

# Interreg Europe 2021 2027 Programme Manual

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## **Disclaimer**

Information in the present document is subject to the programme approval by the European Commission and validation by the future Interreg Europe monitoring committee.

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## Introduction

This manual is a reference document for anyone involved in all aspects of the programme implementation, from applicants to project partners, financial managers and controllers.

It is organised in three main parts: one on the programme general features and two covering the actions supported by the programme: the projects and the Policy Learning Platform. For projects, it provides detailed information on the whole life cycle, from development, selection, implementation to closure.

Key text is highlighted in bold. Further specifications can be found in footnotes. Throughout the publication, definitions and examples are presented in grey boxes. They should help the readers to understand key points.

The manual further specifies the programme's rules which are **mandatory**. It also provides recommendations. **Applicants who do not follow these recommendations have to provide clear reasons for not doing so in their application form.**

Additional information and documents on calls for proposals are available for download from the programme's website: [www.interregeurope.eu](http://www.interregeurope.eu).

### Important note for applicants

Applicants should read the manual carefully. Part B follows the project cycle, from its development through the application process to implementation. While section 3 is specifically dedicated to project development, the information provided in the rest of the document is also important for preparing of a good quality application. Instructions on how to apply are available in section 4.2. Section 4.3.1 provides details on the eligibility requirements. This is crucial to ensure the application would not be rejected for technical reasons.

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## A) PROGRAMME

### 1. Programme summary

#### 1.1 What is the programme's objective?

Through its **cohesion policy**, the European Union works to reduce disparities both in the levels of development and in quality of life in European 'regions'. It promotes actions aiming at making the European territory more innovative, more sustainable, and more inclusive, thus improving the quality of life of the inhabitants.

The large majority of the funds designated to reduce these disparities are managed at the regional or national levels. The EU believes that regional development can also be improved through cooperation across borders.

The Interreg Europe programme, financed by the European Regional Development Fund (ERDF) was therefore designed to support interregional learning among policy relevant organisations across Europe with a view to improving the delivery of regional development policies. It allows public authorities and other organisations relevant for regional development policy to exchange and transfer practices on the way public intervention works, and thereby find solutions to improve their policy instruments for the benefit of their citizens.



### 'Region' and 'regional development policy'

In the context of the Interreg Europe programme, the terms 'region' and 'regional development policy' are used in a broad sense. 'Region' refers to any territory which can be represented by a public authority. Depending on the issue addressed and the characteristics of the territories involved, it can relate to the different administrative levels which contributes to regional development (e.g., municipality, city, county, province, region, country). In projects, the number of 'regions' involved correspond to the number of policy instruments addressed. 'Regional development policy' refers to any policy developed at local, regional and, when relevant, national levels.

#### 1.2 How does the programme work?

The Interreg Europe programme has an ERDF budget of EUR 379 million for the 2021-2027 period. Through its priority dedicated to strengthening institutional capacities for more effective regional

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development policies, it supports capacity building on various topics of regional development within the scope of cohesion policy. This scope includes the 5 policy objectives as defined in Article 4 of the ERDF regulation (EU) 2021/1058 (further information can be found in section 2.5). Still the programme recognises the need to concentrate resources on policy areas that are most relevant and urgent for regions in Europe. Therefore, it is planned that the largest part of the programme ERDF budget (80%) is dedicated to the topics covered under Policy Objective 1 'Smarter Europe and Policy Objective 2 Greener Europe and partly under Policy Objective 4 'More social Europe'. The remaining budget (20%) is available to the topics covered by the three remaining Policy Objectives.

The programme finances two types of action:

- a) **Interregional cooperation projects:** partnerships made up of policy relevant organisations from different countries in Europe work together for 4 years to exchange their experience on a particular regional development issue. In the fourth and last year of the project, the partner regions mainly focus on monitoring the results and impact of the cooperation. Calls for project proposals are launched throughout the programming period.
- b) **Policy Learning Platform:** a space for continuous learning where any policy relevant organisation<sup>1</sup> dealing with regional development policies in Europe can find solutions and request expert support to improve the way it delivers its public intervention.

### 1.3 Who can access funding?

Any of the following organisations relevant to regional development policies and based in the 27 EU Member States, as well as Norway and Switzerland are eligible for Interreg Europe funding:

- National, regional or local public authorities
- Institutions governed by public law (e.g. regional development agencies, business support organisations, universities)
- Private non-profit bodies.

Further information on partnership can be found in section 3.4 of the present document.

### 1.4 Who are the programme's beneficiaries?

The direct beneficiaries of the programme are organisations across all the regions of the EU, plus Norway and Switzerland, who are involved in designing and delivering regional development policies. Further information on the direct beneficiaries can be found in section 3.4.1. As a result, the citizens and groups impacted by those policies (e.g., SMEs) will benefit from more efficient public intervention.

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<sup>1</sup> You do not have to be project partner to benefit from the Platform services. On the contrary, one of the Platform's aims is to reach out to as many 'regions' as possible.

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## 1.5 What exactly does the programme change?

Through increased capacity gained from the cooperation, individuals and policy relevant organisations improve the way they deliver their actions in their region. Institutions at local, regional or national level are more effective in implementing their regional development policies and programmes.

## 1.6 What is new in the programme?

EU support to interregional cooperation started around 30 years ago. For the 2021-2027 period, new features are introduced to build on the lessons gained from the past and to ensure optimisation of the resources:

1. Selection of **one single cross-cutting priority** dedicated to capacity building to better reflect the core nature of the programme.
2. **Enlarging the scope** of the programme. Thanks to the focus on this cross-cutting priority, regions have the possibility to exchange their experience on a wide range of regional development issues.
3. **'Lighter' focus on Structural funds programmes<sup>2</sup>**. Compared to the 2014-2020 period, the requirement for projects to focus on the improvement of programmes under the Investment for jobs and growth goal<sup>3</sup> is softened, opening up the possibility for projects to address other regional development policy instruments.
4. **Reinforcing the result-oriented approach**. The 'two-phase' approach for projects implementation is renewed. Projects have now to achieve their objectives (i.e., improvement of the policy instruments addressed) by the end of the core phase<sup>4</sup> at the latest. Only regions which would not achieve any policy improvements by the end of this phase would have to produce an action plan.
5. **Further encouraging learning by doing**. Pilot actions are possible from the start of the project

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<sup>2</sup> See further information on the policy instruments addressed in section 3.4.4.1

<sup>3</sup> Further information on the Investment for jobs and growth goal can be found in the Cohesion Policy [legislation](#) 2021 – 2027 (e.g., Article 5(2)(a) of the Common Provision Regulation (EU) 2021/1060

<sup>4</sup> See further information on the core phase in section 3.2.1



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## 2. General programme information

### 2.1 Interreg Europe within the Cohesion policy

Article 174 of the Treaty on the Functioning of the European Union (TFEU) calls for action by the European Union to strengthen its economic, social and territorial cohesion and to promote overall harmonious development by reducing disparities between the levels of development of regions and promoting development in least favoured regions. Interreg programmes contribute to this overall EU objective through the promotion of cross-border, transnational and interregional cooperation as well as through their contribution to a balanced and sustainable development of the EU territory.

European Territorial Cooperation (ETC) has been part of EU cohesion policy since 1990. Interreg was initially launched as a community initiative for the 1989-1993 programming period with the aim of stimulating cooperation between regions across the European Union. Since then, Interreg further developed through five programming periods.

In 2007, European Territorial Cooperation became a cohesion policy objective, giving it more visibility, improved legal basis and closer links with existing EU thematic strategies. Cooperation was seen as being central to the construction of a common European space, and a cornerstone of European integration. Interreg demonstrates clear European added value: helping to ensure that borders are not barriers, bringing Europeans closer together, helping to solve common problems, facilitating the sharing of ideas and assets (knowledge, competences, infrastructure, etc.), and encouraging strategic work towards common goals.

The Interreg Europe programme is part of the European Territorial Cooperation goal of EU cohesion policy for the 2021-2027 programming period. It is part of the 'interregional cooperation' strand of Interreg (strand 'C'). This strand differs from cross-border and transnational cooperation for the following main reasons:

#### **Geographical coverage**

Interreg Europe covers the whole EU 27 Member States plus Norway and Switzerland. Organisations from all these countries, regardless of their location, are eligible to participate in this interregional cooperation programme. In comparison, the eligible area for cross-border cooperation, which brings together border regions, is much more limited. Similarly, though wider than cross-border cooperation, the geographical coverage of transnational cooperation, which seeks to promote better integration between 'greater' European regions, also focuses on particular areas within Europe. Examples include the Baltic Sea Region, Central Europe, or Alpine Space.

#### **Rationale of the programme and territorial needs addressed**

As a '**capitalisation**' programme, Interreg Europe is primarily targeted at local and regional public authorities and focuses on the identification, analysis, dissemination and transfer of good practices and policy experiences, with a view to improving the delivery of regional development policies.

Interregional cooperation addresses policy needs at the intra-regional level by seeking solutions to those needs beyond borders. For example, a local authority which considers its waste management policy is underperforming can decide to renew its approach and find inspiration by developing an Interreg Europe project with other authorities in Europe facing similar challenges.

In contrast, cross-border and transnational programmes are more designed to address cross-border and transnational issues. Cross-border programmes tackle issues relevant to bordering regions (e.g., joint tourism offer, cooperation of service providers like fire service, border crossing). Transnational programmes deal with issues specific to larger and bigger areas, depending, for

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instance, on their geographical or historic characteristics (e.g., economic transformation process, improving transport connections, blue economy, energy transition, river management).



## Capitalisation

In the context of the Interreg Europe programme, capitalisation is defined as a process of collecting, analysing, exchanging, and transferring / adapting good practices and experiences gained in a specific field of regional development policy. This process contributes to increasing the professional capacity of people and organisations involved and to improving the regional development policies (including the programmes under the Investment for jobs and growth goal) of the participating regions.

The interregional cooperation programme has a particular focus on networking, exchanging and transferring experiences, with the aim to find solutions to common challenges. In comparison, cross-border and transnational programmes are more 'implementation-oriented'.

Interregional cooperation programmes cannot be used as a substitute for funding from local, regional or national policies (the additionality principle). It is the role of the respective local or regional policy instruments to integrate and implement the lessons learnt from interregional cooperation. Since the projects results mainly consist in integrating the lessons learnt from cooperation into the relevant local, regional or national policies, these results should be, by definition, durable. It is through this 'mainstreaming' that the regional needs are finally addressed with the ultimate objective to improve the situation in the region. This is how durability of results should in principle be ensured in Interreg Europe.

### 2.2 Programme area and funding

Interreg Europe covers the entire territory of the European Union with its 27 Member States, including their insular and outermost areas, as well as Norway and Switzerland. Partners from other countries can participate at their own cost.

The programme is financed by the European Regional Development Fund (ERDF). The total budget for the programme is EUR 379 million:

- EUR 334 million is available to co-finance interregional cooperation projects implemented by EU partners.
- EUR 17 million is allocated to finance activities carried out by the Policy Learning Platform.
- EUR 28 million is allocated to technical assistance.

Partners from Norway and Switzerland will be co-financed by national funds from their respective countries.

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## 2.3 Programme objective and actions supported

As defined in Article 3 of the Regulation (EU) 2021/1059 on ETC, Interreg Europe is part of the ‘strand C’ of Interreg dedicated to reinforcing ‘the effectiveness of cohesion policy’.

More specifically, the same article states that Interreg Europe shall promote ‘exchange of experiences, innovative approaches and capacity building .... in relation to the identification, dissemination and transfer of good practices into regional development policies including Investment for jobs and growth goal programmes’.

Based on this statement as well as the needs and challenges identified in the cooperation programme, the following **overall objective** is laid down for the Interreg Europe programme:

*To improve the implementation of regional development policies, including Investment for jobs and growth goal programmes, by promoting the exchange of experiences, innovative approaches and capacity building in relation to the identification, dissemination and transfer of good practices among regional policy actors.*

Interreg Europe is therefore dedicated to cooperation among regional policy organisations from across Europe. By supporting learning and increasing the capacity of these organisations, the programme aims at improving the design and delivery of regional development policies.

To reflect this rationale, Interreg Europe is structured on the basis of the Interreg-specific objective ‘a better cooperation governance’ as the single objective of the programme. The selection of only one overarching objective brings multiple benefits to the programme:

- It reflects the core focus of Interreg Europe on capacity building which makes the programme unique in particular compared to cross-border and transnational cooperation.
- It enables the programme to potentially cover any areas of regional development within the scope of the cohesion policy. This flexibility helps to better address the diversity of the needs across the European territory.
- It brings simplification in the programme’s implementation and is in line with its expected results related to increased capacity of people and organisations involved in regional development policies.

To achieve its objective, the programme supports two complementary actions:

1. The programme supports **interregional cooperation projects** undertaken by partnerships of public authorities and other organisations relevant for regional development policies. Projects support **exchange of experience and sharing of practices** among regions with the aim of integrating new solutions within their regional development policies (including programmes under the Investment for jobs and growth goal). The knowledge and practices that form the basis of the exchange primarily comes from the ‘regions’ involved in the project.
2. The ‘**Policy Learning Platform**’ facilitates on-going policy learning and capitalisation of good practices. It contributes to strengthening the institutional capacity of regional development policy practitioners across Europe.

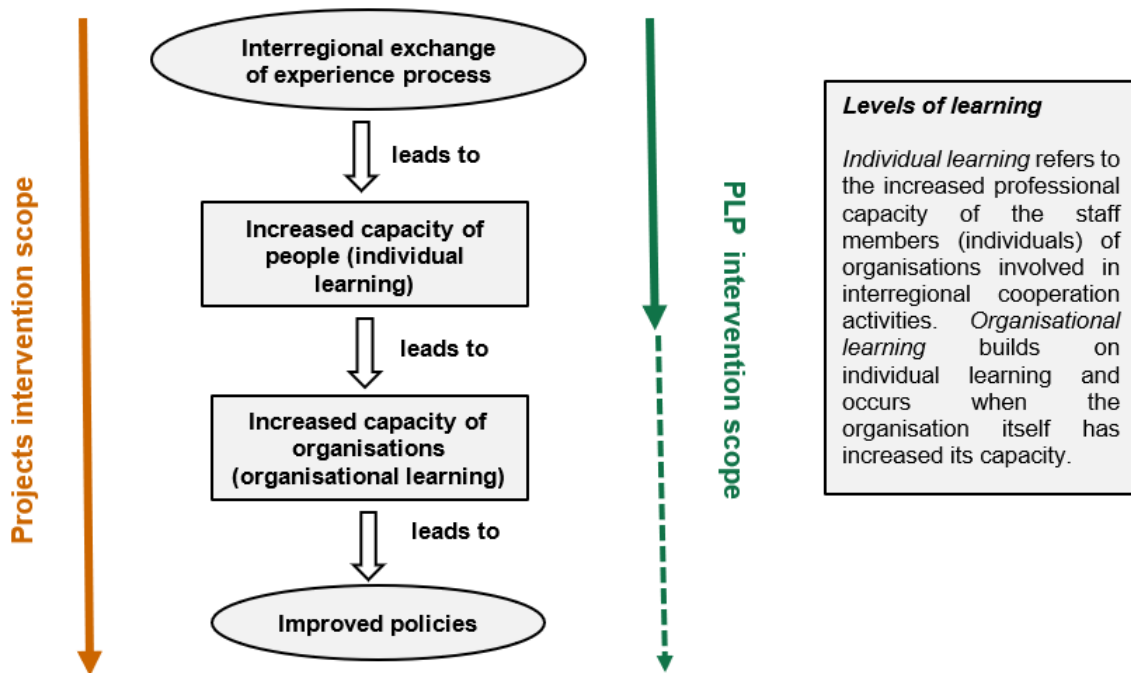
## 2.4 Programme intervention logic

Both actions of the programme consist in supporting interregional activities (including joint pilot actions for projects) to foster exchange of experiences and good practices among individuals and organisations. Thanks to their involvement in these interregional cooperation activities (which can also include mobilisation of relevant stakeholders in the participating ‘regions’), the **people** but also their **organisations** gain new knowledge and increase their competences. Based on this increased capacity,

these organisations finally implement new measures based on the inspiration gained and **improve** the implementation of their regional development policies.

Due to their different characteristics and objectives, the two types of action contribute to a different degree to the overall programme’s objective. The learning process leading to policy improvement and the projects / Platform contribution to this process are summarised in Chart 1 below.

**Chart 1: steps towards the programme’s objective**



The intensity of cooperation is high within projects both in terms of timing (projects last several years) and nature of activities supported. This intensity is lower under the Platform where the support to learning remains occasional and mainly on a voluntary basis (Platform does not provide funding). As a capitalisation initiative, the Platform can obviously not go as far as the projects in supporting the stakeholders’ process and more generally the learning at organisational level.

As reflected in the arrows in chart 1, this difference between the two types of actions also means that the expectations in terms of achievements are different between projects and Platform. While the Platform’s activities primarily lead to increase capacity of individuals, projects activities go beyond this level (all people involved in projects should have increased their capacity at the end of the cooperation) and primarily aim at increasing the capacity of organisations leading to policy improvements. Consequently, the Platform contribution to policy improvements cannot be compared to that of projects. In projects, a policy improvement can be more directly attributed to the programme’s intervention. This is not the case with the Platform services where the contribution to policy improvements is usually indirect. In cases where a policy improvement can be linked to a Platform activity (as a result of a peer review for instance), the necessary steps to reach the policy improvement (e.g., further discussion with stakeholders, preparation work with the policy responsible authority) are not supported by the programme.

## 2.5 Programme structure and priority

### 2.5.1 Overview

Based on the programme strategy defined in the Cooperation Programme (available on the programme website), Interreg Europe is structured around one single objective, the Interreg-specific objective 'a better cooperation governance'. This approach is further explained in table 1.

**Table 1 – Interreg Europe policy objective and specific objective**

Selected Interreg-specific objective	Selected specific objective	Rationale
Interreg specific objective (ISO) 'a better cooperation governance'	Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders	<p>Several reasons explain the choice of only one single Interreg-specific objective for Interreg Europe:</p> <ul style="list-style-type: none"> <li>• The focus of the Interreg Europe programme on the exchange of experiences and capacity building among regions to improve their capacity to design, manage and implement their regional development policies fits perfectly the definition of the Interreg-specific objective on governance.</li> <li>• The choice of the Interreg-specific objective is also in line with the type of results expected from the programme, which are increased capacities of regional policy actors and improvements in the delivery of regional development policies.</li> <li>• Although it is often under-exploited, interregional cooperation can potentially bring benefits to any fields of regional development policies. As long as the same need is shared among the regions, policy relevant organisations can learn from each other. The selection of a single cross-cutting priority does justice to the diversity of regional policy challenges across the European territory.</li> <li>• It offers the programme a certain flexibility to adapt to emerging policy developments within the scope of cohesion policy.</li> </ul>

### 2.5.2 Programme scope

The programme structure around one single cross-cutting priority means that beneficiaries can potentially cooperate on any topics of shared relevance in line with their regional needs, as long as this falls within the scope of cohesion policy.

From a thematic perspective, this scope includes the topics defined by the policy objectives and specific objectives of cohesion policy as presented in Article 5 of the common provisions regulation (EU) 2021/1060 and Article 3 of the ERDF regulation (EU) 2021/1058. Despite the selection of one single priority, the actions of the programme are still organised according to the different specific objectives of the cohesion policy. This allows a coherent clustering of the activities supported. This also means that **projects need to select a specific objective under Policy Objectives 1 – 5 in their application form (see table 2).**

The programme also recognises the need to concentrate resources on those policy areas that are most relevant and urgent for regions in Europe. For this reason, the programme plans to concentrate the

largest share of its budget (80%) on the thematic areas covered by a selection of specific objectives. This budget concentration is summarised in table 2.

**Table 2 – Allocation of programme budget per Policy Objectives / Specific Objectives**

Share of programme budget	Policy objectives	Specific objectives
80%	1. Smarter Europe	All specific objectives: (i) Research and Innovation capacities, uptake of advanced technologies (ii) Digitisation for citizens, companies, research organisations and public authorities (iii) Sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments (iv) Skills for smart specialisation, industrial transition & entrepreneurship (v) Digital connectivity
	2. Greener Europe	All specific objectives: (i) Energy efficiency and reduction of greenhouse emissions (ii) Renewable energy (iii) Smart energy systems, grids and storage (iv) Climate change adaptation, disaster risk prevention, resilience (v) Access to water and sustainable water management (vi) Circular and resource efficient economy (vii) Protection and preservation of nature and biodiversity, green infrastructures, pollution reduction (viii) Sustainable urban mobility for zero carbon economy
	4. More social Europe	The following specific objectives: (i) Effectiveness and inclusiveness of labour market, access to quality employment, social economy (v) Equal access to health care, health systems resilience, family-based and community-based care (vi) Culture and tourism for economic development, social inclusion and social innovation
20%	3. More connected Europe	All specific objectives: (i) Climate resilient, intelligent, secure, sustainable and intermodal TEN-T (ii) Sustainable, climate resilient, intelligent and intermodal national, regional and local mobility
	4. More social Europe	The following specific objectives: (ii) Accesses to education, training and lifelong learning, distance and on-line education and training (iii) Inclusion of marginalised communities, low-income households and disadvantaged groups (iv) Socio-economic integration of third country nationals, including migrants
	5. Europe closer to Citizens	All specific objectives: (i) Sustainable integrated territorial development, culture, natural heritage, sustainable tourism and security (urban areas) (ii) Sustainable integrated territorial development, culture, natural heritage, sustainable tourism and security (other than urban)

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The topics subject to the concentration reflect the continued importance of the Smarter Europe and Greener Europe policy objectives, which were already at the heart of the Interreg Europe 2014-2020 programme. This selection also reflects the impact of the COVID-19 pandemic, in particular related to labour market and health care challenges.

The composition of these groups is indicative and may be subject to modifications during the programme implementation according to the internal rules or procedures defined by the monitoring committee.

In addition, in the context of the Interreg-specific objective 'a better cooperation governance', Interreg Europe can support 'non-thematic' cooperation on issues dealing with pure implementation related challenges of regional development policies (e.g., state aid, public procurement, territorial tools, financial instruments, evaluation and monitoring). These governance related issues are also important when working on more efficient regional development policies.

### 2.5.3 Final considerations on the programme scope

The following considerations on the programme's scope can also be noted:

- Projects can propose a cross-cutting approach where appropriate. However, each project has still to contribute to one specific objective / governance issue only and have a **clear focus on a specific regional policy issue**. The cross-cutting approach does not mean that one project can address several specific objectives without any clear and precise focus. It should instead be reflected in the fact that the topic addressed under a specific objective can also be linked to issues covered under another specific objective. This is, for instance, the case of a project focusing on supporting innovation in the solar energy sector. Such a project clearly fits to specific objective 1 (i) on 'research innovation' although it also contributes to programme specific objective 2 (ii) on 'renewable energy'. In any case, projects have to ensure that the selection of the specific objective and their overall thematic focus are also clearly reflected in the description of the different policy instruments they address.
- Certain specific objectives may overlap (e.g., sustainable mobility included both under Policy Objectives 2 and 3). To decide under which specific objective a project should be submitted, applicants should identify the **primary objective / need** addressed by the project. With the example of mobility, a project which is driven by environmental considerations and whose first objective is to reduce greenhouse gas emissions should be submitted under specific objective 2 (viii). But if the project's primary goal is related to inter modality and transport infrastructure, it should then be submitted under specific objective 3 (ii). The nature of the policy instruments addressed and of the partners and stakeholders involved in the project may also indicate the most relevant specific objective (e.g., environmental organisations in the first case; transport authorities in the second case).





## Innovative character

During the 2014-2020 period, Interreg Europe supported more than 250 projects on a wide range of topics related to Policy Objectives 1 and 2 (the list of projects and their topics is available on [www.interregeurope.eu/](http://www.interregeurope.eu/)). Certain issues were largely covered during that period. Applicants to the 2021-2027 Interreg Europe programme have to take into consideration this existing experience to demonstrate the innovative character of their proposal.

### 2.6 Programme management

The management of this programme is ensured by:

- a monitoring committee
- an audit authority (assisted by a group of auditors)
- a managing authority
- a joint secretariat
- points of contact.

Further information on these bodies can be found in the Interreg Europe cooperation programme.

### 2.7 General principles

This section details the considerations related to the EU's horizontal principles on sustainable development, equal opportunities and non-discrimination and equality between men and women. General considerations on state aid rules can also be found here.

#### 2.7.1 Sustainable development

Sustainable development is at the very heart of the European Union (EU). Every EU initiative is aimed at improving citizens' lives, on a healthier planet, and with a sustainable future. The EU and its Member States are determined to deliver on the UN 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). The European Green Deal plays a major role in achieving some of these goals.

The Interreg Europe programme is in line with the EU strategy on sustainable development. Due to their core focus on capacity building, the actions supported cannot have significant negative impact on the environment and are fully compatible with the 'Do No Significant Harm' principle.

These actions should comply with sustainable development principle. At the level of projects, it means that all lead partners have to demonstrate how their project complies with and contributes to sustainable development. Depending on the issue addressed by the project, this contribution may be more or less straightforward. While it is obvious for projects addressing issues under 'Greener Europe' or 'more



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social Europe' policy objectives, it may require further explanation for projects addressing the 'Smarter Europe' policy objective.

By building on the knowledge generated by the projects, the Policy Learning Platform also contributes to increasing individuals and institutions' capacity on sustainable development. The Policy Learning Platform may also organise activities focusing specifically on issues covered by the UN's Sustainable Development Goals.

The activities of Interreg Europe are likely to generate substantial travel, leading to related CO<sub>2</sub> emissions. While physical meetings are an essential aspect of interregional cooperation activities, **beneficiaries of the programme are encouraged wherever possible to use sustainable modes of transport** (e.g., train instead of plane) or modes of interaction that do not require travelling whenever possible. The COVID-19 crisis has also led to new ways of working and learning at distance, which constitute valuable input for the way the projects can organise their exchange of experience process (see also section 3.2.4).

### 2.7.2 Equal opportunities and non-discrimination

Interreg Europe directly addresses equal opportunities and non-discrimination through the possibility for projects and the Platform to focus on issues covered under the 'more social and inclusive Europe' policy objective. Beyond this focus, Interreg Europe adopts social inclusion as a cross-cutting theme, implying supporting equal opportunities and non-discrimination in any relevant cases within the scope of the programme's action.

The programme strives to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation at all stage of programme implementation and in particular in relation to access to funding. It takes into account the needs of the various target groups at risk of such discrimination and in particular the requirements of ensuring accessibility to persons with disabilities.

When it comes to projects, all applicants are invited to explain in their application form how their project complies with, and possibly even strengthens, equal opportunities and non-discrimination. This is particularly important for projects that do not address such issues directly.

