

Programme Manual

Table of Contents

Guidance Note 1 Welcome to the Interreg VA France (Channel) England Programme

Guidance Note 2 Project Idea Generation

Guidance Note 3 Project Development

Guidance Note 4 Project Application

Guidance Note 5 Project Selection

Guidance Note 6a Project Implementation

Guidance Note 6b Project Implementation

Guidance Note 7 Project Communication

Guidance Note 8 Budget Lines and Eligibility rules

Guidance Note 9 In Kind Contributions

Guidance Note 10 Revenue

Guidance Note 11 State Aid

Guidance Note 12 Complaints procedure

Guidance Note 13 Project Closure

Guidance Note 14 Micro Project scheme

Acronyms

Asset Management Plan	AMP
Closure Report	CR
European Regional Development Fund	ERDF
European Commission	EC
European Territorial Cooperation	ETC
First Level Controller	FLC
France (Channel) England	FCE
General Block Exemption Regulation	GBER
Lead Partner	LP
Joint Secretariat	JS
Key Enabling Technologies	KET
Managing Authority	MA
Partnership Agreement	PA
Payment Claim	PC
Project Partner	PP
Programme Monitoring Committee	PMC
Progress Report	PR
Selection Sub-Committee	SSC
Small and Medium Enterprises	SME
Work Packages	WP

Guidance Note 1

Welcome to the Interreg VA France (Channel) England Programme

I. Introduction

Welcome to this manual dedicated to supporting existing and potential Lead partners and Partners of the INTERREG VA France (Channel) England programme.

The aim of this manual is to provide information to potential Project Partners about all aspects of the France (Channel) England Programme, and then support Project Partners throughout the life of their project, from the idea for a potential project, through the application process, the project implementation and the project closure.

II. What is European Territorial Cooperation?

A European Territorial Cooperation Programme is an economic development programme that funds various projects which take place across multiple countries and regions. These projects aim to find common solutions to common problems which exist in multiple countries.

The France (Channel) England Programme is a “Cross Border” programme under the European Territorial Cooperation Goal, meaning it aims to support the development of the Channel Border region between France and England.

A. Why participate in an ETC Programme?

The programme provides funding to project partnerships to support them in gaining the full benefits of working on a cross-border basis

The benefits of working across borders include;

- Working together to develop one solution to a common problem.
- Working together to learn from each other’s experiences and expertise, giving organisations a wider area to search for solutions to their problems.
- Opening up new audiences for ideas and products, and new markets for SMEs to break into using the experience gained from Cross Border working.
- Reducing the costs normally associated with gaining this type of experience and opportunity, meaning it is a great chance for those looking for new opportunities and challenges.

B. What are we trying to Achieve?

The France (Channel) England Programme, as with all European Programmes, is part of the Europe 2020 strategy, which is the European Union's strategy to deliver growth and jobs. Launched in 2010, it is focused in part on Europe's recovery from the 2008 financial crisis, but it is also about a new form of growth, focusing on smart, sustainable and inclusive growth.

To support this objective the EU has set 5 headline targets to be achieved by the end of 2020¹;

1. **Employment**
75% of 20-64 year olds to be employed
2. **R&D**
3% of the EU's GDP to be invested in R&D
3. **Climate change and energy sustainability**
Greenhouse gas emissions 20% lower than 1990 levels
20% of energy to come from renewable sources
20% increase in energy efficiency
4. **Education**
Reducing rates of early school leaving to below 10%
At least 40% of 30-34 year olds completing third level education
5. **Fighting Poverty and Social exclusion**
At least 20 million fewer people in or at risk of poverty and social exclusion

The Programme Strategy is built upon a combination of these principles, and a Strengths, Weaknesses, Opportunities and Threats analysis carried out in the Programme Area in order to determine how the Programme funding should be allocated in order to achieve the maximum development towards these goals.

In this context, 3 priorities were chosen for the France (Channel) England Programme, which are considered to be the areas where the cross border approach is needed to support the Europe 2020 goals.

1. **Support Innovation in order to address the economic and societal issues facing the France (Channel) England Area**

This priority is split into two parts, firstly it aims to support economic development, and the second part is aimed at innovative solutions to ensuring that growth is inclusive.

The first half of this priority is aimed at the "smart" growth objective set out in the Europe 2020 strategy. However as all these priorities are interlinked by increasing innovation we hope to not only bring growth and employment to our programme area, but to bring improvements to our quality of life and societal wellbeing at the same time.

Whilst some parts of the Programme Area see very high levels of innovation, there are also many areas which perform less well. In addition to supporting a general increase in the amount of innovation in the Programme area, the Programme aims to take this a step further and increase the

¹ Europe 2020 Targets http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/targets/index_en.htm

commercialisation of research, in particular supporting Small and Medium Sized Enterprises (SMEs) in taking up and rolling out these innovations and bringing new products and new ideas to the market.

The fact that this is a cross border programme represents an opportunity to unlock the potential of SMEs as it is able to support them in reaching across the Channel to build upon research that is taking place at their doorstep, but often restricted by cultural or linguistic barriers.

The second half of this priority is aimed at the inclusive growth objective set out in the Europe 2020 strategy. The Programme Area faces similar challenges in relation to social exclusion on both sides of the Channel. These challenges include the decline of traditional industries reducing opportunities for work for those previously employed in these industries. In particular, the peripheral coastal and rural areas of the Programme Area have often been badly affected by this, although this is not limited to specific areas of the Programme. Economic and Social deprivation is a problem across all the parts of the Programme Area.

At the same time, the fact that we have such similar problems across the Programme Area offers an opportunity to pool resources and ideas on a wider scale, and to produce new solutions and ideas that can be implemented on both sides of the channel. This creates not only the chance to save effort by not duplicating work, but to learn from each other and as a result develop better ideas for meeting these challenges.

2. Support the transition to a low-carbon economy in the France (Channel) England Area

This priority aims to support the Programme Area in meeting the challenges of the Europe 2020 targets to reduce carbon emissions, and to increase the use of renewables and energy efficiency. At the same time, it recognises the opportunities the Programme Area has, to build on its renewable energy resources, to save organisations money by increasing energy efficiency, and to support economic growth by developing and support new products, processes, systems and services.

The similar geography of the two sides of the Programme Area means that there are similar opportunities to build upon, such as the renewable energy sources available on both sides of the Channel. At the same time there are similar challenges relating to energy inefficiency on both sides of the Channel.

3. Enhance the attractiveness of the territories of the France (Channel) England Area

The Programme Area is fortunate to have a collection of stunning landscapes and a rich natural and cultural heritage, including 15 UNESCO world heritage sites. This presents us with both the challenge of protecting the Programme Area from harm caused by human activity such as pollution and climate change, and the opportunity to build upon this to create a place that people want to live in, work in and visit.

The Programme focuses on two objectives under this priority;

- a) To build upon the common cultural and natural heritage of the Programme Area, for example by creating new tourism opportunities and developing existing tourist attractions. The second objective is to support management of the Channel and coastal environment of the Programme Area.
- b) As with priority 2, the similar geography of the two sides of the Channel present similar opportunities and challenges. The pressure on the environment and ecosystems is seen in both countries, and Partners working together on both sides of the Channel will face the same problems for which common solutions can be found.

III. Selected Thematic Objectives, Investment priorities, and Specific Objectives

Within the framework of European Territorial Cooperation Programmes the European Commission has set out a list of Thematic Objectives and Investment Priorities that programmes can select to prioritise how they will spend their funding.

In simple terms, a Thematic Objective is a general ambition which contributes to one of the Europe 2020 growth objectives. For example, Thematic Objective 4 (which is included in the FCE programme) has the general objective of, “Supporting the shift towards a low-carbon economy in all sectors.”

For each Thematic Objective the Commission has set out a list of Investment Priorities, which set out the types of activities programmes can support in order to meet the Thematic Objectives. As an example, one of the available Investment Priorities for Thematic Objective 4 is “Promoting research in, innovation in and adoption of Low-carbon technologies.”

For each selected Investment Priority the Programme has defined a “Specific Objective.” In simple terms, the Specific Objective sets out the change that the Programme is aiming to achieve in the Programme Area through supporting projects under the Investment Priority. For example, by promoting research in, innovation in and adoption of low carbon technologies, the Programme is aiming to achieve an increase in the development and uptake of existing or new low-carbon technologies and services.

The full selection of the Thematic Objectives, Investment Priorities and Specific Objectives sits below.

Thematic Objective	Investment Priority	Specific Objective
1 - Strengthening research, technological development and innovation	1.b) Promoting business investment in innovation and research, and developing links and synergies between enterprises, R&D centres and higher education, in particular product and service development, technology transfer, social innovation, eco-innovation, cultural and creative industries, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in Key Enabling Technologies and diffusion of general purpose technologies.	1.1 Increase the delivery and uptake of innovative products, processes, systems and services in shared smart specialisation sectors
		1.2 Increase the quality and effectiveness of service delivery to the most socially and economically disadvantaged groups through social innovation
4 - Supporting the shift towards a low-carbon economy in all sectors	4.f) Promoting research in, innovation in and adoption of low-carbon technologies.	2.1 Increase the development and uptake of existing or new low-carbon technologies in sectors that have the highest potential for a reduction in greenhouse gas emissions
6 – Preserving and protecting the environment and promoting resource efficiency	6.c) conserving, protecting, promoting and developing natural and cultural heritage;	3.1 To realise the potential of natural and cultural assets to deliver innovative and sustainable growth
	6.d) protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure;	3.2 Enhance and protect the coastal and transitional water ecosystems

IV. Innovation

At the heart of the Programme Intervention Logic is a focus on innovation, not only in Priority 1, but across all the Priorities of the Programme Area. We are looking for new approaches to the problems which the Programme aims to address, and new ways to capitalise on the opportunities and assets of the Programme Area

It is therefore important that Project Partners understand what is meant by innovation within the Programme context.

A. How is innovation understood?

Innovation is about positive and sustainable changes in thinking, in products, in processes, in systems and in services. It is typically understood as the successful introduction of something new and useful, for example introducing new methods, techniques, or practices or new/altered products and services.

In economic terms, it aims to increase the value of a product or process (often driven by consumer demand). In an organisational context, innovation aims to achieve greater performance and growth through improvements in efficiency, productivity, and quality, competitive positioning, market share etc.

The strategy for innovation needs to engage diverse stakeholders. This is because the innovation process involves not only the business sector but also public authorities at different levels. At the regional level, the capacity to innovate requires close collaboration between different agents, public, private, research centres, citizens and varied stakeholders.

Within the FCE Programme, innovation does not only mean technological solutions, but includes new or developed ideas in any field.

B. Innovation in the broader context

The Europe 2020 targets aim to bring about Smart, Sustainable and Inclusive growth, and the Programme's overall strategy has been designed with this in mind. These targets imply that new ideas are needed, not just in research and development and the specific development of new products (although this is a key part of the FCE programme) but new methods to tackle ongoing challenges and to build on existing and emerging opportunities.

C. What does my project need to demonstrate?

All projects regardless of their thematic focus need to demonstrate that they are adopting an innovative approach to tackling the challenges of the Programme Area. An innovative approach may be the result of capitalising on existing knowledge or on previously-funded activities. It may include the testing of new approaches which have proven successful elsewhere.

Overall, it is important to explain why the project breaks new ground, why tackling the particular issue is original, and how the approach itself is inventive, throughout each phase: planning and design, implementation and construction, promotion and publicity etc.

D. What about projects under Specific Objective 1.1

In addition to the above, projects falling under Specific Objective 1.1 need to address innovation through ensuring that there is delivery and uptake of products, processes, systems and services to address economic challenges.

The challenges for innovation identified under the Specific Objective 1.1 are;

- the need to achieve a critical mass of expertise required to develop, adapt, test and/or adopt innovative products, processes, systems and services,
- the need to better exploit and commercialise research, within and outside of the FCE area, to deliver tangible economic benefits for its territory and its inhabitants.

The Programme is hoping to use projects to support new innovations through Specific Objective 1.1 to facilitate;

- increased business opportunities and actions to support the export of innovations to new markets
- the creation of new high value and knowledge-intensive jobs and the attraction of expertise to the area
- the development of new tangible solutions to the economic challenges facing the FCE area
- enhanced competitiveness and growth through innovation (developing, testing, and adopting new products, services, processes and systems)

Projects under Priority 1 therefore need to not only consider how their project will be innovative, but how these innovations will achieve the objectives of the priority.

[V. A bit of history: key dates in Franco-British Cooperation within the European Community](#)

The first Interreg Programmes began in 1989, but formal Cross Border Cooperation in the Programme Area predates this. This section sets out some of the milestones which led to where we are today.

1986: Launch of the Channel Tunnel project

The Nord Pas-de-Calais Region (France) and Kent County (UK) signed a memorandum of agreement on support measures and efforts to be implemented in the wake of the Channel Tunnel construction, in the areas of training, regional planning development, infrastructures, tourism, etc.

1992: Drafting of the first Franco-British European INTERREG programme, called “TransManche”

The Transmanche Programme supported regions directly concerned by the opening of the Channel Tunnel: Kent County Council and Medway Unitary Authority on the English side and the Nord Pas-de-Calais region on the French side. Although significantly smaller than today’s programme in size and scope, it represented an important step towards what was to come.

1996: The INTERREG II “Rives-Manche” programme widened the scope of activity

Alongside the Transmanche programme, the Rives-Manche programme was formed, and the following regions became involved in cooperation schemes: the départements of Somme in Picardie and Seine-Maritime in Haute-Normandie on the French side and East Sussex and Brighton & Hove Unitary Authority on the English side.

2000-2006: The Franco-British INTERREG III programme merged “TransManche” and “Rives-Manche” into a single programme

Compared to the current Programme Area this programme was still fairly limited, with funds of 68 million euro, covering the coastline of England from Brighton to Medway, and the coast of France from Basse-Normandie to Nord Pas-de-Calais. However, this represented one more step along the road to the current Programme Area by merging the programmes into a single area.

2007-2013: The cooperation area was once again enlarged with the “France (Channel)- England” programme

Moving from the third to the fourth generation of Franco-British cooperation programmes, it was decided to continue to support regional cooperation by widening the perimeter of the area to encompass the whole Channel zone and a part of the North Sea, now covering from Cornwall to Norfolk in England, and from Finistère to Pas-de-Calais in France. The budget and therefore the impact of the Programme expanded at the same time to €175 million, supporting 150 cross border projects.

2014-2020: The fifth round of Interreg was approved, with an increased budget for the France (Channel) England INTERREG VA Programme

The new programming era also marked a change in management for the Programme, with Norfolk County Council becoming the first English Managing Authority for a cross-border programme. Previously adjacent territories were merged into the Programme Area, which also expanded to include Peterborough and Swindon. The support for the Programme has also been increased to €223 million.

VI. So what’s new in the INTERREG VA France (Channel) England programme?

In the run up to the end of the 2007-13, there has been a process of review to ensure that the Programme both builds on the successes and learns from the mistakes of the past. This has taken place not just at a programme level, but across the entire structure of ETC programmes to ensure we can deliver the best and most effective programmes possible.

New Managing Authority

The biggest single change for the France (Channel) England Programme management structure between 2007-13 and 2014-2020 is the new Managing Authority. Norfolk County Council has taken over the responsibility from Haute-Normandie Regional Council.

At the same time the functions of the Joint Secretariat, Audit Authority and Certifying Authority have been transferred to Norfolk County Council as well, bringing all the Programme administration bodies under one roof.

This has created new opportunities for efficiency and communication between these bodies.

SME Involvement

In order to bring the Programme into line with the Europe 2020 goals of ensuring that there is growth across Europe, the Programme has a new focus on encouraging SMEs to take part in the Programme, as they are seen as being key to new innovations and new growth in employment.

Increased Intervention Rate

In the past ETC programmes have often operated on the basis that the programme would pay half the cost of the project, and the partnership would have to find “match funding” to support the other half of the cost of the project.

In the Interreg VA FCE Programme the intervention rate will be up to 70%, thereby reducing the amount of match funding that Project Partners will need to find to take part in the project.

Project Development Support

The new programme has increased the number of facilitators covering the Programme Area to 8, with a particular focus on direct support and guidance to each project. This support will include;

- Advice on the project’s relevance to the programme priorities
- Advice on the structure of the Partnership
- Locating additional Partners
- Advice on the technical aspects of applying to the Programme.
- Advice on the technical aspects of managing the reporting and claims procedures
- Advice during the closure of the project

In the development stages of the project, this support will be provided by one of the 8 programme facilitators, whereas during the implementation of the project, the support will be provided by one of the JS’s Finance and Appraisal Officers.

Simplification

In line with all INTERREG programmes, the France (Channel) England Programme has worked to simplify its expenditure rules to reduce the burden on Project Partners when compiling their claims. For example, Office and Administration costs are now based on a flat rate percentage of direct expenditure rather than requiring complicated evidencing of overheads. Methods for calculating eligible staff costs have also been substantially streamlined and simplified.

Harmonisation

Also, in line with all INTERREG Programmes, the France (Channel) England Programme has worked to ensure that as far as is possible (bearing in mind variations in local conditions and national legal systems) the rules and procedures are harmonised with those of other programmes across Europe. This should greatly reduce the burden on Partners with experience of other programmes who then wish to apply to the FCE programme as they will find that the procedures and rules are already familiar to them.

New claims procedures

In order to ensure that claims can be processed as speedily as possible, there will no longer be a single claim date for all projects participating in the Programme. The Programme will instead operate a series of monthly claim dates, with each project assigned a month in which to submit their claims. This will reduce the peak workload of the Finance and Appraisal staff, meaning that payment claims can be processed more quickly and more efficiently.

VII. Project Lifecycle

Projects of all types have very similar lifecycles whether these projects are engineering operations or cross-border cooperation projects. The life of a project from idea development to closure should not be considered substantially different to any other project.

However, at the same time partners should not think of the formal end of the project under the Programme as the end of activities or impact. The Programme expects projects to be long lasting and to be able to continue once the formal relationship with the Programme is over.

A Guidance Note is available for each project phase, providing relevant information to guide projects, step by step, through the project lifecycle.

The aim is to facilitate easy access to information by people who are in different phases of the development or implementation of their project.

The titles below indicate what is understood by every project phase and the contents of the dedicated Guidance Notes.

A. Project Idea Generation

This is the time when an idea is being shared among and pitched to potential Partners, and further developed in accordance with the recognised needs of the area.

The main actions are:

- To arrange a meeting with a programme facilitator, and keep in regular contact with the JS Facilitators
- To check if the project idea fits the Programme Strategy; To establish the need for a project based on an analysis of the shared needs, challenges, or opportunities of the Programme Area;
- To establish what has already been carried out and how to build on this.
- To search for and involve Partners;
- To outline the general scope and content of the project
- To contact the JS Facilitators for support and guidance

The Guidance Note 3 “Project Idea Generation” contains further information on this phase.

B. Project Development

In this phase Partners develop the initial project idea into a project proposal, by defining the project details as well as dividing responsibilities among Partners. The aim of this phase is to be able to formally apply to the France (Channel) England Programme.

The main actions are:

- Keep in regular contact with the JS Facilitators to get support for the development of the project and the application.
- To agree on what exactly needs to be achieved and how to get there;
- To organise the responsibilities and accountabilities in the partnership and agree on who will take the role of the Lead Partner;
- To develop the project content and rationale with the Partners and stakeholders;
- To submit an Intervention Logic Outline for review by the Programme (Optional)
- To work in detail on the project proposal, its justification and expected contribution to the Programme Strategy, using the dedicated templates;
- To prepare the project budget;

Further information on this phase is contained in the Guidance Note, “Project Development.”

C. Project Application

This phase concerns the submission of the project proposal to the Programme through the established procedures.

The main actions are:

- To fill out the Application Form submit it to the Programme in accordance with the applicable procedures and rules;

The Guidance Notes on this project phase focus on:

1. The templates and procedures required in order to apply to the Programme
2. The information needed for a successful application

The Guidance Note 4 on “Project Application” contains further information on this phase.

D. Project Selection

This phase does not require action from the Partner, as the selection is decided by the Programme Authorities. However, it is important that applicants understand how this procedure works so they can ensure their application stands the best possible chance of being accepted.

The main action is a formal Member States decision on the application: approved or rejected. If a project is approved, then the date when the decision of approval is taken is considered the formal start date of the project for the purposes of the Programme.

The Guidance Note 5 on “Project Selection” contains further information on this phase.

E. Project Implementation

This phase is the largest and most important. The partnership carries out the work planned to produce the outputs and results as set out in the Application Form. Regular administration, management, monitoring and reporting activities will all take place, along with communication and promotion tasks as set out in the Application Form. Changes in the project should be managed according to the established procedures and rules, as set out in the “Project Implementation” Guidance Note.

The main actions are:

- To finalise the Partnership Agreement and have it signed by all Partners;
- To sign the Grant Offer Letter with the Managing Authority;
- To set up the project coordination and decision-making
- To carry out the project activities to deliver the agreed project outputs to budget and time schedule;
- To set up smooth monitoring and reporting procedures;
- To submit progress reports and payment claims in accordance with the deadlines set out in the Grant Offer Letter.
- To anticipate and manage risks in agreement with the Partners and the JS;
- To communicate and promote project work and achievements;
- To build up a network of relevant contacts and initiate the uptake and use of project knowledge, outputs and results.

During this phase it is also important that projects give consideration to ensuring that the project outputs and results are able to continue beyond the end of the project.

Further information on this phase is contained in “Project Implementation Guidance Note.”

F. Project Closure

In this phase the project main activities should be completed, and all outputs delivered. The partnership takes care of the final administrative requirements before the funded project is over.

The project lifecycle formally ends with the closing date of the project; however the project outputs and results are intended to continue producing value. Project Partners should be aware that it is too late to address the transfer of and sustainability of project results in the closing phase of the project, and this is something that should be considered from the very start of the project planning and implementation.

The Guidance Note 13 on “Project Closure” (under development) contains further information on this phase.

VIII. Introducing the Programme Bodies

a) Programme Monitoring Committee

The Programme Monitoring Committee works with the Managing Authority to ensure the quality and efficiency of programme implementation. It meets at least twice a year to assess progress made to reach the Cooperation Programme's Specific Objectives. It examines the results of implementation and in particular progression in achieving each priority's set objectives.

There are two Programme Sub-Committees, one for Project Selection and one for Performance Monitoring and Audit, who will support the work of the Programme Monitoring Committee.

b) Joint Secretariat

The Joint Secretariat (JS) will be the main point of contact for Project Partners during the lifetime of their project. It is responsible for the day to day management of the Programme under the supervision of the Managing Authority. The JS is hosted by Norfolk County Council and most of its staff are based at County Hall, Norwich. However, in order to support the development of projects members of the facilitation team work at various locations across the Programme Area.

Its Functions include;

- **Monitoring projects performance and expenditure**
- **Providing training for Partners and First Level Controllers**
- Supporting the development of projects through the network of facilitators
- Appraising project applications and making recommendations to the Project SSC
- Preparing and providing all necessary information to the Monitoring Committee, Managing Authority and Certifying Authority to allow the fulfilment of their responsibilities
- Implementing the Programme Communication Strategy

The work of the JS is carried out by two Teams, the Finance and Appraisal Team and the Facilitation Team. The Facilitation Team consists of 8 facilitators located throughout the Programme Area, who make the first contact with projects and support them as they prepare their applications to the Programme.

The Finance and Appraisal Team is responsible for evaluating the project applications submitted to the programme and will monitor and support approved projects during their implementation and closure.

c) Managing Authority

The Managing Authority for this Programme is Norfolk County Council. It supervises the overall management of the France (Channel) England Programme and is responsible for the sound financial management and implementation of the Cooperation Programme.

Its functions include;

- Liaising and coordinating with the Programme Monitoring Committee, the JS and other interested parties
- Supporting the activities of the Monitoring Committee by providing information on programme progress, financial data, and data on indicators and milestones
- Submitting the approved Annual Implementation Report to the Commission
- Ensuring the existence and implementation of appropriate risk management and anti-fraud measures

d) Audit Authority

The Audit Authority for this Programme is Norfolk Audit Services. It is charged with checking effectiveness of the financial control system set up by the Managing Authority. They will review the system as a whole, and also carry out specific audits on a sample of projects to check that the system is functioning correctly.

This will be carried out in accordance with the Programme Audit Strategy.

e) Certifying Authority

The role of the Certifying Authority responsibilities are to;

- Pay the Payment Claims of projects after they have been approved by the JS Finance Team
- Prepare the Accounts of the Programme and submit them to the European Commission
- Manage the Programme Bank Account containing the ERDF monies paid by the Commission

This role has been entrusted to the Norfolk County Council Financial Services department.

Guidance Note 2

Project Idea Generation

This Guidance Note is designed to support applicants in the initial steps of creating their project, in particular in ensuring that their ideas match the objectives of the Programme. By following this advice and consulting with the facilitation team Project Partners should be able to ensure that their project will be a good fit for the France (Channel) England Programme.

In order to ensure that projects are developed in line with the Programme objectives, and Partners are able to take full advantage of the Programme, there is a package of support in place to support Partners through this stage.

This support is provided by the Programme Facilitators, who are staff employed by the JS and based throughout the Programme Area. They are based in Norwich, Brighton, Southampton and Exeter in the UK, and in Rouen, Rennes, Caen and Amiens in France. The full list of the facilitators and the areas they cover can be found on the Programme website.

Project Partners should contact the Facilitators as early as possible in the development of their project.

I. Facilitation Support

The Programme Facilitators are there to provide the best support possible as to Partners as they build their project. During the early stages of building a project the support they will provide includes;

Advice for project applicants

When a facilitator is first contacted by the Project Partners they will assist the project in determining whether or not the project idea fits with the results the Programme wants to achieve. They will also provide advice on the size and structure of the Project Partnership, good project management and how to ensure that the project is delivering additional value through cross border working.

They will also provide advice on how to develop the project budget by explaining which costs are eligible to be funded by the Programme, and the percentage of the project that the Programme could fund (the co-financing rate).

Partner Search

Whilst the core of the partnership may have already been formed, the Programme recognises that Partners with good project ideas do not necessarily have the local knowledge and local contacts to locate the Partners they need to implement their idea across the Programme Area. Therefore, the Programme Facilitators will support Project Partners in searching for new Partners to add to their network.

Project Application

The Facilitators will provide training on how to complete the Application Form, and the information that is required for each section. The application form must be completed on eMS, the online portal through which the application form is submitted.

II. Aligning project ideas with the Specific Objectives

The overall aims of the Programme Strategy are set out in the “Welcome to the France (Channel) England Programme,” Guidance Note. The Programme Strategy sets out the overall aims and ambitions of the Programme and should be read by all who are considering applying to the Programme.

This section looks at the individual Specific Objectives of the Programme, of which there are 5. These are numbered according to the Priority they support, so Specific Objective 1.1 is supporting Priority 1. The full list of Specific Objectives by Priority can be found at the end of this Chapter.

What is a Specific Objective?

A Specific Objective is a particular change that the Programme has the objective to bring about within the Programme Area. These are set out in more detail below.

As one of the requirements of the Programme is to deliver specific and measurable change, each Objective is supported by Output Indicators and a Result Indicator.

An Output indicator is a numerical measure of the achievements of projects within the Programme, for example, the number new visitors attracted to the Programme area. These are designed to complement the examples of actions provided in the Cooperation Programme, and to contribute towards the achievement of the Programme Result Indicators.

A Result Indicator is a measure of the impact the Programme has on its Programme Area. It is designed to measure the change which the Specific Objective is aimed at bringing about in the Programme Area. This is only measured at the Programme level and is measured by research carried out by the Managing Authority, supported by the JS. However, the achievement of the Result Indicators will only be realised by projects delivering change in their specific areas.

Each result indicator is described as the “level of” a certain characteristic that the Programme would like to increase.

Projects need to fall under one of the Specific Objectives, and to be achieving at least one of the Outputs which correspond to that Specific Objectives’ Output Indicators. They also need to ensure that their project will support the change the Programme is seeking to create and will be captured by an increase in the value of the Result Indicators.

When designing a project, Project Partners may find it useful to think in terms of activities, deliverables, outputs and results, as this will follow the format of the Application Form.

An activity is a component part of the project, and the product of that activity is a deliverable. These deliverables will contribute to the outputs, which then contribute to the results. By ensuring that the activities of the project lead logically to the outputs and results the Programme is trying to achieve, a partnership will be able to put together a strong application.

For example, a project might have an activity of designing a prototype, which will deliver (the deliverable) a technical drawing, which will contribute to the output of delivering an innovative product. This then supports the result of increasing the level of innovation in the Programme Area.

III. Specific Objectives

A. Specific Objective 1.1- Increase the delivery and uptake of innovative products, processes, systems and services in shared smart specialisation sectors

The Programme is aiming to support the economy of the Programme Area by building upon its existing research excellence. Whilst certain areas of the Programme Area, mainly in the South East of England, are considered to have a good performance in innovation, this is not reflected across the entire Programme Area.

The Programme would therefore like to see the better performing regions and institutions in the Programme Area support the areas which are performing less well to bring up the standard of innovation across the Programme Area as a whole.

Additionally, it was recognised in the analysis of the Programme Area that SMEs have a lower than average performance in R&D, and the Programme is aiming to support their involvement in the commercialisation of research in the Programme Area to work towards overcoming this.

In order to deliver the greatest possible impact, this includes a focus on smart specialisation sectors that are shared across the Programme Area, which include; transport and ports; marine and environmental technologies; agro food; life and health science; communication, digital and creative industries; and manufacturing. Particular attention will be paid to projects which support the use of Key Enabling Technologies within these sectors.

Result Indicator - *Level of delivery and take up of innovative products, processes, systems and services in shared smart specialisation sectors.*

Types of Action

The types of action set out below are for guidance only and are not exhaustive. These describe the measures that the Programme will support.

Type of action: Proof of concept/validation

Proof of concept is documented evidence that a potential product or service can be successful. It is a small exercise to test a discrete design idea or assumption. Investment will support pilot lines, early product validation actions, and early validation before diffusion of technologies.

Example of actions:

- Supporting collaborative research designed to develop and adapt new products, to improve the delivery of services, to improve processes or systems.

Type of action: Demonstration and testing

Demonstration and testing is one step in product and service development.

Example of actions:

- Joint pilot innovation projects on new products, processes, systems and services
- Joint testing of new products, services, processes or systems – which could also include testing market demand and how to roll out / embed solutions
- Joint design of innovative solutions that could include feasibility studies, scoping or finding ways to overcome technical or structural barriers
- Joint demonstration projects involving the wide-scale testing of new products, processes and services

Type of action: Implementation

Implementation is: demand stimulation, networking, clusters and innovation platforms, up to the first production of innovative technologies.

Example of actions:

- Joint business development, for example relating to innovation management, cluster development and creation of business and commercial networks, and supporting the internationalisation of SMEs
- Joint development of cross border tools to provide business to business opportunities
- Transfer of best practice by creating or reinforcing cross border networks for innovation, in order to stimulate fresh concepts and innovative working practices (for example cross- and multi-sectoral working, bringing together research institutions with public, private and third sector Partners), and to improve the efficiency of innovation policies.
- Joint awareness and training events aimed at public decision makers, stakeholders and practitioners concerned by these challenges
- Develop joint cross-border education and training pathways to business development, management of clusters, and internationalisation of SMEs
- Support the commercialisation of existing research to roll out, embed and bring to market innovative solutions

Output Indicators

1.1 Number of innovative products, processes, services, or systems designed

This is a measure of the new products, service, processes or systems designed with the support of the Programme. This includes both creation of an entirely new idea, or the development of an existing idea.

1.2 Number of innovative products, processes, services or systems produced

This is a measure of the new products, services, processes or systems produced with the support of the Programme. Produced as opposed to designed means that the product, service, process or system has been created, so at least one example of a product has been manufactured, or a service, process or system has been piloted and tested.

1.3 Number of businesses and business intermediaries cooperating with research institutions

This is a relatively straightforward indicator. A business intermediary would be an organisation such as a Chamber of Commerce, a business incubator or other business support association. Organisations that are not a part of the project partnership would also be counted under this indicator.

Common Indicator No.27: Private Investment matching support in innovation or R&D projects

This indicator measures the total value of the private contribution in projects which support innovation or R&D. **Please Note: This indicator should be selected if a private contribution is being made from any of the private partners within the application form.**

Common Indicator No. 42 Number of research institutions participating in cross-border, transnational or interregional research projects

This indicator measures the number of research institutions that take part in the FCE programme. Each organisation will only be counted once, so if an organisation is a Partner in multiple projects it will still only count as one organisation for this indicator. **Please Note: This indicator should be selected if the project has research institutions within the project partnership or the project has listed research institutions within the project's target groups. Institutions can only be counted once per project.**

B. Specific Objective 1.2 Increase the quality and effectiveness of service delivery to the most socially and economically disadvantaged groups through social innovation.

This Specific Objective is targeted at supporting those organisations that currently seek to tackle social exclusion. The Programme aims to support these organisations engage in social innovation thereby increasing their ability to tackle social exclusion.

Social Innovation is defined as new ideas (products, services and models) that simultaneously meet social needs and create new social relationships or collaborations.²

Within the general aim of tackling groups that are socially and economically disadvantaged, the two particular challenges targeted by this priority are;

- The challenge of supporting those that are furthest from the labour market.
- The challenge of an ageing population

The Programme is looking for projects that develop new social innovation applications to tackle these challenges, and projects that aim to increase the effectiveness and efficiency of local services addressing these challenges.

This includes better exploitation of research and studies into this area and seeking to increase employability of those that are furthest from the labour market, both by supporting individuals and encouraging businesses to recruit from those that are far from the labour market.

Result Indicator-*Level of quality and effectiveness of the service provided to disadvantaged groups*

² The open book of Social Innovation, (Murray, Caulier-Griece and Mulgan, 2010)

Types of Action

The following text contains the types of actions the Programme will support. The list of examples of actions is not exhaustive and serves as guidelines rather than specific criteria.

Proof of concept

Proof of concept is documented evidence that a potential product, process, system or service can be successful. It is a small exercise to test discrete design idea or assumption that will improve the development of social innovation applications.

- Joint strategy formulation compiling evidence at the scale of the FCE area, including the analysis and identification of those at risk;
- Resource reports for policy making compiling evidence of examples of successful intervention in the field of social innovation, identification of opportunities for social innovation; development of action plans, cross border working protocols etc.
- Develop innovative guidelines and working practices that can be embedded across the FCE area to accelerate and improve social inclusion outcomes.
- Joint design of innovative service delivery models area focused on improved efficiency and effectiveness.

Demonstration

Demonstration and testing is one step in setting up novel approaches and measures to improve the development of social innovation applications.

- Joint design and demonstration of new service delivery mechanisms.
- Joint design and demonstration of innovative applications.
- Development of pilot actions for use service providers.

Implementation

Implementation is: demand stimulation, networking, clusters and innovation platforms, in order to deliver solutions to develop efficient and effective services to meet the health, well-being and employability needs of those citizens furthest from the labour market.

- Invest in small scale infrastructure (e.g. equipment) related to social innovation that is a result of jointly designed interventions and undertaken by cross border partnerships;
- Design and implement joint training courses and exchange of good practice to influence policy and practices targeted at those furthest from the labour market;
- Exchange good practice and experience between public sector and economic development stakeholders to improve future policy and service provision;
- Implement jointly designed training programmes focusing on overcoming barriers to employability or entrepreneurship for disadvantaged groups;
- Jointly design and implement innovative initiatives to increase mutual understanding and cooperation between generations.

Output Indicators

Common Indicator No. 45: Number of participants in projects promoting gender equality, equal opportunities and social inclusion across borders

This indicator is targeted at the final beneficiaries of a project under this priority. Where a pilot project takes place to demonstrate a certain form of assistance for those who are socially excluded, the indicator would measure the number of beneficiaries of that assistance. For example, if a new form of employment skills training was developed, the indicator would measure the number of people enrolled on the training course.

1.4 Number of skills development and professional training schemes for disadvantaged people.

This measures courses developed with the support of the Programme to support disadvantaged people.

1.5 Number of institutions, public or private, engaged in delivering social innovation solutions to increase the quality and effectiveness of service delivery to the most socially and economically disadvantaged groups

This indicator simply measures the number of institutions engaged in delivering social innovation solutions to increase the effectiveness of service delivery to the most socially and economically disadvantaged groups.

1.6 Number of socially innovative services designed

This indicator simply measures the number of socially innovative services that are designed by projects taking part in the Programme.

C. *Specific Objective 2.1 Increasing the development and uptake of existing or new low-carbon technologies in the sectors that have the highest potential for a reduction in greenhouse gas emissions*

This specific objective is aimed at the need to further develop renewable energy sources and energy efficiency in the Programme Area.

The focus is on both bringing new products to the market and bringing existing products from the research stage to being rolled out. To do this the Programme has a similar approach to Specific Objective 1.1 in that it aims to support research and the commercialisation of research in the Programme Area.

At the same time the Programme intends to support organisations to implement and make use of low-carbon technologies and reducing their carbon footprint. This aims to increase demand in the Programme Area for these products whilst at the same time investment in research should increase supply.

The following shared sectors have been identified as having potential for a high reduction in greenhouse gas emissions; renewable energies; transport; agriculture; manufacture; and building. Particular attention will be paid to projects which support the use of Key Enabling Technologies within these sectors, and those projects that relate to the Programme's maritime dimension.

Result Indicator- *Level of performance in the development and uptake of new or existing low-carbon technologies and services*

Types of Action

The following text contains the types of actions the Programme will support. The list of examples of actions is not exhaustive and serves as guidelines rather than specific criteria.

