EUROPEAN TERRITORIAL COOPERATION 2007 – 2013

CENTRAL EUROPE

COOPERATING FOR SUCCESS.

APPLICATION MANUAL FOURTH CALL

EUROPEAN UNION
EUROPEAN REGIONAL DEVELOPMENT FUND

TABLE OF CONTENTS

Figures

Tables

Note to the reader:

The present document intends to support the applicants in submitting project proposals within the CENTRAL EUROPE Programme. It is warmly recommended to read the document carefully, including its annexes.

The present document does not replace legal documents like the CENTRAL EUROPE Operational Programme.

1 GENERAL PROGRAMME INFORMATION

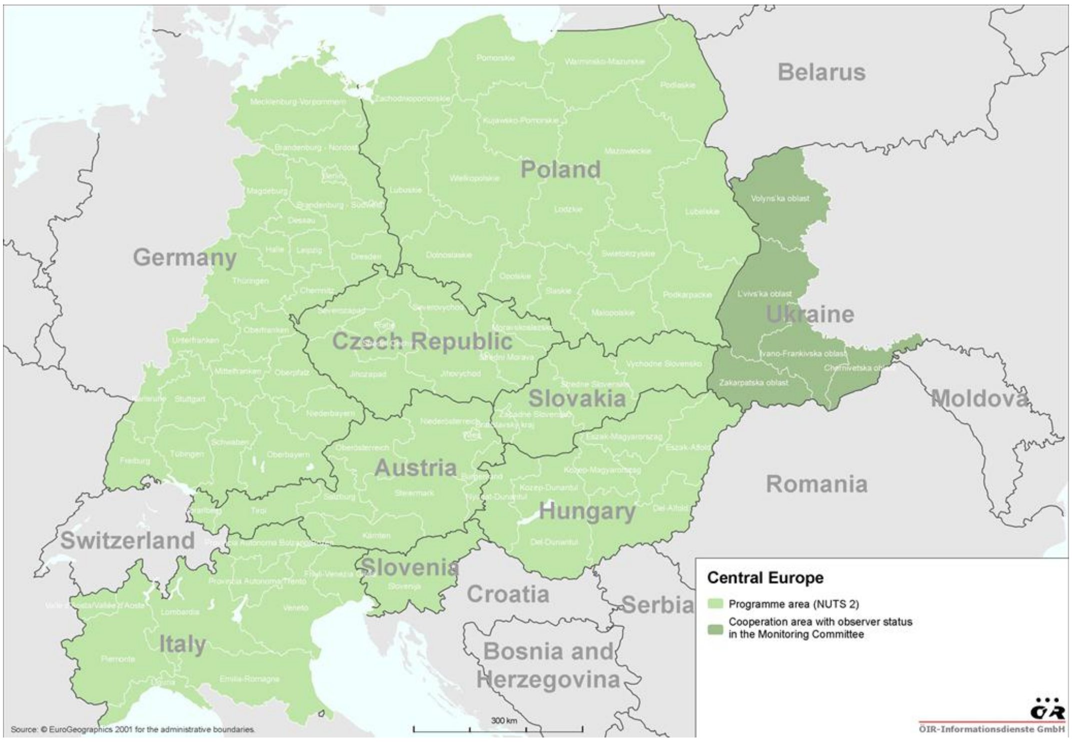
1.1 CENTRAL EUROPE Programme Area

The CENTRAL EUROPE Programme Area comprises the territory or parts of the territory of eight EU Member States and the western border area of Ukraine. Three of them were already part of EU-15, five joined in 2004. The participating countries and regions are listed in the following table.

Table 1 - Countries and regions participating in the CENTRAL EUROPE Programme

Austria	The whole country
Czech Republic	The whole country
Germany	Baden-Württemberg, Bayern, Berlin, Brandenburg, Mecklenburg-Vorpommern, Sachsen, Sachsen-Anhalt, Thüringen
Hungary	The whole country
Italy	Piemonte, Valle d'Aosta/Vallée d'Aoste, Liguria, Lombardia, Provincia Autonoma Bolzano/Bozen, Provincia Autonoma Trento, Veneto, Friuli-Venezia Giulia, Emilia-Romagna
Poland	The whole country
Slovak Republic	The whole country
Slovenia	The whole country
Ukraine	*Volyn, Lviv, Zakarpattia, Ivano-Frankivsk, Chernivtsi*

Figure 1 - CENTRAL EUROPE Programme Area



1.2 Programme Goal and Strategic Approach

The overall Programme goal has been formulated to react to the renewed Lisbon (growth, competitiveness, employment) and the Gothenburg (sustainability) agendas.

The Lisbon Agenda, set out to make Europe the most competitive economy in the world, claims that the potential for growth that exists in all regions has to be mobilised, in order to improve the geographical balance of economic development. As a result, it is expected that the potential rate of growth in the Union as a whole can be raised.

The Gothenburg Sustainable Development Strategy claims that the economic, social and environmental effects of all policies should be examined and coordinated in order to strengthen the synergies between sustainable development and growth.

With reference to the above, the CENTRAL EUROPE Programme 2007-2013 has formulated its overall Programme goal:

Strengthening territorial cohesion, promoting internal integration and enhancing the competitiveness of Central Europe

The overall Programme goal will be pursued with the following strategic approach:

A) Improving competitiveness of Central Europe by strengthening innovation and accessibility structures.

Innovation and accessibility are essential factors for improving competitiveness in Central Europe. Innovation is one of the driving forces for economic wealth: it promotes the shift towards a knowledge-based economy and provides the basis for economic wealth. Accessibility, both in terms of transport and access to ICT infrastructure, is a precondition for better exploiting the innovative potentials of Central Europe and for strengthening its internal integration and territorial cohesion.

B) Improving territorial development in a balanced and sustainable way by enhancing the quality of the environment and developing attractive cities and regions.

A balanced and sustainable territorial development is a precondition for economic development and helps to mitigate unintended effects of growth. This comprises to develop the environment and natural resources of Central Europe responsibly in such a way as to secure them for future generations. Improving the general quality of the environment and reducing the impacts of natural and man-made hazards are related to this objective. Central Europe’s cities and regions need to achieve such territorial development by setting measures to become attractive places to live in.

1.3 Programme Budget

The CENTRAL EUROPE Programme is financed by the European Regional Development Fund (ERDF). The ERDF contribution to the Programme amounts to EUR 246.011.074 ERDF. The overall Programme budget amounts to EUR 298.295.837.

Table 2 - Available funds

Community Funding	National counterpart (National public funding + National private funding)	Total funding
246.011.074	**52.284.763**	**298.295.837**

The Programme intends to fund projects that will contribute to reach its goals focusing on the following priorities.

Table 3 - Priorities overview

Priority 1	Facilitating innovation across Central Europe
Priority 2	Improving accessibility of and within Central Europe
Priority 3	Using our environment responsibly
Priority 4	Enhancing competitiveness and attractiveness of cities and regions

The budget allocation according to Priorities is provided in the table below.

Table 4 - Funds per Priority[1]

	Community Funding (ERDF) (A)	National counterpart (Public and national) (B)	Total Funding (A+B)
Priority 1: Facilitating innovation across Central Europe	49.202.215	10.077.562	59.279.777
Priority 2: Improving accessibility of and within Central Europe	63.962.879	13.100.831	77.063.710
Priority 3: Using our environment responsibly	63.962.879	13.100.831	77.063.710
Priority 4: Enhancing competitiveness and attractiveness of cities and regions	54.122.437	11.085.318	65.207.755
Priority 5: Technical assistance	14.760.664	4.920.221	19.680.885
Total	**246.011.074**	**52.284.763**	**298.295.837**

1.4 Programme Related Documents

The documents or web links to the documents listed below are provided on the CENTRAL EUROPE website www.central2013.eu.

A) Relevant Programme documents

- Operational Programme CENTRAL EUROPE, European Territorial Cooperation 2007-2013 in its latest version
- Report on the Ex-ante evaluation, OP Transnational Cooperation “CENTRAL EUROPE” 2007 – 2013, 29 May 2007
- Strategic Environmental Assessment (SEA), Environmental Report, CENTRAL EUROPE Programme, 2007-2013, 31 May 2007
- Programme Implementation Manual in its latest version
- Control & Audit Guidelines in their latest version

1 At the date of the launch of this call for proposals a revised version of the Operational Programme, including a revision of the allocation of funds per Priority, has been submitted to the European Commission. The approval of the revised Operational Programme will be communicated on the CENTRAL EUROPE web site www.central2013.eu therefore please consult the web site regularly.

B) Relevant EU legislation

- **Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (General Regulation) and its amendments:**

It defines common principles, rules and standards for the implementation of the three cohesion instruments, the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund. Based on the principle of shared management between the Union and the Member States and regions, this Regulation sets out a renewed programming process, based on Community Strategic Guidelines for Cohesion and their follow-up, as well as common standards for financial management, control and evaluation. The reformed delivery system will provide for a simpler, proportional and more decentralised management of the Structural Funds and the Cohesion Fund.

- **Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund: The regulation on the** European Regional Development Fund **(ERDF Regulation) and its amendments:**

It defines its role and fields of interventions such as the promotion of public and private investments helping to reduce regional disparities across the Union. The ERDF will support Programmes addressing regional development, economic change, enhanced competitiveness and territorial cooperation throughout the EU. Funding priorities include research, innovation, environmental protection and risk prevention, while infrastructure investment retains an important role, especially in the least developed regions.

- **Commission Regulation (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 (Implementing Regulation) and its amendments:**

The European Commission's implementing regulation for the Structural and Cohesion Funds 2007-2013 represents one set of detailed rules on the management of cohesion policy's financial instruments.

- **Council Regulation (EC) No 1084/2006 of 11 July 2006 establishing a Cohesion Fund and repealing Regulation (EC) No 1164/94 (Cohesion Fund Regulation):**

The Cohesion Fund contributes to interventions in the field of the environment and trans-European transport networks. It applies to Member States with a Gross National Income (GNI) of less than 90% of the Community average which means it covers the new Member States as well as Greece and Portugal. Spain will be eligible to the Cohesion Fund on a transitional basis. In the new period, the Fund will contribute alongside the ERDF to multi-annual investment Programmes managed in a decentralised way, rather than being subject to individual project approval by the Commission.

The above regulations have been further amended, therefore please ensure to consult such regulations in their latest version. The official source for downloading the EU legislation is the EUR-Lex web portal (http://eur-lex.europa.eu/en/index.htm).

C) Other documents[2]

- UNESCO: Convention concerning the Protection of the Word Cultural and Natural Heritage, 1972
- EU Sustainable Development Strategy, 2005, Report for the Council and the European Parliament, COM (2005) 658 final
- Report of the European Council spring summit: Joint activities for economic growth and employment. New start of the Lisbon strategy, COM(2005)24

[2] List not exhaustive.

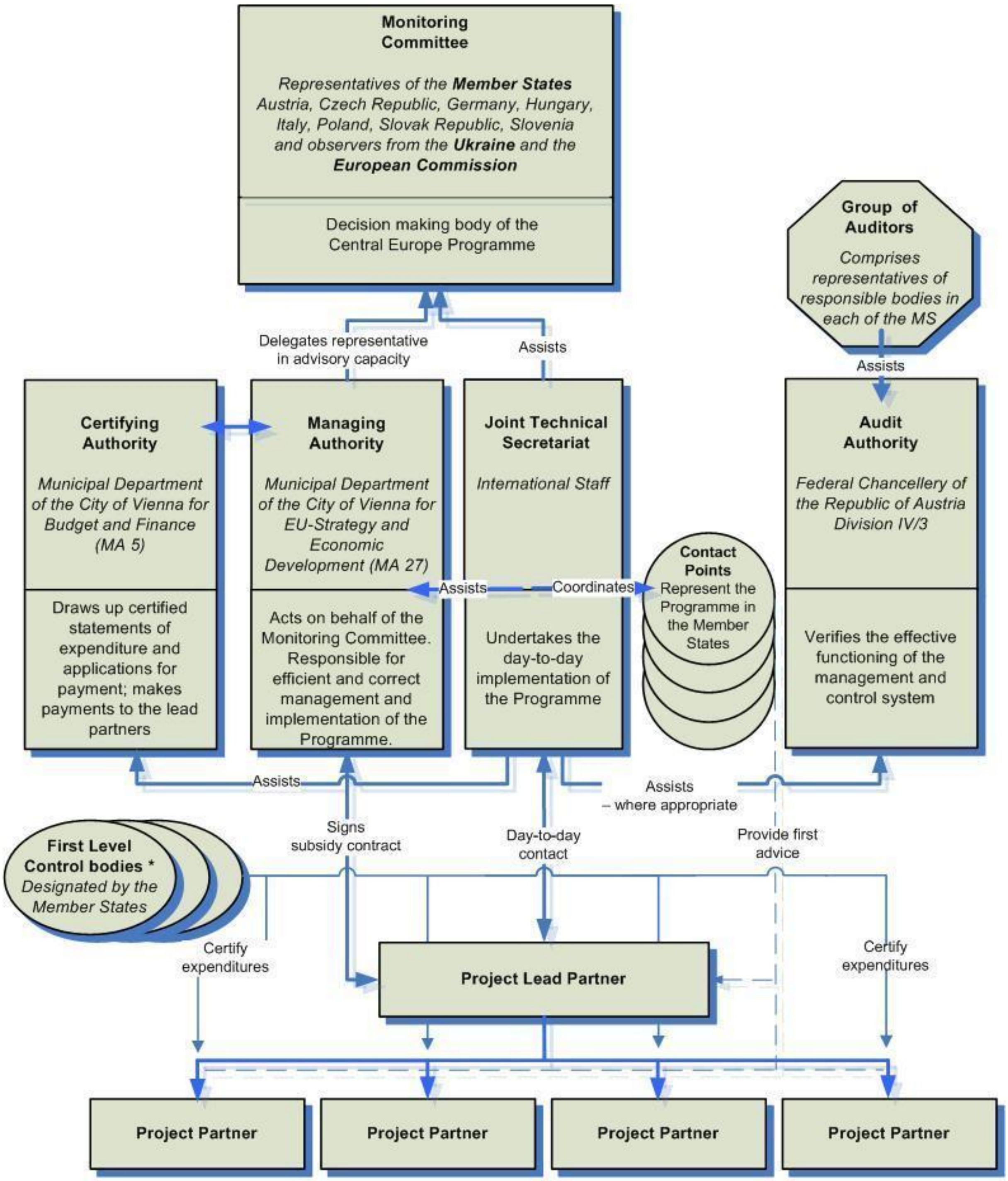
- “Policy of cohesion supporting economic growth and employment: Strategic guidelines of the Community for the period 2007 – 2013, 2006, CDRR 05-0010-05
- Kyoto protocol, 2005
- Transeuropean Transport networks TEN-T
- Report from the High Level Group: Networks for Peace and Development, 2005 (Pan European Transport Corridors)
- Urban Transport Initiative studies, Year Two, 2005
- “i2010 –European information society in 2010” strategy in: Information Society Benchmarking Report, European Commission, 2005
- National Strategic Reference Frameworks (NSFR) for all Member States
- Community Strategic Guidelines for cohesion policy 2007 –2013, (2006/702/EC)
- Investing in Europe’s future - Fifth report on economic, social and territorial cohesion, Report from the Commission, November 2010
- Territorial Agenda of the European Union 2020 (agreed at the Informal Ministerial Meeting on 19 May 2011, Gödöllő, Hungary - http://www.eu2011.hu/files/bveu/documents/TA2020.pdf)
- Flora- Fauna- Habitat directive (92/43/EEC)
- Birds directive (79/409/EEC)
- NATURA 2000 ecological system
- European Charter of Small Enterprises adopted by the European Council 2000
- European Regional Development Perspective (ESDP), 1999, Leipzig
- White paper “European Transport Policy for 2010: time to decide”
- White Paper: Roadmap To A Single European Transport Area – Towards A Competitive And Resource Efficient Transport System Com(2011) 144 Final
- Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 2020 by 2020 - Europe's climate change opportunity, COM(2008) 30 final
- Report from the Commission to the European Parliament and the Council in accordance with article 18.3 of the Water Framework Directive 2000/60/EC on programmes for monitoring of water status, COM(2009)156 final
- COM [EC 2009/415] published on 1 April 2009
- Communication from the Commission to the European Parliament and the Council- First stage in the implementation of the Water Framework Directive 2000/60/EC: Towards sustainable water management in the European Union, COM(2007) 128 final
- Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC
- White paper – Adapting to climate change: towards a European framework for action, COM(2009)147 final.
- Energy Efficiency: delivering the 20% target, COM(2009)772 final
- Communication From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions: Energy 2020 A Strategy For Competitive, Sustainable And Secure Energy Com(2010) 639 Final
- Green paper on Territorial Cohesion, turning territorial diversity into strength, COM (2008) 616 final
- Barca Report – An Agenda for reformed cohesion policy (04/2009)
- EUROPE 2020 - A European Strategy For Smart, Sustainable And Inclusive Growth
- Communication From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions: Europe 2020 Flagship Initiative Innovation Union, Sec(2010) 1161
- Communication From The Commission To The European Parliament, The Council,The European Economic And Social Committee And The Committee Of The Regions: A Resource-Efficient Europe – Flagship Initiative Under The Europe 2020 Strategy

- Communication From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions: An Agenda For New Skills And Jobs: A European Contribution Towards Full Employment
- Communication From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions: A Digital Agenda For Europe Com(2010) 245 Final/2
- Communication From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions: Youth On The Move An Initiative To Unleash The Potential Of Young People To Achieve Smart, Sustainable And Inclusive Growth In The European Union COM(2010) 477 Final

1.5 Programme Management

The CENTRAL EUROPE Member States Austria, the Czech Republic, Germany, Hungary, Italy, Poland, Slovakia, Slovenia and the observer Ukraine participating in the CENTRAL EUROPE Programme have established a common structure to manage, co-ordinate and supervise the implementation of the Programme:

Figure 2 - Programme Bodies



*) First level control bodies will be designated according to Article 16 of the ERDF regulation

- ***Monitoring Committee***

The Monitoring Committee steers the Programme and ensures the quality and effectiveness of its implementation and approves projects for funding. It is composed of representatives of the Member States of the Programme. As Programme cooperation partner, Ukraine is a member of the Monitoring Committee with an observer status. The list of the Monitoring Committee members is available on the Programme web site.

- ***Managing Authority***

The Managing Authority is responsible for management and implementation of the Programme in accordance with the principle of sound financial management and in line with EU regulations ruling the ERDF funds.

- ***Certifying Authority***

The role of the Certifying Authority is to certify statement of expenditure and applications for payment before they are sent to the Commission. It is also responsible for ERDF payments to the project Lead Partners.

- ***Joint Technical Secretariat***

The Joint Technical Secretariat assists the Managing Authority, the Monitoring Committee and, where appropriate, the Audit Authority in managing the Programme; it also provides guidance to project applicants and partners.

- ***The Network of the Contact Points***

Member States participating in the CENTRAL EUROPE Programme have also established Contact Points representing the Programme in their countries. Coordinated by the Joint Technical Secretariat, these points aim to complement its activities by providing applicants with first information and advice and by contributing to the dissemination of the results achieved.

Contact details of the members of the aforementioned structures are provided on the CENTRAL EUROPE web site.

- ***Audit Authority***

As far as projects are concerned, the main task of the Audit Authority is to ensure that audits are carried out on projects on the basis of an appropriate sample and according to internationally accepted audit standards in order to verify the expenditures declared. Audits on projects will be spread during the entire Programme lifetime.

In accordance with Article 14(2) of the ERDF regulation, the Audit Authority will be assisted by a **Group of Auditors** comprising representatives of responsible bodies of each Member State participating in the Operational Programme.

- ***Control System***

In line with Article 16 of ERDF Regulation, each Member State has set up a control system making it possible to verify the delivery of the products and services co-financed, the soundness of the expenditure declared for projects or parts of projects implemented on its territory and the compliance of such expenditure and of related projects or parts of those projects with Community rules and national rules.

On the basis of the system chosen, each Member State has designated the controllers responsible for verifying the legality and regularity of the expenditure declared by each Lead Partner and Partner participating in the project. Only these controllers are entitled to carry out checks on expenditure.

For detailed information on the control requirements in your country, please visit the “Working with CENTRAL/Country-specific information” section on the Programme’s website.