The activities of the Policy Learning Platform may also address regional policy experiences and practices related to equal opportunities and non-discrimination.

### 2.7.3 Equality between women and men

Interreg Europe adopts the horizontal principle of gender equality as a cross-cutting theme implying supporting equality between men and women in any relevant cases within the scope of the programme's action.

The programme strives to promote equality between women and men and prevent any discrimination based on gender at all stages of programme implementation and in particular in relation to access to funding.

At the level of projects, applicants are invited to explain in their application form how their project complies with, and possibly even strengthens, gender equality.

The activities and thematic coverage of the Policy Learning Platform may also address regional policy experiences and practices related to gender equality.

#### 2.7.4 State aid

Interreg Europe's main objective is to improve the effectiveness of regional and local policies, so the programme is primarily targeted at local and regional public authorities. The goal is that project partners capitalise on the knowledge gathered through interregional learning exchange to improve their local and regional policies for the benefit of the **whole** community (and not for the benefit of a selected individual undertaking). Therefore, the types of activities funded by the programme (e.g.: site visits, interregional thematic seminars/ workshops, peer-reviews, staff exchanges) should in principle not distort competition between EU-Member States (no direct financing of economic activity). Moreover, the knowledge and experience gathered by the projects is supposed to be publicly and freely accessible to everyone through the Platform.

During the quality assessment of the application form (see section 4.3.2), the joint secretariat checks if the activities described in the work plan are in line with the programme's objective and therefore not state aid relevant.

Interreg Europe is considering funding activities falling under state aid rules **only in pilot actions**: such cases will then be handled either under the *de minimis* regulation or the General Block Exemption Regulation (in particular, article 20 and 20a focusing specifically on European territorial cooperation).

In certain pilot actions, there may be cases where third parties receive an advantage from a project partner that they would not receive under normal market conditions. Advantages could either be financial or non-financial (e.g., trainings, business support services, etc.). These third parties will be regarded as indirect state aid recipients in such situation. When such advantage is provided, project partners as well as third parties bear the responsibility to comply with state aid rules and this shall be checked by the relevant institutions (i.e., controllers and national authorities).

Projects will be informed if they are granted state aid under the General Block Exemption Regulation or *de minimis* scheme.



### *State aid*

Articles 107 and 108 of the Treaty on the Functioning of the European Union (TFEU) provide the legal basis for the rules of State aid. These articles generally prohibit state aid and define the rules to be followed by the Member States to grant aid in line with the EU law.

To find out whether a public grant is classified as state aid or not, the following criteria apply:

- The beneficiary is an undertaking, i.e., an entity engaged in an economic activity
- The grant provides a benefit or advantage to the beneficiary which it would not have received otherwise
- The grant is selective
- The grant distorts or threatens to distort competition
- The grant affects trade between the Member States.

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## B) PROJECTS

### 3. Project development

#### 3.1 Interregional cooperation projects: main features

##### 3.1.1 What is an interregional cooperation project?

An interregional cooperation project is a project in which organisations from different countries<sup>5</sup> work together on a shared regional policy issue (e.g., insufficient digitisation of SMEs in a specific sector, difficulty to prevent flood disaster in rural areas, insufficient development of renewable energy, lack of integration of disadvantaged groups in labour market, lack of performance in the implementation of integrated territorial strategies). It builds on the experience gained within these regions. By exchanging their experience, good practices, and, when relevant, testing innovative approaches, the participating regions aim at finding new solutions to address their territorial challenge and at integrating these solutions into their regional development policies.

In the context of Interreg Europe, a **good practice** is defined as an initiative related to regional development policies which has proved to be successful in a region and which is of **potential interest to other regions**. Proved successful is where the good practice has already provided tangible and measurable results in achieving a specific objective. Although the Interreg Europe programme primarily refers to good practices, valuable learning also derives from bad practices. Lessons learnt from unsuccessful experiences can also be taken into consideration in the exchange of experience process. Examples of good practices can be found on the good practice database of the programme website on [www.interregeurope.eu/policylearning/good-practices](http://www.interregeurope.eu/policylearning/good-practices).

The objective of an interregional cooperation project (in particular of the core phase) is to improve through exchange of experience the performance of the regional development policy instruments of the participating regions, including Investment for jobs and growth goal programmes, in line with the programme mission stated in Article (3) (3) (a) of the ETC Regulation (EU) 2021/1059.

This particular focus on cohesion policy means that, at application stage, **at least one of the policy instruments addressed in a project must be an Investment for jobs and growth goal programme**.

Provided that this minimum requirement is met and that the other policy instruments are clearly defined in the application form, the final number of Investment for jobs and growth goal programmes addressed in the project does not have any influence on the assessment of applications.

A **policy instrument** is a means for public intervention. It refers to any policy, strategy, or law developed by public authorities and applied on the ground in order to improve a specific territorial situation. In most cases, financial resources are associated with a policy instrument. However, an instrument can also sometimes refer to a strategy or legislative framework with no specific funding. In the context of Interreg Europe, operational programmes under the Investment for jobs and growth goal are considered as policy instruments. Beyond the programme of the EU cohesion policy, local, regional or national public authorities develop their own policy instruments, which can also be addressed by Interreg Europe projects.

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<sup>5</sup> Further information on the minimum geographical coverage can be found in eligibility criterion 5 in section 4.3.1

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### 3.1.2 What are the project phases?

The project activities are implemented in **two phases** over **four years** (with an additional three months dedicated to closing the project).<sup>6</sup>

#### **Core phase – ‘interregional learning’**

The core phase is dedicated to the **exchange of experience** among project partners and to the integration of the lessons learnt from the cooperation into the regional development policy instruments addressed by the project.

The core phase lasts **three years**<sup>7</sup>. The experience gained in the previous programming periods shows that three years is the adequate duration for interregional cooperation projects. It gives sufficient time to develop a professional exchange of experience process which can lead to improving the policy instruments addressed by the project.

**The project’s overall objective to improve the policies of the participating regions should ideally be achieved by the end of the core phase. Partner regions that do not achieve policy improvement during the core phase shall produce, by the end of this core phase, an action plan for policy improvement:** a document explaining how the partner region will improve its policy thanks to the learning gained from the project.

#### **Action plan for policy improvement**

The **action plan** for policy improvement is a document specifying how the lessons learnt from the cooperation in the core phase will be implemented in a region in order to improve the policy instrument addressed by this region. It provides information on the nature and timeframe of the action(s) to be implemented, the stakeholders involved as well as on the way the action(s) derives from the project. Only the regions that do not achieve any policy change by the end of the core phase have to produce an action plan.

Only one action plan is expected per policy instrument, even when the policy instrument is addressed by several partners from the same region.

A template of the action plan for policy improvement is provided in annex 1 of the programme manual. This template includes the core features that need to be described in the document. The action plan is also integrated into the progress report template of the last report of the core phase. But regions are welcomed to produce an independent document (possibly in their national language) if it is useful for dissemination and/or for the stakeholders’ information.

#### **Follow-up phase – monitoring the effects of the policy improvements**

In order to better assess the results of interregional cooperation, the follow-up phase is primarily dedicated to monitoring the first effects of the policy improvements and monitoring whether additional policy improvements are achieved. The duration of the follow-up phase is fixed to **one year**. This additional year allows the projects to continue monitoring the result of the cooperation while wrapping

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<sup>6</sup> The requirements in terms of projects’ duration may be adapted in the course of the programme’ implementation. Any modification would be specified in the terms of reference of the call.

<sup>7</sup> Follow-up phase activities could start earlier if the core phase activities take less time than expected.

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up the exchange of experience process.

More specifically, partner regions who already achieved policy improvements under the core phase shall monitor the effect of these improvements in their territories. The other partner regions that produced an action plan for policy improvement are required to monitor whether the envisaged improvements are finally achieved. Each partner is responsible for monitoring the progress of the implementation of their action plan and for reporting to the lead partner. It should be highlighted that Interreg Europe supports the costs incurred for the monitoring only; the costs related to the implementation itself of the actions should be funded from local, regional or national sources.

During the follow-up phase and if relevant, partners can also continue learning and exchanging experience on the activities of this phase (i.e., activities dedicated to monitoring the effects of policy improvements and/or the implementation of action plans).

The activities to be carried out within each phase of the project are further defined below.

## 3.2 What activities may take place under each phase?

### 3.2.1 Core phase – Focus on interregional learning

The main activities to be carried during the core phase relate to the following:

- exchange of experience
- pilot actions (if relevant).

The overall project methodology adopted for this phase (i.e., organisation of the learning process, choice and interrelation between the activities) needs to be explained in section 'Project approach' in the application form.

#### 3.2.1.1 Exchange of experience: the cornerstone of an interregional cooperation project

The exchange of experience among partners (also called 'interregional learning process') is the main catalyst for generating the expected policy improvement in the participating regions. The typical activities related to this learning process are activities such as **seminars, workshops, site visits, staff exchanges, peer reviews**. The learning process is based on the identification, analysis and exchange of knowledge and practices from the participating regions in the policy field tackled by the project.

Interregional cooperation projects need to analyse the experiences and/or practices exchanged within the projects and disseminate the most interesting findings. In particular, this is achieved by providing input into the programme's online good practice database which allows publishing the good practices identified on the project's website. Only the good practices reported through this database and validated by the joint secretariat should be counted under the indicator 'number of good practices identified' (see also section 3.3.2). The nature of the practices can be very different depending on the issue addressed by the project (e.g., governance approaches, methodologies, projects, techniques, etc.).

#### **Examples of typical activities for the exchange of experience:**

- joint thematic surveys / studies / analysis
- interregional study visits
- interregional thematic seminars / workshops
- interregional peer-reviews

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- interregional staff exchanges
  - meetings with the stakeholder group (compulsory)
  - joint pilot actions
  - participation in the Policy Learning Platform activities
  - development of action plans (compulsory only for the region where not policy improvement is achieved at the end of the core phase)

Further information on the exchange of experience process can be found in section 3.2.4.

### 3.2.1.2 Pilot actions

In order to achieve policy improvements, the traditional exchange of experience activities is sometimes not sufficient and need to be completed with more operational activities following a 'learning by doing' approach. For instance, in the project preparation phase, the partnership may already identify an innovative approach which has the potential to be integrated and supported in the frame of the policy instrument(s) addressed but needs to be tested before being rolled out. In such a case, the project may include, already from the application stage, one or more pilot actions.

**Pilot actions** are implementation-related activities dedicated to testing a new public intervention approach. This usually refers to the transfer of a successful practice from one region to another one, but it can also relate to a new initiative jointly designed by the project. The ultimate objective of a pilot action is that, in case of success, it is finally integrated in the policy instrument addressed and therefore contributes to the long-term improvement of this public intervention. Examples of pilot actions can also be found on the programme website ([www.interreguerope.eu](http://www.interreguerope.eu)).

The implementation of pilot actions should be fully part of the interregional learning process contributing to achieving the project objectives. For this purpose, the pilot actions should be developed and **implemented jointly** by the partnership. According to the EC guidance, 'jointly developed' implies the involvement of partners from at least two participating countries. This requirement is obviously met when the same pilot action is tested in several regions. When it is implemented in one region only, the involvement of a partner from another country is still required. It could for instance be ensured through a coaching role from the donor region to the region testing the pilot action. In any case, the progress and outcomes of the pilot action implementation have to be shared with all project partners as part of the exchange of experience activities.

Pilot actions can be requested at two moments during project implementation:

- At the start of the project within the application form,
- During the mid-term review organised in the core phase.

Pilot actions included at the start of project must be finalised by the end of the core phase, while pilot actions approved at mid-term can be finalised during the follow-up phase. In any case, due to the demanding character of pilot actions, **a maximum of one pilot action per region per project can be approved.**

To be supported by the programme, pilot actions need to comply with the selection criteria as defined in section 4.3.2 of the present manual. In particular, they need to fulfil the following conditions:

#### **Policy relevance and durability**

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The pilot action needs to clearly lead, in case of success, to improving the policy instrument tackled in the region(s) where it is proposed. Since a pilot action refers to testing a new approach, the measures to ensure its durability in case of success have also to be clear.

### **Interregionality and contribution to the learning process**

The pilot action needs to be clearly linked to the interregional exchange of experience process. Usually, pilot actions allow other partners to test, in their region, an approach that has been developed in another region. The lessons learnt from the implementation of the pilot action should be shared among the partnership to enrich the interregional exchange of experience. Even if the exchange of experience has not taken place yet, this interregional character needs to be demonstrated also for pilot actions included in the application form through the joint work carried out during the preparation phase.

### **Testing character**

The activities of the pilot action need to be implementation oriented. Even though feasibility studies and/or meetings may be needed to prepare and adapt the testing, the core element of the pilot should focus on testing a new practice on the ground with the relevant stakeholders (innovative character of the pilot action).

### **Additionality**

The pilot actions have to represent additional activities that would not be carried out without the support of the Interreg Europe programme. The region(s) proposing a pilot action should therefore make sure and confirm that the pilot action(s) proposed cannot be financed by the policy instruments addressed or by any other local, regional or national funds.

### ***Procedure for requesting pilot actions at midterm***

Regions that did not already implement a pilot action have the possibility to request it at midterm (i.e., within the first semester of their third year of implementation). The duration of these pilots is in principle limited to one year since the last semester of the project should be dedicated to monitoring and reporting the results of the pilot action.

#### **Assistance**

Two weeks before the mid-term review meeting takes place, lead partner should provide information on their idea for possible pilot actions gathered within the partnership. The relevance of these ideas is then discussed in detail with the programme during the meeting itself. If needed, the JS can also provide further assistance later through phone/e-mail.

#### **Application**

Once all the mid-term review meetings for projects approved under the same call have taken place, a call for pilot actions is opened to the concerned projects for a short period of time (around four weeks). Interested projects should apply online on the **XX** system.

#### **Selection**

The selection is based on a simplified version of the assessment procedure described in section 4.3. The eligibility consists in checking whether the following two requirements are met:

- the request is submitted on time
- the request is complete

Only eligible requests go to the quality assessment which is also simplified. Only the relevant parts of criteria 1, 2, 4 and 5 as described in section 4.3.2 are checked (see the questions related to pilot

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actions). The quality assessment does not use scores but indicates whether each criterion is fulfilled, partly fulfilled, or not fulfilled. In case one criterion is assessed as 'not fulfilled', a justification is provided, and the proposal is not recommended for approval. At the end of the assessment, pilot action requests are either recommended for approval, recommended for approval under conditions or not recommended for approval.

### **Decision**

Final decision on pilot action requests is made by the Interreg Europe monitoring committee, based on the results of the assessment. All lead partners are informed of the decision regarding their request soon after the decision is made. The implementation of the pilot action should start as soon as the approval is officially notified.

In financial terms, the total budget for pilot actions depends on the nature and duration of the activities. Pilot actions planned at the start of the project may last longer than those approved at mid-term. In any case, in the context of Interreg Europe, the scope of the pilot actions must remain 'limited' considering that experimentations requiring important investment or heavy works are not possible<sup>8</sup>. **It is recommended that the total budget of a pilot action goes from 40,000 EUR to a maximum of 120,000 EUR.**



## *Examples of pilot actions*

### **Example 1: A project focusing on open innovation policies**

Following the extensive experience of region 'A' in involving citizens in their innovation policy, region B would like to develop new measures for open innovation. Since the participation of civil society in innovation processes is relatively new in its region, region 'B' needs to carry out a pilot action to test the reaction of its citizens to these new approaches before deciding to finance it through the ERDF regional operational programme. The pilot action consists of applying new methods for collecting citizens' reactions to the development of new services/ prototypes by local companies. In particular, a consultation web-based tool is developed and several workshops are organised with representatives of the four helices (i.e. public authorities, private companies, research institutes and customers/ citizens). During the implementation, region A acts as a coach and adviser to region B.

### **Example 2: A project focusing on local energy policies**

Based on the identification and exchange of good practices on energy performance auditing, a joint testing methodology for energy audits is developed by the partnership. Regions 'A' and 'B' would like to apply such a methodology to their public buildings. However, their respective

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<sup>8</sup> This means the Interreg Europe pilot actions do not fall under the scope of article 22 of Regulation (EU) No 2021/1059 and Directive 2011/92/EU. This is also reflected in the fact that, under the French legislation, Interreg Europe is exempted from the SEA (Decree No. 2021-1000 of 30 July 2021).



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Structural Funds operational programme does not incorporate any measure where such activities can be funded. Before modifying the operational programme, these regions test the energy audit in one of their public buildings with the aim of demonstrating the added value of integrating such a measure into their mainstream programmes.

### **3.2.2 Follow up phase – focus on monitoring the effects of the policy improvements**

The main activities to be carried out under the follow-up phase are related to the following:

- Monitoring results,
- Exchange of experience on policy improvements (if relevant),
- Pilot actions (if relevant).

#### *3.2.2.1 Monitoring results*

The follow-up phase starts when the core phase ends and lasts one year. This phase is primarily dedicated to monitoring the first effects of the policy improvements achieved in the core phase and monitoring whether additional policy improvements are achieved.

For regions that already achieved a policy improvement in the core phase, the monitoring activities consist in checking the territorial effects of those improvements. For instance, a region demonstrates that a new call for proposal was designed within their policy instrument thanks to the lessons learnt within the core phase of the project. This call is therefore considered as a policy improvement for Interreg Europe. Beyond its preparation and launch, the concerned region should then continue monitoring the outcomes of the call in the follow-up phase (even if the call itself is financed by the policy instrument and not Interreg Europe). These outcomes can be related to the number of applications received and approved, the amount of funding committed, the number of beneficiaries, the results finally achieved on the ground by these beneficiaries, etc.

More generally, the follow-up phase also allows to collect any possible new policy improvement that derives from the exchange of experience. In particular, for regions that did not achieve any policy improvement by the end of the core phase, the follow-up phase allows them to monitor to which extent the measures described in their action plans are finally implemented on the ground, evaluating the results of these measures and gathering evidence of success to be reported to the programme.

The implementation of action plans can take various forms depending on the issue tackled by the project and the territorial characteristics of the partner region. Certain measures contributing to the improvement of policies do not require specific additional funding (e.g., no-cost/ low-cost action in the Result Based Accountability approach<sup>9</sup>). And when funding is required for implementing other measures, it should come from the relevant local, regional and/ or national funds.

In order to ensure proper monitoring, the whole partnership need to remain active, and all participating regions need to report actively on the progress achieved within their territory. This information is compiled every semester through the progress report submitted to the programme.

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<sup>9</sup> More information on the Results Based Accountability approach can be found at <http://raguide.org>

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### 3.2.2.2 Exchange of experience on policy improvements (if relevant)

Due to its particular focus on monitoring results, the follow-up phase has a more 'regional' character. Nevertheless, this phase can also be a source of learning, and interregional cooperation remains important for the following reasons:

- Regions can continue learning from each other, to witness and assess together the effects of the policy improvements achieved in the core phase;
- Regions should continue exchanging relevant information and supporting each other in the implementation of the action plans (where relevant) and in achieving additional policy changes in the follow-up phase. In particular, when a policy improvement relates to the transfer of a particular experience developed in one region, the 'importing' region may need the advice of the 'exporting' region on the best way to adapt the experience to its own context.
- The lessons learnt from the implementation and/or generalisation of pilot actions may provide relevant inspiration to other regions.

Compared to the core-phase, the exchange of experience activities organised in the follow-up phase should be clearly in line with the objective of this phase i.e., exchanging on the policy improvements and their effects and/or on the implementation of action plans.

### 3.2.2.3 Pilot actions

The pilot actions approved at midterm (i.e., pilot actions which started in the third year of the core phase)<sup>10</sup> can continue to be implemented in the first semester of the follow-up phase. The last semester of the follow-up phase should be dedicated to monitoring the results of the pilot action i.e., whether it is 'mainstreamed' in the policy instrument of the region and, if possible, whether this mainstreaming lead to first results.

The partner(s) implementing a pilot action continuously share their experience with the remaining project partners so that the whole partnership can benefit from the lessons learnt from the pilot action.

## 3.2.3 Activities relevant to both phases

### 3.2.3.1 Communication and dissemination

Each project is required to develop a communication strategy. The communication strategy is an integral part of the overall project strategy, and the communication activities have to contribute to achieving the overall project objective.

#### **Examples of typical communication and dissemination activities:**

While each project's communication activities will depend on its specific strategy, some examples of typical activities are provided below:

- Ensuring the project's online presence (e.g., website, social media)
- Organising dissemination events (e.g., final conference with result presentations)
- Disseminating project leaflets, brochures, newsletters

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<sup>10</sup> Since a maximum of one pilot action per region is possible, only 'regions' that did not implement yet a pilot action from the start of the project can request a pilot action at midterm.

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Communication activities have to be adapted to the objectives of each project's phase. While in the core phase, the communication activities primarily support the exchange of experience among partners and stakeholders, in the follow-up phase they focus mainly on disseminating the results achieved and the effects of the policy improvements in the partner regions.

In the follow-up phase, the project is also required, as a compulsory activity, to organise a final public dissemination event gathering executives and policymakers from the regions and from other relevant institutions.

Section 7 provides further details on the communication and dissemination activities.

### *3.2.3.2 Management and coordination*

Management and coordination refer to the administrative, legal and financial activities necessary for running an Interreg Europe project. Due to their standardised and repetitive nature, the management and coordination activities do not need to be specifically indicated in the project work plan (Part E of the application form) but project partners should still carefully plan and budget them.

#### **Examples of typical management and coordination activities:**

- Drawing up and signing of a project partnership agreement,
- Preparing, submitting and follow-up of progress reports,
- Organising project steering group meetings,
- Financial management and control including contracting external expertise in line with applicable procurement rules, monitoring, reporting and controlling expenditure incurred and paid,

#### **Strategic level**

Each project is required to determine the necessary procedures for decision-making and coordination within the partnership. In particular, a body in charge of the strategic monitoring of the project (steering group) has to be constituted. Adequate representation of the partners involved should be ensured when establishing the decision-making process and monitoring mechanisms. Ideally, the steering group should be composed of representatives from all the partners and should meet at least twice a year. The tasks of the steering group should include the monitoring of the project and the provision of guidance regarding its implementation, for example, reviewing and approving work plans and reports, agreeing on possible changes to the project.

The steering group also monitors the progress towards the achievement of the project's objectives, which is also assessed through the output and result indicators pre-defined at programme level. The strategic monitoring also covers the financial implementation (e.g., Is the budget being spent according to plans? Are allocations for each of the budget categories being respected?).

#### **Day-to-day management**

In addition to the steering group, other coordination bodies (e.g. task forces, advisory groups) may be established to coordinate the day-to-day running of the project, fulfil specific tasks or carry out certain activities. It is however recommended that the coordination and management procedures remain as transparent and as simple as possible.

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In order to ensure a proper implementation of the project, the lead partner<sup>11</sup> should set up an efficient and reliable management and co-ordination system. For this purpose, each project should appoint or sub-contract the following positions for the project management:

- **a project coordinator**

The coordinator is responsible for organising the project's work. The coordinator should be qualified in European project management as well as in the topic tackled by the project. The coordinator should act as a driving force in the partnership and mobilise the partners in order to achieve the objectives laid down in the application within the specified deadlines. S/he is the key contact person for the joint secretariat.

- **a financial manager**

The financial manager is responsible for the accounts, financial reporting, the internal handling of ERDF funds and national contributions. The financial manager should work in close contact with the coordinator, the controller and the partners in order to enable the efficient financial management of the project. The financial manager should be familiar with accounting rules, international transactions, EU and national legislation for the management of ERDF, public procurement and financial control.

- **a communication manager**

The communication manager is responsible for the proper implementation of the project's communication strategy. This person ensures that all partners agree to the strategy, including task allocation and timing, and is the one responsible for reviewing periodically whether the strategy is reaching its objectives. Whether the role is outsourced to a communication professional or not, the communication manager should be familiar with the basic principles of developing a communication strategy along with the variety of techniques available to reach different audiences. S/he works hand in hand with the project coordinator to deliver project results.

The person(s) in charge of the above positions must be fluent in English, which is used for all communications with the joint secretariat and other bodies involved in programme management.

### *3.2.3.2 Activities at programme level*

The programme provides approved projects with a number of training and advice opportunities. The persons responsible for a specific aspect of the project management (coordination, financial management, communication) are regularly invited to participate in events and activities organised at programme level aimed at making the project implementation as efficient as possible.

#### **Examples of events organised by the programme:**

- lead partner workshops (organised shortly after the approval to brief the lead partners on the programme's main features and requirements),
- exchange of experience workshops,
- workshops on financial management and control,
- communication workshops

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<sup>11</sup> See section 4.4.6

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Approved projects are also regularly invited to contribute to a certain number of events and activities organised at programme level, such as:

- Policy Learning Platform activities,
- programme annual events,
- preparation of communication material.

The participation of projects in these programme activities is important. Applicants should therefore be aware of these activities when preparing an application and when drawing up the budget. Lead partners (or other relevant project partners) are expected to participate in 6 to 10 events at programme level over the lifetime of the project (core phase and follow-up phase). For what concerns the participation in the activities of the Policy Learning Platform, an average of two participants per project per event is recommended.

### **3.2.4 Focus on the exchange of experience process**

As indicated above, the exchange of experience through the identification, analysis and transfer of good practices is at the heart of Interreg Europe projects.

There are many ways to organise a successful learning process among partners and there is no 'one size fits all' method. The approach may depend for instance on the number of partners involved or on the nature of the topic addressed. Experience gained in previous programming periods has shown a variety of methods from 'simple working methods' based on traditional networking activities such as thematic seminars, study visits and staff exchanges to a more 'sophisticated approach based on tools such as joint analysis, case studies, peer reviews, joint pilot actions. As both approaches can be successful, the programme does not impose any specific methodology but, based on the experience gained in previous programming period, it recommends making the learning process as simple as possible. At the end of the day, it is up to each interregional cooperation project to propose a strategy which is adapted to the needs of the participating regions and which ensures an efficient learning process among the partners and the stakeholder groups.

The overall project methodology adopted for the exchange of experience (i.e., organisation of the learning process, choice and interrelation between the activities) needs to be explained in section 'Project approach' in the application form (including for the follow-up phase if relevant).

The Interreg Europe programme provides recommendations on the following key elements of the learning process:

- Levels of learning
- Stakeholder group
- Quality of the activities carried out
- Integrated approach
- Role of experts
- Online exchange of experience.

#### **Levels of learning:**

The process of policy learning, which is the key driver for achieving policy change, needs to occur at different levels.

*Learning at **individual level***

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The first level of learning refers to the individuals who increase their capacity by being involved in the cooperation activities of the project. This level of learning is the most obvious and the easiest to achieve in projects (while under the Platform, individual learning is considered as a result in line with the intervention logic described in section 2.4). Nevertheless, the increased capacity of a few individuals in a partner organisation is not sufficient to ensure that results (i.e., policy improvements) are achieved in the region.