Type of action: Proof of concept/validation

Proof of concept is documented evidence that a potential product or service can be successful. It is a small exercise to test a discrete design idea or assumption. Investment will support pilot lines, early product validation actions, and early validation before diffusion of technologies. Proof of concept/validation will aim to develop new technologies and to stimulate their adoption.

Example of actions:

- Applied collaborative research and innovation on low-carbon technologies, including new concepts, approaches, products, processes, and services;
- Applied collaborative research and innovation on Key Enabling Technologies (KETs);
- Environmental and societal impact studies on how to increase and / or improve the use of low-carbon technologies and services.

Type of action: Demonstration and testing

Demonstration and testing is one step in product and service development.

Example of actions

- Joint feasibility testing of low-carbon technologies and services, including KETs;
- Joint pilot demonstration projects to test and showcase the benefits of low carbon technologies and services and their applications;
- Joint testing of low carbon technologies leading to more efficient and effective ways of using energy.
- Joint feasibility and technical studies on low-carbon technologies and services to explore their market potential;

Type of action: Implementation

Implementation is: demand stimulation, networking, clusters and innovation platforms, up to the first production of innovative low carbon technologies.

Example of actions

- Joint measures (including raising awareness campaigns and training programmes) to promote the development and uptake of low carbon technologies, including renewable energy;
- Joint awareness and training events aimed at public decision makers, stakeholders and practitioners concerned by these challenges;
- Joint implementation of strategies and action plans to help SMEs gain access to local and international low-carbon energy technology markets.

Output Indicators

2.1 Number of new or enhanced low carbon products, services, processes or systems designed

This is a measure of the new products, service, processes or systems which are aimed at reducing CO2 emissions, either through increasing energy efficiency or supporting the development of green energy production, developed with the support of the Programme. This includes both creation of an entirely new idea, or the development of an existing idea.

2.2 Number of new or enhanced low carbon products, processes, services or systems produced

This is a measure of the new products, services, processes or systems produced with the support of the Programme. Produced as opposed to designed means that the product, service, process or system has been created, so at least one example of a product has been manufactured, or a service, process or system has been piloted and tested.

2.3 Number of supported Low Carbon Technology multisectoral networks

A multisectoral network is a network consisting of a variety of different organisations (research centres, agencies, businesses, public sector etc.) with the aim of reducing CO2 emissions. This network must also include organisations which are not Project Partners.

2.4 Number of participants in awareness raising or training events for take up and development of low carbon technologies

This indicator is targeted at the rolling out of new products, services, processes or systems by either training people in their use or increasing awareness of potential solutions.

D. Specific Objective 3.1 Realise the potential of the common natural and cultural assets to deliver innovative and sustainable growth

The focus of this Specific Objective is to develop the economic potential of the Programme's natural and cultural heritage. By investing in this Specific Objective the Programme aims to improve the economic, environmental and social sustainability of the Programme's cultural and natural heritage, and to support economic growth, including through developing a more competitive tourism offer.

This has the aim of increasing not only the regions appeal to visitors but making it a more appealing place to live and work with the intention of attracting businesses and therefore jobs to the area.

Result Indicator: *Level of performance in the delivery of innovative and sustainable economic activities which enhance common cultural and natural assets*

Types of Action

The following text contains the types of actions the Programme will support. The list of examples of actions is not exhaustive and serves as guidelines rather than specific criteria.

Type of action: Proof of concept/validation

Proof of concept is documented evidence that a potential measure can be successful. It is a small exercise to test discrete approaches and measures which will create economic opportunities through the development of the natural and cultural heritage by emulating positive spin offs for the economy.

Example of actions:

- Develop innovative joint marketing approaches and measures that strengthen the image and enhance the attractiveness of the Programme Area as a destination of choice in worldwide marketplaces (for example, shared marketing approaches to attract new visitors and attract inward investment, and the development of digital technology);
- Jointly design innovative approaches to increase employment in the cultural and natural sectors, and so enhance the attractiveness of the FCE area;
- Jointly design innovative methods for identifying the emergence of new sustainable tourist activities and adapting education/training schemes accordingly.

Type of action: Demonstration and testing

Demonstration and testing is one step in setting up novel approached and measures.

Example of actions:

- Trialling and testing whether innovative place marketing approaches, innovative cross-border events, or new cross-border tourism products can be successful;
- Testing and demonstrating different approaches to enhancing natural and cultural heritage including the development of creative and cultural industries across the FCE area.

Type of action: Implementation

Implementation is: demand stimulation, networking, clusters and innovation platforms, in order to deliver solutions that make a tangible difference to the environment and economy of the Programme Area.

Example of actions:

- Development of innovative and sustainable cross-border products and services for the tourism and the cultural sectors, with a particular emphasis on supporting sustainable or eco-tourism;
- Implementation of innovative and sustainable actions that develop or enhance cross-border routes linked to, for example, common historical, geological, natural or existing heritage assets;
- Implementation of joint innovative events or communication measures to increase interest and therefore use of the FCE area's natural and cultural assets;
- Delivery of joint innovative training initiatives for natural and cultural heritage stakeholders and practitioners;
- Exchange of good practice and experience between public sector and economic development stakeholders to innovate to develop future policy on regeneration and service provision as well as enable the reuse of derelict buildings and industrial sites
- Identify and deliver innovative products and services produced by cultural and creative industries, to enhance the attractiveness of natural and cultural assets.

Output Indicators

Common Indicator No. 9: Increase in expected number of visits to supported sites of cultural or natural heritage and attractions

This measures the increase of visitors to a site of natural or cultural heritage. This must be distinguished from the total number of visitors to the site of natural or cultural heritage, so if

previously a site had 10 000 visitors per year, and as a result of the project work it has 15 000 visitors a year, this would be measured as 5 000 increased visitors.

This is calculated on the basis of the estimated increase in the year following the completion of the project.

Under this indicator it is measured on the basis of the number of individual visits, so if one individual were to visit the site 4 times during the year this would be counted as 4 visits.

3.1 Number of innovative products/services that result from projects enhancing common cultural and natural assets

This is a measure of the new products and services that are aimed at promoting the cultural and natural assets of the Programme Area. These can be either an entirely new product, or an improved existing product.

Ordinary communication and promotion activities, such as a website for a tourist attraction or a poster/leaflet campaign do not qualify under this indicator.

E. Specific Objective 3.2 Enhance and protect the coastal and transitional water ecosystems

This Specific Objective is aimed at the protection of the environment and its eco-systems. In particular, the Programme is looking to fund more effective and efficient management of the environment. The aim is to support the people and economy of the Programme Area through the realisation of benefits such as protection against environmental risks (e.g mitigating the impact of climate change), and better public health from a protected environment. This includes management of ecosystem services.

Transitional Water is defined in the Directive 2000/60/EC (Water Framework Directive) as “*bodies of surface water in the vicinity of river mouths which are partly saline in character as a result of their proximity to coastal waters but which are substantially influenced by freshwater flows.*”

An ecosystem service is the benefit that is gained from an ecosystem, for example a healthy river system provides better recreational space for people, and a healthy ocean provides a sustainable supply of fish for food.

Result Indicator- *Percentage of transitional and coastal water bodies with good or high ecological status*

This indicator is in line with the Water Framework Directive, and is calculated using the overall ecological status of water bodies within the Programme Area provided by the Environment Agency in the UK and DREAL in France.

Types of Action

The following text contains the types of actions the Programme will support. The list of examples of actions is not exhaustive and serves as guidelines rather than specific criteria.

Type of action: Proof of concept/validation

Proof of concept is documented evidence that a potential product, process, system or service can be successful. It is a small exercise to test a discrete design idea or assumption that will improve the management and protection of the Channel and its coastal environment and associated waterways.

Example of actions:

- Joint research and scoping studies to manage environmental and natural risks, biodiversity and ecosystems, and natural assets across the FCE area with the aim of raising awareness of natural heritage, biodiversity, and local ecosystems and their services;
- Joint analysis, comparison and evaluation of the management of protected areas (marine areas, UNESCO biospheres, areas of outstanding natural beauty, etc.), especially where new activities are emerging (natural marine resources, marine energy, offshore aggregates, etc.) leading to concrete proposals that will improve how ecosystems are managed;
- Pilot projects on the definition and implementation of new management systems for ecosystem services, including joint activities.

Type of action: Demonstration and testing

Demonstration and testing is one step in setting up novel approaches and measures for the effective management and protection of the Channel, coast, estuaries, and waterways which will bring benefits to the people and economy.

Example of actions

- Joint testing and piloting of actions that demonstrate better management of the FCE area and how to balance competing priorities for human activities and environmental preservation;
- Joint testing of cross border cooperation on risk management (e.g. flooding) as a tool for better protecting ecosystems services.

Type of action: Implementation

Implementation is: demand stimulation, networking, sharing platforms, in order for stakeholders and practitioners to improve how they understand, exploit, develop and work together 1) to preserve biodiversity and inclusion of biodiversity preservation into local development frameworks, and 2) to enhance ecosystems services.

Example of actions

- Development and implementation of common information, education and communication tools for the general public, designed to improve organisations' and citizens' respect for and treatment of the environment;
- Joint awareness and training events on the theme of sustaining, improving and managing ecosystem services – aimed at public decision makers, environmental stakeholders, and practitioners concerned by these challenges;
- Implementation of joint actions to better manage green and blue infrastructure;
- Development and implementation of measures to influence local planning policy especially focused on maritime and coastal planning;
- Implementation of joint measures to reduce pollution and improve the management of environmental risk especially in relation to the maritime risk and pollution;
- Joint initiatives combining sustainable management of natural resources (promotion of renewable energy in tourist infrastructure, water and waste management) and protection and promotion of preserved natural areas.

Output Indicators

3.2 Number of institutions (public or private) supported to enhance and protect the coastal and transitional water ecosystems

The Programme is looking to see institutions benefit from practices and methods developed by the Programme in order to ensure that these infrastructures are properly maintained to provide the best value for the citizens of the Programme Area.

3.3 Number of pilot operations aimed at the enhancement and protection of the coastal and transitional water ecosystems.

This indicator focuses on the development stage of creating new methods and products. This pilot test may be of an existing technology or method that is yet to be tested, a bespoke technology/method developed by the project, or of a product/method already developed elsewhere which can be tested for its effectiveness for use in the Programme Area.

Thematic Objective	Investment Priority	Specific Objective	Output Indicator	Result Indicator
1 - Strengthening research, technological development and innovation	1.b) Promoting business investment in innovation and research, and developing links and synergies between enterprises, R&D centres and higher education, in particular product and service development, technology transfer, social innovation, eco-innovation, cultural and creative industries, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in Key Enabling Technologies and diffusion of general purpose technologies.	1.1 Increase the delivery and uptake of innovative products, processes, systems and services in shared smart specialisation sectors	1.1 Number of innovative products, processes, services, or systems designed	Level of delivery and take up of innovative products, systems and services in shared smart specialisation sectors
			1.2 Number of innovative products, processes, services or systems produced	
			1.3 Number of businesses and business intermediaries cooperating with research institutions	
			CI No.27 Private Investment Matching support in innovation or R&D Projects	
			CI No. 42 Number of Research institutions participating in cross border, transnational or interregional research projects	
		1.2 Increase the quality and effectiveness of service delivery to the most socially and economically disadvantaged groups through social innovation	CI No. 45 Number of participants in projects promoting gender equality, equal opportunities and social inclusion across borders	Level of performance in service delivery to the most socially and economically disadvantaged groups
			1.4 Number of skill development and professional training schemes for disadvantaged people.	
			1.5 Number of institutions, public or private, engaged in delivering social innovation solutions to increase the quality and effectiveness of service delivery to the most socially and economically disadvantaged groups	
			1.6 Number of socially innovative services designed	

Thematic Objective	Investment Priority	Specific Objective	Output Indicators	Result Indicators
4 - Supporting the shift towards a low-carbon economy in all sectors	4.f) Promoting research in, innovation in and adoption of low-carbon technologies	2.1 Increasing the development and uptake of existing or new low-carbon technologies in sectors that have the highest potential for a reduction in greenhouse gas emissions.	2.1 Number of new or enhanced low carbon products, services, processes or systems designed	Level of performance in the development and uptake of new or existing low-carbon technologies and services
			2.2 Number of new or enhanced low carbon products, services, processes or systems produced	
			2.3 Number of supported LCT multisectoral networks	
			2.4 Number of participants in awareness raising or training events for take up and development of low carbon technologies	
6 – Preserving and protecting the environment and promoting resource efficiency	6.c) conserving, protecting, promoting and developing natural and cultural heritage;	3.1 To realise the potential of common natural and cultural assets to deliver innovative and sustainable growth	CI No.9: Increase in expected number of visits to supported sites of cultural or natural heritage and attractions	Level of performance in the delivery of innovative and sustainable economic activities which enhance common cultural and natural assets
			3.1 Number of innovative products/services that result from projects enhancing common cultural and natural assets	
	6.d) protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure;	3.2 Enhance and protect the coastal and transitional water ecosystems	3.2 Number of institutions (public or private) supported to enhance and protect the coastal and transitional water ecosystems	Percentage of transitional and coastal water bodies with good or high ecological status
			3.3 Number of pilot operations aimed at the enhancement and protection of the coastal and transitional water ecosystems	

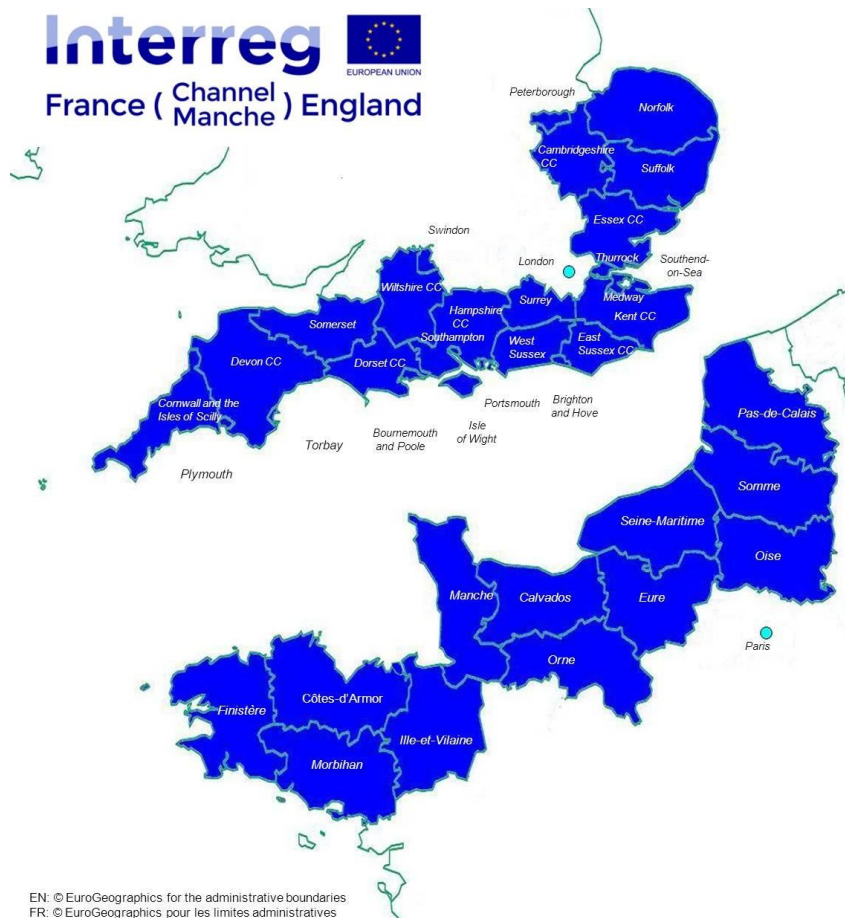
Guidance Note 3 Project Development

Once the Partners have developed their project idea, they need to develop the formal partnership structure, and to develop the project concept into a concrete plan in order to bring their project to fruition. Just as cooperation is at the heart of the France (Channel) England Programme, it is at the heart of a good project, and it needs to be a central part of its development.

I. Programme Area

The Programme Area covers the South and East Coasts of England from Cornwall to Norfolk, and the North Coast of France from Finistère to Pas-de-Calais. It has been enlarged from the previous programme to include the formerly adjacent areas of Somerset, Wiltshire, Surrey Cambridgeshire, Morbihan, Orne, Eure, Oise and Pas-de-Calais. Additionally, it now includes the Borough of Swindon and Peterborough.

Project Partners (PPs) should consult the [map and list of eligible regions](#) below to determine if they are located within the eligible area. If there is a need for further clarification of the Programme geography then Partners should contact the JS Facilitators.



Eligible NUTS3 Regions of the France (Channel) England Interreg VA Programme										
FR222 Oise	FR223 Somme	FR231 Eure	FR232 Maritime	Seine-	FR251 Calvados					
FR252 Manche	FR253 Orne	FR302 Calais	Pas-de-Calais	FR521 d'Armor	Côtes-	FR522 Finistère				
FR523 Ille-et-Vilaine	FR524 Morbihan	UKH11 Peterborough	UKH12 Cambridgeshire CC	UKH14 Suffolk						
UKH15 Norwich and East Norfolk	UKH16 North and West Norfolk	UKH17 Breckland and South Norfolk	UKH31 Southend-on-Sea	UKH32 Thurrock						
UKH34 Essex Haven Gateway	UKH35 West Essex	UKH36 Heart of Essex	UKH37 Thames Gateway	Essex	UKJ21 Brighton and Hove					
UKJ22 East Sussex CC	UKJ25 West Surrey	UKJ26 East Surrey	UKJ27 West Sussex (South West)	UKJ28 West Sussex (North East)						
UKJ31 Portsmouth	UKJ32 Southampton	UKJ35 Hampshire	UKJ36 South Hampshire	UKJ37 Central Hampshire	UKJ37 North Hampshire					
UKJ34 Isle of Wight	UKJ41 Medway	UKJ43 Thames Gateway	UKJ44 Kent	UKJ45 East Kent	UKJ45 Mid Kent					
UKJ46 West Kent	UKK14 Swindon	UKK15 Wiltshire CC	UKK21 Bournemouth and Poole	UKK22 Dorset CC						
UKK23 Somerset	UKK30 Cornwall and Isles of Scilly	UKK41 Plymouth	UKK42 Torbay	UKK43 Devon CC						

II. Building your partnership

A. Minimum Eligibility Requirements

The minimum requirement for a project to be eligible is for the partnership to have at least one English Partner and at least one French Partner¹, both based in the Programme Area. Any legal entity, from public or private sector, may be Lead Partner (LP) or PP of an INTERREG VA FCE project.

Partners may come from outside the Programme Area to take part in projects, but the share of the project expenditure which can be allocated to them will be limited, and there must be a clear benefit to the Programme Area as a result of them taking part.

Organisations which have a local branch within the Programme Area, but have their headquarters outside the Programme will be regarded as being located in the Programme Area provided it is the local branch office in the Programme Area which carries out the substantive work of the project. If clarifications are needed on this point please contact a Programme Facilitator.

¹ Article 12(2) of Regulation (EU) No 1299/2013

B. Features of a Good Partnership

A good partnership should include organisations that are relevant for dealing with the common challenge or capitalising on the joint asset identified by the project. The Partners should have complementary expertise, and there should be a balanced selection of organisations in terms of split between the Member States and different sectors. Individual Partners will also need to demonstrate that they have the capacity to make a real contribution to the project.

In addition the France (Channel) England programme would like to see Partners included in projects who do not have previous experience in cross-border working, and encourages partnerships to have a mixture of experienced and new Partners.

III. Lead Partner Principle

When building the partnership each Project must select a LP from amongst its partnership². This LP will be responsible for the overall management of the project, and shall be the main contact for the Managing Authority and JS for all aspects of the project. This LP must be located within the Programme Area.

Rather than signing individual agreements with all the PPs, the Managing Authority shall sign a Grant Offer Letter with the LP setting out the conditions for support for the entire project. As a result the LP is considered to be the organisation that is legally responsible for the delivery of the project.

The general duties which fall onto the Lead Partner include:

- Submission of the Application Forms
- Submission of the project Progress Reports
- Submission of the project's financial claims
- Compile the financial claims and ensure Partners claims are certified by the relevant body (FLC)
- Receiving payment of the ERDF support, and distributing it amongst the Partners
- Recovering amounts paid in error to other Partners in the project
- Ensuring the delivery of outputs
- Ensuring all Partners are carrying out activities in line with the budget
- Ensuring that all activities are carried out in line with the time plan

The internal management of the project shall be governed by a Partnership Agreement drawn up between the Partners, setting out their responsibilities towards one another, including how they will ensure the sound financial management within the project.

Even though the LP carries the formal responsibility for the project, it is still expected that all Partners consider themselves to be fully responsible for implementing their elements of the project in accordance with the project application and subsidy contract.

² Article 13(1) of Regulation (EU) No 1299/2013

IV. Project Development

Alongside developing the Partnership fully, the PPs will need to think about developing the Project sufficiently to fill out the Application Form and apply to the Programme.

As a precursor to the application process, applicants are strongly encouraged to complete an Intervention Logic Outline and submit it to the Programme.

If positive feedback is given then the project should develop the full application, which sets out the detail of the project. The details on how to apply to the Programme, and the information required at each state is set out in the Guidance Note 4 on Project Application.

Whilst not all information relating to this section of the manual will be needed for the Intervention Logic Outline, PPs should still consider how they intend to develop their project ahead of the submission of the Intervention Logic Outline so that they understand what will be required of them before completing a Full Application Form.

A. Intervention Logic Outline

In order to support the development of projects, and to allow potential applicants the opportunity to gauge their chances of success if they develop and submit a Full Application Form, applicants are strongly encouraged to submit an Intervention Logic Outline.

This document will be reviewed by the Programme Selection Committee, which will meet every 2 months to provide feedback. The dates of these meetings, and the deadlines for submitting Outlines will be made available on the Programme website.

Once the Committee has reviewed the Outline the JS will send a summary of the comments to the applicants, for them to take into consideration during the development of the Full Application Form.

The Intervention logic Outline contains the following sections;

- Project Name
- Specific Objective
- Partners
- Summary description of Project idea (1 page maximum)
- Need (1 page maximum)
- Cross Border Added Value (1 page maximum)
- Expected Outputs (1 page maximum)
- Changes that the project will contribute to (1 page maximum)
- Sustainability – Transferability (1 page maximum)
- Identified Risks
- Estimated costs
- Other Comments (½ page maximum)

Please note that the Intervention logic Outline should be submitted in both French and English.

B. Main Features of a Successful France (Channel) England Project

Although projects will carry out a range of different activities, there are a set of core criteria which they should all meet, which will be considered during the project selection process. These relate to various strategic and operational criteria.

These criteria are:

- **Cross-border added value (Cooperation character).** The importance of the cross border approach to tackle the issue at hand should be clear, and the benefit for the Programme Area and for the Partners in using a cross-border approach over other means should be apparent. Owing to the importance this criteria has to the Programme, there is further given in the next section.
- **Contribution to the achievement of the Programme Strategy and delivery of the expected results and outputs.** The project's overall objective should have a clear link to a Programme Specific Objective. In general, the main outputs and result(s) must be Specific, Measurable, Attainable, Realistic and Time Related.
- **The Results and Outputs should be sustainable.** In this context, the sustainability of a project refers to the ability of the project to continue making a difference after it has been formally completed. PPs should not only think about the potential of the project to continue making an impact after the closure of the project, but how they will ensure that this happens. If the project does not have a clear long term impact this has to be justified and the value of the project as a one off activity must be clearly explained.
- **Complementing existing strategies and knowledge.** Projects should be in line with wider strategies which are relevant to the areas it will operate in. These could be strategies adopted at local, Regional, National or EU level. Projects should consider knowledge that is already available, and how to capitalise on this.
- **Partnership Relevance and Quality.** The partnership should include organisations that are relevant to dealing with the common challenge or capitalising on the joint asset identified by the project. The Partners should have complementary expertise, and there should be a balanced selection of organisations in terms of split between the Member States and different sectors. Partners will also need to demonstrate they have the capacity to make a real contribution to the project.

In addition the France (Channel) England programme would like to see Partners included in projects who do not have previous experience in cross-border working, and encourages partnerships to have a mixture of experienced and new Partners.

In addition to the strategic criteria outlined above, there are several operational criteria which a project should consider, and which will be assessed and the 2nd Phase Appraisal.

- **Project management.** Management procedures and structures should be sufficient to manage the project, taking into account its budget and the number of Partners. The Procedures to manage the project should clearly laid out, transparent, efficient and effective and allow for input from all Partners involved. These procedures should include measures for effective internal communication.

The partnership, in particular the LP should be able to demonstrate sufficient competence and capacity to manage the project. It is desirable that the LP should have experience of EU-funded or similar projects. The project will also need to demonstrate that a proper risk and quality management system is in place.

- **Project communication.** The communication activities should be in line with the project objectives, the proposed work plan and the main outputs and results. It should contain tools to ensure that the relevant target groups and stakeholders are reached and will be made aware of the project's achievements and results.
- **Realistic, consistent and coherent work plan.** The distribution of tasks among the Partners should have a clear logic in view of Partners' experience, skills and budget. The time plan should be realistic and take into account the need for contingencies. The proposed activities should be relevant to the project objectives and will lead to a timely delivery of the planned outputs and results.
- **Coherent budget.** The PPs should have sufficient financial support and cash flow to properly implement the project activities, bearing in mind that the Programme will reimburse expenditure rather than paying in advance. The budget should be proportionate to the proposed activities, and it should provide good value for money for the outputs and results the project is aiming to achieve.

C. Co-operation Criteria

There are four cooperation criteria that are present in good territorial cooperation projects.³ These four cooperation criteria are:

- **Joint development.** The project idea is jointly developed and planned by the Partners.
- **Joint implementation.** The activities, outputs and results are jointly carried out by the Partners
- **Joint staffing.** All Partners provide staff to support the project activities
- **Joint financing.** All Partners contribute financially to the project.

Projects are required to cooperate in at least three of these criteria. The first two fields are obligatory for all projects; the third can be either cooperation in the staffing or in the financing of the project. Projects are of course free to co-operate in all four areas.

³ Article 12(4) of Regulation (EU) No 1299/2013

The table below explores these concepts in more detail:

<p><u>Joint development</u></p> <ul style="list-style-type: none"> • All Partners should contribute to the development of the project, including Joint development of objectives and outputs, budget, timing and responsibilities for work packages and activities to achieve the objective. • PPs should Identify knowledge and experience, which each Partner brings to the project and what each Partner expects to get from the project. 	<p><u>Joint implementation</u></p> <ul style="list-style-type: none"> • The LP bears the overall responsibility for the project; all Partners take responsibility for different parts of the implementation. • Each PP responsible for coordinating a work package, ensures that planned activities are carried out, milestones are met and unexpected challenges to implementation are dealt with. • Several Partners contribute to each work package as per work plan.
<p><u>Joint staffing</u></p> <ul style="list-style-type: none"> • All PPs have a defined role and allocate staff to fulfil this role. • Staff members coordinate their activities with others involved in the activity or work package and exchange information regularly. • There should be no unnecessary duplication of roles in different Partner Organisations (for example there should be only one project manager per project, rather than several). 	<p><u>Joint financing</u></p> <ul style="list-style-type: none"> • The project has a joint budget with funding allocated to Partners according to the activities they are carrying out • All PPs contribute to the match funding or have sourced external match funding.

D. Work Packages

In addition to giving a general project description setting out the overall ambition of the project and an overview of its activities, project applicants are required to submit a description of the different work packages that the Project Partners have developed and agreed to in order to structure their project activities.

Structuring project activities into work packages assists with project planning and will assist with the appraisal of a project application and monitoring throughout its lifetime.

A Work Package can be defined as one of the building blocks of a project's structure. These set out the detail of each section of the project, stating what will be done, which Partner will do it, when it will be done and the budget required to achieve it.

The tasks allocated to a work package should be related tasks that are to be carried out together. For example, if the project involves a pilot test the pilot testing could be an individual work package.

With the exception of the Project Preparation, Project Management and Project Communications work packages, all packages are expected to include key targeted deliverables.

Work Package P, "Project Preparation," sets out the tasks associated with the development of the project to the point of the Full Application. All tasks undertaken during this time period must be carried out within this Work Package, and should cover developing the full operational details of the project and project budget.

The Programme contribution to these activities will be paid at a fixed rate of 30,000€. For more information on this payment, please see the Guidance Note 8 related to Budget lines and Eligibility of Expenditure.

Work Package M, “Project Management”, consists of tasks associated with internal communication and coordination of the overall project administration, reporting and financial claims. The information included in this work package should explain the structure, responsibilities and procedures for the day to day management and coordination; name and background of the management team; communication within the partnership; reporting and evaluation procedures; risk and quality management. Some information should also be provided with regard to planning for the selection of the First-Level Controllers and for all Partners to attend training.

Work Package C “Communication”, shall describe the project communication strategy and tools. The planned communication activities need to be relevant, effective and targeted to reach the appropriate audiences. When designing this work package Partners should take into account the Programme rules relating to communication. For further information please refer to the Guidance Note 6 related to Project Implementation.

Work Package T (T1 up to T5) concerns project implementing activities. This will need to include information on the timeline for each work package, the budget, the Partners responsible, the target groups and the main outputs.

Work Packages relating to activities that implement the project should provide concrete information on the nature and quantity of the outputs delivered by the project activities.

V. Budget: Financial Planning

It is important that projects consider how to budget for their project from the very beginning. This requires the involvement of all Partners in the preparatory work and planning meetings during the development phase of the project. Time invested prior to the submission of the application has been seen to produce strong partnerships with clear responsibilities and well justified budget allocations, which provide sufficient resources to effectively carry out the projects.

A. Important Principles related to Budgeting

In planning a project budget it is important to ensure that PPs are aware of what types of expenditure are eligible, and which budget line it should be placed under. This will ensure that all their expenditure is considered to be eligible, and their project does not find itself losing money because it has spent money that it is then not able to reclaim.

For detailed guidance PPs should consult the Guidance Note 8 related to Budget lines and Eligibility of Expenditure. If they have any doubts regarding proposed expenditure they should also contact the JS to seek clarifications.

Generally speaking, to be eligible at project level, expenditure must:

- relate to activities foreseen in the Application Form, be necessary for carrying out these activities and achieve the project's outputs and results, and be included in the estimated budget,
- be reasonable, justified, consistent with the applicable internal rules of the Partner, national, Programme and EU rules and in accordance with the principles of sound financial management,
- be identifiable, verifiable, plausible, and determined in accordance with the relevant accounting principles, be incurred and paid by the Partner organisation, debited from its bank account no earlier than the project start date and no later than the project end date and be substantiated by proper evidence allowing identification and checking.

The formal start date of the project for the purposes of the Programme shall be the date of the decision of the SSC approving the project.

If expenditure is to be reimbursed on the basis of a flat rate the latter two principles do not apply.

For expenditure occurring before the project start date, this expenditure is to be reimbursed on the basis of a lump sum and therefore cannot be declared in later claims.

B. Horizontal topics related to finance

Co-financing and sources of funding

Under the France (Channel) England Programme, project activities are co-financed by the Programme, meaning that a percentage is paid for by the Programme, and the remainder has to be provided by the Partners themselves. This sources of the Partner's own contribution can either come from the Partners own budget, or from external sources.

If a Partner is intending to rely on external funding then a Letter of Engagement from the organisation providing the external funding should be attached to the Application Form setting out the amount and conditions for the provision of this funding.

The co-financing rate applicable to each Call for Projects is decided by the Programme Monitoring Committee and will be indicated in the Terms of Reference published at the launch of a Call.

Simplification

Simplification is at the core of the legislative package proposed by the European Commission (EC) for 2014-2020. This is to make access to EU funding easier and quicker for all beneficiaries. At the same time, it should lighten the administration linked to the management and audit of EU funding Programmes.

This is relevant for the budgeting process as there are areas where the Partners will be reimbursed on the basis of a simplified cost option (flat rates, lump sums, unit costs) rather than on the basis of real costs. For detailed information partners should consult the Guidance Note 8 related to Budget lines and Eligibility of Expenditure.

VI. Timeline

Projects should consult with their facilitator to determine a realistic start date for the project. Project expenditure will only be eligible after approval of the project by the Selection Committee, therefore PPs should plan for the likely date of approval, rather than planning an immediate start after the project is submitted.

All costs incurred prior to the project start date are considered to have been covered by a lump sum payment for project development and therefore may not be claimed in any later project claims.

In order to avoid being unable to claim costs due to amounts not leaving the Partners' bank accounts until after the end of the project, Partners should plan to close project activities 3 months before the official project end date in order to ensure that they can claim the costs linked to Project Closure.

The final date for which the programme will accept project expenditure is the 30th of June 2023, therefore Partners must ensure that their project is completed and closed by this date.

Please refer to Guidance Note 13 for more information on Project Closure.

Guidance Note 4 Project Application

Please be aware that the Programme has a zero-tolerance approach to Fraud of any form. This includes knowingly making of false declarations in Application Forms (AFs), and exercising or attempting to exercise undue influence over the selection process.

I. Calls for projects

Calls for projects will be held throughout the Programme's lifetime. A calendar of future calls is available on the [Programme website](#).

The launch of each call and related documents will also be announced on the Programme's website.

In general calls will be open for all Programme Priorities. However, the Programme Monitoring Committee (PMC) reserves the right to restrict some calls, depending on the specific demand for certain topics or the availability of funding (especially later in the Programme's lifetime).

Applications shall be submitted by the closing date and time of each call for projects. It is important to meet the set deadline for submission as this will allow the application to be appraised and presented for decision to the following the SSC.

In the case of an SSC decision to Refer Back an Application (please refer to Guidance Note 5 for more details) a timeline for submission agreed between the Joint Secretariat (JS) and Project Partners (PPs) will be put in place. The date for submission will not exceed nine months from the Letter of Notification and will be in-keeping with the Programme call calendar. The procedure for submission of a Full Application will have to be followed in full, as described further in this Guidance Note.

II. Application Form

How to apply?

Procedure

Applicants wishing to submit an AF are strongly encouraged to notify the JS of their intention to submit an application **at least one week in advance of the call opening**, in order to plan and manage the facilitators' diaries.

The Lead Partner (LP) will need to create an account on [eMS](#). The LP must register on the eMS homepage. Following the registration, a confirmation email will be automatically sent to the email address provided in the registration form. This account will be used to create and submit applications.

Full details on how to create, edit and submit an application is available in the [eMS Technical Guidance Note](#) available for download from the [Programme website](#).

If the partners have not already contacted their local facilitator, they should do so before submitting an application. Their contact details are available on the Programme website, or partners can email interregva.apply@norfolk.gov.uk to be put in contact with a facilitator

The AF is to be submitted through [eMS](#).

Working documents in Word and Excel format are available on the [Programme website](#).

Guidance to complete the form is given throughout the documents.

The below tree is structured on the following rationale:

- Section
 - Subsection
 - Question

The AF consists of the following sections which have to be filled in:

- Project Summary
 - Project Summary
- Partner
- Project Description
 - Project Relevance
 - Common Territorial Challenges
 - Project Challenges and Approach
 - Cross-Border Added-Value
 - Value For Money
 - Project Focus
 - Programme Priority Specific Objective
 - Overall project objective
 - Programme Result Indicator
 - Project Main Result
 - Durability / sustainability of project outputs and results
 - Project Context
 - Wider strategies and policies
 - Synergies
 - Location of project activities
 - Horizontal Principles
 - Sustainable development
 - Equal opportunities and non-discrimination
 - Equality between men and women
- Work Plan
 - Work Package List
 - WP P Preparation
 - WP M Management
 - WP C Communication
 - WP T Implementation
 - Target Groups
 - Define Periods
- Project Budget
 - Partner Budget per period
 - Project Breakdown Budget
- Project Budget Overview
- Attachments

- Annex 1: De Minimis Form (for each PP)¹
- Annex 2: Description of project Investment (if any)
- Draft Partnership Agreement
- Letters of Engagement (In case of external match-funding or shared costs)
- Letters of Intent and organisation charts (if applicable)
- Covering Letter

A number of compulsory annexes must be submitted with the AF. The templates of the annexes are available on the [Programme website](#), and are to be completed, signed, and uploaded in eMS.

More specifically, and as indicated on the above tree the following annexes are required:

- **Each PP must provide a signed, scanned copy of a Letter of Intent.** The Letter of Intent is to confirm that the organisation is prepared to participate in the Interreg VA France (Channel) England Programme. This does not commit the organisation financially to the project, however it must be signed by a duly authorised representative of the partner. A duly authorised representative must be a person who has the authority to commit their organisation to take part in the project. An organisation chart showing the position of the individual within the organisation should be attached to the letter.
- In case of external match-funding, signed Letters of Engagement for each organisation contributing to the project. This also applies to PPs in case of shared costs. The Letter of Engagement is a commitment to support the Programme activities and verifies that the organisation is willing to commit financially to the project. The amounts reported in the letter have to correspond to the amounts stated in the AF. The financial commitment in the letter of engagement must be set out in Euro. It must be signed a duly authorised representative of the organisation committing the finance, who must be a person who has the authority to commit the organisation to the level of expenditure;
- Signed De Minimis State Aid Form for all PPs. Further details are available on the Guidance Note on “State Aid;”
- Draft Partnership Agreement, including provision on shared cost calculation methodology (if applicable), Intellectual property rights (if applicable) and preparation cost lump sum partner allocation. The final signed Partnership Agreement should be presented to the Managing Authority after the project approval and before the Grant Offer Letter can be signed.
- For organisations which are private sector (including charities), a copy of the last three years of accounts must be provided. If the organisation in question is less than three years old, all available accounts should be provided, including draft accounts if a full years set of accounts is not available.

