material, CD ROMs, inserts in newspapers, TV shows and news, promotional gifts and visual displays and signs. Also think about including your project in thematic databases provided by other actors (e.g. the Northern Dimension Partnership in Public Health Database at [www.ndphs.org/?database](http://www.ndphs.org/?database)). According to the situation, the information and publicity efforts can also be more informal. It is crucial that the partners use and continuously update their networks for spreading information about project achievements.

One important message to spread out is the role of the EU funding in the implementation of your project. This is somewhat self-explanatory considering that the ERDF funding is in many cases a prerequisite for the project partners to be able to conduct the project. To show appreciation for the funding the project is to **mentioned the EU funding and to display the EU emblem (flag) and the Central Baltic INTERREG IV A Programme 2007-2013 logo** in all project communication, outputs, tools and produced information materials. If other logos are used in addition (e.g. the project logo or the logo of the project partner organizing a certain event), the EU flag and the programme logo must be at least the same size as the other logos. The use of the EU flag and the programme logo is obligatory and the costs of any material or information activities, seminars, meetings etc. **without EU logo or not mentioning the EU funding are not considered eligible** and the project partner would not receive any co-financing. As this can have some rather severe (financial) consequences, ensure to use the flag and logos without exception.

The different versions of the **EU emblem (flag)** can be downloaded from [http://europa.eu.int/comm/regional\\_policy/sources/graph/embleme\\_en.htm](http://europa.eu.int/comm/regional_policy/sources/graph/embleme_en.htm), the Central Baltic INTERREG IV A Programme 2007-2013 logo from [www.centralbaltic.eu](http://www.centralbaltic.eu). The **reference note** to be included in the publications and to be displayed on visual ads and materials is

*“The [project/event/activity/purchase/building/etc.] is co-financed by the European Union Central Baltic INTERREG IV A Programme 2007-2013”.*

How can this requirement be met in reality, e.g. regarding website, events, purchased equipment, infrastructure investment etc.?

- **Websites:** Information about project activities should be published on each project partners' website with a link to the project's own website (if existing). The Lead Partner, though, should have extensive information on the project on its own website. Websites created with funding from the Central Baltic INTERREG IV A Programme 2007-2013 must contain the above mentioned reference to programme and both the EU flag and the programme's logo at the start/main page. In case an article about the project is published on another website, the visual logos and reference note have to be published in the same window as the article.
- **Events:** The organisers of events such as conferences, seminars, fairs and exhibitions, which are part of and co-financed within the project, have to display the EU flag and the Central Baltic INTERREG IV A Programme 2007-2013 logo in meeting rooms, on documents and presentations.
- **Equipment or other purchases:** Such made within the project have to carry stickers with the EU flag, the Central Baltic INTERREG IV A Programme 2007-2013 logo and the mentioned reference note.
- **Infrastructure investments:** At the site of an infrastructure investment carried out within a project and with a public contribution of more than 500.000 EUR, a billboard has to be put up during the implementation of the infrastructure investment at the site of the operation. After the operation has been completed, the billboard has to be replaced by a permanent explanatory plaque. Both the billboard and the plaque have to carry the EU flag, the Central Baltic INTERREG IV A Programme 2007-2013 logo, the above mentioned reference note as well as the statement "Investing in your future" highlighting the added value of the intervention of the European Community.<sup>22</sup>

In addition, the Central Baltic INTERREG IV A Programme 2007-2013 **assists projects** in their communication activities by reporting on project results and best practices in the programme's newsletters, web page and other materials. Therefore, it is important that you also keep the Joint Technical Secretariat well informed about your project even beyond the necessary reporting. Consider also the Joint Technical Secretariat as an important target group of your information and publicity activities.

Please be aware that the Joint Technical Secretariat will **publish on the programme's website** at least the following information:

- Names of all project partners (including Lead Partner)
- Short description of the project
- The total budget of the project and the amount of ERDF co-financing granted
- Geographical location of the project
- Progress and final reports

Please remember to inform the Managing Authority respectively Joint Technical Secretariat on possible sensitive/confidential (e.g. business or personnel related) issues that cannot be published in the programme newsletter or on the programme's website.

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<sup>22</sup> → Articles 8 and 9 Commission Regulation (EC) No 1828/2006.

## **7. Glossary of Terms**

An **Additional Partner** (→ *Chapter 3.2.1.*) does not fulfil the criteria of a project partner, but can participate in the project. An additional partner may participate in the project, but its own financial contribution does not generate ERDF funding, meaning the additional partner has to pay its activities within the project totally by itself.