#### *Learning at **organisational** level*

The second level deals with organisational learning. Such learning occurs when the new knowledge does not remain at the level of individuals but is also passed to the organisations these individuals are working for. As a result, the organisation itself may be able to better perform its activities or to achieve a policy improvement. Projects have different means to ensure organisational learning. This can be achieved through internal reporting meetings where the staff members directly involved in the cooperation report back to the relevant colleagues, managers and elected representatives of the organisation. These key interested parties should also be directly involved in the interregional exchange of experience activities when needed.

As highlighted in the programme's intervention logic (see chart 1), these levels of learning are necessary steps to achieve policy improvements. Individual and organisational learning occur within the partner organisations which are directly involved in all project activities. Since policy-making usually involves a range of different stakeholders (and not only the policy responsible authority), it is important that individual and organisational learning occurs also within the stakeholder organisations although their participation in the project is indirect.

When designing the project methodology to carry out the interregional exchange of experience, partners should pay particular attention to the multidimensional aspect of the learning process. To maximise the project's impact, the proposed approach and activities should cover the different levels of learning. Learning at the individual level alone is not sufficient to achieve policy change. Instead, learning outcomes need to be transferred and integrated effectively into the partners organisations and relevant stakeholder organisations. This is the rationale behind the requirement to create a **stakeholder group** for each of the policy instruments addressed in a project. Further information on the stakeholder groups is provided in section 3.4.2.

#### **The quality and nature of the activities carried out**

Exchange of experience activities must be of good quality. This is obviously a pre-condition for an efficient learning process. They need to be properly prepared, implemented, documented and monitored.

- Preparation: all the information needed to carry out the activities must be made available in advance. In particular, the objectives, the methodology and the agenda of each activity need to be clear and shared with the participating partners. If needed, partners can also be asked to send their contributions before the activity takes place.
- Implementation: the responsible partner(s) must ensure the proper management of the activity. The quality of a moderator is, for instance, important for the success of a thematic workshop. Issues such as languages barriers or intercultural context have also to be taken into consideration. Depending on the activities, innovative techniques can be used to ensure interactivity and the involvement of all participants in the exchange of experience.

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- Documentation and monitoring: commonly, a report summarising the main outcomes is produced. The evaluation of each activity (through a simple satisfaction questionnaire) also is important to improve the quality of future activities.

The choice and format of activities to be organised is also important. For instance, a staff exchange will not achieve the same objective as a thematic workshop. The choice of the right activity at the right moment of the project implementation is therefore important and should be carefully thought out during the preparation of a project.

### **Integrated approach**

The good quality of each individual activity is not sufficient to ensure a successful learning process. An integrated approach where activities are logically interlinked is also needed. Successful approaches usually follow a logical path. The standard approach is to start with the analysis of the different partners' situations and the identification of valuable experiences and practices. This valuable experience is then further investigated through activities such as study visits and thematic workshops. Finally, the partners work with their stakeholders on integrating the lessons learnt from the cooperation into their policy instruments.

Therefore, the coherence, continuity and good interrelation between the activities also contribute to a successful learning process.



### *Exchange of experience: examples of interesting approaches from real cases*

#### **Linear approach**

The project ran five professionally organised thematic interregional workshops, each of them including guest speakers and an exchange on design programme practices as well as interactive sessions with partners and policymakers. All the workshops had a clearly goal-oriented working style and involved presentations, panel discussions, in-depth work using a smaller interactive group format (creative sessions, brainstorming sessions etc.), scenario-building and mapping exercises. Following each thematic workshop, a report was issued, extensively summarising the workshop outcomes and also contextualising these in a wider policy-context.

#### **Combination of networking activities**

The mixture of methods and combination of activities for the exchange of experiences was extremely useful in our project, considering the complexity of the topic, the diversity of partner organisations and levels of expertise. Thematic seminars were linked to study visits in which guest speakers, policymakers and also community representatives participated. Study visits focused on good practice case studies within the partnership in order to illustrate the scale of the issue addressed by the project and the variety of solutions offered by the participating regions. Each site visit was supported by thematic expert papers and documentation. Based on the seminars and study Visits, seven Expert Papers were published. In addition, four

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Mentoring Partnerships were formed to support the partners with less experience, to guarantee a win-win exchange of experience process and to promote the transfer of relevant good practices.

### **Exchange of experience based on local case studies**

The project applied a specific methodological approach developed by our advisory partner. The 'Cluster Initiative Performance Model' (CIPM) facilitated and structured the exchange of experiences and offered a theoretical background that allowed each partner to better understand the characteristics and potentials of the different cluster models presented. This individual cluster analysis was supported by two reports. A first analysis, available to all partners, was drafted by the case study city (pre-report). During the seminar in this region, a study visit related to the case study was organised, followed by a policy analysis session during which the conclusions were discussed with all partners and relevant key decision-makers. After each event, concrete policy recommendations for the case study were summarised in the event's report.

### **Use of peer reviews**

In the project, peer reviewing was used as the key method for carrying out the exchange of experiences. The central element in the exchange process was the application of a formal peer review methodology. During a series of five peer reviews, multinational teams of regional experts from more experienced partners visited a less experienced host region to review its regional energy strategy. The peer review process consisted of a preparation phase using a questionnaire, a 3-day study visit, during which the visiting experts met with regional energy stakeholders, made relevant site visits, and drafted a review report with recommendations. Each host region then used the recommendations in the review report to prepare the action plans. The peer review methodology was regarded as very useful by the project partners and also facilitated the exchange of experience. Of benefit was also the possibility to adapt expert advice to the specific situation of a region, which also represented an added value to the ordinary exchange process based on seminars, shorter visits and reports. All the experiences and lessons from the previous stages of the project were also exchanged during a mutual learning seminar, so as to ensure full knowledge transfer between all partners.



### **Role of experts**

There is no obligation to involve experts in the exchange of experience process but external assistance can help to professionalise this process (e.g. by proposing working methods). Specialised input may also be needed to ensure a more in-depth coverage of certain aspects of the topic tackled by the project or to help partners that are less experienced in the joint working process.

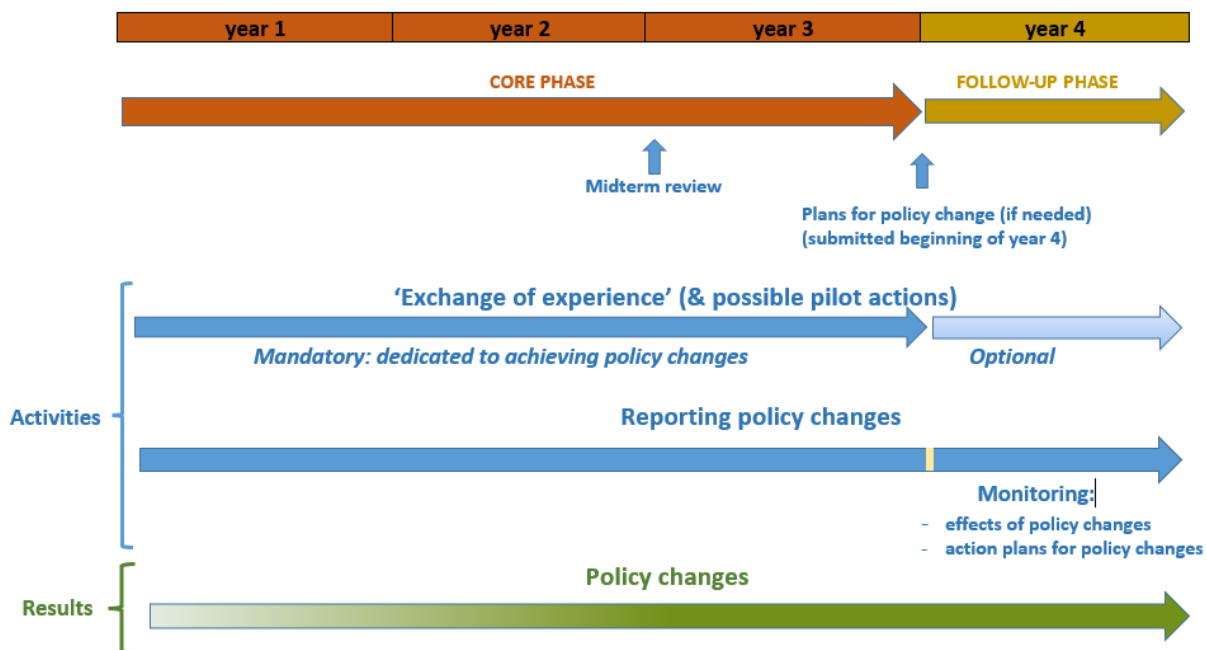
**The cooperation should however not be driven by external experts.** A successful learning process requires a strong and direct commitment from the regions themselves and in particular of the policy responsible authorities.

### **Online exchange of experience**



The way to organise the learning process has also been significantly impacted by the COVID-19 crisis. **On-line format** offers efficient and sustainable way of exchanging experiences. It also provides opportunities for more permanent and flexible exchanges among the regions involved in a project. Even if online format cannot fully replace physical exchanges, projects should integrate these new ways of working within their strategy.

**Chart 2: Overview of project implementation in two phases**



### 3.3. Monitoring projects' performance

#### 3.3.1 Projects objectives

Capturing the achievements of interregional cooperation projects is an important task because it helps demonstrating the added value of interregional cooperation. It is also a challenging task since, due to the nature of the programme and its focus on capacity building, the achievements of interregional cooperation are often less tangible. This is also the reason why the follow-up phase is introduced into the projects.

All projects share the same overall objective which is to improve the policy instruments they address through exchange and transfer of experiences among the participating regions. **Projects should do their utmost to transform learning into actions** (i.e., ensuring that the lessons learnt from the project lead to concrete actions in the participating regions ideally in the framework of the initial policy instrument addressed or, if not possible, in any other relevant policy framework). Ideally and as explained in section 3.2, projects should achieve policy improvements at the latest by the end of the core phase.

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### Consequences of under-performance

Regions that did not achieve any policy improvement<sup>12</sup> by the end of the core phase must produce an action plan. The non-production of an action plan can lead to the recovery of ERDF or Norwegian funding from the concerned region. It also puts in question the participation of this region in the follow-up phase. More generally, **ERDF or Norwegian funding can be recovered from the project/partner in case of severe under-performance** (e.g., recurring non-participation in project activities, non-delivery of core deliverables like good practices identification).

The follow-up phase allows projects:

- to grasp some of the territorial effects of the policy improvements, once the measures inspired by the project are implemented.
- to monitor possible additional policy improvements and, if applicable, to which extent the action plan(s) are implemented

However, Interreg Europe finance neither the implementation of the policy improvements nor that of the action plans. It is not accountable for these implementations and it is up to each region to mobilise the relevant resources to do so. The progress made in these implementations is reported to the programme throughout the project and in particular during the follow-up phase (via the lead partner through the progress reports). All necessary explanations should be provided in case implementation do not take place.

### 3.3.2 Improving policies

Interregional cooperation can influence policy instruments in various ways. Based on the experience gained from previous programmes, policy improvements can be categorised in three main types, which can be interconnected.

#### Type 1: implementation of new projects

Interregional cooperation is a source of inspiration to renew the nature of projects supported within the policy instruments. This means that, based on the lessons learnt from interregional cooperation, a region implements on its territory a new project financed through its policy instrument. This type of results is the most common. It implies the availability of funding within the policy instrument addressed. In some case, it is not one but several new projects that are supported thanks for instance to the launch of a dedicated call for proposals.



#### *Policy improvements: example of type 1*

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<sup>12</sup> The conditions to be fulfilled to demonstrate that a policy improvement is achieved are listed in the definition of indicator RI3 in section 3.3.2. An example of checklist from the 2014-2020 period is also provided in the annex of the performance framework (annex 2 of the present manual).

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The good practice developed by region A on promoting innovative tourism (in particular using international electronic marketing) has served as a basis for the development of the new project dedicated to the promotion of lake tourism in region B. The idea is to generate additional revenues for the tourism industry by providing new sustainable experiences and services for visiting tourists. The new project is approved in region B for a total budget of EUR 80,000 fully financed through 'Sustainable Tourism Development Strategy' (policy instrument addressed) of this region.

### **Type 2: change in the management of the policy instrument (improved governance)**

Interregional cooperation can also influence the way a policy instrument is managed and implemented. New approaches can be adopted thanks to the lessons learnt from other regions. These improvements can for instance be related to:

- a revised methodology for evaluating the performance of the policy instrument,
- the introduction of new criteria for selecting the projects supported by the policy instrument,
- a more efficient way to communicate on the calls for proposal launched within the policy instrument,
- the modification of the decision-making rules or of the composition of the managing committee in charge of the policy instrument implementation.



### *Policy improvement: example of type 2*

Based on the methodology developed in region A, region B has improved the evaluation of its funding schemes as defined in its Energy Efficiency Development Plan (i.e., policy instrument addressed in region B). As a result of interregional cooperation, region B has updated and harmonised the ex-post questionnaire for all its regional funding schemes on energy efficiency. This revised approach and indicator system allowed the authority responsible for energy policy to measure in a simpler and more efficient way if its initial objectives are reached.

### **Type 3: revision of the policy instrument itself (structural change)**

The third type is the most challenging since it requires a change of the policy instrument. It occurs when, based on the lesson learnt from the cooperation, a region modifies the main features of its policy instrument. This can for instance take the form of adding a new priority or measure. It can also be related to modifying the budget allocation of the different priorities of the policy instrument.



## *Policy improvement: example of type 3*

Based on the experience gained from different regions involved in the project, Region A has integrated in its updated Smart Specialisation Strategy a full paragraph dedicated to 'corporate social responsibility' in the part of the strategy dedicated to social innovation.

### **3.3.3 Performance framework & indicators**

The overall Interreg Europe performance framework is available as annex 2. It introduces a monitoring system reflecting the programme's intervention logic. It takes into consideration the new guidance of the European Commission for the 2021-2027 programming period<sup>13</sup> as well as the Result Based Accountability (RBA) approach<sup>14</sup>. The project monitoring system is based on a limited number of output and result indicators.

**Outputs** are tangible deliverables which contribute to achieve the project's objectives. They are directly related to the activities carried out in the project. Outputs are measured in physical units, such as the number of interregional events, good practices identified, or policies addressed. They do not lead to a qualitative judgement on the project's results (e.g., it is not because a project organises a high number of interregional events (output) that it will necessarily be successful).

**Results** are the immediate effects of the project implementation also deriving from the production of its outputs. They represent what the project aims to change. Outputs such as the interregional events organised, the good practices identified, or the implementation of pilot action are merely means to achieving the objectives of the project. Unlike outputs, results imply a qualitative value, an improvement compared with an initial situation. They are also measured in physical units, such as the number of policy instruments improved.

**Impacts** are defined as medium or long-term effects of the projects. One of the objectives of the follow-up phase is to grasp some of these impacts by monitoring the effects on the ground of the policy improvements (e.g., amount of CO2 emissions saved, number of jobs created). These effects cannot be directly attributed to the Interreg Europe intervention as reflected with the impact indicator 'funds influenced'. Whereas the design of a new initiative and the decision to support it can be a direct achievement of interregional cooperation (in case this initiative was clearly inspired by the Interreg Europe project), the concrete implementation of this initiative (including the mobilisation of funding) is not supported by Interreg Europe. From that perspective, the funds influenced are only an indirect effect of the cooperation. Like outputs and results, impacts are measured in physical units

<sup>13</sup> More detailed information on the evaluation of the EU cohesion policy can be found on the following link: [http://ec.europa.eu/regional\\_policy/information/evaluations/guidance\\_en.cfm#1](http://ec.europa.eu/regional_policy/information/evaluations/guidance_en.cfm#1)

<sup>14</sup> <http://raguide.org>

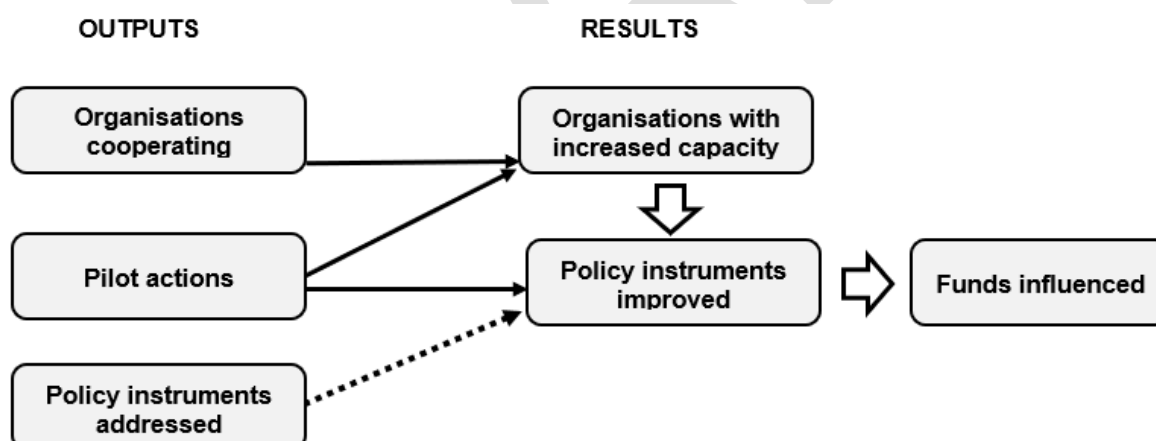
In order monitor the projects performance, the programme uses the indicators listed in table 3.

**Table 3: Interreg Europe project indicators**

<b>Output indicators</b>	RCO87 <sup>15</sup> : Organisations cooperating across borders RCO84: Pilot actions developed jointly and implemented in projects OI4 <sup>16</sup> : Policy instruments addressed OI5: Interregional policy learning events organised OI6: Good practices identified
<b>Result indicator</b>	RI2 <sup>17</sup> : Organisations with increased capacity due to their participation in interregional cooperation RI3: Policy instruments improved thanks to Interreg Europe
<b>Impact indicator</b>	II1 <sup>18</sup> : Funds influenced

As reflected in chart 3, these output and result indicators are interconnected, in line with the programme's intervention logic.

**Chart 3: project intervention logic, from outputs to results**



Apart from the impact indicator, all indicators are completed with a **target value** at the application stage. While this value is automatically calculated for the output indicators based on the data provided in the application form (see also definition below), the target value of the result indicators needs to be estimated. Experience has shown that it is very rare that a project succeeds in improving all the policy instruments it addresses. Nevertheless, since this remains the overall objective of any project, applicants have the possibility to indicate a 100% performance for the target value of the result indicator RI3 'policy instruments improved (i.e., the target value of this result indicator equals the target value of the corresponding output indicator; OI4 'policy instruments addressed')'.

<sup>15</sup> 'RCO' stands for common output indicator as defined in annex 1 of the ERDF Regulation (EU) 2021/1058

<sup>16</sup> 'OI' stands for output indicator

<sup>17</sup> 'RI' stands for result indicator (specific to Interreg Europe)

<sup>18</sup> 'II' stands for impact indicator

Projects have to report on all indicators (including the result and impact indicators when possible) in the course of the project implementation through the progress reports.

### Output indicators

<b>RCO87 – Organisations cooperating across borders</b>	
<i>Specification</i>	This indicator measures the number of organisations participating in the interregional cooperation project. In the context of Interreg Europe, the indicator does not only include the project partners, but it also covers the associated policy authorities as well as the stakeholder organisations actively involved in the cooperation (e.g., recurring participation in the stakeholder groups activities). This active participation needs to be demonstrated in the descriptive part of the progress report. Only active organisations should be considered under this indicator.
<i>Calculation</i>	At application stage, the target value of this indicator is automatically calculated based on the data provided in the partnership section of the application form. During project implementation, the achieved value is also automatically calculated based on the data provided in the progress report including information on stakeholders' involvement.
<i>Intervention logic</i>	This output is directly related to the result indicator 'organisations with increased capacity due to their participation in interregional cooperation'.

<b>RCO84 – Pilot actions developed jointly and implemented in projects</b>	
<i>Specification</i>	This indicator measures the number of innovative approaches (i.e., pilot actions) tested in a project (if any).
<i>Calculation</i>	At application stage, the target value of this indicator is automatically calculated based on the data provided in the application form. During project implementation, the achieved value should be completed in the progress report only once the pilot action is finalised (i.e., in the last progress report of the core phase for pilot actions included in the application form).
<i>Intervention logic</i>	As reflected in chart 3, this output is linked to two result indicators. First, pilot actions contribute to 'increasing the capacity of organisations' involved in their implementation and beyond (learning by doing). Second, in Interreg Europe, pilot actions are possible only if they have the potential to 'improve a policy instrument'. A successful pilot action should therefore ideally be continued / generalised within the policy instrument addressed.

<b>O14 – Policy instruments addressed</b>	
<i>Specification</i>	This indicator reflects the total number of policy instruments addressed in a project. These instruments can be Structural Funds programmes (at least one instrument per project must be an Investment for jobs and growth goal programme) or any other regional development instruments relevant to the topic tackled by the project. Even

	if a specific regional development issue such as entrepreneurship or public transport is usually tackled by several policy instruments in a region, partners need to identify one main instrument on which they focus during the cooperation.
<i>Calculation</i>	At the application stage, the target value of this indicator is automatically calculated based on the number of policy instruments described in the application form. At the end of the project, the achieved value is automatically calculated based on the project's final features (e.g., it may be reduced compared to the target value in case a partner region had to withdraw without any replacement).
<i>Intervention logic</i>	Even if the policy instrument addressed is not an output in the strict definition of the term, it still reflects the scope of the need tackled by the project and is directly linked to the core result indicator 'policy instruments improved'.

#### **O15 – Interregional policy learning events organised**

<i>Specification</i>	<p>This indicator measures the number of interregional events organised by the project during the 4 years of implementation and dedicated to the exchange / transfer of experience among partners. The word “event” should be taken in a broad sense since it includes all interregional exchange of experience meetings involving at least two partner regions (e.g., workshops, seminars, study trips, staff exchanges, peer reviews). Back-to-back meetings (e.g., study visit following a seminar organised by the same partner at the same place) should be counted as only one event. This indicator does not include:</p> <ul style="list-style-type: none"> <li>- local / regional events like stakeholder group meetings,</li> <li>- public relation events aimed at disseminating project information and results.</li> </ul> <p>The interregional policy learning events includes only the interregional meetings. The figure reported in each period should be supported by the description of the activities provided for the same period.</p>
<i>Calculation</i>	At application stage, the target value of this indicator is automatically calculated based on the data provided in work plan of the application form. Later in project implementation, the achieved value is also automatically calculated based on the data provided in the activity part of the progress report.
<i>Intervention logic</i>	This output partly reflects the intensity of the learning process and is therefore related to the result indicator 'Organisations with increased capacity due to their participation in interregional cooperation'.

#### **O16 – Good practices identified**

<i>Specification</i>	This indicator measures the number of good practices identified and analysed by the project during the exchange of experience process (i.e., core phase). Since a
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	<p>project builds on the experience of its participating regions, the good practices identified should be located in the partnership area.</p> <p>To qualify as 'good', a practice should demonstrate objective evidence of success and should be recognised as a source of inspiration among the partnership (e.g., practice whose features have led to a policy improvement in another region). This means that only the most valuable experience (and not necessarily all the practices identified within the core phase) should be considered under this indicator. Projects should therefore be reasonable when estimating its target value. As a reference, one or two good practices per participating region appears as a reasonable approach when estimating the target value.</p>
<i>Calculation</i>	<p>At application stage, the target value of this indicator is automatically calculated based on the data provided in work plan of the application form. During project implementation, the achieved value is also automatically calculated based on the data provided in the activity part of the progress report. For the reporting, the achieved value should correspond to the number of good practices validated by the joint secretariat and available on the project website through the online good practice tool. The upload of good practices on the project website needs to be completed at the latest by the last progress report of the core phase.</p>
<i>Intervention logic</i>	<p>This output refers to the source of inspiration needed for the learning process and is therefore related to the result indicator 'Organisations with increased capacity due to their participation in interregional cooperation'.</p>

## Result indicators

<b>RI2 – Organisations with increased capacity due to their participation in interregional cooperation</b>	
<i>Specification</i>	<p>This indicator captures the number of organisations whose capacity has increased thanks to their participation in the project's activities and exchange of experience process. The notion of organisations includes the project partners, the associated policy authorities as well as the stakeholders actively involved in the project activities. Increased capacity</p>
<i>Calculation &amp; reporting</i>	<p>At application stage, projects need to estimate the target value of this indicator. Projects needs to be reasonable in their estimation. A 100% performance (i.e., all organisations involved finally increase their capacity) is not likely and therefore not recommended considering the broad notion of 'organisations' under this indicator and the necessity to provide evidence on the increased capacity.</p> <p>The achieved value for this indicator needs to be completed only once during the project lifetime, in the last progress report. The value reported derives from a dedicated survey whose template is provided in annex 02 'Performance framework'. The survey also specifies through its question 3 how an organisation can demonstrate it has increased its capacity thanks to the project. This survey should be launched in the last semester of the project and sent to all organisations actively involved. Only organisations that can convincingly justify their increased capacity (e.g., through using new knowledge, adopting new tools, changing their internal</p>



	structure) should be counted under this indicator. It is the responsibility of the partners to check and validate the answers provided to the survey. The list of the organisations with increased capacity should be provided to the programme as evidence for the achieved value reported in the last progress report.
<i>Intervention logic</i>	<p>This result derives from the output indicator ‘Organisation cooperating in the project’. In terms of project performance, the indicator is expressed in percentage by comparing the total number of organisations which finally increased their capacity to the total number of organisations involved in the project.</p> <p>As reflected in chart 3, the increased capacity of organisations is a necessary step towards the improvement of regional development policies (i.e., any policy improvement implies first that an organisation has increased its capacity).</p>

### RI3 – Policy instruments improved thanks to the projects

<i>Definition</i>	<p>This indicator captures the number of policy improvements resulting from the Interreg Europe project. It is therefore related to the core result expected from projects. It allows monitoring to which extent the learning resulting from the cooperation is transformed into action and leads to concrete measures in the regions. The successful implementation of a pilot action can also result in the improvement of a policy instrument.</p>
<i>Calculation &amp; reporting</i>	<p>At application stage, projects need to estimate the target value of this indicator. A 100% performance (i.e., all policy addressed are finally improved) can be indicated even if it rarely happens in reality.</p> <p>During project implementation, the achieved value is automatically calculated based on the data provided in the ‘results’ section of the progress reports. This indicator is based on self-declaration from the lead partner and partners. Each singly policy improvement reported by projects is therefore systematically and carefully assessed by the programme. Policy improvements are validated only when sufficient evidence is provided that the following conditions are met:</p> <ul style="list-style-type: none"> <li>- the improvement of the instrument has taken place (intention is not enough),</li> <li>- the nature of the improvement is clearly specified,</li> <li>- the improvement can be attributed at least partly to the activities and knowledge generated by the project.</li> </ul> <p>Examples of the check list to validate results under the 2014-2020 period is provided as an example under annex 02 ‘Performance Framework’.</p> <p>It should finally be noted that the programme monitors the number of policy instruments improved and not the number of improvements. This means that, in case a region achieves more than one improvement in the same policy instrument, only one policy instruments improved will be counted under the result indicator.</p>

<i>Intervention logic</i>	<p>This result derives directly from the output indicators 'Policy instrument addressed' and 'pilot actions'. It is also related to the other outputs which all contribute to the learning process.</p> <p>In terms of project performance, this indicator is expressed in percentage by comparing the total number of policy instruments finally improved to the total number of policy instruments addressed by the project.</p>
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### Impact indicator

<b>II1 – Fund influenced</b>	
<i>Definition</i>	This indicator estimates the financial impact (if any) of the policy improvements achieved thanks to the projects. It refers to the amount (in euros) that is directly influenced by the improvement.
<i>Calculation</i>	<p>No information on this indicator is required at application stage. During project implementation, the total achieved value is automatically calculated based on the amount provided in the 'Results' section of the progress reports.</p> <p>The estimation of the financial influence can be straightforward for the first type of policy improvements related to the implementation of new projects (see next section). For these cases, the amount of <b>public</b> funding approved to support the new project (i.e., ERDF budget in case the policy instrument is an Investment for jobs and growth goal programme) should be taken as a reference. It can however be much more challenging to estimate a financial impact for the other types of improvements. As a general recommendation, a restrictive approach should be adopted by the project and, in case of doubt, no amount should be reported. In particular for type 2 improvements (improved governance), it is recommended that no financial impact is reported.</p>
<i>Intervention logic</i>	As reflected in chart 3, the amount of funds influenced is not directly related to any outputs indicators of the programme but derives from the result indicator 'Policy instruments improved'. Indeed, since Interreg Europe does not support the implementation of the policy improvements, the mobilisation of funds for their realisation cannot be directly attributed to its intervention. This is the reason why the amount of funds influenced is considered as an impact indicator.