The AF shall be signed by a duly authorised representative of the LP organisation i.e. the person authorised to commit resources for that period of time.

Please note that electronic signatures are acceptable.

Please note that only a scanned copy of the signed original AF has to be sent to the JS, within 5 working days after submission of the application on eMS. Please email the scanned copy of the signed original AF to interregva.apply@norfolk.gov.uk

Hardcopies of the signed original AF must be kept by the LP.

¹ If for any reason a partner is unable to complete a De Minimis Form, the LP should contact their facilitator.

Covering letter

The recommendations made by the Selection Sub Committee in relation to the Intervention Logic Outline should be addressed throughout the AF. However, in some cases, it may be difficult to address some of them in the AF, specifically when responding to the recommendations which require the partners to give details on:

- Something which does not directly relate to the future implementation of the project, such as difficulties met during the preparation phase ;
- Misunderstandings of the meaning of an element of the Intervention Logic Outline ;
- Issues related to State Aid or Revenue.
- How private sector partners will fund their participation in the project, taking into account both the match funding and the need to cover the project cash flow. If the source of funds is external then a corresponding letter of engagement indicating this amount must be included. If use of overdraft or similar facilities are planned which are not the company's own funds, evidence of these facilities should be provided.

In these cases, the applicants may write a covering letter to address the issues mentioned above. The covering letter is not a compulsory annexe of the AF, with the exception of a statement on how private sector partners will fund their participation (if applicable).

In general, it should not be longer than 2 pages, apart from sections which deal with the issues on State Aid or Revenue. For these sections partners may use as many pages as necessary to fully explain the issues. In the event of large numbers of recommendations given to the project in response to an Intervention Logic Outline this can be extended to 5 pages with permission from the JS. The covering letter must be submitted in both English and French.

Investment Annex

The investment annex allows PPs to provide information about project outputs and deliverables that will remain in use after the project is completed. This should be completed where there is a tangible project output or deliverable relevant to the long term use of the project after its closure.

In particular this should be used where items charged at full cost to the Programme would normally be depreciated over a longer period than the project lifetime. Examples could include;

- Equipment purchases, in particular where these will lead to productive activity after the project;
- Land purchases;
- Construction;
- Computer software or systems that will be used after the project;
- Registered Intellectual Property rights.

When completing the investment annex, each investment should be tied to a complete set-up, rather than presented as an individual item. For example, for an environmental monitoring station should be treated as an individual investment, rather than listing each piece of equipment and building as a separate investment annex. Likewise if equipment all relates to one process, then this can all be listed as a single investment in processing equipment.

All Investment Annexes must be completed in both English and French.

Guidance Note 5

Project Selection

The Programme Selection Sub-Committee is responsible for project selection and makes the decision on approving or rejecting projects by assessing the proposal against the selection criteria. Please be aware that the Programme will only support project whose activities have not started prior to the submission of the Application Form.

When the application is submitted it is appraised by the Joint Secretariat (JS) on the basis of a set of Administrative, Eligibility and Quality criteria. These are set out in detail at the end of this Guidance Note.

Firstly, projects will be checked against the Eligibility and Administrative criteria in order to ensure that they fulfil the technical requirements. There are 17 Eligibility and Administrative criteria.

As a general principle, it will not be possible to submit corrected documents after the deadline for submission. However, if there are minor omissions, the JS will notify the Lead Partner and request them to submit the missing elements within 5 working days. This procedure will be used in the following situations; missing signature on the Application Form and/or missing annexes; missing budget information; incorrect dates; and any other issue deemed as technical by the JS.

Only where a project satisfies the Eligibility and Administrative criteria will it undergo a quality assessment. There are 26 quality criteria. The SSC will make a final decision and the LP will be notified of the outcome.

There are 3 possible outcomes from this process:

a) The project is approved:

Approval means that the project has been selected and will be funded.

b) The project is rejected:

If a project is rejected, a decision has been made that the project in its current form is not suitable for the Programme. The SSC will set out the reasons for rejection. This does not stop Partners from submitting a different project to the Programme in the future, or if the application was rejected due to specific issues which can be addressed, submitting a modified proposal.

Partners whose project has been rejected will need to go through the full application procedure for any future project submission or resubmission of a modified proposal.

c) The project is referred back

Applications may be referred back. A decision to Refer Back the application means that the Application Form does not sufficiently meet the requirements for approval. However, applicants may resubmit a revised application. Projects that are referred back will receive recommendations as to what aspects of the project would need to be improved to meet the criteria for approval in the case of a resubmitted Application.

An application may only be referred back once. If a referred back an application resubmits, the only decisions that can be awarded to the resubmitted application are approval, approval with conditions or rejection.

A decision for the project to be referred back may be taken where the project does not meet the approval criteria in full but where the committee would like to encourage a project resubmission either in part or in its entirety to overcome the identified weaknesses.

Project approval might be conditional or come with recommendations issued by the SSC. These conditions will be built into the Grant Offer Letter. Rejected projects will receive an explanation of the reasons for rejection.

As soon as the project applicants have received the notification of approval of the Application, the project implementation phase starts. For further information please see Guidance Note on “Project Implementation.”

I. Eligibility and Administrative assessments

Eligibility and Administrative criteria are “minimum requirements,” each of which has to be met for a project to be declared eligible. The answer to any criterion is either yes or no.

Administrative appraisal

The following elements are verified during the Administrative appraisal:

Criteria	Description
Administrative criteria	
The Application Form has been submitted and delivered to the right location by the set deadline	<i>Day, time of the day within a period of ongoing call for proposals. The JS will consider the date of the submission on eMS as the official submission date.</i>
Required number of Application Form versions is submitted.	<i>Application Form is submitted in the required number of signed electronic versions. One scanned copy of the signed submitted Application Form in the language of the Lead Partner (LP) must be received by the JS no later than 5 working days after submission. Electronic signatures are acceptable.</i>
Paper and electronic versions are identical.	<i>The content of the Application Form + annexes is identical. On the signature page projects applicants will be required to declare that the electronic and paper versions are identical.</i>
The Application Form is signed by the authorised signatory.	<i>The Application Form and its annexes are signed where necessary by a duly authorised representative of the organisation i.e. the person authorised to commit the relevant resources for the relevant period of time. On the signature page project applicants will be required to declare that the person signing is a duly authorised representative of the organisation. As a matter of simplification the signed scanned copy of the Application Form needs to be submitted only in the language of the Lead Partner..</i>
Application Form is correctly filled in.	<i>All applicable sections of the Application Form are correctly filled in (no missing information, in both French and English. The LP must ensure the quality of the translation and that the content is the same in both languages. This includes the work plan, the budget, the proposal of reporting periods and the upload of compulsory annexes. The Programme Manual defines the compulsory annexes as well as the technicality of each section of the Application Form (example: maximum of Implementation Work Packages, maximum number of activities per WP, minimum number of deliverables per WP, flat rate option to be selected in the budget, etc.).</i>
All obligatory annexes are submitted.	<i>Obligatory annexes are attached to the Application Form where applicable. Supporting documents are attached where applicable.</i>

Administrative and formal data in the Application Form and annexes is consistent.	<i>Information presented in the annexes is consistent with the Application Form (e.g. co-financing amounts, partner names etc.).</i>

Eligibility appraisal

The following elements constitute the Eligibility appraisal:

Eligibility criteria	Description
The project fulfils minimum requirements for partnership.	<i>At least 1 Partner from each country within the Programme Area</i>
The Lead Partner and Project Partners are eligible organisations.	<i>Legal status, territorial eligibility – area. All Partners are correctly attributed to NUTS3. Partners from outside the area may be accepted if there is a clear added-value for the project, however, the Lead Partner shall be an organisation based within the Programme Area. The territorial eligibility is related to activities not where Partners are located geographically.</i>
Time limits are correct.	<i>Start and end dates (e.g. depending on the closure of the call for proposals or the end of the Programme period) and duration of the project.</i>
Project fits with one of the Programme Priority and its Specific Objective.	<i>The project has selected the correct Programme Priority and Specific Objective.</i>
Minimum and maximum budget requirements are correct.	<i>Total, Programme contribution, maximum ERDF is respected etc.</i>
There is no evidence of double funding of activities.	<i>Lead Partners will be asked to provide a signed declaration stating that the expenditure related to the project activities and funded by the Programme is not funded twice (e.g. by other national or EU programmes).</i>
External match-funding is secured (if applicable).	<i>In case of external match-funding, availability of an external contribution needs to be evidenced by a Letter of Engagement.. The information entered in the Application Form must be consistent with the Letter of Engagement</i>
Partnership Agreement	<i>The LP confirmed that the mutual financial and legal responsibilities of the Project Partners have been defined and will be included in the Partnership Agreement</i>
The project complies with State Aid regulation	<i>Project partners have all filled in the State Aid¹ declaration and they all meet the criteria of the De Minimis rule and/or of the GBER (General Block Exemption Regulation)</i>
The project complies with public procurement requirements	<i>The Project Partners have completed the relevant section(s) of the Application Form explaining how they are going to meet organisational, national and EU procurement requirements.</i>

¹ For further information, please refer to the Guidance Note on “State Aid”

II. Quality Assessment

Project quality will be scored against the strategic and operational criteria listed below.

The main aim is to determine the extent of project's contribution to the achievement of programme objectives (and contribution to programme indicators) by addressing joint or common target group needs through the following strategic criteria; the Project's context; Cooperation character; Project's contribution to programme's objectives; the delivery of expected results and outputs; and Partnership relevance and quality.

Criteria		Description	
Assessment questions		Strategic criteria	
Projects context	3.1.1	<i>The project addresses common territorial challenges and opportunities in the Programme Area as defined in the Cooperation Programme. There is a real demand for the project</i>	C.1.1 / C.1.2 / C.2.4
	3.1.2	<i>The project capitalises on available knowledge (EU and other projects or initiative) and builds on existing results and practices. The INTERREG IVA FCE Programme and other EU-funded Programmes have generated significant experience on issues addressed in the current FCE Programme. Projects are encouraged to complement such developments (rather than duplicate them) and explore new grounds on the way paved by earlier Programmes.</i>	C.3.2
	3.1.3	<i>The project demonstrates coordination and complementarity with other European funding programmes. Projects shall demonstrate if and how they dovetail with other funding instruments.</i>	C.3.2
	3.1.4	<i>The project clearly contributes to a wider strategy on EU / national / regional policy levels, in particular those concerning the project or Programme Area.</i>	C.3.1
	3.1.5	<i>The project makes a positive contribution to the Programme horizontal principles :</i> <i>-Sustainable development ; Actions to take into account environmental protection requirements (including addressing soil, water and air pollution), resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management.</i> <i>This criteria takes also into account the ability of the project to address the environmental challenges and take advantage of the opportunities highlighted in the Strategic Environmental Assessment (SEA) non-technical summary.</i> <i>Cross-border cooperation in our Programme Area which will clearly impact positively on the environment will be highly encouraged.</i> <i>-Equal opportunities and non-discrimination : Actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the project. In particular, in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination, and the requirements of ensuring accessibility for persons with disabilities.</i> <i>-Equality between men and women:</i>	C.4
How well is a need for the project justified?			

		<i>Promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at project level.</i>	
Cooperation character <i>What added value does the cooperation bring?</i>	3.2.1	<i>The added value of the cross-border approach to the topic addressed is clearly demonstrated : -the results cannot (or only to some extent) be achieved without cooperation between Partners. -there is a clear benefit from cooperating for the territories of the Programme Area</i>	C.1.3
	3.2.2	<i>The project demonstrates new solutions (new ways of responding to identified needs) that go beyond existing practice in the sector/programme or adapts and implements already developed solutions.</i>	C.1.2
	3.2.3	<i>The 2 following cooperation criteria are fulfilled: Joint development and joint implementation. Additionally at least one of either joint staffing or joint financing is fulfilled</i>	D.1 / E.2
Project's contribution to programme's objectives and delivery of expected results and outputs <i>To what extent will the project contribute to the achievement of programme's objectives? Focus on achieving results for the territories and their population</i>	3.3.1	<i>-Objectives :</i> <ul style="list-style-type: none"> • <i>There is a clear link between the project overall aim and a Programme Specific Objective</i> • <i>There is a clear link between the project specific objective and the project overall aim</i> <i>In this section the assessor will appraise the contribution to a Programme Specific Objective</i>	C.2.1 C.2.4
	3.3.2	<i>-Outputs :</i> <ul style="list-style-type: none"> • <i>There is a clear link between the project outputs and at least one programme output indicator</i> • <i>There is a clear link between the project results and the Programme result indicators</i> <i>In this section assessor will appraise the contribution to a Programme Result Indicator</i>	C.2.3 D.1
	3.3.3	<i>Results and main outputs:</i> <i>-are tangible and measurable, and value for money is demonstrated (i.e. the project will obtain the maximum benefit within the resources available to it)</i> <i>Tangible results through actions should be guaranteed concrete and on the field interventions. The following examples are considered as tangible outputs :</i> <ul style="list-style-type: none"> • <i>Jointly designed training, connected to implementing new processes on the ground and where information is going to improve the knowledge of the Partners involved</i> • <i>Cross-border quality labels e.g. establishing an eco-building standard based on the full life cycle of materials.</i> • <i>Transferable working models e.g. to harmonise data systems for monitoring soil and air quality.</i> <i>-are realistic (is it possible to achieve them with given resources – i.e. time, Partners, budget - and they are realistic based on the quantification provided)</i>	C.1.4 / C.3.1 / D.1 / E.2
	3.3.4	<i>There is a strategy that ensures the long-term viability of the project.</i> <i>The project will apply concrete measures taken during and after project implementation to ensure and/or strengthen the sustainability of the projects outputs and results.</i>	C. .2.4 D.1

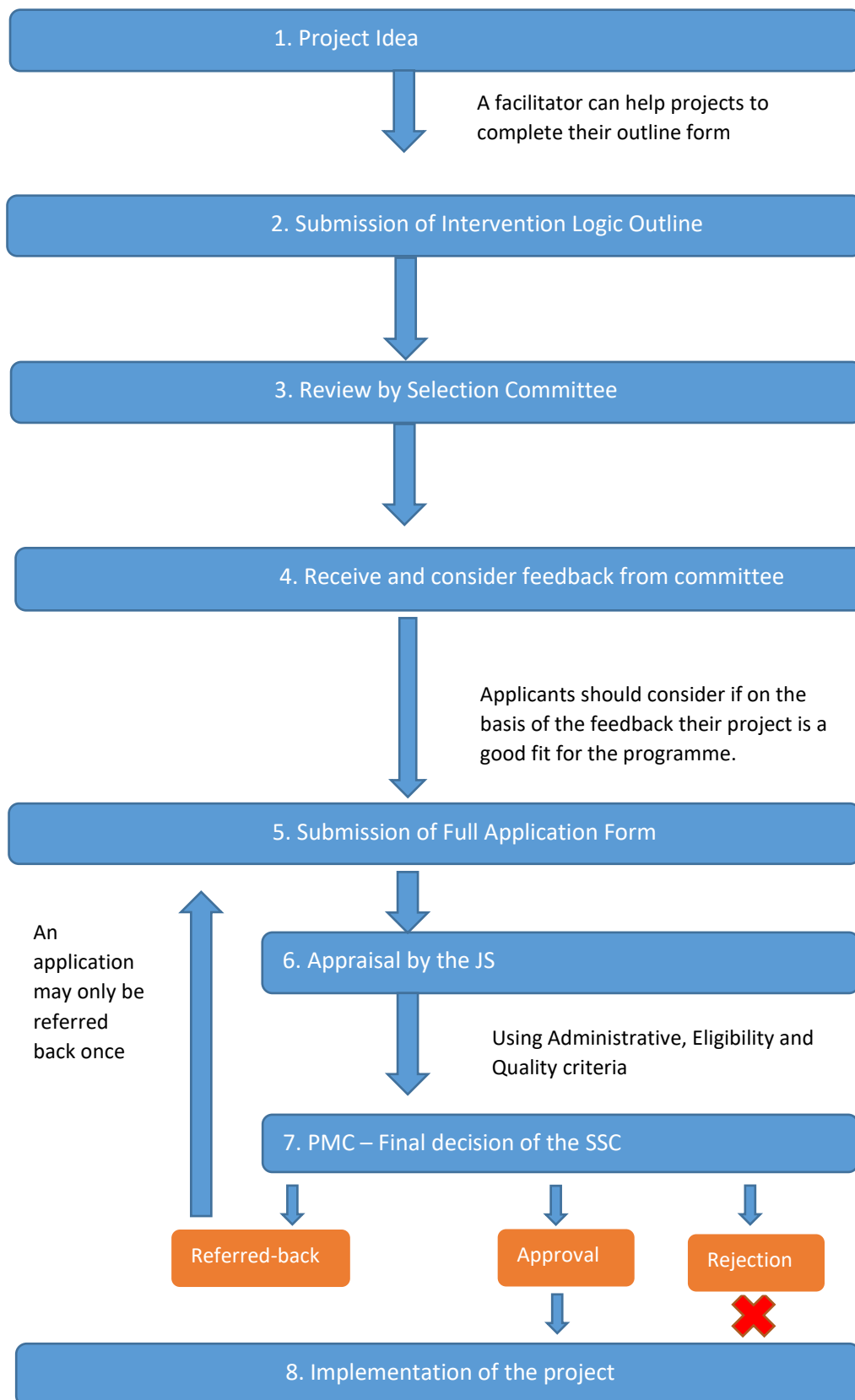
	3.3.5	Project main outputs are applicable and replicable by other organisations/regions/countries outside of the current partnership (transferability)	C.2.5
	3.3.6	The selected targets are relevant to the Programme	C.2.6
	3.3.7	The selected targets groups are relevant to the Programme	D.2
Partnership relevance and quality To what extent is the partnership composition relevant for the proposed project?	3.4.1	The project involves the relevant Partners (with the necessary skills) needed to address the territorial challenge/opportunity and the project specific objective. This should preferably involve a mix of experienced and new organisations	B
	3.4.2	The project partnership is balanced (Partners are from different sectors and are based in different geographical areas). Projects are encouraged to have a good sample of organisations /institutions. For instance for a project dealing with employment: Local/regional authorities, association, chamber of commerce, SME, etc. should be considered.	B / D.1
	3.4.3	Partner organisations have proven experience in the thematic field concerned, as well as the necessary capacity to implement the project (financial, human resources, structures, etc.)	B / D.1
	3.4.4	All Partners play a defined role in the partnership and get a real benefit from it	B / D.1

To assess the viability and the feasibility of the proposed project, as well as its value for money in terms of resources for the results delivered the operational criteria are set out below which consist of; Budget; Communication; Work plan; and Management.

Criteria	Description	
Assessment questions	Operational criteria	
Budget To what extent does the project budget demonstrate value for money?	4.1.1	-Sufficient and reasonable resources are planned to ensure project implementation including management, audit and any required training costs. -Project budget appears proportionate to the proposed work plan and the main outputs and results aimed for -Total Partner budgets reflect real Partner involvement (are balanced and realistic) Due attention will be paid to the size of the budget in order to determine if the project as a whole is worth the amount it claims.
To what extent is the budget coherent and proportionate?	4.1.2	-Financial allocation per budget line is in line with the work plan -Distribution of the budget per period is in line with the work plan -Distribution of the budget per WP is in line with the work plan -The need for engaging external expertise, equipment purchases and/or infrastructure and construction cost is justified and their costs are realistic. -The costs are in line with the Programme's eligibility criteria -The budget is clear and realistic -Budget takes in account audit (including First Level Controller) -Partners have a clear and mutual understanding of the compulsory expenses (training costs) and audit costs (including First Level Controller).
Communication To what extent are communication activities appropriate to reach the	4.2.1	-The communication strategy should make use of appropriate communication tools and techniques. It includes joint and bilingual communication activities. -Communication activities and deliverables are appropriate to reach the relevant target audiences. Assessors will consider the size and the diversity of target audiences

<i>relevant target groups and stakeholders?</i>		<i>In addition to the description of the general communication activities, Project Partners must pay particular attention to detailing how they will respect their regulatory obligations with regard to acknowledging and promoting receipt of ERDF and fulfilling the EU communication and information requirements.</i>	
Work plan <i>To what extent is the work plan realistic, consistent and coherent?</i>	4.3.1	<ul style="list-style-type: none"> -Proposed activities and deliverables are relevant and lead to the planned main outputs and results -Distribution of tasks among Partners is appropriate (e.g. sharing of tasks is clear, logical, in line with Partner roles in the project, etc.) -Time plan is realistic and includes relevant timeframe for procurement -Activities, deliverables and outputs are in a logical time-sequence -Activities outside the Programme Area clearly benefit the Programme Area (if applicable) 	D.1 D.3
	4.3.2	<i>The added value of investments and their cross-border relevance is demonstrated to reach the project specific objective (if applicable)</i>	Annex 4
Management <i>To what extent are management and audit structures and procedures in line with the project size, duration and needs?</i>	4.4.1	<ul style="list-style-type: none"> -Management and structures (e.g. project committee) are proportionate to the project size and needs and allow Partners' active participation in decision-making -Management and audit procedures (such as reporting and evaluation procedures in the area of finance, project content, communication) are clear, transparent, efficient and effective -Project management includes regular contact between Project Partners and ensures transfer of expertise across the partnership (internal communication within the partnership) -Necessary provisions for unavailability of key players of the partnership and quality management are in place. 	WP M + PA
	4.4.2	<i>The Lead Partner demonstrates competency in managing EU co-financed projects or other international projects, or can ensure adequate measures for management support</i>	WP M

Scheme 1: Application and Selection process



Guidance Note 6a

Project Implementation

Please be aware that the Programme has a zero-tolerance approach to Fraud of any form. The Programme will always seek to recover any payments found to be a result of fraud and will always pursue the harshest available penalty against individuals that commit fraud.

Please also note the Programme expects strict compliance from the Project Partners with regards to the processing of personal data as defined in all applicable EU and National Data Protection regulations.

I. Getting started

Following the approval of the project by the Selection Sub-Committee (SSC), the LP will be notified of the outcome and, if relevant, of the SSC's conditions and recommendations. These need to be taken into account by the partnership before the Grant Offer Letter (GOL) can be issued and project implementation can start.

The official start date of the project is the date of approval by the SSC and project expenditure related is eligible from that date. All costs incurred before this date are considered as preparation costs and covered by the preparation costs lump sum. **Therefore, they cannot be claimed as part of the eligible costs.**

The Partnership Agreement (PA)

Provided as a draft when submitting the Application Form, the PA shall be signed by the Lead Partner and the other Project Partners.

It governs the relationship between the Partners and covers, among other things: the definition of Partners' joint aims, responsibilities and mutual duties, the project's duration, the reporting duties and the procedures to resolve potential disputes and apply penalties.

The PA template should be used by all projects in its entirety. Applicants are, however, invited to tailor the PA to their needs by adding in the Annexes. Optional changes (if needed) can be added in Annexe 1 (for instance, the obligations of the LP/PPs, Intellectual Property Rights, shared cost, confidentiality, etc.). A mandatory provision should be added in Annex 2 (for the preparation costs allocation).

The completed and signed PA shall be sent to the JS by email.

The Grant Offer Letter (GOL) and payment of the lump sum

The Grant Offer Letter (i.e. the contract between the Managing Authority and the Lead Partner) **cannot be finalised in the absence of a signed PA.**

Once the signed PA has been received and verified, the MA issues the GOL and sends one electronic copy to the LP. The LP prints 2 copies, signs them and sends them back to the JS within 15 calendar days. The MA then signs the two copies and sends one back to the LP.

Please note that the use of electronic signature is acceptable for all documents.

The JS will notify the LP once the signed GOL has been received and will notify the Certifying Authority to transfer the lump sum covering the preparation costs to the LP account. The preparation costs of all approved projects are reimbursed through a lump sum of up to 30 000 € ERDF per project and will be paid to the Lead Partner. There is a restriction where a Partner has been approved to take part in the project under the General Block Exemption Regulation (Commission Regulation (EU) no. 651/2014), which is that they are unable to receive a share of this lump sum. For further details please see the Guidance Note on “State Aid.”

The shares of the preparation costs lump sum must be transferred by the LP to the PPs within one month. The Lead Partner will need to send evidence to the JS that the lump sum has been correctly transferred to the PPs as planned in the Partnership Agreement within two months after receipt of the lump sum payment by the LP (e.g. bank statement, outputs from accounting system).

First Level Controller recruitment

Each Project Partner (not only the LP) will have to select a First Level Controller (FLC) following the relevant procurement rules (see also the section on “Public Procurement”). A FLC will need to be selected and approved by the MA and Member States as soon as possible and before the submission of the first Project Reports (for more information see section on “First Level Control”).

With the exception of the preparation cost lump sum, no payment can be made to a project without certification of the Project Reports by the FLCs.

Project’s first Monitoring Committee

The partnership shall organise their first Project Monitoring Committee within 60 calendar days⁸ after signature of the GOL by the MA (as notified by the JS). The JS shall be invited to send a representative.

Initiation training for Project Partners

Following the project approval, the partnership will be required to arrange an initiation meeting with the JS. The partnership will be required to provide the venue for this meeting and all Project Partners are required to attend. This meeting will enable the JS to provide information required to support a project’s successful management:

- How projects are monitored, particularly the procedure to submit a Payment Claim;
- How to use eMS for monitoring and reporting purposes;
- Project’s obligations, and assistance which the JS can provide in matters of communication;

This meeting will give the opportunity for Project Partners to ask questions on expenditure eligibility and on the project management tools to be put in place.

Attendance at the meeting is **compulsory** for all Project Partners. FLCs can also be invited if their identity is already known. The date of the meeting will be arranged by the JS in discussion with the Lead Partner shortly after the project approval.

⁸ Art.2.10 GOL

Initiation Training for First Level Controller

All First Level Controllers must attend a training session organised by the Programme. Separate training for French and UK based Controllers will take place.

II. Project Monitoring and Reporting

Important note: Every year the Certifying Authority (CA) has a window during which it does not make payments to project partners. This **non-payment window is from May 15 – June 30.**

This is the period at the end of the European Union's financial year to enable the Audit Authority to do its year-end work relating to the expenditure which has been processed for projects.

Therefore, the JS recommends that Lead Partners contact the JS if they plan to submit a payment claim to the JS between February and May.

Full details on how to create, complete and submit both Partner and Project Reports is available in the [eMS Technical Guidance Note](#).

Projects must submit their Project Reports, i.e. the Progress Report and Payment Claim to the JS twice a year, in accordance with the timeline set out in the GOL.

The Project Reports form the basis of the monitoring and assessment of a project's progress and performance. They allow the JS to monitor implementation of activities and the related expenditure as well as timely achievement of milestones and spending targets. Furthermore, they enable the JS to detect potential issues and delays in the implementation process.

It is up to the partnership to agree on an internal reporting procedure and to set internal deadlines to ensure that the documents reach the JS by the deadlines set in the GOL.

The JS will assess the Payment Claim and the Progress Report submitted by the project. The JS may ask the Project's coordinator or the Finance manager for clarifications or additional information. Once these two documents have been deemed satisfactory, the corresponding amount of ERDF will be paid to the Lead Partner by the Certifying Authority, within 90 calendar days of receipt of complete and correct project reports by the JS⁹.

Once ERDF is received by the LP, the relevant shares of ERDF need to be transferred by the LP to the PPs within one month. The Lead Partner will need to send evidence to the JS that the ERDF has been correctly transferred to the PPS within two months after receipt of the ERDF payment by the LP (e.g. bank statement, outputs from accounting system).

Project Reports must be submitted on eMS by the LP.

Assessment by the JS will begin when the **complete** Project Reports are received, if they are received in due time.

⁹ Art. 5.6 GOL

It is essential these Project Reports are submitted on time to ensure that the Programme calendar is respected.

N.B. As a general principle, a **Project Report** should include all partner's reports, covering all eligible expenditure incurred during the reporting period in question. In the case that the LP does not include all partners' partner reports when submitting the project report to the JS, the JS should be informed of the reasons why the partner reports in question are not included, and further justification may be required by the JS when assessing the project's delivery.

As another general principle, a **Project Report** should be submitted according to the calendar agreed in the GOL. Late reporting must be approved specifically by the JS on an ad hoc basis.

Late submission without approval may result in delays in the processing of the payment, and penalties may be imposed on the project.

Progress Report

Projects shall complete a Progress Report on the activities implemented twice a year. Project Partners should send a simplified activity report (Partner Report) to their FLC to demonstrate the link between costs and activities.

The Progress Reports shall be compiled by the LP based on Partners' Reports and submitted to the JS with the Payment Claims following the agreed time plan.

The Progress Report is a single document which focuses on the project activities including the achievement of the project deliverables and outputs. The Progress Report should be sufficiently detailed to allow FLCs and the JS to see the link between costs and activities, and to ensure that they are in accordance with the Application Form. Partners should attach to the Progress Report any publication published during the period in addition to the minutes of Project Monitoring Committee meeting(s) (if applicable).

Lead Partners should consider these reports as efficient communication tools: they should be concise and to the point while reflecting on the overall progress of the project. The main text of the reports should summarise the implementation of the actions and their outcome(s) as snapshots of the reporting period. In this respect, the reporting should focus on the implementation of the project itself, rather than on each Partner's activities. Evidence for the delivery of outputs and deliverables should be uploaded with the relevant project reports (in the report "Attachments" section).

Project Output Indicators

All project output indicator achievements must be validated with appropriate evidence, which should be retained for possible review by the JS, MA, FLC, AA and EC.

A full list of output indicators and potential evidence is detailed below. The list is not exhaustive, and the project partners will need to collect evidence throughout the project implementation phase to justify the reporting of output achievements.

Priority	Specific Objectives	Indicator	Description	Potential evidence
1 Innovation, Social Innovation)	1.1	1.1	Number of innovative products, services, processes or systems designed	Proof of product designs, system design specifications, processes or manuals
		1.2	Number of innovative products, services, processes or systems produced	Proof of products process or system in final format
		1.3	Number of businesses and business intermediaries cooperating with research institutions	Contact lists, registers, correspondence
		Common Indicator 27	Private investment matching support in innovation or R&D projects	Application form, eMS
		Common Indicator 42	Number of research institutions participating in cross-border, transnational or interregional research projects	Application form, eMS, Contact lists, Registers, Correspondence
	1.2	Common Indicator Number 45	Number of participants in projects promoting gender equality, equal opportunities and social inclusion across borders	Registers, Attendance Lists, Photos, Correspondence, Forms
		1.4	Number of skill development and professional training schemes for disadvantaged people.	Evidence of scheme, evidence of skills development, registers, attendance records, evidence of target group, e.g. NEET, Single parent, low income, health issues, disability
		1.5	Number of institutions (public or private) supported to increase the quality and effectiveness of service delivery to disadvantaged population	Contact lists, Registers, Correspondence
		1.6	Number of Socially Innovative services designed	Proof of service, flyers, posters, adverts, manuals, processes
		2 Low Carbon Technology	2.1	2.1

			processes or systems designed	
		2.2	Number of new or enhanced low carbon products, services, processes or systems produced	Proof of low carbon products, processes or systems in final format
		2.3	Number of supported LCT multisectoral networks	Proof of network, correspondence, registers, attendance list, contact list, agendas
		2.4	Number of participants in awareness raising or training events for take up and development of low carbon technologies	Agendas, attendance lists, contact lists, registers, publications, photos
3 Natural & Cultural Heritage, Coastal and Transitional Water Ecosystems	3.1	3.1	Number of new or enhanced products/services that result from projects promoting cultural & natural assets	Proof of new or enhanced product or service, adverts, flyers, manuals, processes
		Common Indicator Number 9	Increase in expected number of visits to supported sites of cultural or natural heritage and attractions	Proof of increase: benchmark and current data, externally sourced data
	3.2	3.2	Number of institutions (public or private) supported to enhance and protect the coastal and transitional water ecosystems	Contact lists, attendance lists, registers
		3.3	Number of pilot operations aimed at the enhancement and protection of the coastal and transitional water ecosystems	Photos, publications, press releases

Payment Claim

A Payment Claim (PC) must be submitted to the JS at the date agreed in the GOL.

All expenditure included in the PC must have been checked and certified by a FLC.

The Payment Claim shall correspond to the Progress Report and show the eligible expenditure incurred during the reporting period.

Any unjustified delay in reporting or in the clarification process of the Project Reports, either by LP or by PPs, can lead to a reduction or ending of the Grant payments.

The three following documents comprise the Payment Claim:

1. Each Partner's List of Expenditure
2. FLCs certificate for each Partner's claim (more information on the section on "First Level Control")
3. Consolidated Payment Claim (edited by the LP)

Partner Report

- Each Partner describes the activities they have carried out during the reporting period in their Partner Report;
- The LP and all PPs enter all their expenditure in eMS. Each Partner records their expenditure on eMS, invoice by invoice, along with the following information: Budget Line, Work Package, Internal Reference Number, Invoice Number, Date of Payment, Currency, Total Value in Original Currency, VAT, Declared Amount in Original Currency, Activities Outside the Programme Area, Nature of Expenditure (in-kind), and Description and Comments;
- Once all the expenditure for the period has been entered on eMS, PPs edit their List of Expenditure and annex it to their Partner Report. **The Partner Report is signed** to certify the expenditure has been incurred for the implementation of the project' activities. The signatory of the Partner Report must be a person who has the authority to certify the expenditure is related to the project. Ideally, the signatory should be the same person who signed the Letter of Intent and/or Application Form during the application stage. Please note that electronic signatures are acceptable;
- LP and all PPs send their Partner Report including their List of Expenditure to their FLCs for verification and certification.

The EC monthly exchange rate¹⁰ will be applied on the date a Project Partner submits their list of expenditure to their FLC, if the list contains costs incurred in a currency other than euros.

One of the key changes from the previous programme is that supporting documentation will have to be kept on LP and PPs premises. Only electronic copies will need to be provided to the FLCs and JS. It will help to reduce the administrative burden.

FLC certificate

- FLC checks 100% of the PP's expenditure
- FLC issues the FLC certificate
- Each PP sends its claim to the LP

The FLC verifies that all the expenditure is project related, eligible and that all the supporting documents have been provided. The FLC also checks that the expenditure claimed refers to the

¹⁰ http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/index_en.cfm

correct reporting period and can disallow Partner's expenditure.

The FLC have access to eMS and perform their certification through the software.

Once the expenditure has been checked and certified, the FLC will issue two original certificates and send one copy to the Project Partner and one to the LP.

Consolidated Payment Claim

- The Lead Partner checks the Partner's expenditure on eMS making sure that each expenditure relates to the project implementation. The LP checks the overall consistency and general eligibility of Partners' expenditure (no double claiming, expenditure corresponding to the right reporting period, etc.) The LP must report Partners' expenditure which would not meet these requirements to the JS.
- The LP compiles the FLC certificates;
- The LP edits the consolidated Payment Claim;
- The LP submits the consolidated Payment Claim to the JS.

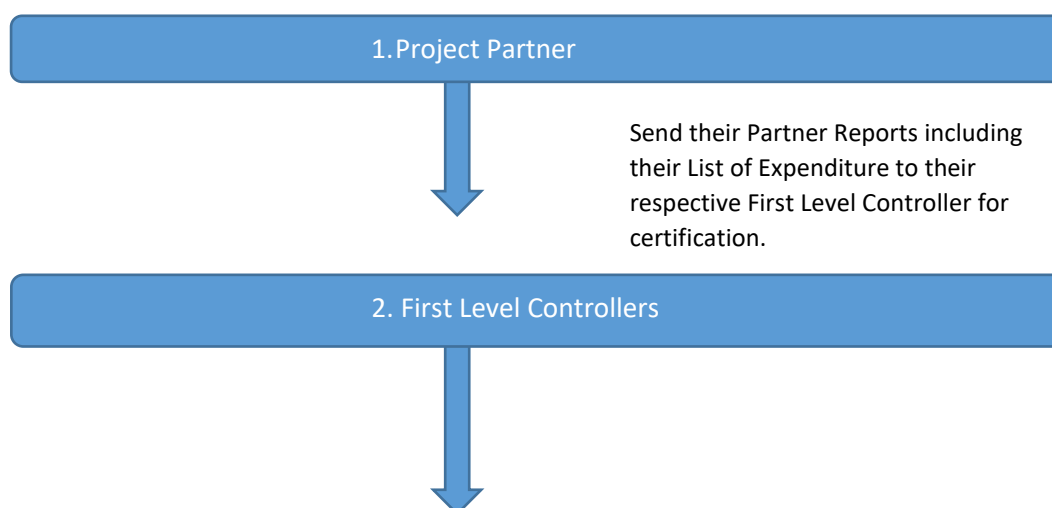
Upon reception of all the certificates, the LP edits and keeps an original of the consolidated Payment Claim, and uploads a scanned copy on eMS, along with the Project Partners' Reports (including their Lists of Expenditure) and FLC Certificates.

After the completion of the assessment of the Project Reports by the JS, and if these documents are deemed satisfactory, the Certifying Authority will make a final check before making the payment. All payments will be made in Euros and deposited into the bank account of the LP as indicated on the Application Form.

It is the LP's responsibility to transfer money received to the other Partners as soon as possible. These arrangements should be made clear in the Partnership Agreement.

Please see further guidance on the [eMS – Technical guidance](#), available on the Programme website.

Scheme 1: Partner Reporting Process



FLCs for each Partner checks 100% of the expenditure against the activities described in the Partner Report and issue certificates.