2 THEMATIC FOCUS AND GENERATION OF ADDED VALUE

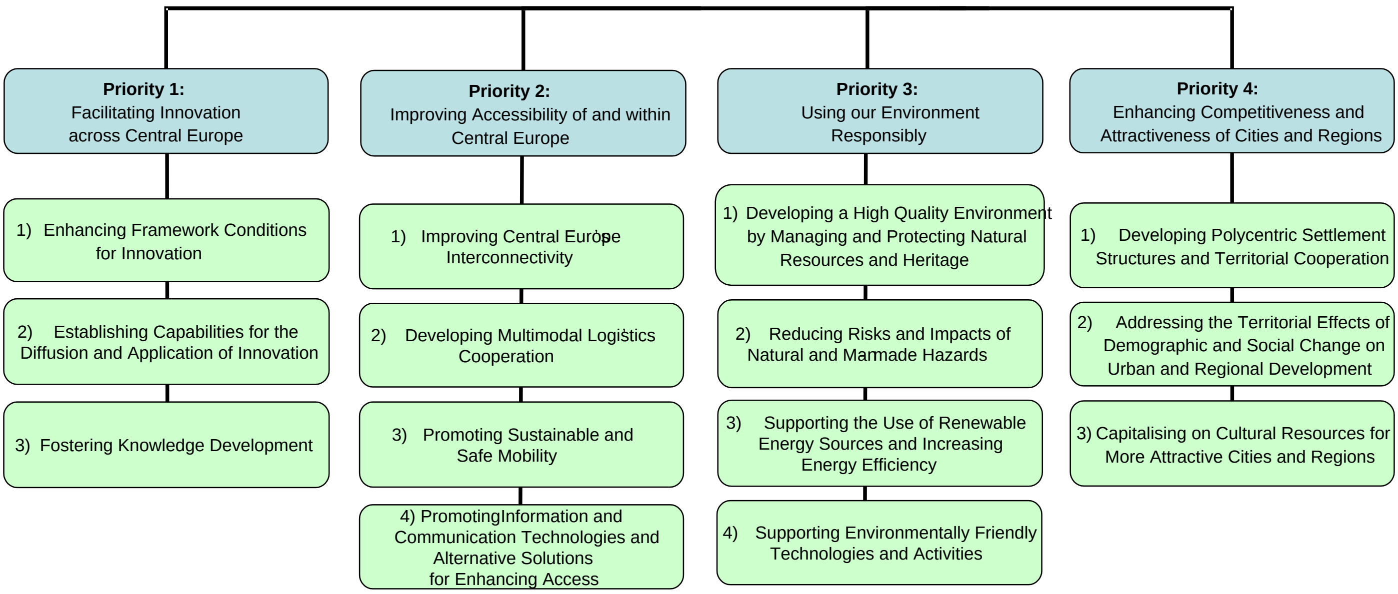
The purpose of this chapter is to provide guidance to applicants in identifying the Priority and Area of Intervention, which are the most relevant to the project. The thematic focus informs applicants on the content financed by the Programme (**WHAT**) and the related horizontal project requirements outline **HOW** projects can provide clear added value.

Please note that the horizontal issues addressed in this chapter are not a complete list of project requirements. Other important requirements like partnership, co-financing and selection criteria are described in the following chapters.

Thematic Focus - Overview

CENTRAL EUROPE has **4 thematic Priorities** (innovation, accessibility, environment and competitiveness and attractiveness of Cities and Regions) subdivided into a total of **14 Areas of Intervention**. An overview of the Priorities and Areas of Interventions is provided below:

Figure 3 - Priorities and Areas of Interventions



Every project is required to choose one Priority and one Area of Intervention that best describes the main thematic focus of the project. Thematic links to other Areas of Intervention (if existing, maximum 3) can also be indicated in the Application Form. For example, a project having multimodal transport (P2.2) as its main focus can also address energy efficiency (P3.3) if deemed as necessary.

2.1 Main Features of the CENTRAL EUROPE Projects

The CENTRAL EUROPE Programme finances projects that add explicit value to the Central Europe cooperation area. For this reason, within the given Priorities and Areas of Intervention, all projects funded under the CENTRAL EUROPE Programme have to **provide clear added value and strive for concrete outputs and results as well as actual implementation**. Joint activities with concrete, visible and implementation-oriented outputs and results will be preferred over mere networking and exchange of experience.

Whether or not a project generates transnational added value is the result of key factors such as the issue addressed (is transnational cooperation necessary?), the partnership involved (is it suited to produce the planned transnational outputs and achieve results?) and the degree of innovation (process oriented innovation, goal oriented innovation, context oriented innovation). To add to

Programme visibility and impact, projects are also required to produce concrete outputs and results and enable actual implementation (does it lead to something concrete and visible?).

2.1.1 Mutual Interest and Geographic Scope

In the framework of the CENTRAL EUROPE Programme, every project must tackle an issue that cannot be sufficiently dealt with by individual regions or countries alone. In practical terms every project is expected to address one of the following:

- An **issue affecting a clearly defined transnational geographical area** across national and regional borders (e.g., larger physio-geographical areas, man-made corridors, polycentric urban areas, economic development areas or any other transnational area), or
- a **common issue of interest** providing evidence that transnational cooperation leads to more innovative and efficient solutions.

Projects not addressing an issue of transnational relevance or covering only issues fundable in single cross-border Programmes will not be supported by the CENTRAL EUROPE Programme. Additionally, projects fundable under other Structural Funds Programmes will not be funded under the CENTRAL EUROPE Programme.

2.1.2 Partnership Involved

The specific strength of a European Territorial Cooperation Programme is its ability to **bridge between key actors in the defined cooperation areas** as well as to promote interregional cooperation through, for example, exchange of experience. Public administrations, RTD (research and technology development), business and civil society are the key actors the European Territorial Cooperation addresses to. In this respect CENTRAL EUROPE Programme can support concrete measures informing administrations and policy makers on knowledge, solutions, etc as well as implement European, national and regional strategies creating a flow of information from policy makers and public administrations to research and industry.

In order to effectively build upon this strength, all projects are expected to involve the partners most relevant to the achievement of envisioned outputs and results. The Project Partnership must be **competent to develop, implement and disseminate jointly elaborated approaches and tools**. Depending on the goals of the project this can imply the involvement of national, regional and local authorities as well as other players such as research institutions, intermediate bodies, agencies and many others. Pure research and technology development without clear links to other actors (public administration /industry) will not be funded.

Private institutions, including private companies, are important players for the improvement of the projects. Private institutions can act as partners in the project (in case of Priority 1 they can also apply for being Lead Partner). An alternative option for their involvement in a project could be as sub-contractor of a Project Partner or in the project environment.

Institutions which predominantly intend to provide services to the partnership should be considered as external experts and their costs included under the budget line External Expertise.[3]

2.1.3 Innovation and the Knowledge Base

The Programme's emphasis on innovation implies that **all projects have to adopt a knowledge-based approach** and pay close attention to the generation, application and transfer of relevant knowledge. One important aspect of this is the involvement of relevant actors in the partnership and in the project environment in order to ensure availability of diverse and relevant knowledge and expertise.

3 See paragraph 4.3.2

Another important aspect is the effective **reaching out beyond the partnership** both during project development as well as during project implementation:

- **During project development**, all projects are required to take the relevant past efforts into consideration (e.g., INTERREG and European Territorial Cooperation projects, Convergence, Competitiveness and Employment Objectives, other European projects or networks and professional associations) in order to avoid re-inventing the wheel. However, mere continuations of past cooperation projects without a clear added value will not be funded.
- **During implementation**, projects must involve target groups in an effective way. Targeted management of knowledge and dissemination of information is a standard requirement for all projects in the CENTRAL EUROPE Programme. It is therefore recommended to establish contacts with other initiatives dealing with related issues.

2.1.4 The Importance of an actual Implementation – Types of Action

The term implementation-oriented is understood to exclude mere research or networking projects, neither of which are focus of this Programme. In other words, studies, assessments and other primary research (questionnaires, interviews, collection of data) or secondary research (literature review) - while in principle fundable under this Programme - must constitute part of wider project activities that lead to actual implementation of jointly elaborated concrete outputs.

In order to provide project applicants with more practical guidance on the meaning of the term implementation-orientation, the Programme **pre-defines five Types of Actions**:

1. **Joint strategy + action plan development**
2. **Transnational tool development**
3. **Joint management establishment**
4. **Investment preparation**
5. **Pilot actions**

In justified cases, applicants wishing to develop another (implementation-oriented) Type of Action can choose:

6. **Others**

Specific Types of Action differ in terms of activities, outputs and results. In the Application Form, applicants are asked to **select at least one Type of Action** and specify Core outputs generated through these action(s).

In the following table, basic characteristics of each Type of Action are described and examples of Core outputs, that is the major outputs of the project and those which will be results oriented are given.

Table 5 - Type of Actions

Type of Action	Definition	Example of Core output
Joint strategy + action plan development	▪ The development of a joint strategy/action plan with involvement of relevant stakeholders and subsequent implementation, OR ▪ The implementation of already existing strategies or action plans (regional, national, EU) A strategy/action plan should include strategy/action plans for the whole region as well as for every participating partner region; it should describe the good practices/ experiences already successfully implemented in other regions on which the action plan builds on (methodologies, processes, techniques, stakeholders involved).	▪ Transnational strategy and action plan ▪ Implementation measures ▪ …
Transnational tool development	▪ Joint development of new and durable tools or adaptation of an existing tool in a transnational setting (e.g.: to analyze a specific problem/ phenomenon, e.g. business starts ups in the region, risk capital capacity …), to monitor specific occurrences (natural risks, traffic flows, tourism flows), to promote a certain product (e.g. innovative financing schemes, tourism in national parks or along sites of cultural heritage …)	▪ Joint management tool ▪ Multi-criteria decision support system ▪ Financing schemes ▪ …
Joint management establishment	▪ Establishment of a joint and durable management mechanism for issues of transnational importance	▪ Cooperation mechanism ▪ …

Type of Action	Definition	Example of Core output
Investment preparation	▪ Actions explicitly contributing to the preparation of concrete investments in a transnational context later to be financed by investors (please see also text box next page)	▪ Feasibility study ▪ Cost-benefit analysis ▪ Environmental Impact Assessment ▪ Pre-investment ▪ …
Pilot Actions including investments	▪ Practical testing of a transnationally developed service, tool, method or approach (e.g., though in a limited version / area / duration etc.). A Pilot must be unprecedented in a comparable environment and suitable to demonstrate the effectiveness and viability of the intended implementation strategy (please see also text box next page)	▪ Feasibility study ▪ Pilot monitoring system ▪ Pilot facility ▪ Pilot service ▪ Pilot training ▪ Pilot investment ▪ …
Others	▪ In well justified cases, other implementation-oriented Types of Actions are possible	

Transnational Projects as Pathways to Investment

It is important to note that a transnational cooperation Programme cannot be considered an investment Programme in traditional terms. Due to the limited budget and the cooperative nature of the Programme, the notion of investment has to differ from that of other Programmes (e.g. National Programmes of the Convergence, Competitiveness and Employment Objectives, but also rural development Programmes, etc.). Within CENTRAL EUROPE, project actions should substantially address to pre-investments and pilot investments, according to the following definitions.

Pre-Investment characteristics:

- **Pre-investment** refers to the **preparation of investments** (Type of Action "Investments Preparation") later to be funded through complementary sources such as Convergence, Competitiveness and Employment Objectives, EIB or national sources. This can, for example, include the involvement of the decision-making authorities and the general public in order to reach decisions and the elaboration of documents necessary to assess the feasibility of such investments in economic, legal and environmental terms.
- All pre-investment projects must create relevant links to relevant funding sources already during project development and maintain/intensify links during project implementation. Representatives of relevant funding institutions need to be included in the partnership or form a key aspect of the project environment. Pre-investment projects not showing credible links to complementary funding sources will not be financed.

Investment characteristics:

- **Pilot investments** (Type of Action: "Pilot Action") demonstrate the viability and effectiveness of an investment in order to pave the way for subsequent investments at a larger scale. The results of the pilot investment should be transferable and the transfer of results should form part of the project. Pilot investments can be undertaken in several partner regions or, in well-justified cases, only a few or just one location.

Both **pre-investments and pilots have to show a clear transnational added value**. They have to fulfil **at least two** of the following criteria:

- Form part or be the result of transnational project cooperation,
- Have a transnational effect,
- Create a physical link or a functional connection between regions (independently of the neighbouring position of these regions) or/and
- Have a demonstrating/model or pilot character being jointly strived for and evaluated by the partners; the results of this 'pilot investment' should be transferable, a transnational transfer of results should form part of the project.

Please note that in case the proposed Pre-Investment and investment do/does not meet the aforementioned requirement will not be eligible and their costs will be taken out from the project budget.

2.2 Priorities and Areas of Interventions

2.2.1 Priority 1 - Facilitating Innovation across Central Europe

Innovation is a systemic rather than a linear process, involving many different players and often happening over an extended period of time. Well-functioning innovation systems ensure the free flow of information across the interfaces between researchers, entrepreneurs, investors, public authorities and many other actors. Such systems may have technical components but are, above all, networks of individuals. For this reason, proximity is an important feature of most innovation systems.

In the context of the CENTRAL EUROPE Programme, innovation is considered as one of the most important driving forces for economic wealth. It is not just related to a few high-tech industries but a major factor of any industry or economic sector. It is more than simply the initial 'big idea' or a product or services that result from the idea. Innovation is more accurately described as a process through which knowledge is created and translated into new products, services or processes of the private and the public sector.

❖ ***Objective***

To improve the climate for innovation in all regions and to enable them to make better use of their innovation potential by addressing their specific needs and areas of weakness and fostering the areas of strength.

❖ ***Transnational Approach***

On a general note, transnational cooperation should not omit the fact that regional and national innovation policies are of a highly competitive nature. For this reason, transnational cooperation in the field of innovation will have to address existing limitations to the willingness to freely exchange insights and knowledge. The common goal is to **overcome thinking in terms of national/regional competitiveness in order to strive for a more competitive and innovative Central Europe area as a whole**. In the joint striving for innovation, the driving force should be learning from Central Europe's diversity. The common goal should be to **complement national/regional policies** in those areas where it proves to be most effective.

In the framework of the 4th call, **transnational cooperation in the field of innovation should set a particular focus on the following cases:**

- **Issues affecting a clearly defined transnational geographical area across national and regional borders** such as the development of transnational educational and training networks of **polycentric areas, larger transnational regions and nations**.
- **Common issues of interest** such as the establishment of effective links between public administration, research and the private sector, new approaches to addressing brain-drain, demographic change and improving human capital.

❖ ***Indicative Project Environment – Relevant Past Initiatives***

All projects are expected to take the outcomes of past initiatives (projects, professional networks, etc.) into consideration as far as these initiatives are relevant to the thematic focus of the project. In this respect, projects are especially required to build upon the outcomes of past ERDF Programmes, including Interreg IIIB in general and CADSES in particular, Interreg IIIC (interregional cooperation), Urbact and Espon. In some cases also Objective 1 and 2, Interreg A Programmes as well as other EU Programmes (not financed through ERDF) such as the Research Framework Programme will be of importance.

❖ ***Indicative Project Environment – Relevant Current Initiatives***

Under this Priority, during project implementation, projects are expected to specifically consider synergies and complementarities with:

- Other Territorial Cooperation Programmes, including other transnational Programmes (e.g., Alpine Space, South East Europe, Baltic Sea Region, MED) and interregional cooperation

(IVC) for the exchange of experience and with Convergence and Regional Competitiveness and Employment objectives for investments;

- Other relevant EU Programmes and initiatives including the FP7 (7th Research Framework Programme), CIP (Competitiveness and Innovation Framework Programme, including the EIP - Entrepreneurship and Innovation Programme), ESF (European Social Fund), Lifelong Learning Programme;
- In addition to the Lisbon and Gothenburg strategies and the Cohesion Policy - depending on the thematic focus of the project - other relevant policies and strategies such as the Europe 2020 strategy, including in particular flagship initiatives "Innovation Union", Agenda for new skills and jobs" and "Youth on the move" as well as the European Employment Strategy.

❖ Potential Partners

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

❖ ***Indicative List of Key Words*[4]**

1	RTD
7	entrepreneur(ship), start-ups, spin-offs
69	labour market and demographic change
70	labour market and migrants
72	education and training
73	knowledge development
74	education and training research networks
80	governance and partnership / cooperation networks
81	institutional learning / policy development

A detailed description of the Area of Intervention 1.3 to which this call refers to is provided in Annex 1.

2.2.2 Priority 2 – Improving Accessibility of and within Central Europe

Accessibility is a necessary precondition for economic development and growth. Free movement of people, goods, services and information increases efficiency and improves the development prospects for the regions. Transport corridors offer important opportunities such as better access to markets and increased potential for logistical functions for the regions situated in central locations of the network. Especially within the context of the enlarged European Union, **the development of transport and information infrastructures is essential to achieving the full integration of national and regional markets as well as balanced and sustainable development**.

Presently Central Europe has highly accessible regions (e.g., those located in Southern Germany, Northern Italy as well as capital regions) but also large rural and peripheral areas that lack suitable access. For example, the density of the transport network tends to be lower in regions located in the eastern parts of the cooperation area. Likewise, the development of the East-West priority corridors is rather advanced while North-South priority corridors are less developed. The interconnectivity of transport networks and hubs (e.g., ports, airports, railway stations) is in need of improvement as are (multimodal) transport logistics and the interoperability of the various operators.

[4] Code numbers as in Annex 7.5 of the CENTRAL EUROPE Operational Programme.

❖ ***Objective***

Strengthening through innovative solutions the internal cohesion of countries in Central Europe by improving the accessibility of and within the Central Europe area, fully taking into account the principles of sustainable development.

❖ ***Transnational Approach***

As a chain is no stronger than its weakest link, uncoordinated and fragmented improvements of accessibility in the member states and regions tend to be inefficient compared to joint efforts and create missing links, parallel investments, and other sub-optimal situations. In this light, in the framework of the 4th call joint transnational efforts should be made for:

- **Issues affecting a clearly defined transnational geographical area across national and regional borders** such as the promotion of information and communication technologies for improving accessibility to information and services while reducing traffic volumes, the harmonisation of interfaces across national borders and the improvement of the political and institutional framework for better infrastructure across the transnational territory.
- **Common issues of interest** such as practices to increase cost-efficiency and sustainability in transport through common learning and implementing, and new solutions to congestion in metropolitan areas or to the provision of alternative access.

Projects are expected to involve the relevant partners in the field of transport, who are competent to develop and implement the intended outputs and results. This can, for example, imply the involvement of national actors as competent decision makers directly in the project or as important part of the project environment. Transport projects should adopt a participatory multi-stakeholder approach, which should also be reflected in the partnership and/or the project environment.

As environmental sustainability is an overarching principle over the whole Programme, all projects under this Priority are expected to consider the principle of environmental sustainability to the greatest possible extent. For this reason, all projects need to address potential negative environmental impacts in a suitable manner.

❖ ***Indicative Project Environment – Relevant Past Initiatives***

All projects are expected to take the outcomes of past initiatives (projects, professional networks, etc.) into consideration as far as these initiatives are relevant to the thematic focus of the project. In this respect, projects are especially required to build upon the outcomes of past ERDF Programmes, including Interreg IIIB in general and CADSES in particular, Interreg IIIC (interregional cooperation), Urbact and Espon. In some cases also Objective 1 and 2, Interreg A Programmes as well as other EU Programmes (not financed through ERDF) such as the Research Framework Programme will be of importance.

❖ ***Indicative Project Environment – Relevant Current Initiatives***

Under this Priority, during project implementation, projects are expected to specifically consider synergies and complementarities with:

- Other Territorial Cooperation Programmes, including other transnational Programmes (e.g., Alpine Space, South East Europe, Baltic Sea Region, MED) and interregional cooperation (IVC) for the exchange of experience and with Convergence and Regional Competitiveness and Employment objectives for investments;
- Other relevant EU Programmes and initiatives including the TEN-Ts (including the Motorways of the Sea), FP7 (the 7th Research Framework Programme - Transport, ICT), CIP (Competitiveness and Innovation Framework Programme, including the ICT PSP - Information Communication Technologies Policy Support Programme) JASPERS (Joint Assistance to Support Projects in European Regions), NAIADES (Integrated Action Programme for Inland Waterway Transport), Marco Polo II, the CIVITAS Initiative, and the QuickStart Programme;
- In addition to the Lisbon and Gothenburg strategies and the Cohesion Policy - depending on the thematic focus of the project - other relevant policies and strategies such as the EU SDS (EU Sustainable Development Strategy), the European Spatial Development Perspective

(ESDP 1999), and the White Paper 2011 "Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system".