#### 3.3.4 Innovative character of projects and their results

Projects financed under Interreg Europe need to explain the innovative character of their expected results. In Interreg Europe, the notion of 'innovative character' is relative: what is common practice for large public authorities or in a certain European context may be very innovative for smaller public authorities or in another type of context (and vice versa). This also applies to pilot actions. A pilot action does not need to be the most innovative initiative in Europe, but it just has to be new for the region which implements it.

Before developing a project idea, applicants should consult on the programme website (<http://www.interregeurope.eu>) the projects already supported by Interreg Europe (in the previous and

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present programming period) to check if their topic of interest was already covered. Applicants should ensure as much as possible that their own idea is of added value compared to these past or existing initiatives.

In any case, Interreg Europe cannot finance the simple continuation of past projects. The issue of innovative character is therefore particularly important for partnerships that were already supported under previous EU programmes and that would like to develop a follow-up proposal.

The innovative character can usually be demonstrated through the following features of the proposal (which can of course be combined):

- the **partnership**: a renewed partnership contributes to demonstrate the added value of a proposal. This can for instance be the case when a new proposal includes only one or two regions from a previous project. This/these region(s) then bring(s) the knowledge and experience gained from the previous project into the new cooperation. In general, the participation of newcomers to interregional cooperation is strongly encouraged.
- the **issue addressed**: a change in the project's focus is another way to demonstrate the innovative character compared to previous projects. Either a different topic is addressed, or the new proposal focuses on a more specific aspect of a topic that was already addressed in the past. For the later, this can also be justified by having a specific territorial dimension to the topic linked to the partnership (e.g., mountainous areas, insular / peripheral territories, regions in industrial transition).
- the **nature of the activities**: a proposal can also go beyond previous initiatives by including more demanding activities like peer review or pilot actions. However, the nature of the activities alone is not sufficient to demonstrate the added value of a proposal compared to past projects.

### 3.3.5 Durability of the project's results

In Interreg Europe, the expected results of projects are by essence durable since they relate to the integration of the lessons learnt from the project into the relevant policy instruments of the participating regions.

At application stage, each participating region has to explain the type of policy improvement it expects from the project. These envisaged policy improvements should contribute to solve the issue faced in the region. They must also be realistic and clearly described. This is important to demonstrate the project's capacity to achieve its objective and therefore ensure the durability of the results.

The approach adopted in Interreg Europe is also innovative due to the introduction of a follow-up phase for all projects. For regions that were not successful in the core phase, the follow-up phase gives them more time to achieve policy improvements through the elaboration and hopefully implementation of action plans. For 'regions' that achieved policy improvement during the core phase, the follow-up phase allows monitoring the first territorial effects of these policy improvements, providing additional evidence to the durability of the project's results.

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## 3.4. Partnership

### 3.4.1 Eligibility and funding

#### 3.4.1.1 Who is eligible for funding

The following bodies are eligible to receive ERDF or Norwegian funding and can therefore be 'partners' in Interreg Europe projects:

- Public authorities
- Public law bodies (bodies governed by public law)
- Private non-profit bodies

**Public authorities** are generally understood as the national, regional, or local authorities.

In order to be considered a **public law body/ body governed by public law**, the concerned organisation has to comply with Article 2.4 of Directive 2014/24/EU, according to which:

*'bodies governed by public law' means bodies that have all of the following characteristics:*

*(a) they are established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;*

*(b) they have legal personality; and*

*(c) they are financed, for the most part, by the State, regional or local authorities, or by other bodies governed by public law; or are subject to management supervision by those authorities or bodies; or have an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law; [...]*

A **private non-profit body** (legal entities only – a legal personality is required) in the context of the Interreg Europe programme has to meet the following criteria:

*(a) they do not have an industrial or commercial character;*

*(b) they have a legal personality; and*

*(c) they are not financed, for the most part, by the state, regional or local authorities, or other bodies governed by public law; or are not subject to management supervision by those bodies; or not having an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law.*

In some partner states, for example, cluster organisations, chambers of commerce, business and entrepreneurs associations or trade unions are considered to be private non-profit bodies in view of the criteria mentioned above. In Interreg Europe projects, private non-profit bodies cannot take on the role of a lead partner.

Whenever it is necessary, the assessment and confirmation of the legal status of partners can be based on the latest closed annual accounts of the partner if there is no other more recent reliable financial data available.

**Each partner state is responsible for confirming the legal status of partners located on its territory.** If there is any doubt in this respect, applicants should contact their partner state representative directly. Partner state contact details are available on the programme's website

([www.interregeurope.eu/in-my-country](http://www.interregeurope.eu/in-my-country)). On a more general level, any partner state can reject the participation of project applicant from their territory for justified reasons without objecting to the whole project proposal. If this happens and the application is approved, the lead partner would have the opportunity to look for replacement ideally from the same country.

### 3.4.1.2 Co-financing rates

Under the Interreg Europe programme, the project activities are co-financed by the ERDF at either 70% or 80% depending on the legal status of the project partner. The remaining 30% or 20% must be provided by the partners themselves. The partners' own contribution may come from the partners' own budget or from other sources. Each partner must be committed to provide its own contribution through a declaration.

**Partners from Norway** are not eligible to receive funding from the ERDF but may receive co-financing of up to 50% from pre-allocated national funds, which Norway makes available in the context of its direct participation in the Interreg Europe programme. The Norwegian national funds are also disbursed by the Interreg Europe programme following the submission and acceptance of the projects' progress reports.

Co-financing rate	Eligible project partner according to legal status and location
80% ERDF	Public bodies and bodies governed by public law from all 27 EU member states
70% ERDF	Private non-profit bodies from all 27 EU member states
Up to 50% Norwegian funding	Public bodies, bodies governed by public law and private non-profit bodies from Norway
Swiss funding	Partners from Switzerland are invited to contact the Swiss Interreg national point of contact to receive information on Swiss funding opportunities

The above-mentioned co-financing rate of 80% or 70% is fixed throughout the project implementation, based on the legal status of the project partner organisation at the date of the notification letter accompanying the subsidy contract, or the notification letter related to the application form in which the project partner joins the project.

In case the legal status of a project partner changes from public or body governed by public law to private non-profit body (or vice versa) during the project lifetime, the co-financing rate will remain unaffected. The concerned project partners should nevertheless ensure correct reporting of their national contribution in the progress reports as private or public depending on their actual legal status and the source of funding during the reporting period.

It is not possible to receive an advance payment from the programme. This means that **each project must pre-finance its activities until the approval and payment of the six-monthly progress reports**. The programme then reimburses 70% or 80% of the total eligible expenditure declared by each partner, or up to 50% for Norwegian partners. Project partners therefore need to ensure sufficient own funding if they want to become involved in an Interreg Europe project.

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### **Interregional cooperation under the Investment for jobs and growth goal programmes**

Article 22 (3)(d)(vi) of the Common Provision Regulation (EU) 2021/1060 gives Member States and regions the possibility to finance interregional actions through their Investment for jobs and growth goal programme. Member States and regions can develop together such actions through funding from their respective programme. Each partner has then a subsidy contract with its own managing authority.

However, an organisation from a region with interregional cooperation actions planned in its national or regional programme may wish to work with organisations from other regions that did not include such actions in their Investment for jobs and growth goal programme. There are two options to deal with this situation:

- All organisations from these regions apply for an Interreg Europe project, without any funding from their national or regional programme. This approach is recommended since it is the simplest option (e.g., only one subsidy contract is signed between the lead partner of the project and the programme).
- The organisation(s) from the region where interregional actions are planned in the Investment for jobs and growth programme use(s) funds from this programme to join the Interreg Europe project while all the other partners are funded by Interreg Europe. In this option, two sources of funding are managed within the same project. The budget of the partners financed through national or regional programme is listed as 'other funding' in the application form. Two subsidy contracts need to be signed: one with Interreg Europe and second one for the concerned partner(s) with the managing authority of the national or regional programme. The deadlines, approval and reporting procedures of this programme may differ from those of Interreg Europe. This is the reason why this second option is more complex to implement. This should be taken into consideration when setting up the project.

The second option is possible only under the following conditions:

- The partner funded by the Investment for jobs and growth goal programme cannot be lead partner of the Interreg Europe project. Since the lead partner bears all administrative, financial and legal responsibility for the implementation of the project (see section 3.4.3), it needs to be directly financed by Interreg Europe.
- Besides the partner(s) funded by the national or regional programme, the partnership has to involve at least three more partners, two of which must be from EU Member States and financed by the Interreg Europe programme in order to comply with the minimum requirement set in the Interreg regulation.
- A partner may be financed either under Interreg Europe or under the Investment for jobs and growth programme, but not under both programmes at the same time since expenditure should be financed by one funding source only.

#### *3.4.1.3 Funding for partners outside the programme area*

Partners from countries outside the programme area are welcome to participate in Interreg Europe projects if their participation is relevant to the implementation of the cooperation. In such a case, they must provide their own funding since they are not eligible to receive ERDF. Like any other partners, their participation and financial contribution must be formalised through a partner declaration. Their travel and accommodation costs can also be covered by the project partners that are directly funded by

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the programme. In such a case, they should be reported under the cost category 'travel and accommodation' of the concerned EU partner.

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### 3.4.2 Types of participation

There are three possibilities to be involved in projects.

#### 3.4.2.1 Participation as 'partner'

This is the most obvious and direct way for an organisation to be involved in a project. Only organisations which are financially contributing and committed to the project (i.e., organisation with a dedicated budget) are considered as partners. This also means that only partners can receive ERDF/Norwegian funding from the programme<sup>19</sup>. In Interreg Europe, there is no possibility of 'sub-partner' where an organisation without any specified budget in the application form would receive ERDF/Norwegian funding from one of the partners of the project.

##### **Advisory partner**

A specific type of partner called '**advisory partner**' can also be involved in projects. Like any other 'regular' partner, they are included in the 'Partnership' section of the application form and can receive financing from Interreg Europe. But these advisory partners do not address any policy instrument. They participate in the project to offer a particular competence that can facilitate the project's implementation. This may be the case of an academic institution that is specialised in the topic tackled by the project or in the exchange of experience process.

The notion of advisory partner should be distinguished from that of 'external expert'. An advisory partner has an interest in the whole project and its topic. As such, it is involved in all the main activities of the project. In comparison, an external expert is hired in compliance with procurement rules to provide a specific service. The expert does not have an interest in the project as a whole and is usually not involved in all project activities. The status of the advisory partner cannot be used as a way to avoid public procurement.

Since Interreg Europe projects focus on the exchange of experience among organisations that are responsible for their own policy instruments, the participation of advisory partners should remain limited (the majority of interregional cooperation projects are implemented without any advisory partners). The participation of these partners should therefore be clearly justified in the application form). **It is also recommended that a project does not involve more than one advisory partner.**

##### **Lead partner**

In each project, one of the partners is appointed to act as lead partner. The lead partner holds the formal link between the project and the managing authority/joint secretariat (in accordance with Article 26 of Regulation (EU) No 2021/1059). The lead partner takes on the responsibility for management, communication, implementation and coordination of activities among the involved partners. Further details can be found in section 3.4.3.

#### 3.4.2.2 Participation as 'associated policy authority'

As explained in section 3.4.4.1, the participation of the authorities responsible for the policy instruments addressed in a project is mandatory. When the participation of an authority as partner is not possible

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<sup>19</sup> This is under the provision that these partners are located in the programme eligible area and are not already financed through their operational programme under the Investment for jobs and growth goal.



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and therefore another organisation from the region is involved as partner, this authority must still be involved as an ‘associated policy authority’<sup>20</sup>.

A **policy responsible authority**<sup>21</sup> is the organisation in charge of the elaboration and/or delivery of a specific policy instrument. The notion of policy responsible authority is not related to the legal status of the organisation. Even if in most cases the policy responsible authority is a public body (e.g., the policy responsible authority for a Sustainable Urban Mobility Plan is the city itself), other organisations like bodies governed by public law may also be considered as policy responsible authorities as long as they have an official role in the elaboration and/or delivery of the policy instrument addressed. For instance, with Structural Funds, the intermediate body which implements partly or fully the operational programme under the Investment for jobs and growth goal may be considered as policy responsible authority even if its legal status is not public.

The status of ‘associated policy authority’ has the following characteristics:

- This authority is included in the ‘partnership’ section of the application form where its core features are described (e.g., name of the institution, address, contact person).
- It must sign a declaration confirming its commitment to the project.
- It does not have a budget, but its travel and accommodation costs can be paid by the main partner (and reported as external expertise costs). It is therefore a member of the stakeholder group created in each region (see next paragraph).
- Its involvement is regularly checked during project implementation through a dedicated section in the progress report.

#### 3.4.2.3 Participation as ‘stakeholder’

The third possibility to participate in a project is to join as a stakeholder.

Even if the policy responsible authorities remain at the heart of the policy making process, they usually work closely with other organisations relevant for the policy issue addressed. For instance, in ‘research and innovation’ policies, the policy responsible authority works closely with other organisations like innovation agencies, chambers of commerce, research institutes as well as with the private sector. Some of these organisations may even implement part of the regional development policy.

To reflect this ‘ecosystem’, a stakeholder group must be created for each of the policy instruments addressed in a project<sup>22</sup>. This group is constituted of organisations from the ‘region’ that are relevant to the policy issue addressed by the project. By actively involving these organisations in the cooperation, the project should also contribute to increasing the capacity of these organisations in order to maximise the chance that policy improvements are achieved by the end of the core phase. It is the responsibility of the partners listed in the application form to set up and coordinate these groups.

The stakeholders do not have a budget. However, the travel and accommodation costs of stakeholder groups members to participate in project activities are eligible as long as they are paid by the partners that are directly funded by the programme. They need to be budgeted and reported under external expertise costs (see also section 6.2.4).

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<sup>20</sup> Like stakeholders, associated policy authorities are not considered as ‘partners’ in the sense of Article 23 (1) of the ETC Regulation (EU) 2021/1059. They are not committed to staffing or financing the project.

<sup>21</sup> In case of doubt, Partner States can confirm whether organisations from their territory qualify as policy responsible authority for the policy instruments addressed on its territory.

<sup>22</sup> For projects focusing on governance related issue, the scope of the stakeholder groups may be more limited.

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As explained in section 3.4.4.1, and beyond the participation of the policy responsible authority, any other organisation that is essential for the issue addressed by the project should rather participate as partner than as stakeholder (if eligible).

The stakeholder group is also an opportunity to involve organisations which, although not eligible for Interreg Europe (e.g., those from the private 'for profit' sector), are still important for the development of the policy.

At the application stage, the envisaged member organisations of the stakeholder groups have to be defined. The associated policy authority is automatically a member of the stakeholder group. During project implementation, the partners have to report on the involvement of the different organisations. This is important as it allows the monitoring of indicators related to organisational learning (i.e., RCO87 and RI1 as defined in section 3.3.2).

It is up to each project to define the best way to involve the relevant stakeholders in the learning process. The approach may be different depending on project features (e.g., topic addressed, specific objective to be achieved, nature of the organisation concerned, territorial level tackled). For instance, the importance of having the 'associated policy authorities' involved in the project may imply dedicated measures to keep them committed.

The involvement of stakeholders is usually ensured through the following measures:

- Organisation of regular stakeholder group meetings in order to:
  - share with the stakeholders the lessons learnt from the interregional cooperation activities,
  - allow these stakeholders to feed back their opinion into the project.
- When relevant (e.g., associated policy authority), participation of relevant stakeholders in the interregional policy meetings organised by the project,
- Creation of a virtual space (e.g., mailing list, discussion forum, basecamp, etc.) to ensure exchanges of information among stakeholders about the project.

The URBACT programme has also worked on stakeholders' engagement and some materials available on the programme website can be of relevance to Interreg Europe projects (<https://urbact.eu/tool-category/engaging-stakeholders>).

### **3.4.3 The lead partner's role**

Each project must follow the so-called lead partner principle. One of the partners in the partnership takes over the role of lead partner and assumes the overall responsibility for the project towards the managing authority and joint secretariat (in accordance with Article 26 of Regulation (EU) No 2021/1059).

The lead partner:

- submits the application form on behalf of the partnership,
- signs a subsidy contract (see section 5.1.3) with the managing authority for the total amount of the subsidy,
- is responsible for the division of tasks among the partners involved in the project and ensures that these tasks are fulfilled in compliance with the application form and subsidy contract,
- lays down the arrangement for its relations with its partners in a project partnership agreement (see section 5.1.4)

- ensures an efficient internal management and control system,
- ensures that the project reports on time and correctly to the joint secretariat,
- ensures that the expenditure reported by all partners is linked to the project, corresponds to the activities agreed upon by all the partners and is in accordance with the subsidy contract,
- requests and receives payments of programme funding and
- transfers programme funding to the partners within the timeframe agreed in the partnership agreement in compliance with the amounts stated in the progress report.

**The lead partner can be from an EU Member State or Norway. A private non-profit body as well as a partner from Switzerland cannot assume the role of lead partner.**

Who can be lead partner?	
Status and location of partners	Can be lead partner?
Public body or body governed by public law from EU or Norway (including advisory partner)	Yes*
Public body or body governed by public law from Switzerland	No
Private non-profit body from EU, Norway or Switzerland	No

\*The legal status requirement to be lead partner must be fulfilled at the time of signature of the subsidy contract. If the lead partner organisation changes legal status during the lifetime of the project and becomes a private non-profit body, its role as lead partner remains unaffected **unless this change of legal status may endanger its operational or financial capacity to assume the lead partner role.**

### 3.4.4 Quality of partnership

#### 3.4.4.1 Coherence of the partnership

#### **Involvement of the policy responsible authorities**

In line with the programme's overall objective, the **policy responsible authorities are the core target group** of Interreg Europe. These organisations can be national, regional, local public authorities and other relevant bodies responsible for elaborating and/or delivering regional development policies.

The experience gained from the previous programming periods have confirmed that the direct involvement of these authorities is a key feature for projects to achieve their objectives. The 2014-2020 evaluation revealed that a majority of results achieved by projects (approximately 60%) could be attributed to the programme's intervention only indirectly (due to the fact that the policy responsible authority was not involved as partner). This evaluation concluded that the participation of the policy responsible authorities as partner in the project should be obligatory.

Therefore, **the involvement of the policy responsible authority as partner is compulsory for at least 50% of the policy instruments addressed in a project application. For the remaining policy instruments (if any), these authorities must be involved as an 'associated policy authority'** (see the notion of 'association policy authority in section 3.4.2.2).

All other partners that are not policy responsible authorities should explain their **policy relevance**, meaning their role in the policy making in relation to the policy instrument addressed. In particular, the

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way the partner is involved in the elaboration and/or delivery of the policy instrument should be clarified and explained in section 'Policy instrument' of the application form.

### **Territorial context and policy instruments addressed**

The selection of the relevant regions and partners is also an obvious key success factor for projects. The proposed partnership has to be coherent with the overall issue tackled by the project. This coherence is reflected through the following elements:

- The partners, associated policy authorities and stakeholders are competent in the project's topic.
- The participating regions<sup>23</sup> are experienced in the topic (even if the level of experience can vary significantly from region to region) since these regions are the source of experience and knowledge to be exchanged within the cooperation. Each partner has to demonstrate its capacity to contribute to and benefit from the cooperation.
- The topic of the project is a need shared by all participating regions, i.e., all regions face a similar issue and have to improve their local situation in relation to this issue. This also means that, if the topic has a specific territorial dimension (e.g., access to broadband in mountain regions), this dimension should obviously be present in all regions involved in the project.
- The topic of the project is reflected in the different policy instruments addressed.

The section of the application form dedicated to the policy instruments and territorial context is essential to explain the rationale behind the proposed partnership. The information provided in this section need to be as specific and detailed as possible. In particular, the territorial context provides information on the overall state of play of the issue addressed by the project in each participating region. It contributes to demonstrating that the different partner regions share a common need.

Each participating region has to focus on one main policy instrument (even if a regional development issue can often be addressed through several policy instruments). As specified in section 3.1.1 and in line with Article (3) (3) (a) of the ETC Regulation (EU) 2021/1059, **at least one of the policy instruments addressed by the project must be an Investment for jobs and growth goal programme.**

A policy instrument can be addressed by several partners from the same region. Indeed, beyond the participation of the policy responsible authority, **the participation of the most relevant organisation(s) for the issue addressed by the project as partners is welcomed.** In particular for projects whose focus is quite specialised, the policy responsible authority often needs the experience / knowledge of a more specialised body in the region. This body should then preferably be involved as a partner (if it is eligible). In case of pilot action, the involvement of another organisation from the region as partner may also be necessary.

### **Multiple involvement**

Even if no limit is set to the number of applications an organisation can be involved in, it is recommended that this participation is limited for the following reasons:

- The total budget available for projects is limited considering the programme's geographical scope and the high number of regions in Europe. Past experience has shown that there is a risk of often

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<sup>23</sup> Obviously, the level of experience can be very different according to the partners

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supporting the same beneficiaries addressing similar issues, although it is important for the quality of the programme that the origin of the experience and practices exchanged is as wide and varied as possible.

- More importantly, the participation in an interregional cooperation project is a demanding commitment. The participation of the same organisation in several projects may not always be realistic. Applicants should select the projects that best fit their need and territorial context. In particular, the participation of small organisations in numerous applications can put in question the seriousness and credibility of these partners. Based on previous experience, such multiple involvement may also reflect a rather artificial partnership. In case of approval, it would also increase the risk of double funding. Of course, large public organisations with many departments, or smaller countries where the number of eligible partners is more limited may justify their participation in multiple applications.

The involvement of the same organisation in different applications/projects needs to be justified in the dedicated field of the application form (under the section 'Main policy instruments addressed').

#### *3.4.4.2 Balanced partnership*

A partnership is considered as 'balanced' through the following characteristics:

- Proportionate involvement of the partners
- Mix of regions with different levels of development
- Geographical coverage.

#### **Proportionate involvement of the partners**

A 'balanced' partnership is demonstrated when all partners are involved in a similar way in the cooperation. This means that all partners should in principle participate in all core project activities and be associated to the project's decisions. If this is not the case, justification should be provided in the application form. Ideally, this balanced participation should also be reflected in the financial arrangements. Even if the budget of a partner must consider the level of costs in its specific country and the level of responsibility in the project (i.e., the budget of the lead partner is usually higher than that of the other partners), any major differences between partners' budgets must be justified in the application form.

#### **Mix of regions with different levels of development**

Through its pan-Europe scope, Interreg Europe contributes to put the Cohesion policy and its solidarity principle into practice. In this context, the programme highly encourages that projects' partnerships include a mix of regions with different levels of development. This allows less developed regions to have access to the knowledge and experience of more advanced regions. Reciprocally, more advanced regions can learn from each other within the same project but can sometimes even find inspiration in less advanced regions. This programme's recommendation is reflected during the selection process where applications involving more and less developed regions are assessed favourably.

The level of development is defined according to Article 108 (2) of the CPR Regulation (EU) 2021/1060. Specifically, the aim is to encourage regions with GDP per capita lower than 75% of the EU-27 average (less developed regions) to work with regions whose GDP per capita is higher (transition regions – whose GDP per capita is between 75 % and 100% of the average GDP per capita of the EU-27 and

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more developed regions whose GDP per capita is above 100 % of the average GDP per capita of the EU-27).

### **Geographical coverage**

Interreg Europe covers the whole European Union plus Norway and Switzerland. This allows partners to broaden their experience and to confront their practices with very different cultures and contexts. Partnerships should therefore go beyond cross-border and transnational cooperation areas<sup>24</sup> and more generally beyond areas formed by a group of geographically close countries. The balanced geographical coverage should also be reflected in financial terms. The budget allocation should in principle be balanced between countries, including between a group of geographically close countries and the other represented countries. Partnerships which are in essence mainly 'transnational' (e.g., most of the partners come from a transnational cooperation area with only a few other 'external' partners involved in the cooperation) are not considered of added value within Interreg Europe. In the same spirit, the added value of involving several regions from the same country in a project should be explained in the application form.

The importance of the geographical coverage is reflected in the selection criterion 'Quality of partnership' (see section 4.3.2) and in the definition of the knock-out score. Indeed, partnerships where at least 80% of the partners comes from the same cross border or transnational cooperation area, or where at least 80% of the funding is allocated to the same cross border or transnational cooperation area will be scored 'knock-out' under criterion 3 of the strategic assessment ('Quality of partnership'). They will therefore not benefit from a full assessment.

Despite these measures which existed in previous programming periods, the poor geographical coverage remained in the past one of the most common weaknesses in the applications submitted to the programme. Therefore, the **necessity to ensure a minimum geographical coverage is now subject to a dedicated eligibility criterion** (see criterion 5 under section 4.3.1).