3. Lead Partner

LP compiles the Partners' Reports including the List of Expenditure of each Partner, and the FLCs certificates.

LP edits the consolidated Payment Claims and forwards the entire Project Report to the JS.

Retention of documents

Both the LP and the PP must retain the evidence of the costs claimed for a project for audit purposes.

The following guidance covers:

- (1) the period of retention
- (2) the format of the documents retained

Retention period

After the end of the project, the LP and the PP must retain and keep accessible all supporting documents for a project (including evidence of payments to beneficiaries) **for a period of 4 years** after the project is completed¹¹. **Please note that a project's website is also considered as a supporting document of the project activities and same rule applies.** This period runs from the 31/12 of the year in which the final ERDF balance is paid to the project. The LP will be informed in writing or by email of the start date and of the end date of the retention period when the final ERDF payment is made.

If a project is receiving State Aid, specific rules apply, and all supporting documents will be retained and kept accessible by the Lead Partner and the PP **for a period of 10 years** from the date on which the aid was granted¹².

Format of documents retained

During the implementation of their project, the LP and the PP are responsible for retaining original documents of the supporting evidence as part of their audit trail. Supporting documents can be retained either in hard copy as **originals** or **certified true copies** of the originals, or in **electronic format** on commonly accepted data carriers, which includes electronic versions of original documents scanned and saved as PDF or equivalent formats. Supporting documents either in electronic version only or as scanned copies of originals are uploaded into the eMS system as part of the process to evidence costs included in a payment claim.

At the end of the project, screenshots should be maintained to evidence the existence of the project's website.

¹¹ In accordance with Article 140 (1) of the Regulation (EU) No 1303/2013

¹² In accordance with Article 12 of Commission Regulation (EU) No 651/2014

The LP and the PP should ensure that information kept on commonly accepted data carriers is kept secure and can be relied upon for audit purposes. Therefore, the underlying computer system on which the electronic versions are held must meet accepted security standards which ensure that the documents held can be relied upon for audit purposes, i.e. secured access limited to authorised users, regular back up, common electronic format not allowing modification such as PDF. All electronic documents also need to have the relevant equipment/software available to the Partner to ensure the information is accessible for the retention period i.e. 4 years following the last ERDF payment to the project (or 10 years under State Aid scheme).

PP should have procedures in place within their organisation to certify that a copy is a true copy of an original document. A declaration containing the following information is the minimum requirement to satisfy this condition:

I certify that this is a true copy of the original document:

Signed

Date

Position in organisation

Name of organisation

Each PP is responsible for ensuring the authenticity of the electronic copy and for ensuring that the document can be retrieved and relied upon for audit purposes.

In instances where an organisation is using an electronic Document Management System which involves the scanning of invoices and other documentation at the point of receipt, it is acceptable for the processes outlined above to be undertaken at the initial point of scanning by either the beneficiary or a third party acting on behalf of the organisation provided that the organisation is satisfied with the procedures in place at the third party organisation.

III. First Level Control

Before a project submits a Payment Claim, it is required that the expenditure is checked to ensure that it is correct and meets the Programme eligibility rules.

This process is known as “First Level Control,” as it is the first check carried out on Programme expenditure. Later checks carried out on Programme expenditure are sometimes referred to as Second Level Control and Third Level Control. These are described later in this document.

These checks are required by EU Regulations and include;

- Ensuring the claimed expenditure is real
- Ensuring that the goods and services paid for have been delivered
- Ensuring that the expenditure is in accordance with the Programme Rules

- Ensuring that the expenditure is in accordance with applicable law (For example Public Procurement and State Aid rules)

These checks are carried out by individuals who are external to the Project, known as First Level Controllers (FLC).

In the France (Channel) England Programme each individual Project Partner will be responsible for procuring a FLC for their expenditure in the Project. This is a change from the previous programming period where the Lead Partner was responsible for ensuring that there was a FLC, who would check the entire expenditure of the Project.

These FLC will carry out a verification of all expenditure claimed by the Project Partner as a part of the process described in the above section “Payment Claims,” in accordance with the checklists and guidance provided by the Programme Authorities. These checks must be carried out on 100% of expenditure.

Each individual partner is responsible for recruiting the controller for their element of the overall payment claim, in accordance with the terms of reference provided by the Programme and the Programme Procurement rules. They are required to ensure that the FLC has the qualifications required by the Member State that the Partner is located in.

A. Recruiting a Controller in the UK

In the UK the process of recruiting a FLC is overseen by the Department for Levelling Up, Housing and Communities (DLUHC), who have set a common standard for recruiting controllers across all ETC programmes in which the UK is a part.

If a Beneficiary is located in the Public Sector, and intending to recruit an external controller, they should follow their own procurement policy. If a beneficiary is outside the Public Sector, they will as a minimum be expected to obtain three written quotes and select the one that represents the best value for money. They must meet the qualifications set out by DLUHC, which are listed in an Annex to this document.

If the partner is in the Public Sector or a University, it is permitted for the Controller to be Internal, provided they are independent and have no role in any part of the accounting, management or delivery of the project. There must be a clearly defined code of practice at the organisation that guarantees their independence. For example, an internal audit department of a Local Authority could meet this requirement.

Once they have been selected the Partner must send an FLC appointment application to DLUHC, who will determine if the selected Controller is suitable, and if so will designate the Controller.

B. Recruiting a Controller in France

In France the process of recruiting an FLC is overseen by the Prefecture of the Normandy region.

The FLC selection will be done through the award of a framework agreement and its subsequent contracts. Following the signature of the Grant Offer Letter between the Lead Partners and the Managing Authority, for the French Programme beneficiaries will be established by the Prefecture of

the Normandy region. To constitute the framework, an agreement defining its operating rules must be signed by all the included beneficiaries.

The French National Authority will publish the framework agreement on the State Procurement Platform (PLACE) at BOAMP and OJEU. The analysis of the framework agreement is carried out by the French National Authority, which selects a list of providers.

Each beneficiary will launch competitive tendering between selected providers, will analyse the offers and will select their FLC from the list of successful tenderers of the framework agreement. This choice will be made by signing a subsequent contract, after all successful tenderers have returned to competition.

This procedure is applicable to all French beneficiaries, private or public.

C. JS Requirements

The final step of the process before the FLC is granted access to eMS to allow them to view Project Partner claims, is for them to attend training provided by the JS on the work they will be required to carry out, including the checklists they will use and the standards they must adhere to.

In order to support projects in recruiting Controllers, the Programme has produced a standard form Terms of Reference and will provide further documentation on the role of a First Level Controller in the form of Guidance and the checklists they will be required to use. The Terms of Reference and the Guidance for Controllers include the quality standards that the Controllers must meet when carrying out their checks on project expenditure. The Terms of Reference and Guidance for Controllers will be available on the Programme Website.

The process of procurement needs to be completed sufficiently early in the Project lifetime for the Controller to have undergone the necessary training provided by the Programme Bodies before the first Payment Claim of the partner is submitted. Ideally this recruitment should be carried out before the project initiation meeting, however this may not be possible depending on the procurement procedures of the partner. The expectation is that the recruitment of the First Level Controllers will be completed within six months after the start of the project.

Subject to compliance with procurement processes, project Partners may use the same Controller to carry out Controls for multiple Partners in a project. However, Partners should consider the workload that a single controller has in relation to the project as this may affect the speed at which a Controller can check their expenditure, which will slow down the overall Payment Claims Process. Partners should also be aware that as the First Level Controller will be required to carry out on-site inspections if Controllers are based a long distance from the Partner this may lead to increased costs for carrying out these controls.

D. Types of Check

There are two types of check that must be carried out by the First Level Controllers. The first is a so called “desk based” check, which consists of checking the Payment Claim as submitted on eMS by the Project Partner. The second is an “on-the-spot” check consisting of a site visit to the Project Partner

to inspect the project delivery, the accounting systems used by the beneficiary, and any other checks that are required that can only be made on site.

IV. Other Controls

In addition to the First Level Controls, there are other forms of Control that the Programme expenditure will be subjected to that Partners need to be aware of. Partners should be aware that if errors are discovered in claims in later audits financial corrections will be made, which may include recovering expenditure already paid to the partner. This is one of the reasons it is important to ensure the FLC is capable of detecting these errors before the Payment Claim is submitted.

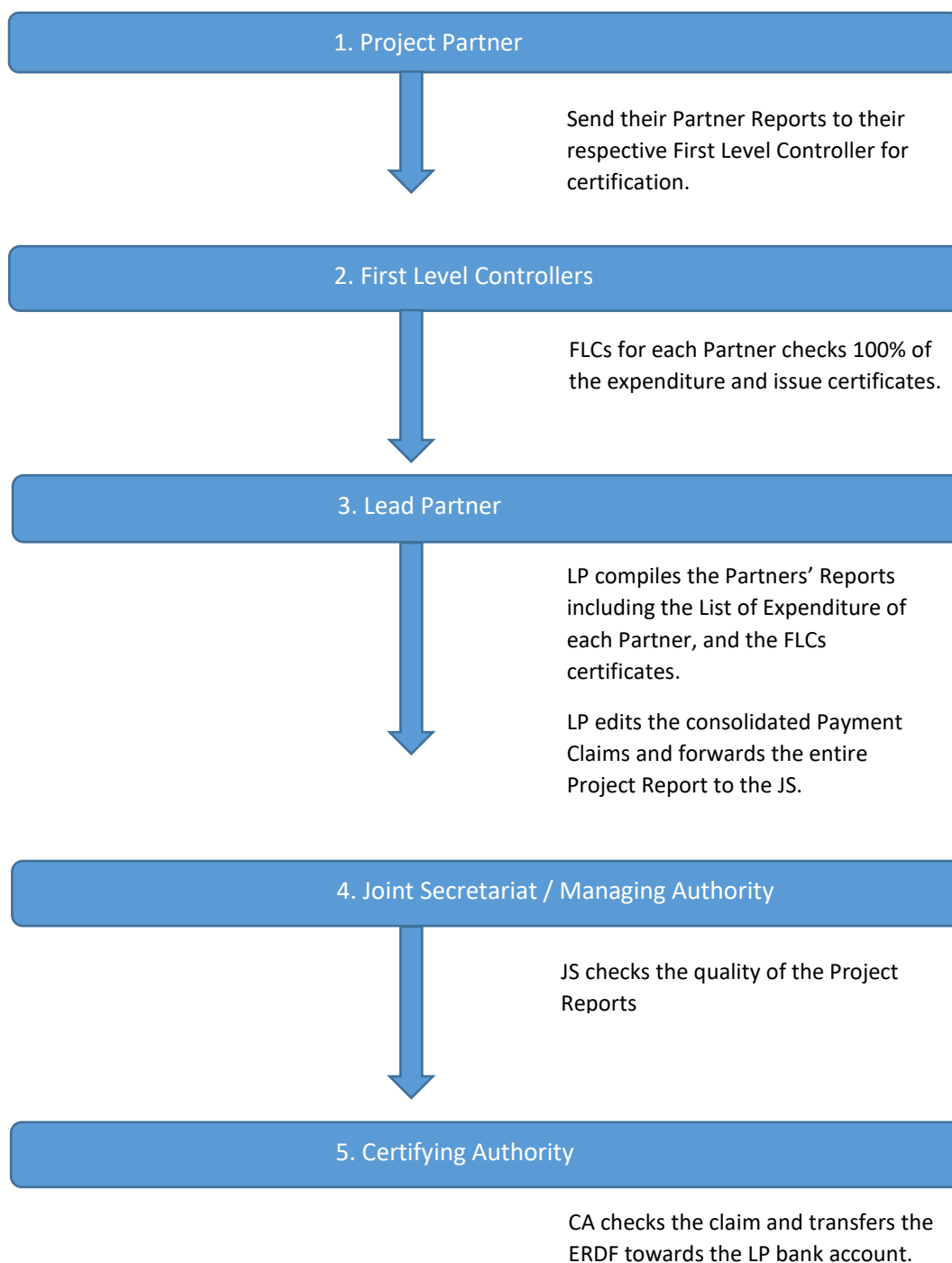
A. Second Level Control

Second Level Control is the term used to describe the work carried out by the Audit Authority of the Programme to check the overall performance of the programme management and control systems, including the system of First Level Control. To do this work they will audit a sample of Project Payment Claims each year and may visit projects to carry out their own on-site checks. For this reason, projects need to ensure that once they have submitted their Payment Claim they retain the evidence in a place that is accessible. This will have to be kept in accordance with the retention schedule set out in the Grant Offer Letter.

B. Commission/Court of Auditors

Both the European Commission and the European Court of Auditors have the right to audit the FCE Programme and may inspect individual Payment Claims in a similar manner to the Audit Authority, including carrying out on-site inspections of projects. This is sometimes referred to as, "Third Level Control."

Scheme 2: Project Reporting Process



V. Performance Monitoring

By signing the GOL, the LP commits to delivering outputs that contribute to performance framework as has been set out in the Application Form. The performance framework is the targets the Programme has for what projects will achieve during the programming period.

During project implementation, the Programme has in place a series of systems and measures to monitor:

- projects are being implemented in accordance with the Application Form;
- projects are delivering the necessary outputs to achieve impact in the Programme Area;
- if necessary, act in case of issues in delivery.

Several actions can be taken to manage issues within project implementation. These are set out in the section "Deviation". However, if these issues cannot be managed and result in projects not delivering outputs as described in the Application Form, Financial Penalties may apply (see point C of this section).

A. Reviewing project progress

Performance Review

Starting with a project's second project report, the JS will conduct a performance review of the project. This review will correspond to the project's reporting calendar which is set out in the GOL. The **purpose of the performance review** is

- (1) To monitor progress of implementation, identifying and monitoring issues which may impact on implementation, and
- (2) To verify that the project is delivering in accordance with the Application Form

The **progress report** is the main tool for monitoring project performance, it being the sole official tool for the project to demonstrate the progress towards the achievement of the foreseen project performance. Information in the progress report will also be used for the purposes of reporting to the European Commission on the Programme's progress, and for Programme Evaluation activities.

The progress report will consist of the following:

- A summary of the financial progress of the project

It will be automatically provided to the Lead Partner by the Online Monitoring System and will consist of the cumulative costs claimed by the end of the reporting period.

- A description of progress of activities and towards project's targets

In the Progress Report, the Lead Partner is required to ensure the consistency between the financial information and description of progress of activities as well as the conformity of the progress of the project (as reported in the report) with its original targets (as foreseen in the application form).

- Justifications in case of deviation

In case of lack of consistency between the financial information and description of progress of activities, and/or in case of deviation from the original targets foreseen in the Application Form, the Lead Partner is required to provide thorough and detailed explanations and justifications in the Progress Report.

It is **highly important that partners meet set deadlines for these reports**. It is via the Progress Report that the project shall officially demonstrate the compliance with performance and it is only via the analysis of the latest submitted Progress Report that the JS will carry out the performance review. In absence of the expected Progress Report, the claim will be considered incomplete which will induce delays in the process of the claim reimbursement.

Contact with JS

Projects should not wait for progress reports to raise issues that may affect project delivery. Rather, partners – via the LP – should immediately contact their contact person within the JS, who will be introduced to all partners at the Kick-Off meeting. It is by working with their contact person that projects can find solutions for issues and avoid the risk of financial penalties applied for not meeting performance targets (see subsection below).

B. Managing Deviation

If a project is not delivering as set out in the Application Form, then costs for activities may not be eligible and the project risks financial penalties for late or non-delivery of outputs.

Additionally, during project implementation, unexpected occurrences may take place meaning that partners cannot deliver the project exactly as set out. These occurrences include those affecting the composition of the partnership, the project budget, the actions planned or the timetable.

In order, despite these deviations from the applications, for costs to continue being eligible and to avoid risk of penalties, different actions can be taken. This sub-section sets out:

- Deviations that may necessitate project modification
- The type of modifications that apply
- The process to request a modification
- Actions when modifications either are not or cannot be applied.

Deviation / Changes	Action to Take
Changes to administrative information	Administrative modification
Changes to the project duration: up to 6 months	Technical Modification
Changes to the work plan: allocations of tasks between Project Partners, addition or removal of expenditure	
Minor changes to the project activities and deliverable which do not have a significant impact to the objectives, outcomes and results of the project	
Changes to the budget with no increase of ERDF with an amount representing less than 20% of the total eligible budget (including funds moved from one budget line to another)	
Changes to the financial plan: changes to the match funding where the changes requested by project partners to their financial plan represent an amount of less than 20% of the project budget	
Changes to the claim periods (dates and amounts)	
Changes to the partnership: Partners addition or withdrawal;	Fundamental Modification
Changes to the number and nature of outputs: substantial changes to planned actions;	
Changes to the project duration: more than 6 months	
Changes to the budget with an increase in ERDF and/or an amount representing 20% or more of the total eligible budget (including funds moved from one budget line to another);	

Administrative modification

Administrative modifications are changes in administrative data, such as contact details or a change in the LP's bank account details. The LP, or the relevant PP with the LP in copy, should inform the JS by email of any administrative modification, with any supporting documentation attached to the email (where relevant). The JS will then make the necessary changes on eMS.

If the modification is a change in the LP bank account, then the LP should provide supporting documents such as a RIB for the French LP or a headed signed letter for English LP.

Technical and Fundamental Modifications

Prior to making any modification, the proposed modifications must be discussed with the JS. A request is then submitted to the JS to justify the modification along with supporting documents where necessary. LP should use the project change request template provided by the Programme.

If the modification requires an increase/decrease in the amount of funding a partner will receive from an external source, then a new Letter of Engagement will be required. This includes the situation where the new match-funding comes from another project partner (shared costs).

A distinction needs to be made between fundamental and technical modifications. These are detailed below.

Fundamental modifications will have to be submitted for decision to the Programme Monitoring Committee (PMC) or its Selection Sub Committee (SSC). For technical modifications, the decision is taken by the JS who informs the PMC.

Once approved, the modified Application Form becomes the new official reference for the project, the FLC and the Programme bodies.

Technical Modifications

Changes brought to the project as mentioned in the summary table here-above are considered as technical modification on a cumulative basis. For example, a first request for an extension of 4 months will be considered as a technical modification, however an additional request for second extension of 3 months, bringing the modification to the initial Application Form to 7 months, will fall under the category of a Fundamental Modification.

To avoid unnecessary administrative burden, projects are encouraged not to submit more than 1 technical modification per year. It will be up to the JS to judge on the necessity of a technical modification proposed by the LP.

Technical modifications include:

- Changes to the project duration: up to and including 6 months;
- Changes to the work plan: allocations of tasks between Project Partners, addition or removal of expenditure
- Minor changes to the project activities and deliverable which do not have a significant impact to the objectives, outcomes and results of the project.
- Changes to the budget with no increase of ERDF with an amount representing less than 20% of the total eligible budget (including funds moved from one budget line to another);
- Changes to the financial plan: changes to the match funding where the changes requested by project partners to their financial plan represent an amount of less than 20% of the project budget;
- Changes to the claim periods in the GOL (dates and amounts);

Procedure

After the submission of the project request for change form, the JS carries out an assessment of the impact of the requested change(s). The assessment may result in one of the following outcomes:

- a) A positive assessment and the approval of the change request;
- b) Insufficient/unclear information to carry out an assessment. In this case the JS launches a clarification process with the LP. If the clarification process is concluded with a positive outcome, the change is approved;
- c) A negative assessment and the rejection of the change request.

The PMC will be informed, and the LP notified about the outcome of the request for the technical change.

In the case of a positive outcome, the JS will modify the Application Form on eMS.

Fundamental modifications

Whether in case of a deviation for which action needs to be taken, or in case of a need or opportunity for a change identified by the project, the Lead Partner in cooperation with the JS can decide to carry out a fundamental modification. The fundamental modification is a more structural plan. It can be used to tackle deviations that affect negatively the performance targets of the project and in case these cannot be avoided through a technical modification. In most cases, a fundamental modification will necessarily lead to a change in the project performance (for instance, decrease to the number of outputs).

Changes to the budget allocations per reporting period require a fundamental modification due to the potential impact on the measurement of project performance.

It should be noted that when one or more cases of fundamental modification apply, it is very likely that this will entail one or more cases of changes listed under the technical modification. For example, a change to the nature of outputs will most likely lead to a change in the content of activities and nature of deliverables.

Additionally, changes in the budget allocations per reporting period without any changes in the total ERDF or because of a reduction of ERDF do not require a fundamental modification.

A fundamental modification covers the following changes:

- Changes to the partnership: Partners addition or withdrawal;
- Changes to the number and nature of outputs: substantial changes to planned actions;
- Changes to the project duration: more than 6 months;
- Changes to the budget with an increase in ERDF and/or an amount representing 20% or more of the total eligible budget (including funds moved from one budget line to another);

Where a Lead Partner proposes deviations to their project that result in a change of Specific Objective, or changes that are so significant that the project is unrecognisable from the initial application, a new application form will be requested alongside the project modification form to enable a full appraisal of the “New Project” to be undertaken.

Procedure

The LP should liaise with the JS to ensure that the timeline of the modification request does not create delays in the project delivery.

After the submission of the project “request for change” form, the JS shall evaluate the fundamental modification and give an opinion. The JS carries out an assessment of the impact of the requested change(s).

The fundamental modification request form, together with the JS opinion, shall be submitted to the PMC for decision.

The JS and the Programme Monitoring Committee (PMC) shall evaluate the fundamental modification. The PMC shall approve or reject the fundamental modification.

The LP will be notified about the outcome of the request for the fundamental change.

In the case of a positive outcome, the JS will modify the Application Form on eMS.

Once approved, the modified AF is the new official reference for the project, the FLC and all the Programme bodies.

A fundamental modification can also imply changes to the Grant Offer Letter and to the partnership agreement.

At the time of the project progress report and performance review, if the project does not provide sufficient evidence of the compliance with the performance framework as defined in the application form and Grant offer Letter, **the Programme Monitoring Committee and the MA will be entitled to adopt a financial correction** based on a specific methodology detailed under “corrective measures”.

The procedure for the corrective measures is reported in the next sub-section.

C. Corrective measures

If a modification is not or cannot be applied and the **performance review** finds that targets in terms of outputs, deliverables and financial spending have not been achieved, then the project may be subject to financial penalties (known as Corrective Measures)¹³.

Performance of project’s activities and deliverables progress

If the project fails to reach the performance targets, it will receive a **first warning** from the Programme. This will take the form of an official communication sent by the MA/JS (practicalities to be confirmed). The communication will contain the analysis of the project performance and will remind of the Programme rules regarding the corrective measures in case of underperformance.

At the stage of a first warning, the Programme will propose any relevant action to tackle the deviation (e.g. technical or fundamental modification). No financial penalty will be applied.

The warning can apply at any reporting period of implementation of the project.

If despite the above-mentioned actions, the project shows a second consecutive period of underperformance, the Programme may impose, upon decision by the PMC, a series of financial penalties which are detailed below.

The underperformance is determined on the basis of the average of the cumulative performance rate for all Work Packages (WP), with the exception of Work Packages 0 and 1. Within each Work Package, each activity will be considered as delivering 1 unit, which will be considered as a target to achieve in the reporting period of the activity’s end date¹⁴.

The Performance rate will be calculated as following:

- a) For each unit, the value of achievement will be calculated based on the information in progress report. E.g.: an activity that plans to deliver a training to 500 people and by the end of its implementation has reached 400 people will have a value of achievement of 0.8.
- b) For each WP, the value of achievement shall be determined by the total of the values of the achieved units for that reporting period.

¹³ Art. 7.10 GoL

¹⁴ The last day of the month indicated in the Application Form will be considered as the end date of an activity

- c) For the Cumulative Performance rate, the total of the cumulative achieved units of all WP per reporting period will be divided by the total of the cumulative targets for all WP for that same reporting period.

Depending on the level of underperformance, the following reduction of ERDF will apply:

- a) 1 % of the cumulative financial target of the project by the given period in case of a Performance rate below 65 % but not less than 60 %,
- b) 2,5 % of the cumulative financial target of the project by the given period in case of a Performance rate below 60 % but not less than 50 %,
- c) 5 % of the cumulative financial target of the project by the given period in case of a Performance rate below 50 %.

Cumulative Performance rate (CPR)	ERDF reduction
$65\% \leq \text{CPR}$	None
$65\% < \text{CPR} \leq 60\%$	1%
$60\% < \text{CPR} \leq 50\%$	2,5%
$50\% < \text{CPR}$	5%

Corrective measures based on performance review

SIMULATOR OF CORRECTIVE MEASURES						
Monitoring of activities / deliverables						Corrective measures
Period 1	Target	Cumulative targets	Units achieved this year	Cumulative achieved units	Performance rate	
WP 3	1	1	1	1		
WP 4	1	1	1	1		
WP 5	0	0	0	0		
WP 6	0	0	0	0		
Cumulative performance	2	2	2	2	100%	NO
Period 2	Target	Cumulative targets	Units achieved this period	Cumulative achieved units	Performance rate	
WP 3	0	1	0	1		
WP 4	0	1	0	1		
WP 5	1	1	0	0		
WP 6	0	0	0	0		
Cumulative performance	1	3	0	2	67%	NO
Period 3	Target	Cumulative targets	Units achieved this period	Cumulative achieved units	Performance rate	
WP 3	1	2	1	2		
WP 4	1	2	1	2		
WP 5	1	2	0	0		
WP 6	1	1	0	0		
Cumulative performance	4	7	2	4	57%	FIRST WARNING
Period 4	Target	Cumulative target	Units achieved this period	Cumulative achieved units	Performance rate	
WP 3	0	2	0	2		
WP 4	0	2	0	2		
WP 5	0	2	1	1		
WP 6	1	2	0	0		
Cumulative performance	1	8	1	5	63%	1% ERDF cut

Example:		
<i>cumulative budget</i>	<i>budget cut</i>	<i>ERDF cut</i>
4,874,000 €	48,740 €	33,630.60 €

Period 5	Target	Cumulative target	Units achieved this period	Cumulative achieved	Performance rate	
WP 3	1	3	1	3	100%	
WP 4	1	3	1	3		
WP 5	1	3	2	3		
WP 6	0	2	2	2		
Cumulative performance	3	11	6	11		

Performance of project's financial progress

The assessment of project spending will be made based on the Project Progress Report from the **third** reporting period. The Project can underspend up to 10% of its budget foreseen for the cumulative periods concerned. Underspending beyond the set limits is only acceptable in cases where individual costs have been delayed due to reasons beyond the control of the PPs¹⁵.

Based on the payment claim, the underspending will be monitored against the limit of 10% of the cumulative budget. If the Project has underspent more than 10% of the cumulative budget, the amount exceeding the set limit will be deducted from the Project Budget and the Grant (subject to the project ERDF rate), upon decision by the MA.

For example (see table below, in reporting period 3):

- If the project cumulative target is €3,710,000;
- If the project cumulative spend is €3,300,000;
- The set limit of 10% represents €3,339,000 (= 3,710,000 - 371,000);
- Therefore, the budget reduction will consist of €39,000 (= 3,339,000 - 3,300,000);
- And the ERDF reduction will consist of €26,910 (for a project with a 69% ERDF rate).

Where relevant, the LP will be contacted by the JS on behalf on the MA to clarify the spending of each period and the required deductions from the Budget. Where the MA determines there is a required deduction from the Grant in such circumstances, the MA may issue an amendment to the Grant Offer Letter which will take effect immediately upon issue by the MA¹⁶.

¹⁵ Art. 2.4 b) GOL

¹⁶ Art. 2.4 c) GOL

Corrective measures based on spending review

SIMULATOR OF CORRECTIVE MEASURES									
Monitoring of spending						Corrective measures			
Reporting Period 1	Target	cumulative target	achieved this period	cumulative achieved	Performance				
Cumulative spending	1,600,000 €	1,600,000 €	800,000 €	800,000 €	50%	NO CORRECTIVE MEASURES			
Reporting Period 2	Target	cumulative target	achieved this period	cumulative achieved	Performance				
Cumulative spending	1,060,000 €	2,660,000 €	1,100,000 €	1,900,000 €	71%	NO CORRECTIVE MEASURES			
Reporting Period 3	Target	cumulative target	achieved this period	cumulative achieved	Performance	<i>underspend</i>	<i>threshold of 10%</i>	<i>budget cut</i>	<i>ERDF cut</i>
Cumulative spending	1,050,000 €	3,710,000 €	1,400,000 €	3,300,000 €	89%	CORRECTIVE MEASURE: <i>Art. 2.4 GOL: ERDF cut of underspend above 10% limit</i>	410,000 €	371,000 €	39,000 € 26,910 €
Reporting Period 4	Target	cumulative target	achieved this period	cumulative achieved	Performance				
Cumulative spending	1,203,000 €	4,874,000 €	1,200,000 €	4,500,000 €	92%	NO CORRECTIVE MEASURES			
Reporting Period 5	Target	cumulative target	achieved this period	cumulative achieved	Performance				
Cumulative spending	1,360,000 €	6,234,000 €	1,734,000 €	6,234,000 €	100%	NO CORRECTIVE MEASURES			

Justification of Force Majeure¹⁷

If a project's performance encounters Force Majeure, the project should inform the JS as soon as possible, explaining what actions are planned to overcome the Force Majeure, and keep the Programme informed of developments. It should also mention the issue(s) encountered through its Progress reports.

The following is a non-exhaustive list of cases that could be considered as Force Majeure:

- a. Bankruptcy of one or more partner
- b. Loss of one or more partners following the closure of the organization in case of a fundamental administrative reform
- c. Unforeseen adverse macro-economic conditions leading to strong unforeseen budgetary cut (e.g. a serious revision of the GDP growth forecast of a N year compared to the GDP growth forecasted at the time of the project's submission).
- d. Unforeseen extreme fluctuation of the £/€ conversion rate
- e. Unforeseen and extraordinary weather conditions delaying or preventing the delivery of one or more project outputs (notably in case of investments).

In any of the above-mentioned cases, it is up to the project to prove the existence of the external factor(s) and its/their impact on the project's implementation.

External factors contributing to a serious failure to achieve the targets shall be considered on a case-by-case basis.

In case of delay in performance, a notification after review of the progress report is issued by the JS. If the delay in performance is not resolved within 3 months after this notification, the PMC¹⁸ will decide what action to take, which may include, if necessary, actions mentioned above.

The reduction or cancellation of the financial penalties is subject to the decision of the Programme authorities.

D. Termination of the Grant Offer Letter

In exceptional cases, where a project does not fulfil its contractual obligations and it is evident that the successful project delivery is compromised, the MA is legally entitled to terminate the contract and to demand repayment of funds as set out in Article 12 of the Grant Offer Letter.

¹⁷ Art. 16.2 GoL

¹⁸ Art. 16.2 GoL

Guidance Note 6b

Project Implementation

VI. Public Procurement ¹

During the implementation of a project whenever purchases are made, and contracts are awarded to external suppliers, project partners must ensure good value for public money is achieved. The principles of transparency, non-discrimination, equal treatment must be respected to ensure effective competition. Three levels of rules must be taken into consideration:

- the EU public procurement directives
- national procurement law that incorporate EU law
- internal rules of the partner's organisation

As a matter of principle, the strictest rules must always be applied.

A. Introduction

Almost all projects will need to make procurements during their implementation. Procurement covers the purchasing of any goods, services or building work which are needed for the implementation of the project. In general, this expenditure will be under the External Expertise and Services, Equipment, Travel and Accommodation and Infrastructure Budget lines.

Following the rules in this Guidance note is essential to secure Project expenditure complies with European Union and National Law relating to procurements, and that value for money is delivered for the programme. In the 2007-13 programme period, Public Procurement has been found to account for over 40% of errors in payment claims to ETC projects across Europe. To avoid mistakes, projects should familiarise themselves with the rules that apply to them, and then ensure that they allow sufficient time to carry out their procurement procedures in accordance with these rules.

This document should not be treated as a definitive guide to Procurement, as the rules can vary depending on the item being procured and the organisation procuring it. For higher value procurements where the organisation does not have its own procurement department with experience of handling public procurements it may be advisable to for Project Partners to seek legal advice.

B. What is Public Procurement?

A Public Procurement is, in the simplest of terms, a procurement made by a Public-Sector Organisation, referred to as a "contracting authority" in the European Union Directives which set out the rules on procurement.

¹ Rules for public procurement and entry into the markets, including regulations made under [Directive 2014/24/EU](#) on public procurement being the [Public Contract Regulations 2015](#) for England and the [decree 2006-975 of 1 August 2006](#) and Statutory Instrument of 3 August 2006 on public procurement and any successor legislation of these for France to implement the above directive.

The definition of a Public-Sector Organisation in EU procurement law is not determined by the legal form of the organisation or its ownership, so even if a Project Partner does not believe they are a Public sector organisation they should consider the definition below to consider if they need to apply Public Procurement Rules or not.

Definition of a Contracting Authority

This definition includes any organisation which are general considered to be a part of the public sector, such as State, Regional or Local Authorities, and organisations formed by these bodies. It also includes organisations which are, “governed by public law,” which means any organisation that meets the three following criteria;

- a) Established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;
 - b) Having legal personality (i.e. Is incorporated);
 - c) Receives over half its finance from state, regional or Local Authorities;
- or**
- Is subject to management supervision by those authorities.

For example, some charities which receive over 50% of their financing from public sources (including the ERDF grant from the programme) may be considered, “contracting authorities.”

If a Project Partner is unsure whether its organisation falls within the definition of a contracting authority, then they should seek further advice. To help the Partner in determining their status there is a questionnaire entitled “Characterisation of the legal type of an organisation” on the [FCE website](#) within the useful documents section: Documents for applicants. The legal standing is a determination that Project Partners need to make ahead of completing their Application Form as it may have an impact on their timeline, and they will also need to be aware of which rules they need to follow to avoid making inadvertent breaches.

Public bodies

Public bodies frame their internal public procurement rules within the overall remit and scope of their national law. The public procurement rules define the processes for obtaining goods and services and the measures that are proportionate to the monetary value of the contract.

For example, lower value purchases could be carried out by obtaining written quotes whereas higher value contracts would require following formal tender and publicity procedures. Where the subject matter of contracts is likely to be of **cross border interest** then the offer must be advertised in a manner that allows interested parties in other Member States to consider bidding. This can be achieved by advertising on the project partner’s own website and/or on any dedicated national websites for this purpose. Contracts above the EU thresholds are advertised in the Official Journal of the European Union (OJEU) and follow procedures laid out in the EU public procurement directives. Following their own internal procurement rules and national rules, where these are applied, project partners would be complying with EC public procurement directives, so they don’t have to perform any additional tasks.

To be noted that enterprises may be Contracting Authorities. This is the case for public enterprises, or organisations of private law that deliver network operator activities in the sectors of energy (gas, heating, electricity, etc.), water, transports and postal services.

A non-exhaustive list of contracting authorities annexed to the former directive 2004/17/CE of 31st of March 2004 was not included in the new directive 2014/25/UE of 26th of February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors.

A case by case analysis is therefore required for their qualification with regards the criteria defined by the directive 2014/25/UE and the applicable national rules (“Code de la commande publique” for the French partners).

Private bodies

Partners that are bodies of private character participating in a project are **not** required to follow public procurement procedures unless these are prescribed for them in the national rules. However, all project partners must demonstrate compliance with the EU Treaty principles described in section D (non-discrimination, equal treatment, transparency) in the selection process used to determine a supplier of goods, services and work. In this context partners deemed to be of private character also need to assess whether their contract would be of interest to suppliers in other Member States and, if so, ensure that they include adequate measures in their purchasing process to ensure compliance with these principles. There is no specific procedure set by the EC how it should be done so it is for each project partner to decide based on an evaluation of their own circumstances such as:

- The subject matter of the contract
- Its estimated value
- The specifics of the sector concerned (size and structure of the market, commercial practices)
- The geographic location of the project activities and relevant market condition

Where a partner concludes that there would be cross-border interest in their contract they need to consider how they would advertise. Adequate and commonly used means of publication are:

- The project partner’s own website in a way that potential bidders can easily become aware of the information
 - Portal websites specifically created for contract advertisements, making full use of internet’s possibilities to increase transparency
 - National/regional newspapers and journals
- Local means of advertising – for small contracts for which there is only a local market

The requirement of transparency does not necessarily imply an obligation to hold a formal invitation to tender. The advertisement may therefore be limited to a short description of the essential details of the contract to be awarded and of the award method together with an invitation to contact the project partner. The information should be sufficient to enable any potential supplier from other Member State to make a decision on whether to express an interest in the contract.

A selective practice of contacting a few potential suppliers would not be considered sufficient. Also, passive publicity, where there is no active advertising but simply responding to those who find out about the opportunity through own means would not be considered acceptable.