- ***Potential Partners***

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

- ***Indicative List of Key Words[5]***

11 ICT solutions
12 TEN-ICT
13 ICT e-services / public services
15 ICT access & economic use
25 urban transport / traffic management
81 institutional learning / policy development

A detailed description of the Area of Intervention 2.4 to which this call refers to is provided in Annex 2.

2.2.3 Priority 3 - Using our Environment Responsibly

The Gothenburg Agenda adds an environmental dimension to the Lisbon Strategy and underlines the need for protection and enhancement of environmental resources. Protecting the environment now and for future generations is one of the preconditions for sustainable growth. This is particularly relevant to Central Europe where an economic catching-up process is taking place, creating both new opportunities as well as threats for the environment.

Central Europe disposes of unique natural assets such as the upper Danube, the Carpathian area, the Alps as well as parts of the Baltic and Adriatic Seas. Rivers form decisive linking elements between the Western and Eastern (Danube) and Northern and Southern parts of the area (Elbe/Labe, Oder/Odra). Such natural assets represent one of the intrinsic elements of Central Europe's identity and offer great opportunities for intensified transnational cooperation.

- ***Objective***

Responsible use and protection of the environmental potentials of Central Europe by promoting innovative and sustainable approaches to natural resource management, risk reduction and the enhancement of the natural environment.

- ***Transnational Approach***

In the framework of the 4th call the **transnational aspect** in the field of environment is particularly evident in the following cases:

- **Issues affecting a clearly defined transnational geographical area across national and regional borders** such as the development and implementation of principles of sustainable production and consumption and their implementation into economic activities and decision making procedures and the promotion of environmentally friendly technologies and activities.
- **Common issues of interests** such as effective implementation of environmental directives and policies of the European Union, tool and technology development and implementation

5 Code numbers as in Annex 7.5 of the CENTRAL EUROPE Operational Programme.

requiring diverse know-how and experience, use of common environmental standards, harmonisation of approaches.

All projects should provide a platform for broad engagement and communication between all relevant stakeholders concerning environmental issues. This can imply the involvement of the competent national and regional authorities (e.g. for the harmonisation of environmental standards and legislations).

- ***Indicative Project Environment – Relevant Past Initiatives***

All projects are expected to take the outcomes of past initiatives (projects, professional networks, etc.) into consideration as far as these initiatives are relevant to the thematic focus of the project. In this respect, projects are especially required to build upon the outcomes of past ERDF Programmes, including Interreg IIIB in general and CADSES in particular, Interreg IIIC (interregional cooperation), Urbact and Espon. In some cases also Objective 1 and 2, Interreg A Programmes as well as other EU Programmes (not financed through ERDF) such as the Research Framework Programme, LIFE, IEE (Intelligent Energy Europe) and Natura 2000 will be of importance.

- ***Indicative Project Environment – Relevant Current Initiatives***

Under this Priority, during project implementation, projects are expected to specifically consider synergies and complementarities with:

- Other Territorial Cooperation Programmes, including other transnational Programmes (e.g., Alpine Space, South East Europe, Baltic Sea Region, MED) and interregional cooperation (IVC) for the exchange of experience and with Convergence and Regional Competitiveness and Employment objectives for investments;
- Other relevant EU Programmes and initiatives include LIFE+, the 6th EAP (Environmental Action Programme) and its four Priority areas, CIP (Competitiveness and Innovation Framework Programme, including the IEE - Intelligent Energy Europe Programme), FP7 (7th Research Framework Programme), JASPERS (Joint Assistance to Support Projects in European Regions), ECCP II (Second European Climate Change Programme) and the TEN-E (Trans-European Energy Networks);
- In addition to the Lisbon and Gothenburg strategies and the Cohesion Policy - depending on the thematic focus of the project - other relevant policies and strategies such as the EU SDS (EU Sustainable Development Strategy), the European Spatial Development Perspective (ESDP 1999), relevant conventions (the Danube River Protection Convention, the Alpine and Carpathian Conventions), the Flagship initiative “A resource-efficient Europe” of the Europe 2020 Strategy and many others.

Actions eligible for funding by the EAFRD (European Agricultural Fund for Rural Development), including LEADER 2007-2013, and the EFF (European Fisheries Fund) will not be financed under this Programme.

- ***Potential Partners***

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

- ***Indicative List of Key Words[6]***

3 technology transfer / cluster development
6 clean production processes & eco-innovation
11 ICT solutions

6 Code numbers as in Annex 7.5 of the CENTRAL EUROPE Operational Programme.

13 ICT e-services / public services
39 wind energy
40 solar energy
41 biomass energy
42 renewable energy
43 energy efficiency & saving
44 waste management
45 drinking water management
46 waste water management
47 air quality
48 pollution control and prevention
81 institutional learning / policy development

A detailed description of the Area of Intervention 3.4 to which this call refers to is provided in Annex 3.

2.2.4 Priority 4 - Enhancing Competitiveness and Attractiveness of Cities and Regions

Central Europe has very strong capital regions and numerous medium-sized towns as carriers of economic growth. In these areas, the concentration of administrative, political and economic functions and the potential for innovation are generally high. At the same time, however, there is a rather decreasing economic potential in some rural areas, especially in those situated in peripheral or otherwise disadvantaged locations. This uneven territorial development tends to be exacerbated through the very selective influx of foreign direct investments in urban areas, especially in the new Member States.

An uneven territorial development is also reflected in increasing economic and social disparities within urban areas due to social and spatial segregation. The territorial effects of such trends can threaten the competitiveness of the cooperation area. A more polycentric development can contribute to avoiding such disparities. Promoting urban and regional cooperation of relevant actors can help address centre - periphery patterns as well as effects of demographic and social change (e.g., aging of the population) and support growth and competitiveness.

❖ ***Objective***

Strengthen the polycentric settlement structure, improve the quality of life and promote sustainable development of cities and regions.

❖ ***Transnational Approach***

In the framework of the 4th call the transnational added value in this Priority becomes particularly evident in projects that address:

- **Issues affecting a clearly defined transnational geographical area across national and regional borders** such as the development and implementation of transnational strategies for polycentric areas and larger urban/regional transnational areas, including the development of the role of small and medium sized cities and the preparation of transnational political and institutional structures and commitments for a durable cooperation of urban and regional actors in a transnational geographic setting.
- **Common issues of interest** providing evidence that transnational cooperation leads to more innovative and efficient solutions such as the implementation of new solutions for urban and regional issues (e.g., urban sprawl, valorisation of cultural resources) that require a critical mass for setting effective actions; the provision of transnational responses to urban-regional cooperation and model solutions for a more balanced settlement structure.

Partnerships in this Priority are required not to remain restricted to the local level, but to involve the strategic and political level in order to overcome administrative and institutional boundaries. With respect to strategy development projects are encouraged to engage a wide range of actors and to adopt innovative models of collaborative forms of planning and implementation. As a variety of issues in this Priority are cross-cutting in nature, the formation of multi-sectorial partnerships are requested, with a view to have the potential for mainstreaming and to adopt a multi-actor approach.

- ***Indicative Project Environment – Relevant Past Initiatives***

All projects are expected to take the outcomes of past initiatives (projects, professional networks, etc.) into consideration as far as these initiatives are relevant to the thematic focus of the project. In this respect, projects are especially required to build upon the outcomes of past ERDF Programmes, including Interreg IIIB in general and CADSES in particular, Interreg IIIC (interregional cooperation), Urbact and Espon. In some cases also Objective 1 and 2, Interreg A Programmes as well as other EU Programmes (not financed through ERDF) such as the Research Framework Programme will be of importance.

- ***Indicative Project Environment – Relevant Current Initiatives***

Under this Priority, during project implementation, projects are expected to specifically consider synergies and complementarities with:

- Other Territorial Cooperation Programmes, including other transnational Programmes (e.g., Alpine Space, South East Europe, Baltic Sea Region, MED), interregional cooperation (IVC), URBACT II, and ESPON 2013 for the exchange of experience and with Convergence and Regional Competitiveness and Employment objectives for investments;
- Other relevant EU Programmes and initiatives include the ESF (European Social Fund), the Culture Programme 2007-2013, and the European Urban Knowledge Network;
- In addition to the Lisbon and Gothenburg strategies and the Cohesion Policy - depending on the thematic focus of the project - other relevant policies and strategies such as the European Spatial Development Perspective (ESDP 1999), the Toledo Declaration on Urban Development 2010 etc.

Actions eligible for funding by the EAFRD (European Agricultural Fund for Rural Development), including LEADER 2007-2013, will not be financed under this Programme.

- ***Potential Partners***

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

- ***Indicative List of Key Words[7]***

13 ICT e-services / public services
25 urban transport / traffic management
27 connectivity / interoperability / transport security
28 integrated transport & mobility planning
52 clean urban transport
57 integrated tourism
58 cultural heritage
59 cultural infrastructure
60 cultural services
61 integrated urban - rural development, polycentricity
80 governance and partnership / cooperation networks
81 institutional learning / policy development

[7] Code numbers as in Annex 7.5 of the CENTRAL EUROPE Operational Programme.

A detailed description of the Areas of Intervention 4.1 and 4.3 to which this call refers to is provided in Annex 4.

3 BASIC PROJECT REQUIREMENTS

3.1 Partnership

3.1.1 Definition of Partners

In the CENTRAL EUROPE Programme, partners in projects shall be the following:

a) ***National, regional and local public authorities****,* such as ministries, regional governments, provinces, municipalities as well as their departments;

b) ***Public equivalent bodies,*** such as regional development associations, innovation and development agencies and foundations. A public equivalent body[8] means any body:

   i) Established under public or private law for the specific purpose of meeting needs of general interest, not having an industrial or commercial character; and

   ii) Having legal personality; and

   iii) Being financed for the most part by the State, or regional or local authorities, or other bodies governed by public law, or subject to management supervision by those bodies, or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities or by other bodies governed by public law.

c) ***Private institutions*** including private companies having legal personalities.

Even if cash-flow problems are relevant for all types of partners, when applying for funding private institutions should bear in mind that the absence of advance payments and the time gap between incurring the expenditure and having it reimbursed may lead to negative impacts in this respect. Should this prove a limitation, private bodies may also participate in projects as subcontractors of public authorities and public equivalent bodies acting as Lead Partners or Project Partners in order to carry out parts of their activities in a project. Subcontractors must be selected in accordance to the in force rules on public procurement[9].

Due to the above, consultancy **companies having both, in their business activities and within the project, as main scope the provision of project coordination,** management, communication or knowledge management services (i.e.: activities to be implemented within the Work Packages 0, 1 and 2[10]) should not be involved as project partner. **Eventual involvement/participation of such partners will be further analyzed.**

In addition to the three typologies above, already defined in the CENTRAL EUROPE Programme, **international organizations** can also qualify as eligible partners. Nevertheless, a distinction should be made on the basis of the law under which they are ruled: whereas international organizations acting under the national law of any CENTRAL EUROPE Member State can be considered as eligible partners, those international organizations acting under international law can only participate in the Programme upon explicit acceptance, in line with what is requested of any EU partner, of all requirements deriving from the Treaty and the Council and Commission Regulations applicable in the framework of the CENTRAL EUROPE Programme, including – but not limited to – the following:

- Adherence to applicable Community Policies, including the respect of rules on public procurement;
- Acceptance of the national control requirements set in the framework of the CENTRAL EUROPE Programme by the Member State in which the organization acting as partner is located;
- Acceptance of undergoing audits and checks by all those bodies entitled to carry out such controls in the framework of the CENTRAL EUROPE Programme, including the Managing Authority, the Audit Authority and the European Court of Auditors as well as the relevant national authorities of the Member State in which the organization acting as partner is located. Storage of all documents required for these controls must allow performing them in the geographical area covered by the CENTRAL EUROPE Programme;

8 Bodies governed by public law according to Article 1(9) of Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on public procurement.

9 For additional information in this respect, please refer to the Programme Control & Audit Guidelines.

10 For a detailed description of the content of Work Package 0, 1 and 2, see paragraph 4.24.

- Final financial liability for all sums wrongly paid out.

In this respect, those project proposals involving in the partnership international organizations acting under international law must include in their Application package an ad-hoc declaration to be signed by these institutions. In case of approval of these proposals, and in addition to the Subsidy Contract to be signed with the Lead Partner, the possibility of signing direct bilateral agreements between the Managing Authority and these institutions shall not be excluded.

3.1.2 Minimum Partnership Requirements

The minimum requirements established in the CENTRAL EUROPE Operational Programme imply that the partnership should involve:

- at least **three financing partners**,
- from at least **three countries** and
- being at least **two of the partners located in EU CENTRAL EUROPE regions**.

Partners involved in the project should be relevant <u>bodies actually competent for the development, implementation and dissemination of outputs and results. All partners should be involved in the project in a balanced way and be able to credibly outline benefits derived from the partnership and transnational cooperation</u>. The Programme particularly invites multi-disciplinary and cross-sectoral partnerships. Even if larger partnerships will not be excluded, the recommended maximum number of partners is **from 8 up to 12** according to the chosen Type of Action.

3.1.3 Associated Institutions

Those bodies willing to be involved with an observer or associated status without financially contributing to the project shall be listed in the relevant section of the Application Form.

Please note that these associated institutions <u>do not account for the fulfilment of the partnership requirements mentioned in the previous point</u> and that all expenditure incurred by these bodies shall be finally borne by any of the institutions acting as financing partners in order to be considered as eligible. It should be ensured though that this possibility is allowed by national rules.

In any case, the involvement of associated institutions <u>must not enter in conflict with public procurement rules</u>. Therefore, expenditure incurred by these bodies should be in principle limited to reimbursement of travel and accommodation costs related to their participation in project meetings.

3.1.4 Lead Partner Requirements

The CENTRAL EUROPE Programme sets further requirements that specifically apply to Lead Partners (LP)[11]:

- LP must be located in the EU CENTRAL EUROPE Programme Area or fulfil the requirements in order to be assimilated to a EU CENTRAL EUROPE partner (as per the exception to the rule presented in the next paragraph);
- LP must be national, regional and local public authorities (3.1.1a) or public equivalent bodies (3.1.1b), also when considered as undertakings according to the State aid discipline[12];
- Private institutions (3.1.1c) can also act as Lead Partners, but only for project proposals submitted under Priority 1. In all other Priorities, private institutions are only eligible as partners;
- International organizations acting under national law can also be Lead Partners;
- Opposite, international organizations acting under international law are only eligible as partners.

11 Italian Lead Applicants are recommended to contact their Contact Point.

12 Please refer to section 3.2.3.

In the framework of a balanced partnership, the funding devoted to the LP should not exceed 50% of total ERDF requested. Overall, a balanced financial involvement of all partners is a quality criterion and will be therefore subject to evaluation during the quality assessment of the submitted project proposals.

3.1.5 Location of Partners

As a basic principle, the CENTRAL EUROPE Operational Programme supports cooperation activities between Lead Partners and Project Partners located in the Programme cooperation area presented in point 1.1 of this Manual.

An exception to the general rule as regards location of partners is the case of those national public authorities or public equivalent bodies which are competent in their scope of action for certain parts of the eligible area but which are located outside of it (e.g., ministries). German and Italian institutions falling under this definition are to all effects assimilated, both in terms of rights and of obligations, to partners located in the CENTRAL EUROPE Programme Area.

In addition, participation in the CENTRAL EUROPE Programme is also possible for the following:

a) ***EU partners outside CENTRAL EUROPE area***. In accordance with Article 21.2 of the ERDF Regulation, in exceptional and duly justified cases, the ERDF may finance expenditure incurred by partners located outside the eligible area defined above, but inside the European Community (20% flexibility rule). In these exceptional cases it has to be clearly shown that such expenditure is for the benefit of the regions in the CENTRAL EUROPE EU cooperation area. The co-financing rate for these partners is up to 75%. However, funds allocated to a single project under the 20% flexibility rule **may not exceed 20% of the total ERDF contribution to this project**. Partners, as mentioned in this paragraph, are only Project Partners; Lead Partners must compulsory be located in the EU-regions of the CENTRAL EUROPE EU cooperation area or meet the requirements in order to be assimilated to these. Participation of EU-partners in CENTRAL EUROPE is open to all EU countries, in project proposals submitted under all four priorities and irrespective of the legal status of the partners. Nevertheless, should the activities to be carried out by EU-partners outside the CENTRAL EUROPE area be considered as State Aid relevant, the participation of these partners will not be finally allowed.

   In case of approval of a project with EU-partner(s) from outside the CENTRAL EUROPE Programme Area, the effective participation of this partner is subject to the condition that the Member State where it is located signs an ad-hoc agreement with the Managing Authority of the CENTRAL EUROPE Programme. Due to the above it is likely that in case of project approval the submission of the subsidy contract offer will be subject to some delays.

b) ***Third Country partners***. Participation in CENTRAL EUROPE projects is open to institutions coming from any Third Country. Even if in most cases the participation of Third Country partners will take place using own funds, those partners coming from countries eligible for funding in the framework of the ENPI[13] or IPA[14] Programmes can be involved in the project using these financing instruments. In all cases, Third Country partners will not receive ERDF funding from the CENTRAL EUROPE Programme Availability of ENPI funding for Ukrainian partners coming from the five Ukrainian regions mentioned in section 1.1 or for those national public authorities or public equivalent bodies which are competent in their scope of action for activities to be implemented in these five regions will be announced in due time after confirmation by the European Commission.

3.1.6 Location of Activities

In line with the information provided concerning the geographical location of partners, and as a basic principle, the CENTRAL EUROPE Programme supports cooperation **activities taking place in the Programme cooperation area** presented in point 1.1 of this Manual.

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13 ***Countries eligible for ENPI funding:*** Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Russia, Syria, Tunisia, and Ukraine.

14 ***Countries eligible for IPA funding:*** Candidate countries (Croatia, Turkey and the former Yugoslav Republic of Macedonia) and potential candidate countries (Albania, Bosnia and Herzegovina, Montenegro and Serbia, including Kosovo under UN Security Council Resolution 1244).

This principle applies also to projects involving German and Italian partners located outside the Programme area but fulfilling the requirements for being assimilated to CENTRAL EUROPE partners. In these cases, and even if the necessary management activities may be developed outside the CENTRAL EUROPE area, all core thematic activities must be implemented in the EU CENTRAL EUROPE Programme area.

For all other activities outside the EU CENTRAL EUROPE Programme Area, the following principles must be respected:

Activities implemented in the EU territory but outside the EU CENTRAL EUROPE cooperation area will be considered as eligible if it is clearly shown that such activities are for the benefit of the regions of the Programme area. Related costs can only be ERDF co-financed if incurred by a EU CENTRAL EUROPE partner. Such a principle must not be confused with the application of the 20% flexibility rule (i.e. in case of participation of EU partners located outside the EU CENTRAL EUROPE area, they must implement activities for the benefit of the regions of the EU CENTRAL EUROPE area) as described at paragraph 3.1.5a.

In accordance with Article 21.3 of the ERDF Regulation, the ERDF may finance expenditure incurred in implementing projects or parts of projects on the territory outside the European Community up to a limit of 10% of the amount of its contribution to the Operational Programme (10% flexibility rule), where they are for the benefit of the regions of the Community. However, in the case of the CENTRAL EUROPE Programme funds allocated to a single project under this rule may also not exceed 10% of the total ERDF contribution to this project. This flexibility option can be used for implementing activities in any Third Country under the condition that the benefit for the CENTRAL EUROPE area of activities to be implemented in Third Countries is clearly demonstrated in the project proposal.

Funds allocated under this 10% flexibility rule shall be spent under responsibility of a Lead Partner or Project Partner located in the EU CENTRAL EUROPE cooperation area (or assimilated to it) in order to ensure proper financial control. The use of the 10% flexibility rule must be described in the Application Form and approved by the MC.

3.2 Project Size and Funding

3.2.1 Indicative Financial Project Size

Typical projects within the framework of the CENTRAL EUROPE Programme should have a total budget ranging from 1 through to 5 million EUR. However, due to the limited funds available[15], the recommended project size applicable to this call is **in the range of 1 to 2,5 million EUR total budget**. In exceptional cases, smaller or larger projects can also be funded, however projects are strongly encouraged not to exceed the upper limit.

Partners should ensure that the financial size of the project truly reflects the activities foreseen in the work plan and that it is based on the principles of sound financial management.

A maximum ERDF contribution awarded per project will be established in the Subsidy Contract. Even if the reported expenditure of the project is higher, the ERDF amount will not be increased.