**Audit Authority** (→ *Chapter 4.6.2. and Annex 1*) is the authority designated by the Member States/Åland, functioning independently from the Managing and the Certifying Authority and responsible for verifying the effective functioning of the management and control systems. The Audit Authority is assisted by a Group of Auditors from the countries/Åland participating in the programme. It develops an audit strategy according to which it carries out the inspection of the programme systems and procedures and of a selected sample of projects. Actual audits are sometimes contracted to audit firms. In case of the Central Baltic INTERREG IV A Programme 2007-2013, the Audit Authority is the Regional Council of Southwest Finland.

**Audit Trail** (→ *Chapter 4.6.2.1.*) is a sequence of information i.e. accounting records that provide detailed information about expenditure actually incurred. The accounting records show the date they were created, the amount of each item of expenditure, the nature of the supporting documents and the date and method of payment. The audit trail provides evidence of the expenditures claimed and enables tracing the financial data back to its source.

**Beneficiary** (→ *Chapter 3.2.1.*) is generally any operator, body or firm, whether public or private, responsible for initiating or implementing operations. In the context of the Central Baltic INTERREG IV A Programme 2007-2013, this means all eligible project partners participating in a project, but not the non-eligible so called additional partners.

**Certifying Authority** (→ *Chapter 4.6.1.1. and Annex 1*) is the authority designated by the Member States/Åland to approve statements of expenditure and payment claims, to pay the co-financing to the Lead Partner, and to recover from projects incorrectly paid funds. In case of the Central Baltic INTERREG IV A Programme 2007-2013, the Certifying Authority is the Regional Council of Southwest Finland.

**Decommitment (N+2/N+3 rule)** (→ *Chapter 4.6.1.4*): At the beginning of each year the European Commission allocates a certain amount of ERDF to the Central Baltic INTERREG IV A Programme 2007-2013. For the allocations of the years 2007-2010, the ERDF funds have to be spent within four years including the year when the money was committed (N+3, where 'N' is the year of commitment). For the allocations of the years 2011 to 2013, the ERDF funds have to be spent within three years including the year when they are committed (N+2). Any of these allocations which after 3 respectively 2 years are not covered by Central Baltic INTERREG IV A Programme 2007-2013 expenditure will be lost. If this loss results from certain projects lagging behind their spending targets, the Central Baltic INTERREG IV A Programme 2007-2013 may be obliged to cut the budgets of these projects. Therefore, each project's payment schedule is taken into account in the Subsidy Contract, which also includes a provision that any amounts which are not fully reported in time may be lost. The first year of potential decommitment for the Central Baltic INTERREG IV A Programme 2007-2013 is the year 2010.

The **De minimis–rule** (→ *Chapter 4.5.2.2.*) requires that a private project partner can only be granted aid if this partner can prove that it has not received public aid totalling to more than 200.000 EUR over a three-year period. The ceiling applies to the total of all public assistance considered to be De minimis aid and applies to all kinds of aid, irrespective of the form it takes or of the objective pursued, with the exception of export aid, which is excluded from the benefit of the De minimis-rule. Though, it does not affect the possibility of the recipient to obtain other aid under schemes approved by the European Commission.

**Eligibility** (→ *Chapter 4.5.1.*) is the term used i.a. in financial control to describe expenditure that complies with all relevant EU, national and programme rules. Eligible expenditure can be reimbursed (partly) from funding allocated to the project according to the applicable co-financing rate (up to 75% respectively up to 85%). Any spending that breaks one of the eligibility rules will be found ineligible and will not be co-financed by the programme. In addition to the financial eligibility, the geographical eligibility defines where project partners have to be located (→ *Chapter 3.1.*).

**Financial Report** (→ *Chapter 4.6.1.1.*) is part of the Progress Report. The project's Lead Partner regularly has to submit a Progress Report to the Joint Technical Secretariat. The financial report contains a retrospective accounting of the total costs incurred during the respective reporting period.

**First Level Control** (→ *Chapter 4.6.2.2.*) is the control on the project partner level conducted by authorized controllers before project partners submit their contribution to the Progress Report/Payment Claim to the Lead Partner. 100% of the project expenditure of each project partner is certified by a controller in the partner's country. This may result in some deductions if some of the expenditure is incorrect. When the correct amount has been confirmed, the controller will sign a controller's declaration certifying that the expenditure of that respective project partner has been approved.

**In-kind Contribution** (→ *Chapters 4.5.1.2. and 4.5.1.8.*) means either **unpaid voluntary labour** for which the person is not paid by anybody or which is not part of his/her assignment within the organisation he/she is working for. In-kind contribution can just as well be **provision of land or real estate, equipment or raw materials** in which case their value has to be determined by an independent evaluator. Other partner personnel costs are considered in the Application and Report forms as a cash contribution (and not in-kind contribution) as they are actually paid out by the partner organisation.

**Irregularity** (→ *Chapter 4.6.2.4.*) means a failure by a project owner – either intentional or unintentional - to follow financial or other requirements set by the relevant EU regulations regarding the use of EU Structural Funds.

