



# INTERREG ATLANTIC AREA 2021-2027

## PROGRAMME MANUAL

For applicants and beneficiaries

V5 November 2024

Interreg Atlantic Area Programme 2021-2027  
Managing Authority/Joint Secretariat

*Programme Manual is a living document, corrections, clarification, and further information might be added as implementation of the 2021-2027 Programme progresses.*

Version	Date	Edited content
1.1	17.01.2023	<p>2.2 Eligible partners - “enterprise” removed as large enterprises are not eligible and this term could be misunderstood.</p> <p>2.2.1 clarifications regarding Lead partner</p> <p>2.2.2 clarifications on non-eligibility of large enterprises as partners</p> <p>2.3 Intervention logic</p> <p>Further information provided on:</p> <ul style="list-style-type: none"> <li>- Communication objective and target audience</li> <li>- Investment</li> <li>- Project intervention logic/workplan</li> <li>- Project management and communication</li> </ul> <p>Reference to “Programme specific objective” vs “project specific objective” to avoid confusions.</p> <p>2.8 Indicator framework – correction: RC81 does not apply to SO 2.4</p> <p>2.10.2 Application pack – reference to eligibility criteria that project summary must be provided in 4 languages</p> <p>3. Financial section</p> <p>All references to “Associated partners” costs were withdraw as they are not eligible (mostly travel costs)</p> <p>3.1.3 Non eligible expenditures according to Programme rules – correction on “unused transport tickets” line</p> <p>3.1.4 Eligible period - b) Implementation – clarification that project’s start date cannot be earlier than approval date</p> <p>3.1.5 Simplified costs – clarifications</p> <p>3.1.6 - 4. e) “promotional items” added</p> <p>3.2.3 - Example</p> <p>New annex 2: Indicators</p>
2	16.08.2023	<p>4. Contractual arrangements</p> <p>5. Project implementation and management</p> <p>5.2 Expenditures financial flow</p> <p>5.3 Other controls, audits and verifications</p> <p>5.4 Project modifications</p>

		5.5 Project communication
3	13.10.2023	5.1 Submission of Progress Report & Payment Claims
3.1	21.11.2023	5.1.1 Project Progress Reports (PPR) Clarifications regarding PPR and LP's responsibility to submit payments claims every 6 months.
3.2	27.11.2023	3.1.5 Forms of reimbursement 5.2.3 The Controller Clarification on simplified costs option by Controllers
4	20.03.2024	3.1.5 / 5.2.3 / 5. Corrections regarding Preparation costs payment to be made within the first progress report submission. 5.1 Submission of Progress Report & Payment Claims Clarifications and re-organisation of the information Information on deadline for PPR submission 5.4 Modifications Correction on "minor budget modification" 50%v of the total and no of the ERDF Clarification on documents to be provided 5.5.2 Communication measures Addition regarding plaques / billboards Introduction in Annex 1 - Eligibility and quality assessment criteria - Assessment criteria for Call 2 - ISO 1

4.1	02.08.2024	<p>3.1.6 Cost categories</p> <p>Clarifications regarding the calculation of costs for staff working part-time with a fixed percentage of time per month on the project were added.</p> <p>Clarifications regarding the Task Assignment document.</p>
5	07.11.2024	<p>2.2.3 Associated partners (observers)</p> <p>Clarification on associated partners' expenditures under travel and accommodation line</p> <p>4.1 Contracting phase</p> <p>Clarification on the request of Beneficial Owner Declaration</p> <p>Annex 1. Eligibility and quality assessment criteria (Call 1 and 2)</p> <p>Addition information on call 3</p>

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## Abbreviations

AD&C	<i>Agência para o Desenvolvimento e Coesão</i>
CCDR-N	<i>Comissão de Coordenação e Desenvolvimento Regional do Norte</i>
CPR	Common Provisions Regulation
EC	European Commission
ERDF	European Regional Development Fund
ETC	European Territorial Cooperation
EU	European Union
GBER	General Block Exemption Regulation
GDPR	General Data Protection Regulation
IGF	<i>Inspeção Geral de Finanças</i>
IPR	Intellectual Property Rights
JS	Joint Secretariat
MA	Managing Authority
MC	Monitoring Committee
MS	Member State
PAF	Project Approved Form
SIGI	Integrated management information system
SME	Small and Medium Enterprises



## Introduction

The Programme Manual of the Interreg Atlantic Area Programme intends to provide project applicants, Lead Partners and project partners with the information and guidance needed for a clear and timely implementation of their projects in compliance with the applicable legal framework and Programme rules.

The Programme Manual comprises provisions concerning all project lifecycle phases, from the Programme purpose and quality requirements to contracting through project implementation until closure. Some chapters present the compulsory Programme requirements (e.g. eligibility rules) while others intend to guide, to ensure sound project implementation and management.

This document is especially addressed to:

- Potential applicants, applicants, Lead Partners, partners, and associated partners of a project;
- Project managers, finance managers and communication managers appointed by the beneficiaries, which are participating in the approved projects;
- National controllers in charge of validating the expenditure incurred and paid by the beneficiaries;
- Programme bodies.

All applicants are recommended to consult this document when preparing their project proposals, since this document sets the conditions for receiving funding from the European Regional Development Fund (ERDF) in the framework of the Interreg Atlantic Area Programme.

The information provided in this document could be further developed and updated during the Programme implementation according to the needs. The Programme will also provide beneficiaries and national controllers with training and exchange opportunities from early-on in project implementation.

Furthermore, project officers of the Joint Secretariat (JS) will give assistance to beneficiaries (especially to Lead Partners).

# 1. General information about the Interreg Atlantic Area 2021-2027

## 1.1 Mission

The Interreg Atlantic Area Programme 2021-2027 is a European Union (EU) transnational cooperation Programme funded by the ERDF under the European Territorial Cooperation (ETC) objective of the EU Cohesion Policy. The Programme is anchored on several EU policy initiatives, including the European Blue Growth Strategy, the European Green Deal, the Territorial Agenda 2030 and the EU Atlantic Maritime Strategy.

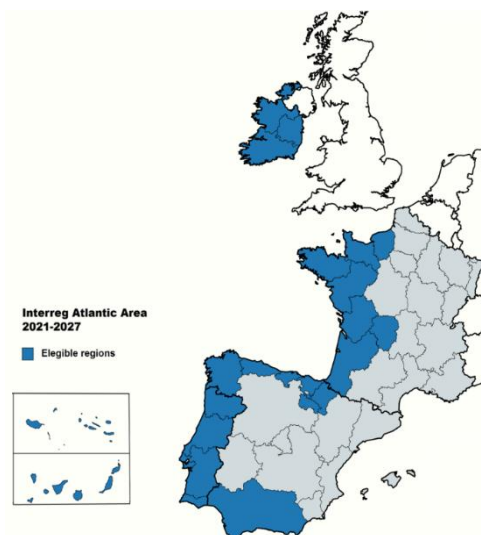
The Programme's mission is to be at the forefront of the transition to a unique, carbon neutral and climate resilient Atlantic Area Region. The Programme will foster the integration of sustainable economic development, societal well-being, and the preservation of biodiversity.

For this purpose, it will bring together stakeholders from different sectors and regions to develop and ensure the deployment of solution addressing the Programme objectives and create benefits for those who live and work in the Atlantic Area.

## 1.2 Atlantic Area challenges

The Atlantic Area Programme covers the western part of the Atlantic Ocean and includes all regions of Ireland and Portugal, as well as several French and Spanish regions close to or on the Atlantic Ocean coast (side image). The list of regions included in the Programme is as follows:

- **Spain:** Andalucía; Cantabria; Galicia; Islas Canarias; La Rioja; Navarra; País Vasco; Principado de Asturias;
- **France:** Bretagne, Normandie, Nouvelle-Aquitaine, Pays de la Loire.
- **Ireland:** Northern and Western; Southern; Eastern and Midland.
- **Portugal:** Norte; Algarve; Centro; Lisboa; Alentejo; Região Autónoma das Açores; Região Autónoma de Madeira.



Which challenges require transnational cooperation? Europe is facing several ongoing mega-trends such as climate change and digitalisation. Their acceleration impacts

economies and societies and demands adequate and coordinated responses from stakeholders working across borders.

Even though the area is already experiencing the first direct impacts through extreme weather events, the impacts on ecosystems, territories and economies are often uncertain. The implementation of mitigation and adaptation measures are amongst the priorities of public and civil society organisations.

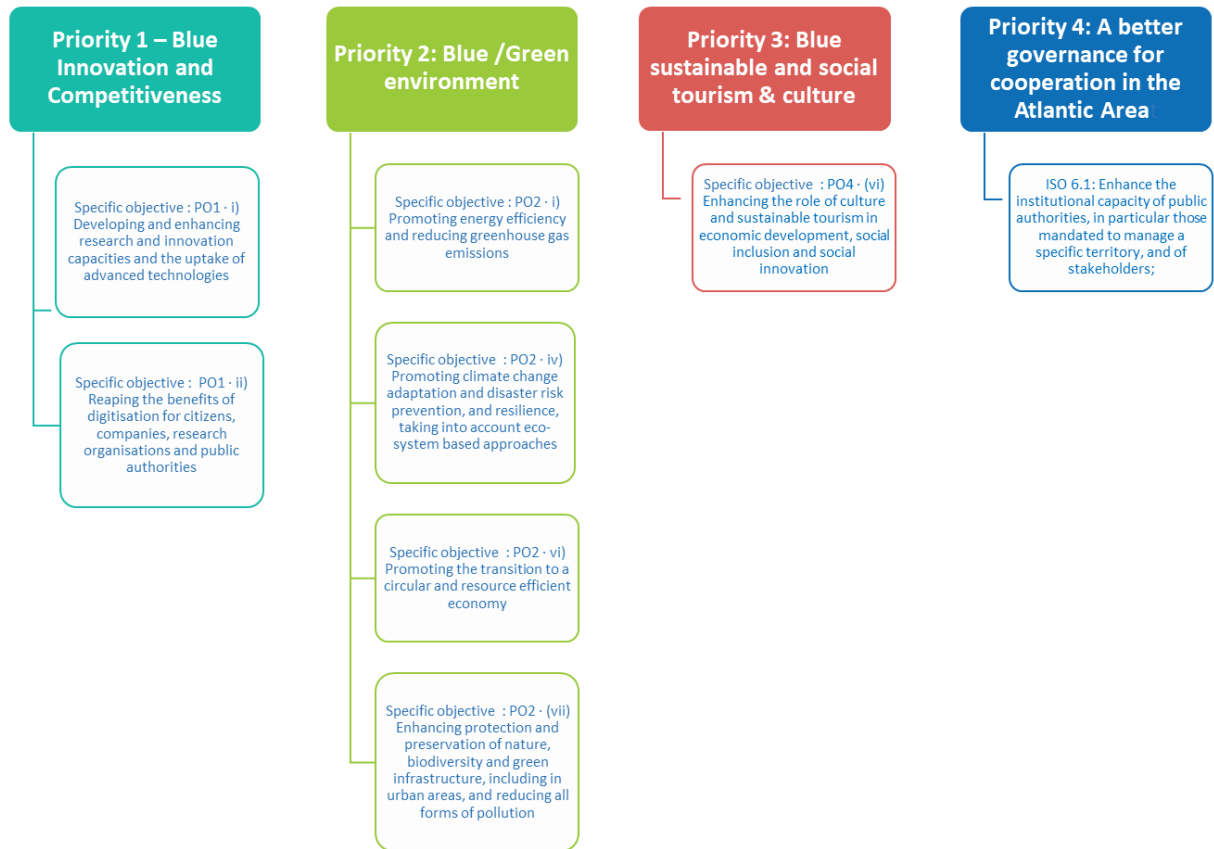
The Atlantic Area, due to its geographical and maritime characteristics, is in constant evolution and subject to challenges that are common to all the Member States (MS) and regions that are part of the Programme.

The Atlantic Area is a maritime territory. This characteristic, together with the coast-hinterland interrelationships, corresponds to a major approach to the Programme's conception. In addition, the cooperation area is located within the EU Atlantic Maritime Strategy, so the development of synergies between the Programme and this strategy is highly recommended to complement efforts and achieve more powerful results, with hopefully a more significant impact on the public policies level.

In this sense, the Atlantic Strategy published in July 2020, the Atlantic Action Plan 2.0, has been considered in the Programme design.

The oceans, and the Atlantic in particular, play a highly significant role in human well-being through three main areas that build services ecosystems in line with the EU's blue economy strategy.

These three approaches to the blue economy are highly present in the Atlantic Area strategy for the period 2021-2027 and are developed through **selected priorities and specific objectives**, as presented in the table below:



### 1.3 Funding

The Programme partner states will invest **104 699 969 euros ERDF** to co-finance transnational cooperation projects promoted by public and private organisations from the four Atlantic Area countries.

Priority	Indicative breakdown of the EU ERDF contribution
<b>Priority 1:</b> Blue innovation and competitiveness	29 169 346,00
<b>Priority 2:</b> Blue/Green environment	54 423 462,00
<b>Priority 3:</b> Blue sustainable and social tourism & culture	17 357 161,00
<b>Priority 4:</b> A better governance for cooperation in the Atlantic Area	3 750 000,00
<b>TOTAL AMOUNT</b>	<b>104 699 969,00</b>

## 1.4 Programme bodies and functions

The governance and management of the Programme are shared between various bodies that, in compliance with the EU Structural Funds Regulation, are in charge of managing, coordinating, supervising, and controlling the implementation of the Programme.

### Monitoring Committee (MC)

It is responsible for the efficient and qualitative implementation of the Programme. Projects are approved by the MC. Each country involved in the Programme (4 countries) is represented in the Committee. When making their decisions, consensus prevails.

### Managing Authority (MA)

It is responsible for the management and implementation of the Programme on behalf of participating MS.

The Norte Portugal Regional Coordination and Development Commission (*Comissão de Coordenação e Desenvolvimento Regional do Norte - CCDR-N*), based in Porto, Portugal, is the Programme MA.

### Joint Secretariat (JS)

Provides information to potential beneficiaries, processes project applications and supports partners in the implementation of their projects. The JS also assists the other implementing bodies of the Programme with the day-to-day operational administration. It is based in Porto (Portugal).

### National Authorities

Provide potential national beneficiaries with information on the Programme, the calls for projects, and the administrative requirements for submitting applications. They also support beneficiaries during project implementation and ensure that partners follow the Programme financial rules by setting up national the relevant financial control process.

### Audit Authority

It is responsible for verifying the proper functioning of the Programme's management and control system. It is the Finance Inspectorate General (*Inspeção Geral de Finanças - IGF*). It is based in Lisbon (Portugal) and is independent of the other bodies. The IGF is assisted by a Group of Auditors composed of one representative from each partner state.

### Accounting Function

The Accounting Function will be carried out by Agency for Development and Cohesion (*Agência para o Desenvolvimento e Coesão - AD&C*), based in Lisbon, Portugal, which is responsible for drawing up and submitting payment applications to the European Commission (EC). It draws up the Programme's accounts, confirming their completeness,

accuracy, and veracity. AD&C will also be the Payment Entity, being responsible for paying ERDF to the project partners.

## **1.5 Languages**

The official languages of the Atlantic Area Programme are English, French, Portuguese, and Spanish.

Please note that each of the JS Programme's staff speaks at least two of the Programme's official languages.

## **1.6 Anti-fraud policy**

Fraud is a deliberate act of deception intended for personal gain or to cause a loss to another party. An irregularity on the other hand is an act that doesn't comply with rules, and which has a potentially negative impact on EU financial interests, but which may be the result of genuine errors committed both by beneficiaries claiming funds. If an irregularity is committed deliberately, however, it's considered fraud.

The Programme has a zero-tolerance policy for fraud and corruption.

We are strongly committed to preventing and detecting cases of fraud. For this reason, the Programme has set up robust control systems, measures and procedures and will follow-up on all cases of suspected fraud. We also encourage all partners, Controllers and contractors to do their utmost to prevent fraud from happening, to put in place proportionate measures to detect it, and to come forward with any suspicion of fraud in relation to the Programme.

For controllers, a specific reporting template will be made available to report cases of suspected or established fraud to the Programme. A whistleblowing procedure will also be put in place to allow partners and members of the public to report to the MA any suspicion of fraud (by sending an email to: [ma@atlanticarea.eu](mailto:ma@atlanticarea.eu)).