3.2.2 Rate of Assistance

Different rates of assistance will be granted in the CENTRAL EUROPE Programme depending on the Member State where the institution participating in a project is located, and the nature of the activities to be developed:

a) The contribution from the ERDF to eligible expenditure incurred by public authorities and public equivalent bodies located in the **Czech Republic, Hungary, Poland, Slovakia and Slovenia**, acting either as Lead Partners or as Partners, shall be up to 85% for all priorities.

15 For information on the ERDF amount allocated to the 4th call, please consult the document "Announcement - 4th call for proposals 2011".

The same co-financing rate will be applied to private partners[16] located in these countries and not developing market activities inside the projects as well as to international organizations. The ERDF contribution to eligible expenditure incurred by public authorities and public equivalent bodies located in **Austria** and **in the eligible cooperation area of Germany and Italy,** acting either as Lead Partners or as Partners, shall be up to 75% for all priorities. The same co-financing rate will be applied to private partners not developing market activities inside the projects and to international organizations applying for funding and having their legal seat in the eligible area of these countries.

b) The ERDF contribution to eligible expenditures incurred by any partner, be it public or private, carrying out project activities falling under the scope of the State aid discipline will be limited to the thresholds set by the *de minimis* rule. In the absence of any other public funding source, the ERDF granted under the d*e minimis* will cover up to 85% or 75% of the eligible expenditure according to the location of the partner. Nevertheless, **if partners receive** additional public funding (e.g., national co-financing schemes at central level) this will be accounted for as aid granted under the *de minimis* rule and, as a consequence, the maximum amount of ERDF that can be received is automatically lower. As far as the International Organizations are concerned, they are supposed – due to their ultimate goals – not to implement market oriented type of activities and consequently not to act as undertakings in the project. Based on that they are not asked to submit the State Aid self declaration as described at paragraph 5.2.1. Information on the State Aid discipline are provided in the paragraph 3.2.3.

c) As mentioned in 3.1.5a), the ERDF contribution to EU-partners located outside the CENTRAL EUROPE EU-cooperation area shall be up to 75% for all four priorities, with a capping of 20% of the total ERDF of the project.

3.2.3 CENTRAL EUROPE and the State Aid Discipline

❖ ***General Framework***

Any public support under the CENTRAL EUROPE Programme must comply with the procedural and material State Aid rules applicable at the point of time when the public support is granted. The EU State Aid rules are applicable in all cases where assistance from public funds is involved. State Aid is regarded as incompatible with the Internal Market if it distorts, or has the potential to distort, competition within the European Union. Community rules on State Aid limit the support, which may be provided from public funding to assist projects involving public or private actors that do economic activities on the market.

Also in the fourth call for proposals, the Member States participating in the CENTRAL EUROPE Programme have agreed to provide ERDF assistance through means that are not in conflict with what is stated in article 87.1 of the Treaty. For this reason, assistance to project participants constituted either under public or private law and operating in the market (undertakings) will be granted ERDF financing under the *de minimis* rule, which due to its limited amount is not considered as State Aid since not distorting the market.

The *de minimis* rule requirements imply that undertakings (i.e., private companies, together with public authorities and public equivalent bodies developing economic activities on the market) will only be granted aid under the CENTRAL EUROPE Programme if they have not received public aid totalling more than 200.000 EUR over a three-year financial period. This threshold is reduced to 100.000 EUR in the road transport sector. Agriculture, aquiculture, fisheries, coal mining and export aid have particular *de minimis* rules, with much lower ceilings.

The public assistance, which is allowed up to the 200.000 EUR ceiling (or up to 100.000 EUR in case of activities within the road transport sector), comprises all aid granted by the national, regional or local authorities, regardless of whether the resources are provided from domestic sources or are

16 Also Lead Partners under Priority 1.

partly financed by the European Union. This will not affect the possibility of the recipient obtaining other aid under other schemes approved by the Commission[17].

Further information on EU legislation in the field of State Aid can be obtained from the Vademecum on Community rules on State Aid, which gives a concise overview of the basic EU rules regarding State aid. The latest version of the Vademecum is available on the DG Competition Web site at:

http://ec.europa.eu/comm/competition/state_aid/legislation/legislation.html

You may also consult relevant national authorities to obtain more specific information on rules and limitations concerning State Aid.

- ***Practical Application***

As already stated in 3.2.2.c), it will be the specific nature of the activities that will be carried out in the framework of the submitted proposal that will be used as the core basis for judging the need of applying or not funding limitations deriving from State Aid requirements. In other words, regardless of the legal status of the partners involved, **the *de minimis* regime will only be applied to those approved projects implementing activities that distort, or have the potential to distort, competition within the European Union.**

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

The Applicants, with the exception of International Organizations, have to fill-in the specific State Aid declaration provided by the Programme to inform about the compliance of the activities they intend to perform with the State Aid discipline.

3.2.4 Provision of Co-financing

As already stated, projects may only involve financing partners. On this basis, the share of expenditure not covered by ERDF shall be guaranteed by means of national co-financing, which can be provided under any of the following forms:

a) **Public co-financing** is public funding at central, regional or local level, obtained via specific co-financing schemes set up by the Member States or provided directly with own funds by the partners having a public status. Co-financing from public equivalent bodies fulfilling all three requirements indicated in section 3.1.1 is also considered as public co-financing. Likewise, match funding of international organizations falls under this category[18].

b) **Private co-financing** refers to the amount of own funds provided as match funding by private institutions.

The contribution of each Lead Partner and Project Partner, be it public or private, must be confirmed in the duly signed, dated and stamped Declaration that additionally contains the declaration on administrative and financial capacity and legal status. This requirement is equally applicable to Partners coming from EU Member States outside the CENTRAL EUROPE cooperation area. Partners coming from Third Countries must provide a co-financing statement for their entire budget in the project.

[17] "*De minimis* aid shall not be cumulated with State aid in respect of the same eligible costs if such cumulation would result in an aid intensity exceeding that fixed in the specific circumstances of each case by a block exemption Regulation or Decision adopted by the Commission" (art. 2.5 of (EC) Regulation 1998/2006).

[18] Please note that access of international organizations to public co-financing schemes on national level may not be guaranteed.

Table 6 - Rate of assistance per country

Type of partner[19]	Location	Countries	Max ERDF
▪ Partners implementing project activities which **<u>are not</u> State Aid relevant:** ○ National, regional and local public authorities ○ Public equivalent bodies ○ Private bodies ▪ International organizations	EU CENTRAL EUROPE area	HU, CZ, SI, PL, SK	Up to 85%
▪ Partners implementing project activities **which <u>are not</u> State aid relevant:** ○ National, regional and local public authorities ○ Public equivalent bodies ○ Private bodies ▪ International organizations	EU CENTRAL EUROPE area	IT, DE, AT	Up to 75%
▪ Partners implementing project activities which **<u>are</u> State aid relevant**: ○ National, regional and local public authorities ○ Public equivalent bodies ○ Private bodies	EU CENTRAL EUROPE area	HU, CZ, SI, PL, SK	Up to 85% and not higher than 200.000 EUR (or 100.000 EUR in the road transport sector).
▪ Partners implementing project activities which **<u>are</u> State aid relevant**: ○ National, regional and local public authorities ○ Public equivalent bodies ○ Private bodies	EU CENTRAL EUROPE area	IT, DE, AT	Up to 75% and not higher than 200.000 EUR (or 100.000 EUR in the road transport sector).
▪ National, regional and local public authorities ▪ Public equivalent bodies ▪ Private bodies ▪ International organizations In all cases, for project proposals whose activities are considered as being **<u>not</u> State Aid relevant.**	Outside EU CENTRAL EUROPE area but inside the EU	BE, BG, CY, DK, EE, ES, FI, FR, GR, IE, LT, LU, LV, MT, NL, PT, RO, SE, UK plus DE and IT[20]	Up to 75%, but not exceeding 20% of the total project ERDF.
▪ National, regional and local public authorities ▪ Public equivalent bodies ▪ Private bodies ▪ International organizations	Outside the EU	Any	▪ No ERDF co-financing ▪ Contribution from other funds like ENPI or IPA, or ▪ Participation with own funds

19 According to the classification provided in point 3.1.1
20 For those institutions located outside the EU Programme CENTRAL EUROPE Programme Area and not fulfilling the requirements presented as exception to the rule and mentioned in point 3.1.5

3.3 Project Duration

The intended duration of the project must be indicated in Section 1 of the Application Form. In the framework of the fourth call for proposals, the recommended duration is **24 to 30 months,** taking into account that the **latest acceptable end date for a project is set with 31 December 2014**. Furthermore, when deciding the starting date of the project, partners should take into account the timeframe for the selection process. Finally, and even if the Programme seeks for an early start of projects soon after approval, potential delays in the start-up phase should not be neglected.

Please refer to section 4.5.1 for time-related eligibility of costs.

4 PREPARATION OF PROJECT PROPOSAL

4.1 The Elaboration of the Project Proposal

The preparation of the project proposal is the expression of the intention of solving problems or improving current conditions within the CENTRAL EUROPE Programme Area. The proposal should fit within the Programme priorities, identify tangible solutions and outputs and ensure durable results while respecting EU and national policies.

Applicants should also consider whether their project idea seems to be more appropriate under other Programmes.

The preparation of the project proposal should be seen as a process that defines the corner stones of the project (partnership, contributions of every partner, detailed work plan, budget, intended achievements, etc). Working on an effective preparation means investing in a successful project proposal and implementation. In this sense, preparation efforts should not be underestimated.

There are 5 key success factors in building a project proposal**:**

- Quality of the action (objectives according to the EU strategy and legislation, project interaction with national partners country strategies in the priority/area(s) of intervention addressed, objectives in relation to the target groups/final beneficiaries needs, quality and relevance of the expected results);
- Quality of the approach (clear definition of work package and deliverables, appropriateness of targets and success indicators, quality of methodology, assumptions and risks, appropriateness of the selected approach to reach the objectives, involvement of the key stakeholders in preparing/implementing the project as well as in using achieved results;
- Innovation of the proposal (benefits over and above normal returns that beneficiaries would receive from a standard action or provision of services, notably through innovative approaches, e.g. organizational, technological, financial);
- Partnership organization (balanced workload shared among the partners and clear identification of roles and responsibilities, management structure, participation of relevant organizations, used of a common methodology during both phases of preparation and implementation);
- Dissemination and capitalisation of results (interaction with the project results, their effective use of results, mainstreaming).

❖ ***Background Documents Analysis***

Prior to the drafting of the project proposal the following documents must be analysed[21]:

- Relevant EU legislation;
- EU and national strategic documents relevant to the selected priority sector and areas of intervention to be addressed by the proposal;
- CENTRAL EUROPE Operational Programme;
- This CENTRAL EUROPE Application Manual (including technical, administrative and financial issues);
- Application Form and its annexes;
- Additional relevant information is also available in the Implementation Manual and in the Control & Audit Guidelines.

21 See also par. 1.4

❖ ***Build up the Partnership***

The identification of suitable partners able to proactively contribute in reaching the identified targets is an essential aspect of the project development. The partner search should start at an early stage of the project elaboration in order to properly involve the relevant experienced partners and to establish trust and confident relations. Looking for good partners is therefore the first successful step for having the project properly managed and ensuring good quality outputs and results.

The Programme has specific rules of participation. They impose constraints on the nationality and legal status of the partners. Compliance with these rules is mandatory.

It is essential to ensure that the partnership has all the expertise required to perform all the project activities. It is possible to bring in some of the required expertise through subcontracting.

As a general rule, the bigger the number of partners, the more complex it is to manage the project. Therefore, only partners necessary to achieve the project objectives should be brought on board. Partners included only in order to increase the geographical spread of the partnership will hinder rather than help the project.

Recommended criteria for partner selection are:

- The partners must be eligible and relevant to the CENTRAL EUROPE Programme;
- All the necessary expertise is covered by the partnership (if not, subcontractors will have to be foreseen);
- All partners have a well defined and necessary role;
- All partners will financially contribute to the project implementation through a direct realization of activities;
- All partners have an interest in the project;
- Target groups and final indirect beneficiaries involvement is adequate.

The Programme can support this phase through facilities as the organization of targeted events, the upload of project ideas to the specific Programme web site section “*Post your project idea*” as well as the provision of information through Info days and national events also through the support of the Contact Points. Applicants are invited to participate in these events in order to establish contacts with potential partners. However, the Programme bodies will not take any responsibility concerning the expertise or the reliability of a partner found via one of these search facilities.

4.2 Development of the Application Form

The CENTRAL EUROPE Programme requires a strong transnational focus: this approach exceeds, therefore, the pure implementation of separate local, regional or national activities.

In order to help the Applicants in the submission of a good quality project proposal, the CENTRAL EUROPE Programme has developed an Application Form, the structure of which should drive the applicants in the project design.

4.2.1 Structure of the Application Form - Overview

The Application Form is structured in 5 Sections:

Section	Title
1	Basic Information
2	Project outline
2.1	Relevance
2.2	Methodology
2.3	Sustainability and Knowledge management
2.4	Partnership
2.5	Investment
3	Project Work Plan
4	Partners and Budget
5	Project Budget

4.2.2 Section 1 – Basic Information

This Section contains a summary of the most relevant information contained in the Application Form, like the partnership, its budget, the project funding. Most of the information included in the sub-sections is automatically filled by the Application itself by transferring data inserted in the other Sections of the document (grey cells).

4.2.3 Section 2 – Project Outline

This section includes the description of the main project proposal aspects: relevance, implementation methodology, sustainability and partnership.

The Lead Applicant is required to choose and/or quantify, when necessary, indicators of foreseen performance. In addition to the indicators included in the Operational Programme, CENTRAL EUROPE has also developed an additional predefined set of indicators listed in Annex 5.

❖ **The Relevance**

The section must include the description of the project background, the project objectives, their relevance to the CENTRAL EUROPE Programme and the compliance with the relevant EU and National policies. The Applicant will be also requested to demonstrate the added value of the proposed project in relation to a new possible approach/intervention (how?) as well as the innovative character of outputs and results: process, goal and content oriented innovation (what?).

The CENTRAL EUROPE Programme cannot be used in order to replace Objective Convergence and Competitiveness Programmes or any other main Programmes at national, regional or local level. Therefore, all activities proposed have to be in line with the overall objective(s) of the Programme, its priorities and areas of interventions, while guaranteeing the environmental and economic dimensions as described in the Gothenburg and Lisbon goals. The project has to contribute to the improvement of national, regional or local conditions.

To demonstrate the project relevance, the applicant must go through the following steps:

A) Identify the Proposal's Objective

- <u>General objective</u>: should explain why the project is important to the targeted regions in terms of the longer-term benefits to final beneficiaries and wider benefits to other groups ("*Strengthening territorial cohesion, promoting internal integration and enhancing the competitiveness*"). It will not be achieved by the project alone. The project shall only provide a contribution to the achievement of the overall objective.

- *Specific objective*: it must be achieved by implementing the project. Specific objective should be elaborated in details (e.g. identify the most important issues, describe methods, develop recommendations, identify priorities, define new models, build up networks, perform pilot actions). The purpose should address the core problem, and be defined in terms of sustainable benefit for the target groups.

While the overall objectives can be numerous and will not be achieved by the project alone, the specific objective should in theory not be more than one and will be attained through the successful project implementation.

The objectives must be described with regard to their contribution to the achievement of the objectives related to the chosen priority and the area(s) of intervention.

B) Justify the Project Proposal

B.1) Identification of perceived needs and constraints in the target countries/regions:

Set the scene by explaining the current pre-project situation and the importance of the project in the context of the target regions/countries. The explanation should reflect the situation "on the ground" and be as specific as possible and it should clearly describe why the project is considered necessary in relation to the involved regions/countries. The presentation of general, overreaching problems or issues that could be true of the entire planet is not enough.

B.2) List of target groups and estimation of number of indirect beneficiaries:

Who is the project aimed at? How many are there? The target groups will be the ones that will be directly/ targeted/involved by the project itself. The indirect beneficiaries will be those who will also benefit from its results but that might not have been directly involved in the activities or who were lower on the list in terms of "priority" target groups. Each group should be, as far as possible, quantified. Numbers should be realistic.

It must be noted that the *project environment* is any person, group of persons, or organization that supports, is affected by, or is interested in the project but is not "necessarily and directly involved as a partners". It is essential to establish contacts to individuals representing these groups and keep them informed about the project, its objectives and the timeframe and outcomes achieved.

Decision makers and stakeholders are typical CENTRAL EUROPE target groups. Their expectations as well as their assessment of feasibility and usefulness decide about project success or failure. For instance, a project dealing with flood prevention that fails to involve responsible national and regional institutions is unlikely to achieve actual implementation of flood protection measures. Depending on the objectives of your project, decision makers can include relevant national, regional and local administrations, politicians, future investors, infrastructure providers, and many others.

The project should explain the reasons for the selection of the target groups and illustrate that it is strategic and justify the numbers indicated. The benefit that the project will bring to the target groups should be presented.

B.3) The transnational character:

The Applicants have to explain why the issues addressed in their project proposal cannot be sufficiently addressed acting at national, regional or local level and why transnational Programme results will be more effective compared to interregional and cross-borders.

B.4) Contribution to EU policies[22]:

This section of the Application Form focuses – in addition to the Gothenburg and Lisbon goals as described in Chapter 3 of the Operational Programme - on the respect of sustainability and equal opportunity and non-discrimination.

- *Environmental Sustainability*. Projects should also be coherent with the objectives of protection and improvement of the environment foreseen in Article 17 of the General Regulation and Article 6 of the Treaty.

  This requirement is especially relevant for those projects foreseeing infrastructure works and, in general, the realisation of investments. Depending on the nature of the work to be carried out, an assessment of the environmental impact must be undertaken.

- *Equal Opportunities*. In order to be supported under this Programme, projects should be in line with Article 16 of the General Regulation, concerning equal opportunities for men and women as well as combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

- *Innovation.* The project must demonstrate its innovative elements (benefits over and above the normal returns that beneficiaries would receive from a standard action or provision of services), in relation to the following degree(s) of innovation:
  - *Process-oriented innovation*: encouraging the development of new approaches, methods and tools and the improvement of existing ones (e.g. use of ICT etc.),
  - *Goal-oriented innovation*: focusing on the formulation of new objectives and strategies, and/or
  - *Context-oriented innovation: related to innovation in political and institutional structures and systems.*

Please also refer to par. 4.6.

❖ **The Methodology**

The methodology/approach is the “glue” that holds the project proposal together.

Methods of implementation and reason for the proposed methodology imply the problem analysis (the causes and effects), the analysis of objectives (the remedied situation that you would like to see in the future) and the analysis of strategies (deciding what objectives are to be included in the project and what strategy will be used to achieve them).

Brief example: the identified problem is an inadequate water management in a defined area. To improve the water management system the adopted strategy might be to introduce a curriculum that focuses on Problem Based Learning (but you would need to explain that PBL is the best strategy as opposed to another more traditional strategy. No need to enter into the scientific merits of the methodology - e.g. research to be conducted, etc. – stick to the project strategy).

The methodology covers the proposed management structure (advisory board, steering committees, Project Coordinator, Project Managers, etc.) and the description of the methods to be used to ensure a proper information flow among partners, decision-making procedures that will be put in place (internal communication).

The methodology also includes the procedures for the possible project internal evaluation. The project proposal must illustrate that “quality control” mechanisms are built (e.g. questionnaires, assessments, regular reviews of progress made thorough reporting) and how these are used to improve/or adjust implementation if necessary. Evaluation does not necessary mean that the exercise should solely be carried out by the project team; calling upon an outside view (external evaluation) is also valuable evaluation mechanisms.

Description of methodology includes the understanding of the level of involvement and activity of other organizations (partners or others) in the project. A balanced involvement among partners

22 For more detailed information please refer also to the Control & Audit Guidelines.

should also be mirrored in the performed activities. The role of each partner must be justified as well as the reasons of its involvement. This could be previous cooperation, technical expertise. It must not be assumed that you or your partners knew each other beforehand.

When filling in this sub-section of the Application Form the Applicants should consider the following:

A) Projects are required to build upon **past and current experience / already implemented projects** and other initiatives in order to avoid re-inventing the wheel. For this reason, projects are required to outline past and current initiatives relevant to the project such as within Objective 1 and 2 of the Structural Funds/ Competitiveness and Employment Objectives, the Territorial Cooperation Programmes, and its Regions of Economic Change initiative, other relevant EU Programmes and initiatives relevant to the priority in question (e.g. LIFE, CIP, R&TD Programmes, PROINNO, etc.) as well as other relevant initiatives and networks. The main focus lies on how the project will benefit from outputs and lessons learned and how the new project will build on them. A mere list of related projects and initiatives should be avoided.