#### *3.4.4.3 Size of the partnership*

In compliance with Article 23 (1) of the ETC regulation (EU) 2021/1059, projects are required to involve partners from at least three participating countries, at least two of which shall be beneficiaries from EU Member States and shall be applying to Interreg Europe funding<sup>25</sup>. The eligibility criterion 5 (see section 4.3.1) also introduces a minimum geographical coverage for all project applications<sup>26</sup>.

Based on previous experience, a partnership gathering between **5 to 8 'regions'** appears to be the best configuration to ensure a rich and successful interregional learning. The expected number of partners per project goes therefore from **5 to 16 partners** considering that:

- the participation of the policy responsible authorities as partners is compulsory for at least 50% of the policy instruments in a project application,
- the most relevant organisation(s) for the issue addressed by the project are also encouraged to be involved as partners.

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<sup>24</sup> Cross-border and transnational cooperation areas can be found on DG Regional and Urban Policy website: [http://ec.europa.eu/regional\\_policy/en/policy/cooperation/european-territorial/trans-national/](http://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/trans-national/)  
[http://ec.europa.eu/regional\\_policy/en/policy/cooperation/european-territorial/cross-border/#4](http://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/cross-border/#4)

<sup>25</sup> When relevant, organisations involved in an Interreg Europe project can be funded through their Investment for jobs and growth goal programmes (see section 3.4.1.2 of the programme manual).

<sup>26</sup> This minimum geographical coverage does not apply to application where more than one outermost region is involved.

In any case, the complexity of managing a large partnership must not be underestimated. Large partnership should preferably be proposed by lead partners who already have experiences in managing interregional cooperation projects.

### 3.5 Building a project budget

The overall budget must be proportionate to the activities planned, the project's duration and the number of partners involved.

The budget design can start only after the partnership has a clear overview on:

- The activities and outputs planned per semester,
- The responsibilities of each partner, i.e., who will be responsible for which activity / output.

To plan the budget, the partnership should:

- identify the resources needed by each partner to complete the activities,
- estimate the related costs and forecast the payment date,
- allocate the estimated costs under the relevant cost category (see table below. For detailed information on the different cost categories, please study section 6.2 of this programme manual carefully).

Based on the experience from previous programming periods, the **total ERDF budget of a project usually goes from 1 MEUR up to 2 MEUR.**

It is important that all partners are involved in the preparatory work and planning meetings during the development phase of the project application. Time invested prior to the submission of the application leads to stronger partnerships with clear responsibilities and well justified budget allocations.

**Table 4: overview of cost categories**

Cost category	Recommendations/ rules
Staff	Usually, the largest share of the total budget It applies to the <b>staff employed</b> by the project partners
Office and administrative	Flat rate of 15% of the staff costs It is <b>automatically calculated</b> in the application form
Travel and accommodation	Choice to be made in the application form between: <ol style="list-style-type: none"> <li>1. Flat rate of 15% of staff costs or</li> <li>2. Real costs (if justified)</li> </ol>
External expertise and services	Less than 50% of the total budget (recommended) It applies to <b>services and expertise</b> provided by an <b>organisation other than the project partners</b> (including travel costs for staff of the associated policy authorities and stakeholders).
Equipment	Office equipment (usually not exceeding EUR 7,000 per project) and other equipment (in case of pilot actions)

### 3.5.1 The spending plan and budget decommitment

In the application form, each project needs to plan their spending plan for each of the reporting periods, taking into consideration the following:

- The reporting periods cover periods of six months, except for the last reporting period which covers the last nine months (six months of the project implementation plus three additional months dedicated to the project's administrative closure).
- The spending plan should be an estimation of the **actual payments** to be made in each of the reporting periods. Therefore, it only partly reflects the activities taking place in a certain period. If an activity is carried out close to the end of a reporting period, the related payment may only be possible in the following period and the costs should therefore be budgeted in the following reporting period.

The project's spending plan is important because projects will be monitored on the basis of the spending plan throughout the project's implementation. If the project is not complying with their spending plan, a budget reduction proportional to the underspending encountered may be implemented after the midterm review meeting (for more information, see section **XX**).<sup>27</sup>

It is therefore important that projects:

- carefully prepare a realistic spending plan (usually the spending increases over the semesters),
- are ready to start project implementation very quickly after project approval,
- monitor the financial spending continuously during implementation and
- ensure regular, timely and full reporting.

## 4. Application and selection

### 4.1 Assistance to applicants

With regard to the development of project ideas, the programme provides the following assistance tools to future applicants:

- **Project idea and partner search database** available on the programme's website [www.interregeurope.eu](http://www.interregeurope.eu). All those who would like to publish their project idea and market it to potential partners are welcomed to submit their idea through a dashboard available on the website to every Interreg Europe community member. Organisations looking for interesting project ideas or potential partners can search them all using key words and several other criteria such as specific objective or country. It should be highlighted that **the programme does not**

<sup>27</sup> The project spending plan is important for the programme because the programme must also comply with its own spending plan. The programme's spending plan is based on ERDF allocations by the Commission. At the beginning of every year, the Commission allocates a certain amount of ERDF to the Interreg Europe programme. The annual allocation must be spent within 3 years following the year of commitment. If, at the end of 3 years, the annual allocation is not spent, the corresponding ERDF budget will be lost (= decommitted) . If this loss results from certain projects underspending compared to their spending target, the programme will be obliged to reduce the budget of these projects. The first year of potential decommitment for the Interreg Europe programme is 2025.



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**screen the ideas submitted by the community members of the programme's website**, nor does it guarantee their relevance to Interreg Europe.

The programme also provides the following tools when a call for proposals is open:

- **Project idea feedback** can be requested from the joint secretariat through the online community member dashboard once an idea is submitted. Applicants can receive written or oral feedback on their project idea. Oral feedback is provided through individual consultations remotely (phone or TEAMS) or in person at information days (see below). This assistance tool may also be available shortly before a call is open.
- **Information days** provide general information on the programme and the call for proposals to potential applicants wishing to submit a project application. These events are mainly for the benefit of applicants who are at an early stage of development with their project ideas. They are organised by each partner state's point of contact. Depending on the organiser, the event may be coupled with individual consultations on project ideas.
- **Lead applicant workshops** aim to assist applicants at a more mature stage of development with their project ideas by offering practical workshops on more detailed features of the call for proposals and the application form (e.g., being clear on the selected partnership and policy context, building a well-structured work plan, avoiding mistakes in budget).

Applicants should not hesitate to contact the joint secretariat by phone or e-mail. All relevant information for project development and applications including contact details for the joint secretariat can be found on the programme's website [www.interregeurope.eu](http://www.interregeurope.eu).

Successful projects require good preparation. All partners should therefore be closely involved in preparing the application. Also, the preparation of a good application can only be ensured after a careful reading of the programme documents and in particular the programme manual. For instance, the description of the eligibility and quality criteria (see section 4.3) provides essential information on the programme's requirements and on the way the applications are assessed.

Partner search should start at an early stage of the preparation phase in order to properly involve the possible partners in the preparation of the proposal. Early contact between the future partners also contributes to building trust and confidence within the partnership, which can facilitate the future management of the project. In addition to the partner search database mentioned above, the programme also recommends using the following tools:

- **Partner search events** are organised at programme level. At these events, a certain number of facilities are proposed to help participants to promote their project ideas or to find relevant partners depending on the theme of interest. Details of upcoming events are published regularly on the Interreg Europe website: ([www.interregeurope.eu](http://www.interregeurope.eu)).
- **Partner state points of contact** / national authorities provide additional assistance and confirm the eligibility of partners (see 'In my country' section at [www.interregeurope.eu](http://www.interregeurope.eu)).
- **Existing EU networks** may also be contacted when looking for a partner with specific expertise or from a specific geographical location.

## 4.2 Submission

Applications are submitted to the programme through calls for proposals, which are organised throughout the lifetime of the programme and subject to the availability of programme funds. Applications can be submitted at any time between the launch date and the closing date of each call.

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The **terms of reference**, published on the programme website ([www.interregeurope.eu](http://www.interregeurope.eu)) when a call is launched, define the specifications and requirements for each call.

What to submit?

- **Application form:** to be submitted electronically via the online form system **XX**.
- **Declaration** for partners and associated policy authorities (signed pdf version) for all partners (including lead partner) and associated policy authorities,

How to submit?

- **The application is fully online.** All the above documents must therefore be submitted online via the **XX** system.

Applications or corrected documents sent after the deadline will not be accepted.

All the above-mentioned documents can be accessed at **XX**.

All sections of the application form (except 'Name of organisation in original language' in section B.1) have to be completed in English as it is the working language of the programme. Application forms where section(s) will be completed in any other language will be considered ineligible.

Declarations have to be signed. Electronic signatures<sup>28</sup> are accepted as long as evidence of this electronic signature is provided. This evidence takes usually the form of an electronic certificate included in the pdf document. In case this certificate is not possible, it is up to the lead applicant to provide the evidence that the document is electronically signed (e.g., certificate to be scanned together with the declaration and submitted as one pdf document under the **XX** system).

#### **A. Online application form**

The application is available online at any time for consultation but editing and submission is only possible during an 'open' call for proposals. Detailed instructions on how to fill in the online application are provided in the application form itself.

The application includes several automatic links and formulae. These features mean that error messages appear in the form if it is not fully filled in, and it cannot be submitted. This helps to significantly reduce the risk of submitting ineligible applications.

The application is submitted via the online form system.

#### **B. Declaration from partners and associated policy authorities**

At the application stage, Interreg Europe requires proof that the lead partner's and the partner's own financial contributions have been secured and will be available for the project implementation as laid out in the application form. This proof is delivered in the form of a declaration which is **obligatory for all partners listed in the application form**, i.e., for both EU and non-EU partners.

Interreg Europe also requires proof that associated policy authorities (if any) are committed to the project. Therefore, all 'associated policy authorities' must also provide a declaration. The declarations are a pre-requisite for a project proposal to be eligible for the programme. It is therefore important to take this requirement into account early on in the preparation phase so that the declarations are available, at the latest, before the closure of the call when the application has to be submitted to the programme. The name of the partner and/or associated policy authority mentioned in the declaration must be identical to the organisation name mentioned in the 'Partnership' of the application form. Finally,

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<sup>28</sup> Electronic signature refers to data in electronic form, which is logically associated with other data in electronic form and which is used by the signatory to sign.

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they must be signed by the relevant person within the organisation and stamped, if a stamp is available. Only the model provided by the programme can be accepted and the wording must not be modified. The scanned version of the signed declarations has to be uploaded on the online form **XX** system.

## 4.3 Selection

After submission, each application is subject to a two-step selection procedure. At first, project proposals are checked against the eligibility criteria in order to ensure that they fulfil the technical requirements of the programme. Only project proposals that pass the eligibility criteria reach the second step. **It is not possible to submit corrected documents after the deadline for submission.**

The second step of the selection procedure is the quality assessment. It consists in checking the application form against five criteria. It is based on a scoring system, resulting in a ranking list of all eligible applications.

The assessment is carried out by the joint secretariat. For each step of the assessment, a 'four eye principle' is applied.

**Important: Specific conditions that can deviate from the selection criteria defined below may be defined in the terms of reference of each call. Applicants should therefore carefully read the terms of reference for each call published on the programme website: [www.interregeurope.eu](http://www.interregeurope.eu).**

### 4.3.1 Eligibility assessment

The eligibility assessment is a 'yes or no' process. This means that the eligibility assessment does not allow for any flexibility in the way the criteria are applied.

**In the previous programming period (2014/2020), more than one fourth of the applications failed to pass the eligibility step.** Applicants are therefore highly encouraged to carefully study the criteria below and to check before submitting whether they fulfil each of these criteria. **The non-fulfilment of one criterion leads to the ineligibility of the whole application.**

The assessor has to answer 'yes' to all the following eligibility questions so that the application can pass the eligibility check and reach the second step of the selection procedure:



## *Eligibility criteria*

## Overview

Eligibility criteria	
1. Respect of submission's deadline	The online application is submitted at the latest by the deadline set for the call.
2. Completeness of the application	The application is complete. It includes the application form itself and all declarations.
3. Correctness of the application form	The application form is fully and properly filled in according to the instructions.
4. Correctness of the declaration	The declarations are correct. The programme's template is used, and declarations are properly filled-in and signed.
5. Geographical coverage	The application involves partners from the four geographical areas <sup>29</sup> defined below by the programme (North, East, South and West). It also involves partners from at least two EU Member States and applying to Interreg Europe funding <sup>30</sup> .
6. Focus on Structural Funds 'mainstream' programmes	At least one policy instrument addressed in the application is an Investment for jobs and growth goal programme.
7. Participation of policy responsible authorities	For at least 50% of the policy instruments addressed in the application, the policy responsible authorities are involved as partners. For the remaining policy instrument(s) (if any), these authorities are involved as an 'associated policy authority'.

### Further details on each criterion:

#### Criterion 1: Respect of submission's deadline

The online application which comprises the application form and its compulsory annexes (i.e., declarations) is submitted by the deadline set for the call. The system ensures that it is not technically possible to submit an application form and its annexes after the call has ended.

#### Criterion 2: Completeness of the application

The application is complete. I.e., it includes:

- the application form

<sup>29</sup> This eligibility criteria do not apply to applications where more than one [outermost region](#) is involved. In such a case, the minimum regulatory requirement applies (project must involve partners from at least three countries, at least two of which shall be beneficiaries from EU Member States and financed by the Interreg Europe programme).

<sup>30</sup> When relevant, organisations involved in an Interreg Europe project can be funded through their Investment for jobs and growth goal programmes (see section 3.4.1.2 of the programme manual).

- the signed declarations (scanned versions) for all the partners listed in the application, **including for the lead partner** and all associated policy authorities listed in the application.

### Criterion 3: Correctness of the application form

The application is fully and properly filled in according to the instructions. It is in English. In order to help applicants, the online application form provides error messages when elements of the form are not properly filled in (e.g., empty cells). However, the functionalities cannot be exhaustive. For instance, even if text is provided in one cell, the system cannot check whether this text is in English or whether it is meaningful (e.g. if 'not applicable' is indicated in a section, this will be considered as not properly filled in) . **The absence of error messages does not guarantee that the application form is properly filled in.** Applicants should carefully follow the instructions provided in the application form itself.

### Criterion 4: Correctness of the declarations

For each declaration:

- it is signed
- the name of the partner or the associated policy authority indicated in the declaration is identical to the name of the partner or the associated policy authority indicated in the application form
- the programme model is used and, besides the fields to be filled, no amendment is made to the text.

### Criterion 5: Geographical coverage

The application involves partners from the *three / four* geographical areas defined by the programme (North, East, South and West).<sup>31</sup>

Geographical areas	Countries covered
North	Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Norway, Sweden
East	Austria, Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovakia, Slovenia
South	Croatia, Cyprus, Greece, Italy, Malta, Portugal, Spain

<sup>31</sup> The exact requirement in terms of minimum geographical coverage is fixed in the terms of reference of each call for proposals. This eligibility criteria do not apply to applications where more than one [outermost region](#) is involved. In such a case, the following regulatory requirement applies: project must involve partners from at least three countries, at least two of which shall be beneficiaries from EU Member States and financed by the Interreg Europe programme

<b>West</b>	Belgium, France, Ireland, Luxembourg, Netherlands, Switzerland
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In compliance with Article 23 (1) of the ETC regulation (EC) 2021/1059, these partners also represent three countries, of which at least two partners are from EU Member States and apply for Interreg Europe funding.

#### **Criterion 6: Focus on ‘Structural Funds’ mainstream programmes**

At least, one policy instruments addressed by the application is an Investment for jobs and growth goal programme.

Applicants should be careful when completing the related question in section ‘Policy instruments’ of the application form (i.e., ‘is this policy instrument an Investment for jobs and growth goal programme?’). To answer ‘yes’ to this question, it is not sufficient that the policy instrument addressed is linked to an Investment for jobs and growth goal programme, but it must be the operational programme itself. For instance, the Sustainability Urban Mobility Plan (SUMP) of a specific city cannot be considered as an operational programme even if this SUMP is fully financed through Structural Funds. To be considered as Structural Funds, the applicant has to describe in section B.2 of the application form the corresponding investment priority of the operational programme and not the SUMP.

This eligibility criterion is checked only once at the application stage.

#### **Criterion 7: Participation of policy responsible authorities**

For at least 50% of the policy instruments addressed in the application, the policy responsible authorities are involved as partners. For the remaining policy instrument(s) (if any), these authorities are involved as an ‘associated policy authority’.

Applicants should therefore be careful when completing the related field in the section ‘Policy instruments’ of the application form (i.e., ‘please select the authority responsible for this policy instrument’). To be considered as ‘policy responsible authority’, the organisation must have a clear responsibility towards the elaboration and/or delivery of the policy instrument it addresses. In case of doubt, the assessor can contact the relevant Partner State to get final confirmation of the policy relevance of the organisation. This means that the absence of error message related to the participation of policy responsible authorities in the application form does not guarantee that the proposal is eligible.

This eligibility criterion is checked only once at the application stage.

### **4.3.2 Quality assessment**

The quality assessment applies only to applications that pass the eligibility check. It consists of evaluating the quality of the eligible applications according to the following five criteria:

Criterion 1 – Relevance of proposal

Criterion 2 – Quality of the expected results

Criterion 3 – Quality of partnership

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Criterion 4 – Coherence of the proposal and quality of approach

Criterion 5 – Budget

**Criteria 1, 2 and 3** are **strategic criteria** related to the overall relevance of the application, i.e., the project's contribution to the achievement of the programme objectives. **Criteria 4 and 5** are **operational criteria** related to consistency, feasibility and value for money of the proposal.

A score of 1 to 5 is attributed to each quality criterion (except in the case of the knock-out criterion, which scores 0), which result in an average score per project. Based on the average score per application, the joint secretariat will produce a ranking list. The following scoring scale is used:

- 5 excellent
- 4 good
- 3 adequate
- 2 poor
- 1 very poor
- 0 knock-out score

The knock-out score applies in the following cases:

- information in the application form is so poor that it cannot be assessed in a proper manner,
- information provided calls into question the feasibility or the eligibility of the project proposal,
- partnerships where at least 80% of the partners comes from the same cross border or transnational cooperation area, or where at least 80% of the funding is allocated to the same cross border or transnational cooperation area.

The final result of an assessment is more than a simple addition of independent scores but rather a **qualitative reflection on interdependent criteria**. This practically means the assessment of one single criterion cannot be fully carried out independently from the other criteria. This methodology implies the following:

- The successful assessment of the **operational criteria cannot compensate an unsuccessful assessment of the strategic aspects**. Due to the interdependence between the criteria, an application that failed to reach on average score of 3.00 for the three first criteria will never reach a final average score of 3.00 on all five criteria even if mathematically possible.
- The **final average score of an assessment is at least as important as the score given per criterion**. For instance, even if an application is scored just less than 3.00 at the end of the assessment, it is not only because one point is missing in one of the criteria but more fundamentally it is because this application failed to demonstrate its overall relevance to the programme.

When deciding on a score for each of the criteria, the assessors use the following quality assessment guidelines. **Applicants should carefully study these guidelines before preparing their application.**



## Quality assessment criteria

### Criterion 1 – Relevance of proposal

Sub-category	Indicative assessment questions (and indicative source in application form)
Relevance of the <b>issue</b> addressed	<ul style="list-style-type: none"> <li>▪ Is the issue addressed clearly related to regional development in general and the EU cohesion policy in particular? Is it clearly in line with the competences of the relevant authorities at local, regional and national level? (XX)</li> <li>▪ Is the issue addressed by the project clear and sufficiently focused? (XX)</li> <li>▪ Is the issue addressed clearly reflected the different policy instruments addressed? (B.1, C.2)</li> <li>▪ Is the theme of clear European added-value? Can this theme be considered of general interest in the context of EU regional policy? (XX)</li> </ul>
Relevance of the <b>proposed approach</b>	<ul style="list-style-type: none"> <li>▪ Is the issue addressed by the project clearly tackled at policy level? (XX)</li> <li>▪ Does the project have a clear focus on the exchange of experience, and does it clearly build on the partners' experience? Is the exchange of experience at the policy level at the heart of the proposed cooperation? (XX)</li> <li>▪ If applicable, is the contribution of the pilot action(s) to the learning process clear?</li> <li>▪ Does the project clearly demonstrate how it will contribute to the programme's objectives and in particular to the improvement of regional / local policy instruments? (XX)</li> <li>▪ Is the proposed approach clearly interregional? If applicable, is the interregional character of the pilot action(s) clear? (XX)</li> <li>▪ Will the proposed cooperation benefit all partners? (XX)</li> </ul>

### Criterion 2 – Quality of the expected results

Sub-category	Indicative assessment questions (and indicative source in application form)
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Tangibility of the expected outputs and results	<ul style="list-style-type: none"> <li>▪ Are the expected outputs and results clearly specified and precisely quantified? Are they realistic? (XX)</li> <li>▪ Is the expected improvement of the policy instruments addressed clearly depicted and realistic? (XX)</li> <li>▪ If applicable, is the testing character of the pilot action(s) clear? (XX)</li> </ul>
Relevance of the expected results	<ul style="list-style-type: none"> <li>▪ Does the project demonstrate a capacity to directly influence the policy instruments addressed and ensure the durability of the expected results? (XX)</li> <li>▪ If applicable, is the policy relevance of the pilot action(s) properly demonstrated? Is the additionality of the pilot action(s) confirmed? (XX)</li> </ul>
Innovative character of the proposal	<ul style="list-style-type: none"> <li>▪ Is the innovative character of the expected results convincingly explained? What is the added-value with respect to the results already achieved in other running or past projects? (XX)</li> <li>▪ Are potential synergies with similar running projects clarified in the application form? (XX)</li> <li>▪ For follow-up projects, is the added value clearly demonstrated in particular through the partnership, and/or the theme tackled? (XX)</li> <li>▪ If applicable, is the innovative character of the pilot action(s) clear?</li> </ul>

### Criterion 3 – Quality of partnership

Sub-category	Indicative assessment questions (and indicative source in application form)
Coherence between the objectives of the project and partnership	<ul style="list-style-type: none"> <li>▪ Is the policy relevance of the partners involved clearly demonstrated? Is their capacity to influence the policy instrument addressed explained? (XX)</li> <li>▪ Is the issue addressed of interest to all partners? Will all the partners benefit from, and contribute to, the project? (XX)</li> <li>▪ Are the partners competent in the issue addressed by the project? (XX)</li> <li>▪ Are the stakeholders identified relevant to the issue addressed by the project? Are their involvement in the project clearly described? (XX)</li> <li>▪ Are the partners involved in other Interreg Europe applications and/or projects? If yes, is this multiple involvement justified (XX)?</li> </ul>

	<ul style="list-style-type: none"> <li>▪ If applicable, is the role of the advisory partner in the project clear? (XX)</li> </ul>
Proportionate involvement of all partners in implementing and co-financing operation	<ul style="list-style-type: none"> <li>▪ Does the involvement of all partners seem to be comparable? If not, is there a justification in the application form or evidence in the project's approach? (XX)</li> <li>▪ Is the financial contribution between the partners proportionate and realistic? If not, is it justified? (XX)</li> </ul>
Good mix of regions with different levels of development	<ul style="list-style-type: none"> <li>▪ Is the partnership a mix between more and less developed regions? If not, is it justified in the application form or evident in the project's approach? (XX)</li> </ul>
Geographical coverage	<ul style="list-style-type: none"> <li>▪ Does the partnership clearly go beyond cross-border and transnational programme areas? (A.4) If not, is there a justification in the application form or through evidence in the project's approach? (XX)</li> <li>▪ Is the budget allocation balanced between the countries (including between a group of geographically close countries and the other represented countries)? If not, is it justified in the application form? (XX)</li> </ul>

#### Criterion 4 – Coherence of the proposal and quality of approach

Sub-category	Indicative assessment questions (and indicative source in application form)
Coherence of the proposed approach	<ul style="list-style-type: none"> <li>▪ Are the following elements logically inter-related: issue tackled, objectives and expected results? (XX)</li> <li>▪ Can the expected results be achieved through the proposed approach and planned activities? (XX)</li> <li>▪ Is the proposed overall approach clear, realistic and consistent? Are activities logically inter-linked? Is their sequencing logical? (XX)</li> <li>▪ If applicable, is/are the pilot action(s) properly defined? Is/are it/they clearly integrated into the exchange of experience process? +(XX)</li> </ul>
Quality of the work plan	<ul style="list-style-type: none"> <li>▪ Are the planned activities and outputs described in enough detail in the project's work plan? (XX)</li> <li>▪ For each semester of the work plan, are the main outputs in line with the description of the activities? (XX)</li> </ul>
Quality of communication	<ul style="list-style-type: none"> <li>▪ Is the communication strategy clearly defined and well-integrated in the overall project strategy? (XX)</li> <li>▪ Are sufficient measures planned for disseminating project activities and results? (XX)</li> </ul>

Quality of management	<ul style="list-style-type: none"> <li>▪ Are the management and coordination provisions at strategic and operational levels clearly defined and coherent? (XX)</li> <li>▪ Are these provisions transparent and fair? (XX)</li> </ul>
Consistency of the project with EU horizontal policies	<ul style="list-style-type: none"> <li>▪ Is the project in line with the EU horizontal policies (sustainable development, equal opportunities and non-discrimination, and equality between men and women)? (C.7)</li> </ul>

### Criterion 5 – Budget

Sub-category	Indicative assessment questions (and indicative source in application form)
Value for money	<ul style="list-style-type: none"> <li>▪ Is the overall budget reasonable compared with the planned activities/outputs and the project duration? Is the overall budget reasonable compared with the number of partners involved? (XX)</li> <li>▪ Is the value for money demonstrated in the context of Interreg Europe? (all)</li> <li>▪ Is the budget share dedicated to 'external expertise and services' within the recommendation (i.e. below 50% of the total budget)? If not, is it justified? (XX)</li> <li>▪ If equipment costs are budgeted, is the amount within the recommendations (i.e. max 7,000 per project)? If not, is it justified? (XX)</li> <li>▪ In case of pilot action, if costs are planned under external expertise and services and/or equipment, and/or infrastructure and works, are the amounts reasonable compared to the activities/outputs planned?</li> </ul>
Compliance with state-aid rule	<ul style="list-style-type: none"> <li>▪ Is it confirmed that none of the regular exchange of experience activities is state aid relevant? (XX)</li> <li>▪ In case of pilot action, is there any activity that can be classified as state aid relevant? (XX) is this in line with the partner's self-assessment?</li> </ul>
Consistency of the budget	<ul style="list-style-type: none"> <li>▪ Is the budget by cost categories coherent and in line with the planned activities? (XX)</li> <li>▪ Is the spending plan coherent and realistic? Does it reflect the distribution of the activities in the work plan? (XX)</li> <li>▪ For the 'External expertise and services' cost category: is the level and nature of the costs justified and in line with the planned activities? Is there a risk that public procurement rules will not be respected</li> </ul>

	<p>(e.g. the name of the company is mentioned)? In case of pilot and / or 'external expertise: external support' items, are the costs clearly described? (XX)</p> <ul style="list-style-type: none"> <li>▪ If equipment / infrastructure and works costs are budgeted for a pilot, are they justified by the activities planned? Are they clearly described? (XX)</li> <li>▪ If activities are organised outside the EU, is the location of these activities clearly specified (i.e. country or town)? Are these activities taking place outside the EU relevant and justified? (XX)</li> </ul>
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### 4.3.3 The decision-making process

After completion of the first step of the assessment (eligibility assessment), the monitoring committee decides on the results of the eligibility assessment through a written procedure. The lead applicants of ineligible applications will receive a notification letter specifying the unfulfilled eligibility criteria.