The Programme recommends project partners and controllers to pay attention to staff costs (e.g., the plausibility of staff costs considering the activities performed, risk of double financing, etc.) and public procurement (e.g., potential conflicts of interest, splitting of contracts, etc.).

## 2. How to develop a project under the Atlantic Area Programme

### 2.1 Types of projects

For the 2021-2027 period, the Programme will follow distinctive approaches to cooperation depending on the thematic priorities (priorities 1, 2 and 3) and governance (priority 4).

For the thematic priorities, the Programme will offer the possibility to submit both traditional and Atlantic Area innovative projects.

#### Traditional projects

Traditional projects have been in place for several years already and offer a result-oriented approach, helping to identify the expected contribution of projects in a defined policy field. Traditional projects can tackle a wide range of challenges and depending on the maturity of the topic subject to cooperation, may address one or more phases of the policy cycle.

Traditional projects apply a result-oriented approach and deliver tangible results to the challenges identified in the Atlantic Area Programme.

Project applicants are strongly encouraged to consider the characteristics and reference values of traditional projects as outlined below:

- The total project amount should preferentially be, for this call, in a range between 1 and 3.5 million euros;
- Projects will be co-financed and reimbursed up to 75%;
- The indicative duration is up to 36 months;
- Projects must include at least one partner from each MS of the cooperation area.
- Should involve 4 to 12 full partners, considering that projects must include partners from the 4 MS of the cooperation area, at least one per country.

Project applicants are strongly encouraged to consider the reference values as outlined above. Deviations may be accepted in well-justified cases only.

Other type of project might be funded under the Atlantic Area Programme, however for this first call only traditional projects will be considered.

#### Partnership

Partnerships in the Atlantic Area Programme are built on 3 types of partners: Lead Partners, project partners, and associated partners.

In general, all partners must have the capacity and knowledge in the project subject area to participate fully and to deliver the envisaged project outputs. In addition, all partners need to have the administrative and adequate resources required to participate in a transnational project.

Where suitable, partnerships should try to involve cross-sector partners from the national, regional and local levels.

In order to develop tangible and viable outputs and long-lasting results, it is essential to have the appropriate partnership capable of developing and implementing the project outcomes. The partnership is a major factor within the project application assessment and can be crucial in the project's approval.

## **2.2 Eligible partners**

Organisations from the public and private sectors can participate in Atlantic Area projects and receive direct financial support, including:

- Local public authorities,
- Regional public authorities,
- National public authorities,
- Sectoral agencies,
- Infrastructure and (public) service providers,
- Interest groups including NGOs,
- Higher education and research organisations,
- Education/training centre and schools,
- Small and Medium Enterprises (SME),
- Business support organisations,
- European Grouping of Territorial Cooperation (EGTC),
- International organisation, European Economic Interest Grouping (EEIG),
- Civil society,
- Hospitals and medical centres,
- Other.



Partner organisations are deemed public if they have all the following characteristics<sup>1</sup>:

- They are established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;
- They are a legal entity, and;
- They are financed, for the most part, by the State, regional or local authorities, or by other bodies governed by public law; or are subject to management supervision by those authorities or bodies; or have an administrative, management 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.

Please note that the **legal status of a partner organisation impacts their eligibility to be a Lead Partner**.

### **2.2.1 Lead Partners**

The Atlantic Area Programme applies the **Lead Partner principle**<sup>2</sup>, meaning that a Lead Partner assume responsibility for ensuring implementation of the entire Interreg project and guarantee its sound financial management on behalf of the project partners. A Lead Partner should be appointed for each project. The Lead Partner is formally the main beneficiary of the Programme funding and acts as a link between the project partners and the Programme.

Lead Partner responsibilities are stipulated in Article 26 of the Interreg Regulation (EU) 2021/1059. The Lead Partner is responsible for the submission of the joint Application Form through the IT System (Integrated management information system - *Sistema de Informação e Gestão Integrada* - SIGI), as well as for:

- Overall project management;
- Being the contact body for the JS;
- Project reports and documentation delivery;
- Project outputs gathering and delivery;
- Producing the documents required for controls and payments and ensuring that all expenditure has been certified by controllers;
- Ensuring that the certified expenditures for all partners are matching activities outlined in the approved application and any other decisions;

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<sup>1</sup> Article 2(4) of Directive 2014/24/EU of the European Parliament and of the Council on Public Procurement

<sup>2</sup> See Regulation (EC) 2021/1059 Article 26.

- Concluding a partnership agreement defining the consortium rules and procedure, ensuring a proper project roll out.

The responsibilities of a Lead Partner are higher than those of other project partners. A Lead Partner must have the proficient organisational, administrative, and financial capacity to be able to manage a transnational project. Therefore, all project applications must demonstrate that the Lead Partner has the capability to manage a transnational project.

After the approval of a project application, the Lead Partner will sign the Subsidy Contract with the MA and can then start the project. During the project implementation, the Lead Partner's main task is to coordinate the project implementation and ensure sound financial and project management.

### **Eligibility of Lead Partner**

The role of Lead Partner can only be held by:

- I. Public organization;
- II. Organisations governed by public law;
- III. Not-for-profit private organisations;
- IV. International organisations acting under national law.

- The Lead Partner must be based in the Atlantic Area Programme eligible area.

### **2.2.2 Project partner**

Project partners are part of the partnership and contribute to the delivery of the project (activities, deliverables, outputs, and results). Partner activities and budgets must be coherent and proportionate to its activities described in the work plan.

Project partners must:

- Deliver project activities and outputs planned in the application form and agreed in the partnership agreement;
- Ensure the sustainability of the main outputs and results;
- Contribute to the delivery of the progress reports (activities and expenditure) by the agreed reporting deadlines;
- Ensure that their expenditure is verified by a controller and submitted on time to the Lead Partners;
- Assume responsibility for any irregularity in the expenditure claimed by them;
- It shall repay to the MA any amount unduly paid;

- Carry out information and communication activities in line with the communication strategy and the Programme publicity requirements.

Private sector partners including profit-making partners (e.g., SMEs) can participate in the Atlantic Area Programme. Economic activities performed by the partners influence the State Aid relevance of the project. If the project activities are regarded as State Aid relevant, additional restrictions (lower co-financing rate, ceiling of ERDF contribution, etc.) might be applied. Private sector partners should also be aware that:

- They will have to follow public procurement principles (transparency, non-discrimination and equal treatment);
- There may be some restrictions on retaining Intellectual Property Rights (IPR).
- In order to be reimbursed, costs will need to comply with the eligibility rules set out by the Programme;
- Participating partners cannot act as external experts to other partners in the same project;
- Cash flow issues may arise from lengthy payment procedures due to possible controls, audits legal proceedings, etc. In such cases, partners (and not only private ones) should consider higher liquidity levels;
- They may undergo a solvency check before the approval of the application if needed. Potential (lead) partners are asked to inform the National Authorities and/or National Contact Point of the concerned country as soon as it becomes clear that a private partner might join the partnership.

### **2.2.3 Associated partners (observers)**

Associated partners are entities that are not part of the project's budget and do not benefit of a ERDF reimbursement but have an interest in its activities, outputs, or results. They effectively act as observers and can be consulted during the project implementation to provide guidance if needed (e.g advisory board).

For example, they can provide strategic input to specific aspects of a project at different points in time or further help with the dissemination of project outputs.

Lead Partner or a partner, will not be able to claim associated partners expenditures under travel and accommodation line ( or any other) if invited to attend events/meetings.

#### **2.2.4 Partners from outside the Atlantic Area**

In exceptional and fully justified circumstances the MC may allocate ERDF to a partner located outside the of the Programme area. Note that geographical flexibility is only applied as an exception and where a partner from outside the Programme area has a significant asset that is not otherwise available and benefits the Programme area. In duly justified cases, the MC may apply the flexibility criteria, but it is not an obligation, and the final decision is at the discretion of the MC.

There are two possible cases:

- Partners located in a country that is part of the Atlantic Area Programme area, but in a region that is not (e.g., Madrid, Paris).
- Partners located in a country from inside or outside the EU that is not part of the Atlantic Area Programme area (e.g., Italy, Norway, etc.)

In the second case, partners can participate once the country in which the partner located has signed an agreement with the Atlantic Area MA which needs to have a written acceptance in accordance with Article 52(2) of Regulation (EU) No 1059/2021

If there is an interest for such a partner to participate in an Atlantic Area project, the JS will liaise directly with the country concerned to sign the agreement. This is done on a case-by-case basis when the need to do so arises. Partners from outside the Atlantic Area Programme area cannot act as Lead Partners.

To ensure the legality and regularity of the expenditure incurred, the partners outside the Programme area must undergo the same control procedures as any other Atlantic Area project partner. The Lead Partner is responsible for setting up all arrangements regarding the partner outside the Programme area. These arrangements should be defined in the Partnership Agreement.

#### **2.2.5 Organisation located in the United Kingdom**

The United Kingdom (UK) is no longer an EU MS. In June 2020, the UK confirmed to the Programme authorities that will not participate in future ETC Programmes. Consequently, UK organisations are not eligible as partners in the Atlantic Area Programme.

UK organisations can still become associated partners (observers) in a project since no ERDF funding will be awarded to them.

### **2.3 Intervention logic**

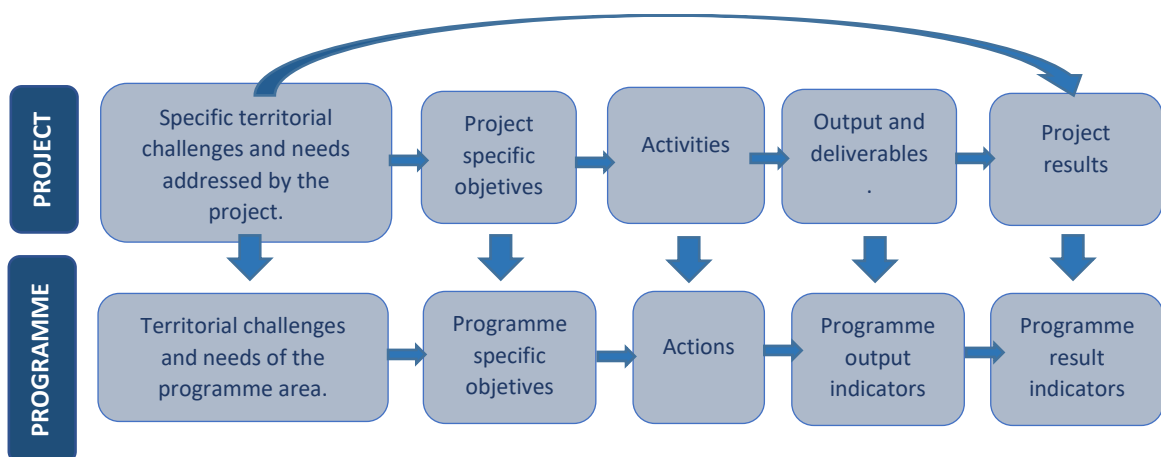
In global terms, for the Atlantic Area Programme, the principle behind its intervention logic is how supported actions and developed outputs address the territorial challenges

and needs of the cooperation area and how the projects will deliver their expected results.

In this way, projects should lead to a solution to territorial challenge in the regions involved, selecting one Programme priority and one Programme specific objective accordingly. This means that projects are required to provide the context on the subject to be tackled, including the underlying causes that influence it.

On this basis, the impact that the project wants to achieve will emerge more clearly. To do so, projects must define specific objectives and results that are needed to achieve the impact. These specific objectives and results need to be identified in line with the Programme, thereby also contributing to the achievement of the Programme's priority specific objectives and results.

Please bear in mind that the relation between your project and Programme objectives' leads to the territorial change as displayed in the following figure:



- **Project objective** explains what the project intends to achieve for the benefit of the involved regions. It outlines the overall goal of the project, specifically the change, the benefits, or improvements it wants to bring to the cooperation area. The overall project objective must be broken down into one or more project specific objectives. It should be clear and leave no room for misinterpretation.
- **Project specific objective** describes an immediate goal that the project can realistically achieve within the project's lifetime through the planned activities and related outputs and deliverables. The project specific objective needs to contribute to the overall project objective. It is recommended that projects set up to three specific objectives as maximum. At the end of the project, it should be demonstrated whether the specific(s) objective(s) has been reached or not;

- **Work plan** is structured around work packages, which are broken down into one or more activities and deliverables. For every single project specific objective, one work package should be defined. As mentioned above for traditional projects it is recommended to specify up to three project specific objectives, whereas for innovative projects more specific orientations will be provided in the opening of the calls for this kind of project.
- **Project activity** is the main point in the work package, describing its implementation to achieve project specific objective. It may or may not result in a deliverable or / and an output.
- **Project output** is the product that results from the implementation of one or more project activities. All project activities and outputs need to be consistent with and contribute to the achievement of one or more project specific objectives. All project outputs need to contribute to the Programme output indicators. Further information on indicators is displayed in section 2.9 and Annex 2.
- **Project deliverable** captures the implementation of project activities through reports, studies or working documents. This means that all deliverables should be able to explain the outcome of intermediate steps of a certain activity;
- **Communication objective and target audience** are defined in each work package. Communication objective contributes to the achievement of project objective by supporting achievements and capitalisation of results and outputs. It includes reference to relevant target group, tools, and channels to be used and their purpose. Specific communication activities could be planned and integrated in work packages as well, in line with communication objective set, allowing communication strategy to be imbedded in project global strategy.
- **Investment(s)** (if applicable) are only to be foreseen if they are necessary for the implementation of project activities linked to pilot actions. Investments shall have a demonstrative character.

For each investment exceeding EUR 25.000 total cost a clear and concise description needs to be provided. This shall include a justification of the investment, its physical location, information on its environmental sustainability and risks, technical and legal requirements, and ownership. For determining the total amount of the investment, only items falling under cost categories “Equipment” and “Small Infrastructure and works” should be considered.

Investments equal to or below EUR 25.000 total costs only must be briefly described under the related activity and to be specified in the concerned partner budget.

Pilot actions can include pilot investments, which are implemented at a small scale and are necessary for the successful implementation of a pilot activity.

A pilot investment must clearly contribute to the project overall and project specific objectives: it must have a demonstration, model or pilot character and show a clear transnational implementation dimension and effect that the partnership evaluates together.

The investment should be well integrated into the work plan and show a clear benefit for the target groups addressed. It should ideally pave the way to large-scale investments, thus increasing the impact of the project.

If applicable, projects should bear in mind that necessary authorisations for pilot investments (e.g. building permits) are available or can be obtained in a reasonable time to avoid hampering the overall project implementation.

In the project budget, a pilot investment can include items that belong to the cost categories “Equipment” and “Small Infrastructure and works” for e.g. the adaptation of existing infrastructure.

Pilot investments must comply with relevant legislation and environmental policies as well as with the durability and ownership requirements.

Furthermore, infrastructure investments with an expected lifespan of at least 5 years must ensure their climate proofing. In addition to EC guidance, specific rules may be set out by the country in which the investment will be developed.

- **Project result** is the immediate effect and change compared to the initial situation in the regions subject to cooperation, which the project intends to achieve through its outputs. It relates to the challenges tackled. The project result is tied to the project objective and quantifies the degree to which the objective has been achieved during the project’s lifetime. Thus, all project results are to contribute to the Programme result indicators. Further information on indicators is displayed in section 2.9 and Annex II.

**Tips:**

A well-formulated **project objective**:

- Is clear and concise.
- Provides a concrete description of the project's outcome.
- It is not a description of activities.
- Is developed in a participatory process by the whole project partnership.
- Addresses the project's target groups and stakeholders and is accepted by them;
- Is realistic and achievable by the end of the project.