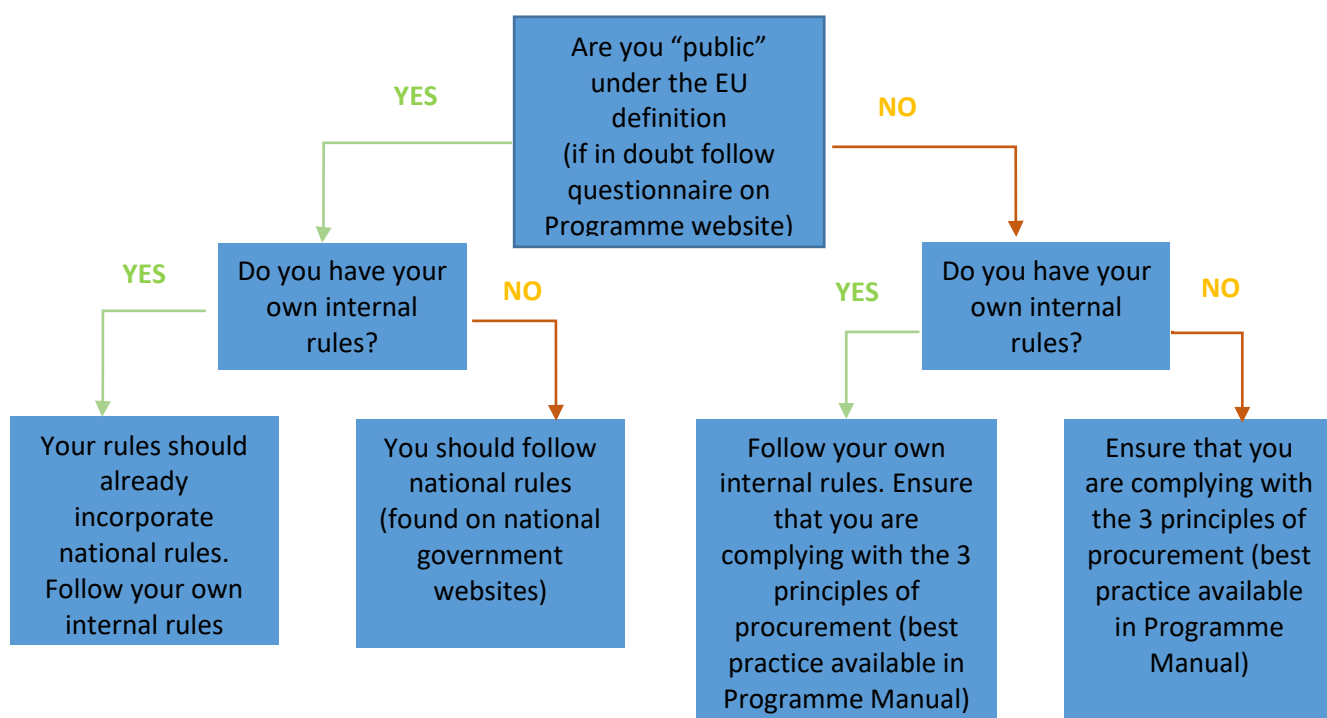
Award of a contract must be based on procedures set out at the start of the process. The entire process should be documented as this would be required as evidence in any future audit.

If the project partner has internal rules for procurement and these include certain thresholds above which the market must be tested for competitive bids, then these should be followed. When

establishing the contract value, the project partner must take into consideration all potential contracts of the same type that the partner organisation has implemented or will implement during the life of the project. A procurement may not be divided into several smaller procurements with the purpose of fitting them individually into the value range applicable to direct awarding without testing the market.

If a direct award procedure is used for reasons of urgency, it has to be proven that the urgency is due to unforeseeable circumstances. Insufficient planning by the project partner does not justify a direct award. If a direct award procedure is used for technical/ exclusivity reasons, it must have been ruled out that any other supplier than the one being contracted is capable of providing the requested services. This elimination procedure must be based on objective criteria. The fact of having already worked with a certain external provider in the past, having been satisfied by the work quality and wanting to benefit from the knowledge the provider acquired does not represent sufficient justification for a direct award.

Using the correct rules (subject to the principle that the strictest rules apply):



C. Where to find advice?

Lead Partner (LP) - the Lead Partner has responsibility to ensure the regularity of expenditure of its Partners, and has a role in providing advice on Public Procurement to the other members of the Partnership. As a part of this role, where appropriate, they should support other organisations in procurement activities.

First Level Controller (FLC) - As the First Level Controller will be required to check the procurement, it may be better to have their approval before the procedure to avoid having the expenditure later declared ineligible.

Legal Advice- For especially complex procurements or procurements with a high value where the contracting organisation does not have substantial capacity or experience in carrying out Public Procurements, then it may be advisable for them to seek independent legal advice on the requirements for their procurement. Such advice is an eligible cost under the Programme Rules, and should be built into the budget as a part of planning the project.

D. General Principles

Although these requirements appear onerous the steps taken to ensure that a procurement is in line with these principles should always be proportionate to the size of the procurement, and for most procurements a simple quote gathering exercise will be sufficient.

Non-discrimination

For a procurement to be non-discriminatory all suitable suppliers should have a chance to supply the goods or services in question. Therefore, product descriptions should not refer to a specific manufacturer or model. For example, if purchasing a van, the specification should not require that it be a Ford Transit 2015 model, as this means other suppliers of suitable vehicles would be unable to compete.

Equal Treatment

All suppliers across the European Union must have an equal opportunity to bid for the work. Therefore, procurements should not require a specific location of a supplier unless this is strictly necessary (for example, if procuring conference facilities in Canterbury then only organisations with conference facilities in Canterbury need be contacted). This also is dependent on the size of procurement, for smaller procurements local organisations may be the only organisations interested in the contract. Therefore, there are different standards required for different values of procurement, which are set out below.

Transparency

In this context transparency means that the decision-making process should be clear. Whenever an organisation is invited to submit a quote or take part in a Tendering Exercise the selection criteria should be clear to all those involved, and the same information should be provided to each interested provider.

So that it can be evidenced that these principles have been followed, it is vitally important that Project Partners retain the evidence of their procurement process.

E. Rules applicable to projects

There are 3 sets of rules that can apply to a project: European Union, National Rules and Internal Rules. The national rules are set out by the Member states and should incorporate all the requirements of EU Law, so in most cases complying with National Law will mean also complying with EU Law by default.

It is important to always apply the **strictest rules that apply**. If the national rules for taking part in ERDF Programmes are stronger than the internal rules of an organisation, then that organisation must apply the national rules.

EU Rules

The EU rules for Public procurement are set out in the European Union's Public Procurement directives, which are then implemented (transposed) into national law.

These apply to contracts awarded by contracting authorities (as defined above) at a value above the thresholds set out below. In these situations, there are strictly defined rules relating to the running of procurements. The general thresholds are set out below. Project Partners should be aware that if they are a central government organisation in some cases lower thresholds apply.

These thresholds are set out on the [European Commission website](#).

At the time of publication (November 2020) the main thresholds are;

<i>Type of procurement</i>	Works contracts, subsidised works contracts	
Central Government authorities	Works contracts, subsidised works contracts	
And		
Sub-central contracting authorities	€5,350,000	
<i>Type of procurement</i>	Goods and services	
Central Government authorities	All services concerning social and other specific services listed in Annex XIV	
	€750,000	
	All subsidised services	
	€214,000	
	All other service contracts and all design contests	
	€139,000	
All supplies contracts awarded by contracting authorities not operating in the field of defence		
€139,000		
Supplies contracts awarded by contracting authorities operating in the field of defence		Concerning products listed in Annex III
		€139,000
		Concerning other products
		€214,000

Sub-central contracting authorities	All services concerning social and other specific services listed in Annex XIV	€750,000
	All other service contracts, all design contests, subsidised service contracts, all supplies contracts	€214,000

More information can be found on the [European Commission website](#).

When considering these Thresholds, it is important to consider the total requirements rather than just the specific purchase which is being made. So, if you will require 20,000€ of service each month for 11 months, the total value of that procurement should be regarded as being 220,000€ rather than 20,000€. In this case it would exceed the threshold for services above and should be treated as a single procurement of that value. It is strictly forbidden to artificially break down a contract into smaller “lots” to avoid a threshold.

If a Partner is unsure of the total value of their procurement they should seek further advice.

National Rules

These rules will implement the EU directives above, and set national standards for Public Procurement. All project Partners will need to ensure that they comply with these rules.

Internal Rules

If a Project Partner has internal rules on procurement, then they must obey these rules, unless national or EU rules are stricter than their internal rules.

F. Advice for audit trail purposes

The first action which should be taken is to determine the value of the procurement, as the procedure to be followed will depend on the value of the item to be procured. If the procurement value is close to threshold and it is not clear whether the procurement will be above or below the threshold then the procedure for the higher value should be used.

Single Quote

When using this procedure, the Partner Organisation may contact just one supplier for the provision of the Product. They must still ensure that they obtain value for money on the product. For example, a purchase of a pen normally worth 0.10€ that is procured for 999€ would not be a satisfactory procurement.

This is a minimum requirement for these procurements, if a Partner believes that they can get better value for money through requesting more quotes then they should do so.

Audit Trail

There is no specific Audit trail requirement for a single quote. However, Project Partners must ensure that they record all the required information set out in the Guidance Note on Budget Lines and Eligibility.

Three quotes

Obtaining three quotes is only a minimum requirement. If a Project Partner believes that they can obtain better Value for Money by obtaining more quotes or by running a Tendering exercise, then they are free to do so.

The steps to be followed for this procedure are;

1. The partner creates a shortlist of potential suppliers to be invited by submitting quotes. This can be as simple as searching the internet for providers of the required goods, depending how common the goods or services required are.
2. The partner sends a request for a quote to each of the suppliers. This request for a quote should set out the requirements of the contract, the quantity required (if applicable), the timeframe, the conditions of contract that will apply, the date the quote needs to be received by, and how the quote will be assessed (For example best quality product or lowest price). Unless there are exceptional circumstances the date should not be less than 5 working days from the time when the request for a quote is sent to the potential suppliers. If there are particularly complex requirements, then the Partner should allow a longer period for responses.
3. When the quotes are received a selection will be made, and the reason for the selection should be recorded. This can be as simple as, "lowest price."
4. The Successful supplier shall receive the order. The unsuccessful suppliers shall be informed of the decision, and if they request, informed of the reason they were unsuccessful (within the limits of commercial confidentiality).

Catalogue Listing

For some items which are commonly available and have public price listings (such as on a website or in trade catalogues) it is acceptable for these to be used in the place of quotes. This includes trade catalogues, print outs of websites and similar evidence, provided that the items shown all have the same or similar characteristics and meet the requirements of the project.

Audit Trail

- The requests for quotes sent to all the potential suppliers
- The responses from the suppliers
- The rationale for selecting the chosen supplier
- The notification to the selected supplier and the notification to those not selected setting out why they were rejected.

If public price listings were used, then copies of these should be used in place of the request for quotes and the responses from the suppliers.

Additionally, the normal audit trail for this type of expenditure as set out in the Guidance Note on Budget lines and Eligibility must be kept.

Tender

The information in this section only relates to Tenders which are above the relevant threshold but below the EU thresholds, where these apply.

The first step in a Tendering exercise is to develop the specification and the evaluation criteria. The specification should clearly establish the requirements of the procurement. Great care should be taken to ensure that it accurately reflects the needs of the purchasing organisation, as not only will suppliers develop their Tenders based on it, it will often become a part of the contract between the purchasing organisation and the supplier.

The next step is to advertise the procurement. The advertisement should include details of how to make an expression of interest in the Procurement, and how long interested organisations must register their interest.

The advert should be posted at least 10 working days before the deadline or expressions of interest. It needs to be placed on a location which offers a wide visibility to potential suppliers. Potential sites include;

www.contractsfinder.service.gov.uk

www.boamp.fr

Once organisations have registered their interest, they should be sent an Invitation to Tender (ITT) including the specification and evaluation criteria. This must also include information on how to submit the Tender, and the deadline to do so.

The closure of expressions of interest and the deadline for the submission of an ITT must be at least 10 days apart. However, if the Tender is for a particularly complicated Purchase then Project Partners may wish to extend the deadline to ensure that Applicants have sufficient time to develop their Tender.

The next step is the Evaluation of the Tenders. This should be done based on the criteria circulated with the Tender, and on an objective basis. The scores awarded in the evaluation must then be used to select the supplier.

All applicants shall be informed of the decision, and on request they should be provided with the reasons for their rejection (within the limits of commercial confidentiality).

Audit Trail

- Copy of the Advertisement advertising the Tender
- The Expressions of Interest Received
- Copy of the Invitation to Tender
- Tenders Received
- Evaluation Scores
- Notification to applicants of contract award

Additionally, the normal audit trail for this type of expenditure as per the Guidance Note on Budget lines and Eligibility must be kept.

EU Thresholds

EU tendering processes have strict time requirements, so Partners must ensure they have planned sufficient time to work through the process to meet the requirements. Given the high value which is automatically attached to such a procurement, it presents risks to the partners if it is later deemed ineligible. Therefore, it might be advisable that large scale procurements are handled by Partners with dedicated procurement teams who are used to dealing with EU tenders.

Project partners should refer to the relevant National Guidance on performing an OJEU tender.

For UK partners only:

Note: Public bodies must comply with requirements under regulations 106, 108, 110 and 112 of the Public Contracts Regulations 2015 (PCRs 2015).

Contracting authorities must ensure that any procurement opportunities and contract awards above certain low thresholds are published on Contracts Finder.

<https://www.gov.uk/government/publications/procurement-policy-note-0716-legal-requirement-to-publish-on-contracts-finder>

For French partners only:

Procurement with a value lower than €40,000 (excluding taxes)

In line with article 30-8° of the French Decree n° 2019-1344 of 12 December 2019 on public procurement, for public procurement with a value lower than €40,000 without VAT, the buyer shall select the relevant offer, make good use of public monies and shall not systematically contract with the same economic operator when many offers exist that might fulfil the requirements.

Tenders

The following applies (thresholds from date of publication January 2020):

Supply and services	Amended procedure contracts (MAPA)	Formal tender
Amounts	From €40,000 without VAT up to €138,999.99 without VAT (State and its public institutions)	From €139,000 without VAT (State and its public institutions)
	From €40,000 without VAT up to €213,999.99 without VAT (local authorities, public health institutions)	From €214,000 without VAT (local authorities, public health institutions)
	From €40,000 without VAT up to €427,999.99 without VAT (purchasing contracting entity which operates as a network operator (production, transport or distribution of electricity, gas, water in particular))	From €428,000 without VAT (purchasing contracting entity which operates as a network operator (production, transport or distribution of electricity, gas, water in particular))

Works	Amended procedure contracts (MAPA)	Formal tender
Amounts	From €40,000 without VAT up to €5,349,999.99 without VAT	From €5,350,000 without VAT

Audit Trail

- Copy of the Advertisement advertising the Tender
- The Expressions of Interest Received
- Copy of the Invitation to Tender;
- Tenders Received;
- Evaluation Scores;
- Notification to applicants of contract award.

Additionally, the normal audit trail for this type of expenditure as per the Guidance Note on Budget lines and Eligibility must be kept.

On publication thresholds, the following applies:

	Advertising not compulsory	Free or relevant advertising	Advertising in BOAMP or in a JAL	Advertising in BOAMP and in OJEU
Supply and services	below €40,000	from €40,000 and up to €89,999.99	from €90,000 up to €138,999.99 € (State and its public institutions - central authorities)	from €139,000 (State and its public institutions - central authorities)

			from €90,000 à €213,999.99 (local authorities, their institutions, their groups, and other buyers - except the State)	From €214,000 (local authorities, their institutions, their groups, and other buyers - except the State)
Works	below €40,000	from €40,000 and up to €89,999.99	from €90,000 up to €5,349,999.99 €	from €5,350,000

G. Risks in Public Procurement

In the past Public Procurement failings have been a common failure detected in Audits of Interreg programmes. Common errors include;

- Failure to consider repeat purchases as a single procurement, meaning the procurement thresholds are exceeded and incorrect procedures are used.
- Partners artificially splitting procurements to avoid procurement thresholds
- Insufficient Publicity for Procurements
- Amendments to contracts without considering whether an extension/addition is permissible under the original procurement or whether a new procurement process is required
- Award of contracts made using different criteria to those published in the Tender, meaning the competition is not fair

In the case of FLC contracts, please consider the following:

FLC contracts for UK partners: the contract would have been awarded through a procurement process that may have been both time limited and a worth specific amount. Therefore, in the case of a project extension, when original procurement finishes, the FLC contract might need to be amended or re-procured where relevant. Please seek advice from your own procurement team or contact the Joint Secretariat.

FLC contracts for FR partners: the FLC contracts have been awarded through a Framework Agreement process. In the case of a project extension, the partners must set up an extension amendment with the FLC, whilst still not exceeding the maximum of 48 months of the duration of the Framework Agreement (from the date of notification, which corresponds to the date of receipt by the selected service provider(s) of the letter notifying them of the framework agreement)².

² Article 3 of CCME (Cahier des Caractéristiques Techniques et des Modalités d'Exécution – commun aux marchés subséquents)

H. Penalties for improper Procurement procedures

If you fail to adhere to procurement rules, there may be financial corrections applied to your claim. The programme will follow the Commission rules for corrections for Public Procurement Errors.³ These apply a penalty of between 5% and 100% of the value of the procurement, depending on the severity of the fault.

³ Commission Decision of 19.12.2013, C(2013) 9527 ; update 14.05.2019, C(2019) 3452

Guidance Note 7

Project Communication

I. Introduction

Communication is key to successfully implementing and delivering any project. Publicising projects and all the good work they are achieving is a crucial part of ensuring the success of EU funded projects. Over the last decade project communication has become an increasingly important part of the Interreg programmes. But communicating well does take time and resources (both human and financial) and as a result must be planned properly.

We understand that communication is not everyone's specialist subject so the following guidance note will walk you through the key steps for your project communication and give you some ideas and advice on the types of communication tools and measures that you could use.

This guidance note will be broken down into two main sections:

- 1. Guidance for completing the communication work package of the full application form.*
- 2. The mandatory requirements and best practices that should be considered when implementing your communication strategy.*

The France Channel England Programme has dedicated staff for Communication purposes, who are available for any questions or queries you may have about project communication. Please visit our contact page on our website to get in touch with our Communication staff directly.

II. Application Form Guidance

The communication work package is the part of the application form that allows you to outline your communication strategy and the key steps you will take to publicise your project throughout its life cycle. It is an important part of the application and should not be seen as an 'add on' to your project but rather as tool in helping you achieve your overall project objectives. The section below will outline some of the key components you should consider when completing this work package and putting together your communication strategy.

A. Objectives

Objectives are fundamental to any communication strategy. All communication that you implement needs to be driven by objectives and goals. It is important that your communication objectives contribute to the achievement of the overall project. In this way communication activities will be recognised not as an "add-on", but as something that is fundamental to the project's success.

Your communication objectives should outline how communications will help deliver your overall project objectives. For example:

Project Objective – Increase the uptake of a new eco-friendly product

Communication Objective – Increase awareness of new eco-friendly product amongst the general public

When putting together your communication objectives it may be useful to consider the acronym SMART as this will help you set realistic and achievable objectives.

S – Specific	Make your objectives clear. Vague objectives will only result in vague communication.
M – Measurable	Make sure you can measure your objectives. This will allow you to see if you have successfully met them.
A – Appropriate	Make sure the objective is relevant to meeting your project objectives.
R – Realistic	Be realistic about what you can achieve with the time and resources you have available.
T- Timed	Set a deadline for when you think you will be able to achieve your objectives.

B. Target groups

Along with your objectives, you need to identify who your key target audiences are. In section 3.2 of the Application form you will have already identified the target groups that you plan to reach with your project. It is important that you keep these target groups in the front of your mind when putting together your communication strategy and look at which communication activities are needed to reach each target group.

C. Activities

Outlining your communication activities is a key part of the communication work package and of any communication strategy. This is your opportunity to talk about how you are going to raise awareness and publicise your project. When thinking about what communication activities to put in-place, consider the following question: How and with what message are you going to communicate to each target group?

Activities may include events, press releases, social media, flyers and so forth. In the second part of the communication note we will go into more detail about some of the activities that could be used and the best practices for each activity.

Each communication activity outlined in the application form will also need to have a deliverable. For example:

Activity: Media engagement – The project will focus on building relations and engagement with the media to enable coverage of the project to the general public.

Deliverable: Creation of an online press-room, 10 press releases published per annum.

N.B. As well as having communication activities that are specific to each project, there are also several activities that must be implemented in-line with EU regulations. This will be referred to in more detail in part III.a. of the Communication Note.

D. Timeline

All communication activities should be accompanied with a time frame. This should be in-line with the key milestones for the overall project.

E. Budget

The final aspect of the communication package is the budget. We recommend that you go through your proposed communication activities with your partners and look at what can be done 'in-house' with your own staff and resources, and what will need to be done by external services. When filling out the budget all third-party costs should be placed under the section 'expertise and external services.' It's also important that partners get an idea of how much certain services (e.g. website creation, events etc.) cost before filling out the budget.

III. Implementing Project Communication

Once your project has been approved and the grant offer letter has been signed you should start to implement your communication strategy. Any communication, such as press releases, social media posts etc., around the launch of the project should be aligned with the Interreg France (Channel) England Programme's communication.

The following section will outline the minimum requirements that need to be implemented, as well as guidance on best practice procedures for other communication activities.

a. Mandatory Requirements

As well as having communication activities that are specific to each project, there are also several activities, in-line with EU regulation, that are mandatory. These requirements are explained in detail in Regulation (EU) No 1303/2013 Annex XII.

i. Programme Logo and ERDF reference

Requirement - All communication activities and materials developed by projects need to display the European Union flag and make reference to the European Union and the European Regional Development Fund.

Solution - By using the France (Channel) England programme logo this covers both the European Flag and the European Union reference. The only additional requirement is to make reference to the ERDF. This can be done by adding the text 'Co-financed by the European Regional Development Fund'. We advise that within keeping of the style of the Programme logo that you use the text font Montserrat. Or, alternatively, you could use the Programme logo with the ERDF reference which is available to download from our website.

We have also put together a template Word and PowerPoint document (in-line with regulations) that can also be downloaded from the website

Additional Comments - Please note that when using the Programme logo it should not be distorted in any way (colour changed, stretched etc.). If the Programme logo is used on communication materials alongside other logos, EU regulation also says that the union emblem (i.e the flag part of the Interreg logo) must be either bigger or equal (height or length) to the other logos.

ii. Website

Requirement - Creating a project website is not a compulsory requirement, however **all** partners (who have a website) **are required** to have the following information displayed on their websites:

- A short description about the project
- Aims and results of the project
- The amount of financial support towards the project from the European Union
- Reference to the European Union (this is covered by using the Interreg FCE Programme logo)
- The reference to the relevant Fund shall be made visible on the same website/page.
- The Union emblem (the flag) and the reference to the Union shall be visible, when landing on the website/page, inside the viewing area of a digital device, without requiring a user to scroll down the page.

Solution - Most websites have an easy-to-use content management systems (CMS) where creating a new page to host the project information should be a relatively easy and cost-free process.

Please note: the project webpage is a supporting document of the project activities and Article 140 of CPR applies here: all supporting documents are made available to the Commission and the European Court of Auditors upon request for a period of four years from 31 December 2023 following the submission of the accounts in which the expenditure of the operation is included.

As part of project closure, screenshots of any project websites should be kept for a period of 4 years after the project is completed. This period runs from the 31/12 of the year in which the final ERDF balance is paid to the project.

If a project is receiving State Aid, specific rules apply, and all supporting documents will be retained and kept accessible by the Lead Partner and the partners for a period of 10 years from the date on which the aid was granted.

iii. Poster

Requirement - All project partners must display a poster with information about the project in a public area. This includes: the financial support from the Union, the total budget spend and the programme priority the project is supporting. Reference to the European Union and the ERDF must be mentioned as outlined in point 2.a.i. All posters must also be a minimum size of A3 and should be placed in a location that is **easily visible to the public** e.g. reception, entrance to a building.

Solution – We have created a poster for each specific objective that can be downloaded from our website and edited for each project partner. Please contact the Joint Secretariat if you have any problems editing the poster.

iv. Temporary billboards and permanent plaques

Requirement

Infrastructure and construction sites financed by Interreg France (Channel) England must be branded during and after the completion of works. This obligation applies to projects that have:

- (a) A total public contribution (including the ERDF funds received from Interreg) of more than €500,000
- (b) Operations that consist of the purchase of a physical object or of the financing of infrastructure or construction operations.

While works are ongoing, the beneficiaries must put up a temporary billboard at each construction site, in a location visible to the public. The temporary billboard must be replaced by a permanent plaque no later than 3 months after the completion of the works.

The billboards and plaques must contain the Interreg France (Channel) England programme logo, the name of the project, its main objective, the European Union emblem together with reference to the European Union and the European Regional Development Fund. These elements must take up at least 25% of the billboard.

The billboards and plaques must be of significant size and displayed at a location readily visible to the public. As a guide, this means that they must attract the attention of someone entering the location without the need for it to be pointed out to them.

Solution - Please contact the Joint Secretariat to discuss in more detail.

v. Communication materials

Programme Requirement

Please ensure that, where relevant, communication materials are produced in both French and English (flyers, event information etc.). The project website must be produced in both French and English.

vi. Events

For any event or activity (e.g training) related to the delivery of the project, you must ensure that those taking part have been informed that the activity is being supported by ERDF. Any document (e.g attendance certificate) related to the project which is used for the public or for participants must also include a statement stating that the event or activity was supported by ERDF.

b. Style guide and branding




As a programme, in-line with the Interreg branding, we would like promote a unified and common brand image across all the France (Channel) England projects. The following section will provide details of this common visual identity. Although these requirements are not compulsory we do ask you to follow these guidelines wherever possible.

i. Font

For the body of texts in documents and communication materials we propose using Open Sans. This font style should be pre-installed on all Windows operating systems.

ii. Colour Scheme

In-line with the Programme's colours we ask projects to use the following colour scheme for communication materials and documents.

	Colour	CMYK	Hex	RGB
	Light blue	00/80/0/0	9FAEE5	0/51/153
	Reflex blue	41/30/0/0	003399	159/174/229
	Yellow	0/0/100/0	FFCC00	255/204/0

Specific Objective Logos

As a Programme we have developed a logo for each specific objective. We encourage you to use the appropriate logo when communicating about your project. The logos can be downloaded from the communication kit on the website.

Specific Objective	Logo	Accompanying colour code
1.1 Innovation		#f7c111
1.2 Social Innovation		#f7c111
2.1 Low carbon technologies		#1b9863
3.1 Natural and Cultural Assets		#9ac329
3.2 Coastal and Transitional Water Ecosystems		#9ac329

iii. Project Logo

If you decide to develop a logo for your project then we encourage you to follow the Programme's standardised project logo specifications (see below). The project name font colour should match that of the relevant specific objective. An editable logo can be downloaded from our website. If you are having any difficulties editing the logo then please contact the Joint Secretariat. For further guidance on the use of the Project logo please see the Interact guidelines document which is downloadable from our website.



iv. Templates and resources

Below is a complete list of template documents and other resources that can be downloaded in our communication kit on our website.

Template documents

- Word document
- PowerPoint document
- A3 Poster
 - 1.1 Innovation
 - 1.2 Social Innovation
 - 2.1 Low Carbon Technologies
 - 3.1 Natural and Cultural Assets
 - 3.2 Coastal and Transitional Water ecosystems
- Press release

Logos and Images

- France Channel England logo
- France Channel England logo with ERDF reference
- Example Project Logo
- Specific Objectives logos
- Specific Objectives photos
- Area Map image

c. Communication Activities and Best Practices

The following section outlines some common communication activities, along with advice and best practices for each.

i. Events

Events are popular activities for projects as they provide an effective way of reaching target audiences. Project events often include conferences, seminars, webinars, workshops, kick-off meetings, networking lunches etc. Attending external events is also a good way of raising awareness of a project.

Big events should be planned into the communication strategy and appear in the Communication Work Package of the application form. When organising an event consider the following:

- *Objective and audience* - Events should have a clear objective and audience on which the event can be built around.
- *Name* - The name of the event should be clear and short.
- *Date*
 - The date should be chosen well in-advance of the event.
 - Check that the event doesn't clash with any internal or other project events.
 - Event coverage could also be hindered if it coincides with other external events e.g. political events.
 - If possible, avoid organising events on a Monday and a Friday, especially if attendees are travelling internationally. This is likely to force attendees to travel on weekends and could reduce attendance.
- *Location* – The location is an important part to any event. Try and choose somewhere with good travel links as this will impact heavily on attendance. Ideally guests should be able to reach the event using public transport.
- *Venue and support*
 - Choose a venue that is suited to the number of attendees expected at the event. Project partners may have a suitable venue and this will help reduce the cost of the event. If you are hiring a venue or using external caterers remember to follow your organisations internal procurement rules.
 - If more than one room is required (e.g. for breakout groups) then ensure the rooms are close together.
 - Many venues offer audio-visual support but if this is not the case it may be worth considering hiring a third-party to support with this.
 - If the event is due to last all day then catering should also be provided. A buffet is a good way to allow guests to eat and talk in a relaxed way. Remember, if you are planning to provide a catering service, to ask guests if they require and special dietary requirements beforehand.
 - If the event is starting early or over multiple days then on-site or nearby accommodation options should be considered for guests.
 - It is highly recommended to visit the venue and rooms before finalising your choice of venue.

- *Agenda*
 - Build the agenda around the objective of the event.
 - Where possible make the event interactive with break-out and Q&A sessions.
 - For longer events ensure the agenda has coffee breaks included.
 - Consider inviting a guest speaker to the event. This can make an event more dynamic and engaging. Ensure that the speaker's presentation is in-line with the theme and objective of the event.
- *Branding* – Events should have the Interreg France (Channel) England branding where possible. E.g Banners, posters, agendas etc.
- *Rehearsal* – For larger events a rehearsal is recommended beforehand. This includes presenters going through content and also making sure that there are no technical issues with content and AV.
- *Coverage* – Consider how you will cover the event on the day. Will there be a photographer or someone filming? Will the event be covered live on social media? Will you be issuing a press release?
- *Feedback* – After the event has finished ensure that you gather feedback. This can be done by sending out a survey via email to attendees. Both Google forms and SurveyMonkey are free survey platforms.

N.B. If you organise an event please let us know so we can publicise and cover it across all our communication channels!

ii. Social Media

No communication strategy would be complete without mentioning social media! It's a great way to reach and engage with a range of audiences at minimum cost. But for social media to be effective and work well it's important that you dedicate time and resources to managing it. There's little point in creating a range of social media accounts and then not keeping them active. The list of social media platforms is growing by the day so it's important you choose the ones that are most relevant to your project. Below are a few tips and things to be aware of when using social media:

Generic

- Using social media well is time consuming so try and dedicate someone to running and managing your social media accounts.
- Try and publish content regularly. You should be publishing stories at least several times a week.
- Keep content engaging. Avoid acronyms and terminology that audiences might not understand.
- Try and plan a pipeline of stories a few weeks in advance. If necessary organise a meeting with partners to discuss what you'll be posting to social media over the coming weeks.
- Posting information real-time can be more engaging for audiences. For example, if you're hosting/attending an event or if there is an important activity related to your project taking place, try and post about it live.
- Remember that once you've posted something you should assume that it's out there in the public domain even if you decide to delete it later. So make sure you are happy with what you are posting before you hit send.

- Social media is about two-way communication. If you get comments and engagement on posts then try and respond as soon as possible.
- Most social media pages have free analytical tools which are a great way to monitor views and engagement on posts.

Facebook specific



- Facebook tends to be used by younger generations and less by businesses and professionals.
- Make posts catchy and to the point.
- Videos posted to Facebook should have an eye-catching opening frame to grab the viewer's attention. The vast majority of videos watched on Facebook are done so without sound, so ensure any videos that include interviews or voiceover have subtitles.
- *Top tip* - After inserting a link to a post, remove it – the thumbnail will still appear and link through to the content.

Twitter specific



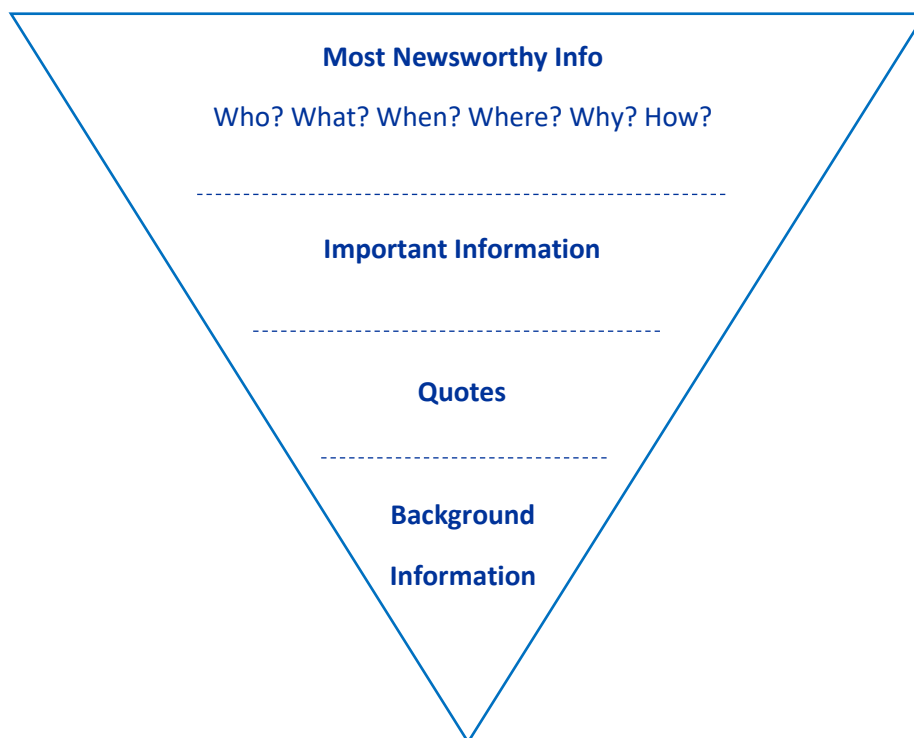
- Twitter is more orientated to businesses and professionals.
- Once you've created your account start by following people and organisations relevant to your network and they will be more likely to follow you.
- Use hashtags relevant to your project to promote discussions and debates.
- Don't be afraid to talk about the same information more than once. Tweets can quickly move down the news feed and not be seen by your audience.
- Add images to tweets to make them more engaging.

iii. Press releases

Getting media coverage of your project is a great way to raise awareness of what you're doing to the general public. However getting journalists to cover your story is easier said than done. Journalists have very little time and are often working to tight deadlines. It's therefore important to keep all your communication with journalists as simple and to the point as possible.

The Inverted Pyramid

The 'inverted pyramid' is a basic template structure that media professionals use for writing stories and press releases. It outlines how information should be prioritized and structured.



- *Headline* – Choose a headline that is short and grabs the attention
- *The lead* – The opening paragraph is the most important. This should summarise the whole story. The reader should be able to get an idea of the story by reading this paragraph alone. In this you should include the famous 5 Ws – Who, What, When, Where, Why.
- *Important information* – Additional information about the story should be included in this section. Make sure you don't repeat what was said in the opening paragraph.
- *Quotes* – Quotes are not always essential but they make the story more interesting and give the story a personal touch. Make sure the person you quote is related to the story and that what is being quoted adds value to the story.
- *Background information* – This is where you should include any information that puts the story into context. For example in this paragraph you could include information about the France Channel England programme.
- *Other tips* – When emailing a press release to a journalist make sure you include the release as an attachment and also in the body of the text, as they will often not bother to open attachments. Remember to also include appropriate high resolution images that are related to the story, as newspapers are more likely to cover a story if it has an image.

A copy of our press release template can be found in our communication kit on the website.

iv. Writing engaging content

A lot of your communication activities will involve producing written content, whether it be newsletters, magazines or website articles. Whatever it is you're writing it needs to be clear, easy to read and consistent. Here are a few pointers to help you:

- *Audience* – Who do you want to read your story? What do you want them to take away from the story? What sort of language will they use and understand? How much do they know about the subject you're writing about? Always write with the reader in mind. Choose a tone of voice that is appropriate to your audience and remember, things that are clear to you may need explaining for your audience to understand.
- *Inverted Pyramid* – If you are writing a news story the structure should follow the 'inverted pyramid'. See the section on press releases above.
- *Tone of voice* – Choose a tone of voice that suits your organisation/project and keep it consistent throughout your communication.
- *Use Plain English* – Try and write in Plain English wherever possible. What do we mean by Plain English? Use short, simple words and sentences and avoid technical jargon and acronyms. Use 'you' and 'we' and avoid using passive sentences. Make sure the vocabulary you use is accessible. Below are a few examples of some Plain English alternatives:
 - Accelerate – Speed up
 - Anticipate – Expect
 - Beneficial – Helpful
 - Demonstrate – Show
 - Generate – Produce, make
 - Initiate – Begin, start
 - Principal – Main
 - On the grounds that – Because

Guidance Note 8

Budget Lines and Eligibility rules

In order to budget for and claim expenditure from the France (Channel) England Programme projects must ensure that their expenditure is both planned/recorded under the correct Budget Line and is in accordance with the eligibility rules of the Budget Line as set out in this Guidance Note.

These rules are not designed to cause problems for Project Partners (PPs), the aim of the rules is to ensure that the Programme funds are spent in an effective way and achieves best value for money. In general, the Programme is aiming to make life as simple as possible for Partners.

All PPs need to be aware of these rules so that they **can avoid spending money in a way that is ineligible.**

In order to support Partners to comply with these rules the Programme will hold training sessions for all Partners in the Project to explain the Programme rules, and to answer any questions or concerns that Partners have. All Partners should attend these meetings in order to ensure that they fully understand the relevant rules and procedures.

The budget lines and rules set out below are derived from the European Regulations which set out the general eligibility rules and budget lines for ETC programmes¹. Therefore, if Partners are familiar with another ETC programme then they will find many of these rules familiar to them. However, Partners should be aware that rules between programmes are not always identical and they should always consult this manual to ensure that their expenditure meets the requirements of the FCE Programme.

In addition, where Partners are subject to National Laws (for example, National Public Procurement Law for Public Bodies) they must comply with these rules as well, along with their normal internal financial rules.