Only eligible applications go through the quality assessment. Applications that successfully pass the quality assessment (i.e., have reached at least an average score of 3.00) are recommended for approval or recommended for approval with conditions to the monitoring committee<sup>32</sup>.

Applications where a knock-out criterion is applied will not benefit from a full assessment. Only the reason(s) for the knock-out will be explained in the assessment results.

Final decision on applications is made by the Interreg Europe monitoring committee, based on the results of the quality assessment.

All lead applicants are informed of the decision regarding their proposal soon after the meeting of the monitoring committee. Lead applicants of rejected applications receive a notification letter with a summary of the quality assessment results. They are thus informed of the reasons why their application failed.

Lead partners of approved applications receive a notification letter stating the decision of the monitoring committee as well as the total ERDF and possible Norwegian funding approved. In the vast majority of cases, the decision includes certain conditions deriving from the results of the quality assessment. A precise deadline for fulfilling these conditions is set in the notification letter. The subsidy contract can be concluded only once these conditions are fulfilled.

## 4.4 Complaint procedure – project selection

Project lead applicants of rejected project proposals are informed in writing about the reasons why an application was not eligible or was not approved. If a project wishes to complain, a two-step procedure has to be respected. A form for this procedure is available on the programme's website.

In a first step, the lead applicant can address questions about or raise objections against the eligibility or assessment decision to the joint secretariat. These queries have to be made within three weeks after the official notification of the non-selection of the project by the managing authority/joint secretariat. .

<sup>32</sup> On the condition that sufficient funding is available.

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The managing authority/joint secretariat will examine and answer the questions to help solve potential problems in an amicable manner.

In a second step, if a project is not satisfied with the answer provided and considers that procedures were not respected, a project that has not been selected for funding may file a formal complaint, for which the detailed procedure is described below.

In principle, complaints can only be lodged against the following criteria:

- (1) the assessment does not correspond to the information provided by the lead applicant, 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 lead applicant can file a complaint. Potential complaints from partners have to be passed through the lead applicant. Complaints must be submitted in writing (post or email) to the joint secretariat within two weeks after the joint secretariat has answered the query submitted by the lead applicant.

The complaints will be examined and answered by a complaint panel involving the previous, present and future chairs of the monitoring committee and the managing authority. If deemed necessary, the complaint panel may decide to refer back a complaint to the monitoring committee of the programme.

For complaints against decisions of the programme's managing authority/ joint secretariat during project implementation and complaints related to control or second level audit, further information can be found in section 5.5.

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## 5. Project implementation

### 5.1 Project start

#### 5.1.1 Start date

The monitoring committee is expected to meet within eight months after the end of each call to approve projects. Project partners should be ready to start implementation as soon as possible after the decision of the monitoring committee, approximately within two months from the date of this decision.

The actual start date is determined for each call for proposals individually and communicated to the projects at the stage of their approval.

#### 5.1.2 Timeframe for the eligibility of expenditure

Costs for project implementation are eligible from the date of approval of the project by the monitoring committee until the end date of the project.

The end date of the project marks the end of the eligibility period for expenditure, and it is the date by when the last progress report must be submitted to the joint secretariat. For more information on project's closure, see section 5.4.

#### 5.1.3 Subsidy contract

After a project is selected for funding and once it has fulfilled the conditions set by the monitoring committee, a subsidy contract between the managing authority of the programme and the project's lead partner is concluded. The subsidy contract determines the rights and responsibilities of the lead partner and of the managing authority.

The subsidy contract covers both phases of a project (core phase and follow-up phase). A model of the subsidy contract is available on the programme's website.

#### 5.1.4 Project partnership agreement

Based on Article 26 (1) (a) of the ETC Regulation (EU) 2021/1059 and in order to ensure the quality of the project implementation, the proper achievement of its objectives and the sound financial management of the project, the lead partner must conclude a project partnership agreement with its partners. The project partnership agreement allows the lead partner to extend the arrangements of the subsidy contract to the level of each partner. Such an agreement should include the following information:

- role and obligations of the individual partners in the partnership regarding project implementation,
- partner budget for each cost category and spending plan for each six-monthly period, the allocation of the preparation costs lump sum per partner if applicable,
- provisions for changes (notably for partnership changes, changes to the work plan, etc.);
- financial management provisions for accounting, reporting, financial control, timeframe for the receipt of ERDF payments,

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- liability in case of non-compliance with partners obligations (including failure in project delivery and project spending);
  - the partner's financial liability and provisions for the recovery of funds in case of amounts incorrectly reported and funds unduly received by the partner,
  - resolution of conflicts in the partnership.

An example of a project partnership agreement is available on the programme's website.

It is recommended that the project partnership agreement is prepared as early as possible and that the principles are agreed upon even prior to the submission of the project's application. This helps to shorten the start-up phase of the project once it is approved and to ensure that the partners have a common understanding of the implications of participating in the project, both in terms of activities and finances. Further decisions on decision making processes or communication within the partnership for example may however be postponed to the first project meeting and agreed in a separate document (e.g., rules of procedure of the project steering committee).

The lead partner assumes the overall responsibility for the project towards the managing authority. Through the project partnership agreement, project partners are held responsible and liable for their part of the project implementation towards the lead partner. This implies that in case of irregularities committed by a partner and leading to a financial correction, the lead partner is liable towards the managing authority for the related funds, based on the subsidy contract, and the project partner towards the lead partner based on the project partnership agreement.

Point of attention: only partners who have signed the project partnership agreement are allowed to report expenditure.

Drafting amendments to the partnership agreement, if needed, is the responsibility of the lead partner, in agreement with the partnership. The programme does not require projects to amend the partnership agreement when changes to the project are approved by the programme through the request for change procedure or through justification in the progress reports. However, in case of partnership changes, any new partner organisation will have to sign the partnership agreement before they can report costs to their controller.

## 5.2 Reporting

In order to monitor the project implementation and as a basis for the ERDF reimbursement, a **progress report** has to be submitted periodically to the programme. The progress report is a core document because it constitutes the main channel of information between the projects and the programme. It includes information on both the content of the project (activity/results) and its financial implementation.

The progress report is also a core source of information to demonstrate the overall programme's achievements. It provides input for generating consolidated statistics and producing analysis of the programme's achievements. These elements feed in the programme communication and official documents like the programme evaluations or the reports to the European Commission.

Projects should therefore not consider the progress report only as an administrative task for obtaining ERDF reimbursement, but it should be used as a mean to share the stories about the project's results and successes with the joint secretariat.

For reporting purposes, an online reporting system is set up (XX). Each partner has access to the system through an individual username and password. Progress reports are submitted to the programme through the online system.

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### 5.2.1 Reporting periods and deadlines

In principle each progress report covers a reporting period of six months. Only the first and last report cover a period that is slightly longer:

- The first progress report covers the period from the date of approval of the project by the monitoring committee until the end of the first six months of implementation
- The final report will cover a nine-month period (six months of implementation + three months of closure).

The progress report needs to be submitted to the programme three months after the end of the reporting period, except for the last progress report which must be submitted by the end date of the project. The dates of the reporting periods are set by the programme.

**Example** - project starting on 01 January 2024 and ending on 31 March 2028 (4 years + 3 months of project closure)

Progress report	Reporting period	Deadline for submission
First (= PR1)	01/01/2024 - 30/06/2024 (six months)	01/10/2024 (= 3 months after the end of the reporting period)
Last (= PR8)	01/07/2027 – 31/03/2028 (nine months)	31/03/2028 (= end date of the project)

Points of attention:

- As it was done during the programming period 2014 – 2020, reporting periods are different for each call and depend on the date of approval of each call by the monitoring committee. This allows spreading out the reporting and control work for the partners participating in several calls and for the controllers.
- For the last progress report, the date by which the progress report needs to arrive at the joint secretariat also marks the end date of eligibility. Please study section 5.4 on project closure carefully for further information.

### 5.2.2 Reporting procedures

The reporting procedure for projects can be summarised as follows:

Each partner, including the lead partner, submits to the lead partner in **XX** a partner report certified by a controller in compliance with the country specific requirements for financial control (see also section **XX**). The programme recommends that each project partner submits the partner report to the controller within two weeks after the end of the reporting period, so that the lead partner has sufficient time left to compile the joint progress report.

- a. The partner report in **XX** is constituted of:
  - The control certificate
  - The control report (including control checklist) and
  - The list of expenditure (incl. the list of contracts)



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The partner report is a financial report. On the basis of the individual partners' reports and the partners' information on the activities carried out, the lead partner compiles the joint progress report for the whole partnership.

- b. The lead partner confirms that the partners' information has been accurately reflected in the joint progress report and that the related costs result from implementing the project as planned and set out in the application form and described in the progress report.
- c. For the audit trail, the lead partner retains possession of the inputs used for the progress report received from the partners.
- d. The lead partner submits the progress report to the joint secretariat. The joint secretariat checks the report and, if necessary, sends clarification requests to the lead partner. Once all points have been clarified, the progress report is approved.
- e. The accounting body executes the payment to the lead partner<sup>33</sup>
- f. The lead partner transfers the funds to the partners after receipt of the payment within the timeframe agreed in the partnership agreement in compliance with the amounts stated in the progress report.

Each progress report (and the project in general) is monitored by two officers from the joint secretariat: one focusing on the activities and results and the other in relation to financial matters. They will provide joint feedback to the projects on their progress reports.

### 5.2.3 Monitoring of a project's progress and midterm review

As mentioned above, the progress report is a core tool for monitoring the progress made on project implementation. The basic principle of reporting and monitoring is to check the activities and outputs reported against what was originally planned in the application form. Beyond this minimum requirement, the aim is also to get as much qualitative information as possible on the lessons learnt and results achieved within the reporting period. Projects have to be as precise as possible on the information they report.

In addition to the progress report, the programme uses other tools to monitor the progress of the project's implementation on a continuous basis. Among others, the programme uses:

- the project's website,
- ad-hoc exchange with the lead partner and partners (e.g., online meetings or phone conferences).
- a midterm review meeting(s).

The **midterm review** meeting between the joint secretariat and the lead partner takes place after two years of project implementation (around one year before the end of the core phase). It is an opportunity for the programme to get a more detailed picture on the performance of the project beyond the information provided in the progress reports.

The core objective of the midterm review is to check the progress towards the project objectives and prepare the ground for the second half of the project (including the follow-up phase) by tackling the following elements:

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<sup>33</sup> Within approximately four weeks after the approval of the progress report by the joint secretariat.

- 
- What is the state of play of the project in relation to policy improvement in each participating region?
  - What is the spending rate of the project?
  - Does the project request any pilot action? (see also section 3.2.1 for the detailed procedure)

For projects facing a significant underspending, their capacity to spend the total budget by the end of the project may be questioned. If the project cannot demonstrate the feasibility of using their total budget to carry out the remaining activities, the midterm review should lead to a budget reduction proportional to the underspending encountered by the project. The aim is to return unspent funds as early as possible to the programme so that they can still be reused in a meaningful way.

#### **5.2.4 Partners not reporting expenditure**

In cases where project partners do not report any expenditure after 2 semesters, they receive a warning from the programme. The warning is issued to the lead partner of the project after the submission of the relevant progress report. The monitoring committee's member representing the Partner State of the concerned project partner is informed. In case the concerned project partner does not report expenditure in its third progress report and cannot provide evidence that this is due to circumstances outside its responsibility, the budget of the project partner is reduced in relation to its spending plan. This budget reduction is implemented after the midterm review meeting.

#### **5.2.5 Guidance for reporting**

The following points should help projects to provide concise and coherent information in their progress reports.

##### **Consistency in the reporting**

For the overall coherence of the report, it is crucial that the information provided for the activities and outputs is fully consistent. This also means that the terminology used should be consistent throughout the report and in line with the terminology adopted in the application form.

##### **Reporting on indicators**

Before reporting on indicators, lead partner and partner should carefully check the specification provided for each indicator in section 3.3.3. Annex 2 related to the performance framework is also important to understand the projects' intervention logic.

##### **Link between activities and expenditure**

All reported expenditure needs to be in line with the activities carried out and reported in the respective reporting period. When compiling the progress report, the project has to make sure that for any expenditure included, a link to the activities can be made. For instance, if expenditure linked to the organisation of a meeting is reported in the cost category 'external expertise and services', the corresponding meeting is expected to be reported as an activity and output/result.

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## Reporting on other communication activities

*To be developed in version 3 of the manual.*

## 5.3 Changes in project implementation

### 5.3.1 General principles

All minor changes (e.g., rescheduling of activities, budget changes within the 20% budget flexibility rule, see below) can be reported as 'deviations' to the joint secretariat via the progress report. The report has to include a justification of such minor changes to the initial plans, an explanation on their consequence for the project's implementation and the solution proposed to tackle them and to avoid similar deviations in the future, where applicable.

Changes in the contact details of any partner (e.g., new contact person, new e-mail address) have to be reflected in the reporting system.

For major changes, in accordance with the subsidy contract, the project has to request approval from the programme. Major changes concern:

- the partnership (e.g., withdrawal, replacement of a partner),
- the core activities of the project (including the introduction of a pilot action after the midterm review),
- the budget of the project (reallocation above the 20% flexibility rule, see below),
- the project's duration.

Such changes are formalised through a request for changes procedure. As a basic rule, lead partners should inform the joint secretariat as soon as they become aware of a possible major change in their project.

### 5.3.2 Request for changes procedure

For the above-mentioned changes, the lead partner needs to fill in a 'request for change' **in the monitoring system** and submit it to the programme through the online form system. A change can be requested at any time during the implementation of the project.

The request for change template is based on the latest approved application form and needs to be updated for the respective parts related to the change. Furthermore, the project has to describe the requested change and provide a clear justification for it.

Depending on the nature of the requested changes, a decision on the approval will be taken either by the managing authority/joint secretariat or through a written procedure by the Interreg Europe monitoring committee. The date of effectiveness of the changes is mentioned in the notification letter approving the request for changes.

Projects should be aware that a formal request for change procedure can only be launched during the lifetime of a project. It is not possible to implement a formal request for change procedure after the end date of the project (as indicated in the application form).

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### 5.3.3 Changes in activities/outputs

In the application form, activities and outputs are described in the work plan for each semester of both phases. Therefore, the work plan represents the project's road map, and projects should stick to the original plans as much as possible. However, it is understandable that a project is not a static entity and that changes may occur during implementation. There are two possible scenarios:

- If changes are of a minor character (e.g., postponement of a conference, change in the location of the planned workshop) meaning that they will not have an impact on the main objectives of the project and only minor impact on the budget, they can be reported and justified in the progress report (i.e., in the deviations' section).
- If changes are of a major character and have an impact on the main objectives of the project, they would require the formal approval of the Interreg Europe monitoring committee. Based on the experience gained in previous programming periods, this type of request for change remains the exception.

In case of doubts as to whether the changes are of a minor character or not, the lead partner should contact the joint secretariat as early as possible. For the second option, the lead partner should in any case contact the responsible officers in the joint secretariat to request a formal change in activities/outputs. This is for instance the case when the project requests one or more pilot action(s) at midterm.

### 5.3.4 Changes in the policy instruments addressed

In the course of the project's implementation, it may occur that one or several of the policy instruments addressed at the application stage are no longer relevant or can no longer be improved. The reasons for this change of the policy context should be precisely explained in the progress report. In duly justified cases, the partner region concerned should then identify another relevant policy instrument to replace the original one. In principle, these changes do not lead to a modification of the application form but are integrated through the information provided in the regular progress report.

### 5.3.5 Changes in the partnership

The partnership is considered as a core feature of a project and, as such, is officially approved by the Interreg Europe monitoring committee. Therefore, changes in the partnership should be avoided wherever possible and all alternative solutions to resolve the problem need to be considered before requesting a partnership change. In any case, partnership changes can only be approved if they are duly justified.

The request for change form differentiates between two cases of partnership change:

- a) Withdrawal of partner(s)
- b) Integration of partner(s) (in most cases as a measure to replace a withdrawing partner).

If the withdrawal of one partner in the partnership cannot be avoided, the ideal solution is to find a suitable replacement for the withdrawing partner preferably from the same region/country. The lead partner should always first verify if this option is feasible in cooperation with the Point of Contact of the concerned country. Only if this attempt is unsuccessful, the lead partner can propose a substituting partner from another region/country.

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The other alternative is a pure withdrawal of the partner. To minimise the impact on the project, it is recommended in this case that an existing partner (or partners) take(s) over in full (or partly) the role and activities of the withdrawing partner. Consequently, this also means that the budget may be partly reallocated.

The integration of a new partner may also be possible after the midterm review where the involvement of a new organisation is required for the implementation of a pilot action. This type of change must be approved by the monitoring committee.

In all cases, the requested change must be clearly explained and justified in the 'request for change summary'. In addition, all relevant parts of the 'application form for changes' need to be updated; in particular the 'Partnership' section but also all sections where the withdrawing partner is mentioned (e.g., 'policy instruments' section, work plan).

Once the joint secretariat receives the completed request for change form, it checks whether the request for change is acceptable. The joint secretariat also asks the relevant Partner State representatives to confirm the eligibility of the new integrating partner (where necessary).

If specific geographical eligibility rules are applied in a call for proposals, projects approved under that call that require a change in partnership should do their best to ensure that the revised partnership still complies with the same rules.

### 5.3.6 Administrative changes

A legal change in the administrative status of the partner organisation leading to the transfer of rights and obligations to another legal entity (e.g., merger) is treated as a "legal succession". The new partner is considered the legal successor of the old partner and takes over all competences, rights and obligations related to the project. This change must be officially communicated to the joint secretariat without delay. It must be integrated in the application form through a formal request for change procedure.

A simple change of name of one partner which has no impact on its legal status does not require a formal request for change procedure. Nevertheless, the change of name of a partner must be officially communicated to the joint secretariat (by updating the name of the partner in the contact details module in XX).

In cases where the legal status of a project partner changes from public or body governed by public law to private non-profit body (or vice versa) during the project lifetime, the co-financing rate will remain unaffected. The project partners have to nevertheless ensure to correctly report their national contribution in the progress reports as private or public depending on their actual legal status and the source of funding during the reporting period. More information on this point can be found in section XX.

### 5.3.7 Changes in budget

Although the budget is a core element in the application form and is approved by the monitoring committee, changes in the budget may become necessary during the implementation of the project. Budget shifts between partners and cost categories are possible **on the condition that the total amount of ERDF and Norwegian funding awarded to the project is not exceeded**. It should be noted that an overspending of an ERDF amount cannot be counterbalanced by the underspending of Norwegian funds or vice versa.

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All changes must be duly justified in the context of the project implementation. In cases where the added value of changes cannot be demonstrated, the changes will be rejected by the programme.

### **Budget reallocations between partners**

Two type of budget changes are possible:

#### **1. Budget reallocation up to 20% of the total partner budget stated in the latest approved application form (flexibility rule)**

The total budget of a partner can be exceeded by a maximum of 20 % of the original total amount if this is compensated by an underspending in the budget of other partner(s). This type of budget shift does not require a formal prior approval by the programme but must be reported and justified through the progress report.

#### **2. Budget reallocation above 20% of the total partner budget stated in the latest approved application form**

A budget reallocation between partners above the 20% budget flexibility limit requires a formal approval by managing authority/ joint secretariat and it must be reflected in the application form through a request for change procedure ("major budget change"). In principle, a major budget change should happen only once during the implementation of the project.

After a major budget change, the budget can be changed again within the limits of the flexibility rule described under point 1) if this is justified by the project activities and a justification is provided in the progress report.

Financial implications of a formal change in the partnership or in activities / outputs (through a request for change procedure) are not considered a "major budget change". Those budget modifications are considered a consequence of the initial change.

### **Budget reallocations between cost categories**

Budget can be shifted from one cost category to another, and the budget of a cost category can be exceeded (without a maximum limit) if this is fully justified by the project needs and the project activities remain in line with the application form.

The budget can be reallocated to another cost category without prior approval from the programme, even if no costs were originally planned under that cost category in the application form, if this is justified by the project activities and a justification is provided in the progress report. Projects shall also bear in mind the budget recommendations for external expertise and services and equipment.

Modifications in the equipment cost category should remain exceptional. In principle, unplanned costs under this cost category should be approved by the joint secretariat. Therefore, it is recommended that projects consult the joint secretariat before reallocating budget to the cost category "Equipment costs".

Unplanned costs under the cost category "Infrastructure and works" can only be eligible for funding in exceptional cases and must be approved by the joint secretariat.

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### 5.3.8 Extension of a project's duration

In principle, an extension of a project's duration should not be needed given the specific nature of the follow-up phase. But there may still be exceptional cases where the managing authority / joint secretariat will approve an extension of a project's duration (within the limits of the programme's deadline).

## 5.4 Project closure

The following sections provide information on the closure of projects.

### 5.4.1 The end date for eligibility of expenditure and completion of activities

The end date of the project is the **date by which**:

- **all the project activities must have been completed (incl. all activities related to the administrative closure of the project, such as financial control)**
- all payments must have been made, meaning debited from the bank account
- **the last progress report has to be submitted** to the joint secretariat

**Any expenditure incurred, invoiced or paid after the project end date indicated in the latest approved application form is ineligible.**

Since the programme must be finalised by the end of 2029, all activities within the projects must be completed and costs paid and reported by 01/07/2029 at the latest.

Points of attention

- The follow-up phase will be comprised of one year of activities plus three months dedicated solely to the administrative closure: preparation of the last progress report, last payments, expenditure control. Therefore, it is essential that no content-related activities are scheduled during these last three months. The last project meeting must, for example, be scheduled, at the latest, three months before the project's end date.
- Even if, in justified cases, the deadline for the submission of the last progress report is extended, this does not impact on the eligibility end date. For example: the official project end date by which the last progress report has to be submitted is 31/01/2027. The project is granted an extension of two weeks for its submission, until 15/02/2027. This would still mean that the eligibility of activities and expenditure ends on 31/01/2027.
- Not only must the expenditure be paid out by this date but also the activities must be finalised. This is particularly important for any expenditure linked to the control. It is not possible to advance payments for the controller and then to have the actual checks (activity) carried out after the project's end date.
- Planning enough resources for the project closure is another important key factor which should be taken into consideration at the planning stage of the project. Projects may face severe delays before closure if the lead and other project partners do not allocate sufficient resources in terms of time and staff. It is recommended to establish a timetable to clearly define by which date partners are expected to submit relevant documents and information to the lead partner. This timetable should be closely monitored by the lead partner.

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#### **5.4.2 Obligations for closed projects**

According to Article 82 of the Common Provision Regulation (EU) 2021/1060, each partner institution is required to archive documents related to the project's implementation for a minimum period. All supporting documents shall be kept for at least a 5-year retention period from 31 December of the year in which the last payment by the managing authority to the project is made. Longer retention periods may apply in case of state aid or in accordance with national rules.

### **5.5 Complaint procedure - project implementation**

Complaints related to expenditure control or audits on operations have to be lodged against the responsible national authority according to the applicable national rules.

Complaints against a decision of the managing authority/joint secretariat of the programme during project implementation are regulated as follows:

The managing authority/joint secretariat and the lead partner shall do everything possible to settle amicably any dispute arising between them during project implementation and the application of the subsidy contract. Complaints must be submitted in writing (post or email) to the joint secretariat within 3 weeks after the notification of a decision. A party must reply to a request for an amicable settlement within 3 weeks. If no amicable agreement is reached, the dispute may by common agreement of the parties be submitted for conciliation to the complaint panel involving the previous, present and future chairs of the monitoring committee and the managing authority/joint secretariat. In the event of failure of the above procedure, each party may submit the dispute to the courts. The place of jurisdiction is, as defined in the subsidy contract, Lille (France). Further details and specific complaint forms may be published at a later stage.

For complaints against decisions of the programme's managing authority with regard to the assessment and funding decisions, further information can be found in section 4.4.



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## 6. Financial management

### 6.1 Eligibility of expenditure - general principles

There are different levels of eligibility rules on expenditure:

- the European level: EU regulations
- the programme level: specific rules decided for the Interreg Europe programme
- the national level: national rules applicable in each Partner State
- the partner institutional level: internal rules applicable to each partner organisation

In the absence of rules set at EU or programme level or in areas that are not precisely regulated, national or internal rules apply.

To be eligible at project level, costs must:

- relate to activities planned in the application form, be necessary for carrying out these activities, achieve the project's objectives and be included in the estimated budget,
- be in accordance with the principles of sound financial management i.e. reasonable, justified,
- consistent with the usual internal rules of the partner, the EU, the programme and national rules,
- 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 later than the project end date, be substantiated by proper evidence allowing identification and checking.

Should expenditure be reimbursed on the basis of a lump sum or flat rate, the latter two principles do not apply.

### 6.2 Cost Categories

Based on Regulation (EU) No 2021/1059, the following sections provide an overview on the eligibility principles for the different cost categories applicable in the programme:

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

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### 6.2.1 Staff costs

Staff costs cover costs for staff members employed by the partner organisation, who are directly working on the project. Staff costs consist of the partner organisation's gross employment costs, which usually comprise:

- Salary payments (fixed in an employment/ work contract)
- Other costs directly linked to salary payments paid and not recoverable by the employer:
  - Employment taxes
  - Social security (including health coverage and pension contributions)

In accordance with the personnel policy of the partner organisation, costs such as bonuses, fuel, lease car, relocation benefits, luncheon vouchers etc. can be fully or partly claimed after calculating the eligible share for the project. Only costs or share of the costs that are not recoverable by the employer are eligible.

Staff costs must be calculated individually for each employee. Staff costs relate to the costs of activities that the relevant partner would not carry out without the project.

For individuals working full time on the project, the employee's total monthly gross employment cost (incl. employer's social contributions) can be claimed. The 100% involvement in the project should be documented either in the employment contract and/ or in another official document issued by the employer.

For Interreg Europe, the staff costs of individuals working part-time on the project must be calculated on a **real costs basis**, i.e. as a fixed percentage of the real gross employment cost (incl. employer's contributions) in accordance with article 55 (5) of Regulation (EU) No 2021/1060.