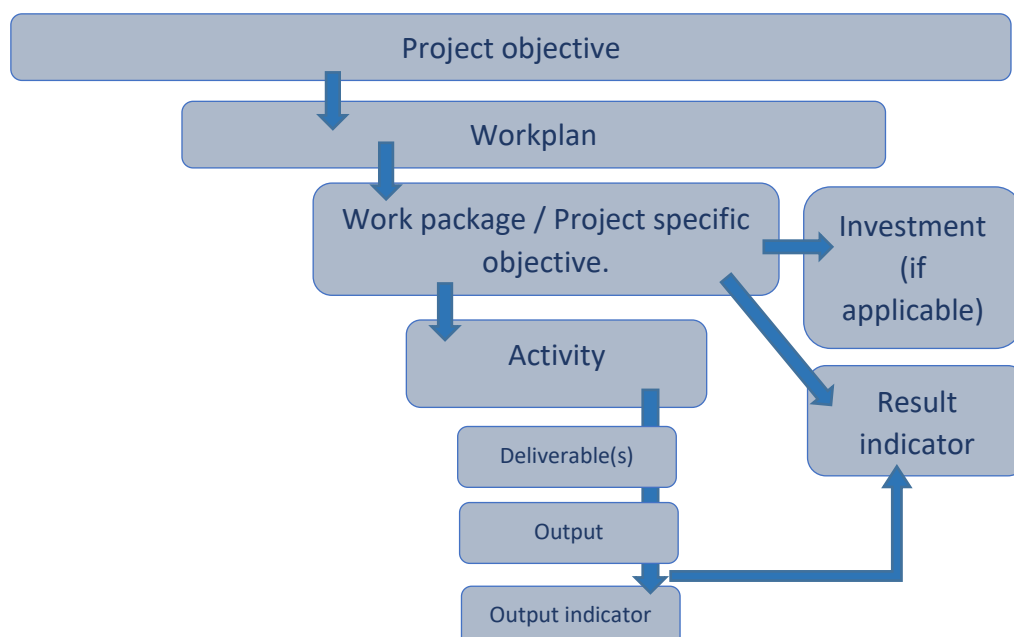
The **project result**:

- Must be measurable in line with the Programme's result indicators definition. It must have a target value to be reached by the end of the project;
- Must be the impact of the development, roll-out or upscaling of outputs.

The **project outputs**:

- Are the main tangible products of project activities;
- Must be jointly developed by the project partners;
- Should directly contribute to the achievement of the project results;
- Must contribute to the specific Programme output indicators.

Project intervention logic and work plan structure is displayed in the following figure:





Project management and communication: adequate provisions in addition to the activities set in the work plan must be foreseen. A clear management plan aims to define how the project management, on the strategic and operational level, will be carried out, including the set-up of management structures, responsibilities and procedures, risk management, internal communication, and quality monitoring. Projects must define reporting procedures at the partner's level towards the Lead partner as well. The global strategy for communication outlines the main objectives and describes how it will contribute to achieve project's objective and results, as set in the work plan. Details on tactics, channels, tools and target audiences must be provided. Such provisions should be taken into consideration within project timeline and budget.

## **2.4 Horizontal principles**

Sustainable development, with equal opportunities for men and women, non-discrimination and accessibility are the horizontal principles that every project must consider at all stages, from project design and implementation to outputs and project evaluation. In practical terms, this means that projects must not violate these principles in their activities, outputs, and results, or at the very minimum should be neutral in their effect on them. The project assessment will consider the promotion of these horizontal principles as a positive factor. Projects should therefore mention if they are planning any specific measures to follow these principles.

More specifically, horizontal principles refer to the following 4 principles<sup>3</sup>:

- The EU Charter of Fundamental Rights;
- Gender equality;
- Non-discrimination (including accessibility);
- Sustainable development. Including the United Nations (UN) Sustainable Development Goals.

### ***2.4.1 Other horizontal principles relevant for projects***

#### **The “Do no significant harm” principle (DNSH)**

In accordance with the EU Regulation 2021/241 establishing the Recovery and Resilience Facility (RRF), article 5 states that funds from the Facility should respect the principle of

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<sup>3</sup> Article 9, Common Provisions Régulation (EU) 2021/1060: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R1060>

additionality and the **‘do no significant harm’<sup>4</sup> principle**. In addition, in accordance with article 9(4) of Common Provisions Regulation, “the objectives of the Funds shall be pursued in line with the objective of promoting sustainable development as set out in Article 11 Treaty of the Functioning of the European Union, considering the UN Sustainable Development Goals, the Paris Agreement and the "do no significant harm" principle”.

The Regulation establishing the RRF provides that no measure included in the Recovery and Resilience Plan (RRP) should lead to significant harm to environmental objectives within the meaning of article 17 of the Taxonomy Regulation.<sup>5</sup> According to the article, six environmental objectives define what constitutes ‘significant harm’, namely:

- Climate change mitigation, in which the activity leads to significant greenhouse gas emissions;
- Climate change adaptation, in which the activity leads to an increased adverse impact of the current climate and the expected future climate, on the activity itself or on people, nature or assets;
- Sustainable use and protection of water and marine resources, in which the activity is detrimental to:
  - The good status or the good ecological potential of bodies of water, including surface water and groundwater; or
  - The good environmental status of marine waters;
- Circular economy, including waste prevention and recycling, in which:
  - The activity leads to significant inefficiencies in the use of materials or in the direct or indirect use of natural resources such as non-renewable energy sources, raw materials, water and land at one or more stages of the life cycle of products, including in terms of durability, reparability, upgradability, reusability or recyclability of products;
  - The activity leads to a significant increase in the generation, incineration, or disposal of waste, except for the incineration of non-recyclable hazardous waste; or
  - The long-term disposal of waste may cause significant and long-term harm to the environment;

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<sup>4</sup> Do No Significant Harm Principle: [https://ec.europa.eu/info/sites/default/files/c2021\\_1054\\_en.pdf](https://ec.europa.eu/info/sites/default/files/c2021_1054_en.pdf);  
[https://ec.europa.eu/info/sites/default/files/2021\\_02\\_18\\_epc\\_do\\_not\\_significant\\_harm\\_-\\_technical\\_guidance\\_by\\_the\\_commission.pdf](https://ec.europa.eu/info/sites/default/files/2021_02_18_epc_do_not_significant_harm_-_technical_guidance_by_the_commission.pdf)

<sup>5</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment.

- Pollution prevention and control, in which the activity leads to a significant increase in the emissions of pollutants into the air, water or land, as compared with the situation before the activity started; or
- The protection and restoration of biodiversity and ecosystems, in which the activity is:
  - Significantly detrimental to the good condition and resilience of ecosystems; or
  - Detrimental to the conservation status of habitats and species, including those of Union interest.

The above-mentioned criteria should also be considered to evaluate if an economic activity is significant harm. When assessing an economic activity, both the environmental impact of the activity itself and the environmental impact of the products and services provided by that activity throughout their life cycle shall be considered, by considering the production, use and end of life of those products and services.

**The Programme complies with the DNSH<sup>6</sup>**, with several specific objectives having a positive correlation with the European Green Deal pillars of environment, energy, climate, zero pollution, and biodiversity. A strong alignment with the EU's new approach to a sustainable blue economy is also present. Considerable actions promote the development of green energies, energy efficiency and the reduction of air pollution. Therefore, they are expected to have a positive impact on air quality and reduction of air pollution in the Atlantic Area. The Programme also acknowledges the need to implement further efforts for all pollutants to meet the EU emission reduction commitments in 2030, as detailed in the Atlantic Area Environmental Assessment Report.<sup>7 8</sup>

The types of actions supported by the Programme must be compatible with the DNSHP since they are not expected to have any significant negative environmental impact due to their nature. In this context, the Programme recommends the application of practical measures (e.g., use of green public procurement, nature-based solutions, lifecycle costing criteria, etc.) for all types of actions.

### Important note:

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<sup>6</sup> Atlantic Area Cooperation Programme, page 21.

<sup>7</sup> For more details, please consult the "Atlantic Area Environmental Assessment Report", available on the programme's website.

<sup>8</sup> Actions involving methanisation must comply with the EU Ambient Air Quality Directives and the standards to avoid the accumulation of unnecessary pollution concentrations and reduce national emissions of certain atmospheric pollutants. Providing affordable, secure, and reliable clean energy must be in line with mitigating global climate change. Pilots related to methane emissions must rely on measurement, reporting and verification, controlling for particulate matter, namely PM2.5 and PM10 and NOx, and nitrogen oxides (NOx).

The Programme will be concerned with the above-mentioned horizontal principles and the DNSH, considering them not only in application and selection procedures but also in project implementation and monitoring reporting.

### ***New European Bauhaus***

As referred in the AA Cooperation Programme, the New European Bauhaus<sup>9</sup> is an interdisciplinary initiative of the EC that advocates a holistic and balanced approach between three core values: sustainability, inclusivity, and aesthetics, also with an emphasis on interdisciplinary initiatives to combine art, culture, social inclusion, science and technology.

The Atlantic Area has a rich intangible cultural heritage that is common to the regions of the territory and encompasses creative and cultural industries. The Programme aims to promote Bauhaus values, namely in activities proposed by projects meant at enhancing the role of culture and tourism in economic development, social inclusion, and social innovation, which can be sustainable, aesthetic, and inclusive. For example, restoring biodiversity by re-naturing landscapes enhances sustainability, rediscovering historical and architectural heritage may promote aesthetic conceptualisations, and thinking about new forms to appeal to wider participation of citizens is a way to contribute to inclusiveness, with culture being an important driver of an inclusive society.

Where relevant, projects are invited to apply this holistic approach in their design and implementation.

### ***Strategic Procurement***

The Atlantic Area Programme supports the strategic use of public procurement<sup>10</sup> to support Policy Objectives. Projects are encouraged to use more quality related and lifecycle cost criteria. When feasible, environmental (e.g. green public procurement criteria) and social considerations as well as innovation incentives should be incorporated into public procurement procedures, targeting quality instead of adopting a narrow view focused on the 'lowest price'. Professionalization and administrative capacity to promote this approach must be strengthened.

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<sup>9</sup> New European Bauhaus, [https://europa.eu/new-european-bauhaus/index\\_en](https://europa.eu/new-european-bauhaus/index_en)

<sup>10</sup> European Commission's Public Procurement Action Plan  
[https://ec.europa.eu/regional\\_policy/en/policy/how/improving-investment/public-procurement/](https://ec.europa.eu/regional_policy/en/policy/how/improving-investment/public-procurement/)

## **2.5 Transnational approach**

The Atlantic Area projects must tackle transnational subjects common to the whole cooperation area that must be explained, as well as how far the challenges addressed and the solutions proposed are responding to an identified need.

Projects are expected to explain why the transnational approach is the right level to address the issue tackled, compared to the national, regional, or local levels. The benefits and advantages of a transnational approach must also be demonstrated.

## **2.6 Results' sustainability and transferability**

The project must ensure that its outputs are specific, measurable, realistic, sustainable, and transferable. The project's outputs and results should be clearly linked to the identified target group's needs and should bring added value to those already in place. The long-term strategy for the project results and expected impact on target areas (geographically and thematically) and target groups, must be made clear. The stakeholders for whom the results are relevant shall be clearly identified. A strategy for their involvement since the project preparation phase should be put in place. Further, concrete and solid measures demonstrating that the long-term impact of project results by the identified target groups is secured must be foreseen.

## **2.7 Projects in their policy context**

The projects should be aware of the policy context in their activities field, especially those related to Atlantic Area Cooperation Programme (for example, Atlantic maritime Strategy). When developing a project idea, it might be helpful to reflect on the following questions: What is the policy background and status? What is the profile of policy development and what are the (project) challenges? Are there already achieved agreements on a national or transnational level? This awareness will directly influence the factors such as the set-up of the partnership, the structure of the project, and the type of the transnational problem that is tackled (political, financial, technical). The partnership structure and consistency must be carefully assessed. Which is the institutional role of the partners in the specific policy field addressed? These are the questions projects must address at application stage.

Project results are expected to be transnational in nature, meaning that they are based on the added value of transnational cooperation. The degree of transnationality is measured according to 4 cooperation criteria:

- Joint development (compulsory): partners have to be involved in an integrated way in developing ideas, priorities and actions in the project development process;
- Joint implementation (compulsory): project activities must be carried out by partners in a cooperative way that ensures clear content-based links and be coordinated by the Lead Partner;
- Joint financing (compulsory): the joint project budget shall be organised in line with activities carried out by each project partner. The Lead Partner is responsible for the administration and reporting towards the Programme bodies as well as the distribution of the funds to the partners;
- Joint staffing (optional): the project should not duplicate functions within the partnership. In particular, project management functions should be appointed only once at project level.

Ideally, outputs and results should also bring a transnational experience to their end users.

## **2.8 Indicator framework**

### ***2.8.1 Output and result indicators***

In line with the ERDF and Cohesion Fund Regulation (EU) No. 2021/1058 of the European Parliament and of the Council of 24 June 2021, indicators framework for the Atlantic Area Programme has been established. The selection of these indicators was supported by the Atlantic Area strategy, namely by the objectives, expected results, and indicative types of actions that have been identified.

All projects applying to the Atlantic Area Programme must identify and quantify their project objective, envisaged outputs, and results. For this purpose, the Programme has identified a set of indicators to capture them by project. Most of these indicators apply to all Programme priorities as demonstrated in the table below:

		Priority 1: Blue innovation and competitiveness		Priority 2: Blue /Green environment				Priority 3: Blue sustainable and social tourism & culture	Priority 4: A better governance for cooperation in the Atlantic Area
Indicator		R&I SO 1 (i)	Digitization SO 1 (ii)	Energy Efficiency SO 2 (i)	Climate change SO2 (iv)	Circular Economy SO2 (vi)	Biodiversity SO 2 (vii)	Tourism & Culture SO, 4 (vi)	ISO 6 (i) Enhance the institutional capacity of public authorities
Output	RCO81	x	x	x	x	x	x	x	x
	RCO83	x	x	x	x	x	x	x	
	RCO84	x	x	x	x	x	x	x	
	RCO85		x						
	RCO87	x	x	x	x	x	x	x	x
	RCO116	x	x	x	x	x	x	x	x
Results	RCR79	x	x	x	x	x	x	x	
	RCR81		x						
	RCR84								x
	RCR104	x	x	x	x	x	x	x	x

The designations for each indicator are presented in the table below:

OUTPUT	RCO 81 - Participations in joint actions across borders
OUTPUT	RCO 83 - Strategies and action plans jointly developed
OUTPUT	RCO 84 - Pilot actions developed jointly and implemented in projects
OUTPUT	RCO 85 - Participations in joint training schemes
OUTPUT	RCO 87 - Organisations cooperating across borders
OUTPUT	RCO 116 - Jointly developed solutions
RESULTS	RCR 79 - Joint strategies and action plans taken up by organisations
RESULTS	RCR 81 - Completions of joint training schemes
RESULTS	RCR 84 - Organisations cooperating across borders after project completion
RESULTS	RCR 104 - Solutions taken up or up-scaled by organisations

The application stage implies the commitment to achieve targets selected from the Programme indicators framework. If approved, projects must deliver the outputs and targets. The delivery and achievement of these will be followed closely by the Programme.

More information on definitions and concepts is presented in Annex 2.

## 2.8.2 Project monitoring environment indicator

In addition to the output and result indicators, a set of indicators aiming to monitor the Programme's environmental performance has been identified and set in the AF. These indicators (table below) are structured in the distinct factors defined in Annex I of Directive 2001/42/EC and related to the Marine Strategy Framework Directive,<sup>11</sup> notably the indicator "Joint marine observation projects to increase knowledge and ability to forecast the behaviour of the ocean developed". The application stage also implies the report of expected outputs for these indicators, which will be open accordingly to the Programme specific objective selected.

Indicator	Unit
Common strategies to reduce GHG emissions in the industrial sectors and housing and transports in the Atlantic Area developed or implemented	Nº
Joint local, regional and/or sectoral action plans to reduce GHG emissions developed or implemented	Nº
Joint maritime training Programmes developed or implemented	Nº
Joint water management strategies that integrate adaptation to climate change developed or implemented	Nº
Joint marine observation projects to increase knowledge and ability to forecast the behaviour of the ocean developed	Nº
Jointly developed coastal protection measures/ nature-based solutions/ ecosystem services against natural and/ or technological and/ or man-made hazards compatible with landscape protection	Nº
Joint action plans including resilience and mitigation measures in coastal areas and close to the coast developed or implemented	Nº
Joint plans to improve and promote biodiversity and reduce threats to Atlantic Area flora and fauna developed or implemented	Nº
Joint projects to create blue and green corridors to foster biodiversity developed	Nº
Collaborative projects (including digital upskilling, tools and processes) to adapt to climate change developed	Nº
Joint sectoral or territorial plans to adapt or mitigate the effects of climate change developed or implemented	Nº
Joint risks management plans to increase climate resilience of critical infrastructures developed or implemented	Nº
Joint innovation projects in the blue economy to develop new healthcare and pharmaceutical applications	Nº
Pilot actions to test production of decentralised renewable energy developed	Nº

<sup>11</sup> Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy, also known as the Marine Strategy Framework Directive.