In case of realisation of investments, related feasibility studies and environmental impact assessment could be requested at a later stage.

B) The applicant must provide a detailed ***risk analysis*** and eventual contingency plans. This should include a list of risks associated for each action proposed accompanied by relevant mitigation measures. A good risk analysis would include a range of risk types including physical, environmental, political, economic and social risks.

C) To avoid the submission of the project proposals focusing on not technically relevant activities and not implementation-oriented activities, the Programme predefines ***types of actions***[23], at least one of them having to be chosen by the applicant. To each Type of Action corresponds specific Core outputs.

As the projects should strive for high levels of tangible and strategically relevant outcomes, the Programme also foresees a “pilot action” scheme, which can allow the co-financing of ***investments***. Investments can constitute integrated aspects of projects activities, provided these investments have a trans-national character. Investment features are described in Paragraph 2.1.4.

D) As far as **Management** is concerned, each project must follow the *Lead Partner principle* which means that among the number of partners which carry out the project, one is appointed to act as Lead Partner and thus to form the link between the partnership and the Programme bodies.

The Lead Partner takes over the responsibility and coordination for management, internal communication, implementation and coordination of activities among the involved partners, including the full administrative and financial responsibility. It must be noted that even if management & coordination as well as communication tasks/activities might be subcontracted, the Lead Partner remains fully legally responsible for those task/activities even if subcontracted to third parties.

With reference to the above, the project design should consider at Lead Applicant level the involvement of specific competences to ensure a sound management.

The project proposal must describe the main **coordination and management structure and procedures** including decision-making process (e.g. composition of the project Steering Committee, its competences and procedures) and the way in which the day to day management will be organized. The management flow must be described as illustrated in the flow chart to be built and attached to the Application Form. **Roles and responsibilities** of partners must be outlined.

- *The Project Coordinator* is responsible for the organization of the project’s work. The coordinator should be qualified in European project management and skilled in the selected thematic priority of the project; he/she will act as a driving force in the partnership in order to mobilise it for the achievements of the objectives laid down in the application within the given time. The Project Coordinator is responsible of the timely submission of the Progress Reports and of their content.

23 For further details on types of action and investments refer to Chapter 2.

- *The Project Finance Manager* is responsible for the accounts, financial reporting, internal management of ERDF funds and project budget and national co-financing. The Project Finance Manager will work in close contact with the Project Coordinator and the Project Partners in order to ensure an efficient financial management of the project, furthermore he/she will monitor expenditure and payments. In order to fulfil these tasks he/she should be familiar with accounting rules, international transactions, EU and national and eligibility rules, (with a focus on public procurement). It is also very important that the Finance Manager is able to set up reliable cash flow forecasts and to control them tightly.

  Project and Project Finance Managers should also be envisaged at Project Partners´ level too.

An efficient project management does not necessarily require different full-time persons to cover the afore-mentioned positions: the appointment of external experts to fulfil specific tasks can also be considered in case the Lead Applicant/Project Partner does not have specific expertise.

❖ **The Sustainability and Knowledge Management**

A) Sustainability and Transferability

The Applicant must explain how *transferability and sustainability* will be secured after completion of the project. This may include aspects of necessary follow-up activities, built-in strategies, ownership etc.

In doing so, a distinction between the following 3 dimensions of sustainability has to be made:

- Financial sustainability (financing follow up activities, sources of revenue for covering all future operating and maintenance costs, etc.)
- Institutional sustainability (which structures will allow, and how, the results of the project to continue to be in place after the end of the action? Address issues about the local "ownership" of project outputs)
- Political sustainability (what structural impact will the project have? - e.g. will it lead to improved legislation, codes of conduct, methods, etc.?).

B) Knowledge Management and Communication

Projects are expected to:

1) Ensure the availability of state-of-the-art knowledge to the partnership
2) Take measures to support an efficient flow of information within the partnership, and
3) Make sure that outputs, results, and best practices are transferred outside the partnership and disseminated in an effective way.

One key aspect of the CENTRAL EUROPE Programme is a strong emphasis on the availability of relevant and up-to-date knowledge and tools in the partnerships in order to build a solid ground for innovation and to avoid duplication of efforts. Therefore relevant partnerships actually competent for the development, implementation and dissemination of planned outputs and results are required to carry out the project. Additionally, the projects should be built upon past efforts and taking advantage of existing knowledge in order to avoid re-inventing the wheel. The Programme also invites partnerships to reach out to relevant stakeholders, professionals, and other projects in order to ensure effective networking and cross-fertilisation beyond the partnerships. The knowledge created in the project should be easily applicable, transferable and possible to use in other initiatives inside and outside of the partnership. Promoting the availability of relevant knowledge to partnership and beyond also allows for efficient addressing existing disparities between regions and uneven development of regions in the cooperation area, projects should foresee outreaching to relevant initiatives in the course of implementation that can, for instance, comprise:

- Active participation in relevant events and initiatives,
- Joint events / newsletters with thematically related project/networks,
- Continuous exchange of information,

- Transfer of relevant information / experience / achievements to EU-wide networks / websites.

For this purpose the *external communication* is not only a technical aspect of the project implementation but a vital activity to ensure project sustainability after the end of the co-financing.

Therefore, the Lead Partners of approved projects are requested to develop a detailed communication plan covering external (communication outside the partnership) and internal communication which has to be submitted together with the first progress report. Nevertheless, it is advisable to bear in mind the most important questions related to communication before submitting the project proposals in order to secure a coherent communication strategy from the beginning of the project. *Inter alia* the following aspects must be considered:

How to stimulate a broader debate on the issue addressed by the project?

What is the best way to communicate progress and results of the project?

To whom shall I address my information?

Which target groups should be addressed?

What is the best way to address the different target groups?

How to plan communication activities (which timeframe is necessary, who is going to do what)?

As the duties regarding to communication are manifold, a coordination of communication tasks must be envisaged.

The *Communication Manager* is responsible for the overall publicity and dissemination activities of the project. In this respect, the Communication Manager elaborates the project's Communication plan together with the partners. The Communication Manager takes care that the communication activities are carried out at all levels (e.g.: local, regional, national, transnational) and address the project results to the pre-identified target groups. In order to fulfil these tasks the Communication Manager should have experience in the field of communication, public relations, information or media.

Similarly to management and coordination, an efficient project communication does not necessarily require different full-time persons to fulfil the afore-mentioned tasks: the appointment of external experts to fulfil specific tasks can also be considered in case the Lead Partner/Project Partner do not have specific expertise.

❖ The Partnership

The project proposal has to demonstrate that the selected partnership is relevant to the Programme objectives and has to specify the level of intensity of cooperation. At least **one** of the following options has to be chosen:

- **Joint development** means that the project must be designed by representatives from different MS. This means that project proposals must clearly integrate the ideas, priorities and actions of stakeholders of the different MS. The Lead Partner is the coordinator of this process but should include other partners from the start of the design process.
- **Joint implementation** means that activities must be carried out and coordinated between the different MS. It is not enough that activities run in parallel: There must be clear content based links between what is happening in the different participating regions and regular contact between them. The Lead Partner is responsible for ensuring that activities are properly coordinated, that schedules are kept and that the right quality levels are achieved.
- **Joint staffing** means that the project should not duplicate functions for each of the participating MS. Therefore, regardless of where the person is located, there should be one joint Project Manager, one joint financial manager etc. (of course more staff may be

required for larger projects). These staff will be responsible for project activities within all participating regions. The Lead Partner is generally the employer of core project staff.

Additionally, the joint financing must be considered as compulsory:

- **Joint financing** means that there will be only one contract per project and there must therefore be one joint project budget. This budget should be divided between partners according to the activities carried out. Payments will be made to the bank account of the Lead Partner. The Lead Partner is responsible for administration and distribution of these funds and for reporting on their use. Match-funding should come from all participating regions and illustrates the commitment by each partner to the joint project.

It should be stressed that meeting two of these conditions is a minimum requirement. Once the process of integration has started through, for example, joint project development it is easier to push for full project integration[24].

In case of sub-contracted activities (non management and communication related), the reasons why they cannot be implemented by the partnership with own resources must be explained.

4.2.4 Section 3 – The Project Work plan

❖ ***Rationale***

A project work plan implies having a clear and detailed understanding of the actions listed, their duration, their dependencies and their sequence.

The Application Form contains a work plan consisting of work packages. Each work package shall include the intended objectives, approach/actions, the outputs foreseen and the expected results; therefore it can be considered as project within the project.

Some characteristics of the work package:

- It has a clear objective
- It is composed of a number of related actions
- It produces output (deliverables)
- It indicates a start and an end date
- It delivers relevant results

Some rules concerning work package definition:

- A work package must produce at least one deliverable (output and/or Core output, and expected result)
- The interdependence among work packages should be minimised
- Roles and responsibilities should be clearly defined
- The number of parallel actions should be reasonable

A work package is a sub-project and not a collection of unrelated actions. As such, a work package must produce well-defined outputs in terms of deliverables. Even if a work package only produces outputs for project internal purposes, this internal deliverable should be defined as an output.

24 Source: based on "Effective management of INTERREG IIIA Programmes. Asset of information sheets" published by INTERACT.

There will be some interdependence among work packages. However, in order to keep the project manageable, this interdependence should be kept to a minimum. In particular, it should be avoided to define work packages, which are dependent on intermediate work package deliverables.

Because the projects involve a transnational partnership with partners which sometimes do not have a deep mutual knowledge, it is necessary to clearly define who is responsible for what and who needs to participate in a work package. Usually, working together on a work package involves close cooperation, which may require the use of adequate cooperation tools.

Some work packages will and should run in parallel. However, the more activities are run in parallel, the more complex the overall project management will be. Therefore, parallel work packages should be reasonably independent of one another and involve, to a large extent, different project team members.

CENTRAL EUROPE intends to finance result-oriented projects aimed at providing tangible contributions to the improvement of the CENTRAL EUROPE area. It is therefore up to every project proposal to demonstrate the usefulness and efficiency of the proposed ideas. The Programme has set up a monitoring system mainly focused on outputs and the assumption process to reach results: it will be able to measure its achievements and the meeting of Programme objectives[25].

Please also see Chapter 2.

- **The Actions/Outputs & Core outputs/Assumption Process to achieve Results**

Each work package is divided into actions. An action contains either a single activity/output or a group of activities/outputs closely linked to each other. For each action the start and the end month as well as the cost must be indicated

An **output** (1 to 20 per action recommended) is the tangible deliverable of the project and refers to actions carried out. Being related to actions, it is measured in physical or monetary unit and it is not characterized/accompanied by a qualitative judgment on the activity itself.

Examples of outputs (to be quantified) can be: workshops or conferences organised, publications realized, participants etc. Different conferences/publications should not be merged in one output ("cumulated outputs") in order to avoid a lack of transparency in the work plan and unclear timing of activities. For those outputs (especially Core outputs) whose elaboration shall last several reporting periods, intermediary steps should be defined.

Core outputs are the major outputs produced by the project (0 to 4 per Action, at least one for every self defined work packages). They provide the basis to communicate project achievements and should therefore be carefully identified and described. Every Core output should be supported by several sequential outputs).

They are directly used by their target groups in order to achieve the intended results. Core outputs are essential for providing a clear picture of the project's final outputs and the way these products will be used (process assumptions).

Every Core output must be clearly related to the one selected Type(s) of Action chosen (e.g., if Transnational Tool Development is chosen, the tool - e.g., multicriteria decision support system - will be the Core output). For all Core outputs, process assumptions must be stated in the AF. It is important to choose the Core output(s) according to the Type of Action and the intended results.

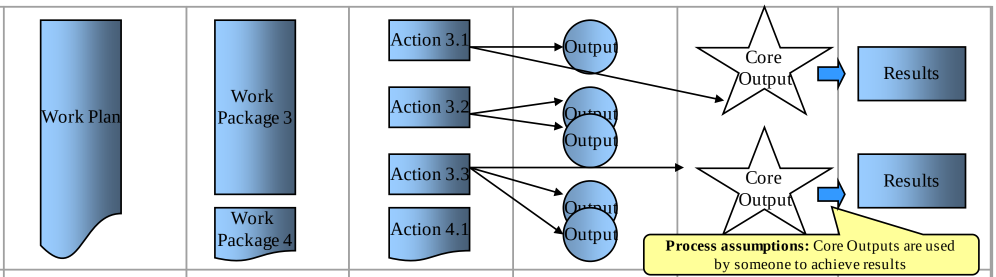
It is not important to have a high number of Core outputs. It is much better to have a few (or maybe even only one), provided that they are meaningful. In general, there should be less Core outputs than outputs in a work package. The qualitative description of Core outputs should also focus on the process of how the targets group will make use of them.

25 See ERDF Regulation art. 12(4)

A **result** is a direct and immediate effect on direct beneficiaries brought about by the project. It provides information on changes to, for example, the behaviour and/or the capacity or performance of beneficiaries. Such indicators can be of a physical or financial nature.

For a better understanding of output & Core outputs/assumption process to achieve results refer to the table below "Work breakdown structure and results":

Table 7 – Work breakdown structure and results



	WORK PLAN	WORK PACKAGES	ACTIONS	OUTPUTS	CORE OUTPUTS	RESULTS
DEFINITION	Outlines the work planned within the framework of your project.	Logical groupings of work. WP0 through WP2 are defined by the programme. WP3 to WP6 are defined by the project.	Logical sequences along a time line.	Tangible products such as manuals, conferences, IT tools, etc.	Major outputs of your project. Typically result oriented.	Immediate effects of Core Outputs.
QUANTITY	1	3 to 6 (+1 for preparation)	WP1 and WP2 (max. 4 actions) WP3 – WP6 (max. 6 actions)	1 to 20 per Action recommended	at least 1 per self defined work package	1 to several per Core Output
TIMING	corresponds to the duration of the project (with the exception of project preparation)	duration with defined starting and endpoint	duration with defined starting and endpoint	availability at a specified point in time	availability at a specified point in time	availability at a specified point in time

❖ The Work Packages

The work plan is structured in seven work packages according to the table below. The first three are predefined: Work Package 0 "Project Preparation" (not compulsory), Work Package 1 "Project management and coordination" and 2 "Communication, Knowledge Management and Dissemination".

Table 8 - Work Packages

Work package (WP)	WP name
WP 0	Project preparation
WP 1	Project management and coordination
WP 2	Communication, Knowledge Management and Dissemination
WP3 – WP6	Can be defined by the partnership by outlining the content. Titles of each WP should indicate the transnational focus and the intended results rather than the activities to be performed

A) Work Package 0 - Project Preparation

This work package refers to all the activities done by the Applicants in view of the preparation and development of the project idea. Costs declared in this work package have to show a direct and demonstrable link to the development of the project idea and can be funded only if the Monitoring Committee approves the application.

Typical activities during the preparation phase of a project are the following:

- Development of the project idea and partner search,
- Meetings with Project Partners,
- Completion of the Application Form,
- Participation in CENTRAL EUROPE events like Partner Search Forum, Info days, Lead Applicant briefings, individual consultations with the JTS and the Contact Points etc.

Additional information is provided in paragraph 4.5.1.

B) Work Package 1 - Project Management and Coordination

In order to successfully reach its objectives, a project has to be managed and coordinated efficiently and reliably.

The project coordination must not only ensure the implementation of the tasks described in the Application Form according to the foreseen timetable but also ensure clear division of tasks among the partners, efficient operational management, set up of a financial system, certification of expenditure by authorized first level controllers at national levels as well as tools to monitor the project performance[26].

Four predefined and compulsory actions related to this work package are defined below:

26 Detailed information on project implementation are provided in the Project Implementation Manual.

Table 9 - Predefined actions

Predefined actions	
Action 1	Fulfilment of **start up requirements** (incl. signature of the partnership agreement)
Action 2	Day to day **project management, coordination,** (tools and procedures, incl. meetings of management group, monitoring of progress of activities and preparation of reports) and **internal communication**
Action 3	**Steering and monitoring of the project implementation (**structure and procedures, meeting of the decision making bodies / steering committee / advisory board, appraisal of project progress and managing capacity)
Action 4	**Financial management,** (incl. monitoring of incurred expenditure, transfer of funds and cash flow management); preparation of necessary documentation in view of the **validation of expenditure**

C) Work package 2 – Communication, Knowledge management and Dissemination

Among all the factors and characteristics required for the success of a European cooperation project, communication, dissemination and knowledge management stand out as being both crucial and universal; they are the lifeblood of projects. Therefore, a separate work package devoted to communication, dissemination and knowledge management is foreseen in the Application Form.

Two predefined and compulsory actions related to this work package are listed below; two additional actions can be defined by the project itself.

Description of up to 4 actions – 2 are predefined by the Programme
1. Media communication and dissemination
2. Non-media communication and dissemination and web site

C.1) Media communication/dissemination

Media communication and dissemination includes all forms of contact with media (daily newspapers, weekly and monthly papers and magazines, local and national radio and TV stations, web media etc.). Any major project information activities are to be accompanied by media relations announcing the activity and inviting media representatives to take a note of it. In order to reach this goal, it is highly advisable to build up relations with media representatives from the start of the project on and to stay in contact over the whole period of the project, informing them about news and progress and keeping them updated. It is recommended to establish personal rapport with media representatives by phone or personal contact as follow-up to sending press releases. It is requested to include the setting up of a media list for each partner and steps to inform and contact these media to obtain the widest possible media coverage for their activities and results.

C.2) Non-media communication/dissemination and web site

There is a wide variety of tactics to reach non media audiences. These should include the setting up and maintenance of a good project website and the organization of events, producing newsletters and other dissemination materials as well as other activities to reach and involve target audiences and key players of the project environment.

Please note that within this task, among others, the organization of one major information activity publicising the project launch and one major activity at the end of the project informing about achievements and results is strongly recommended.

Projects should also foresee at least one additional major Public Relation (PR) activity in addition to the launch and closing events (e.g. PR campaign, exhibitions, fairs, speaking engagements). A major information activity can be an event or any other form of PR campaign publicised to a significant number of the project target group and to the media in all of the partner regions.

Please also note that the establishment of a project website within the first six months and its regular update, at least twice a year, is an essential and obligatory element. Additionally, the Progress Reports will include a summary of the project's activities and achievements that will be published on the Programme website.

D) Work Packages 3 - 6

These Work Packages can be defined by the project itself by outlining the core content-related parts. Titles for each of the chosen Work Packages should rather indicate the strategic transnational focus and the intended results rather than the planned activities.

Each Work Package must be split up to 6 Actions.

Activities carried out in EU countries outside the CENTRAL EUROPE area or in Third Countries must be described and justified for all Work Packages, except for Work Package 0 where these costs are not applicable.

4.3 Project Budget

4.3.1 Budget Basics

A detailed budget should always be prepared on the basis of the activities needed to meet the project's objectives and the resources required to carry out these activities within the time allowed. This preparation should take place by involving all partners already before the submission of the Application.

In budgetary terms, the CENTRAL EUROPE Application Form requires the following information:

- In Section 3 "Work plan", the total costs of every action inside each work package shall be provided;
- In Section 4 "Partnership and Budget", a split of the project's budget per partner and per funding source shall be provided;
- In Section 5 "Project Budget", the total CENTRAL EUROPE budget is presented in three different ways:
  - Divided per budget line and per work package in order to demonstrate the coherence between the activities foreseen and the financial resources allocated to them;
  - Divided per half-year periods in order to provide a forecast of the project's spending targets;
  - Divided per partner and per work package in order to verify the balanced involvement of all partners in the implementation of the project.

In addition to these, specific detailed information is required for some of the budget lines namely External Expertise, Equipment, Investments and Other.

Even if full details per partner are not required in the Application Form, the building up of the total budget of the project has to be the result of the addition of the detailed budgets of all partners. Please note that approved projects have to include in their Partnership Agreement/Start Up Reports a detailed budget breakdown per Budget Line, Work Package, Partner and Reporting Period.

Additionally, it has to be kept in mind that all costs included in the provisional budget must be based on real costs.