#### Example

A	Total monthly salary costs (gross salary and employer's social contributions)	€5,000
B	Percentage of time fixed per month for the project	60%
C	Eligible costs: (A * B)	€3,000

#### Supporting documents for the verification of expenditure

The following documents need to be provided to the controller to support the eligibility of staff costs:

- Employment contract or any other equivalent legal agreement that permits the identification of the employment relationship with the partner's organisation;
- A document setting out the percentage of time to be worked on the project per month on the project (it can be the employment contract and/ or any other document issued by the employer such as a 'task assignment letter', see grey box below for more information);
- Document identifying the real salary costs (gross salary and employer's social contributions for the employee, such as payslips or other accounting documents where the employment costs are clearly detectable);
- Proof of payment.

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

**Task assignment letter** or a document setting out the fixed percentage worked on the project, which usually:

- is issued for the specific employee at the beginning of the period to which it applies.
- is dated and signed by the employee and a line manager/ supervisor.
- contains the percentage of time dedicated to the project per month and a description of the project-related role, responsibilities and monthly tasks that are assigned to the employee in question and that provide sufficient evidence for the time allocation.
- Is reviewed (e.g. during the annual staff appraisal), and the percentage and/or description of tasks adjusted, if really needed (e.g. in case the role, tasks and/or responsibilities of the employee have changed).

## 6.2.2 Office and administrative expenditure

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

Based on Article 54 (1) (b) of Regulation (EU) No 2021/1060, office and administrative expenditure are budgeted and reported as a **flat rate of 15% of each partner’s staff costs**.

According to Regulation (EU) No 2021/1059 Article 40, office and administrative expenditure are limited to the following items:

- office rent;
- insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurance);
- utilities (e.g. electricity, heating, water);
- office supplies (e.g. stationary like paper, pens etc.);
- accounting;
- 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.

### Example

A	Eligible reported staff costs	€36,000
B	Flat rate for office and administrative expenditure	15%
C	Eligible reported office and administrative expenditure (automatic reporting without proof of actual costs) (A*B)	€5,400

### Supporting documents for the verification of expenditure

Project partners do not need to provide any justification or supporting documents. Project partners also do not need to document that the expenditure has been incurred and paid or that the flat rate corresponds to the reality. The controller's check focuses on the correct reporting of staff costs and that no expenditure related to the office and administrative cost category is included in any other cost category.

### 6.2.3 Travel and accommodation

This cost category covers the travel and accommodation costs of staff employed by a project partner.

Pursuant to the Regulation (EU) No 2021/1059 Article 41, expenditure on travel and accommodation costs is limited to the following items:

- (a) travel (such as tickets, travel and car insurance, fuel, car mileage, tool, parking fees);
- (b) the cost of meals;
- (c) accommodation costs;
- (d) visa costs and
- (e) daily allowances.

For Interreg Europe, the travel and accommodation costs are calculated:

- 1) as a **flat rate of 15% of the partner's staff costs**
- 2) or on a real cost basis, **only** in case the flat rate is not an appropriate method for the partner **for justified reasons** (e.g. the project partner comes from an outermost or remote region);

Each project partner will have to indicate their choice between options 1 and 2 in the application form. It will not be possible to change this choice after the signature of the subsidy contract. For the sake of simplification, project partners are asked to choose option 1 (flat rate). If a project partner chooses option 2 (real costs), a justification has to be provided in the application form.

#### 1. Travel costs calculated as a flat rate of 15% of the partner's staff costs

Based on Article 41(5) of Regulation (EU) No 2021/1059, travel and accommodation costs can be budgeted and reported as a **flat rate of 15% of the partner's staff costs**.

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With option 1, no detailed budget needs to be planned for the cost category 'travel and accommodation'. The application form will automatically calculate a budget corresponding to 15% of the planned staff costs for each partner choosing this option.

When it comes to reporting travel and accommodation expenditure, the flat rate of 15% is automatically applied to the reported staff costs of each concerned project partner.

### Example

A	Eligible reported staff costs	€36,000
B	Flat rate for travel and accommodation expenditure	15%
C	Eligible reported travel and accommodation expenditure (automatic reporting without proof of actual costs) (A*B)	€5,400

### Supporting documents for the verification of expenditure

Project partners do not need to provide any justification or supporting documents. Project partners also do not need to document that the expenditure has been incurred and paid or that the flat rate corresponds to the reality. The controller's check focuses on the correct reporting of staff costs and that no expenditure related to the travel and accommodation costs category as defined in article 41 (see above) is included in any other cost category (e.g., under external expertise and services).

## 2. Travel and accommodation costs calculated on a real cost basis

Travel and accommodation costs can be calculated on a real cost basis in case the flat rate method is not appropriate for the partner for justified reasons.

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

Travel and accommodation costs must be borne by the partner organisation. Direct payments by an employee must be supported by a proof of reimbursement from the employer.

Project partners must comply with the applicable national and/or internal rules. Real costs and daily allowances must be in line with the specific national or internal rules applicable to the partner organisation.

Usually, travel and accommodation costs should relate to trips undertaken within the programme area. However, trips to places outside the programme area are eligible if they are explicitly mentioned and justified in the application form. Trips outside the programme area that are not detailed in the application form need to be approved by the JS for the related costs to be eligible.

Travel and accommodation expenses related to individuals other than staff directly employed by the project partners (members of the stakeholder groups, staff of associated policy authorities but also consultants, experts), must be included in the 'external expertise and service' cost category.

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Travel and accommodation expenses of staff of the partners from countries outside the programme area can be covered by the project partners that are directly funded by the programme and reported under the cost category 'travel and accommodation' of the concerned EU partner.

CO2 compensation expenses for travel tickets can be considered as eligible travel costs if the CO2 compensation is directly linked to the travel to the project's event. The CO2 compensation should be calculated using an official and internationally recognised CO2 compensation programme (for example 'Gold Standard').

### **Supporting documents for the verification of expenditure**

The following documents must be available for control purposes:

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

### **6.2.4 External expertise and services**

External expertise and service costs include expenditure paid based on contracts or written agreements, against invoices or requests for reimbursement to external service providers who are subcontracted to carry out certain tasks/ activities linked to delivery of the project.

Pursuant to the Regulation (EU) No 2021/1059 Article 42, expenditure on external expertise and service are limited to the following services and expertise provided by an organisation other than the project partner:

- studies or surveys (such as evaluations, strategies, concept notes, design plans, handbooks);
- training;
- translations;
- development, modifications and updates to IT systems and website;
- promotion, communication, publicity, promotional items and activities or information linked to an operation or to a programme as such;
- financial management;
- services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- participation in events (such as registration fees);
- legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- intellectual property rights;

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- verifications pursuant to point (a) of Article 74(1) of Regulation (EU) 2021/1060 and Article 46(1) of Regulation (EU) No 2021/1059 (i.e cost for expenditure control );
  - the provision of guarantees by a bank or other financial institution where required by Union or national law or in a programming document adopted by the monitoring committee;
  - travel and accommodation for external experts, speakers, chairpersons of meetings and service providers; and
    - other specific expertise and services needed for operations

Applicable EU, national and internal public procurement rules must be respected. Even below EU thresholds, contracts with external providers must comply with the principles of transparency, non-discrimination, equal treatment and effective competition.

The travel and accommodation costs for members of the stakeholder groups and for the staff of the associated policy authorities must be budgeted and reported under external expertise costs.

Project partners cannot contract one another within the same project. If a project partner cannot implement a certain task, the task may be reallocated to another partner or procured from an external service provider.

Costs incurred by in-house or affiliated companies (different legal entities from the partner organisation) can be reported under External expertise and services cost category on a real cost basis, provided there is an actual cash flow between the partner organisation and the in-house company.

Advance payments may only be accepted if they are supported by an invoice or another document of probative value and if they are in line with the standard commercial practices applied in the partner organisation. The corresponding activity must have taken place (and have been verified by the controller) by the end date of the project at the latest.

The costs of services contracted by project partners for arranging the travel and accommodation of their own staff members (e.g. travel agencies, etc.) must be claimed under the cost category 'travel and accommodation'.

Costs for external expertise and services should not exceed 50% of the total project budget, bearing in mind that the beneficiaries of the project's work should be the actual project partners.

### **Supporting documents for the verification of expenditure**

The following documents must be available for control purposes:

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

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## 6.2.5 Equipment

Equipment costs include expenditure for the financing of equipment purchased, rented or leased by a partner, necessary to achieve the objectives of the project.

Pursuant to Regulation (EU) No 2021/1059 Article 43, equipment expenditure is limited to the following items:

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

Considering the nature of Interreg Europe project activities, the focus of this cost category is on office equipment for project management purposes. Usually, not more than EUR 7,000 of office equipment per project is budgeted and reported. Specific equipment items can be purchased also in case of a pilot action if this is needed to achieve the objectives of the pilot.

It is strongly recommended that unplanned equipment costs are agreed with the joint secretariat.

Different cases for reporting equipment cost can be encountered:

- The equipment is used solely for the purpose of the project and the cost was incurred and paid within the eligible period: the full purchase cost of the equipment can be reported.
- The equipment is used only partially for the project and the cost was incurred and paid within the eligible period: only the share related to the use of the equipment for the project will be reported. This share must be calculated according to a justified and equitable method. For example, if a staff member works on two projects e.g. with an equal share of 50% and uses the equipment item (e.g. a laptop) also equally for both projects, only 50% of the equipment costs can be reported on each side.
- If the equipment has been purchased before the project's approval or the equipment has been purchased during the project but the depreciation plan is longer than the project duration: a pro-rata depreciation will be applied in line with the applicable national and internal rules. For example, if a laptop for the project management is purchased in the second half of the project, only the share for the remaining project implementation can be reported.
- If the equipment is not depreciable (e.g. low value asset): the full purchase cost of the equipment can be reported.
- If the equipment purchased represents an important part of the project's result, the full cost of the item can be reported; even if the item was purchased towards the end of the project duration. For example, if solar panels were bought as a part of a pilot action implemented in the last year of the project, the full cost of the solar panels can be reported.



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Equipment items can only be funded by the programme if no other EU funds have contributed towards the financing of the planned equipment (and no public grant have contributed to the acquisition of the equipment in case of depreciation). Equipment must be purchased in compliance with public procurement rules.

Costs of second-hand equipment may be eligible under the following conditions:

- A. no other funding has been received for it from the EU Funds listed in article 1(1) (a) of Regulation (EU) 2021/1060;
- B. its price does not exceed the generally accepted price on the market for that equipment;
- C. it has the technical characteristics necessary for the project and complies with applicable norms and standards.

### **Supporting documents for the verification of expenditure**

The following documents must be available for control purposes:

- Evidence of compliance with the applicable EU, national and internal procurement rules,
- Invoice (or a supporting document with equivalent probative value to invoices, in case of depreciation) providing all relevant information in line with the applicable accountancy rules,
- If applicable: calculation of depreciation in compliance with the applicable national schemes and/or calculation of pro-rata use according to a justified and equitable method
- Proof of payment
- Proof of existence of the actual equipment item.

### **6.2.6 Infrastructure and works (in relation to pilot actions only)**

Pursuant to Regulation (EU) No 2021/1059 Article 44, costs for infrastructure and works shall be limited to the following:

- (a) purchase of land in accordance with point (b) of Article 64(1) of Regulation (EU) 2021/1060;
- (b) building permits;
- (c) building material;
- (d) labour; and
- (e) specialised interventions (such as soil remediation, mine-clearing)

Costs of infrastructure and works are eligible only if they are specifically needed for the implementation of the pilot action. Due to the nature of pilot actions under Interreg Europe, costs for infrastructure and works are usually limited to small scale building material or labour related to works (see points c and d above). For example, if a project on renewable energy plans to install smart solar benches in public parks as part of a pilot action, the costs related to the works and building material needed to complete the installation of the benches may be budgeted and reported under this cost category.

These costs are detailed in the application form. Unplanned costs under this cost category can only be eligible for funding in exceptional cases and must be approved by the joint secretariat.

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The partners in charge of the infrastructure and construction works are responsible for ensuring that all applicable EU, national and internal public procurement rules are respected.

The full cost of infrastructure and construction works can be reported under this cost category if it is fully justified as part of the project's activities (no depreciation should be applied).

In compliance with Regulation (EU) No 2021/1060 Article 65, there may be no substantial modification of the infrastructure and investments within five years after the project closure date regarding:

- a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage.
- a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

### **Supporting documents for the verification of expenditure**

The following documents must be available for control purposes:

- Evidence of compliance with the applicable EU, national and internal procurement rules,
- Invoice (or a supporting document with equivalent probative value) providing all relevant information in line with the applicable accountancy rules,
- Legal documents specifying the ownership or long-term arrangement for the land and/or buildings where the works will be carried out;
- Proof of payment.
- Proof of existence of the actual infrastructure and/or works carried out

## **6.3 Preparation costs**

Pursuant to Article 109 (1) of Regulation (EU) No 2021/1060, preparation costs are fixed in the form of a **lump sum at EUR 17,500** (or in ERDF/ Norwegian funding: EUR 14,000 (80%) for public partners and EUR 8,750 (50%) for Norwegian partners) **for approved projects**.

This amount will be automatically included in the lead partner's budget at the application stage. With the first progress report, the EUR 17,500 lump sum for preparation costs will be added to the reported lead partner's expenditure, and the corresponding ERDF / Norwegian funding will be paid by the programme after approval of the progress report.

The lump sum for preparation costs is allocated to the lead partner's budget. Nevertheless, the partnership should share the preparation costs, reflecting the partners' involvement in the preparation of the application form in a fair and transparent way. The details of how preparation costs will be shared need to be included in the project partnership agreement.

### **Supporting documents for the verification of expenditure**

Project partners do not need to provide any justification or supporting documents. Project partners thus also do not need to document that the expenditure has been incurred and paid or that the expenditure corresponds to the reality.

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## 6.4 Other budget and eligibility rules

### 6.4.1 VAT

In accordance with Regulation (EU) No 2021/1060 Article 64 (1) (c) i, VAT is eligible for operations the total cost of which is below EUR 5,000,000. (including VAT).

### 6.4.2 Financing of joint activities

In Interreg Europe, a contracting-partner-only-principle applies to the budgeting and reporting of the costs related to the activities and tasks that are of common benefit for all project partners (e.g. project management, project dissemination events etc.). In practice this means that it is not possible to share the costs of these activities among the project partners. The contracting partner is the only one that budgets, actually pays and reports 100% of the cost item of joint benefit and that receives the related ERDF.

### 6.4.3 Use of the Euro and exchange rates for partners located outside the Eurozone

All financial reporting and project follow-up will be in euros. Expenditure has to be reported to the joint secretariat in euros and the programme will pay all ERDF and Norwegian funds in euros.

In accordance with Regulation (EU) No 2021/1059 Article 38 (5), expenditure paid in another currency will have to be converted into euros by the partners coming from countries which have not adopted the Euro as their currency. In these cases, the online monitoring system will automatically apply **the exchange rate of the Commission applicable in the month the partner report is submitted for verification to the controller in the online monitoring system.**

The monthly exchange rates of the Commission are published on:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)

### 6.4.4 Ownership of results and intellectual property rights

As a general principle and in the spirit of cooperation and exchange in Interreg Europe, project results (e.g. studies, policy recommendations, good practice guides) are expected to be freely available to the public<sup>34</sup>. A wide dissemination of project outputs amongst a wide European public, whether they are partners of the project or not, is not only desirable but is also what the European Commission expects from the projects. As a logical consequence, any commercial use of the project results by the project partner(s) would be in contradiction to the general mission of the programme.

It is nevertheless possible that partnerships will wish to protect their project results from further development and commercial use.

Projects should make use of the project partnership agreement to make the necessary provisions for questions on ownership and intellectual property rights. The project partnership agreement template includes a paragraph which by default indicates joint ownership among all the project partners.

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<sup>34</sup> Following this principle and due to the nature of the activities carried out, Interreg Europe projects are not expected to generate revenues.

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#### 6.4.5 Financing activities outside the programme area

The Interreg Europe programme area covers all EU Member States, Norway and Switzerland. In principle, all activities of a project should take place within this programme area. In case the project involves a partner from a country outside the programme area, activities of the project can also take place in the territory of this third country partner.

If a project plans to finance activities or events outside the programme area (unrelated to the participation of the third-country partner), this is possible in justified cases. If activities (including travel) or events are planned outside the programme area, the following conditions need to be fulfilled:

- the activity and/or event are for the benefit of all partners, in particular with a focus on the improvement of their regional development policies;
- the implementation and/or the relevance of the activity or the event have been approved by the programme.

From experience, the most common activities outside the programme area concern the participation in conferences or events outside the EU, Norway or Switzerland. If project(s) (partners) wish to participate in such events, an approval by the joint secretariat is necessary. Such activities should preferably already be planned and justified in the application form.

#### 6.4.6 Ineligible costs

Pursuant to Regulation (EU) No 2021/1059 Article 38 (3) and Regulation (EU) No 2021/1060 Article 64 (1) (a), the following costs are **not eligible**:

- Gifts
- Fines
- Financial penalties
- Expenditure on legal disputes and litigation
- Costs related to foreign exchange rate fluctuation
- Interest on debt

In Interreg Europe, **contributions in kind**, i.e. provision of works, goods, services, land or real estate for which no cash payment has been made (e.g. unpaid voluntary work) are **not eligible**.

Staff costs for personnel working in one of the partner institutions on the basis of an employment contract and receiving a regular salary do not count as in-kind contribution, but as a cash contribution, since staff costs are actually paid by the partner institution.

Any **expenditure which is already 100% co-financed by another EU-funding source** or a national or regional subsidy **is not eligible** in the context of an Interreg Europe project (double-financing).

In case that an expenditure is already partially co-financed by national or regional sources, the activities and related costs can only be considered as eligible for Interreg Europe if the national or regional subsidy does not exceed the partner contribution share for that expenditure (20 or 30% depending on the legal status of the partner). In this case, the national or regional funding institution must be notified.

In Interreg Europe, costs linked to **awards and prizes** given at competitions organised by the project partners **are not eligible**.

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## 6.5 Public procurement

During the implementation of a project, virtually all project partnerships buy goods and services externally. For example, external auditors are hired for the verification of expenditure, a project, finance and communication manager is hired to assist the lead partner with the organisational and administrative aspects of project implementation, catering and technical equipment for conferences and meetings is ordered etc. Whenever purchases are made and contracts are awarded to external suppliers, project partners have to be in a position to demonstrate the good use of public funds. The principles of transparency, non-discrimination and equal treatment have to be respected and conditions of effective competition must be ensured. Three levels have to be taken into consideration:

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

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

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

Project partners should be aware that these fundamental principles also apply for purchases and subcontracted activities below the threshold values. Basically, both below and above the thresholds the main difference for public contracts is the degree of publicity and formality of the tendering procedure: in certain cases, a request for three offers ('bid-at-three') might be sufficient whereas for others it may be necessary to announce the tender in national/ regional media or EU wide, etc.

The tender documentation usually consists of the following:

- Terms of reference (sufficiently specified, including clear information to candidates on award and weighting criteria);
- Request for offers or procurement publication/ notice;
- Offers/ quotes received;
- Report on assessment bids (evaluation/ selection report) incl.
  - justification for the procedure chosen in the light of the identified needs,
  - evaluation of the offers in the light of the previously announced award and weighting criteria;
- Letters of acceptance and rejection;
- Contract, including any amendments and/or renewals (with evidence that these did not distort competition in the relevant market' and that there was no modification of the object of the initial contract);

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- Evidence that the payments made match the contract (invoices and proof of payment);
  - Proof of delivery of goods or services.

### **Points of attention**

- Public procurement rules and principles are applicable to all public authorities and bodies governed by public law and therefore also apply in the context of their participation to an Interreg Europe project.
- Private non-profit bodies participating in an Interreg Europe project also have to be able to prove how they awarded project-related contracts in compliance with the relevant national rules and guidelines as well as their own internal rules and the principle of sound financial management. The strictest rules shall apply.
- Evidence has to be available that the choice made regarding publicity requirements (sufficient degree of advertising) is in compliance with the EU Directives and the national applicable legislation (depending on the thresholds). Project partners are required to keep a record of every step of the public procurement procedure for control and audit purposes.
- The greater the interest of the contract to potential bidders from other Partner States, the wider the coverage should be. So, depending on the nature of the services and goods, an EU-wide advertising may be required, even if the value of the contract is below the EU-threshold.
- The applicable tendering procedure changes according to the contract value. When calculating the value of a contract, the maximum total amount that may be paid during the entire contract period (incl. renewal periods) needs to be estimated.
- When establishing the contract value, the project partner has to take into consideration all (potential) contracts of the same type that the partner organisation has implemented or will implement during the financial year.
- 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.
- 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. With regard to project management services for example, a direct award of procedure for technical reasons/exclusivity cannot usually be justified. The fact of having worked already 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 thanks to having worked with the partner organisation in the past and on similar subjects does not represent sufficient justification for a direct award. If objective proofs do not exist, an open tender still has to be organised. Its outcome will then prove if there is really no equivalent alternative on the market.
- In case of non-compliance with public procurement rules, financial corrections of up to 100% of the costs can be applied by controllers or auditors (see [Commission guidelines C\(2019\) 3452 for determining financial corrections to be made to expenditure financed by the Union for non-compliance with the applicable rules on public procurement](#)).

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To avoid any loss of ERDF, projects have to be in a position to prove the awarding of contracts in compliance with public procurement rules. Due to the complexity of public procurement rules, project partners are invited to work closely with their legal department to ensure compliance.

### **Preventing fraud in public procurement**

As highlighted in section 6.9 below the programme recommends project partners to pay particular attention to fraud risks in the area of public procurement.

In order to prevent and detect potential fraud in this area, project partners are recommended:

- to ensure the proper application of their internal conflict of interest policy (e.g. through conflict of interests declarations, conflict registers),
- to perform checks on companies participating in a tender in particular to prevent conflicts of interest<sup>35</sup>, detect interlinked companies submitting tenders (e.g. checking general websites, online companies registers, etc.)
- to have measures in place to detect persistently high or unusual bid data (e.g. bid evaluators that have a knowledge of the marketplace) and verify the plausibility of the price of activities/services (e.g. comparison with similar contracts, online price comparison tools).
- to perform checks on goods and services provided in particular to verify compliance with tender specifications, the prices quoted and the actual delivery of activities/services (e.g. request if needed additional information on staff involved, time spent, etc.).
- use standard unit costs for regularly purchased supplies/ services.

In addition, for all public procurement above the lowest applicable threshold, partners should implement a robust internal control system, in line with the proportionality principle, to avoid in particular:

- irregular split purchases;
- unjustified direct awards;
- irregular extensions of contract;
- irregular amendments of existing contracts;
- the leaking of bid data;
- that bid specifications are too narrow;
- that procurement procedures are not followed.

This should involve the internal review of all public procurement procedures above national and EU thresholds. For example, it is recommended that contract awards or amendment of existing contracts are reviewed by a secondary mechanism within the partner organisation other than the selection panel (e.g. senior level personnel within the beneficiary). Another measure could be that evaluation boards are comprised of senior management personnel who are rotated, with some level of randomness in their selection for participation.

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<sup>35</sup> According to article 61(3) of the Financial Regulation (EU) 2018/1046, "a conflict of interests exists where the impartial and objective exercise of the functions of a financial actor or other person, is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect personal interest.

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Similarly, if the partner organisation owns an internal audit function, it is recommended that the relevant service/ person regularly reviews the implementation of internal controls over procurement.

Moreover, on top of the minimum requirements defined by the applicable European and national public procurement law, the programme recommends project partners to ensure:

- a high level of transparency in the award of contracts (e.g. publication of all contract information that is not publicly sensitive);
- that the tender process includes a transparent bid opening process and adequate security arrangements for unopened tenders (in order to avoid the manipulation of bid data).

## 6.6 Accounting for project expenditure

Expenditure can only be reported if the following principles are respected<sup>36</sup>:

- The calculation is based on actual costs.
- The costs are borne by the partner and would not have arisen without the project.
- The expenditure has been paid out before the end of the reporting period. Expenditure is paid when the amount is debited from the partner institution's bank account. The payment is usually proven by bank statements. The date when the invoice was issued, recorded, or booked in the accounting system does not count as a payment date.
- The expenditure is directly linked to the project and necessary for successful implementation.

The lead partner and the partners must ensure that all accounting documentation related to the project is available and filed separately, even if this leads to a dual treatment of accounts (for example, if the usual accounting management requires central filing, a copy should also be kept in a separate file to allow quick access to the project's supporting documents).

In the context of the project an overview of the amounts reported must exist in computerised form. It must be possible to clearly identify which expenditure has been allocated and reported for the project and to ensure that expenditure is not reported twice (in two different cost categories, reporting periods, projects/funding schemes). This clear identification is ensured through:

- a separate accounting system or
- an adequate accounting code for all expenditure relating to the project.

## 6.7 Verification of expenditure to be reported

Before submission to the joint secretariat, each progress report must be verified and confirmed by an independent controller in compliance with the control system set up by each Member State and Norway (in accordance with Article 74 of Regulation (EU) No 2021/1060 and Article 46 (3) of Regulation (EU) No 2021/1059).

The main aim of the control is to verify that the project is delivered and that costs co-financed under the Interreg Europe programme are accounted for and claimed in accordance with the provisions of the subsidy contract, the approved application form, as well as programme rules, national rules and EU regulations.

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<sup>36</sup> These principles do not apply if the costs reimbursed based on a flat rate. .



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### 6.7.1 Designation of the controller

In accordance with Article 46 of Regulation (EU) No 2021/1059, it is the responsibility of each Member State and Norway to designate the controllers responsible for verifying that the expenditure declared by each partner participating in a project complies with the applicable law and the programme rules and that the funded products and services were delivered and paid. In practice, this means that each partner must seek confirmation of the reported expenditure from a controller who is authorised by the respective Member State or Norway. The description of the control system put in place for each Member State and Norway and any country specific control requirements can be found on the programme's website.

The main principle is that the controllers must be independent and qualified to carry out the control of project expenditure. In order to be considered independent, the controllers must fulfil certain criteria. An internal controller, if authorised by the Member State or Norway, must belong to a unit which is organisationally separated from the units dealing with project activities and finances. An external controller can only be considered independent if there are no other contractual relationships with the project or partner organisation that could lead to a conflict of interest.