Indicator	Unit
Joint measures for the protection of natural heritage (including World Heritage Sites) developed or implemented	Nº
Joint strategies for sustainable tourism that valorises the Atlantic Area natural heritage developed or implemented	Nº
Jointly developed innovative sustainable solutions in culture/ creative and cultural industries and tourism	Nº
Jointly developed cultural events and cultural routes	Nº

## 2.9 Risk management

### Delivering projects is taking risks

The Programme is committed to risk management and requires projects to apply the same practice. The project's objectives and results are closely tied to those of the Programme. If projects underperform, the Programme cannot deliver its expected results. This shared responsibility requires a common risk management approach applied to both the Programme and project levels.

Risk management brings benefits during the project's lifetime and can help save a substantial amount of time and money by enabling partnerships to proactively deal with unforeseen circumstances. It enables projects to:

- Minimise the impact of threats to successful delivery;
- Ensure the quality of outputs and results envisaged;
- Implement the project on time and budget.

A risk is a factor that may affect the project positively or negatively and can be divided into the following **types**:

- **Strategic** - associated to the logic of intervention, quality, and well-timed delivery of the project objective, result or the project outputs (*e.g.*, project results not achievable, major difficulties in delivering the project outputs or their roll-out/upscaling).
- **Technology or innovativeness** – linked to the development or implementation of innovative technology or solutions.
- **Work plan** – related to the implementation of activities and their interdependency. It also relates to timing (*e.g.*, realistic delivery schedule); possible underperformance of individual partners or the partnership; qualitative and

quantitative changes to the project investments/deliverables that might affect the outputs; revisions to the type and scope of activities, etc.

- **Investment plan** – linked to the investment delivery stages (viability studies, construction licenses and agreements including political approval and planning, procurement – as well as unsuccessful procurement, types of works to be undertaken), ownership or durability problems in case of infrastructure or productive investments, etc.
- **Procurement** – associated to the involvement of external experts or consultants in project implementation (*e.g.*, externalised project management, *etc.*); .
- **Communication** – ineffective project communication strategy with internal or external effects (*e.g.*, on target groups or stakeholders and so the quality of outputs or deliverables), poor visibility on the Atlantic Area territory making upscaling of outputs hard, non-compliance with Programme publicity rules, etc.
- **Finance** – linked to the receipt of match-funding required for the project, exactitude of budgeting or financial milestone-setting for ERDF Subsidy Contracts, State Aid rule application, individual partner cash flows, etc.

Project applicants must identify the main risks to the project's successful implementation in their AF.

Projects should endeavour to include risk management practices into their project management approach.

## 2.10 How to apply

To ensure a project non-discriminatory and transparent procedure of selection, regular calls for project proposals will be launched on the Programme website ([www.atlanticarea.eu](http://www.atlanticarea.eu)). Terms of Reference will be published for each call for project proposals outlining the framework of the call and the specific expectations of the Programme in terms of content (*e.g.* open priorities, topics to be covered, and expected results) and specifying further operational and technical aspects (*e.g.* budget, partnership).

### 2.10.1 Application procedure

The application and selection procedure for projects takes place in the framework of regular calls for project proposals. Regular calls will be launched, eventually, every year. The Terms of Reference are defined and published for every call.

For the First Call for traditional projects, application follows a one-step procedure.

The procedure starts with the submission of the AF and its assessment: the submission of the AF is through the SIGI platform. The AF is a binding document, which describes the project and gives detailed information on the work plan and financial figures. It is the reference document for implementation during the whole project duration. Once submitted, the application is automatically registered, and the Lead Partner will be sent an electronic notification of the application's receipt by the Programme.

### **2.10.2 Application pack**

The application pack for the call is available on the Programme website and includes the following:

- Terms of Reference;
- Programme Manual 2021-2027;
- How to complete the Application Form guide;
- Template Application Form Example
- Templates for Declarations.
- FAQs for the First Call;
- Approved Cooperation Programme 2021-2027;
- Interreg Atlantic Area Strategic Environmental Assessment Screening.

Project applicants who would like to submit a proposal must complete the AF in English mandatorily and, if wished, may also provide the application in other Programme working languages. The project summary must be provided in English, French, Portuguese and Spanish.

The online system runs several automatic validation checks which prevent a user from submitting the form if it is not properly filled.

Furthermore, the following advice for the project development and application should be considered:

- Read carefully the Atlantic Area Programme, as all project proposals are required to identify one priority and one Programme specific objective, they will be contributing to;
- Get in touch with the Atlantic Area JS or NA in your country for more information;
- Discover the results already delivered by the Atlantic Area Programme on the website ([www.atlanticarea.eu](http://www.atlanticarea.eu));
- Read the Programme manual.

- Participate in applicant seminars (the date will be available on the Programme's website).

### ***2.10.3 Eligibility and quality assessment by the Joint Secretariat (ongoing)***

The first stage prior to the assessment is an **Eligibility check** that will be performed by the SIGI.

Project applications will then be checked against the **Eligibility criteria** to ensure that they fulfil the technical requirements of the Programme. An application could be deemed ineligible at this stage if it does not meet the eligibility criteria (cf. Annex I).

Eligible applications will then undergo a **quality assessment**, according to the set of quality criteria, looking among other things at the fit of the project with the specific objective, a coherent and logical setup, a budget that presents value for the money, and a suitable partnership (cf. Annex I).

After the JS technical assessment, the applications will be assessed by the MC. The MC will take a final decision and approve or reject the submitted applications. Based on the MC decision, the lead applicant receives a letter of approval or rejection from the Programme. The letter of approval may include recommendations from the MC to improve of the AF.

The whole application process is carried out through the Programme's IT system (SIGI) and lasts 30 weeks at minimum from the launch of the call to the MC decision (single steps may be prolonged due to holiday season, activity peaks or in case of a high number of applications received).

The applicants are assisted by Atlantic Area NA and JS in the form of national info days, applicant seminars, online training, video tutorials, and bilateral contacts (if needed).

## **3. Financial section**

### **Atlantic Area framework rules**

The regulatory framework for the management of Interreg Atlantic Area as well as any other EU funded projects is based on the Financial Regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC - Euratom) No 966/2012.

Furthermore, all general rules concerning structural and investment funds are also applicable. The following legal norms and documents apply (non-exhaustive list):

- Regulation (EU) 2021/1060 laying down common provisions on the ERDF, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the

European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (Common Provisions Regulation - CPR);

- Regulation (EU) 2021/1058 on the ERDF and on the Cohesion Fund (ERDF Regulation);
- Regulation (EU) 2021/1059 on specific provisions for the ETC goal (Interreg) supported by the ERDF and external financing instruments (Interreg Regulation);
- Implementing acts and delegated acts adopted in accordance with the aforementioned regulations.
- Other regulations and directives applicable to the implementation of projects co-funded by the ERDF.

In case of amendment of the above-mentioned legal norms and documents, **the latest version applies**.

### **3.1 Eligibility rules**

#### ***3.1.1 Rules hierarchy***

The rules hierarchy of eligible expenditures in Interreg projects is as follows:

- EU rules on eligibility as set out in the CPR, ERDF Regulation and Interreg Regulation;
- Programme eligibility rules as set out in this document;
- National (including institutional) eligibility rules. Such rules only apply for matters not covered by eligibility rules set in the abovementioned EU and Programme rules.

This hierarchy of rules only applies to eligibility rules of expenditure. All applicable EU and national rules, apart from eligibility of expenditure, are on a higher hierarchical level than rules set by the Interreg Atlantic Area Programme and must therefore be followed (e.g. procurement law). In such cases, the partner has to follow the stricter applicable rule. Finally, the partner's internal rules should be followed if specific issues have not been covered by previous levels.

Beneficiaries are herewith strongly recommended to seek advice from the respective Control body, NAs or the JS if there is any issue related to the eligibility of expenditure that is not covered by this document.

#### ***3.1.2 General eligibility expenditure criteria***

Expenditure on approved projects (except for simplified costs) may be eligible for reimbursement provided that they meet all of the following general eligibility criteria, which must be checked and guaranteed by the authorised national controllers:

1. **Be incurred and paid** (except for simplified costs) by a beneficiary for implementing a project through actions as identified in the latest approved AF, in the period between the project start and end date;<sup>12</sup>
2. **Be essential for the achievement of the project objectives/outputs** and it would not be incurred if the project was not carried out (additionality principle);
3. **Comply with the principle of real costs** except for costs calculated as flat rates and lump sums;
4. Comply with the principle of **sound financial management**;
5. **Be registered in the beneficiary's accounts** through a separate accounting system or an adequate accounting code set in place specifically for the project (except for costs calculated as flat rates and lump sums);
6. **Only expenses incurred by the respective beneficiary are eligible.** Expenses based on invoices that are not addressed to the beneficiary respectively expenses based on payments that have not been initialised by the beneficiary itself and costs that are not finally borne by the beneficiary itself are not eligible.
7. Expenses related to **contracts between project partners** within the project concerning the delivery of services, supplies, or works among themselves **cannot be co-financed**.
8. If applicable, observe all relevant **procurement rules**;
9. Beneficiaries are responsible for **minimising** any possible **risk of conflicts of interest**;
10. **Expenses of organisations contracted via in-house procurement** according to Article 12 (3) of Directive 2014/24/EU can be considered eligible if based on verified actual and eligible costs without any additional fees charged. The respective expenses shall be reported in the cost categories they would normally belong to if directly incurred by the beneficiary. The present eligibility rules, therefore, apply in full to organisations contracted via in-house procurement too (i.e. staff costs calculation for an employee of such an organisation is the same as the one for an employee of the project partner). The same rule shall apply to contracts concluded

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<sup>12</sup> Without prejudice to the eligibility of preparation and contracting costs - reimbursed as a lump sum as well as project closure costs related to final reports and control certificates.

between public bodies falling outside the scope of the EU public procurement directive (Article 12 (4) of Directive 2014/24/EU);

11. **Financial contributions** (e.g. national grants) **that are not dedicated to the specific project approved** by the Programme are not of any relevance to the calculation of the ERDF co-financing;
12. **All expenditures shall be supported by invoices and proofs of payment** or documents of equivalent probative value (except for Simplified Costs Options). **Electronic invoices can be accepted if these meet the requirements** set out in national law and include information on the funding Programme and the reference number and name (acronym) of the project. If applicable (e.g. same document covering different cost items), a statement on the share claimed as eligible has to be indicated too.
13. **Financing based on Simplified Costs Options (such as flat rates) has to be chosen already in the application phase of a project proposal** (i.e. to be indicated already in the AF) and cannot be selected nor changed after the approval of the project.
14. For projects the total cost of which is **below 5.000.000 euros** (including VAT) **VAT is eligible**.
15. For projects the total cost of which is at least 5.000.000 euros (including VAT) VAT is eligible if it is non-recoverable under national VAT legislation.
16. **They respect the rules of branding and communication** established by the European regulations and the Programme;
17. **Any expenditure reported must be in euros**<sup>13</sup>. Therefore, expenditure incurred in a currency other than the euro must be registered in SIGI into Euro by using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification (see Article (38(5) of the Interreg Regulation).

Additionally, the **expenditure shall incur in the eligible period**.

Please be aware that expenditures which do not comply with the applicable eligibility rules cannot be claimed, even if they are included in the approved AF.

### **3.1.3 Non-eligible expenditure**

The list of non-eligible expenditure for the Programme is as follows.

Non-eligible expenditure according to the CPR Regulation Article 64 (1):

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<sup>13</sup> The EC publishes monthly exchange rates on the first day of each month at: [https://ec.europa.eu/info/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-infoeuro\\_en](https://ec.europa.eu/info/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en)

- Interest on debts;
- Purchase of land for an amount exceeding 10 % of the total eligible expenditure for the project concerned, for derelict sites and for those formerly in industrial use which comprises buildings, the limit shall be increased to 15 %;
- Value added tax (VAT), except:
  - For projects the total cost of which is below EUR 5 000 000 (including VAT);
  - For projects the total cost of which is at least EUR 5 000 000 (including VAT) where it is non-recoverable under national VAT legislation.

Non-eligible expenditure according to ERDF Regulation:

Actions mentioned in article 7 of the ERDF Regulation cannot be financed by the Programme (exhaustive list).

Non-eligible expenditure according to Interreg Regulation Article 38 (3):

- Fines, financial penalties and expenditure on legal disputes and litigation;
- Costs of gifts;
- Costs related to fluctuation of foreign exchange rate.

Non-eligible expenditure according to Programme rules:

- In-kind contributions, (including unpaid voluntary work);<sup>14</sup>
- Shared costs, split items among project partners (i.e. sharing of common costs);
- Discounts not considered when claiming the costs (only the discounted amount is to be regarded as eligible);
- Cancellation costs (e.g. venue, catering, travel and accommodation) or costs of any unused travel tickets or booking for external experts;<sup>15</sup>
- National banking charges;
- Activity-related investments, as described by Directive 2011/92/EU (Annex I);
- Activity-related investments, as described by Directive 2011/92/EU (Annex II);

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<sup>14</sup> Definition: Contributions in the form of the provision of works, goods, services, land and buildings for which no cash payment, supported by invoices or documents of equivalent probative value, has been made. Personnel costs for staff working in one of the partner institutions on the basis of an employment contract and receiving a regular salary do not count as a contribution in kind, but as a cash contribution, as the staff costs are indeed paid by the partner institution.

<sup>15</sup> The MA may formulate common exceptions to this rule in case of unforeseeable circumstances such as pandemics and natural disasters.



- When using real cost method for partners' travel costs and for invited persons: unused transport tickets, regardless of the reason for cancellation;
- Expenditure related to travel or activities outside the Programme cooperation area and outside the EU16 which have not been expressly included in the AF and accepted by the JS;
- Contracting between partners and/or associated partners of the same project for services, expertise, equipment and works carried out within the project;
- Monetary awards for competition winners;
- Non-monetary awards not expressly included in the AF and accepted by the JS, for competition winners;
- Contractual advance payments;<sup>17</sup>
- Costs in the category of infrastructure and works relating to a structure located outside the Programme cooperation area;
- The creation of logos other than those expressly included in the PAF and accepted by the JS, as being intended to become a label or a brand;<sup>18</sup>
- Specialised interventions (e.g. soil remediation, mine-clearing) listed in Regulation (EU) No 2021/1059 Article 44;
- Ad-hoc bonuses on salary related to project's approval.

### ***3.1.4 Eligible period***

From a timing wise perspective, expenditure is eligible according to the following periods of time:

#### **a) Preparation phase**

The costs for the preparation and contracting phase of an approved project are covered by a lump sum of € 17 480 (Total amount, € 13 110 ERDF) established by the Programme and indicated in the approved PAF. This lump sum is fixed and compulsory for all projects and can be shared between all project partners in proportion to their participation in the preparation of the proposal.

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<sup>16</sup> Activities also include "equipment located and operated outside the cooperation area and outside the EU.

<sup>17</sup> Contractual advances established in accordance with the law and normal commercial practice, stipulated in a contract between the partner and the expert/service provider, proven by receipted invoices can be carried forward but can only be declared as eligible expenditure for reimbursement by the Programme, after confirmation that the service has been delivered correctly and on time.

<sup>18</sup> To be eligible, the creation of logos must comply with the Programme rules and be expressly accepted by the JS.

The related amount is paid after the project approval and does not need supporting documents or administrative verifications.

## **b) Implementation**

Expenditure related to the implementation of an approved project is eligible from the date of approval of the project by the MC<sup>19</sup> until its official ending date, as established in the most recent version of the approved PAF. Project start date cannot be earlier than approval date.

All operational expenditure must be related to the implementation of an activity carried out and paid<sup>11</sup> before the official ending date of the project as established in the most recent version of the approved PAF. In summary, the end date is the date by which:

- All project activities have been completed,
- All payments have been made.

For example, if the end date is 31.12.2026, any expenditure incurred, invoiced, or paid after this date is ineligible, except for the closure phase related expenditures.