4.3.2 Specification of Budget Lines

The CENTRAL EUROPE Programme Application Form provides for a sub-division of the budget into the following budget lines:

1. Staff costs
2. Administration costs

3. External expertise
4. Travel and accommodation
5. Meetings and events
6. Promotion costs
7. Equipment
8. Investments
9. Other

These budget lines are common to all Work Packages, excluding preparation costs where budget lines 6-9 are considered as not applicable. Likewise, costs for investments are not applicable to the coordination and communication work packages. The information herewith provided relates to all EU partners, both located or not in the CENTRAL EUROPE EU cooperation area, and is intended to help partners to properly allocate costs to each budget category. Guidance on how to report these costs is provided in the CENTRAL EUROPE Control & Audit Guidelines available for download from the Programme’s website. **Applicants are strongly advised to consult this document.**

1. Staff Costs

In this budget line is to be included all expected personnel costs (including salary, tax, employer’s contribution for national social security schemes, etc. – all calculated in accordance with the national legislation) for staff directly employed by the partner organizations officially listed in the Application Form. These costs must be calculated on the basis of the actual salary rate stated in the regular employment contracts used in the respective partner institution. Voluntary contributions (e.g., pension schemes) shall be excluded from the calculation.

Even if in most cases partner institutions will involve the project specific staff members that are already included in their pay-roll, they may also decide to recruit ad-hoc staff which will work exclusively in the implementation of the project. Whereas in the first case the expected involvement is subject to calculation (as a rate, e.g. 50% of his/her worked time), in the second option, costs will be charged in full to the project.

Should this be in line with national requirements in the matter, FLC costs of the partners’ expenditure if performed by internal independent controllers shall also be included in this budget line.

Internal costs (e.g.: staff costs and costs related to the provision of services relating to the preparation and implementation of a project) incurred by public authorities for the implementation of projects shall be eligible only if these costs do not arise from their statutory responsibilities or day-to-day management, monitoring and control tasks.

Additional/ad hoc performance bonuses or other employees´ salary increase are not eligible unless in line with national rules.

2. Administration Costs

Administration costs include all direct general costs (i.e., costs deriving exclusively from the project) and indirect general costs (i.e. *overhead* related to the project’s activities, based on **real and eligible costs** and calculated on a pro rata basis according to a duly justified, fair and equitable method – no arbitrary keys or allocations on a lump sum basis or as flat rates are allowed).

Administration Costs may include cost items such as:

- Stationery
- Photocopying
- Mailing
- Office rent
- Telephone, fax and Internet
- Heating, electricity
- Transnational bank charges
- Other administration expenditure absolutely necessary for the successful completion of the project

Where applicable, administration costs linked to the services provided by external experts must be budgeted in the budget line "External Expertise".

3. External Expertise

External expertise includes costs paid on the basis of contracts or written agreements and against invoices or requests of reimbursement to external service providers who are sub-contracted to carry out certain tasks of the project (e.g. studies and surveys, translation, coordination, financial management or FLC of the project if sub-contracted and in line with relevant national requirements). External expertise might include also costs referring to in-house companies, where the costs of the contracted company must always be charged on a real-costs basis thus without any profit margin[27]. External expertise/services related to **meetings and events, and promotion should not occur under "External expertise" but under the relevant budget lines**.

Public procurement rules[28] must be observed in selecting a company or individual to provide external expertise. There are no fixed rates or ceilings established by the Programme for budgeting external expertise. In this respect, normal market rates resulting from public procurement procedures apply.

Any external expertise has to be duly specified in the Application Form. In particular, the following elements should be described: the nature of the expertise, its link with the relevant output, the responsible partner and the related budget.

It is recommended that the share of external expertise shall not exceed 50% of the total eligible budget. Higher percentages would be possible according to the Type of Action chosen and in other duly justified cases.

4. Travel and Accommodation

This cost category refers to the travel and accommodation costs and subsistence allowances of employees of the partner institutions officially listed in the Application Form related to their participation in meetings, seminars and conferences taking place both in the territory of the EU and, if applicable, in Third Countries. If travel and accommodation costs for partners from Third Countries are to be financed from the project's eligible budget, they must be paid, budgeted and accounted for by one of the EU partners located in the CENTRAL EUROPE cooperation area. Otherwise, these costs should be borne using own funds of the Third Country partner and will not be ERDF co-financed.

Similarly to the "Staff" and "Administration" budget lines, the travel and accommodation budget is also reserved to the personnel employed by the partner organizations officially listed in the Application Form. The travel costs of any external experts participating in project activities and to be financed by the project have to be budgeted under "External Expertise". The same applies to travel and accommodation costs of institutions acting as associated institutions.

5. Meetings and Events

Costs related to the organization of meetings (renting of premises and equipment, catering, interpretation, printing, etc.) and paid on the basis of contracts with and invoices from external providers. Public procurement rules must be observed in selecting the company or individual(s), which will carry out the assignment.

It may also include the cost of external speakers and external participants in project meetings and events if the cost will be definitively paid and borne by partners officially listed in the Application Form.

6. Promotion Costs

Costs resulting from press releases, inserts in newspapers, leaflets, TV shows, brochures, newsletters and other publication costs not linked to specific project's events or seminars. These costs shall be paid on the basis of the contracts with and invoices from the service providers. Public procurement rules must be observed in selecting the company or individual, which will carry out the

27 For detailed information on the in-house subcontracting please refer to par. 3.3.2 of the Control & Audit Guidelines.
28 Please refer to section 4.6 A) for detailed information in this respect.

assignment. Furthermore, all costs in this category must comply with the requirements deriving from EU regulations on publicity and information in order to be considered as eligible[29].

7. Equipment

This budget line refers to the purchase of IT equipment – including software – needed for office purposes and necessary for successfully running the project (i.e. not linked to any investment). These purchases have to respect public procurement rules. The most economic type of equipment should be chosen and the equipment features/functions should be in line with the actual context of use. Where strictly necessary, office furniture is considered as eligible expenditure and should also be charged to this budget line.

The equipment budget has to be specified under table 8 of the Application Form. In particular, the nature and quantity of the equipment to be purchased, the partner responsible for this purchase and the related costs have to be provided; overall, this information should be the most detailed possible and must be clearly split per partner. During implementation, purchase of any equipment not explicitly mentioned in the Application Form will be subject to prior approval by the Programme bodies[30].

It has to be ensured that the expenditure items presented as equipment in the Application Form:

- have not already been financed by other subsidies (e.g. EU, national or regional) and
- have not already been depreciated and
- are not already included as indirect costs in another category such as the administration budget line.

Being mostly depreciable assets, their full cost can only be charged to the project's budget if the period going from the date of purchase to the end date of the project is longer than the normal depreciation period for each type of equipment. Otherwise, only the portion of the equipment's depreciation corresponding to the rate of actual use for the purpose of the project may be taken into account. For this reason, partners are advised to purchase any needed equipment in the start-up phase and, in any case, well before project closure.

Please note that equipment for which the exclusive use in the framework of CENTRAL EUROPE project cannot be demonstrated should be charged on a pro-rata basis, also as far as depreciation is concerned.

8. Investments

Already in section 2.1.4 of this Manual, information has been provided on the definition of the types of actions that can be financed by the CENTRAL EUROPE Programme, including what refers to Investments.

In budgetary terms, only costs clearly linked to Pilot Actions corresponding to the investment category shall be allocated in this budget line. These costs include:

- Costs related to financing infrastructure works;
- Costs related to the purchase of equipment which is not of office use and thus does not fall within the scope of the equipment budget line. This equipment may be either linked or independent from the infrastructure and construction works themselves;
- Costs related to the purchase of any good, which is neither IT equipment nor is of office use (e.g., information panels).

Costs for infrastructure and works may refer either to an investment that will be set up ex-novo or to adaptation of an already existing infrastructure. Whatever the case, these costs are only eligible if referring to pilot actions having a demonstrative effect.

In Table 9 of the Application Form, investment costs should be broken down in free lines allowing for a detailed presentation and evaluation of costs, both for infrastructure works and for investment-related equipment and other goods. Where works are foreseen, information on

29 Please refer to section 4.6 B) for detailed information in this respect.

30 With the exception foreseen in the Programme Control & Audit Guidelines (chapter 3.2.7).

expenditure related to manpower and provision of construction materials is to be provided compulsorily and each item must be presented separately. Information on budget breakdown of investments has to be provided also in Section 2.5 of the Application Form.

Please note that for those cases in which the feasibility studies and the environmental impact assessment needed prior to the realisation of the Pilot Actions are expected to be delivered during project implementation, the costs of these should be allocated to the "External Expertise" budget line. Furthermore, in these cases projects shall bear in mind that the full grant requested in the Application Form (i.e., including ERDF funding for costs related to investments) will only be ensured once the aforementioned documents are produced. Investments outside the CENTRAL EUROPE EU cooperation area are not eligible.

Public procurement rules should be carefully respected when awarding contracts for the realisation of works. Likewise, publicity and information rules laid down in Article 8 of Implementing Regulation should be strictly followed. Overall, partners are reminded that, depending on the specific purposes of it, the preparation of investments may be considered as subject to State Aid rules as well.

Finally, main EU Directives relevant to the respect of environment and which shall be respected in order to consider investment-related costs as eligible can be found in the "Document Center/Relevant EU legislation" section of the Programme's website.

9. Other

Any cost not falling in the scope of all previous budget lines should be included under the "Other costs" budget line. Where this case applies, partners are requested to fill in table 10 of the Application Form by explaining the nature of the cost and by indicating both the partners who will bear it and its amount. Examples of these costs may be the purchase of already available data and the tuition fees for participating in conferences and/or training activities not directly organised in the framework of the project's work plan.

4.4 Spending Forecast

When building their spending forecasts, partners should take into consideration the following elements:

- The reporting periods run on a six-monthly basis
- The spending forecast should be an estimation of the actual payments to be done in each reporting period. Therefore, it only partly reflects the activities taking place in a certain period. Indeed, 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 only in the following reporting period.

Please note that spending forecasts will be subject to analysis during the assessment process as well. In particular, artificial splitting of total costs evenly throughout the project duration will be negatively evaluated due to its negative effect on the decommitment calculations on Programme level.

4.5 Eligibility

4.5.1 Eligibility Period

Time-wise, expenditure in the framework of the CENTRAL EUROPE Programme is eligible as follows:

a) **Preparation costs** can only be eligible for those projects finally approved for funding. These costs must relate exclusively to preparation activities carried out between 1 January 2007 and the date on which the Application Form has been submitted. Payment of these costs can nevertheless intervene in part or in full after the submission deadline. The eligible preparation costs are subject to a ceiling of EUR 20.000,-. Please note that eligibility rules also apply to these costs; in particular, selection of external service providers (e.g., external experts assisting the partners in preparing the project proposal) must be made on the basis of a regular awarding system.

b) Expenditure related to the **project implementation** is eligible from the start date until the end date of the project duration. At the earliest, costs are eligible as from the day after the submission of the Application Form, provided that this day is the official start date of the projects. On this basis, partners may decide at their own risk to start the implementation phase before the project is finally selected for granting.

c) Expenditure related to **project closure** (e.g., preparation of final reports and, where applicable, related audit costs) are eligible until the deadline for submission of final reports that will be set in the Subsidy Contract.

4.5.2 General Eligibility Requirements

The CENTRAL EUROPE Programme is financed from the European Regional Development Fund (ERDF) and therefore all general rules concerning eligibility of expenditure regarding the Structural Funds are applicable.

For the Programming Period 2007-2013 of the Structural Funds, the basic principles concerning eligibility of expenditure are set in Article 56 of the General Regulation. According to paragraph 4 of this article, rules on eligibility of expenditure shall be laid down at national level. Information on the national rules applicable to partners coming from the Member States participating in the CENTRAL EUROPE Programme can be found in the “Implementing a project” section of the Programme’s website. In case of project approval, **please note that those costs which are not eligible according to the applicable eligibility rules cannot be claimed, even if included in the approved Application Form**.

In addition to these, specific rules of eligibility applicable to Operational Programmes under the European Territorial Cooperation objective are laid down in Articles 48 to 53 of the Implementing Regulation.

As stated in section 4.3.2, the CENTRAL EUROPE Control and Audit Guidelines provide for further specific Programme requirements to be followed[31].

In this context, when Project Managers prepare their budget it is important that they take into account the following considerations:

- If an expenditure item is already fully supported by another national or regional subsidy, it is not considered eligible as it would result in **double funding**.
- **In-kind contributions** shall be eligible expenditure if they fulfil the following conditions:
  - They are eligible according to national eligibility rules;
  - They consist of the provision of land or real estate, equipment or raw materials, research or professional work or unpaid voluntary work and their value can be independently assessed and audited. In the framework of the CENTRAL EUROPE Programme, the provision of services between partners (e.g., estimation of costs for making available own premises for holding meetings and events) is not eligible;
  - They are below 5% of the total partner’s budget and do not exceed 5.000€;

  In-kind contributions do not constitute a budget line within CENTRAL EUROPE; they refer to costs belonging to different budget lines in relation to the nature of the contribution as well as to the provisions set up at national level for their calculation.
- **VAT** does not constitute eligible expenditure unless it is genuinely and definitively borne by the partner. VAT which is recoverable by whatever means cannot be considered as eligible even it is not actually recovered by the partner.

31 An extract of the Control & Audit Guidelines containing specifically the Programme applicable eligibility rules is also available on the CENTRAL EUROPE web site at http://www.central2013.eu/?id=248#377.

- Charges for **transnational financial transactions** are eligible costs. Where the implementation of a project requires a separate account to be opened, the bank charges for opening and administering the account will be eligible as well.
- Interest on debt, fines, financial penalties, expenditure on legal disputes and foreign exchange losses are not eligible.
- Likewise, costs for financial guarantees are not eligible (see paragraph 5.2.6).
- **Acquisition of land** is not eligible in the framework of the CENTRAL EUROPE Programme.
- Expenditure related to **housing** is eligible if in line with the general requirements set in Article 7 of the ERDF Regulation and the detailed specifications provided by Article 47 of the Implementing Regulation (in its latest version). Please notice nevertheless that any intervention in the field of housing in the framework of the CENTRAL EUROPE Programme should be limited to pilot actions having a demonstrative effect and being the result of a cooperation process among the partners involved.

Further eligibility requirements can be found in the CENTRAL EUROPE Control & Audit Guidelines.

4.6 Other Financial Principles

Even if detailed information related to project implementation is provided in the Programme Implementation Manual and Control & Audit Guidelines and will be explained in detail to those projects finally selected for funding, a series of principles must be borne in mind by applicants during the preparation of their project proposal.

❖ ***Respect of Community policies***

In accordance with the preamble of the General Regulation, activities of the Structural Funds and the projects which they help to finance should be consistent with Community policies. This includes rules on competition, on the award of public contracts, on environmental protection and improvement and on the prevention of discrimination and the promotion of equality between men and women.

Ensuring compliance with Community and national rules is a substantive function of the control system set by each Member State (First Level Control) and is a condition *sine qua non* for having expenditure validated. As explained, compliance with rules on environmental protection and equal opportunities will be subject to a first verification already during the assessment of project proposals.

Apart from a final verification of the effective respect of rules on environmental protection and equal opportunities, in the framework of First Level Control checks two sets of rules will be subject to particular scrutiny:

A) Rules on competition and Public Procurement

The purchase of goods and services, as well as the ordering of public works, by public services or other public bodies, is subject to national, Community and international rules. The procurement rules aim at securing transparent and fair conditions for competing in the common market and should be followed by the Project Partners when commissioning the above services, works or deliveries. Rules differ depending on the kind of goods and/or services to be purchased, as well as the value of the purchase. The information on EC competition and public procurement rules is available on the Web site of DG Internal Market at: http://ec.europa.eu/internal_market/publicprocurement/legislation_en.htm.

The most updated thresholds are provided in Commission Regulation (EC) 1177/2009 of 30 November 2009 and are available on the Programme's website.

Please note that, even if the value of the purchase doesn't exceed the thresholds, the purchaser must take into account the general principles of sound financial management laid down in the EC Treaty and ensure the adequate transparency and equal treatment when purchasing goods and/or services. More specifically, please note that at the level of each EU Member State, other rules may exist, and these may be more binding, notably with regard to the amount of the contract requiring the issuing of a call for tender. Also, statutory rules of the partner institutions play an important role in this respect. Whichever rules are more stringent must be applied.

In the framework of the CENTRAL EUROPE Programme, **rules on public procurement are of mandatory respect also by private bodies and international organizations.**

In addition to the above, the CENTRAL EUROPE Programme has set its specific Programme rules on public procurement that are described in par. 3.3.2 of the Control & Audit Guidelines. Applicants are warmly invited to read the aforementioned paragraph/document in order to avoid, in case of project funding, having expenditure that will not be validated by the First Level Controller (and, therefore, not eligible).

B) Rules on Information and Publicity

Responsibilities of beneficiaries relating to information and publicity measures for the public are clearly laid down in Article 8 of the Implementing Regulation. In addition to these, specific Programme requirements also apply. Please note that all these rules exceed the field of publicity and promotion material since they are also relevant for the organization of meetings and events and in those cases where the project foresees the purchase of physical objects and the realisation of works.

❖ *Conversion into Euro*

Financial reporting from the Lead Partner to the Joint Technical Secretariat will be made in Euro. Unless limitations are set in the national rules, partners located outside the Euro zone may choose one of the following options for converting their expenses to Euros:

- They can use the average monthly exchange rate set by the Commission of either the month the invoice was paid;
- They can use the 6-months average rate of the average monthly exchange rate;
- They can use the market exchange rate of the day the invoice was paid;
- They can use the market exchange rate of the last day of the reporting period.

Whatever the choice, conversion into Euro must already take place at each partner's level. The selected method must be included in the Partnership Agreement and in the Start-Up Report, and must remain unchanged for the entire lifetime of the project.

The average monthly exchange rates set by the Commission are available from http://ec.europa.eu/budget/inforeuro/

❖ *Management of shared costs*

Shared costs are not allowed in the 4th call for proposals.

❖ *Revenue*

Revenues are earnings made through the sales of products and merchandise, from tuition fees for conferences and, in general, by any provision of services against payment. When it is expected that a project proposal will generate revenue, the generated net revenue must be deducted from the eligible costs in full or pro-rata depending on whether it was generated entirely or only partly by the co-financed project.

Even if the specification of potential revenues is not requested at the application stage, please notice that the effective generation of revenues will be subject to control during the process of validation of expenditure. Specific attention will be provided to those cases where the approved proposals foresee the realisation of investments likely to be considered as revenue generating (i.e., investments the use of which is subject to charges borne directly by users). In these cases, please notice that the estimated net revenue will be calculated over a period covering five years after their completion.

Additional information on revenue generating projects is provided in chapters 5.4 and 6.5 of the Programme Implementation Manual.

❖ ***Financial Performance and the Decommitment Rule (n+3/n+2)***

In order to be considered as eligible, expenditure must have been actually paid out, its amount must be justified by accounting documents having a probative value equivalent to invoices and validated. Financial performance both on the projects and on the Programme level will be measured exclusively on the basis of paid out expenditure.

According to the Structural Funds Regulation, Programmes may have funds decommitted by the European Commission in case the allocations set in the financial tables of the Operational Programme are not translated into effective requests for payment within the set timeframe[32]. Should this loss of funds result from projects lagging behind their payment targets (based on the spending forecast included in the final version of the approved Application Form), the Programme will be obliged to reduce the budget of these projects. This provision is included in the Subsidy Contract and further ruled in par. 5.1 of the Programme Implementation Manual.

In order to avoid loosing funds both on the project and on the Programme level, it is important that:

- Applicants carefully prepare a realistic spending forecast;
- Approved projects are ready to start implementation quickly after approval;
- Financial managers monitor these aspects effectively during implementation and
- All partners ensure regular, timely and full reporting of the expenditure foreseen for each year in their approved spending forecasts.

32 As ruled in Art. 93 of the Regulation (EC) No. 1083/2006, in its latest version.

5 PROJECT APPLICATION, EVALUATION AND CONTRACTING

5.1 Application

5.1.1 Preparation of an Application

It is highly recommended that the Application is developed in close cooperation with the future partners. A good Application proposal can be submitted only if the relevant Programme documents listed in paragraph 4.1 are carefully read and analysed: this will reduce mistakes and the risk of submitting an ineligible project proposal or not of sufficient quality.

Applications have to be completed in English, as it is the working language of the Programme.

Detailed guidance on how to complete the Application Form is provided in chapter 4.

5.1.2 The Application Package

The Applicants have to carefully read the Application Package downloadable from the Programme website.

The Application Package consists of the following documents (in addition to the present Application Manual):

- The Application Form (including the Lead Applicant Co-financing Statement, Declaration on administrative and financial capacities, and on legal status);
- Co-financing Statement, the Declaration on administrative and financial capacities, and on legal status (to be filled-in by all Project Partners);
- The Declaration on status in relation to the State Aid discipline (not requested to International Organizations and Third country Project Partners);
- Map with location of partners;
- Simplified Financial Statement (to be filled-in only by the private Lead Applicant within Priority 1);
- Instruction on how to fill-in the Application Form.