Compliance with these rules will be monitored within the project partnership by the Lead partner (LP), and when projects submit their claim for reimbursement, through a process known as First Level Control. For more information on this process, please consult the Guidance Note 6 related to Project Implementation.

Important note: Every year the Certifying Authority (CA) has a window during which it does not make payments to project partners. This **non-payment window is from May 15 – June 30.**

This is the period at the end of the European Union's financial year during which the Audit Authority completes its year-end work relating to project expenditure.

¹ Commission Delegated Regulation (EU) No 481/2014 is the primary regulation relating to ETC expenditure. Where other regulations apply these will be noted in the footnotes.

I. General Principles of Eligibility

The general principles which apply to all expenditure claimed to the Programme are;

- The expenditure must be incurred carrying out activities set out in the Application Form and be necessary for carrying out these activities and achieving the project's outputs and results.
- Expenditure must be reasonable and justifiable (for example, does not include 1,000€ for pens that are normally 0.10€ each)
- The expenditure must be necessary for the project, and is not just expenditure that a Partner would incur as a part of their everyday activities
- Be accurately recorded with sufficient evidence to verify that the expenditure declared is real. The types of evidence required are described later in this document.
- Be incurred and paid by the Partner organisation between the project start date and the project end date (as project approved by the SSC) as set out in the Application Form.

If the expenditure is paid on the basis of a lump sum or flat rate the final two points do not apply.

1. Preparation costs

Preparation costs are the costs that a project incurs in order to develop the Project Application Form.

Under the France (Channel) England programme, the preparation costs of all projects which are approved will be reimbursed by a lump sum of 30 000€ per project. This will be paid to the LP, who shall be responsible for its division amongst PPs as appropriate.

This amount is not subject to checks to ensure the eligibility of expenditure as it is an approximation of the costs of establishing a project and does not require the PPs to provide evidence of their expenditure.

There is a restriction where a Partner has been approved to take part in the project under the General Block Exemption Regulation (Commission Regulation (EU) no. 651/2014), which is that a partner can only receive a share of this lump sum if this would not result in them exceeding the maximum public contribution allowed under the State Aid scheme. For example, if the scheme only allows the partner to receive funds at a co-financing rate of 50%, and the partner budget is calculated at the 50% rate, they may not receive a share of the lump sum as this would lead to an overall co-financing rate exceeding 50%. For further details please see the Guidance Note 11 on "State Aid."

2. Grant rate

Under the France (Channel) England Programme, the project activities are co-financed through the ERDF. This means that the Programme will pay a fixed percentage of the project costs and Partners will be required to fund the remainder from their own sources. Funds from Partners own sources are known as "Match Funding."

Each call will indicate the co-financing rate available for projects. This may vary from call to call so applicants are advised to check the call documents carefully before completing their budget. The sources of the Partners' own contribution can come from the Partners' own budget, or from other external sources.

Under certain State Aid exemptions, the co-financing rate for a project or individual Partner may be restricted, so the overall Partnership may receive a lower co-financing rate. Please see the Guidance Note 11 on “State Aid” for more information.

It is not possible to receive an advance payment from the ERDF under the France (Channel) England programme. This means that each project has to finance its activities until it submits a financial claim which is subsequently assessed for approval. The Programme then reimburses to the LP the co-financed share of the total eligible expenditure declared by each Partner. The LP will then distribute the co-financing among the remaining Partners in accordance with the Partnership Agreement.²

PPs therefore need to set aside sufficient liquidity to cover their expenses between project initiation and the first payment, and to cover their expenses in between claims.

Please consult the Guidance Note 6 on “Project Implementation” for more detail on the payment claims process, and the likely timescales for reimbursement.

3. Eligibility period

Expenditure claimed by a project must have been incurred and paid between the Project start and end date. The Project start date will be the date the project is approved by the Project Selection Sub-Committee.

All costs incurred prior to the project start date are considered to have been covered by the lump sum payment for project development and therefore may not be claimed in any later project claims.

In order to avoid losses due to amounts not leaving the Partners’ bank accounts until after the end of the project, it is recommended that Partners plan to close project activities 3 months before the official project end date in order to ensure that they can claim the costs linked to project closure.

The final date for which the programme will accept project expenditure is the 30th of June 2023, therefore Partners must ensure that their project is completed and closed by this date.

For each claim period, expenditure can only be claimed if it was defrayed before the end of the claim period. If the expenditure has not been paid out before the end of the claim period, then the item will need to be claimed in the following claim period.

A specific exemption will be made for staff costs. If the on-cost for the staff member is paid in a subsequent month (for example in the UK National Insurance and PAYE payments to HMRC are paid a month in arrears) then this may be claimed in the period for which the rest of the staff cost is claimed, provided it is paid out before the Payment Claim is paid to the PP.

4. Shared costs

Shared costs are costs where more than one Partner makes a payment towards a particular expenditure (such as the purchase of an expensive item of equipment). General experience from previous INTERREG Programmes has shown that it is better for PPs to share tasks and not costs.

However, if it is necessary for Partners to share costs, the Programme will allow a form of cost sharing known as the, “contracting Partner only principle.”

² Article 13(3) of Regulation (EU) No 1299/2013

This means that:

- the contracting Partner is the only one that budgets, actually pays and reports the 100% cost item of joint benefit and receives the related support from the Programme,
- the partnership can internally decide to share the cost of match funding the expenditure. The other Partners make a cash payment to the contracting Partner to support this cost. These payments from the other Partners are considered external match funding for the contracting Partner and should be treated as such in the Project Application and the Financial Claims.

5. Contributions in kind

An in-kind contribution is a donation of works, goods, services, land for which no cash payment has been made by a PP. This can be considered as eligible expenditure as part of the match funding for the Partner, provided it meets various conditions.

For further information please see the Guidance Note 9 on “In-Kind Contributions.”

6. Revenues

Projects must be aware that revenues generated during the project lifetime, and in some cases after the project completes, must be deducted from the eligible expenditure of the project. There are different rules for this depending on how a project is categorised so projects which have the potential to generate revenue must consult the Guidance Note 10 on “Revenues.”

7. Public procurement

During the implementation of a project, virtually all projects buy goods and services externally: for instance, external auditors are hired to carry out the First Level Control, a project and finance manager is hired to assist the LP with the organisational and administrative aspects of project implementation, catering and technical equipment for conferences and meetings is ordered.

Whenever purchases are made and contracts are awarded to external suppliers, **the relevant procurement rules must be observed.**

Further information is available in the Guidance Note 6 on “Project Implementation.”

Projects which cannot prove the award of contracts in compliance with public procurement rules risk having expenditure ruled ineligible. In order to avoid this, all staff within a project who will make procurements on behalf of the project should ensure that they are familiar with the relevant procurement rules.

II. Specific Budget Line Rules

Project Expenditure under the France (Channel) England programme is divided into six categories. These categories are;

- A. Staff;
- B. Office and administration;
- C. Travel and accommodation;

- D. External expertise and services;
- E. Equipment;
- F. Infrastructure and construction works.

For each Budget Line, a description of the expenditure that falls under the Budget Line is provided. There is also guidance on how the expenditure is to be calculated, and the evidence that needs to be provided in order to claim the evidence.

A. Staff costs³ (Budget Line 1 – BL1)

Article 3 Staff Costs of the COMMISSION DELEGATED REGULATION (EU) No 481/2014 states:

Expenditure on staff costs shall consist of gross employment costs of staff employed by the beneficiary in one of the following ways:

- (a) full time
- (b) part-time with a fixed percentage of time worked per month
- (c) part-time with a flexible number of hours worked per month
- (d) on an hourly basis.

Expenditure on staff costs shall be limited to the following:

- (a) salary payments related to the activities which the entity would not carry out if the operation concerned was not undertaken, fixed in an employment/work contract, an appointment decision (both hereinafter referred to as 'employment document') or by law, relating to responsibilities specified in the job description of the staff member concerned
- (b) any other costs directly linked to salary payments incurred and paid by the employer, such as employment taxes and social security including pensions as covered by Regulation (EC) No 883/2004 of the European Parliament and of the Council provided that they are:
 - (i) fixed in an employment document or by law
 - (ii) in accordance with the legislation referred to in the employment document and with standard practices in the country and/or organisation where the individual staff member is actually working
 - (iii) not recoverable by the employer

With regard to point (a), payments to natural persons working for the beneficiary under a contract other than an employment/work contract may be assimilated to salary payments and such a contract considered as an employment document.

Staff costs may be reimbursed either:

- (i) on a real cost basis (proven by the employment document and payslips)
- (ii) as a flat rate in accordance with Article 19 of Regulation (EU) No 1299/2013

Staff costs related to individuals who work on part-time assignment on the operation, shall be calculated as either:

- (a) a fixed percentage of the gross employment cost, in line with a fixed percentage of time worked on the operation, with no obligation to establish a separate working time registration system

³ Article 3 of Delegated Regulation (EU) No 481/2014

(b) a flexible share of the gross employment cost, in line with a number of hours varying from one month to the other worked on the operation, based on a time registration system covering 100 % of the working time of the employee.

For part-time assignments under point (a) of paragraph 4, the employer shall issue a document for each employee setting out the percentage of time to be worked on the operation.

For part-time assignments under point (b) of paragraph 4, the reimbursement of staff costs shall be calculated on an hourly rate basis determined either by:

- (i) dividing the monthly gross employment cost by the monthly working time fixed in the employment document expressed in hours
- (ii) dividing the latest documented annual gross employment cost by 1720 hours in accordance with Article 68(2) of Regulation (EU) No 1303/2013. The hourly rate shall be multiplied by the number of hours actually worked on the operation.

As regards staff costs related to individuals who, according to the employment document, work on an hourly basis, such costs shall be eligible applying the number of hours actually worked on the operation to the hourly rate agreed in the employment document based on a working time registration system.

The following options for calculating staff costs are available in the France (Channel) England Programme:

1. Staff costs calculated as 20 % flat rate of direct costs other than staff costs⁴
2. Staff costs calculated on a real cost basis

Each Partner Organisation must choose one of these options and indicate their choice in the Application Form. The chosen option will apply to all staff members of the Partner organisation working on the project, and it will apply for the entire project duration.

In the following sections more details and information on the different options are provided.

Method 1. Staff costs calculated at 20 % flat rate of direct costs

For this option the calculation of staff costs is based on a flat rate of 20% of the direct costs other than the staff costs.

The eligible amount for staff costs is equal to 20% of the total eligible amount under all the other budget lines excluding office and administrative expenditure. No further calculation is required.

Example

A	Travel and accommodation.....10,000€ External expertise and services.....20,000€ Equipment.....30,000€	60,000€
B	Staff Cost at flat rate	20%
C	Eligible staff costs (A * B)	12,000€

⁴ Article 19 of Regulation (EU) No.1299/2013

Supporting documents needed to allow the expenditure to be verified.

Employment contracts will be required as evidence that staff costs have been incurred to claim expenditure using this method. The check on the claim will consist of checking the calculation is correct, and no expenditure related to staff costs has been included in any other budget line.

Method 2. Staff costs calculated on a real cost basis

Using this method, the project will claim the actual costs they have incurred from employing staff who work on the project.

For each of these a specific methodology of calculation must be followed. These are set out below.

a) Full-time

Staff costs shall be calculated as follows:

- **The employee's total gross employment cost (incl. employment taxes) can be claimed.**
- The employer shall issue a document for each employee setting out that 100% of their time is to be spent on the project. (Either as part of the Employment contract, or in a Mission Letter or similar document)
- No separate time recording system is required (timesheets)

Example

A	Total monthly employment costs (gross salary and employment taxes)	5,000 €
B	Percentage of time worked monthly on the project	100%
C	Eligible costs: (A * B)	5,000 €

Supporting documents needed to allow the expenditure to be verified.

The following documents must be provided to the first level controller to demonstrate the eligibility of the costs:

- Working contract or any other equivalent legal agreement that allows for the identification of the employment relationship between the employee and the Partner's organisation
- A document clearly showing that the employee works 100% of the time on the project (this could be the working contract and/or any other document issued by the employer like a 'mission letter')
- Document identifying the real employment costs (gross salary and employment taxes) for the employee such as pay slips or other accounting documents where the employment costs are clearly detectable
- Proof of payment (e.g. bank statements, BACS reports, or outputs from accounting system).

b) Person employed by the Partner organisation, working partly on the project at a fixed percentage of their time

Staff costs shall be calculated as follows:

- The fixed percentage of the gross employment cost (incl. employer's contributions, often referred to as oncosts), in line with the fixed percentage of time worked on the project
- No separate time recording system (timesheet) is required

Example

A	Total monthly employment costs (gross salary and employment taxes)	5, 000 €
---	--	----------

B	Fixed percentage of time worked monthly on the project	60%
C	Eligible costs: (A * B)	3,000 €

Supporting documents needed to allow the expenditure to be verified.

The following documents must be provided to the first level controller to demonstrate the eligibility of the costs:

- Working contract or any other equivalent legal agreement that allows for the identification of the employment relationship between the employee and the Partner's organisation
- A document clearly showing that the employee works a fixed percentage of the time on the project (this could be the working contract and/or any other document issued by the employer like a 'mission letter')
- Document identifying the real employment costs (gross salary and employment taxes) for the employee such as pay slips or other accounting documents where the employment costs are clearly detectable
- Proof of payment (for example, bank statements, BACS reports, or outputs from accounting system)

c) Person employed by the Partner organisation, working variable part-time hours on the project

If an individual does not work a fixed number of hours on the project, then it is necessary to calculate an hourly rate for that individual. The Partner will be reimbursed based on the number of hours worked on the project, multiplied by an hourly rate.

To evidence the working time: a time recording system must be in place recording 100% of the employee's time. This should include the total number of hours spent working on the project and the time spent working on other activities. A template is available on the programme website.

Article 68(2) of Regulation (EU) No 1303/2013 states:

For the purposes of determining staff costs, an hourly rate may be calculated by dividing the latest documented annual gross employment costs by 1 720 hours for persons working full time, or by a corresponding pro-rata of 1 720 hours, for persons working part-time

Full-time staff

The hourly rate is calculated by dividing the latest documented gross annual employment costs by 1720.⁵ This number cannot be varied for full time staff so the gross annual employment costs must be divided by 1720.

Example

A	Documented Total Annual Employment Cost (full-time)	40,000€
B	Hourly rate: 40,000€/1720	€23.25
C	Hours worked in the Month	100
D	Eligible costs for the month: (B x C)	2,325 €

Part-time staff

The hourly rate is calculated using the base figure 1720 and altering it in proportion to the amount of time the employee works for the organisation. If a person works 75% of the full-time hours the latest documented gross annual employment costs would be divided by 1290 (1720 x 75%)

⁵ Article 68(2) of Regulation (EU) No 1303/2013

Example

A	75% of full time: 1720 x 75%	1290
B	Documented Total Annual Employment Cost (part-time)	30,000€
C	Hourly rate: 30,000€/1290	€23.25
D	Hours worked in the Month	75
E	Eligible costs for the month: (C x D)	1,743.75 €

The latest documented gross annual employment costs must relate to any continuous 12 months period of which the end date is prior to the end date of the reporting period. For instance, the 12 months immediately preceding the end of reporting period, or the last calendar year before the end of the reporting period etc.

If a staff member has not been employed for a full 12 months before the end of the reporting period, the Gross Annual Employment costs can be extrapolated based on the months available provided that the staff member has been employed at least 3 months by the organisation.

Updates to latest documented gross annual employment costs used during claims are permitted **no more than once per year**. It is important to note that only 1 hourly rate for each employee is permitted during a claim period.

Supporting documents needed to allow the expenditure to be verified.

The following documents must be provided to the first level controller to demonstrate the eligibility of the costs:

- Document which shows the employment relationship with the Partner's organisation such as a contract of employment or other equivalent legal agreement
- Document identifying the latest documented gross annual employment costs (gross salary and employer contributions to taxes and pension, if applicable) for the employee, such as pay slips or other accounting documents where the employment costs are clearly shown
- Proof of payment (e.g. bank statements, BACS reports, or outputs from accounting system)
- Document showing the calculation of the hourly rate
- A time recording system which covers 100% of the working time of the employee (such as a timesheet or equivalent time recording system). This must identify both the time spent on the project and the work carried out on other activities.

d) An individual who works at an hourly rate and does not have a fixed number of hours

Where an individual works on an hourly basis, then the Partner will be reimbursed on the basis of the number of hours worked on the project multiplied by the hourly rate agreed in the employment (or equivalent) document.

Under this arrangement a Time Recording system recording 100% of the time of the employee must be in place.

Supporting documents needed to allow the expenditure to be verified.

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

- Document that permits the identification of the relationship with the Partner's organisation: working contract or any other equivalent legal agreement, including the hourly rate for the individual
- Proof of payment (e.g. bank statements, BACS reports, or outputs from accounting system)

- A time recording system which covers 100% of the working time of the employee (such as a timesheet or equivalent time recording system). This must identify both the time spent on the project and the work carried out on other activities

Important Notes:

1. **Salary costs claimed from the Programme, by the employer, must not be recoverable from elsewhere and must be in line with the employment policy of the organisation.**
2. **Approach taken by the FCE programme for staff costs paid by the employer when the staff member is furloughed:**

1. **BL1 Staff costs calculated as 20 % flat rate of direct costs other than staff costs**

The flat rate of 20% of direct costs is not based on actual salary/wages paid or time spent working on project related activities so it should not be affected. **If a partner has claimed direct costs, then they are entitled to get the 20% of that expenditure as staff costs.**

The only requirement is that the partner does employ someone and applies the 20% staff costs option.

It means that, if a partner has opted for BL1 method 1, the fact that a member of this partner's staff is furloughed or not has no relevance. And even if the State pays the partner 80% of that member of staff, this will not be considered as double funding.

2. **BL1 Staff costs calculated on a real cost basis**

- **BL1 Staff cost calculation method 2 a) Person employed by the Partner organisation and spending all their working hours on the project. In this case, this cost is eligible**
- **BL1 Staff cost calculation method 2 b) Person employed by the Partner organisation, working partly on the project at a fixed percentage of their time. In this case, this cost is eligible**
- **BL1 Staff cost calculation method 2c, Person employed by the Partner organisation, working partly on the project with a variable number of hours spent on the project.** The issue is that there would not be historical evidence for calculation of the average. **This would be eligible but may not be worth claiming** as the effort of producing all the evidence could outweigh the value of the costs depending on the number of hours worked on the project
- **BL1 Staff cost calculation method 2d d) An individual who works at an hourly rate and does not have a fixed number of hours, Staff have not worked on the project, so this cost would NOT be eligible**

3. **French paid staff**

The bonus named "prime exceptionnelle" on the payslip is not eligible.

Extraordinary bonuses/ primes cannot be paid to an individual specifically for work carried out as part of an Interreg project.

Some other bonuses can be eligible if they are set out in the contract of employment/convention collective/ or the internal rules of the organisation.

For public administration, we can consider that décrets (decrees)/ délibérations are sufficient proof for the eligibility of the bonuses. This should be signed, dated, and stamped by the relevant administration. The PP needs to be able to justify the amounts of the bonuses/primes.

4. UK paid staff

Private project partners and charities which receive the annual Employment Allowance allowing eligible employers to reduce their annual National Insurance liability must deduct this allowance from the salary costs claimed from the Programme. Public organisations are not eligible for this allowance.

The Apprenticeship Levy cannot be claimed from the Programme.

Honorariums can only be claimed if they are linked exclusively to their role in the project

B. Office and administrative expenditure⁶ (Budget Line 2 – BL2)

Definition

Office and administrative costs cover general administrative expenses of the Partner organisation necessary for the delivery of project activities.

Office and Administration Expenditure includes the following types of expenditure;

- Office rent;
- Insurance and taxes related to the buildings where the staff are located and to the equipment of the office (e.g. fire, theft insurances);
- Utilities (e.g. electricity, heating, water);
- Office supplies (e.g. stationery like paper, pens etc.);
- General accounting provided inside the beneficiary organisation;
- Archives;
- Maintenance, cleaning and repairs;
- Security;
- IT systems (e.g. administration and management of office hard- and software);
- Communication (e.g. telephone, fax, internet, postal services, business cards);
- Bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened;
- Charges for transnational financial transactions.

IT systems that support the implementation of the project rather than forming a part of the project activities should be treated as Office and Administration Expenditure. This therefore covers all the normal systems and infrastructure required for the running of an office, such as Microsoft Office or other word processing and email systems, accounting software and payroll software.

In the FCE Programme, office and administrative expenditure are to be budgeted and reported as a flat rate of 15% of each Partner's eligible staff costs⁷. All the listed items of expenditure will be treated as being paid by this 15% and may not be claimed under other Budget Lines.

⁶ Article 4 of Delegated Regulation (EU) No 481/2014

⁷ Article 68(1)(b) of Regulation (EU) No 1303/2013

No detailed budget has to be planned for the budget line 'office and administrative expenditure', the Application Form will automatically calculate a budget corresponding to 15% of the planned staff costs for each Partner.

When it comes to reporting office and administrative expenditure, the flat rate of 15% is automatically applied to the actually eligible reported staff costs of each PP.

Example

A	Eligible reported staff costs	EUR 36,000
B	Flat rate for office and administrative expenditures	15%
C	Eligible reported office and administrative expenditures (automatic reporting without proof of actual costs) (A*B)	EUR 5,400

Supporting documents needed to allow the expenditure to be verified.

PPs do not need to provide any justification or supporting documents. PPs thus also do not need to document that the expenditure has been incurred and paid or that the flat rate corresponds to the reality. The FLC will check that the calculation is correct, and that no expenditure related to the office and administrative budget line is included in any other budget line.

Points of attention

- Where a contract with an external provider includes administration charges, these costs should be included in the budget that the external provider's costs are claimed under as they are a part of the contract.
- If a PP chooses the 20% flat rate for staff costs, the method for calculating the office and administrative expenditure would be:
 - The 20% of the expenditure reported in the budget lines relating to direct costs is used as a base;
 - From this base, 15% may be claimed as office and administrative costs.

Example

A	Total eligible amount declared by the Partner under all the other budget lines (excl. office and administrative expenditure)	100,000 €
B	Staff costs flat rate	20%
C	Eligible staff costs (A * B)	20,000 €
D	Flat rate for office and administrative expenditures	15%
E	Eligible reported office and administrative expenditures (automatic reporting without proof of actual costs) (B*C)	EUR 3,000

C. Travel and accommodation⁸ (Budget Line 3 – BL3)

Definition

This budget line covers the travel and accommodation costs of the project. Where travel costs are incurred by an external expert or service provider then these costs will fall under the External Expertise and Service budget line.

Travel and Accommodation costs may be claimed for the following categories of persons:

1. Staff of the PPs;
2. Persons travelling to attend interviews for posts advertised by the partners related to the implementation of the project;
3. Members of the projects target group when this is clearly in the interest of cooperation and provided that this expenditure is identified at the application stage and it is necessary for carrying out the project.

Travel and accommodation costs covers the following:

1. Travel (e.g. tickets, travel insurance, fuel, car mileage, tolls, parking fees, and mileage rates);
2. Meals;
3. Overnight Accommodation;
4. Visa;
5. Daily allowances.

The following rules will apply to Travel and Accommodation expenditure:

Costs for Subsistence and Accommodation may not exceed the European Commission's maximum rate for hotel and daily subsistence allowance. These rates will be made available on the Programme website.

As of Jan 2015;

- For the UK, the maximum rate is €175 for a hotel and €101 for subsistence;
- For France, the maximum rate is €150 for a hotel and €95 for subsistence.

As of March 2018;

- For the UK, the maximum rate is €209 for a hotel and €125 for subsistence;
- For France, the maximum rate is €180 for a hotel and €102 for subsistence.

The subsistence rate includes the costs for local transport, such as buses, taxis, trams and metro etc. For latest travel rates figures refer to "Travel rates update" on the Programme website, under [useful documents](#).

Anything listed in points (1) to (4) covered by a daily allowance paid to the member of staff may not be claimed. In these situations, only the daily allowance may be claimed.

Costs must be borne by the Partner organisation. Where the costs under this budget line are first paid by an employee and then claimed back from the Partner organisation, there must be proof of reimbursement from the employer to the employee in order to claim the expenditure.

⁸ Article 5 of Delegated Regulation (EU) No 481/2014

Booking fees and other costs associated with the use of travel agencies etc. will be considered a part of the cost of the travel and accommodation.

Real costs and daily allowances must be in line with the specific national or institutional rules applicable to Partner organisation. In the absence of national or internal rules daily allowances may not be claimed, instead only the actual costs of the travel may be claimed.

Cancelled trips

The general principle of eligibility is that activities are required to take place for costs to be eligible. However, in exceptional cases, travel costs may be considered eligible. These exceptions will only cover cases when the journey was cancelled due to unforeseen circumstances or an extraordinary event beyond the control of the beneficiary, e.g. illness, strike, volcanic eruption, or other force majeure.

The 2 following conditions will need to be met and demonstrated:

1. the journey was cancelled due to unforeseen circumstances or an extraordinary event beyond the control of the beneficiary, e.g. in case of staff illness it was not possible to send someone else;
2. all reasonable steps were taken to recover the cost incurred (with proof of non-refundable policy on a case by case situation).

Trips outside the Programme Area

Provided that they meet the normal requirements of Travel and Accommodation trips taken inside the Programme Area will not have any special requirements. However, there are restrictions on Travel and Accommodation costs that relate to trips outside the Programme Area.

Unless one of the three following requirements are met, they will not be considered eligible

- Trips to places outside the Programme Area are eligible if they are explicitly mentioned and justified in the Application Form;
- If trips outside the Programme Area that are not foreseen in the Application Form are required, **a specific request needs to be submitted by the LP to the JS for validation in advance**. A request template is available on the [Programme website](#);
- The travel is for a project partner meeting in **Paris or London**. For example, a trip for a project monitoring committee meeting taking place in London or for a partner to meet with other stakeholders, does not require a validation in advance by the JS. However, conferences and similar events are not considered project partner meetings, so for these cases a request must be submitted to the JS. The reason why one of these cities outside the Programme Area was chosen for a meeting should be explained by the LP in the relevant Project Report (e.g. easy logistical arrangements, lower costs, etc.).

For clarity, these restrictions do not apply to trips that begin and end in the Programme Area, but for logistical reasons require travel outside of the Programme Area (for example, a Train journey from Norwich to Amiens that passes through London will not be regarded as travel outside of the Programme Area).

Supporting documents needed to allow the expenditure to be verified.

The Project Partner should provide sufficient supporting evidence to the FLC which shows the claimant did attend the said occasion/event which was relevant to the project and the expenditure was incurred and paid. Not all events are formal in nature, so a judgement has to be made on the practicality of providing sufficient and compelling evidence to assure the FLC on the eligibility of expenditure being claimed. The extent of supporting evidence would therefore vary and may include these or other equally compelling evidence:

- Agenda (or similar) of the meeting/seminar/conference;
- Documents proving that the journey took place (boarding passes, train/ferry tickets etc.);
- Evidence that the meeting took place (minutes with attendees listed or separate attendance list. In the absence of a formal attendance list any e-mail exchanges about the meeting);
- Paid invoices (including hotel bills, transportation tickets, etc.) and, if applicable, the employee's expense claim with a proof of reimbursement by the employer to the employee;
- Daily allowance claims (if applicable), including proof of reimbursement by the employer to the employee;
- A document which sets out the rules of the organisation for employee allowances and for travel and subsistence claims (where applicable)

D. External expertise and services⁹ (Budget Line 4 – BL4)

Definition

External expertise and services costs are the costs of providers who are external to the project who carry out work for the project in the following fields;

- Studies or surveys (e.g. evaluations, strategies, Concept Notes, design plans, handbooks);
- Training;
- Translations;
- IT systems and website development, modifications and updates;
- Promotion, communication, publicity or information linked to a project or to a cooperation programme;
- Financial management;
- Services related to the organisation and implementation of events or meetings (including room hire, catering or interpretation);
- Participation in events (e.g. registration fees);
- Legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- Intellectual property rights (Further explanation at the end of this Guidance Note);
- External First Level Control costs
- The provision of guarantees by a bank or other financial institution where required by EU or national law or in a programming document adopted by the Programme Monitoring Committee;

⁹ Article 6 of Delegated Regulation (EU) No 481/2014

- Travel and accommodation for external experts, speakers, chairpersons of meetings and service providers (Travel costs of individual attendees may not be claimed);
- Other specific expertise and services needed for operations.

It is important for PPs to remember that they cannot contract one another in order to deliver the project activities. The “External” refers to the fact that the providers of the expertise or service are external to the Project. If a Partner is carrying out the activity then they should record this and include it in their own claims, rather than charging another Partner in order for them to claim it from the Programme.

IT Systems and website development, modifications and updates, where this is carried out by an external provider should be claimed as External Expertise. The rationale is that it is the development or modification, which is a service, is provided by a company or individual.

In-kind contributions are eligible under this budget line, provided that the requirements are fulfilled. Please consult the Guidance Note 9 on “In-kind contributions.”

Costs of first level control shall be budgeted under this budget line if the first level control is provided by an external company or organisation.

As External Expertise and Service costs will by their very nature require a procurement, when engaging external experts or services for the project, Partners should ensure that they are familiar with and follow the Guidance Note 6 on “Project Implementation.”

Supporting documents needed to allow the expenditure to be verified.

The following documents must be available for control purposes:

- Procurement Evidence (see Guidance Note 6 on “Project Implementation.”)
- A contract or other written agreements of equivalent probative value laying down the services to be provided with a clear link to the project, or an invoice or a request for reimbursement providing all relevant information in line with the applicable accountancy rules;
- Proof of payment;
- Outputs of the work of external experts or service deliverables.

Points of attention

- Advance payments by Partners to suppliers will only be accepted if they are supported by an invoice or another document of probative value. The corresponding activity must have taken place by the end date of the project at the latest.
- Where PPs use an external company for arranging the travel and accommodation of their own staff members (e.g. travel agencies, etc.) these costs shall be claimed under the budget line ‘travel and accommodation’ rather than under this budget line.

E. Equipment¹⁰ (Budget Line 5 – BL5)

Definition.

This budget line covers expenditure for purchasing, renting or leasing equipment. The costs of equipment will either be reimbursed on the basis of depreciation, or on a full cost basis.

¹⁰ Article 7 of Delegated Regulation (EU) No 481/2014

Equipment expenditure includes the following categories;

- Office equipment;
- IT hardware and software;
- Furniture and fittings;
- Laboratory equipment;
- Machines and instruments;
- Tools or devices;
- Vehicles;
- Other specific equipment needed for operations.

Equipment items can only be funded by the Programme if no other EU funds have contributed towards the cost of the equipment. This includes purchase of 2nd hand equipment where the original purchase of the equipment was supported by EU funds.

Hardware and Software, which will in most cases be “off the shelf” purchases rather than the development of a bespoke product, is considered an Equipment Cost. Bespoke hardware would fall under this category, however bespoke software would be considered a development cost and therefore should be under External Expertise as set out above.

The cost of equipment purchases (rather than leasing or renting) is reimbursed either on the basis of depreciation or full cost.

If the equipment was purchased before the Project began, then only depreciation can be claimed rather than the full cost of purchase.

Partners can decide to claim the full cost where the equipment will be used for the purposes of the project activities after the formal closure of the project. This must be set out in the Application Form. For this option the PPs will need to establish an Asset Management Plan to ensure that the equipment will remain the property of the Partner Organisation and used for activities in line with the project activities until the end of the depreciation period. More detailed information on this Asset Management Plan can be found in the Guidance Note 13 on Project Closure.

The details of this asset management plan and the obligations of the Partners will be set out in the Grant Offer Letter.

If, after the project has been approved by the SSC a Project wants to change from claiming on the basis of depreciation to claiming the full cost of equipment, then this change should be submitted as a project modification. (See the Guidance Note 6 related to Project Implementation.)

Depreciation should be calculated in accordance with the accounting rules of the Partner organisation, and this calculation should be provided as a part of the claim.

Second hand equipment is eligible provided the following conditions are met;

- No other assistance has been received for it from European Funds;
- Its price does not exceed the generally accepted price on the market in question;
- It has the technical characteristics necessary for the project

If equipment is partially used to support the project and partially used for non-project activities, a pro-rata amount may be charged to the project on the basis of the percentage of time the equipment is used for project activities compared to the percentage of time the equipment is used for non-project activities.

Supporting documents needed to allow the expenditure to be verified.

The following documents must be available for control purposes:

- Evidence of compliance with procurement rules.
- Invoice (or a supporting document having equivalent probative value to invoice).
- Where depreciation is used, the calculation of depreciation in compliance with the applicable national and organisations' rules.
- Organisation's rules on depreciation
- Where a pro-rata allocation is made, the calculation method in line with the organisation's accounting rules
- Proof of payment.

Point of attention

- Rented equipment: any equipment (including rented) necessary for the implementation of the project needs to be budgeted and reported in the equipment budget line. Rental costs for equipment do not fall under the budget line, "External Expertise and Services costs."

F. Infrastructure and construction works¹¹ (Budget Line 6 – BL6)

Definition

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

- Purchase/provision of land;
- Site preparation;
- Delivery;
- Handling;
- Installation;
- Renovation;
- Labour for construction
- Other costs necessary to the implementation of construction works.

In-kind contributions are eligible under this budget line, so long as the requirements the Programme are fulfilled (for further information see the Guidance Note 9 on “In-kind contributions.”)

The following eligibility rules apply to this expenditure, in addition to the general eligibility rules of the programme;

- The full cost of infrastructure and construction works can be reported in this budget line so long as it is fully justified in the framework of the project activities (no depreciation shall be applied).
- Purchase of land cannot exceed 10% of the total eligible expenditure of the project¹².
- A project can also claim the provision of land and/or real estate in the form of in-kind contribution, provided that;
 - The land is for the sole use of the project, and its use/ownership has been transferred to the project on a long-term basis (to claim the value in its entirety)
If the land is not for the sole and long-term use of the project, it may be contributed as an in-kind contribution only up to its rental value for the period which it is used by the project
 - Any increase in the value of the land or real estate as a result of the project activities, where the land then reverts back to the Partner, may be considered a revenue and the Programme support may be reduced accordingly (Further Information is contained in the Guidance Note on “Revenues.”)

Projects comprising investment in infrastructure or productive investment must ensure that the infrastructure continues to be used and does not undergo a change in ownership or undergo substantial changes in the nature of the infrastructure before five years following the project closure (further details about sustainability requirements are available in Guidance Note 13 on “Project closure”). If this happens then the Programme will be required to recover the support, it provided to the investment from the PP.

The precise deadline following the project closure may vary if the project was approved under certain State Aid exemption rules, for more information please consult the Guidance Note 11 on “State Aid.”

¹¹ This budget line is in addition to the 5 mandated by Delegated Regulation (EU) No 481/2014. It has been developed in co-operation with other Interreg Programmes through the INTERACT organisation.

¹² Article 69(3)(b) of Regulation (EU) No 1303/2013

Supporting documents needed to allow the expenditure to be verified.

- In the case of land and real estate purchase (or provision in the form of in-kind contribution), a certificate from an independent qualified evaluator or duly authorised official body confirming that the cost is in line with the market value;
- Documents specifying the ownership of land and/or real estate where the works are carried out, as well as proof of commitment to establish and maintain an inventory of all fixed assets acquired, built or improved under the ERDF grant.
- Supporting documents demonstrating that the expenditure has been incurred and paid.

III. State aid

State Aid is the name given to the rules governing when Public Authorities may provide support to organisations which engage in economic activity (including, but not limited to, private companies). These rules aim to prevent distortions in the free market arising from subsidies from the Public Sector.

Even if a project does not involve the Private Sector directly or indirectly, there is still a possibility that State Aid rules may apply to it, as the definition of an organisation engaging in economic activity is very broad and, in some cases, includes Public Sector organisations.

Therefore, all PPs should carefully consult the Guidance Note on “State Aid”.

IV. Exchange rate & currencies

All financial reporting is required to be in euros, and the Programme will pay grants to the LP only in euros. As Project Partners are likely to incur expenditure in other currencies, they will be required to convert this expenditure into euros before submitting the claim. This will be done automatically on eMS.

The conversion will be carried out on the basis of the [European Commission monthly exchange rate](#) for the Month when the claim was submitted to the First Level Controller¹³.

The exchange rate shall be applied only to expenditure incurred and defrayed by the Partner organisation.

If an expenditure in euros was firstly paid by the employee and then reimbursed by the Partner Organisation in another currency, for example expenses paid with a corporate credit card, the conversion rate shall apply to the amount the organisation was liable to pay to its bank (amount defrayed by the organisation).

As a general principle, expenses should be declared in euros when the partner organisation was liable to pay in euros (staff contract, or any other contract) and/or if the cost was defrayed from a euro bank account.

Costs incurred by Partners related to fluctuation of foreign exchange rates are not considered eligible expenditure.

For UK partners incurring costs in France, there are 2 different interpretations that can be applied to the term “original currency”. Either the amount that is on your bank statement (which would be in

¹³ Article 28(b) of Regulation (EU) No 1299/2013

UK sterling) or the amount in Euros as per the item receipt. Either way we would need to see the defrayal through the bank account. What is important when applying the interpretation of original currency, is that you apply a single interpretation throughout the project duration in line with your organisations' internal rules. These rules are in place to ensure that projects do not make a profit from the exchange rate and that minimal currency exchanges take place on the same expenditure.