If a project starts its implementation phase before the date of approval of the project by the MC, real costs linked to preparation and contracting (e.g. staff, external expertise and services, travel, etc.) cannot be charged under implementation costs.

Any expenditure paid after the project end date, whatever the nature of the activity concerned, is ineligible. It is up to each partner to organise, in cooperation with the Lead Partner, the reporting of the expenses related to the activities considering the deadline for the payment of the invoices, the certification and reporting deadlines.

## **c) Project closure phase**

Closure costs of a project refer to activities solely related to the preparation and submission of the last progress report (Final Report, including all procedures related to the administrative closure, such as staff costs and financial control). The Lead partner must submit the Final report up to 3 months after the end date of the project. No content-related activities are eligible during this phase.

Costs referring to the closure phase are eligible if they are paid by the deadline for submitting the Final Report (during the 3 additional months).

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<sup>19</sup> The date of approval of a project refers to the Programme Committee decision and is mentioned in the MA notification sent by the JS and available in SIGI.

<sup>11</sup> I.e., debited from the partner bank account.

Even if, in justified cases, the deadline for the submission of the final progress report is extended, this will not affect the eligibility end date.

For example, a project which the end date is 31.12.2026:

- All activities related to the content of the project must be completed (final meetings and events included) until 31.12.2026;
- All payments must be made, that is, debited from the bank account until 31.12.2026.

In this example, the Lead partner must submit the Final report to the JS until 31.03.2027.

During those 3 additional months, only costs related to the administrative closure/Final Report and its submission are eligible.

Points of attention:

- Content related activities should not be scheduled close to the project's start and end dates. Partnerships must allow enough time for administrative matters. The administrative start-up and closure phases often require more time than expected by the partners;
- It is not possible to claim invoices that are paid in advance for activities that are not finalised by the project end date.

### **3.1.5 Forms of reimbursement**

#### **a) Real costs**

The project partners commit and pay the expenditures. They evidence expenditure by means of invoices or any other equivalent accounting document. They ensure that expenditure is referenced in an accounting system, and is based on the delivery of works, services or supplies.

#### **b) Simplified cost options**

To reduce unnecessary administrative burden, the Interreg Atlantic Area Programme applies Simplified Costs Options:

- **Lump sum for project preparation costs:** TOTAL amount €17 480. This lump sum is compulsory for all projects. These Simplified Costs Options exempts project partners from presenting any evidence of the existence or payment of expenditure related to the preparation of the proposal.

Included automatically in the first partner progress report and reimbursement claim, submitted to the Programme .

No Controller nor NAs verifications are required; however, the expenditures have to undergo the control circuit in SIGI.

- **20% Flat Rate for Staff Costs**

Staff costs of the beneficiary can be reimbursed based on a flat rate of 20% of real costs other than staff costs. Under this option, the beneficiary does not need to document that the expenditure has been incurred and paid out.

No Controller nor NAs verifications are required.

By choosing this option, no office and administration costs can be claimed.

Following Interact's orientations: "Verification of simplified cost options, September 2023, v.1, Practical implications of SCOs on control and audit work", what to check when using those SCO's:

- 15% flat rate for travel and accommodations of direct staff costs, the information can be gathered from either a mission order or report or a recording of a meeting or similar evidence for at least one trip (the existence of the cost category is to be checked at least once in the project's lifetime;
- 20% flat rate for staff costs, evidence of at least one person of staff or a natural person working for the Interreg partner under a contract, according to Article 39 of the Interreg regulation (e.g., by providing registration at the social insurance agency or annual payroll.

- **15% Flat Rate for Office and Administrative Costs**

The Interreg Atlantic Area Programme reimburses office and administrative expenditure according to a flat rate of 15% of eligible direct staff costs (if the "real" staff costs option is chosen). **This form of reimbursement is for all beneficiaries** except for those beneficiaries opting for the 20% flat rate for staff costs other than real staff costs (see below). In such cases, office and administrative costs are already included in the 20% flat rate.

No Controller nor NAs verifications are required.

In justified cases, where the beneficiary cannot allocate the 15% of administrative costs (for example: those costs are cofinanced by other Programmes or entities), the Lead Partner must contact the JS during the application phase.

- **15 % Flat Rate for Travel and Accommodation Costs**

The Interreg Atlantic Area Programme reimburses travel and accommodation costs through a flat rate percentage of eligible direct staff costs.

**This form of reimbursement is for all beneficiaries** except for those beneficiaries opting for the 20% flat rate for staff costs. In such cases, Travel and accommodation costs are reimbursed on real costs basis.

No Controller nor NAs verifications are required.

In justified cases, where the beneficiary cannot allocate the 15% of travel costs (ex: those costs are cofinanced by other Programmes or entities), the Lead Partner must contact the JS during the application phase.

Following Interact's orientations: "Verification of simplified cost options, September 2023, v.1, Practical implications of SCOs on control and audit work", what to check when using those SCO's:

- 15% flat rate for travel and accommodations of direct staff costs, the information can be gathered from either a mission order or report or a recording of a meeting or similar evidence for at least one trip (the existence of the cost category is to be checked at least once in the project's lifetime;
- 20% flat rate for staff costs, evidence of at least one person of staff or a natural person working for the Interreg partner under a contract, according to Article 39 of the Interreg regulation (e.g., by providing registration at the social insurance agency or annual payroll.

Point of attention:

The change of options for reimbursement (real cost/ Simplified Costs Options) or between Simplified Costs Options is not allowed during the life cycle of the project.

### **3.1.6 Cost categories**

The Interreg Atlantic Area Programme applies six different cost categories. This chapter gives specific provisions regarding the eligibility, form of reimbursement as well as reporting and audit trail:

1. Staff
2. Office and administrative
3. Travel and accommodation
4. External expertise and services
5. Equipment
6. Small infrastructure and works

#### **1. Staff costs**

Staff costs of beneficiaries can be co-financed by the Programme:

- On flat rate basis (see detailed description below) or,
- On a real costs basis.

Staff costs expenditure consists of the gross employment costs of staff employed by the beneficiary for implementing the project. Staff can either be already employed by the beneficiary or contracted specifically for the project. Staff may be employed vis-à-vis the project by the beneficiary either on a full-time basis (i.e. employee works 100% of their time on the project) or on a part-time basis with a fixed percentage of time per month dedicated to the project. The time spent on the project may be modified but modifications should not occur more than twice a year, i.e. shall remain the same for an entire reporting period. The contract or task assignment document must be amended accordingly.

Expenditure included under this cost category is limited to:

- **Salary** payments stated by an official document (employment contract or any other equivalent legal agreement that allows the identification type of employment relationship with the organisation) or by law relating to responsibilities specified in the job description of the staff member concerned. Salary payments must be linked to activities specifically carried out by the project.
- Any other costs directly linked to salary payments incurred and paid by the employer (such as employment taxes and social security including pensions)<sup>20</sup>, if they are:
  - Fixed in an employment document or by law;
  - Under the legislation referred to in the employment document and with standard practices in the country and/or institution where the individual staff member is working;
  - Not recoverable by the employer.

The beneficiary has to clarify the above conditions against the applicable national (including institutional) labour rules. The beneficiary is recommended to prior consult the national controller to identify possible risks of ineligibility of such expenditure.

### **Reimbursement procedures**

Staff costs of a beneficiary can be reimbursed based on one of the following two options:

**Option A: Real costs** where the beneficiary must document that expenditure has been incurred and paid out.

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<sup>20</sup> As covered by Regulation (EC) No 883/2004.

**Option B: Flat rate of 20 %** of real costs other than staff costs, where the beneficiary does not need to document that the expenditure has been incurred and paid out.

Each beneficiary in a project must choose one of the above reimbursement options **already when drafting the AF**. The same reimbursement option will then apply to all staff members of the beneficiary working in the project and it will be set for the entire project duration. The selected option cannot be changed afterwards.

### **Option A: Real Costs**

#### Additional eligibility requirements for staff costs calculated on a real cost basis.

For staff costs calculated on a **real costs** basis, the following additional eligibility requirements apply:

- The suitability of staff costs must always be ensured;
- Taxable benefits are only eligible if foreseen in the signed contract, and/or in national and internal regulations, and if they are in line with the employment policy of the organisation (ad-hoc regulations applicable only to the project are not allowed). They must be directly linked to the salary payments and displayed in the payslip;
- Unjustified ad-hoc salary increases or bonuses for project purposes are not eligible;
- Where foreseen by the employment document, overtime is eligible, provided it is in conformity with national legislation and the standard practice of the beneficiary organisation;
- Staff costs must be calculated individually for each staff member charged to the project.

#### Calculation of costs for staff working full-time in the project

For individuals that are employed by the beneficiary to work full-time on the project, the total gross employment costs incurred by the employer are considered eligible if they are in line with the general provisions on eligibility and if the above-mentioned additional eligibility requirements for staff costs are calculated on a real costs basis. The fact that the individual works full-time on the project has to be clearly stated either in the employment document itself or in a task assignment document (see more detailed information below). No timesheet or any other working registration system required.

#### Calculation of costs for staff working part-time with a fixed percentage of time per month on the project

For individuals employed by the beneficiary and assigned to work part of their time on the project, eligible costs must only be calculated as a fixed percentage of working time spent by an employee on the project per month. This percentage should be either directly set in the employment document or in a specific task assignment document (see more detailed information below). The percentage of the assignment has to reflect an employee's related tasks, responsibilities and functions to be performed in the project and shall be individually fixed for each employee.

Applying the fixed percentage method for staff does not require a dedicated time recording system (i.e. timesheets).

The percentage cannot change every month. The fixed percentage may cover the whole project duration and can eventually change when **duly justified** due to changes in tasks or responsibilities of the employee. However, the percentage shall remain fixed for an entire financial reporting period (i.e., six months). If the percentage is changed, the employer must issue a new assignment statement setting out the fixed percentage of time worked on the project per month.

The reimbursement of staff costs must be calculated by applying the percentage stipulated in the working document (or similar document) to the monthly gross employment cost.

e.g.

- Monthly gross employment costs of the employee working on the project is EUR 3.000,00.
- Employee assigned to work 50% of the total working time in the Interreg Atlantic Area project.

**Staff costs to be claimed = Total monthly salary (gross salary) \* Fixed percentage**

Staff costs to be claimed = EUR 3.000,00 \* 50% = EUR 1.500,00

These **two allocation methods are the only ones accepted** by the Programme for this type of expense. Consequently, other methods, such as calculations based on cost per hour, are excluded.

#### The Task Assignment Document

The task assignment document is crucial for calculating the costs of staff working part-time. However, it can also be set in place for employees working full-time on the project.



It might either be part of the employment document or a separate document. In both cases, the task assignment document must at least:

- Be issued individually for each employee and each project;
- Include basic information on the project (project name, acronym, partner name, name of the employee);
- Indicate from when the assignment document is applicable and its version number;
- Include a self-declaration by partner organisation of no staff costs double-financing (where an employee is involved in other EU/public funded projects);
- Describe the tasks of the employee, with a proportionate level of detail reflecting the indicated percentage of work in the project;
- Provide the working time rate of the employee on the project per month or, at least, for the reporting period;
- Be signed by the employer (supervisor, line manager etc.).

#### Audit trail for staff costs reimbursed on a real costs basis

The following documents set the audit trail for staff costs reimbursed on a real costs basis:

- Employment/work document;
- Job description/task assignment template providing the necessary information on responsibilities related to the project;
- The assignment percentage of the employee to the project, i.e. full time (100%) or the fixed percentage of time worked allocated to the project tasks. It can be the employment document itself or an official task assignment document (see above);
- Payslips or other documents of equivalent probative value which allow proof of payment of gross employment costs (e.g. extract from a reliable accounting system, confirmation of tax authority, bank statement, proof of payment wages).

No separate or individual working time registration system (i.e. timesheet) is needed.

**Note:** In principle, the fixed percentage should cover the whole project duration and it should at least cover one reporting period. It cannot change every month. However, provided it is justified due to changes in tasks or responsibilities of the employee, the percentage of working time on the project may change. Consequently, the employer must issue an amendment to the document setting out the fixed percentage of time working on the project (or amend the employment contract directly if the percentage is indicated there).

### **Option B: Flat Rate 20%**

Instead of the above real costs option, a beneficiary may also opt to calculate staff costs on a flat rate basis:

- 20% of the direct eligible costs (excluding staff costs);
- No office and administration costs can be claimed.

**Note:** *It is not allowed to change between the two options ("real" cost/flat rate) during the life cycle of projects.*

#### Audit trail for staff costs calculated as a Flat Rate

For staff costs calculated through the flat rate, beneficiaries do not need to document that the expenditure for staff costs has been incurred and paid or that the flat rate corresponds to reality. Accordingly, no documentation on staff costs needs to be provided to the controller.

However, the beneficiary has to demonstrate that at least one employee is involved in the project. This is certified through a self-declaration issued by the beneficiary's legal representative (or delegated person).

In small companies that employ no staff and in which work is provided by the company's owner(s), the legal representative of the company has to issue a self-declaration certifying that the owner(s) of the company directly worked on the project.

## **2. Office and administrative costs**

### **Definition**

Office and administrative costs cover operating and administrative expenses of the beneficiary that are necessary for the implementation of the project and are calculated at a flat rate.

Office and administrative costs shall be limited to the following elements:

- a) Office rent;
- b) Insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurances);
- c) Utilities (e.g. electricity, heating, water);
- d) Office supplies;
- e) Accounting;
- f) Archives;
- g) Maintenance, cleaning and repairs;

- h) Security;
- i) IT systems;
- j) Communications (e.g. telephone, internet, postal services, business cards);
- k) Bank charges for opening and administering the account or accounts where the implementation of the project requires a separate account to be opened;
- l) Charges for transnational financial transactions.

The above list is exhaustive, and the costs of all listed items are included in the flat rate. Therefore, **none of the expenditure items included can be declared as a real cost under any other cost category.**

Office and administration costs can only be reported in the form of a flat rate and must be included in the AF. Office and administration costs are covered by 15 % of the reported staff costs, regardless of which calculation method for staff costs is used (full time or part time). If no staff costs are foreseen and reported, no office and administration costs can be charged.

No office and administration costs can be claimed when the partner chooses Option B – flat rate of 20% for staff costs. In such cases, office and administrative costs are already included in the flat rate.

Project partners do not need to provide justification or supporting documents for office and administrative expenditures. Nor do they need to document that this expenditure has been incurred and paid or that the flat rate corresponds to reality. The controller's check focuses on the correct reporting of staff costs and that no expenditure covered by the office and administrative cost category is included in any other cost category.

The office expenditures will be calculated automatically by SIGI while staff cost lines are being registered.

### ***3. Travel and accommodation costs***

#### **Definition**

This cost category refers to the expenditure for travel and accommodation of staff of the beneficiary for missions that are necessary for the project implementation, regardless of whether such costs refer to missions taking place inside or outside the Programme area.

Travel and accommodation costs shall be limited to the following elements:

- a) Travel costs (e.g. tickets, travel and car insurance, fuel, car mileage, toll, and parking fees;

- b) Costs of meals;
- c) Accommodation costs;
- d) Visa Costs;
- e) Per diem (daily allowance).

This list is exhaustive, and the costs of all listed items are included in the flat rate. Accordingly, cost items accounted for under the travel and accommodation costs category **cannot be reimbursed under any other cost category**.

### **Method for reporting costs**

The Programme provides for two methods of declaring travel and accommodation costs, which are listed below.

Each project partner will have to indicate their choice of reporting in the AF and the option will remain until the end of the project without the possibility of being changed.

Projects are also encouraged to consider environmental impacts when choosing a mode of transport.

#### **a) A fixed flat rate of 15% of eligible staff costs**

Project partners do not need to provide justification or supporting documents for travel expenditures. Nor do they need to document that this expenditure has been incurred and paid or that the flat rate corresponds to reality. The controller's check focuses on the correct reporting of real staff costs and that no expenditure covered by the travel cost category is included in any other cost category.

The travel expenditures will be calculated automatically by SIGI while staff cost lines are being registered.

#### **b) Real costs only in case the flat rate is not an appropriate method for the partner for justified reasons** (e.g., the project partner comes from an outermost or remote region), or in the case partner selects 20% flat rate for staff costs.