In addition to those annexes, the Applicants while submitting the project proposal are also asked to provide a flow chart on management structure (template not provided by the Programme).

In case of a project proposal to be submitted by private Lead Applicants within Priority 1, the additional documents as listed in paragraph 5.2.1. must be provided.

❖ ***The Application Form***

The Application Form has been developed as an Excel document, which includes a number of automatic links and formulas. Its design foresees the inclusion of error and warning messages that appear if the form is not properly filled in. This will significantly reduce the risk of submitting ineligible applications. Detailed instructions on how to fill in the Application Form are also provided in the Application Form itself as well as in an *ad hoc* document of instructions “Instructions on how to fill in the Application Form” available in the Application Package.

The Application Form and its Annexes has to be submitted by normal post/courier or directly delivered by hand in only one envelope. In both cases the envelope must include the hard copy of the necessary documents and a CD-ROM or any other electronic support where the electronic version of the documents listed at paragraph 5.2.1 is saved. **Submission via e-mail will not be accepted**. Please note that the hard copy version of the Application Form will be considered to be the official Application: it must be in original, unbound and duly signed by the legal/duly authorised person of the Lead Applicant.

The relevant documentation has to be sent to the JTS within the deadline set by the call for proposals. This eligibility criterion will be checked through the date as per post mark on the envelope.

Lead Applicants are invited to send the JTS an e-mail (e-mail address: info@central2013.eu) announcing the submission of the project proposal and including the project title and acronym. This communication shall be sent according to the deadline set in the Call for Proposals at the latest (no additional documentation must be attached!).

5.1.3 Call for proposals and information channels

The JTS communicates the launch of calls via relevant information channels such as the Programme website, specialised press and the Contact Points. Additionally, the Programme will set up an adequate information flow through the organization of events (see chapter 6) and the FAQs on the Programme website.

5.2 The Evaluation Procedure

The evaluation shall be subject to the principles of transparency and equal treatment.
After submission and registration, each Application will be subject to a three-step evaluation procedure. The selection procedure takes place as follows.

At first, an administrative compliance check against the eligibility, formal and legal requirements as outlined at paragraph 5.2.1 will be performed by the JTS. The check is aimed at verifying the existence and correctness of the filled-in documentation.

As far as the confirmation of the legal status of the EU CENTRAL EUROPE Lead Applicants and Project Partners is concerned, this check shall be performed at national level by the relevant authorities. On the Programme website under the section “Country Specific Information” Member States can upload additional information on which documents their relevant authorities will check in order to confirm the legal status declared by the Lead Applicants and Project Partners.

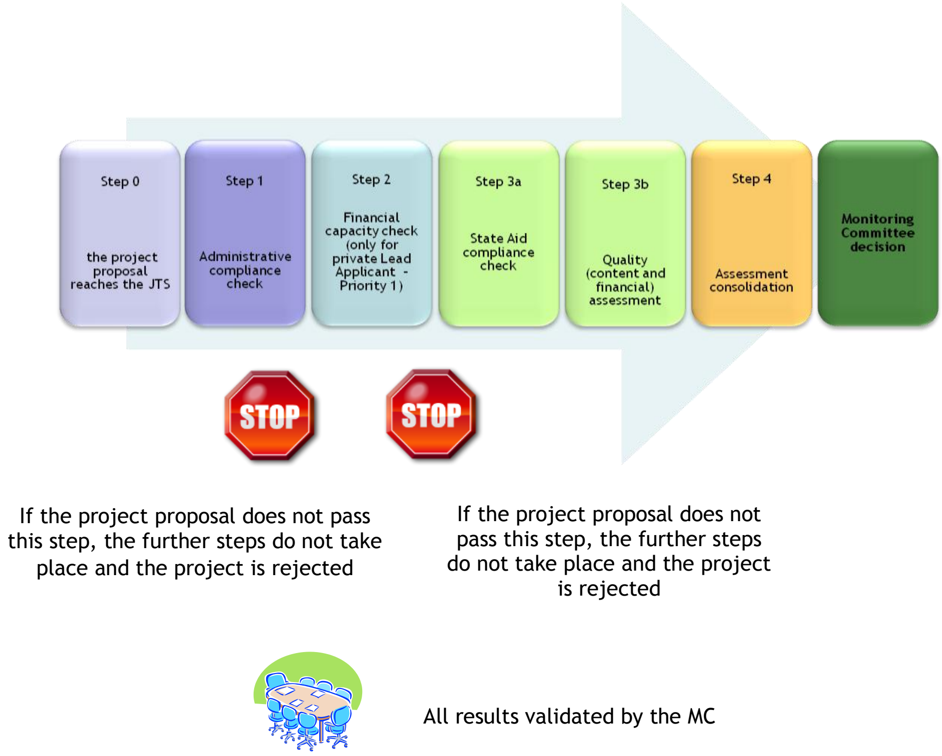
Results of the administrative compliance check will be validated by the Monitoring Committee. Lead Applicants will be informed about the results of the check.

For those projects submitted within Priority 1 with a private Lead Applicant, an additional step aimed at checking the financial capacity of the Lead Applicant will take place (see par. 5.2.2). The check will be performed by external experts coordinated by the JTS.

Proposals in conformity with the verification of the administrative compliance and, if this is the case, with the financial capacity of the Lead Partner will then be subject to two parallel assessments: the content and financial assessment and the analysis on the State Aid compliance: the former will be performed by the JTS with the assistance of external experts (see par. 5.2.3); the latter will be performed by external experts under the JTS coordination (see par. 5.2.4). The content and financial assessment of the eligible applications will be done according to the criteria resulting from the Operational Programme and reported in Annex 6.

Results of the content and financial assessment and of the State Aid compliance will be submitted to the Monitoring Committee which will take the final decision for funding.

Figure 4 - The Evaluation Procedure



5.2.1 Administrative Compliance Check

In order to pass the administrative compliance check the project proposal has to respect the following:

1. The Application Form and related Annexes have been sent in due time according to the deadline set in the Call for Proposals (date as per post mark as a proof of sending) in only one envelope.
2. The submission has been delivered by normal post or express courier or delivered by hand; the envelope has included a CD-ROM or any other electronic support where the electronic version of the necessary documents listed under point 4 is saved. In case of delivery by hand, the application must arrive before 5:00 p.m. of the day of the deadline set in the Call for Proposals.
3. Only the Application Package of the 4th call for proposal has to be used.

1. The submission of the project proposal has to contain the following documents:

Type of document	Hard copy	Electronic version
Application Form	√	√
"Co-financing Statement, Declaration on Administrative and Financial capacities and on Legal status" for each Project Partner	√	
"Declaration on status in relation to the State Aid discipline" (for the Lead Applicant and each project partner with the exception of International Organizations and Third Country Project Partners)	√	
Flow chart on management structure	√	
Map with location of partners	√	√

In addition to the above and only for those project proposals under Priority 1 with a private Lead Applicant, the following documents have to be submitted:

Type of document	Hard copy	Electronic version
Simplified Financial Statement - SFS	√	√
Copy of the most recent balance sheet according to the national accountancy regulations	√	
Copy of the profit and loss accounts according to the national accountancy regulations	√	
Copy of an independent audit report of the most recent balance sheet and profit and loss account **OR** Independent auditor's certification stating that the accounts give a true and fair view of the Lead Applicant financial situation.	√	

2. The hard copy and the electronic version of the Application Form must be equal in the content.
3. The hard copy and the electronic version of the Simplified Financial Statement - SFS must be equal in the content.
4. The hard copy and the electronic version of the map with location of partners must be equal in the content.
5. The Application Form:
   - Must be fully and properly filled in according to the instructions (i.e., no error messages appear);
   - Is completed in English;
   - The hard copy version is in original, dated, stamped and signed by the legal representative/duly authorised person representative of the Lead Applicant **in original** (i.e.: only original, hand-written signature will be accepted).

6. The Annexes [1. "Co-financing Statement, Declaration on administrative and financial capacities, declaration of legal status"; 2. "Declaration on status in relation to the State Aid discipline"; 3. "Simplified Financial Statement" (the latter only in case of private Lead Applicant)]:
   - Their hard copy version is in original, dated, stamped, filled in English, printed on Partners' letter headed paper, signed by the legal representative/duly authorised person in original (i.e.: only original, hand-written signature will be accepted);
   - In case the original Annexes are not available at the Lead Partner premises at the date of submission of the project proposal, the Lead Partner is allowed to include in the Application package to be submitted the missing Annexes received via fax or scanned by the affected partners. The related original documents shall be sent to the JTS not later than 3 working days after the deadline of the call for proposals (date of the postal stamp will be checked).
   - Their text cannot be modified;
   - Figures indicated in the co-financing section of the Declarations on administrative and financial capacities have to correspond to the individual co-financing figures of each partner listed in Section 4 of the filled-in Application Form;
   - Signatory indicated in the Annexes and in the Application Form must be identical;
   - Annexes must be properly filled-in and in full, i.e.: all the required sections must be accurately filled-in and consistent with the information provided with the same document and in other documents to be submitted;

   In case the Lead Applicant within Priority 1 is a private institution, the following also applies:
   - The copy of the profit and loss accounts shall be the most recent one (according to national regulations);
   - The copy of the most recent balance shall be the most recent one (according to national regulations);
   - The copy of the most recent balance sheet refers to the same legal entity indicated in the Annexes and in the Application Form.

7. The Project:
   - Is supported by at least three financing partners, from at least three countries and being at least two of them located in the EU CENTRAL EUROPE Programme regions[33];
   - The Lead Applicant of a proposal within Priority 2, 3 or 4 is a national, regional or local public authority or a Public Equivalent Body or an International Organization acting under national law and must be located in the EU CENTRAL EUROPE area[34];
   - The Lead Applicant of a proposal within Priority 1 is a national, regional or local public authority or a Public Equivalent Body or an International Organisation acting under national law[35] or a private institution and must be located in the EU CENTRAL EUROPE area;
   - The project ends before 31 December 2014.

Please note that in case the Lead Applicant within Priority 1 declares being a Public Equivalent Body but results being a private institution, the project proposal will be considered as not eligible. The Lead Applicant is warmly recommended to address its national Contact Point in order to do all the necessary checks in advance.

5.2.2 Financial capacity check

The financial capacity of the private Lead Applicant and its capacity to manage the project budget must be demonstrated.

The financial viability check shall be aimed at verifying that:

33 The definition also takes into account assimilated Project Partners.
34 Ditto.
35 Ditto.

- the Private Lead Applicant does/does not have the financial capacity to incur its expenditure in advance;
- the Private Lead Applicant does/does not have the capacity to manage the project budget along the project duration.

The private Lead Applicant shall be asked to transcribe - under its responsibility - the official financial data of the latest available financial documents into the document “CENTRAL EUROPE Simplified Financial Statement” (SFS). Additionally, it has to specify in the Application Form whether it considers itself a private non commercial or a private commercial organization.

The financial capacity of the Lead Applicant in Priority 1 (private commercial organization and private non-commercial organization) will be assessed on the basis of the financial information provided with the "Simplified Financial Statement/SFS" of the private Lead Applicant and using the financial rates described here below.

Analysis on financial capacity of private commercial organizations.

It will bring to the acceptance of the private Lead Applicant if the following criteria are respected:

Liquidity rate: the ratio "current assets" / "current liabilities" is higher than 1	**Compulsory requirement**
Debt rate: the ratio "total debts" / "total assets" is lower than 0.8	**Compulsory requirement**
Subvention rate: the ratio "total grant requested divided by the number of project years" / "shareholders' equity" is lower than 1	The non fulfilment of these two criteria can nevertheless lead to the acceptance of the private Lead Applicant
Operating profit rate: there is a positive operational profit	

Analysis on financial capacity of private non-commercial organizations (NGOs).

It will bring to the acceptance of the private Lead Applicant if **2 out of 3** criteria below are respected:

1. **Subvention rate**: the ratio "total grant requested divided by the number of project years" / "subsidies" is lower than 1;
2. **Liquidity rate**: the ratio "current assets" / "current liabilities" is higher than 1;
3. **Debt rate**: the ratio "total debts" / "total assets" is lower than 0.8.

If the targeted analysis on the financial viability of private commercial organizations and of private non-commercial organizations facing standard pre-defined criteria brings to a not satisfactory result, the project proposal will not be further assessed.

5.2.3 Technical and Financial Criteria

The content and financial assessment will be performed according to the following five criteria identified (see Annex 6):

- Relevance
- Partnership technical and operational capacity
- Implementation and Methodology
- Quality of the outputs and Sustainability of the achieved results
- Budget and cost effectiveness.

The quality assessment grid shall be structured according to categories/criteria and sub-categories/sub-criterion.

Each criterion and sub-criterion are measured according to the scores provided in the table below:

5	Excellent
4	Good
3	Adequate
2	Poor
1	Very poor

The total score of each category/criterion is the sum of the subcategories scores.

The overall score is the sum of every category/criterion score.

5.2.4 Analysis of the State Aid relevance of the proposal

The analysis is aimed at checking the State Aid relevance of the project proposal.

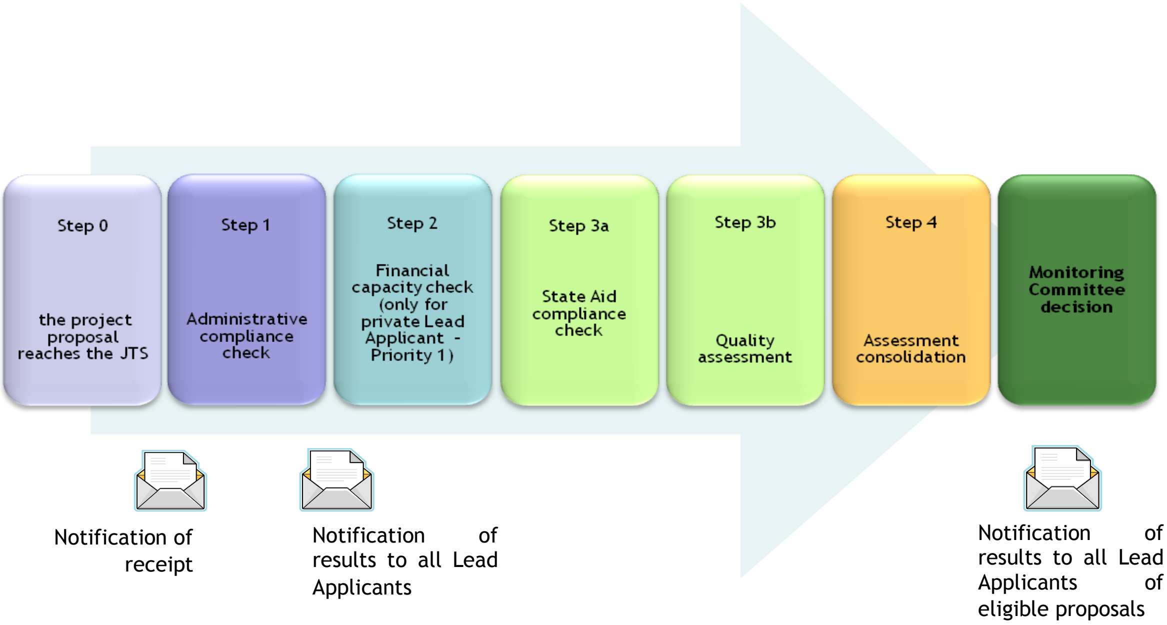
The analysis on the State Aid compliance will be performed during the project evaluation and will be based on the examination of the Application Form and the information provided by the partners (Lead Applicant and Project Partners) in the "Declaration on the status in relation to the State Aid discipline".

5.2.5 Selection Procedure; Decision Making and Communication to the Lead Applicants

Decisions on projects to be funded will be made by the Monitoring Committee of the CENTRAL EUROPE Programme based on the results of the assessments described above.

After its funding decision, the Lead Applicants of the assessed projects will receive a letter from the Managing Authority through the Joint Technical Secretariat. The communication will contain the reasons for approval (and if this will be the case necessary requirements to be fulfilled within a set timeframe) or for rejection.

Figure 5 - Selection Procedure; Decision Making and Communication to the Lead Applicants



5.2.6 Contracting

Should the project proposal be selected for funding and fulfil the conditions set by the Monitoring Committee, a Subsidy Contract between the Managing Authority of the CENTRAL EUROPE Programme and the Lead Partner will be concluded. The Subsidy Contract shall determine the rights and responsibilities of the Lead Partner, the reference to the project implementation, terms of funding, requirements for reporting and financial controls, etc.

A model of the Subsidy Contract is available on the Programme's website.

In case of approval of a project with a private Lead Partner within Priority 1, the Lead Partner will additionally be asked to provide, before the signature of the subsidy contract, proof that a financial guarantee is in force.

The financial guarantee shall be issued for:

- The amount of the Lead Applicant eligible budget (ERDF + national co-financing);
- It shall last at least until project closure – that means two years after the submission of the project final report.

In case the financial guarantee is issued by a public institution, its duration shall be until the Programme closure.

Costs of the financial guarantee are not eligible.

6 PROGRAMME SUPPORT TO PROJECTS

6.1 Programme Support to Projects

Apart from its monitoring and control functions the CENTRAL EUROPE Joint Technical Secretariat and the Contact Points fulfil an important service function towards project promoters and/or beneficiaries.

Services offered include, among others:

- Programme website, combining basic Programme information with web-based offers for networking and exchange
- National Programme webpages
- Trans-national Info-events/Partner-Search Forums
- National Info-Events
- Trans-national Lead Applicant Briefings
- Individual guidance for project applicants
- National hotlines for general Programme information and early-stage advise on project development
- Lead Partner Seminars
- Financial Training
- Communication and Media training for Communication Managers of approved projects
- Capitalisation workshops

It is strongly recommended that applicants contact the responsible CP before applying.

In case of approval of the project proposal, the costs borne for the participation in events organized at Programme level to support the elaboration of the proposal will be considered as eligible as long as they are in line with the national requirements on eligibility.

6.1.1 Programme Website

The CENTRAL EUROPE web portal www.central2013.eu offers specific features to facilitate community-building and networking and exchange between project promoters and/or Project Partnerships. The website is structured according to thematic priorities.

A membership section allows registered users to see the personal profiles of other users and post their cooperation preferences and project ideas. The extended news area of the website with daily updates is designed to help the user community to follow what's going on in their field at the European level.

Additionally, summary and information of the already approved projects are also available.

6.1.2 Programme Events

❖ ***Trans-national Info-Events/Partner-Search Forums***

Accompanying and preceding each call for proposals the JTS organises large-scale trans-national Information Events/Partner Search Forums, which are targeted towards all interested project applicants and offer a mix of fundamental as well as more specific Programme information and a platform for exchange and promotion of project ideas (info sessions, moderated workshops, exhibition area). These forums are announced on the Programme website as well as through mailings to registered users of the web platform and other dissemination contacts.

- ***National Info-Events***

In addition to and complementary to the trans-national information events, which are open to all interested project promoters, Contact Points may offer additional national events, which serve an exclusively national audience.

- ***Lead Applicant Briefings***

A service that kicks in at a more advanced stage of project development is the Lead Applicant Briefings (LABs) for project promoters working on preparing the submission of an application. The focus of these events is on information necessary for an advanced stage of project development such as Lead Partner responsibilities, how to fill the Application Form and how it will be assessed, and project management. They also provide applicants with the opportunity to present and discuss their project submissions in individual meetings with JTS staff upon prior appointment.

The JTS would like to encourage project promoters to use the dates and slots offered for Lead Applicant Briefings for any personal consultations sought. Should it not be possible for individual project promoters to attend the briefings, personal consultations can also be arranged at the JTS offices in Vienna upon prior appointment.

Please note that the first point of contact for project promoters seeking individual advice on project development should be the Contact Points. The Joint Technical Secretariat is available for technical questions and advice on project development.

- ***Lead Partner Seminars***

Lead Partner Seminars (LPS) aim at successful project applicants and are usually organized the Monitoring Committee's decision for funding. The aim of these meetings is to brief Lead Partners about their specific responsibilities to prepare the ground for successful project management and efficient and effective cooperation with the Programme's implementing bodies. A typical LPS will, for instance, include detailed information with a special focus on the financial management, the monitoring, reporting and publicity obligations, legal aspects, fulfilment of conditions, start-up phase.