**Joint Technical Secretariat** (→ *Annex 1*) is the body responsible for the day-to-day management and implementation of the programme. In the Central Baltic INTERREG IV A Programme 2007-2013, the Joint Technical Secretariat is located in Turku/Finland (Main Office), Mariehamn/Åland (Sub-secretariat), Riga/Latvia (Info Point), Stockholm/Sweden (Info Point) and Tallinn/Estonia (Sub-secretariat).

**Lead Partner** (→ *Chapter 4.2.3.*) is the administrative leader of the project and the link between the project (partners) and the programme management, responsible to co-

ordinate the flow of information between these and for ensuring that all project activities are carried out according to the approved project application.

**Managing Authority** (→ *Annex 1*) is the body responsible for ensuring the effective implementation of the programme in accordance with the Programme Document and the relevant EU Regulations. The Managing Authority is also responsible for establishing the implementation systems, structures and procedures and to monitor its implementation. In case of the Central Baltic INTERREG IV A Programme 2007-2013, the Managing Authority is the Regional Council of Southwest Finland.

**Milestone** (→ *Chapter 4.2.2.*) is the time-unit used to divide the project's life-span into several (reporting) periods. In case of the Central Baltic INTERREG IV A Programme 2007-2013, each milestone encompasses four months (January-April, May-August and September-December).

The **Monitoring Committee** is composed of national, regional, local and social representatives of the participating countries/Åland and takes decisions on the programme level, solves any irregularity and decides on the programme setup. It therefore needs to be kept informed of the progress towards programme objectives, the status of programme finances and any problems in programme level bodies and procedures.

**Partnership Agreement** (→ *Chapter 4.2.3.*): The partnership agreement sets out the main responsibilities of the project partners, their relation with the Lead Partner and comprises the provisions guaranteeing the sound financial management of the project.

**Payment Claim** (→ *Chapter 4.6.1.1.*): Every time a project submits a Progress Report, it sends a statement of expenditure showing how much money it has spent. This statement also acts as a claim for the ERDF co-financing that the project expects to receive.

**Progress Report** (→ *Chapter 4.6.1.1.*) is comprised of the Activity report and the Payment Claim. It documents the progress of the project and serves as a payment request. A Progress Report has to be regularly submitted by the project's Lead Partner.

**Project Partner** (→ *Chapter 3.2.1.*) is any partner that fulfils the eligibility criteria. One of the project partners will have to be chosen to be the project's Lead Partner (→ *Chapter 4.2.3.*).

The **Second Level Control** (→ *Chapter 4.6.2.3.*) is carried out by the Audit Authority and covers structures and procedures both on the project and the programme level. It includes random sample checks covering the whole programme and a certain percentage of the programme expenditures will be examined this way.

**Steering Committee** (→ *Chapter 4.3.3.*) is the programme body responsible for the selection of projects for ERDF co-financing. Within the Central Baltic INTERREG IV A Programme 2007-2013 do exist three separate Steering Committees for each of the (sub-) programmes.

**Subsidy Contract** (→ *Chapter 4.4.4*) is the contract between the Managing Authority and the Lead Partner determining the rights and responsibilities of the Lead Partner and the

Managing Authority, the scope of activities to be carried out by the project, the terms of funding, requirements for reporting and financial controls, etc.

**Work Packages** (→ *Chapter 4.2.2.*) are a tool to categorize project activities and it is up to the project owners to define the work packages. Normally, a project consists of four to five work packages encompassing activities of one kind.

## **8. Relevant Legal Documents and Further Reading**

### **8.1. Relevant Legal Documents**

#### **8.1.1. EU legislation**

- 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;
- Regulation (EC) **No 1080/2006** of the European Parliament and the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999;
- 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 Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund;

Especially the compliance with the **following articles** of the respective above mentioned EU legislation by the project partners is **essential** for successful implementation and financial management of a project:

- Double financing: Art. 54 of Council Regulation (EC) No 1083/2006;
- Equality between men and women and non-discrimination: Requirements listed in Art. 16 of Council Regulation (EC) No 1083/2006;
- Income: Art. 55 of Council Regulation (EC) No 1083/2006
- Public procurement: Art. 2(5) of Council Regulation 1083/2006 and thus with Directive 2004/18/EC of the European Parliament and of the Council of 31<sup>st</sup> March 2004;
- Publicity rules: Art. 9 of Commission Regulation (EC) no 1828/2006;
- Sound financial management: Art.48(2) of Regulation (EC, Euratom) No 1605/2002;
- State aid rules: Art. 54 of Council Regulation (EC) No 1083/2006;
- Sustainable development: Art. 17 of Council Regulation (EC) No 1083/2006;

#### **8.1.2. National and Åland Legislation**<sup>23</sup>

- **Finland:** [www.rakennerahastot.fi](http://www.rakennerahastot.fi), [www.tem.fi](http://www.tem.fi), [www.finlex.fi](http://www.finlex.fi)

- Regional Development Act (Alueiden kehittämislaki (602/2002) Valtioneuvoston asetus alueiden kehittämistoimenpiteiden rahoituksesta (1225/2002) 19.12.2002)
- Equal opportunities: Non-Discrimination Act (21/2004) 20.1.2004; Laki naisten ja miesten

<sup>23</sup> For Estonia, Latvia, Sweden, the reference to the respective national legislation was unfortunately not available at the time of the Programme Manual being approved by the programme's Monitoring Committee, but will be added to later revisions of the Programme Manual as soon as it becomes available.