Any item listed in points (b) to (e) above and already covered by a daily allowance cannot be reported to the Programme in addition to the daily allowance. Regardless of the legal status of the partners, it is the responsibility of each partner and National Controller to check with their NA whether the obligation to respect a national threshold applies to the partner organisation or not.

When using the real cost method, the following key documents must be available for control purposes:

- Signed mission request/authorisation indicating the name of the employee, date/duration, location and scope of the mission (according to the internal policy of the partner organisation, e.g. mission assignment);
- Agenda (or similar) and attendance list of the meeting/ seminar/ conference;
- In case of travel outside the cooperation area and outside the EU, the express approval of the Programme is needed;
- Invoices paid directly by the project partner organization, original tickets and any other evidence confirming the reality and the amount of the declared costs;
- Proof of payment;
- Daily allowance claims (if applicable);
- Employee's claim for reimbursement, either based on the per diem or on the real cost (in the case of costs incurred by a staff member of the partner organisation);
- Travel invoices paid by a staff member claiming reimbursement on the basis of real costs, tickets and any other evidence documents (e.g. metro/bus tickets, meal invoices, personal car claim with mileage sheet, according to national procedures and agreed values);
- Any other documents that the National Controller may request to verify compliance with national legislation.

Notes:

- Travel and accommodation costs of a staff member belonging to the partner organisation but not declared as staff costs (e.g. decision-makers, administrators, management etc.) and invited to participate in events connected with or organised by the project fall under the present category of costs;
- Travel and accommodation costs for external experts (including speakers and invited experts) and service providers, as well as those related to in-house bodies, can only be claimed under the cost category External expertise and services.

#### ***4. External expertise and services costs***

##### **Definition**

According to Article 42 of the Interreg Regulation, external expertise and service costs shall be limited to the following services and expertise provided by a public or private law body or a natural person other than the beneficiary and all partners of the operation. External expertise and services costs are paid based on contracts or written agreements

and against invoices or requests for reimbursement to external experts and service providers who are sub-contracted to carry out certain tasks or activities linked to the implementation of the project.

Expenditure under this cost category must be limited to the following elements:

- a) Studies or surveys (e.g. evaluations, strategies, concept notes, design plans, handbooks);
- b) Training;
- c) Translations;
- d) Development, modifications and updates to IT systems and website;
- e) Promotion, communication, publicity, promotional items or information linked to a project;
- f) Financial management;
- g) Services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- h) Participation in events (e.g. registration fees);
- i) Legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- j) Intellectual property rights;
- k) Verification and validation of expenditure carried out by authorised national controllers;
- l) Provisions of guarantees by a bank or other financial institution where required by EU or national law or in the Programme manual;
- m) Travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;
- n) Other specific expertise and services needed for the project.

This list is exhaustive. Accordingly, cost items accounted under for the external expertise and services costs category **cannot be reimbursed under any other cost category**.

#### **Reimbursement method**

External expertise and service costs are reimbursed by the Programme **on a real cost basis**.

#### **Additional eligibility requirements**

In addition to the general provisions on eligibility, the following applies:

- External expertise and services must be clearly and strictly linked to the project and be essential for its effective implementation;
- Eligibility of costs for external expertise and services is subject to the full respect of EU, national and Programme procurement rules;
- Where applicable, deliverables produced by experts or service providers must respect the relevant branding requirements;
- External expertise and services have to be clearly foreseen in the AF;
- Complementary activities to events (e.g. site visits) must have clear and demonstrable project relevance, otherwise costs linked to them are not eligible;
- Contractual advances in accordance with normal commercial law and practice, if stipulated in a contract between the beneficiary and the expert or service provider, supported by invoices are eligible but depend on later confirmation that the service has been properly and timely delivered;
- Travel and accommodation costs of external speakers and external participants in project meetings and events must be incurred and paid by project beneficiaries and have to be accounted for under this cost category. Such costs must comply with applicable Programme, national and institutional rules about travel and accommodation;
- Gifts are not eligible;
- Sub-contracting between partners of the same project is not allowed;
- Costs related to external expertise and services concerning activities located outside the Programme cooperation area and outside the EU are eligible only if they are included in the AF and expressly accepted by the JS.

#### **Audit trail for external expertise and services costs**

The following documents must be provided to the controller:

- Evidence of the selection procedure (if applicable), in line with EU, national or Programme procurement rules, depending on the amount contracted and the type of beneficiary.
- Contract or written agreement (if applicable), in line with EU, national or Programme procurement rules, laying down the services to be provided with a clear reference to the project and the Programme. For experts paid based on a daily or hourly fee, the applicable daily or hourly rate together with the number of days or hours contracted and the total amount of the contract must be provided. Any

changes to the contract must comply with the applicable procurement rules and must be documented.

- Invoice or request for reimbursement providing all relevant information in line with the applicable accountancy rules as well as references to the project and the Programme and a detailed description of the services provided in line with the contents of the contract. For experts paid based on a daily or hourly fee, the invoice must include a clear quantification of the days or hours charged, the price per unit and the total price.
- Deliverables produced (e.g. studies, promotional materials) or, where applicable, documentation of the delivery (e.g. for events an agenda, list of participants, photo-documentation, etc.).
- Proof of payment (e.g. extract from a reliable accounting system of the beneficiary, a bank statement).
- Any other document that the National controller may request to verify compliance with EU and/or national legislation.

## **5. Equipment costs**

### **Definition**

This cost category refers to expenditure incurred by a beneficiary for equipment purchased, rented, or leased other than those covered by the cost category “office and administrative costs”, which is necessary for the implementation of the project. This includes costs of equipment already in possession by the beneficiary and used to carry out project activities.

Costs of equipment shall be limited to the following elements:

- a) Office equipment;
- b) IT hardware and software;
- c) Furniture and fittings;
- d) Laboratory equipment;
- e) Machines and instruments;
- f) Tools or devices;
- g) Vehicles;<sup>21</sup>
- h) Other specific equipment needed for the project.

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<sup>21</sup> Without prejudice to the provisions laid down in art. 7.1.h) iii of ERDF Regulation (EU) No 1058/2021.



This list is exhaustive. Accordingly, cost items accounted for under this cost category **cannot be reimbursed under any other cost category.**

Beware that the purchase of consumables that do not fall under the definition of office and administrative costs and that are necessary for the use of laboratory equipment or machines and instruments (points d and e above) is eligible and should be included under this cost category.

Purchase costs of second-hand equipment may be eligible if no other assistance has been received for it from Interreg funds or other EU subsidies; if its price does not exceed the generally accepted price on the market in question; and if it has the technical characteristics necessary for the project and it complies with applicable norms and standards.

### **Form of reimbursement**

Equipment expenditure is reimbursed by the Programme on a real cost basis.

### **Additional eligibility requirements**

In addition to the general provisions on eligibility, the following applies:

- Equipment must be clearly linked to the project and be essential for its effective implementation;
- Eligibility of costs for equipment is subject to the full respect of EU, national and Programme procurement rules;
- Equipment items have to be duly described in the AF;
- Equipment expenditure cannot refer to items already financed by other EU or third party subsidies and must not be already depreciated;
- Where applicable, equipment items must respect the relevant branding rules;
- Contractual advances following normal commercial law and practice, stipulated in a contract between the beneficiary and the supplier, supported by receipted invoices are eligible but depend on later confirmation that the equipment has been properly and timely delivered;
- Equipment cannot be purchased, rented or leased from another partner within the project.

As general rule, the full purchase cost of the equipment should be made in principle during the first 12 months of the project. However, this full purchase cost of the equipment can be regarded as eligible beyond the 12 months, provided that the timing of the acquisition is appropriate to the stage of the project activities. This must be duly

justified by the partners. Depreciation is also eligible if in line with national applicable rules.

Equipment for which exclusive use in the project cannot be demonstrated shall be charged pro-rata based on a transparent method set in place by the beneficiary for allocating the share of use in the project.

In principle, equipment used for project management should be bought during the first 12 months. The use of such equipment and related costs should be in line with the staff declared as working on the project.

#### **Audit trail for equipment costs**

The following documents must be provided to the controller:

- **Evidence of the selection procedure**, in line with EU, national or Programme procurement rules, depending on the amount contracted and the type of beneficiary;
- **Contract or written agreement laying down the services or supplies** to be provided with a clear reference to the project and the Programme. Any changes to the contract must comply with the applicable procurement rules and must be documented;
- **Invoice** (or a supporting document having equivalent probative value to invoices) providing all relevant information carried out in line with the contents of the contract, the applicable national accountancy rules and internal accountancy policies of the beneficiary and, where applicable, bearing references to the project and the Programme;
- **In case depreciation** is applied, a calculation scheme of depreciation. If the depreciation period of the equipment is longer than the duration of the project, only the amounts depreciated during implementation can be reported under the project;
- In case the **equipment is charged pro-rata**, the method set in place for allocating the share of use in the project;
- Photo documentation or any other means required to **prove the existence of the equipment**;
- **Proof of payment** (e.g. extract from a reliable accounting system of the beneficiary, a bank statement);
- For any **equipment located and operating outside the cooperation area** and outside the EU, the express approval of the Programme is needed;

- In the case of **costs of equipment related to investments**, the mention of the investment in the consolidated AF;
- In the case of **equipment costs related to investments**, the template " Statement of capacity and compliance with the principles for investment " signed by the Partner;
- Proof of the existence of the **equipment item respecting the branding and information** and publicity rules of the Programme;
- Any other document the National controller may request to verify compliance with EU and/or national legislation.

## **6. Small infrastructures and works**

### **Definition**

Costs for infrastructure and works shall be limited to the following elements:

- |   |
|---|
| <ul style="list-style-type: none"><li>a) Building permits;</li><li>b) Building material;</li><li>c) Labour.</li></ul> |
|---|

The above list is exhaustive. **Cost items accounted for under this cost category cannot be reimbursed under any other cost category.**

Costs for infrastructure and works may either refer to an object (e.g. a building) that will be set up ex-novo or to the adaptation of an already existing infrastructure. In any case, these costs are only eligible if complying with Programme requirements for investments.

Costs of feasibility studies, environmental impact assessments, architectural or engineering activities and any other expertise needed for the realisation of the infrastructure, shall be allocated under the cost categories "Staff costs" or "External expertise and services costs" (depending on whether carried out internally by the beneficiary or with the support of external suppliers).

### **Reimbursement method**

Costs for infrastructure and works are reimbursed by the Programme on a real cost basis.

### **Additional eligibility requirements**

In addition to the general provisions on eligibility, the following applies:

- Costs must be clearly linked to the project and be essential for its effective implementation;

- Costs for small infrastructure and works have to be in line with the approved AF or, must have been agreed upon with the MA/JS beforehand to be considered eligible;
- Full costs for small infrastructure and works within the project are eligible;
- Costs for infrastructure and works outside the Interreg Atlantic Area Programme area are not eligible;
- Eligibility of costs is subject to the respect of EU, national and Programme procurement rules;
- Depending on the nature of the intervention to be carried out, all compulsory requirements set by EU and national legislation on environmental policies, must be fulfilled;
- Where applicable, works must have been previously authorised by national/regional/local authorities (building permits);
- The land or buildings where works will be carried out must be in the ownership of the beneficiary or the beneficiary must have set in place long-term legally binding arrangements to fulfil durability (including maintenance) requirements;
- Infrastructure and works expenditure cannot refer to items financed by other EU or third-party subsidies and must not be already depreciated;
- In the case of small infrastructure and works that are part of a larger infrastructural investment funded through other sources, the part realised by the Interreg Atlantic Area project must be clearly recognisable;
- Where applicable, infrastructure and works realised by the project must respect the relevant branding requirements;
- Requirements concerning durability, including ownership and maintenance, apply to infrastructure funded within a project;
- Contractual advances in accordance with normal commercial law and practice, stipulated in a contract between the beneficiary and the provider and supported by receipted invoices are eligible but depend on later confirmation that infrastructure and works have been properly and timely executed.

#### **Audit trail of costs for infrastructure and works**

The following documents must be provided to the controller:

- Legal documents specifying the ownership or long-term arrangement for the land or buildings where the works will be carried out;
- Where applicable, necessary permits for the execution of the works, issued by the national/regional/local relevant authorities;

- Evidence of the appropriate selection procedure, in line with EU, national or Programme procurement rules, depending on the nature of the concerned works, the amount contracted and the type of beneficiary;
- Contract or written agreement laying down the supplies or services to be provided with a clear reference to the project and the Programme. For contracts including also a daily or hourly fee, such fee together with the number of days or hours contracted and the total amount of the contract must be provided. Any changes to the contract must comply with the applicable procurement rules and must be documented;
- Invoice (or a supporting document having equivalent probative value to invoices) providing all relevant information in line with the applicable accountancy rules as well as references to the project and the Programme and a detailed description of the infrastructure or works carried out in line with the contract. For contracts including also a daily or hourly fee, the invoice must include a clear quantification of the days or hours charged, the price per unit and the total price;
- Proof of payment (e.g. extract from a reliable accounting system of the beneficiary, a bank statement);
- Any other document that the National controller may request to verify compliance with EU and/or national legislation.

## 3.2 State Aid

### What is State Aid?

According to Article 107 (ex. Article 87) of the Treaty on the Functioning of the EU, State Aid is defined as any aid granted by a MS or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods<sup>22</sup>.

In practical terms, State Aid applies when all five criteria listed below are met:

1. The recipient of the aid is an **“undertaking”**, which is carrying out an **economic activity** in the context of the project;
2. The measure must confer a **benefit or economic advantage** on the recipient which it would not otherwise have received;

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<sup>22</sup> According to Article 107 of the Treaty on the functioning of the European Union, State Aid is defined as “any aid granted by a MS or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods”.

3. It must be **granted by a MS** or through State resources (always the case of Interreg projects);
4. It must **selectively favour** certain undertakings or production of certain goods;<sup>23</sup>
5. It must **distort or threaten to distort** competition and trade between the MS.

Furthermore, State Aid cannot be granted to export-related activities and aid contingent upon the use of domestic over imported goods<sup>24</sup>. Comprehensive information on State Aid can be found on the [EU DG Competition website](#), where a guideline on the notion of State Aid is available<sup>25</sup>.

The co-financing of activities falling under State Aid rules is prohibited in the EU, but some exemptions relevant for project partners participating in Interreg projects have been put in place by the regulation<sup>26</sup>.

**In the case of the Atlantic Area Programme, State Aid relevant activities can be co-financed as project activities only if they are in strict compliance with Articles 20 and 20b of the General Block Exemption Regulation (GBER)<sup>27</sup> or in compliance with the De Minimis<sup>28</sup> Regulation.**

The decision on whether to apply the GBER or the De Minimis Regulation is to be made by the applicant partners themselves, considering the information included in this Manual and all relevant legislation.

Both instruments specify certain limits on the maximum amount of aid. Project partners should carefully consider the implications before opting for one of the two instruments and check the conditions.

Relevant national or regional authorities may be consulted to obtain more specific information on rules and limitations concerning State Aid (further information might be available on the web pages of the NAs).

### **3.2.1 State Aid in the Interreg Atlantic Area Programme**

#### **State Aid Assessment and Contractual Conditions**

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<sup>23</sup> With the meaning of Article 87(1) EC in comparison with other undertakings in a comparable legal and factual situation in the light of the objective pursued by the measure concerned.

<sup>24</sup> In compliance with points (c) and (d) of Article 1(2) of Regulation (EU) No 651/2014.

<sup>25</sup> [https://ec.europa.eu/competition-policy/state-aid/legislation/notion-aid\\_en](https://ec.europa.eu/competition-policy/state-aid/legislation/notion-aid_en)

<sup>26</sup> Notifications of aid or aid schemes to the EC should only be considered in cases where it is not possible to use an existing exempted or notified aid scheme, or in cases they cannot be used, or where EU rules require individual notification, in particular because of the size of the project or the amount of aid envisaged.

<sup>27</sup> Commission Regulation (EU) No 651/2014 as amended by Regulation (EU) No 2021/1237.

<sup>28</sup> Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid.

The online AF includes a specific “State Aid self-check” focusing on the five criteria listed above, with particular attention to the assessment of the status as “undertaking” of the partners (i.e. the Lead Partner or any project partner) and the existence of an economic advantage for the undertaking.

The Lead partner, as responsible for the application submission, must carefully answer the self-check questions in SIGI (online system for the submission of the AF) with the support of each partner.