- ***Financial Training Seminars***

Financial Training is provided by the JTS to Finance Managers of approved projects. These are specific seminars looking into the requirements of sound financial management of trans-national cooperation projects, including eligibility matters. Whenever possible, also Finance Managers on partner level will be targeted.

- ***Communication and Media Training***

To underline the importance of good project communication skills the JTS will offer regular communication and media training events for Communication Managers of approved projects.

The formulas of the above the events/trainings might change according to the specific requirements/conditions of each call for proposals.

6.2 Project Dissemination

According to project's publicity obligations and according to their communication plans projects are responsible for the dissemination of their activities, outputs and results. However, the Programme offers opportunities to assist projects in their dissemination effort, such as through the production of brochures, newsletters and its web site. For instance, the annual newsletter will be designed to contribute to knowledge-management and capitalisation highlighting, among others, the activities of individual projects according to the themes/issues covered.

It is important to note that whereas each project will be featured with a description of their activities and progress on the Programme webpage, it is up to the JTS to invite individual projects to be featured in Programme publications or for presentations at Programme events depending on criteria such as theme, partnership and performance (e.g. outputs and results).

6.3 Capitalisation and Networking

The Programme supports networking among projects and capitalisation/knowledge-management activities through the following measures:

- The JTS will organise thematic and cross-fertilization seminars to animate dialogue and knowledge exchange between projects facing similar challenges and opportunities within or across thematic priorities. These events will be announced through the website and through mailings.
- The JTS also plans to offer seminars highlighting innovative tools and methods to help improve implementation, increase the innovation potential and quality of project activities, increase visibility and improve outputs and results. These events will be announced through the website and through mailings.

Thematic/methodological studies, pilot actions and guides may complement these offerings and help prepare and follow-up events.

ANNEX 1

PRIORITY 1 – AREA OF INTERVENTION 1.3

Area of Intervention **P1.3**	**Fostering Knowledge Development**
Challenges	In Central Europe mobility of the workforce leads to a brain-drain of young and well-educated people in some regions, whereas other regions are attractive for receiving this workforce. In addition, Central Europe needs to make better use of the existing potentials of an increasingly diverse and aging society. Training and education need to enable all individuals to address the socio-economic changes and to obtain qualifications necessary in a knowledge-based economy.
Specific Objectives	The Area of Intervention aims at **improving the framework for the knowledge development as it relates to human capital** in order to ensure economic competitiveness, the connection of the educational system to the leading edge of technology and business practices, and availability of complementary knowledge from different actors. This will reinforce (transnational) links between relevant players such as decision makers, education and training facilities, research institutions, business sector, labour market organizations, and many other national, regional and local actors. *NOTE: This Area of Intervention deals predominately with framework conditions for the development of human capital. Framework conditions for the generation and diffusion of knowledge have been the main focus of Area of Intervention 1.1 and Area of Intervention 1.2, respectively. Please note that those Areas of Intervention are not open within the 4th Call for proposals.*
Content	▪ Creating new and improved existing transnational educational and training networks in higher education (e.g. linking academic and business qualifications) ▪ Implementing joint strategies and action plans for strengthening human resources and knowledge development ▪ Putting joint strategies for managing demographic change, migration and brain-drain into action and ▪ Establishing transnational cooperation between training facilities and labour market organizations ▪ Promoting actions on the diffusion of technological and innovation results as well as on the importance of regional innovation systems ▪ Other contents in line with the objectives of the Area of Intervention

ANNEX 2

PRIORITY 2 - AREA OF INTERVENTION 2.4

Area of Intervention P2.4	**Promoting Information and Communication Technologies and Alternative Solutions for Enhancing Access**
Challenges	Information and Communication Technologies offer opportunities to substitute physical mobility by providing easier access to information, services and products. Access to ICT also constitutes a basic prerequisite for economic development and social integration. Presently, access to broadband is lagging behind in some regions especially in rural areas. However, enhancing access involves not only the provision of ICT-infrastructure but also the promotion of the intelligent use of ICT, such as targeted services (e.g., in sparsely populated areas). In addition, also non-technological solutions (e.g., organizational, institutional, and strategic) are necessary to enhance access.
Specific Objectives	This Area of Intervention seeks to **improve accessibility to information and services while reducing traffic volumes**. This will provide better solutions (technological and alternative) for enhanced mobility and a higher efficiency of transport.
Content	▪ Promoting ICT for access to and provision of public services ▪ Using ICT as an instrument to reduce transnational traffic (e.g. video-conferencing, websites, supply-chain-management…) ▪ Applying ICT to develop efficient traffic management systems and traffic information systems of transnational transport flows ▪ Improving the access to infrastructure and services of general interest with alternative solutions to enhance personal mobility ▪ Other contents in line with the objectives of the Area of Intervention

ANNEX 3

PRIORITY 3 - AREA OF INTERVENTION 3.4

Area of Intervention P3.4	**Supporting Environmentally Friendly Technologies and Activities**
Challenges	Environmentally friendly technologies are a prerequisite for an attractive natural and social environment and a key factor for the sustainable economic development of Central Europe. In Central Europe, many areas experience an unfavourable quality of natural assets and resources as a consequence of high economic activity (e.g., mining areas, industrial sites) and/or inefficient use of resources in production processes. The advantages of cleaner production and consumption processes and associated economic, environmental and social benefits are not yet sufficiently communicated and explored.
Specific Objectives	The aim of the Area of Intervention is to **promote environmentally friendly technologies and activities in order to ensure eco-efficient production and consumption processes**. The cooperation among key actors in the fields of production, environment and policy will increase life-cycle thinking and contribute to a durable change towards more environmentally sound production processes and consumer behaviour.
Content	▪ Promoting sustainable production and consumption with special attention to regional value added chains ▪ Fostering urban and regional technologies (waste and water-supply and management…) and the use of environmentally friendly technologies for local and regional suppliers of infrastructure ▪ Promoting transnational incentives (awarding schemes, best-practice web-platforms, certificates…) for eco-innovations ▪ Applying environmentally friendly technologies in production processes ▪ Setting up integrated environmental management systems and developing environmentally sound practices ▪ Putting policies, strategies and technologies for sustainable constructions of buildings into practice ▪ Other contents in line with the objectives of the Area of Intervention

ANNEX 4

PRIORITY 4 - AREAS OF INTERVENTION 4.1 AND 4.3

Area of Intervention P4.1	**Developing Polycentric Settlement Structures and Territorial Cooperation**
Challenges	The settlement structure of Central Europe is characterised by a few highly populated urban agglomerations and numerous small and medium-sized towns that play an important role as regional economic and cultural centres. In the new Member States, due to the very selective influx of foreign direct investments in urban areas, a mono-centric development at national levels threatens to reinforce disparities between their capital and other regions. A more polycentric development can contribute to avoiding such disparities.
Specific Objectives	This Area of Intervention aims at **more balanced territorial development by improved urban and urban-regional cooperation**. The development of functional relations between cities and between cities and their hinterland is essential for exploiting the competitive advantage. In this sense, the strategic, economic and social development of cities and their hinterland should be enhanced.
Content	▪ Implementing integrated urban and regional development strategies and improved conditions for investments ▪ Establishing durable cooperation of metropolitan areas as well as small and medium-sized cities or agglomerations and their associations on mutually relevant topics of transnational importance ▪ Taking actions for urban-rural relationships with optimised material flows and with sustainable urban development patterns (e.g. solutions for urban sprawl) ▪ Cooperating on new approaches in the field of rehabilitation and conversion issues of urban and peri-urban functional areas ▪ Putting transnational urban-regional cooperation networks for optimising the joint use of infrastructure, leisure services and recreational facilities into practice ▪ Implementing strategic actions to optimise the urban centre structure and to improve functional linkages between urban centres ▪ Promoting actions to enhance the quality of the environment and open space in cities ▪ Other contents in line with the objectives of the Area of Intervention

Area of Intervention P4.3	Capitalising on Cultural Resources for More Attractive Cities and Regions
Challenges	Central Europe is rich in cultural resources such as sites, structured landscapes and other resources of importance to a culture. However, this richness is threatened by a general lack of investments on the one hand as well as alternative investments that exert excessive pressure and risk destroying them on the other hand. Cultural resources in the cooperation area represent an important factor for its attractiveness, and play a major role for its identity.
Specific Objectives	This Area of Intervention aims at **fostering sustainable use of cultural resources and heritage**. This will develop cultural resources for the benefits of the citizens and generate an economic base for cities and regions. This will also lead to higher income-generation and stronger regional identities, while at the same time ensuring preservation of the cultural heritage.
Content	▪ Building capacities of innovative management strategies for the protection, preservation and sustainable exploitation of cultural resources ▪ Promoting valorisation of traditional activities and knowledge ▪ Implementing strategic actions to generate income and employment through integrated cultural and economic concepts ▪ Putting strategies to enhance the cultural aspect of the regions into practice ▪ Using and protecting traditional knowledge and expertise related to cultural heritage ▪ Applying new forms of management of urban/cultural heritages with particular attention to natural and social capacity and possible side effects on environment and population in a long-term view. ▪ Other contents in line with the objectives of the Area of Intervention

ANNEX 5

INDICATORS

This Annex summarizes indicators of the CENTRAL EUROPE Programme that will be collected at Programme level based on information collected from projects in the Application Form and/or Progress Reports. Most of the indicators are included in the Application Form and need to be filled-in by the applicants. Some of these indicators are then also monitored (i.e. are part of the Progress Reports of approved projects). Some indicators are not part of the Application Form but included in Progress Reports only.

The indicator system of the CENTRAL EUROPE Programme consists of two sets of indicators:

I. Output and result indicators included in the Operational Programme

These indicators are based on call results or mainly collected on a project level (i.e., filled in by applicants and/or during monitoring of approved projects) and are then summarised on a Programme level to provide comprehensive information on Programme activities and achievements.

OUTPUT-indicators in the Operational Programme	
Indicators for the Priority axes	
Priority axis 1:	Total No. of projects implemented to facilitate innovation across Central Europe
Priority axis 2:	Total No. of projects implemented to improve the accessibility of and within Central Europe
Priority axis 3:	Total No. of projects implemented to use Central Europe’s environment responsibly
Priority axis 4:	Total No. of projects implemented to enhance competitiveness and attractiveness of cities and regions
Total No. of projects P 1-4	
Indicators reflecting the degree of cooperation	
- No. of projects respecting two of the following criteria: joint development, joint implementation, joint staffing, joint financing	
- No. of projects respecting three of the following criteria: joint development, joint implementation, joint staffing, joint financing	
- No. of projects respecting four of the following criteria: joint development, joint implementation, joint staffing, joint financing	

RESULT indicators included in the Operational Programme
P1: Total No. of contributions to facilitated innovation across Central Europe
- No. of contributions to better innovation governance
- No. of contributions to even and broader access to R&TD results and innovation system
- No. of contributions to improved framework for knowledge development
P2: Total No. of contributions to improved accessibility of and within Central Europe
- No. of contributions to improved and more sustainable inter-connectivity at urban, regional and transnational level
- No. of contributions to better solutions for multimodal logistics
- No. of contributions to the promotion of sustainable mobility
- No. of contributions: to improved access to ICT information and services
P3: Total No. of contributions to use Central Europe's Environment more responsibly
- No. of contributions to improved quality and better protection of the environment
- No. of contributions to more effective risk prevention and impact reduction
- No. of contributions to better utilisation of renewable energy and higher level of energy efficiency
- No. of contributions to ensuring eco-efficient production processes
P4: Total No. of contributions to enhanced competitiveness and attractiveness of cities and regions
- No. of contributions to more strategic and sustainable economic and social development of cities and regions
- No. of contributions to reduced negative effects of social and demographic change and improved social integration and quality of life
- No. of contributions to fostered sustainable use of cultural resources and heritage
Total no. of contributions P1-4

II. Additional set of indicators

This additional set of indicators provides information on essential project characteristics such as project thematic content, partnership and communication activities. These indicators are collected on a project level (i.e., filled in by applicants and/or during monitoring of approved projects) and are then summarised on a Programme level to provide comprehensive information on Programme activities and achievements.

Additional indicators can be grouped as follows:

1. Environmental sustainability / contribution to Gothenburg agenda
2. Economic sustainability / contribution to Lisbon agenda
3. Social sustainability
4. Equal opportunity and non-discrimination
5. Partnership-and cooperation oriented
6. Output and result oriented (it includes the Type of Action and the Core outputs per Type of Action)
7. Communication and Knowledge Management-oriented

1. Environmental sustainability / contribution to Gothenburg agenda

- No. of projects contributing positively to environmental sustainability
- No. of projects contributing to the reduction of greenhouse gases
- No. of projects contributing to the reduction of transport-related emissions
- No. of projects contributing positively to the maintenance of biodiversity
- No. of projects contributing to the reduction of risks and impacts of natural and man-made hazards
- No. of projects promoting cleaner production and consumption
- No. of projects contributing to the reduction of land take for urban development
- No. of impact studies on environmental issues and human health carried out (e.g. in pre-investment projects, for pilot investments).

2. Economic sustainability / contribution to Lisbon agenda

- No. of projects contributing positively to innovation and competitiveness
- No. of projects supporting RTD activities in SMEs and SME access to RTD services
- No. of projects contributing to strengthened cooperation among businesses
- No. of projects contributing to strengthened cooperation between businesses and research / technology transfer or tertiary education institutions
- No. of projects contributing to the establishment / development of transnational clusters
- No. of projects contributing to the cooperation of key players of regional innovation systems
- No. of projects contributing to strengthened cooperation between training facilities and labour market organizations
- No. of projects supporting the use of ICT and the access to ICT services
- No. of projects fostering entrepreneurship

3. Social sustainability

- No. of projects contributing positively to the social dimension of sustainability

4. Equal opportunity and non-discrimination

- No. of projects contributing positively to equal opportunity and non-discrimination

5. Partnership-and cooperation oriented

5.1 Profile of partners involved

Type of partner (functional) (see Section A for information on categorisation)

- No. of Project Partners from public sector / public administrations
- No. of Project Partners from enterprise / business sector and related services
- No. of Project Partners from research / technology development sector
- No. of Project Partners from intermediary services and training sector
- No. of interest groups
- No. of infrastructure providers

Type of partner (geographic scope of core activities)

- No. of Project Partners with a local geographic scope
- No. of Project Partners with a regional geographic scope
- No. of Project Partners with a national geographic scope
- No. of Project Partners with a international geographic scope

Type of partner (thematic field of core activities) (see Section B) for information on categorisation)

- No. of Project Partners from innovation, technology development, business sector
- No. of Project Partners from transport and ICT sector
- No. of Project Partners from environment sector
- No. of Project Partners from other sectors

Type of partner (legal status)

- No. of public authorities
- No. of public equivalent bodies
- No. of private bodies
- No. of International organizations acting under national law
- No. of International organizations acting under international law

6. Output and result oriented

6.1 Type of Action

- No. of projects developing a joint strategy and action plan
- No. of projects transnationally developing a tool
- No. of projects establishing a joint management
- No. of projects preparing investment
- No. of projects undertaking pilot actions
- No. of projects undertaking other actions

6.2 Core outputs per Type of Action

Type of Action	Standard Core output Indicators
Joint transnational strategy and action plan	• No. of strategies/policy documents developed/ improved • No. of strategies/policy documents implemented/adopted
Transnational tool development	• No. of new tools developed • No. of new tools implemented • No. of trainings for new tools prepared or implemented
Joint management establishment	• No. of permanent cooperations established • No. of permanent management structures established
Investment preparation	• Volume of investment prepared • No. of jobs to be created through these investments • Volume of private/public funds leveraged
Pilot Actions including investments	• No. of Pilot Actions implemented (including No. of investments realized) • Volume of investment realised through Pilot Actions • No. of jobs created through Pilot Actions

7 Communication and Knowledge Management-oriented:

7.1 Outreach to selected target groups

- No. of entities of the public sector / administration addressed
- No. of entities of the enterprise / business sector and related services addressed
- No. of research / technology development entities addressed
- No. of entities providing intermediary services and training addressed
- No. of interest groups addressed
- No. of infrastructure providers addressed

7.2 Outreach to selected initiatives

- No. of links to Objective 1 and 2 Structural Funds Programmes
- No. of links to Territorial Cooperation Programmes (transnational, interregional, cross-border)
- No. of links to Regions for Economic Change
- No. of links to other Priority-relevant EU Programmes (LIFE+, CIP, FP, etc.)
- No. of links to other initiatives / networks (research, interest groups, etc.)

7.3 Media contacts (indicators not included in the Application Form)

- No. of press releases in general, not related/linked to project events
- No. of press articles (incl. online media) in local/regional/national/EU press mentioning the project (count each language version)
- No. of incidences of TV or radio coverage
- No. of people potentially reached by press/media coverage

7.4 Websites (indicators not included in the Application Form)

- Website updated within the last reporting period (y/n)
- No. of website visits
- No. of page views
- No. of links to the site (link: “websitename” in Google)
- Average time on site

7.5 Publications/PR materials (indicators not included in the Application Form)

- No. of publications produced (folders, brochures, newsletters, etc.)
- No. of PR tools (other than publications) produced (e.g., multimedia tools)

7.6 Events (indicators not included in the Application Form)

- No. of transnational events organised within the Project Partnerships (Steering Group meetings, working group meetings, etc.)
- No. of open transnational events organised (conferences, trainings, etc.)
- No. of national/regional events organised
- No. of participants at the organised events
- No. of visible participation at other events (presentation and/or stand)
- No. of journalists invited/participating
- No. of press reports on the event

Section A): Categorisation of Target Groups listed in the OP

Primary target groups according to OP	Functional Category
- National authority - Regional authority - Local authority	Public sector / administration *)
- Private business - SME - Chamber of Commerce / Economy - Regional Innovation Agency - Financing institution - Business incubator	Enterprise/business sector and related services
- Research institution - RTD facility - University - Technology transfer institution	Research / technology development
- Regional Development Agency - Planning institution - Tertiary education institution - Labour market service organization - Education / training centre	Intermediary services and training
- Association - Employers' association - Trade union - Environmental interest group - Housing cooperative / corporation - Cultural initiative group / organization - NGO	Interest groups
- Public transport association / alliance - (Public) Transport operator - Infrastructure operator - Logistic centre / platform - Energy supplier	Infrastructure provider / operator

Section B): Categorisation of thematic fields according to the OP

Thematic field mentioned in OP *)	Thematic sector
- Information and Communication Technology (ICT) - Knowledge-transfer - Labour-market	Innovation, knowledge, business
- Transport - Transport-safety - Logistics	Transport, ICT
- Environment - Natural resources management - Water management - Environmental risk-management - Energy-efficiency	Environment
- Urban and regional development - Housing - Culture - Tourism	Others

*) Although mentioned as thematic fields in the OP, education and training, research and technology are not included in this overview, because they are already included as a functional category.

An additional set of AoI specific result indicators is used for monitoring project's progresses and is included in the six-monthly progress report.

ANNEX 6

CONTENT AND FINANCIAL EVALUATION GRID

1. Relevance
1.1 How relevant is the proposal to the overall Programme goals and objectives?
1.2 How relevant to the need and constraints of the target regions and Areas of Intervention is the proposal?
1.3 How clearly defined are the beneficiaries of the project results?
1.4 Does the proposal contribute to Lisbon and/or Gothenburg goals and how relevant is it to other EU and national policies?
1.5 Does the proposal contain specific added value in terms of innovation?
2. Partnership technical and operational capacity
2.1 Does the Lead Partner have sufficient experience of project management?
2.2 Does the partnership have sufficient technical expertise (notably knowledge of the issues to be addressed)?
2.3 Is the proposed partnership appropriate and relevant to the issues to be addressed?
3. Implementation and Methodology
3.1 Is the Project design (proposed methodology) appropriate?
3.2 Are the work plan and timetable realistic, coherent and transparent? (When applicable: coherence and feasibility of the preparation of pre- investments; coherence and feasibility of the preparation of investments)
3.3 Are management and coordination structures efficient and transparent?
4. Quality of the outputs and Sustainability of the expected results
4.1 Are Core outputs clearly defined and assumptions on the use of outputs (target groups, process assumptions) realistic?
4.2 Are the expected results of the proposed action sustainable at institutional and financial level?
4.3 Are outputs and results transferable, replicable and useful beyond the partnership and the transnational boundaries?
4.4 Are the Communication and knowledge management strategies clearly defined and effective?
5. Budget and cost-effectiveness
5.1 Does total budget demonstrate value for money?
5.2 Is there coherence between project design and budget?
5.3 Are the financial contributions of the partners balanced and do they reflect partner responsibilities?