- välisestä tasa-arvosta 8.8.1986 (Equality between women and men);
- Environment rules: Environmental Protection Act (86/2000) 1.3. 2000
  - EU-rules (how to apply): Laki eräiden valtion tukea koskevien Euroopan yhteisön sääntöjen soveltamisesta (300/2001)
  - Information duties: Laki eräitä yrityksiä koskevasta taloudellisen toiminnan avoimuus- ja tiedonantovelvollisuudesta (19/2003)
  - Public procurement: Act on Public Contracts (348/2007) 30.3. 2007
  - State Aid: Act on Discretionary Government Transfers (Valtionavustuslaki, 688/2001, 27.7.2001)
  - Structural Fund Act 1401/2006 and Valtioneuvoston asetus rakennerahastoista 311/2007
  - Structural Fund Act (Valtioneuvoston asetus rakennerahastoista osarahoitettavien menojen tukikelpoisuudesta (1079/2007) 29.11.2007)

- **Åland:**

Relevant legislation by the Government of Åland, which is Ålands Landskapsregerings beslut gällande vissa upphandlingar (Ålands Författningssamling 2006 Nr 41) 11.04.2006 and Landskapslag om ändring av landskapslagen angående tillämpning i landskapet i Åland av lagen om offentlig upphandling (Ålands Författningssamling 2007 Nr 50) 31.07.2007/09.08.2007 (Åland landskapsregeringen (Government of Åland) at [www.regeringen.ax](http://www.regeringen.ax))

## **8.2. Further Reading**

The various handbooks and other publications produced by the INTERACT Programme can be warmly recommended. These are available online at [www.interact-eu.net](http://www.interact-eu.net).

## **ANNEX 1 – Contact Information**

### **A1.1. Joint Technical Secretariat**

Central Baltic INTERREG IV A Programme 2007-2013

**Joint Technical Secretariat**

*Mail address:* P.O. Box 273 (Ratapihankatu 36), FIN-20101 Turku, Finland

*Visiting address:* Lätinen Pitkätu 35, 5<sup>th</sup> floor, Turku

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e-mail: [info@centralbaltic.eu](mailto:info@centralbaltic.eu) – [www.centralbaltic.eu](http://www.centralbaltic.eu)

*Head of the Joint Technical Secretariat:*

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*Information and Communications Officer:*

Ms. Linda Talve ([linda.talve@centralbaltic.eu](mailto:linda.talve@centralbaltic.eu))

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**Joint Technical Secretariat Sub-secretariat Mariehamn**  
*Programme Manager* Ms Ann Nedergård ([ann.nedergard@centralbaltic.eu](mailto:ann.nedergard@centralbaltic.eu))  
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e-mail: [tallinn@centralbaltic.eu](mailto:tallinn@centralbaltic.eu)
- Central Baltic INTERREG IV A Programme 2007-2013  
**Joint Technical Secretariat Info Point Riga**  
*Info Point Manager* Ms. Signe Raikstīņa ([signe.raikstina@centralbaltic.eu](mailto:signe.raikstina@centralbaltic.eu))  
c/o State Regional Development Agency of Latvia  
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*Visiting address:* Ausekļa iela 14, 5<sup>th</sup> floor, Rīga  
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- Central Baltic INTERREG IV A Programme 2007-2013  
**Joint Technical Secretariat Info Point Stockholm**  
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e-mail: [stockholm@centralbaltic.eu](mailto:stockholm@centralbaltic.eu)

## **A1.2. Managing Authority**

### **Regional Council of Southwest Finland**

Ratapihankatu 36 – P.O. Box 273

FIN-20101 Turku, Finland

Department for the Management of International EU-programmes

Programme Director Ms. Tarja Nuotio

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## **A1.3. Certifying Authority**

### **Regional Council of Southwest Finland**

Ratapihankatu 36 – P.O. Box 273

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Administration Department

Head of the Department Mr. Markku Roto

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## **A1.4. Audit Authority**

### **Regional Council of Southwest Finland**

Ratapihankatu 36 – P.O. Box 273

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Audit Department for the Central Baltic INTERREG IVA Programme 2007-2013

Auditor Mr. Misa Törmä

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