The results of this assessment may lead to one or more of the following scenarios:

- **No risk of State Aid.** In this case, no contractual conditions are set on State Aid.

There is a risk of State Aid. In this case, the partner should identify the risk and has 2 options:

- **Risk of State Aid that can be removed before the AF submission.** In this case, points should be included in the AF concerning the partner’s activities to eliminate the State Aid cause (e.g. wide dissemination, also to competitors, of certain project outputs to avoid selective advantages removal of certain activities, open-source software, open training) and the self-check can be reviewed accordingly.
  - Risk of State Aid that cannot be removed before the submission of the application. In case of approval, the entire budget allocated to the concerned partner is regarded as State Aid granted under the GBER<sup>29</sup> or, in exceptional cases, under de minimis<sup>30</sup> (see below). Contractual conditions or budget reduction could be proposed to the PMC.
- **There is a risk of Indirect State Aid granted to third parties** outside the project partnership. In this case, a contractual condition setting a threshold for the aid granted to third parties is set (see below).

**Please note:** If the State Aid assessment determines that activities to be carried out by partners located in the EU MS outside the Programme area are State Aid relevant, the participation of these partners will finally not be allowed.

During the implementation of the project, the MA/JS verify that contractual conditions on State Aid are fulfilled by the concerned partners.

Restrictions might apply to the possibility to modify the project if its activities are assessed as State Aid relevant. Furthermore, additional contractual conditions on State Aid may be given to projects in case of project modifications assessed as State Aid relevant.

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<sup>29</sup> Regulation (EU) No 651/2014 as further amended.

<sup>30</sup> Regulation (EU) No 1407/2013 as further amended.

### 3.2.2 Direct Aid granted under GBER

GBER allows to implement a wide range of public support measures without prior notification to the EC if all criteria given in the regulation are fulfilled. It includes a block exemption for aid granted in the context of Interreg projects (GBER Article 20).<sup>31</sup> The Atlantic Area Programme grants direct State Aid under this exemption for Interreg. The aid granted by the Programme amounts to **the whole ERDF budget of the concerned partner(s)**, up to a **ceiling of 2 million EUR of total public contribution per partner and per project**.

The **total public contribution** is composed of the ERDF budget and other public contributions the partner may receive from external public sources (e.g., national or regional match-funding). Moreover, the partner must provide at least 20% of private contributions into the total partner budget.

It is very important to note that partners receiving the ERDF from the Programme under the

GBER regime **cannot receive any additional public co-financing to their budgets**.

### 3.2.3 Direct Aid granted under De Minimis

As an exceptional measure, for partners receiving additional public co-financing to their budgets, the Programme may grant the ERDF under the *de minimis* regime. The aid is granted by the respective MS and it **amounts to the whole ERDF budget of the concerned partner**, as indicated in the AF. Granting aid under *de minimis* implies that partners can receive funds from the Programme only if they did not receive by the respective MS public aid under the *de minimis* rule totalling more than EUR 200.000 within the previous three fiscal years from the date of granting the aid<sup>32</sup>. This threshold is reduced to EUR 100.000 in the road transport sector. The Interreg Atlantic Area Programme **does not grant *de minimis* aid to primary production of agricultural products, nor to aquaculture and fisheries sectors**.

The *de minimis* thresholds counts per **“single undertaking”**<sup>33</sup>. In case a project partner is part of a group, the entire group is therefore considered as one single undertaking and the *de minimis* threshold applies to the entire group. This could be, for example, the case of a company owning (or controlling) one or more companies, or the different departments of a university.

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<sup>31</sup> Article 20 of Regulation (EU) No 651/2014 as amended by Regulation (EU) No 2021/1237.

<sup>32</sup> Date of signature of the Subsidy Contract

<sup>33</sup> Article 2(2) of Regulation (EU) No 1407/2013 on *de minimis* aid precisely defines the principle of single undertaking.



Public aid considered by the Programme for the applicable *de minimis* threshold comprises all aid granted by MS national, regional, or local authorities, regardless of whether the resources are provided from domestic sources or are partly financed by the EU.

When granting state aid under Article 20 of the GBER or *De-Minimis*, the Programme MA/JS will:

- Notify the project partner in writing of the maximum aid granted;
- Inform the concerned MS to deal with the National obligations, if applicable;
- Keep records of all aid granted under article 20 of the GBER for 10 years.

Consequently, partners carrying out State Aid relevant activities in the project **might have a reduction of the ERDF granted by the Programme** to ensure the respect of the applicable *de minimis* thresholds.

**Example:**

A private company located in Ireland and acting in the IT sector has applied for funding in an Interreg Atlantic Area project. The total budget of this company in the project is EUR 200.000, out of which the ERDF support amounts to EUR 160.000 (80 % ERDF co-financing). The company will co-finance its project budget (EUR 40.000) through own resources.

This company also received a national grant of EUR 50.000 under the *de minimis* rule in the same year in which it applied for funding by the Interreg Atlantic Area Programme.

According to the *de minimis* limitation of up to EUR 200.000 of public contribution in three fiscal years, the ERDF granted by the Interreg Atlantic Area Programme to this company shall respect such *de minimis* threshold.

Thus, the ERDF contribution granted by the Programme amounts to EUR 140.000 instead of EUR 150.000.

The same reasoning applies to partners located in the other MS participating in the programme when they receive national grants.

***de minimis* threshold (EUR 200.000) – public contribution already received.  
(EUR 50.000) = EUR 150.000**

### **3.2.4 Indirect Aid granted to Third Parties**

Project activities might result in advantages granted to undertakings outside the project partnership that they would not have received under normal market conditions. This might be the case, for example, of free of charge services, training, or consultancy to companies. In such cases, the aid is granted to third parties who are the final beneficiaries of project activities. This aid is granted under GBER Article 20a<sup>34</sup>, referring to exemption for aid of limited amount in the context of Interreg.

Aid granted under GBER Article 20a to an undertaking that is the final beneficiary of project activities cannot exceed EUR 20.000. The amount of aid granted to each final beneficiary is to be determined by the concerned partners prior to the implementation of project activities that are affected by indirect aid, and it shall be approved by the Programme.<sup>35</sup>

<sup>34</sup> Article 20a of Regulation (EU) No 651/2014, introduced by the amending Regulation (EU) No 2021/1237.

<sup>35</sup> Partners are advised to check national legislation and procedures related to aid to third parties, as these might apply even if the programme applies article 20a GBER.

### **3.2.5 State Aid follow-up**

- **Before the signature of the project Subsidy Contract:**

Based on the State Aid self-check included in the AF by the Lead partner to all partners, the Programme will perform a State Aid analysis.

During the pre-contracting phase, the JS may ask partners to amend the selected exemption scheme or the AF content.

If a State Aid risk is confirmed, contractual conditions for project approval may be raised to the MC.

- **During project implementation:**

The Lead Partner ensures that all partners respect the above-mentioned measures to avoid falling under the concept of State Aid relevancy.

In the same way, Controllers will verify if rules on State Aid have been respected by the controlled partner.

Additional contractual conditions on State Aid may be imposed to projects in case of project modifications assessed as State Aid relevant.

During the project lifetime, if any activities are assessed as State Aid relevant, the information must be raised to the JS. In this sense, Lead Partners, National Controllers, and project partners must keep specific attention to this issue as a violation of State Aid rules can lead to major **financial errors and irregularities**.

## **3.3 Public procurement and external contracting**

During project implementation, any partner is likely to have recourse to an outsourcing contract to meet its needs for goods, services or works. These contracts concluded between one or more economic operators and one or more contracting authorities<sup>36</sup>, are generally subject to public procurement rules.

To ensure transparent and fair conditions of competition in the common market, each contract must be awarded based on objective criteria which ensure compliance with the principles of transparency, non-discrimination, and equal treatment and which guarantee that tenders are assessed under conditions of effective competition.

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<sup>36</sup> "Contracting authorities" means the State, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law (Directive 2014/24/EU).

Furthermore, when acquiring goods or services, the partners will activate levers that promote environmentally responsible purchasing and will integrate social components whenever possible.

The Programme promotes the strategic use of public procurement. Beneficiaries are invited to consider social, innovative, and environmental features to support policy goals, targeting quality instead of adopting a narrow view focused on the 'lowest price'. Professionalization and administrative capacity to promote this approach must be strengthened.

Whatever the type of outsourcing (contracting with external auditors for control, external technical experts, catering and technical equipment for an event, etc.), compliance with public procurement rules (or "principles" if the partner does not fall under the scope of public procurement laws) must guarantee the eligibility of the expenses incurred.

To avoid any loss of funds, and in case of control, project partners must therefore be able to prove that the award of contracts complies with the afore-mentioned principles and, when applicable, public procurement rules.

### ***3.3.1 Three levels of rules for public procurement procedures***

The rules vary according to the qualification of the need, as well as the value of the purchase and the legal status of the entity performing the service. Three levels of rules have to be taken into consideration when preparing contracts:

- EU rules (i.e. public procurement directives <sup>37</sup> for ERDF partners);
- National rules;<sup>38</sup>
- Internal rules of the organisation.

**The strictest rules must always be applied**, and this principle may apply to all partners falling under the scope of public procurement procedures (public or private partners), even if the internal rules of the partner are stricter than national and European rules, the internal rules are applied.

**Errors in public procurement procedures are among the most common in Interreg Projects. For this reason, special attention must be given to public procurement by project partners and controllers.**

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<sup>37</sup> More information on EU procurement rules can be found here: [https://single-market-economy.ec.europa.eu/single-market/public-procurement/legal-rules-and-implementation\\_en](https://single-market-economy.ec.europa.eu/single-market/public-procurement/legal-rules-and-implementation_en)

<sup>38</sup> National rules include public procurement laws, corresponding delegated and implementing acts or any other generally applicable rules or legally binding decisions.

Partners must keep all documentation related to the project procurement procedures. This file is essential to ensure compliance with public procurement rules and usually includes the following elements:

- Initial cost estimate made by the project partner to identify the applicable procurement procedure;
- A copy of the procurement publication/advertisement;
- A copy of the specifications;
- Bids/quotes received from bidders;
- Evaluation report of the offers received;
- Information on acceptance or rejection of bidders;
- Bidders' complaints submitted to the project partner, if any;
- Contract signed with the selected provider, including amendments;
- Invoices issued by the external provider and proof of payment;
- Proof of delivery of the service;
- Other information, if applicable.

When checking the public procurement procedures, the National Controller will verify the partner's files during the expenditure audit and may request additional information needed to confirm that:

- There has been no artificial splitting of the contract purpose or value to avoid a heavier public procurement procedure;
- In case of modification or extension of the original contract: there has been no significant change in the overall purpose, content or economy of the bid that would invalidate the original bidding process;
- In case no competitive bidding was carried out, there is a documented justification for this decision;
- In case an in-house was contracted or in the case of inter-municipal cooperation or similar, there is sufficient documented evidence to justify this choice, only the actual costs are charged to the project and correctly attached to the budget lines.

### ***3.3.2 Entities not subject to public procurement obligations***

Other organisations such as private companies, NGOs or other associations of private bodies are normally not subject to public procurement law.

However, this kind of organizations must respect the basic principles on which procurement standards are based (principles of transparency, non-discrimination, and equal treatment). As such, they must give preference to the best value or, where appropriate, the lowest price and, in any case, should prove the reasonable cost of their expenditure.

It is highly recommended that a document be formalised to track the respect of these principles and that it be made available for control purposes.

For further information on national rules and guidelines, partners should contact their relevant NA.

### ***3.3.3 Fraud prevention when awarding external contracts***

The Atlantic Area Programme recommends that project partners pay particular attention to fraud risks in public procurement.

To prevent and detect potential frauds in public procurement procedures, the Programme advises Programme partners to:

- Ensure the proper application of their internal policy on conflicts of interest (e.g., through conflict-of-interest declarations, and conflict registers).
- Ensure, through checks, that candidate companies do not present conflicts of interest with their organisation to prevent interlinked companies from submitting tenders (e.g., checking general websites, online companies registers, etc.).
- Implement measures to detect unusually low or high bids and verify the plausibility of the price of activities/services (e.g. comparison with a similar service on a public procurement platform).

It is recommended that an internal control system be established for public procurement/contract awarding, to avoid, in particular:

- Irregular splitting of purchases;
- Unjustified direct awards;
- Irregular extensions of contracts;
- Improper amendments to existing contracts;
- Overly restrictive specifications of requirements.

It is recommended that contract awards or amendments to existing contracts be reviewed and approved by members of the organisation who did not contribute to the selection of the provider (e.g. management staff).

Similarly, if the partner organisation has an internal audit function, it is recommended that the relevant department/person regularly review compliance with public procurement rules or principles.

Furthermore, in addition to the minimum requirements defined by the applicable European and national legislation on public procurement, the Programme recommends that partners ensure:

- Full transparency in the awarding of contracts (e.g., publication of all contract information that is not publicly sensitive);
- Transparent bid opening procedure (paper or dematerialised) to avoid manipulation of bid data.

## 4. Contractual arrangements

### 4.1 Contracting phase

Once a project proposal is selected for funding by the programme MC, it may have to fulfill conditions for approval set forth by the MC before a Subsidy Contract is offered. In such cases, this requires revisions of the application form, submitted by the lead applicant, within a given deadline. Partners are requested to provide a “Beneficial Owner Declaration” (template available on the Programme’s website) during this phase in accordance with number 3, annex XVII of the Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 (CPR). For practical reasons, it may also be requested within the application phase. If applicable, the call’s Terms of Reference will list it. This **contracting phase** ends upon confirmation by the MA/JS that all conditions for approval were fulfilled by the project and the Subsidy Contract is signed by both parts.

### 4.2 Subsidy contract

When all conditions for approval are fulfilled, a Subsidy Contract between the MA and the LP is sent by the JS to the LP. The Subsidy Contract is an agreement that, in compliance with the “lead partner principle”, is established between CCDRN, acting as programme MA, and the LP. The Subsidy Contract constitutes the legal framework for the implementation of the project. It confirms the final ERDF commitment to the project, sets out the conditions for support, and provides for implementing arrangements. The last approved version of the application form is an integral part of the Subsidy Contract. A Subsidy Contract template is available on the programme website ([www.atlanticarea.eu](http://www.atlanticarea.eu)).

The LP has **one month** to sign the subsidy contract sent by the MA/JS. To accept it, the LP shall send back to the MA/JS two original print-outs of the Subsidy Contract dated, initialed on all pages, stamped and signed by the legal representative of the LP institution. Alternatively, the Subsidy Contract can also be signed and returned digitally with a qualified electronic signature that is compliant with the eIDAS Regulation (Regulation (EU) No. 910/2014). The MA will then send back to the LP a countersigned copy of the Subsidy Contract.

If the LP does not sign the Subsidy Contract within one month, the offer loses validity unless the MA agrees to a prolongation of this period of time.

### 4.3 Setting up the Partnership Agreement

The LP shall define legal arrangements for relations with the project partners in an agreement that foresees provisions that, inter alia, guarantee the sound financial management of the funds allocated to the project, including the arrangements for recovery of amounts unduly paid. While the Subsidy Contract establishes a legal basis between the MA and the LP, the partnership agreement establishes a legal basis between the LP and all project partners.

A Programme provides a partnership agreement template. The template includes contains the compulsory requirements. Additional elements may be included in order to tailor the agreement to the partnership needs. Additional provisions included in the document must, in any case, be in line with the programme objectives and the legal framework mentioned in the Subsidy Contract and partnership agreement model.

The partnership agreement must be signed (in written or with a qualified electronic signature) by the LP and all project partners, either in one single document or as bilateral documents between the LP and each project partner. In case the bilateral option is chosen, all bilateral agreements must include a clause that interlinks them.

The partnership agreement shall be signed within three months after the Subsidy Contract enters into force. No payments will be transferred to the project until the partnership agreement is signed by all the partners. The LP has to provide evidence of partnership agreement signature to the MA/JS. The MA reserves the right to check the partnership agreement to confirm that it has been signed and that it meets the minimum requirements set by the programme.



## 5. Project implementation and management

### Project Management Set-Up

Following the “lead partner principle”, the LP is responsible for ensuring the sound management and successful implementation of the entire project.