V. VAT¹⁴

VAT is not eligible except in the case of VAT which is not recoverable under national VAT legislation. If a Partner can recover VAT (regardless of if it actually does), all expenditure reported to the Programme has to be reported without VAT.

VI. Generally ineligible expenditure

Legal Disputes

Fines, financial penalties and expenditure on legal disputes and litigation, is not eligible. This does not prevent expenditure on non-contentious legal advice, such as legal consultation relating to the purchase of land or the writing of contracts¹⁵.

Interest on Debt

Interest on debt is not eligible¹⁶.

Gifts

Expenditure on gifts, such as promotional items is not eligible.

Programme rule on recovery of irregularities of 250 Euros and less

The programme will not recover or deem amounts of 250 Euros or less as irregularities that would be recovered.

The €250 rule is the total of all irregularities found **per operation** and **per accounting year**. (e.g. 3x irregularities of €100 for the same project in a given year will result in recovery of the total €300)

VII. Intellectual property rights

As a general principle and in the spirit of cooperation and exchange, project outputs are expected to be freely available for the public.

Projects should make use of the Partnership Agreement to make the necessary provisions for questions on ownership and intellectual property rights which relate to assets used for the project, however the final results of the project must be freely available to the public.

¹⁴ Article 69(3)(c) of Regulation (EU) No 1303/2013

¹⁵ Article 2(2)(a) of Delegated Regulation (EU) No 481/2014

¹⁶ Article 69(3)(b) of Regulation (EU) No 1303/2013

Guidance Note 9 In Kind Contributions

I. What is an in-kind contribution?

An in-kind contribution is a donation made to a project, either from a Partner or from an external organisation. These contributions may be considered as part of the eligible expenditure of the project, and used as match-funding, provided that the rules set out below are followed.

The test to determine whether a contribution made to a project is considered to be an in-kind contribution or not is whether a Project Partner has made a payment for the goods, services or land during the lifetime of the project. If the Partner has made a payment then this is not considered to be an in-kind contribution.

Examples of in-kind contributions include;

- Voluntary labour;
- Donation of land by an external organisation or which a Partner already owns;
- Free use of vehicles or equipment;

Contributions which would not be considered to be in-kind include;

- Staff employed by the Partners who receive a salary;
- Purchases of goods and services.

For the purpose of this fact sheet these shall be referred to as, “real costs.”

Due to the complexity of this type of expenditure Project Partners are advised to contact the JS for advice if they intend to claim In-kind contributions.

II. General rules on in-kind contribution¹

In order to be considered as an eligible expenditure, the following general rules must be followed in relation to in-kind contributions;

- The Partners must not have paid for the works, goods, services or land claimed as a contribution. It is not allowable to purchase works, goods services or land with the intention of using them to implement the project, and then to “donate” them as an in-kind contribution,
- The value of the contribution claimed must not exceed the normal market costs, and the rationale for the value given in the claim must be capable of being verified. For example, where a project receives the donation of a vehicle, it would be expected that prices for vehicles of a similar model, age, and condition would be sourced for comparison.

For the purposes of budgeting a project, and submitting claims, the in-kind contributions should be included under the same budget lines as their real cost equivalents. For example, voluntary labour

¹ Article 69 of Regulation (EU) No. 1303/2013

should be counted under staff costs, donations of machinery should be counter under equipment and donations of land should be counted under Infrastructure and construction budget line.

A. Maximum amount of in-kind contribution²

The total amount paid to the project from the Programme to the project cannot exceed the amount of real costs that the Partners have incurred. In other words, the percentage of eligible expenditure consisting of an in-kind contribution may not exceed the co-financing rate of the project.

Example

A project has a total budget of 200,000€, with a co-financing rate of 60%, meaning the Programme would normally pay 120,000€ of this amount, whilst the Partner Contribution would be 80,000€. However, when the project compiles its claim the expenditure is as follows;

In-Kind Contributions	100,000€
Real Cost	100,000€
Total	200,000€

Programme payment to the project would be capped at 100,000€ as this is the total amount of cash paid out by the Project Partners, reducing the co-financing rate to 50%.

Partners should therefore consider this carefully whilst budgeting and managing their project to ensure they have sufficient real cost to be able to claim the full amount they expect.

III. Specific Rules for in-kind contributions

A. Voluntary workers

Voluntary workers providing support to a project may be claimed as an in-kind contribution and should be entered under the staff costs budget line. When it comes to establishing the value of the voluntary work this will be the minimum hourly wage for the country the voluntary workers are working in.

In order to claim this amount, Partners need to have a system in place to record the hours worked by the voluntary staff. The timesheets or equivalent documents produced by this system should be included in the claim.

The in-kind contribution counted under this budget line will count as a part of the eligible staff costs used in the calculation of the flat rate for Office and Administration expenditure.

United Kingdom:

For voluntary workers engaged in the UK, the minimum wage rate to be applied is the rate for workers over the age of 25.

² Article 69(a) of Regulation (EU) No 1303/2013

France:

For voluntary workers engaged in France, the rate to be applied is 100% of the SMIC rate.

B. Land

In addition to the general rules for in-kind contribution, the following additional rules relate to the donation of land to the project.

- The value of the land must be certified by an independent qualified expert (for example, a chartered surveyor)³ through an independent valuation⁴.
- Where the donation takes the form of a lease agreement, there is an exemption to the usual rule that no payment can be made. In this situation it is allowed for the lease to include a payment of 1€ or £1 per year, in order to ensure that the lease agreement recognised in law⁵.
- The value of the land included as part of the project claims (either in kind or on a real cost basis) must not exceed 10% of the total expenditure in the project.⁶

Project Partners should be aware that if they temporarily donate land to a project and it returns to them after the completion of the project, any increase in value as a result of improvements made to the land financed by the project shall be treated as revenue, and the eligible expenditure of the project will be reduced to take this into account. Please refer to the Guidance Note 10 on “Revenue” for more information. (Available soon)

IV. Audit Trail for In-Kind Contributions

In order to claim for an in-kind contribution, Partners must be able to produce a calculation for the value, including the rationale and supporting evidence for the calculation. They must also be certain that the value they are attributing the contribution does not exceed the market value⁷.

For example, if a project wished to claim the donation of a vehicle as an in-kind contribution, it could obtain quotes for similar models of a similar age and condition to determine the market value for the vehicle.

Partners should discuss their proposed calculation method chosen with their First Level Controller and the JS if they have concerns regarding its validity.

In addition, Partners need to have a system in place to record and evidence the delivery of in-kind contributions.

All supporting evidence (calculation methodology and delivery) should be uploaded on eMS with the relevant Partner Report.

³ Article 69(1) of Regulation (EU) No 1303/2013

⁴ Article 69(1)(c) of Regulation (EU) No 1303/2013

⁵ Article 69(1)(d) of Regulation (EU) No 1303/2013

⁶ Article 69(3)(b) of Regulation (EU) No 1303/2013

⁷ Article 69(1)(b) of Regulation (EU) No 1303/2013

Guidance Note 10

Revenue

I. Definitions

Revenue is defined in the EU regulation¹ as cash in-flows directly paid by users for the goods or services provided by the project, such as charges borne directly by users for the use of infrastructure, sale or rent of land or buildings, or payments for services.

Net revenue is revenue as defined above less any operating costs and replacement costs of short-life equipment incurred during the corresponding period².

A. What projects does this apply to?

All projects generating revenue from the use of the project's infrastructure, from the sale or rent of lands and buildings or from the provision of a service **may be affected**. Revenue is defined as cash in-flows directly paid by users. This includes tariffs, tolls, fees, rents or any other form of charge directly borne by the users. It also includes operating cost-savings unless they are offset by an equal reduction in operating subsidies³.

A project may generate revenue during the project's implementation (e.g. organisation of an event for which participants have to pay an entrance fee) or after the project's closure (e.g. an exhibition that would start after the project's closure). For each scenario, further explanations are provided in the following section.

II. Treatment of revenue

A. Net revenue identified at application stage⁴

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

If known beforehand, the amount of net revenue should be specified in the Application Form, in the net revenue budget line. Net revenue will be deducted from total eligible expenditure and will consequently decrease the ERDF contribution.

¹ Article 61(1) of Regulation (EU) No 1303/2013

² Ibid.

³ Ibid

⁴ Article 61(2) of Regulation (EU) No 1303/2013

B. Net revenue generated during project implementation⁵

If a project foresees that it will generate revenue during the project's implementation, an estimation of the amount of revenue⁶ shall be indicated in the budget of the Project Partners concerned (a specific budget line is available in the Application Form). An automatic formula in the Application Form ensures that the amount of estimated revenue is deducted from the total Partners' and projects budgets.

All revenue (including those not foreseen at application stage) generated during the project's implementation must be reported in the Partner Reports. The Project Partner that generates revenue shall ensure that the reported amount corresponds to the reality, keeping account of all revenue including the required documentation.

The First Level Controller of the Partners concerned shall check that the reported revenue is in line with the information stated in the Application Form. Any additional unforeseen revenue must be declared in the Partner Reports and deducted from the total eligible budget at disposal of the project.

If the project is subject to State Aid rules, the net revenue will not be deducted unless national rules request otherwise⁷.

C. Net revenue generated after the project's closure

If it is foreseen that net revenue will be generated after the project's end, for instance to ensure the durability of the project's results, it must be deducted from the project budget at the application stage. Therefore, when the net revenue is generated after the project closure, an estimation of the amount of net revenue shall be indicated in the budget of the relevant Project Partner.

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

Project Partners should be aware that if they temporarily donate land to a project and it returns to them after the completion of the project, any increase in value as a result of improvements made to the land financed by the project shall be treated as revenue, and the eligible expenditure of the project will be reduced to take this into account.

⁵ Ibid.

⁶ The calculation methodology for revenue estimation is defined in Articles 15 to 19 of Delegated Regulation (EU) No 480/2014

⁷ Article 61(8) and Article 65(8) of Regulation (EU) No 1303/2013

Guidance Note 11

State Aid

This Guidance Note is for guidance purposes only, and does not constitute legal advice on the subject of State Aid.

Some complementary information is available on the [FCE State Aid scheme](#).

I. Introduction and Overview

State Aid Rules are the European Union's rules controlling the granting of State subsidies, with the aim of ensuring that there is fair competition across the single market.

This Guidance Note sets out the general principles of State Aid, however it is not a definitive text on the subject, and where Project Partners are unclear on aspects of State Aid they should always seek further advice.

As it will be easier to build a project having taken considered State Aid issues from the beginning, rather than attempting to modify a developed project after it is realised that it will contain a risk of State Aid, it is very important that Project Partners consult this guidance note during the development of their project. All applicants should carry out a "self-assessment," exercise on their project, even if they do not initially consider it likely that State Aid rules are relevant to their project, as the application of State Aid rules may be wider than they expect.

If a project is awarded funding that is later deemed to be in breach of State Aid rules, the programme will be required to recover the funding. Although the programme provides advice to projects and assesses the risk of State Aid when the project is considered for selection (See Guidance Note 5 on Project selection), the responsibility for ensuring that the project is State Aid compliant remains with the Partnership.

II. What is State Aid?

The basic definition of State Aid is found in Article 107 of the Treaty of the Functioning of the European Union, which states;

"Any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods in so far as it affects trade between Member States."

For ease of understanding this is often broken down into 5 component parts;

1. **Transfer of State resources** (Financial or otherwise, "in any form"). This can consist of money (such as grants) or other benefits, (such as rent free buildings, free training courses, or specific

tax exemptions etc.) This criterion is automatically met when considering direct beneficiaries of the FCE programme as the ERDF funds are considered State Resources.

- 2. Undertaking** means any organisation that is engaged in economic activity. This criterion is met regardless of the legal status of the organisation, so public sector organisations such as County Councils may be considered undertakings, along with charities and other not for profit organisations. The test of economic activity is whether or not a market exists, or could exist. The fact that an organisation is providing goods or services for free, entirely financed by the state, does not mean that it is impossible for a market to exist and the activity is not economic activity.

As an example, a Public Authority that fixes solar panels to its buildings and sells the electricity is engaging in economic activity, and support to the purchase of solar panels could be considered State Aid.

- 3. Selectivity.** The reference to favouring “certain” undertakings is often described as selectivity. Selectivity has broad meaning in this context, and includes not just selecting a specific organisations, but also support that is specific to a single sector or region. A measure that has general application (such as a tax cut to all businesses) does not constitute State Aid, as it is not selective. The award of grant funding is always selective as a specific group of Project Partners will receive the funding.
- 4. Advantage.** In order for a measure to be considered as “favouring” a certain undertaking, it must confer an advantage on the recipient of the funding. Therefore purchase of goods and services at market rates will not be considered State Aid as it is presumed that a company operating at normal market rates will not be gaining a benefit. Therefore adherence to public procurement rules (see Guidance Note 6 Project Implementation) is a strong defence against payments to companies being considered state aid.
- 5. Affecting trade between member states:** This final criterion is very broadly interpreted, as if there is a market for goods then it is likely that a company in another member state could provide them, in which case providing an advantage to an undertaking in that market will affect trade between member states. However measures which are purely local, such as supporting a local swimming pool that will not attract tourists from outside the area can be seen as not affecting trade between member states.

Further information can be found on the [European Commission website](#).

III. Approach to State Aid in the France (Channel) England Programme

The France (Channel) England Programme has the ambition of supporting SMEs, and as a part of its contribution to the Europe 2020 objectives it has a strong focus on supporting economic growth. Therefore the programme is keen to facilitate projects that may have State Aid issues and to resolve

them through use of the GBER (General Block Exemption Regulation)¹ and De Minimis², as this will allow it to effectively use its funds to achieve its objectives.

Within the programme;

- The JS will provide basic State Aid advice and flag potential State Aid issues during the project development.
- When reviewing Intervention Logic Outlines, JS officers and committee members will indicate if they consider that a project has elements that pose a risk of State Aid.
- When appraising projects applications, Appraising Officers will carry out a State Aid risk assessment exercise.
- Member States, through their representatives at the Project Selection Sub-Committee will consider the applications potential State Aid risks, to ensure that they are satisfied that the project presents a low risk of state aid
- First Level Controllers and Auditors (from the programme, the Commission, and the Court of Auditors) will oversee the projects and the programme to ensure compliance with State Aid Rules.

Although the Programme Authorities will take an active role in supporting projects, it is important to remember that the primary responsibility for ensuring that a project is State Aid Compliant remains with the partnership, and therefore it may be advisable that they seek independent legal advice to clarify issues before the project begins.

IV. Self-Assessment for State Aid

This section is for guidance purposes only, and should not be treated as legal advice on the subject of State Aid.

The information below provides a step by step guide to carrying out a basic assessment to determine if a project contains a risk of being in breach of State Aid rules.

Step 1 – Identify the potential recipients

The first step is to identify all potential recipients of any aid. All members of a project partnership are automatically in receipt of State Resources, as they are in receipt of Programme Funds. However at the same time it is important to carry out the State Aid analysis for the end users of the project.

Once potential recipients are identified then the following test needs to be applied to all of them. At the project development stage it will be sufficient to consider groups of recipients where the precise identity of the beneficiaries is not known.

Example

- A project develops a consultancy service for SMEs in the Programme area. The SMEs that are receiving the consultancy service are potential recipients.

¹ Commission Regulation (EU) No 651/2014

² Commission Regulation (EU) No 1407/2013

- A project develops a “test site” to be used by companies in the Programme Area to test new forms of Low Carbon electricity generation. The users of this test site are potential recipients.
- A project develops a new technology for attracting tourists to a location, and tests it for free at a tourist attraction. The owner of the tourist attraction is a potential recipient.

Step 2 - Is the transfer to an undertaking?

Is the organisation engaged in economic activity? (Regardless of legal form or purpose)	YES – Proceed to next question NO – No State Aid
---	---

An **Economic Activity** is any activity consisting of offering goods and services on a market, whether or not the entity offering the goods or services is charging for the service or there are other entities offering similar goods or services on the market. The test applied is one of potential rather than of the actual existence of a market in the goods and services.

If an organisation is engaged in economic activity then it is considered an undertaking for the purpose of State Aid Law, irrespective of its legal status or the main purpose of the organisation.

Example

A local authority installs solar panels on the roof of one of its buildings with the intention of selling electricity. Although the main purpose of the local authority is not economic, this part of its activities are considered an “undertaking,” as it is engaged in economic activity.

Step 3 – Advantage

Does the organisation gain an advantage from the project that it would not have had otherwise?	YES – Proceed to next question NO – No State Aid
--	---

This is a test of whether the organisation in question is in a better position, or is potentially in a better position as a result of the transfer of resources. For the direct recipients of the ERDF grant, they will be considered to be at an advantage and this criterion will be met.

When considering the “end users” of a project, if a project is providing something free of charge then this will apply.

Payment for Goods and Services (such as construction work or purchase of equipment) that is made through an open procurement process (See Guidance Note 6 on Project Implementation, Section on Public Procurement) will not be considered a state aid, as carrying out business on the open market is not considered to grant an advantage.

Applying the same principles, if a project output is made available at a market rate then there is no advantage to the end user. This is sometimes described as the “Market Economy Investor Principle,” which is that if it can be demonstrated that a transaction is at the same rate as a private investor, then it is not State Aid.

Example

A project develops a testing rig for testing energy generation systems developed by SMEs in the Programme Area. This is offered free of charge to SMEs. As the SMEs do not have to pay for the use of the rig, they are gaining an advantage as they would usually have to pay for this service.

Alternatively if the project were to charge a market rate for the use of the testing rig, there would be no advantage to the users.

Step 4 – Is the advantage selective?

Is the advantage provided to selected beneficiaries?	YES – Move to next question NO - No State Aid
--	--

If a measure is of general application then it is not considered a State Aid. For a measure to be considered as having general application the advantage it gives needs to be applicable to all undertakings across all sectors. In Interreg projects where there is almost always a targeted region or sector, Aid will almost always be considered to be selective. All direct beneficiaries of the project are recipients of selective aid due to the programmes selection process.

Step 5 – Is there a potential to distort competition and affect trade between member states?

Does the measure have potential to distort competition and affect trade?	YES – State Aid NO – No State Aid
--	--------------------------------------

This is a test of whether the measure will impact on a market in which a supplier or investor from another member state could enter. Only if there is an extremely localised measure will it be considered not to have the potential to affect trade between member states. In the context of an INTERREG Programme where the aim is to deal with problems and challenges that extent across borders, it is very unlikely that activities funded by the programme would be of a nature that does not impact on trade between Member States.

Example

A small grant to a local swimming pool would not be considered to affect trade between member states provided it is primarily used as an amenity for local people and is not a tourist attraction that could attract people from outside the local area.

V. Managing State Aid within a project

If a project contains a risk of state aid, it can either be modified, or the partners should consider if the project fits under one of the State Aid exemptions outlined below. Partners should be aware that the co-financing rates available, as well as the maximum amount of money that can be claimed by an individual partner, may be lower than they have originally planned for in developing their project. Therefore it may be preferable to modify the project idea rather than using the exemptions.

There are three options if a project contains a risk of State Aid;

1. Modify the project to remove the risk of State Aid
2. Apply one of the exemptions within the General Block Exemption Regulation that the Programme has approved for use.
3. Ensure that the aid given falls within the De Minimis Regulation

A. Modifying a project

This can be the most desirable solution as it will reduce the level of monitoring required in the project, however it may require changes that go further than the Partnership is willing to go. The changes required will be bespoke to each project. There are some general steps that all projects can take to minimise risk, but it is advised to discuss the concept with your facilitator to develop a bespoke solution for the project.

General recommendation;

- Ensure that project outputs are freely available to all. If research or technologies developed by a project are freely available for use by all businesses (nb: this means all businesses and not just businesses in the programme area) then the “advantage” element of the above test will not be established, and the risk of State Aid will be reduced

B. Applying a State Aid Exemption

Where a project either cannot be amended, or the necessary amendments would detract from what the Partners wish to achieve there are a number of exemptions that can be applied in order to allow a project to continue. In the FCE programme two specific sets of exemptions are available for projects to use.

When considering the use of these exemptions it is strongly recommended that Partners consult the regulations directly, and where necessary seek their own legal advice in addition to the guidance issued by the programme.

These are;

- The De Minimis regulation³, which sets a financial threshold below which the support is not considered to be a breach of State Aid rules;
- General Block Exemption Regulation (GBER)⁴, which sets out various specific exemptions to State Aid Rules, including a specific exemption for ETC projects.

³ Commission Regulation (EU) No. 1407/2013

⁴ Commission Regulation (EU) No. 651/2014

A Project Partner may be eligible under more than one type of State Aid Exemption. In this case they should consider which one is preferable as each exemption has its own advantages and disadvantages.

These exemptions may be applied at the level of an individual partner, so for some projects it may be possible to apply De Minimis to one partner, and a GBER to another partner in order to find the best possible solution for all partners.

VI. De Minimis

The De Minimis exemption allows for aid to be given to organisations provided the amount given is below a certain threshold. The underlying principle of the De Minimis exemption to State Aid is that below this threshold, aid given will not distort the internal market of the European Union.

The general rule is that the aid will not be considered to breach State Aid rules if the aid is less than 200,000€ from a Member State over any period of three fiscal years⁵. This is a general threshold to which there are two important exemptions; for the Road Freight Sector the threshold is 100,000€ and may not be used to procure vehicles⁶, and the De Minimis exemption may not be used for primary production in Agriculture, Aquaculture or Fisheries. There are separate Di Minimis exemptions for these sectors⁷.

The three-year period is considered a rolling period, any aid granted in the current fiscal year and the previous 2 years is counted. If an organisation were to receive 200,000€ in one year, it would then be excluded from receiving any other aid for the next two years. Alternatively, an organisation could receive 66,666.66€ in each year.

It is possible to use Di Minimis alongside other State Aid exemptions, so that if a project has been granted funds for a specific activity under a GBER exemption, it is still possible to receive Di Minimis aid to cover other parts of the project.

However if a partner is receiving aid under more than one exemption, their entire budget for taking part in the project will be set at the lowest applicable co-financing rate allowed under the exemptions. This is to reduce complexity and risk within the project.

The full De Minimis regulation, Regulation (EU) 1407/2013, can be found through this [link](#). It is strongly recommended that Project Partners read the regulation in full before applying the De Minimis exemption.

A. Applying the De Minimis Regulation

In order to use the De Minimis Regulation for partners within the project, the relevant partners must sign a De Minimis declaration and attach it as an Annex to the Application Form. This declaration is available at the end of this Guidance Note as Annex I. This declaration will allow the programme to assess if the organisation is in compliance with the thresholds. Failure to fill in this form correctly could result in funds being recovered if it is found that an organisation has exceeded the threshold for De Minimis aid.

⁵ Article 3(2) of Commission Regulation (EU) No. 1407/2013

⁶ Article 3(3) of Commission Regulation (EU) No. 1407/2013

⁷ For agriculture please consult the agricultural Di Minimis Regulation, Commission Regulation (EU) No. 1408/2013; For Fisheries and Aquaculture please consult Commission Regulation (EU) No 717/2014.

To determine which fiscal year a grant of aid falls into, the date on which the aid is awarded is used rather than the date on which the aid is actually paid out. The date the aid is awarded is defined as the date that the undertaking has the legal right to receive the aid. In the context of a Project Partner, the date of the award is considered to be the date the Grant Offer Letter is signed, even if the money is not paid out until sometime later.

If a project wishes to use the De Minimis exemption in order to provide support to “end users” of the project, then it will need to obtain a similar declaration from each end user. They will also need to calculate the value of the support given in order to record the amount given to each beneficiary, to allow it to be demonstrated that the amount given does not exceed the De Minimis threshold.

Example

A project sets up a consultancy service for SMEs in the Programme area. This is a selective advantage provided to undertakings, but the value of the consultancy will be less than 200,000€ per business supported.

Therefore, the project will ask for a signed De Minimis declaration from each SME receiving the service. In order to determine the amount of the aid, it will compare market rates for similar services in the area.

VII. General Block Exemption Regulation

The General Block Exemption Regulation provides a set of pre-approved areas where a Member State can provide Aid without having to notify the European Commission in advance, and the aid will be considered compatible with the Internal Market.

The programme will use three exemptions set out by this regulation, which are described below. These exemptions offer the chance for beneficiaries who might not be able to take part in a project under De Minimis due to the restrictive cap to be able to partake in the project, however there are in some cases other restrictions, such as lower co-financing rates from the programme. Project Partners are advised to consult the three articles the programme has selected, and compare them to the De Minimis exemption to determine the best course of action for their Partners.

The full GBER regulation, Regulation (EU) 651/2014, can be found through this [link](#). If a project wishes to use one of the exemptions, it is strongly advised that they read the full regulation;

A. Article 20 - Aid for cooperation costs incurred by SMEs participating in European Territorial Cooperation projects

Article 20 allows aid to be given to Small and Medium sized Enterprises (SMEs) that are participating in ETC projects. It covers aid for the following types of expenditure, which have been modelled on the ETC budget lines (see the Guidance Note “Budget Lines and Eligibility”). Therefore this is the simplest

It supports:

- Costs for organisational cooperation including the cost of staff and offices to the extent that it is linked to the cooperation project; (**Office and Administration; Staff Costs**)

- Costs of advisory and support services linked to cooperation and delivered by external consultants and service providers; **(External Expertise and Services)**
- Travel expenses, costs of equipment and investment expenditure directly related to the project and depreciation of tools and equipment used directly for the project. **(Travel and Accommodation; Equipment; and Infrastructure)**

For the External Expertise and Services this may not include costs related to the usual running costs of the SME (such as routine accountancy).

This Article of the GBER is the simplest to apply for ETC projects that involve SMEs, however Partners must be aware that under this Article the co-financing rate of the Programme is restricted to 50% for that Partner, and the maximum amount of aid that may be given is 2 million per SME.

It is also important to remember that if this Article is used the match funding for that Partner may not come from an alternative source of public funding. The remaining 50% must come from private match funding.

Definition of a SME

The meaning of a Small and Medium Sized Enterprises is defined in Annex I of the GBER. This definition applies irrespective of the legal form of the organisation. This definition is important as it is part of the eligibility criteria for Article 20 as described above, and will define the co-financing rates allowable under the Articles described below.

A SME is defined as an enterprise which employs fewer than 250 persons, has an annual turnover of under 50 million euro, and an annual balance sheet of less than 43 million euro.

A Small Enterprise is defined as an enterprise which employs fewer than 50 persons, has an annual turnover of less than 10 million euro and an annual balance sheet of less than 10 million euro.

A Micro-Enterprise is defined as an enterprise which employs fewer than 10 persons, has an annual turnover or less than 2 million euro and an annual balance sheet of less than 2 million euro.

This test is not applied just at the level of a single organisation, but can also be applied where the organisation is part of a group of organisations. For example, if a company is 100% owned by another company, then the two companies are considered together for the purpose of determining their SME status.

B. Article 25 - Aid for research and development projects

This article is aimed at supporting economic growth through innovation, particularly through supporting SMEs and allowing them to reach their full potential. This article is therefore a useful tool for supporting objectives of the programme in supporting innovation that has a commercial potential.

This Article will be primarily of use to Projects applying under Specific Objective 1.1 and 2.1 of the Programme. There is some additional complexity in applying this article to ETC projects when compared to Article 20. However under this Article the amount of aid that can be given to each undertaking is substantially higher than for Article 20, and the allowable co-financing rate can be substantially higher.

However partners should be aware that not all activities contained within this article are necessarily those that would be approved as projects under the FCE Programme.

The precise funding allowable depends on the type of Partner and the type of research being carried out. The table below sets out the basic co-financing rates, however for more detail partners should consult the regulation. Owing to the complexity of this regulation, it is strongly recommended that independent legal advice is sought.

Maximum Funding rates under Article 25

	Fundamental Research	Industrial research	Experimental development	Feasibility studies
Large Enterprises	100%	50%	25%	50%
Medium Enterprises	100%	60%	35%	60%
Small Enterprises	100%	70%	45%	70%

(NB: The maximum funding rate will be capped at the level indicated in the Programme Call documents)

In addition for industrial research and experimental development the rate can be increased a further 15% if the project involves co-operation between undertakings in at least two member states, or one of the undertakings is an SME, or if the research involves collaboration between a University and an undertaking where the University may publish the results and carries at least 10% of the cost.

- **Fundamental research** means experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct commercial application or use in view;
- **Industrial research** means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing products, processes or services. It comprises the creation of components parts of complex systems, and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation;
- **Experimental development** means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services;

Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes.

Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements;

- **Feasibility study** means the evaluation and analysis of the potential of a project, which aims at supporting the process of decision-making by objectively and rationally uncovering its strengths and weaknesses, opportunities and threats, as well as identifying the resources required to carry it through and ultimately its prospects for success;

The expenditure which is eligible under this article consists of the following (NB: This expenditure would also have to meet with programme rules);

- **Personnel costs:** researchers, technicians and other supporting staff to the extent employed on the project;
- **Costs of instruments and equipment** to the extent and for the period used for the project. Where such instruments and equipment are not used for their full life for the project, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible.
- **Costs for buildings and land**, to the extent and for the duration period used for the project. With regard to buildings, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible. For land, costs of commercial transfer or actually incurred capital costs are eligible.
- **Costs of contractual research, knowledge and patents bought or licensed** from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for the project;
- **Additional overheads and other operating expenses**, including costs of materials, supplies and similar products, incurred directly as a result of the project; these expenses include travel costs;

C. Article 53 - Aid for culture and heritage conservation

This is a broad exemption which may be of interest to projects seeking to carry out activities related cultural heritage. Projects under this exemption can include investments and operating costs, although the fact that the costs listed below are allowed under the exemption does not automatically mean that they are the form of projects that would be approved under the FCE Programme. This State Aid exemption covers both investment and operating costs.

For investment it covers:

- costs for the construction, upgrade, acquisition, conservation or improvement of infrastructure, if at least 80 % of either the time or the space capacity per year is used for cultural purposes;
- costs for the acquisition, including leasing, transfer of possession or physical relocation of cultural heritage;
- costs for safeguarding, preservation, restoration and rehabilitation of tangible and intangible cultural heritage, including extra costs for storage under appropriate conditions, special tools, materials and costs for documentation, research, digitalisation and publication;
- costs for improving the accessibility of cultural heritage to the public, including costs for digitisation and other new technologies, costs to improve accessibility for persons with special needs (in particular, ramps and lifts for disabled persons, braille indications and hands-on exhibits in museums) and for promoting cultural diversity with respect to presentations, programmes and visitors;
- costs for cultural projects and activities, cooperation and exchange programmes and grants including costs for selection procedures, costs for promotion and costs incurred directly as a result of the project;

For operating costs this exemption covers:

- the cultural institution's or heritage site's costs linked to continuous or periodic activities including exhibitions, performances and events and similar cultural activities that occur in the ordinary course of business;
- costs of cultural and artistic education activities as well as promotion of the understanding of the importance of protection and promotion of the diversity of cultural expressions through educational and greater public awareness programs, including with the use of new technologies;
- costs of the improvement of public access to the cultural institution or heritage sites and activities including costs of digitisation and of use of new technologies as well as costs of improving accessibility for persons with disabilities;
- operating costs directly relating to the cultural project or activity, such as rent or lease of real estate and cultural venues, travel expenses, materials and supplies directly related to the cultural project or activity, architectural structures for exhibitions and stage sets, loan, lease and depreciation of tools, software and equipment, costs for access rights to copyright works and other related intellectual property rights protected contents, costs for promotion and costs incurred directly as a result of the project or activity; depreciation charges and the costs of financing are only eligible if they have not been covered by investment aid;
- costs for personnel working for the cultural institution or heritage site or for a project;
- costs for advisory and support services provided by outside consultants and service providers, incurred directly as a result of the project.

Annex I De Minimis Declaration

Subject: information on the grants received de Minimis

Please complete this declaration of previous State aid received under the de Minimis rule. Using this information we will assess your eligibility to receive assistance. Please note that having received previous aid under the de Minimis Regulation does not automatically disqualify you from receiving further de Minimis aid from the France (Channel) England Programme.

Declaration

I, the undersigned, representing name of the Project Partner organisation and involved as Project Partner in the project (Project Acronym), declare that:

- the institution I represent and all other entities belonging to the same company group as my institution **have not received** any contribution falling under the de Minimis Regulation during the previous three fiscal years (this being the current fiscal year and the previous two fiscal years);
- the institution I represent and all other entities belonging to the same company group as my institution **have received** the following contribution(s) falling under the de Minimis Regulation during the previous three fiscal years (this being the current fiscal year and the previous two fiscal years):

Organisation providing the de Minimis aid	Beneficiary (as defined in Regulation 1407/2013)	Amount of the contribution in EUR		Date of granting
		France	England	
	Total			

I acknowledge that untruthful/false declarations, in addition to the administrative sanctions and the request for refunding unduly received contribution charged with the interests, and may also be subject to criminal prosecution.

Date:

Signature:

(Name of the person signing for the beneficiary (and official stamp of the Project Partner where applicable))

Guidance Note 12

Complaints procedure

I. Making a complaint during the application/selection phase

The project LPs whose project proposals are rejected are informed in writing about the reasons why their application was not eligible or was not approved. Any questions submitted by LPs on behalf of partners in relation to the assessment of their Application Form will be examined and answered by the MA/JS. Projects that are not selected for funding have the right to make a formal complaint against the Programme's decision not to select a proposal. However, such a complaint must be well-grounded and follow a specific procedure. Please note that further details and specific complaint forms may be published with each call.

In principle, complaints can only be made on the following grounds:

- (1) the reasons for rejection/ineligibility do not correspond to the information provided by the Lead Partner, and;
- (2) the project assessment and selection process failed to comply with the specific procedures laid down in the call publication and Programme Manual that materially affected or could have materially affected the decision.

Only the project's LP can make a complaint. Potential complaints from PPs must be channelled through the LP. Before making a complaint, the LP must contact a Programme Facilitator in an attempt to resolve the issue. A complaint will not be considered eligible if this prior attempt at reaching an amicable agreement with the JS hasn't taken place.

Formal complaints must be submitted in writing (post or email) to the JS within 28 calendar days after the official notification of the non-selection of the project by the MA and should be addressed to the Programme Manager.

The complaints will be examined and answered by a complaints panel involving the chair of the PMC, and representatives of the JS and the National Authorities. If deemed necessary, the complaints panel may decide to refer a complaint to the PMC.

II. Making a complaint during the project implementation phase

Complaints against a decision made by the MA/JS during project implementation are dealt with as follows:

The MA/JS and the LP will do everything possible to settle any dispute arising between them during project implementation and the interpretation of the Grant Offer Letter in an amicable way. If no amicable agreement is reached, the dispute may be submitted for consideration to the complaints panel, which involves the chair of the PMC, and representatives of the JS and the National Authorities. This formal complaint must be submitted in writing (post or email) to the JS within 28 calendar days after the notification of a decision and should be addressed to the JS. Complaints made against other Programme bodies should also be submitted to the MA/JS and will be dealt with following the same process.

Please note that no complaint can be made after the final Project Report has been certified by the Certifying Authority.

Complaints related to first or second level control must be made to the responsible National Authority according to the applicable national rules.

III. Actions following a Complaint

If a complaint is upheld, the JS will endeavour:

- To resolve the object of the complaint
- To restore matters to situation they would have been in, had things not gone wrong (as far as is possible)

The complaints panel will not have the ability to substitute a decision of the JS or selection committee relating to an application form, progress report or payment claim. In these situations, the complaints panel will declare the original decision void, and require that the matters is reconsidered, taking into account the findings of the complaints panel. For example, if a complaint relates to the selection process, the project will not be consider approved, however the decision to reject the project will be set aside and the application will be taken through the selection process again.

IV. Legal action

At any time, but preferably only after the failure of the above procedures, each party may submit the dispute to the courts. The place of jurisdiction is, as defined in the Grant Offer Letter, England and Wales.

Guidance Note 13

Project Closure

I. Introduction

As each project approaches its conclusion, it is important that LPs maintain regular communication with their respective JS Project Officer so that progress can be carefully monitored. By doing so, projects should be able to close smoothly and within the remit of the FCE programme which itself closes at the end of 2023.

By signing the Partnership agreement and Grant Offer Letter (GOL), all partners agreed to finalise all project activities at least 3 months before the official end date of the project. During this period, the Partnership should ensure that all mandatory achievements agreed in the Application Form have been reached.

At the end of the three-month closure period, the LP must submit its final Project Progress Report and, in addition, a Project Closure Report (see III. and IV. below). The LP must adhere to the final reporting date, and it will not be possible to revert the claim back to the PPs/FLC/LP or to reach out to partners or FLC's for additional information. If discrepancies are found the expenditure will be removed or corrected.

IMPORTANT:

For projects where the deadline for submission of the final claim is 30 September 2023, it is strongly recommended that the claim is submitted as early as possible.

Any discrepancies found in relation to expenditure will be corrected where possible or removed.

II. The Final Claim

In regard to the final claim, the partnership **can** only claim:

- Costs under WP Management (BL1, BL2, BL3 and BL4)
- Costs that have been incurred during the implementation period, but not defrayed until closure period
- 'Sitting ducks' are also eligible if the audit trail is present on eMS and certified by the FLC

III. Closure Report

The Closure Report (CP) should be used to provide an overview of what has been delivered and achieved, including information for communication purposes and programme statistics. It is accessible to the LP on eMS.