Regarding the qualification of controllers, article 46 (9) of Regulation No 2021/1059 requires that when the control is carried out by a private body or natural person, the controller must meet at least one of the following requirements:

- (a) be a member of a national accounting or auditing body or institution which in turn is a member of International Federation of Accountants (IFAC);
- (b) be a member of a national accounting or auditing body or institution without being a member of IFAC, but committing to carry out the management verifications in accordance with IFAC standards and ethics;
- (c) be registered as a statutory auditor in the public register of a public oversight body in a Member State in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council on statutory audits of annual accounts and consolidated accounts; or
- (d) be registered as a statutory auditor in the public register of a public oversight body in a third country or partner state , provided this register is subject to principles of public oversight as set out in the legislation of the country concerned .

Specific information or requirements (notably for Norwegian partners 'controllers) may exist and will be published on the [programme website](#).

When selecting their controller, partners also need to bear in mind that the task of controlling project expenditure co-financed under the Interreg Europe programme goes beyond checking the accounts: it also involves a judgment on the compliance with ERDF, national and programme rules. The controllers are therefore expected to have a very good knowledge of the requirements for the control of project expenditure under the Structural Funds regulations.

Controllers also need to have a good command of English given that all programme documents (including the partner report, control report and checklist) are in English.

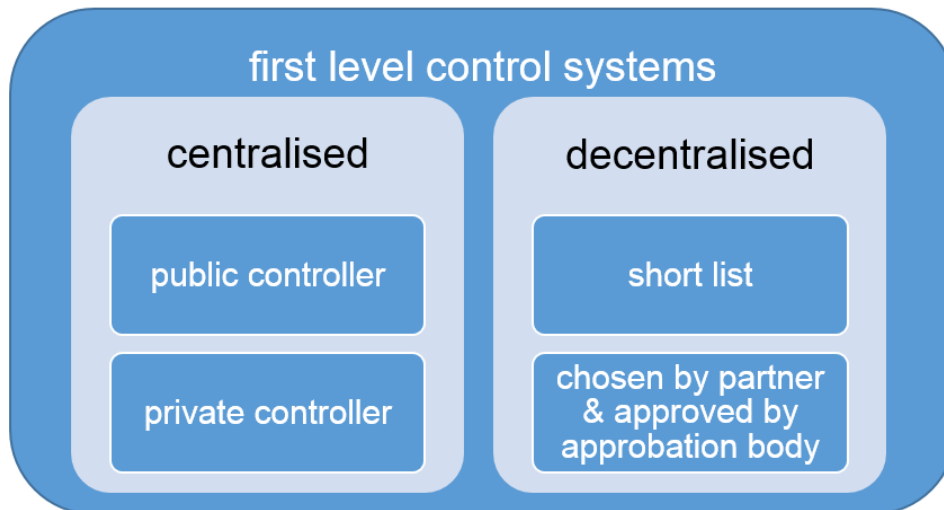
In addition, if an external controller is appointed by the project partner (in compliance with country specific requirements), this controller must be selected in accordance with public procurement rules.

In principle, there are four general type of control models<sup>37</sup>:

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<sup>37</sup> In some Partner States mixed systems exists.

- centralised control at Partner State level through a public administrative body
- centralised control at Partner State level through a private audit firm
- decentralised control through controllers from a central shortlist
- decentralised control through an internal or external controller selected by the project partner and approved by the Partner State.



In Partner States with decentralised control systems, each selected controller must be designated in the programme's online system (XX) **by the approbation body appointed by the Partner State.**

The detailed control system description and requirements per country can be found in the section 'in my country – control information' on the Interreg Europe website.

### 6.7.2 Role of the controller

The controllers' task is to verify that the expenditure reported by the partners in each report fulfils the following conditions:

- the costs are eligible in line with the different levels of rules as stated in section 6.1 of the programme manual (European, programme, national, and internal rules),
- the conditions of the programme, approved application form and subsidy contract have been observed and followed,
- the invoices and payments are correctly recorded (through separate accounting records or appropriate accounting codes for the project) and sufficiently justified by supporting documents,
- the related activities, sub-contracted supplies and services are in progress or have been delivered or carried out,
- the EU and national rules have been respected especially regarding information and publicity, public procurement, state aid and horizontal principles of gender equality, non-discrimination and sustainable development

The controller must be familiar with the content of the following documents in order to be able to confirm the compliance with the provisions they contain:

- the EU applicable regulations and directives, notably:

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- Regulation (EU) No 2021/1060 (Common Provisions Regulation)
  - Regulation (EU) No 2021/1058 (ERDF Regulation)
  - Regulation (EU) No 2021/1059 (European Territorial Cooperation Regulation)
  - EU Directives on public procurement
- further national rules and guidance (e.g. national public procurement rules)
  - the Interreg Europe programme manual
  - the application form
  - the subsidy contract
  - the project partnership agreement

The application form and the subsidy contract, including all the amendments to these documents (if any) will be available and accessible to the controllers in the online monitoring system. The lead partner and project partners will be responsible for making available the project partnership agreement (including all the amendments, if any) to the controller.

The partner report is submitted to the authorised controller electronically in the programme's online system (XX). Each authorised controller is granted access to this online system and must use it to certify electronically the partner report.

The programme designed standard templates providing guidelines for the controllers during the control work, to ensure the application of the same quality standards and to document the control steps properly:

- A standard control certificate (see annex XX)
  - A standard control report template including a control checklist, which must be filled in by the project partner's controller (see annex XX)

The standard templates mentioned above, in electronic format, are part of the partner report certified by the controller in the online system.

These templates have been developed in a joint approach between European territorial cooperation programmes in order to bring greater harmonisation and were approved by the monitoring committee of the Interreg Europe programme. Therefore, the text of the templates cannot be amended or extended.

Furthermore, the control report (incl. control checklist) template provides the minimum requirements for the controllers' checks and documentation, meaning those templates must be filled and completed for each progress report by the controller in **the monitoring system**. Additional documents (e.g. documentation of checks based on national rules) may be used by the controller, but do not have to be submitted to the programme.

Article 74 (2) of Regulation No 2021/1060 indicates that verifications "shall be risk-based and proportionate to the risks identified ex ante and in writing. The details of this methodology will be provided on the programme website.

In case of simplified costs options (i.e. the flat rate for administration costs, the flat rate for travel costs and the lump sum for preparation costs), controllers are not expected to check the reality of such costs themselves (no supporting documents need to be provided). In these cases, the controller only has to verify that the project partner has complied with the programme rules (e.g. for administration costs: the presented staff costs are correctly calculated, an amount corresponding to 15% of staff costs is reported as administration costs and no administration costs are reported in any other cost category). It is

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inherent in such fixed rates that they may overcompensate or undercompensate the costs actually incurred for the project.

### **Verifying the delivery of services, goods and work and carrying out on-the-spot checks**

The controllers must verify that the reported activities have taken place, the delivery of sub-contracted supplies, work and goods is in progress or has been completed.

#### **Why are on-the-spot checks useful?**

The Interreg Europe programme typically supports activities such as meetings, seminars, studies, good practice guides, which mainly involve staff, administration, external expertise and travel costs (financing of heavy investment or major equipment items does not apply in Interreg Europe projects). Administrative verifications can provide assurances to a large extent, but they cannot always cover everything.

On-the-spot checks usually focus on two aspects, which can help to assure the proper implementation of the project:

1. The good functioning of internal processes and systems related to the approval, ordering, accounting and payment of reported costs.

An on-the-spot check gives a better understanding of the supporting documents, the project and the partner organisation: interviews and walk-throughs can be conducted, which means that a certain process can be traced from the beginning to its end inside the partner organisation with the people responsible, such as public procurement processes from the launch of the tender to the selection, contracting and final delivery of the contract or a payment process from the ordering of the service to its delivery, invoicing, registration in the accounting system and final payment. Moreover, original documents (e.g. invoices) can be accessed.

2. The existence and delivery of goods and services and infrastructure and works

The staff working on the project can be met. Outputs such publications, equipment items etc. can be reviewed in more depth. The reality of infrastructure and works and their compliance with the application form and invoices can be checked.

Supporting documents such as staff contracts, bank statements as payment proofs and procurement documents can be reviewed and accessed more easily.

On-the-spot checks also accelerate the verification process: it avoids the sending of documents back and forth and thus helps to save time; initially missing documents can be provided straight away.

### **6.7.3 The role of the lead partner in the control process**

Following the lead partner principle as indicated in article 26 (1) of Regulation (EU) No 2021/1059, the lead partner assumes responsibility for ensuring the implementation of the entire project. When submitting a joint progress report, the lead partner has to:

- ensure that the expenditure reported by the partners has been paid in implementing the project and corresponds to the activities agreed between all the partners, i.e. is in line with the application form and subsidy contract. Any deviations from the application form, should they exist, have been properly reflected and justified in the progress report.

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- check that amounts and activities reported are correctly integrated in the joint progress report and that they give a correct description of the implementation and present status of the project.

This does not imply re-performing the checks already carried out at partner level considering that the financial control is the responsibility of the Partner State. However, it is still up to the lead partner, due to its particular role and knowledge of the project as a whole, to gain some assurance of the correct reporting of partners by screening the information available to them (partner report and outputs, control report (incl. control checklist), list of expenditure). In cases of doubt, the lead partner has to clarify the matter with the partner (and the relevant controller) before the cost item is actually included in the joint progress report submitted to the joint secretariat.

#### 6.7.4 Timing of the control

The project (through the lead partner) is required to submit the progress report within three months after the end of each reporting period (see section 5.2). Project expenditure must therefore be verified within this timeframe. In order to ensure timely submission, the controls at project partner and lead partner levels need to be scheduled carefully in relation to the submission deadlines.

In this context, it is important to keep in mind that;

- expenditure has to be reported regularly, i.e. during the reporting period in which it is incurred,
- the project partner's controller can only carry out the control after receipt of all the documents from the partners,
- some project partner's controllers may fix time limits for carrying out the control, which have to be respected when the partner report and the relevant documentation is submitted (and limits for potential clarifications),
- the lead partner can only submit the progress report after having received and checked the partner reports from the partners reporting expenditure.

Given the points above and the complexity of reporting procedures, it is crucial that projects establish a clear timeline for the reporting procedure. The programme recommends that:

- within two weeks after the end of the reporting period: submission of the partner report from the project partner to the controller, including relevant supporting documents. Point of attention: in many countries with a centralized control system, the verification is carried out on a first come, first served basis. Hence for those partners, it is obviously most important to submit documents shortly after the end of a reporting period. Partners should already towards the end of a reporting period have established a timeline with their controllers, in order to avoid any bottlenecks.
- after receipt of the partner report and content input from the partners, the lead partner has sufficient time left to compile the progress report and, in cooperation with the partners, clarify any open points or questions in the reports. As a final step, the lead partner submits the progress report to the programme.

Finally, it is recommended that the lead partner ensures the timely selection of controllers by partners in case of decentralised systems, in compliance with country specific requirements, in order to avoid that delays in the selection and approbation process lead to delays in reporting and controlling costs.

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### 6.7.5 Control costs

Control costs for the verification of expenditure are considered eligible if there are no stricter national rules established at partner state level. Projects should therefore earmark a budget for these controls depending on the control arrangements applicable in the relevant Partner States (EU Member States and Norway) for each of the project partners; this point should be carefully checked in the specific-country requirements available on the Interreg Europe website.

Points of attention:

- Internal control should be included under the cost category 'staff'. For example, if the accounting department of a regional authority is designated as controller in accordance with applicable requirements and carries out the control for the environment department of the regional authority, the expenditure would be reported under the cost category for staff costs, in accordance with applicable rules for staff costs, because the person(s) carrying out the verification is/are on the payroll of the partner institution.
- The expenditure for an external controller would be reported in the cost category 'external expertise and services'. For example, the environment department of a regional authority subcontracts an external controller, in compliance with the relevant public procurement regulations. As this controller is not directly employed by the partner institution, the expenditure has to be reported in the cost category 'external expertise and services'.

In order for the control costs for the last progress report to be eligible, **the activity** (control) has to be carried out **AND the payment has** to be made before the official end date of the project. For further information please see section **XX** of the programme manual.

### 6.7.6 Financial correction carried out by the project and recovery procedure

A financial correction has to be carried out and documented by the project in exceptional cases where expenses were wrongly declared in a progress report approved by the joint secretariat.

**In such a case the project should get in touch with the joint secretariat immediately to discuss the next steps.**

**Section to be further developed in version 3 of the programme manual.**

## 6.8 Audits / Sample checks on projects

Every year between 2024 and 2030, sample audits on projects will be carried out to verify that projects have correctly declared expenditure in the progress reports. These audits will be done under the responsibility of the audit authority of the programme assisted by a group of auditors with at least one representative from each Member State. The actual audits will be sub-contracted and carried out by a private audit firm. The purpose of these audits is to detect mistakes in the accounting records at the level of individual projects and, on that basis, to obtain an overall picture of whether the management and control procedures and documents set up at programme level are being applied and that they allow the prevention and correction of potential weaknesses and errors.

Should a project be selected for a sample audit (or any other audit or check), the lead partner and other partners must cooperate with the auditing bodies and present any documentary evidence or information deemed necessary to assist with the evaluation of the accounting documents. They must also give access to their business premises if requested by the auditors.

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Besides the sample audits explained above, other bodies such as the European Commission's audit services, the European Court of Auditors, national bodies or the Interreg Europe managing authority/joint secretariat may carry out audits / sample checks to verify the quality of the programme and project implementation and in particular their financial management and compliance with EU and national rules. Projects may be audited or checked even after the project has ended. That is why it is important to ensure good documentation and safe storage of all project documents at least until the end of the EU and national archiving periods (see [section 5.4](#) on project closure).

## 6.9 Interreg Europe anti-fraud policy

The managing authority has a zero-tolerance policy to fraud.

The EU treaty defines fraud, in respect of expenditure, as an intentional act or omission related to:

- the use or presentation of false, incorrect or incomplete statements or documents, which has its effect the misappropriation or wrongful retention of funds from the EU;
- non-disclosure of information in violation of a specific obligation, with the same effect;
- the misapplication of such funds for purposes other than those for which they were originally granted.

The programme is strongly committed to prevent and detect cases of fraud<sup>38</sup>. For this reason, the programme has robust control systems, measures and procedures and will follow-up on all cases of suspected fraud. We also encourage all parties involved, i.e partners, controllers, contractors, to do their utmost to prevent fraud from happening, to put in place proportionate measures to detect it and to come forward with any suspicion of fraud in relation to the programme.

For controllers a specific programme template is available (see annex [XX](#) of the programme manual) to report cases of suspected or established fraud to the programme.

A whistleblowing procedure is also in place to allow partners and members of the public to report to the managing authority any suspicion of fraud, by sending an email to a dedicated email address. This email address is [published on the programme's website](#) under the section concerning the programme's anti-fraud policy. It should be noted that this whistleblowing procedure does not replace national legal actions that may be introduced in parallel (for instance, a potential contractor may also consider taking legal action to request the cancellation of a public procurement procedure that is considered irregular or fraudulent). This procedure also does not have any impact on the time limits for such legal actions.

The programme recommends that project partners and controllers pay particular attention to staff costs (e.g., plausibility of staff costs considering the activities performed, risk of double financing) and public procurement (e.g., potential conflict of interest, splitting of contracts - see also [section 6.5](#)) as they have been identified as the two most risky areas for irregularities and fraud in Interreg Europe. This is the reason why the control checklist tackles fraud risks in these areas. The programme and national authorities as well as the EU or programme auditors may also carry out targeted verifications concerning project partners to identify potential risks of irregularities or fraud. These verifications may also be done

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<sup>38</sup> "The term fraud is commonly used to describe a wide range of misconducts including theft, corruption, embezzlement, bribery, forgery, misrepresentation, collusion, money laundering and concealment of material facts. It often involves the use of deception to make a personal gain for oneself, a connected person or a third party, or a loss for another - intention is the key element that distinguishes fraud from irregularity." (EGESIF\_14-0021-00 - Guidance on "Fraud Risk Assessment and Effective and Proportionate Anti-Fraud Measures")

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using specialised IT tools such as the ARACHNE risk scoring tool provided by the European Commission.<sup>39</sup>

Further recommendations to prevent fraud in public procurement are detailed in section 6.5

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<sup>39</sup> Information on ARACHNE risk scoring tool can be found here:  
<http://ec.europa.eu/social/main.jsp?catId=325&intPageId=3587&langId=en>



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## 7. Communication

Communication chapter will be developed for the Programme manual version 3

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## C) PLATFORM

### 8. Policy Learning Platform

#### 8.1 Context

The Policy Learning Platform was launched in 2015. This unique and innovative initiative built on the success of the thematic capitalisation initiated under INTERREG IVC (2007-2013). The reason for setting up a Platform was to:

- Better exploit all the knowledge and results achieved by the Interreg Europe projects.
- Offer policy learning services to any interested regions in Europe without the need to be necessarily involved in a project.

Experience from the previous programming periods showed that it is more difficult for small organisations to be involved directly in interregional cooperation projects. Opening up the programme to new beneficiaries is important in particular when considering the ambitious objective set out in the in Article 3 of the Regulation (EU) 2021/1059 on ETC for interregional cooperation, i.e., “to reinforce the effectiveness of cohesion policy”. Therefore, Interreg Europe put in place the Policy Learning Platform as a space for continuous **EU-wide policy learning open to any interested policymaker**.

The services offered by the Policy Learning Platform go beyond the capitalisation activities usually carried out within Interreg programmes by developing a demand-driven approach. Services like the peer reviews start from the specific need of the region and aim at bringing the relevant peers and experts who can help this region to better address its need. This kind of services were very much appreciated during the 2014-2020 programming period. Based on this positive feedback and the increasing demand for the Platform activities, the Partner States decided to continue and further develop the Policy Learning Platform to better address the policy challenges of the regions across Europe.

#### 8.2 Main features

##### What is the Policy Learning Platform?

The Policy Learning Platform is a strategic operation of the Interreg Europe programme promoting continuous policy learning and open to any interested regions across Europe. It builds its services mainly from the input of the Interreg Europe projects and make it accessible to all. The Policy Learning Platform covers all regional development policy issues of the programme (see also section 2.5.2).

The Platform consists of:

- An international team of experts specialised in the policy fields addressed by the programmes or in knowledge management and communication. This team is contracted by the programme to deliver the services of the Platform to the regions across Europe interested in improving their regional development policies.

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- An interactive web interface designed to facilitate networking, information sharing and knowledge management and exchange. Practitioners of regional development policy can find information and analysis on their policy fields, as well as a database of relevant practices and results from interregional cooperation projects. Registered users have access to a community of practitioners and further services upon demand, e.g., expert helpdesk, matchmaking and peer reviews.

The Policy Learning Platform is established at programme level and will run during the whole programming period i.e., 2029. The Platform runs its activities based on annual workplans defining specific objectives, main activities and expected results and renewed by decision of the monitoring committee. In terms of implementation, the Platform is different from projects since it is sub-contracted by the managing authority to a consortium of experts through a public procurement procedure.

### **What are the objectives of the Platform?**

The aims of the Policy Learning Platform are:

*(internal capitalisation)*

- a) To **exploit the results** of interregional cooperation projects and make them available to a wider audience of regional policy stakeholders across Europe.

*(external capitalisation)*

- b) To **contribute to EU-wide capacity building and policy learning** by supporting networking and exchange of experience among regions in view of improving their regional development policies, including programmes for Investment in jobs & growth. In order to achieve this objective, the participation in the Platform activities is open to any interested relevant policymaker and regional development practitioners. The main added value is to ensure that any region can benefit from the programme's learning and knowledge, even if it is not directly involved in a project.

### **Who can benefit from the Platform?**

The Platform services are available to any interested practitioners involved in regional development policies within the scope of cohesion policy.

In particular, the Platform' target groups are:

- stakeholders involved in the management and implementation of regional development policies including Structural Funds programmes and their final beneficiaries,
- other institutional stakeholders whose policy mandates are relevant for the issues addressed by the Platform e.g., the European Commission, the Committee of Regions, the European Environment Agency, the OECD, and other EU programmes.



## *Contributions and benefits for Interreg Europe projects*

Interreg Europe project partners are requested to be actively involved in the work of the Platform over the lifetime of their project by contributing content and by sharing their knowledge and experience. For instance, each region participating in a project has to provide the programme with good practices from their region and with a contact person for their specific policy field in order to create a community of regional practitioners throughout Europe.

Project partners can benefit from the expert advice, analysis and recommendations to gain better insight into the policy fields in which they are involved. They can also use the Platform services and knowledge to create synergies with other projects and links with other EU initiatives or programmes. Overall, the partners will have the possibility through the Platform to add value to their work, for example by:

- Increasing their understanding of the projects' achievements in their policy field
- Increasing their understanding of the main EU policy trends in their policy field
- Increasing their cooperation and network with other organisations, communities and regions
- Increasing the dissemination of their project results beyond the project partnership
- Increasing their knowledge about alternative solutions used in other European regions to address the policy challenges they face

### **What kinds of services do the Platform provide?**

The Platform provides services for the whole community of regional policy stakeholders involved in regional development policies.

Indicatively, the services provided to the beneficiaries can be grouped in the following 3 categories:

- **Knowledge hub** - access to knowledge on specific policy areas (e.g., policy briefs, webinars, reports, other platforms) including the good practice database.
- **Community of peers** - networking opportunities between regional policy stakeholders.
- **Expert support** for policy learning (e.g., policy helpdesk, matchmaking, peer reviews).

Under these categories the Platform can include activities such as (non-exhaustive):

#### **Knowledge hub:**

- analyse, benchmark and disseminate the content and the results of the approved interregional cooperation projects (including validation of good practices);

- prepare and publish thematic material and guidance, such as newsletters, studies, policy briefs and recommendations, good practice examples related to regional challenges;
- monitor, as far as possible, the EU policy trends on topics related to the policy objectives so as to identify possible interesting experiences, synergies and links;
- contribute to the promotion of Interreg Europe by disseminating the Platform's activities and results.

#### **Community of peers:**

- organise and facilitate (proactively and upon demand) thematic, networking, capacity building and policy learning events, workshops and meetings for the community of stakeholders registered on the Platform;
- organise specific activities upon request of the Partner States e.g. targeted thematic workshops.

#### **Expert support:**

- manage the policy helpdesk to answer requests for information and data and policy advice from individual stakeholders;
- advise running projects on thematic issues where relevant;
- organise and facilitate matchmaking sessions and peer reviews upon request between European regions in support of policy improvement and capacity building.



### *Advice to projects: the dos and don'ts*

The advice provided to running projects by the Platform is different in nature from the project development, assessment and monitoring ensured by the joint secretariat in order to guarantee objective and technical support to projects. More precisely:

#### **The dos: What the Platform can offer in relation to project development?**

- invite projects to join the Platform activities, share their knowledge and contribute to thematic and networking events, matchmaking, peer reviews and other relevant workshops.
- advise projects on relevant findings from content analysis, policy recommendations and other interesting thematic initiatives.
- ensure synergies within the projects by circulating relevant information e.g., interesting practices among the projects that could benefit and cross-fertilise their work.

As a side effect, the knowledge exchange and networking resulting from the platform activities may lead to new project ideas and partnerships, but the project development is not within the objective of the platform.

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### **The don'ts: What the Platform will not offer in relation to projects?**

- provide assistance to applicants
- assess applications
- monitor projects' implementation
- organise exchange of experience activities on behalf of projects.

**The role of Platform experts exclusively deals with content-related questions.** Project development (i.e., assistance to applicants), assessment of applications and projects monitoring remains the core competence of the managing authority / joint secretariat.

### **How to access the services of the Platform?**

Online access to the Platform is through the Interreg Europe website: [www.interregeurope.eu](http://www.interregeurope.eu).

Interested stakeholders can directly access a wealth of policy solutions such as good practices, policy briefs, success stories, event's learnings and reports. They can also subscribe to thematic newsletters and contact the experts by phone or email.

However, in order to benefit from the more elaborated expert policy advice and support services, users need to create an account in the Interreg Europe community. Registered users are then able to:

- access advanced community features such as seeing the full profile of practitioners and contacting them, personalising, commenting on, and following content, managing their notifications, etc.;
- register to policy learning events and benefit from follow-up, tailored content;
- ask a question on the policy helpdesk to get written advice from an expert using a simple online form;
- submit a request for matchmaking or peer review (only for public authorities) using a simple online application.

N.B. The Platform is not a funding mechanism, it does not provide any kind of grants to regions. **Registration and participation to all the Platform services, information, events, etc. is free of charge.**

### **How to evaluate the performance of the Platform?**

As explained in section 2.4, the intensity of cooperation is lighter under the Platform than under the projects. This means that the expectations in terms of achievements are also different for the Platform which focuses primarily on the increased capacity of the participants involved in its activities. For the most demanding activities such as the peer reviews, the Platform may even contribute to policy improvements even if this contribution will always remain indirect.

The main indicators used to monitor the Platform's performance are summarised in table 6 below.

#### ***Table 6: Interreg Europe Platform's main indicators***

<b>Policy objective</b>	<b>Specific objective</b>	<b>Output indicators</b>	<b>Result indicators</b>
Interreg Specific Objective: a better cooperation governance	Strengthening institutional capacities for more effective regional development policies	<b>RCO81: Participations in joint actions across borders</b>  <b>RCO87: Organisations cooperating across borders<sup>40</sup></b>  <b>OI4: Policy instruments addressed</b>	<b>RI1: People with increased capacity due to their participation in Platform events</b>  <b>RI2: Organisations with increased capacity due to their participation in interregional cooperation</b>  <b>RI3: Policy instruments improved thanks to Interreg Europe</b>

These indicators are monitored on an ongoing basis using surveys when relevant.

<sup>40</sup> As explained under the intervention logic, several indicators (i.e. RCO 87, organisations with increased capacity, policy instruments addressed and improved) are only relevant to a few (but important) activities of the PLP such as the peer reviews.

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## Annexes

### Annex 1 – Action plan for policy improvement - template

This template is automatically integrated in the last progress report of the core phase. It appears in the 'Results' section for regions which haven't yet demonstrated any policy improvement.

#### Policy context

1/ Policy instrument addressed

Does the action plan address the initial policy instrument addressed in the application form? Yes/No  
If no, please provide the features of the new policy instrument(s) addressed:  
(see description of a policy instrument in the application form)

2/ What kind of improvements do you envisage for this instrument?

- New projects financed through the instrument
- Change in the management of the instrument
- Revision of the instrument itself

Please further explain the expected improvement deriving from the action(s)?

#### Details of the action(s) envisaged

##### **ACTION X:**

Name of the action: \_\_\_\_\_

1. **Relevance to the project** (please describe how this action derives from the project and in particular from the interregional exchange of experience. Where does the inspiration for this action come from?)

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2. **Nature of the action** (please describe precisely the content of action 1. What are the specific activities to be implemented?)

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3. **Stakeholders involved** (please indicate the organisations in the region who are involved in the implementation of the action and explain their role)

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4. **Timeframe** (please specify the timing envisaged for the action)

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5. **Indicative costs and source of funding** (if applicable, please estimate the costs related to the implementation of action 1)

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