The Closure Report is in the form of a questionnaire with seventeen questions (see questions below). The main objectives of the report are:

- To collect evidence of the contribution to programme and project indicators
- To understand the durability and transferability potential of project outputs and results at project, programme and policy level

- To support capitalisation activities, at project and programme level

The final report consists of the following main elements:

- Information on project overall implementation, its objective, results, outputs and main achievements, including its contribution to strategies and horizontal principles, as well as the added value of cross-border cooperation
- Information regarding communication activities, and specifically story telling or a testimonial
- Feedback on the Programme, its bodies and its set up
- A focus on future outlook, in terms of durability, transferability and replicability of project results and outputs after project closure and impact of the project
- Identification of net revenue

After the completion of the project, together with the last Project Report (PR), the LP must submit the Closure Report to the JS via eMS. Its purpose is to provide an overview of the project and partnership achievements at the time of closure, but also the envisaged long-lasting effects or change the project will deliver.

As specified in the Grant Offer Letter (GoL) the final report shall be submitted to the JS within three months after the project closure date.

In the Closure Report, the results and change delivered by the project should be presented, especially about the contribution to the selected programme specific objective and result indicators.

Experience of cross border co-operation should be described as well as the synergies with other projects and initiatives. The project management and the partnership should be reviewed with a critical eye. The project should also detail planned follow-up measures and further steps for utilisation and dissemination of the project outputs to ensure durability.

Please note that the closure of the last project report and the implementation of any necessary (financial) corrections or follow-up measures due to audits or controls, as well as the closure of the final report is also a precondition for the transfer of the final ERDF payment.

CLOSURE REPORT – QUESTIONS

Overview

Give overview: please give a summary before answering the questions (this should include information on the project's overall implementation, its objective, results, outputs and main achievements).

Q1 - Please describe the achieved and expected (in foreseeable future) impacts/changes your project brings to the cooperation area. Indicate also the geographical extent to which your project brought change (partner level, regional, national, transnational or EU level) and explain the reasons why. If possible, please quantify these impacts and changes.

Guidance: this question is linked to the programme result indicator of your application form (C.2.3).

Changes could be tangible and/or intangible: some tangible changes are e.g. cost/time savings, reduced energy consumption, reduced environmental impact, reduced risks, improved access to services, to business development, job creations, etc.; some intangible impacts are e.g.: better governance, building institutional capacities, raising awareness, changing of attitude and behaviour. Please describe how you reach your target groups when explaining these changes.

Q2 – Please describe how the project has contributed to horizontal principles.

Q3 – Please describe how the project has contributed to the selected programme specific objective and result indicators?

Q4 - What kind of changes has the project brought to the partners and observers both individually and collectively?

Guidance: Please collect comments and remarks from your partners and observers and compare them against the reasons given to join the project in section B of the application form. The project may have impacted also the way of working of the partners, brought some new competences and/or methodologies, opened new perspectives and kicked off new collaborations.

Q5 - Contribution to France (Channel) England and other EU or wider strategies and policies: In particular, please describe how, with concrete measures, your project has contributed to France (Channel) England and the implementation of its action plan.

Guidance: consider your contributions to the different strategies and policies (listed also in your application form C3.1 and C3.2) and identify key success factors, but also primary obstacles or missed opportunities that prevented the project from achieving a greater impact.

Q6 - What has been the added value of the cross-border cooperation approach of your project? Has your project had positive (but also possibly negative) effects that you did not expect?

Guidance: please consider the added value of the transnational cooperation for the partnership, for the stakeholders' involvement, for the topic the project has dealt with and for the cooperation area. The focus of the question is on the transnational character of the project and its consortium (described in your application form C1.3).

Q7 - Please report cooperation and concrete synergies with other FCE projects and/or other EU programme and projects/international initiatives.

Guidance: please refer to the box C3.2 "Synergies" of your application form and describe which concrete cooperation and synergies were actually successful.

Q8 - Please describe the main challenges as regards working in a cross-border partnership (with cultural differences).

Guidance: Problems faced, solutions found and lessons learnt should be explained here. Please precise also the balance between benefits/challenges.

Q9 - Evaluation of technical project implementation and project management – what worked out well, what not, what would you do differently now?

Guidance: Were all the partners actively involved? Were the internal communication and work repartition effective? For example: was the coordination role of the WP leaders operational, did the project steering structures work efficiently? Was the cooperation with project observers successful?

Q10 – Please describe the communication activities which took place. In your view, which was the most successful achievement in terms of communication of your project? Please explain why.

Q11 - How do project communication measures ensure durability and transferability of the project outputs/results?

Guidance: please consider that those measures for durability and transferability are also related to specific target groups. The further use of the outputs by the target groups should be presented here too and illustrated with concrete examples.

Q12 - What are the most important lessons learnt from your communication activities? Please consider your target groups and the different approaches used in the project to involve them.

Q13 - What would be the future challenges and opportunities for further cross-border exchange in the field/topic your project was dealing with? How will it be possible to capitalise on your project outputs?

Q14 - Please indicate how the partnership will continue the cooperation beyond this project (to ensure durability of project outputs).

Guidance: please indicate if structures for maintenance of the project outputs were established (if yes, precise the names of the structures or the partners which will support them financially and what the tasks of such structures will be). Please describe if a long run action plan has been prepared (if yes, please indicate by whom the action plan has been agreed and what its time horizon is). What will happen with project outputs after the project closure? If strategic documents or/and planning procedures were amended to maintain the project outputs, please precise the nature of such adjustments and names of documents and procedures affected). Please countercheck what was initially planned in the sections "Durability" (C.2.5) and "Transferability" (C.2.6) of outputs for each output of your application form and if there is any deviation. If you are aware of follow up projects, please name and describe them briefly (e.g. possible funding sources...).

Q15 - Please give details of any net revenue generated during the project's implementation. Please include amounts.

Guidance: Please see Guidance Note 6 of the programme manual

Q16 – Please give feedback on the Programme, its bodies, and its set up.

Q17 – Please indicate the contact details of at least 1 person (project coordinator preferably, possible colleagues) for every project partner, in case the Programme needs to contact them post-closure (titles, full names, email addresses, phone numbers).

IV. Guidance

The Closure Report is the last document to be submitted by the project LP. The LP should prepare the report in conjunction with all PPs during the closure period foreseen in the Management WP in order to collect partner evaluations and information.

The last reporting period could be shorter or longer than the 6 months period. Accordingly, staff costs can also be reported for a reporting period longer or shorter than the normal 6 monthly basis.

Expenditure related to activities foreseen in the approved application form and in line with the programme rules are eligible provided that they have been incurred before the project closure period.

Expenditure related to WP Management activities foreseen in the approved application form and in line with the programme rules are eligible provided that they have been incurred before the project end date.

If payments for expenditure related to WP Management are made after the project end date, related expenses can be accepted if the activities have been implemented and invoices issued before the project end date but respecting the deadline for submission of the final report. (In this case please contact the FLC body responsible as well as the LP in advance)

The FLC's final invoice is eligible even if the work performed took place after the project closure, provided that the following procedure is respected:

1. The project partner submits its partner report and the financial documents to the FLC as for previous reports;
2. The FLC performs the eligibility check of the partner report and invoices the partner for its work;
3. The FLC reverts the partner report to the partner in order to include the FLC invoice in an amended list of expenditures in the eMS and the partner pays the FLC's invoice;
4. The FLC verifies the payment and the revised partner documents and issues the certificate.

V. Requirements after project closure

After their closure, projects must fulfil certain requirements regarding durability/ownership, revenue and record keeping. These requirements are aimed at guaranteeing transparency and durability of the projects funded.

A. Durability / ownership

- a) Durability / asset management plan

In order to help projects to achieve their long-term impact, the Programme requires that all PPs draw up clear plans and provisions ensuring long term benefit from their project's investments and equipment' purchases. Within this Guidance Note, these are referred to as assets.

This should be done through an Asset Management Plan (AMP), which should be updated each time a new asset is purchased. This is only relevant for assets:

- for which the full cost have been claimed⁵⁹; and
- that are not going to be fully depreciated by the end of the project

AMPs must be established at partner level and submitted with the relevant Partner Report. A final version of the AMPs will be requested by the JS with the final Partner Report.

The AMP clarifies the ownership, the location as well as the provision put in place to maintain the use or future use of the asset purchased partly via ERDF.

A [template](#) is available on the Programme website.

b) Durability / ownership of the project's infrastructure and investments

The ownership of the project's infrastructure and investments⁶⁰ (financed under the infrastructure and construction works budget line), and produced during the implementation of the project, must remain with the project partners for at least five years after the project end date. There may be no substantial modification⁶¹ of the infrastructure and investments within five years after the project closure date regarding:

- a cessation of operation;
- a relocation outside the programme area;
- a change in ownership giving a firm or a public body an undue advantage;
- a substantial change affecting the nature of the infrastructure and/or construction work which would result in the undermining of its original objective.

Any unduly paid sums will be recovered by the programme in proportion to the period for which the requirements are not fulfilled. In the event of a non-fraudulent bankruptcy of a partner, this measure will not be applied.

B. Revenue

⁵⁹ Art. 5.13 of the GOL

⁶⁰ The infrastructure investments are understood as basic physical and organisational structures and facilities (e.g. buildings, power supplies) needed for the operation of the FCE organisations or enterprises. These include transportation, energy as well as water and waste management infrastructure.

⁶¹ ² The following conditions must be respected:

No cessation of operation;
No relocation outside the programme area;
No substantial change (e.g. different use than indicated in the application form);
No change of ownership giving an undue advantage.

Please see the Infrastructure and construction works budget line description for further details.

In line with Article 65 of the Common Provisions Regulation, any revenue generated during the implementation period of the project, must be reported at the latest with the final project payment claim. This should be specified in the Final Report in order to ensure that all related requirements have been taken into account. Should the project be identified as revenue-generating in accordance with art. 61 of the Common Provisions Regulation, the Managing Authority is entitled to ask for a refund to the Programme in proportion to the contribution from the funds.

More information regarding net revenue is available in Guidance Note 6 “Net revenue”.

C. Keeping records

All supporting documents (such as invoices, public procurement files, contract, etc.) must be made available during the **lifetime of the project**. **Furthermore, as per articles 7 and 14 of the GOL, and in order to ensure that the provisions of the audit trail (please see section G) are in place, the LP and PPs must guarantee that all supporting documentation is clearly stored until 4 years after the end of the project (this period runs from the 31/12 of the year in which the final ERDF balance is paid to the project)**. At the end of the project **the deadline for keeping documentation will be communicated** to the LP. If any State aid was granted (de minimis, GBER, or notification to the EC) to any PP or final beneficiary all the project related documentation must be made available for **10 years** from the date of granting State Aid.

The following rules apply to the archiving of documents:

- The documents must be kept either in the form of the originals, or certified true copies of the originals, or on commonly accepted data carriers including electronic versions of original documents or documents existing in electronic version only.
- Where documents exist in electronic form only, the computer systems used must meet accepted security standards that ensure that the documents held comply with national legal requirements and can be relied on for audit purposes.
- Other, possibly longer statutory archiving periods, as required by national law, remain unaffected by the rules mentioned above.
- Representatives of the Managing Authority/Joint Secretariat, Audit Authority, Group of Auditors, auditing bodies of the Member States, authorised officials of the European Commission and the European Court of Auditors are entitled to examine all relevant documentation and accounts of the project even after its closure.

D. Project website and internet-based tools

Any external website or internet-based tool should be maintained online by the beneficiaries until the end of project implementation. After that period, projects may be required to show evidence that any website existed. Therefore, projects should keep screenshots to evidence their existence, and keep a log of the evolution of websites for audit purposes.

E. Closure letter

After reimbursement of the final payment to all PPs, the MA will issue a Closure Letter addressed to the LP, formalising the closure of the project.

F. Control after project closure

Controls can occur after the project end date. Key factors, related to being prepared for control after project closure, are indicated below.

- The organisations acting as project partners should understand their obligations during the open-to-control period, regardless of the continuity of the staff assigned to the project, especially in terms of the access to documents, information systems and infrastructure and equipment financed by the project;
- The original documents and the computerised systems need to be easily accessible during the full open-to-control period. If the period for retention of documents and computerised records required by the national rules or the organisation's usual practice is less than the open-to-control period, ad-hoc adequate procedures have to be designed and implemented at the beginning of the project;
- Even if infrastructure or equipment is transferred after the project closes, the agreement with the recipient has to include the right of access during the open-to-control period. All technical documentation and photographs should be kept in the project archives (as needed, copies of the technical documents can be given to the owners of the equipment or infrastructure);
- Any equipment at the end of its useful life for example, obsolete computers, needs to be removed from the organisation's inventory following adequate recorded procedures which have to be archived with the project documents, even after project closure;
- Technical documentation must include all supporting documents and photographs proving all the activities financed during project implementation, both tangible and intangible;
- Financial documentation must be accessible in its original form or equivalent according to national law and must include proof of delivery of services and supplies;
- The LP and PPs must agree to nominate a contact person during the open-to-control-period with adequate knowledge of the project, its content, its archives and computer systems and records.

G. Audit trail

Regarding the retention of documentation, projects should consider both national and EC regulations. The strictest rule should be applied. All project partners shall keep all supporting documents.

According to Art. 11 of the Grant Offer Letter and Art. 10 of the Partnership Agreement, the LP and all the partners undertake to archive and store in a single location the technical, financial and administrative file on the operation in accordance with the provisions of the regulations up to 31 December 2028.

The following main documents must be available for control purposes:

- Each invoice and accounting document of probative value related to project expenditure (originals to be retained at the premises of the project partner concerned)
- All supporting documents related to project expenditure (e.g. payslips, bank statements, public procurement, documents etc) to be retained at the premises of the project partner concerned
- If relevant, documentation of on the spot visits by the MA/JS and national authorities

VI. Delivering change, sustainability and roll-out

A. Delivering change

The programme expects that all FCE projects will deliver change within the programme territory. Change is understood to be long-term beneficial economic, environmental or social effects that occur in a defined period of 5 years and 10 years after the project end-date, extending the project impact over time. The programme estimates that a period of 5-10 years would be the average time that is needed for projects to deliver longer-term impact. The change that the project will deliver should be estimated prior to the submission of an application to the programme and should be based on the assumption that the project is successful in reaching its objectives.

B. Durability of investments

In order to help projects to measure their long-term impact, the programme requires that all applicants draw up clear plans and provisions for both the durability aspects of their project's investments and the roll-out of their achievements across the FCE territory in a dedicated work package in the application form. Durability and roll-out can trigger or lead to long-term effects which deliver the required change.

As far as **durability** (see Art. 71 Common Provisions Regulation (EU) No 1303/2013) **of infrastructure and investments** (financed under the infrastructure and construction works budget line) is concerned, in order for the investments to be considered as durable and hence eligible to be co-financed by the programme, they must fulfil certain conditions in the period of 5 years after the final payment is made to the project by the programme. If these conditions are not respected the sums unduly paid will be recovered

For **equipment-related investments** financed under the equipment budget line, the above provisions on durability will not apply directly. However, equipment should remain operational after the project's closure and continue to serve the same purpose as during the project.

C. Roll-out

In addition, the programme requires all projects to indicate how they envisage rolling-out the technologies, products, processes or services they have implemented through their projects. Roll-out is defined as a series of project activities that increases the viability of project outputs and results (their applicability, use or market share) for a period of 5 years after the project end-date.

- **Projects must therefore incorporate meaningful roll-out activities in the action plan section of the long-term effects work package.**
- **The programme defines roll-out widely and as a result, partnerships should define and measure it in terms of:**
 - *Geographical (approaches/solutions applied in locations different from those covered by the project, as well as outside the FCE territory);*
 - *Institutional (deployed in organisations other than project partners themselves);*
 - *Sectoral (applied in the same sector on a larger scale or in different economic sectors);*

- *Contextual (applied in the same or different thematic context), etc.*

The programme places importance on the robustness of the roll-out plan as this ensures that the partnership is committed to achieving long-term results, which justifies the allocation of ERDF funds, and in particular, the programme expects that:

- **Project results can be sustained and used/applied even more widely in FCE and beyond;**
- **The ERDF funds invested in the projects can be further leveraged and consequently that;**
- **The long-term benefits of funded projects will outweigh their initial costs.**

Guidance Note 14

Micro Project scheme

Please be aware that the Programme has a zero-tolerance approach to Fraud of any form. The Programme will always seek to recover any payments found to be a result of fraud, and will always pursue the harshest available penalty against individuals that commit fraud.

I. Micro Project scheme

The Interreg VA France (Channel) England has set up a Micro Project scheme aimed to attract new organisations to small-scale cross-border cooperation projects. Micro Projects have to contribute to the achievement of the Programme objectives and Programme indicators.

With the exception of the application process, the rules applying to Micro Projects are in many regards similar to the ones for regular projects. The Programme therefore advises applicants to read the Programme Manual in full.

However, the Micro Project scheme differs from the one of regular project in the instances listed below:

	Regular project	Micro Project
ERDF intervention rate	Up to 69%	Up to 80%
Total budget	No maximum budget	€400,000 ERDF maximum €500,000 maximum total budget
Project Start Date	Date of approval by the SSC	Date of approval by the SSC
Project activities latest end date	03/2023	24 months from GOL signature date and no longer than 03/2023
Project latest End date	06/2023	27 months from GOL signature date and no longer than 06/2023
Partnership requirements	At least one partner from each country within the Programme area. No maximum in number of partners	At least one partners from each country within the Programme area. A maximum of 5 partners
Eligible organisations	All legal entities	All local authorities in the UK and some “Collectivités Publiques ⁶² ” in France Charities, “association loi 1901” (for French partners) and businesses employing fewer than 50 persons and

⁶² You will find the list of all French “Collectivités Publiques” eligible under the Micro Project scheme in page 2

		whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.
--	--	---

Calls	Four calls for projects a year	Two calls for projects a year
Application process	One-phase application to be submitted on eMS	One-phase application to be submitted on eMS
Work plan	3 compulsory Work Packages (WP) (Preparation, Management, Communication) and 5 WP maximum for Implementation	2 compulsory Work Packages (Preparation, Management) and 3 WP maximum for Implementation
Budget lines⁶³	All budget lines eligible	All budget lines eligible except BL6 – Infrastructure and construction work.
Preparation lump sum⁶⁴	€30,000 paid to the LP	€12,400 paid to the LP
Project Reports – Progress Reports and Payment Claims	Submission twice a year. Periods to be defined in the Application Form	Submission twice a year. Periods to be defined in the Micro Project Application Form
First Level Control⁶⁵	One FLC per partner	One FLC per partner
Project closure⁶⁶	Only BL1 – Staff costs and BL2 – Overheads are eligible	Only BL1 – Staff costs and BL2 – Overheads are eligible

The below table lists all the French « Collectivités Publiques » which are eligible under the Micro Project scheme:

-Communes -Départements -Régions -Directions de l'État -EPCI -Syndicats mixtes	-Offices Publics de l'Habitat -Centres Régionaux pour la Protection Forestière -Chambres consulaires -Comités Départementaux du Tourisme, Agences de Développement et de Réservation Touristiques	-Établissements publics médicaux ou médico-sociaux -Tous types d'établissements publics (hors hôpitaux, EPCST ⁶⁷ et EPSCP ⁶⁸) -Établissements publics de santé (Agences Régionales de Santé) -Centres Communaux d'Action Sociale (CCAS)
---	--	---

⁶³ For further information, please refer to the Guidance Note on "Budget lines and eligibility rules".

⁶⁴ Please note that the lump sum is subject to change

⁶⁵ For further information, please refer to the Guidance Note on "Project implementation"

⁶⁶ For further information, please refer to the Guidance Note on "Project closure"

⁶⁷ EPCST : Établissements Publics à Caractère Scientifique et Technique

⁶⁸ EPSCP : Établissements Publics à Caractère Scientifique, Culturel et Professionnel

A good partnership should include organisations that are relevant for dealing with the common challenge on the joint asset identified by the project. The Partners should have complementary expertise, and there should be a balanced selection of organisations in terms of split between the Member States and different sectors. In addition, the France (Channel) England programme would like to see Partners included in projects who do not have previous experience in cross-border working, and encourages partnerships to have a mixture of experienced and new Partners. The Programme recommends that the partnership in Micro Projects remains balanced. The participation of large local authorities should benefit smaller organisations in the partnership. This balance also needs to be reflected in budgets.

II. Micro Project application process

A. Calls for Micro Projects

Calls for Micro Projects will be held throughout the Programme's lifetime. A calendar of future Micro Projects calls is available on the Programme website.

The calls for Micro Project will be open for four weeks. The launch of each call and related documents are also announced on the Programme's website.

Micro Projects calls will be open for all Programme Priorities. However, the Programme Monitoring Committee (PMC) reserves the right to restrict some calls, depending on the specific demand for certain topics or the availability of funding (especially later in the Programme's lifetime).

The Micro Project Application Form (MAF) shall be submitted by the closing date and time of each call for projects.

B. Micro Project Application Form

How to apply?

The submission of the MAF is to be carried out on eMS, although an offline template in Word format and a budget in Excel are available on the Programme website. **The JS strongly recommends that applicants use these templates as a working document to familiarise themselves with the MAF, and transfer in to eMS after the contents have been reviewed by a Programme Facilitator.**

Guidance to complete the form is given throughout the offline template. Guidance can also be found on the "eMS Technical Guidance for applicants" available on the Programme website.

The MAF consists of the following sections and subsections which have to be filled in. The work plan of the Micro Project Application Form (MAF) has been simplified with 2 compulsory work packages: Preparation and Management, and 3 implementation work packages maximum.

The below tree is structured on the following rationale:

- Section
 - Subsection
 - Question
- Project Summary
 - Project identification
 - Project Summary
- Partner
 - Partner details
 - Experience and role of partner
 - Other EU or International Projects
- Project Description
 - Project Relevance
 - Contribution to the Programme Specific Objectives
 - Need & Demand
 - Cross-Border Added Value
 - Project Focus
 - Programme Specific Objective
 - Micro Project specific objective
 - Programme Result Indicator
 - Micro Project main result
 - Project Context
 - Synergies
 - Sustainability / Durability
 - Location of project activities
 - Horizontal Principles
 - Sustainable development
 - Equal opportunities and non-discrimination
 - Equality between men and women
- Work plan
 - Work Packages List
 - WP P Preparation
 - WP M Management
 - WP T Implementation
 - Target Groups
 - Define Periods
- Budget
 - Project Budget per period
 - Partner Budget
 - Define Budget
 - Define Contribution
- Attachments:
 - Annex 1: De Minimis Form (for each PP)
 - Draft Partnership Agreement
 - Letters of Engagement (In case of external match-funding or shared costs)
 - Letters of Intent for all PP joined with an organisation chart (if available)
 - A copy of the last three years of accounts (private sectors)
 - A cover letter (optional)

Procedure

Applicants wishing to submit a MAF are strongly encouraged to notify the JS of their intention to submit an application **at least one week in advance of the call opening**.

The Lead Partner will need to create an account on eMS. The LP must register on the eMS homepage. Following the registration, a confirmation email will be automatically sent to the email address provided in the registration form. This account will be used to create and submit applications. Full details on how to create, edit and submit an application is available in the [eMS Technical Guidance Note](#) available for download from the Programme website.

eMS can be accessed through the following [link](#).

If LP has not already contacted their local facilitator, they should do so before submitting an application. Their contact details are available on the Programme website, or partners can email interregva.apply@norfolk.gov.uk to be put in contact with a facilitator.

To submit a MAF, applicants shall log into eMS using the credentials generated when filling in and submitting the MAF. A number of compulsory annexes must be submitted with the Micro Project Application Form. The templates of the annexes are available on the Programme website, and are to be uploaded in eMS. More specifically, and as indicated on the above tree the following annexes are required:

- For each partner, a signed, scanned copy of a Letter of Intent. The letter of intent is to confirm that the organisation is prepared to participate in the Interreg VA France (Channel) England Programme. This does not commit the organisation financially to the Micro Project, however it must be signed by a duly authorised representative of the partner. A duly authorised representative must be a person who has the authority to commit their organisation to take part in the Micro Project. An organisation chart, when available, showing the position of the individual within the organisation should be attached to the letter.
- In case of external match-funding, scanned copy of signed Letter of Engagement for each organisation contributing to the Micro Project. This also applies to Project Partners in case of shared costs. The Letter of Engagement is a commitment to support the Programme activities and verifies that the organisation is willing to commit financially to the project. The amounts reported in the letter of engagement must be set out in Euro. It must be signed by a duly authorised representative of the organisation committing the finance, who must be a person who has the authority to commit the organisation to the level of expenditure;
- Scanned copy of signed De Minimis State Aid Form for all Project Partners. Further details are available on the Guidance Note 11 on “State Aid”;
- Scanned copy of the draft Partnership Agreement, including provision on shared cost calculation methodology (if applicable), Intellectual property rights (if applicable) and preparation cost lump sum partner allocation. The final signed Partnership Agreement should be presented to the Managing Authority after the Micro Project approval and before the Grant Offer Letter (GOL) can be signed.
- For organisation which are private sector (including charities), a scanned copy of the last three years of accounts must be provided. If the organisation in question is less than three years old, all available accounts should be provided, including draft accounts if a full year set of account is not available.

- If needed, applicants may write a covering letter to address the issues related to State Aid or Revenue. The covering letter is not a compulsory annex of the MAF. Partners may use as many pages as necessary to fully explain the issues. The covering letter needs to be submitted in French and in English. Private sector partners can also explain how they will fund their participation in the project, taking into account both the match funding and the need to cover the project cash flow. If the source of funds is external then a corresponding letter of engagement indicating this amount must be included. If use of overdraft or similar facilities are planned which are not the companies own funds, evidence of these facilities should be provided.

The originals of the above mentioned annexes shall be kept by the Lead Partner and shown when required by the Programme or Auditors.

When submitted, the LP shall print and sign the MAF. It shall be signed by a duly authorised representative of the Lead Partner organisation i.e. the person authorised to commit resources for that period of time. Then, the LP shall scan the signed version and send it in PDF format to the JS at the following email address: interregva.apply@norfolk.gov.uk no later than 5 working days after call closure.

III. Micro Project Selection

The Joint Secretariat (JS) will be appraising the Micro Projects based on a series of Eligible, Administrative and Quality criteria and the decision. The Selection Sub-Committee (SSC) is responsible for Micro Project selection and makes the decision on approving or rejecting projects by assessing the proposal against the selection criteria. Please be aware that the Programme will only support Micro Project whose activities have not started prior to the submission of the MAF.

Firstly, Micro Projects will be checked against the Eligibility and Administrative criteria in order to ensure that they fulfil the technical requirements. There are 16 Eligibility and Administrative criteria.

As a general principle, it will not be possible to submit corrected documents after the deadline for submission. However, if there are minor omissions, the JS will notify the Lead Partner and request them to submit the missing elements within 5 working days. This procedure will be used in the following situations; missing signature on the Application Form and/or missing annexes; missing budget information; incorrect dates; and any other issue deemed as technical by the JS

Only where a Micro Project satisfies the Eligibility and Administrative criteria will it undergo a quality assessment. There are 17 quality criteria. The SSC will make a final decision and the LP will be notified of the outcome.

There are 2 possible outcomes from this process:

a) The project is approved:

Approval means that the Micro Project has been selected and will be funded.

b) The project is rejected:

If a Micro Project is rejected, a decision has been made that the Micro Project in its current form is not suitable for the Programme. The SSC will set out the reasons for rejection. This does not stop Partners from submitting a different Micro Project to the Programme in the

future, or if the application was rejected due to specific issues which can be addressed, submitting a modified proposal.

Partners whose Micro Project has been rejected will need to go through the full application procedure for any future project submission or resubmission of a modified proposal. Rejected projects will receive an explanation of the reasons for rejection.

Micro Project approval might be conditional or come with recommendations issued by the SSC. These conditions will be built into the GOL.

As soon as the project applicants have received the notification of approval the project implementation phase starts. For further information, please see the Guidance Note 6 on “Project Implementation”

A. Eligibility and Administrative assessments

Eligibility and Administrative criteria are “minimum requirements”, each of which has to be met for a Micro Project to be declared eligible. The answer to any criterion is either yes or no.

Administrative appraisal

The following elements are verified during the Administrative appraisal (you can use the table below as a checklist):

Criteria	Description
Administrative criteria	
The Micro Project Application Form (MAF) has been submitted.	<i>Day, time of the day or within a period of ongoing call for proposals. The JS will consider the date of the submission on eMS as the official submission date.</i>
Required number of Micro Project Application Form versions is submitted.	<i>Application Form is submitted in the required number of paper and electronic versions. One hard copy of the signed Micro Project Application Form in the language of the Lead Partner (LP) must be received by the JS no later than 5 working days after submission. Electronic signatures are acceptable.</i>
The Micro Project Application Form is signed by the authorised signatory.	<i>The Micro Project Application Form and its annexes are signed where necessary by a duly authorised representative of the organisation i.e. the person authorised to commit the relevant resources for the relevant period of time. On the signature page project applicants will be required to declare that the person signing is a duly authorised representative of the organisation. As a matter of simplification the signed scanned copy of the Application Form needs to be submitted only in the language of the Lead Partner.</i>
The Micro Project Application Form is correctly filled in.	<i>All applicable sections of the Application Form are correctly filled in (no missing information, in both French and English. The LP must ensure the quality of the translation and that the content is the same in both languages. This includes the work plan, the budget, the proposal of reporting periods and the upload of compulsory annexes. The Programme Manual define the compulsory annexes as well as the technicality of each section of the Application Form (example: maximum of Implementation Work Packages, maximum number of activities per WP, minimum number of deliverable per WP, flat rate option to be selected in the budget, etc.).</i>
All obligatory annexes are submitted.	<i>Obligatory annexes are attached to the Micro Project Application Form where applicable.</i>

Administrative and formal data in the Micro Project Application Form and annexes is consistent.	<i>Information presented in the annexes is consistent with the Micro Project Application Form (e.g. co-financing amounts in Letters of Engagement, Project Partner names etc.).</i>
---	---

Eligibility appraisal

The following elements constitute the Eligibility appraisal:

Eligibility criteria	Description
The Micro Project fulfils the requirements for partnership.	<i>At least 1 Partner from each country within the Programme Area and a maximum of 5 partners (including LP).</i>
The Lead Partner and Project Partners are eligible organisations.	<i>All partners correspond to the type of organisation listed in the Guidance Note 14 on Micro-Project</i> <i>All Partners are correctly attributed to NUTS3.</i> <i>Partners from outside the area may be accepted if there is a clear added-value for the project, however, the Lead Partner shall be an organisation based within the Programme Area.</i> <i>The territorial eligibility is related to activities not where Partners are located geographically.</i>
Time limits are correct.	<i>Start and end dates (eg depending on the closure of the call of proposals or the end of the Programme period) and duration of the project.</i>
The Micro Project fits with one of the Programme priority and its Specific Objective.	<i>The Micro Project has selected the correct Programme Priority and Specific Objective.</i>
Minimum and maximum budget requirements are correct.	<i>Total, Programme contribution, maximum ERDF is respected etc.</i>
There is no evidence of double funding of activities.	<i>Lead Partners will be asked to provide a signed declaration stating that the expenditure related to the Micro Project activities and funded by the Programme is not funded twice (e.g. by other national or EU programmes).</i> <i>The declaration is on the last page of the Micro Project Application Form.</i>
External match-funding is secured (if applicable).	<i>In case of external match-funding, availability of an external contribution needs to be evidenced by a Letter of Engagement.</i> <i>The information entered in the Micro Project Application Form must be consistent with the Letter of Engagement</i>
Partnership Agreement	<i>The LP has confirmed that the mutual financial and legal responsibilities of the Partners have been defined and will be included in the Micro Project Partnership Agreement.</i>
The Micro Project complies with State Aid regulation	<i>Project partners have all filled in the State Aid⁶⁹ declaration and they all meet the criteria of the De Minimis rule and/or of the GBER (General Block Exemption Regulation)</i>
The Micro Project complies with public procurement requirements	<i>The Project Partners have completed the relevant section(s) of the Micro Project Application Form explaining how they are going to meet organisational, national and EU procurement requirements.</i>

⁶⁹ For further information, please refer to the Guidance Note on “State Aid”

B. Quality Assessment

Micro Project quality will be scored against the strategic and operational criteria listed below.

The main aim is to determine the extent of Micro Project's contribution to the achievement of Programme objectives (and contribution to Programme indicators) by addressing joint or common target group needs through the following strategic criteria; the Micro Project's context; Cooperation character; Micro Project's contribution to Programme's objectives; the delivery of expected results and outputs; and Partnership relevance and quality.

Criteria		Description	Sections in MAF
Assessment questions		Strategic criteria	
Micro Project's context <i>How well is a need for the Micro Project justified?</i>	3.1.1	<i>The Micro Project addresses common territorial challenges and opportunities in the Programme Area as defined in the Cooperation Programme. There is a real demand for the project</i>	A.1.2 / C.1.1 / C.1.2 /
	3.1.2	<i>The Micro Project builds on existing results and practices, and complement the initiatives it builds on.</i>	C.3.1
	3.1.3	<i>The Micro Project makes a positive contribution to the Programme horizontal principles :</i> <i>-Sustainable development ; Actions to take into account environmental protection requirements (including addressing soil, water and air pollution), resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management.</i> <i>-Equal opportunities and non-discrimination :</i> <i>Actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the project. In particular, in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination, and the requirements of ensuring accessibility for persons with disabilities.</i> <i>-Equality between men and women:</i> <i>Promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at project level.</i>	C.4
Cooperation character <i>What added value does the cooperation bring?</i>	3.2.1	<i>The added value of the cross-border approach to the topic addressed is clearly demonstrated :</i> <i>-the results cannot (or only to some extent) be achieved without cooperation between Partners.</i>	C.1.3
	3.2.2	<i>The Micro Project demonstrates new solutions (new ways of responding to identified needs) that go beyond existing practice in the sector/programme or adapts and implements already developed solutions.</i>	A.1.2 / C.1.1 / C.1.3
	3.2.3	<i>The 2 following cooperation criteria are fulfilled: Joint development and joint implementation. Additionally at least one of either joint staffing or joint financing is fulfilled</i>	D.1

<p>Micro Project's contribution to programme's objectives and delivery of expected results and outputs</p> <p><i>To what extent will the Micro Project contribute to the achievement of programme's objectives?</i></p> <p><i>Focus on achieving results for the territories and their population</i></p>	3.3.1	<p><i>-Objectives :</i></p> <ul style="list-style-type: none"> <i>There is a clear link between the Micro Project specific objective and a Programme Specific Objective</i> <i>There is a clear link between the micro project specific objective and the micro project results.</i> 	C.2.1 / C.2.2 / C.2.4
	3.3.2	<p><i>-Outputs :</i></p> <ul style="list-style-type: none"> <i>There is a clear link between the Micro Project outputs and at least one programme output indicator</i> <i>There is a clear link between the Micro Project results and the Programme result indicators</i> 	C.2.2 / C.2.3 / C.2.4
	3.3.3	<p><i>Results and main outputs:</i></p> <ul style="list-style-type: none"> <i>-are tangible and measurable,</i> <i>-are realistic (is it possible to achieve them with given resources – i.e. time, Partners, budget - and they are realistic based on the quantification provided)</i> 	C.2.4 / D.1 / E.2
	3.3.4	<p><i>There is an explicit plan to make use of the outputs and results after the end of the Micro Project activities.</i></p>	C.3.2 / D.1
<p>Partnership relevance and quality</p> <p><i>To what extent is the partnership composition relevant for the proposed Micro Project?</i></p>	3.4.1	<p><i>The Micro Project involves the relevant Partners (with the necessary skills) needed to address the Micro Project specific objective.</i></p> <p><i>The micro project partnership is balanced</i></p>	B
	3.4.2	<p><i>Micro Project Partner organisations have proven experience in the thematic field concerned, as well as the necessary capacity to implement the project (financial, human, resources, structures, etc.).</i></p> <p><i>All Micro Project Partners play a defined role in the partnership and get a real benefit from it.</i></p>	B / D.1

To assess the viability and the feasibility of the proposed Micro Project, as well as its value for money in terms of resources for the results delivered the operational criteria are set out below which consist of; Budget; Communication; Work Plan; and Management.

Criteria		Description	Sections in MAF
Assessment questions		Operational criteria	
Budget	4.1.1	-Sufficient and reasonable resources are planned to ensure project implementation including management, audit and any required training costs.	D.1 / E.2
	4.1.2	-Financial allocation per budget line is in line with the work plan -Distribution of the budget per period is in line with the work plan -Distribution of the budget per WP is in line with the work plan -The need for engaging external expertise is justified and the costs are realistic -The need for equipment purchases is justified and their costs are realistic. -The costs are in line with the Programme's eligibility criteria -The budget is clear and realistic -Budget takes in account audit (including First Level Controller) -Micro Project Partners have a clear and mutual understanding of the compulsory expenses (training costs).	D.1 / E.2
Work plan	4.2.1	-Proposed activities and deliverables are relevant and lead to the planned main outputs and results -Activities outside the Programme Area clearly benefit the Programme Area (if applicable) -Time plan is realistic and includes relevant timeframe for procurement -Activities, deliverables and outputs are in a logical time-sequence	D.1
Management	4.3.1	-Management and structures (e.g. project committee meeting) are proportionate to the project size and needs and allow Partners' active participation in decision-making -Management and audit procedures (such as reporting and evaluation procedures in the area of finance, project content, communication) are clear, transparent, efficient and effective -Micro Project management includes regular contact between Micro Project Partners and ensures transfer of expertise across the partnership (internal communication within the partnership)	D.1 WP1 + Annex of PA
	4.3.2	The Lead Partner demonstrates competency in managing EU co-financed projects or other international projects, or can ensure adequate measures for management support	D.1 WP1

Scheme 1: Application and Selection process