In the project start-up phase, the partnership needs to establish a sound project management structure and set up adequate provisions for strategic and project day-to-day management. These should include, among others, the following elements:

- Appointing management functions (i.e. project, finance, and communication manager);
- Setting up a project steering committee and adequate procedures for decision-making;
- Setting up and maintaining adequate internal communication within the partnership;
- Setting up and implementing sound reporting procedures between the partners and the LP;
- Setting up and implementing procedures for quality assurance and internal control;
- Ensuring continuous risk management, including continuous monitoring of deviations, and setting up of mitigation measures;
- Conducting internal or external evaluations, if needed.

### **Update the application form after PMC project approval**

Before signing the contract the LP has to update information on the application form such as :

- Name and contact details of the project management team;
- Starting and ending dates;
- Correct some documents/ include the project number on the statements previously provided, amounts, etc;
- Include conditions/adjustments proposed by the PMC, etc;

The MA will sign the contract only if the LP provides information referring to the above points and others mentioned in the notification.

### **Reimbursement of the Preparation Lump Sum**

After the Subsidy Contract and Partnership Agreement approval signature, projects are entitled to be reimbursed for preparation costs in lump sum form. The lump sum covers all costs linked to the preparation until the day the project is approved by the PMC.

The ERDF amount reimbursed is EUR 13.110 (corresponding to EUR 17.480 of total eligible expenditure). The payment of the lump sum can take place if The Subsidy Contract with the MA and the Partnership Agreement between partners are signed.

If the above conditions are met, the lump sum will be automatically added to the first partner progress report expenditures in SIGI, in compliance with the budget allocation to preparation costs as stated in the approved application form.

Beneficiaries do not need to document that the expenditure has been incurred and paid or that the expenditure corresponds to reality, nevertheless the expenditures have to undergo the control circuit in SIGI.

A beneficiary applying for and receiving the preparation costs lump sum **shall ensure not to receive funds from other public sources (e.g. national, regional) for activities covered by the lump sum.**

### **Projects penalties**

Considering the need for the programme to generate impact in the Atlantic Area to be measured through the programme results indicators and the need to avoid the release of funds by projects, stricter rules will apply that foresee penalties for delays in the submission of financial claims and reports. Provisions for such penalties will be laid down in the Subsidy Contract.

Experience shows that project spending is delayed in the first months and that an underspending of 10% can be considered within normal parameters. As stated in Article 3(8) of the Subsidy Contract, “in case a project fails to respect the contractual arrangements on timeliness, budget absorption and achievement of outputs and results, as defined in the latest approved version of the AF, the programme may also reduce the ERDF allocated to the project or, if necessary, stop the project by terminating the Subsidy Contract as determined in Article 12 of this document”. See also Article 17 - Contract termination and repayment.

*The decommitment penalty decision - will be based on an assessment of the project's spending plan as set in the Subsidy Contract and the actual project spending rate.*

### Ownership and Intellectual Property Rights

Intellectual Property Rights (IPR) refers to creations of the mind, such as inventions; literary and artistic works; designs; symbols, names, and images used in commerce. Intellectual property is protected in law by, for example, patents, copyright, industrial design, and trademarks.

Ownership, namely the use of outputs, data management and data protection, is described under Article 15 of the Subsidy Contract as follows:

1. In the spirit of cooperation and exchange, the LP and the project partners must ensure that all the outputs and results produced in the framework of the project are in the public interest and publicly available. They should be accessible and available to the public, in general in a usable format.
2. Upon request, the LP and project partners must provide the MA/JS, EU institutions, bodies, offices, or agencies with all the outputs, communication and visibility materials produced by the projects.
3. For this purpose, the LP enquires about pre-existing rights attached to the materials and ensures that a royalty-free, non-exclusive, and irrevocable licence without significant additional costs or administrative burden to use such materials is granted to the afore-mentioned Programme and Union bodies following Annex IX of the CPR.
4. The MA/JS is entitled to use any outputs as well as the communication and visibility materials produced by the project to showcase how the subsidy is used and guarantee a wide spread of the project deliverables and outputs in accordance with Article 49 of the CPR.
5. The LP and the project partners agree that the outputs as well as any communication and visibility materials are forwarded by the MA to other Programme authorities, as well as the countries participating in the Programme or to authorities of other Interreg programmes and the EC, to use this material to showcase how the subsidy is used, in accordance with Article 49 of the CPR.
6. The LP ensures that has all rights to use any pre-existing intellectual property rights, if necessary, for the implementation of the project.
7. The LP must inform the MA if there is any sensitive or confidential information or any pre-existing intellectual property rights related to the project that must be respected.
8. Any communication campaign, media appearance or other publicity of the project must be communicated to the MA/JS.
9. The MA must be authorised to process and publish, in whatever form and on or by whatever medium, including the Internet, (parts of) the project data to fulfil its own reporting, communication and visibility obligations arising from the body of rules and regulations listed in Article 1. Personal data must be processed in line with the General Data Protection Regulation (GDPR).

In case of revenues generated by the IPR, all applicable provisions in terms of revenue generating projects and State aid must be respected.

**Please note:**

- Projects should make use of the Partnership Agreement, Article 19 “Intellectual property rights, confidentiality, conflict of interest, data management and protection, use of outputs”;
- IPR are governed by national rules.

## 5.1 Monitoring, Progress Reports & Payment Claims

To be able to track project implementation, and as a condition for the ERDF reimbursement, a **progress report must be submitted to the programme, every project’s 6 months, being the deadline for submission 2 months after the end of the reporting period**. The progress report is a core document because it is the main information channel between the projects and the programme. It includes information on the project’s content (activity/results) and its financial status and progress.

The progress report is also a core source of information about the programme’s overall achievements.

Projects should consider the progress report not only as tool to get ERDF reimbursement, but also as a mean for internal management and monitoring results. The reports are completed and submitted through the IT platform SIGI [www.sigi2127.atlanticarea.eu](http://www.sigi2127.atlanticarea.eu).

The progress report can be a “regular” Project Progress Report (PPR), i.e., composed of an activity report and a financial report, or a Project Extraordinary report, with the financial report only).

Once the LP submits the Project Progress report, the JS performs technical and administrative checks. In case of doubts or mistakes, the JS requests the LP or the partner (with the LP in copy) to provide clarifications within a deadline.

The MA/JS will carry out different controls to check the quality of the project implementation.



### 5.1.1 Partner Progress Reports (pPR)

Projects Progress Reports (PPR) are generated through a collaborative process involving partners. Partners are granted access to the SIGI platform, which enables them to develop

their own sub-report (including LP), called partner Progress Report (pPR), that once consolidated by the LP, will constitute the PPR. These pPRs main objectives are:

- To report about progress at partner level
- To submit expenditures to controllers for verification and receive ERDF reimbursement;
- To provide information to the LP, that is responsible for gathering and consolidating essential elements from all partners to report at the MA/JS at the project level;

If possible, partners are encouraged to participate in every PPR, or, at the very least, in one out of the two annual PPRs (e.g., in a project with 10 partners, 5 could present a partner activity report and payment claim in the first semester, and the other 5 in the second semester). Additionally, it is mandatory for the LP to submit its own partner report every six months.

Even if partners' inclusion of expenses every 6 months is optional, the management of partners' reports is the Lead Partner's responsibility, and it must guarantee that all PPRs include activities and expenditures. This oversight is essential to maintain consistency and accuracy in monitoring project progress and financial commitments across all partners.

Partners are required to provide detailed updates on the progress made compared to the PAF (Project Approved Form), the outputs delivered, and the incurred costs, all of which are then submitted to controllers for review, certification, and validation (cf. 5.2.1 Financial reporting process). It is the responsibility of the LP to ensure that the expenditures presented by all partners corresponds to the activities. This approach ensures transparency and accountability in tracking project advancements and resource utilisation. Reports are delivered in English.

The activity report is organised according to the different work packages outlined within the PAF. Partners are tasked with providing a comprehensive account of their progress during the designated reporting period, emphasising how their efforts have directly contributed to the overall objectives, outputs, and deliverables, and to other partner's activities. Considering the provided information encompassing several aspects such as activity implementation, budget execution, achieved results, and compliance with the project timeline, partners are required to deliver an estimation of the current execution percentage, for each work package and associated activity. This involves a holistic assessment that considers the progress made across all aspects of the project, including the successful completion of tasks within designated timeframes, the use of allocated funds, and target outputs reached.

This estimation serves as a valuable tool for the LP to elaborate the PPRs and eventually make decisions regarding resource allocation, risk management and strategic planning

moving forward.

Associated partners cannot submit partner progress reports.

Please note that **each partner is responsible for reimbursing ineligible or irregular amounts**, for example, when the claimed costs do not correspond to the activities described in the PAF (Project Approved Form).

### ***5.1.2 Project Progress Reports (PPR) consolidation and submission***

**The Project Progress Report must be submitted every project's 6 months by the LP, being the deadline for submission 2 months after the end of the reporting period** (except for the final report). The PPR is created and completed in by the LP on the SIGI platform, following the merging of all pPRs validated. The LP must set up an internal calendar to guarantee that pPRs are validated on time to comply with the Programme deadline.

**Requests to postpone the reporting deadline** may be granted only in duly justified cases. They shall be requested by the Lead Partner to the MA through the JS at the latest two weeks before the established deadline.

The main objectives of the PPR are:

- To report on Project progress and implementation
- To submit on behalf of partners, ERDF reimbursement claim to the Programme

The LP plays a crucial role in collecting and summarising the information from all partners, aiming to present an overall view of project progress. It is expected that the LP offers a comprehensive summary of progress up to the cutting date, including specific objectives reached and main outputs delivered by also highlighting the cooperation added value.

In addition, the LP is asked to provide an estimation of the current implementation rate for each work package and associated activity. This value is not simply a sum of individual partner estimations but rather an objective assessment that considers the current implementation progress, achievements, results, outputs, deliverables, and planned timeline.

Furthermore, reports are a “platform” for LP to elaborate on Management and Communication. Any challenges or deviations found along the way should be mentioned. This includes detailing any setbacks or delays experienced in comparison to the initial work plan outlined in the PAF, as well as presenting the strategies and solutions devised to address and overcome these obstacles. These reports could be considered as an

opportunity for transparent communication and problem-solving and ensure that the project stays on track.

Progress on outputs, results and environment indicators implementation must be reported in the PPRs.

The structure of the PPR is the same as the pPR, and the reporting is made according to the information provided in the PAF (Project Approved Form). The LP shall upload the document: **“Implementation Statement and Reimbursement Claim” signed by the legal representative. The template is available in the PPR cover page.**

### **5.1.3 Project Extraordinary Reports (PER)**

Are created and monitored independently from the PPR described before. They must be used when it is urgent to include expenditures paid out of the six months, in such cases, the LP must contact the JS beforehand.

## **5.2 Expenditures’ financial flow**

Please note that, unlike 2014-2020, no mechanism of advance payments for project partners will be in place for this period. This means that each project must be able to advance the funds to pay for all its project activities itself until the approval and payment of the six-monthly progress reports. The programme will reimburse up to 75% of the total eligible expenditure declared by each partner in their progress reports. Project partners, therefore, need to secure sufficient own funding if they want to become involved in an Atlantic Area project.

### **5.2.1 Financial reporting process**

**Payment claim - summarized steps:**

Step nr.	Step	Responsible	Repeats for every Project Progress Report
1	Expenditures registration	Beneficiary	
2	Expenditures validation	Controller	
3	Expenditures validation	National Authority (if applicable in the Member State)	
4	Partners expenditures consolidation and submission (Project Progress Report)	Lead Partner	

5	Physical and financial check	Joint Secretariat	
6	Final check and payment order	Managing Authority	
7	Payment	Payment Entity	

### Steps' details:

<b>1</b>	<p>Each partner prepares the progress report based on the activities it is participating, as defined in the project work plan. The paid expenses with the related evidence corresponding to the activities are introduced on the SIGI, a tool like the one used to submit the application form and the PAF.</p> <p>It is advised to register the expenditures in SIGI on an ongoing basis (as expenditures are paid) to facilitate the reporting workload. SIGI will allow working on the following progress report after submitting the current one.</p>
<b>2</b>	<p>Control: before submission to the JS, according to Art. 46 of Reg. (EU) 2021/1059, each progress report must be verified and confirmed by an independent controller compliant with the control system set up by each MS and duly authorized electronically in SIGI.</p> <p>The partner's Controller verifies and certifies the declared expenditures, also having access to the SIGI for any required correction. When the validation and final amounts are determined, the Controller must fill in the standard certificates, sign and upload them in SIGI (templates available on the website of the Programme, <a href="http://www.atlanticarea.eu">www.atlanticarea.eu</a>). In addition to the programme certificates, the Controller shall check with the national authorities whether there are any other documents required at national level.</p>
<b>3</b>	<p>The national checks (if applicable in the Member State): receives the controlled expenditures and proceeds with its own certification.</p>
<b>4</b>	<p>The Lead Partner consolidates the information collected through the partners' reports available on SIGI. The Lead Partner checks the consistency of the information and the evidence provided; checks the evidence regarding the certification process respecting the specifications of the partner's country. Then, the Lead Partner submits the activity report and the related ERDF reimbursement claim to the JS.</p> <p>Each project partner may only claim, through the Lead Partner, payments of the ERDF contribution by providing proof of the project's progress. For this purpose, each project partner commits to provide the Lead Partner with complete and accurate information needed to draw up and submit progress and final reports and, where possible, the main outputs and deliverables</p>



	<p>obtained in line with the PAF. Each project partner must provide additional information if the Lead Partner deems it necessary.</p> <p>The Lead Partner may only request payments of the ERDF contribution on behalf of the project by providing proof of the progress of the project towards the achievement of the outputs and results as set in the PAF, in compliance with the principle of sound financial management (as determined by the principles of economy, efficiency and effectiveness) when purchasing supporting goods and services.</p>
<b>5 and 6</b>	<p>The JS and MA proceed to various checks and the MA issue a payment order to the Payment Entity. The JS may revert the project progress report to the lead partner for corrections and/or clarifications. Each progress report (and the project in general) is monitored by two officers from the JS. One officer focuses on the activities and results, and the other focuses on financial matters.</p> <p>The payment to the partners should be made within 80 working days from the submission date of the Project Progress Report (Article 74 (1b) of EU Reg. 2021/1060), depending on the financial capacity of the programme. This period is suspended when technical issues and further clarifications are required by the JS/MA.</p> <p>The MA reserves the right not to accept – in part or in whole – certificates of expenditure due to the results of its own checks and/or controls or audits performed by another authority. In such a case, the MA will either reduce the claimed certified amount, demand repayment of funds already paid out unduly or set them off against the following payment claim submitted by the LP, if possible.</p> <p>The Lead Partner and the project partners must install a specific project bank account or an adequate accounting code specifically for the project. They must ensure that the eligible costs as well as the received subsidies can be clearly identified.</p>

### **5.2.2 Partners not reporting expenditure**

In cases where project partners do not report following the rules established in section 5.1, in the absence of justified reasons for this non-reporting, a warning will be issued to the Lead Partner and the Monitoring Committee member representing the country of the project partner, and the partner in question will be informed. In case the concerned project partner does not comply with the programme's rules and cannot provide evidence

that this is due to circumstances outside its control, the budget of the project partner would be reduced considering its spending plan, as established in the subsidy contract.

### 5.2.3 The Controller

#### a) Designation

The Lead Partner must ensure that the Controller of each partner are chosen by each beneficiary and validated by the respective MS before submitting the first progress report, and expenses claim.

Each MS is responsible for designating the Controller for partners located on their territory and participating in a project. In practice, this means that each partner needs a controller that is authorised by its MS.

Control systems:

Centralised (Ireland)	Decentralised (France, Portugal, Spain)
Appointed by the MS	Short list/chosen by partner and approved by the approbation body

For further information, on Controller appointment process partners should contact their designated national approbation body ([www.atlanticarea.eu](http://www.atlanticarea.eu)).

The requirements that must be fulfilled to become a Controller are set by each MS. The main principle is that controllers must be independent and qualified to carry out the control.

To be considered independent, the controllers must fulfil specific criteria:

- An internal controller, if authorised by the MS, must belong to a unit that is organisationally separate from the units dealing with project activities and finances;
- An external controller can only be considered independent if there is a clear separation between the control task and any other contractual relationships with the beneficiary.

Regarding the qualification of the controller, the partners should bear in mind that the task of controlling project expenditure co-financed under the Atlantic Area Programme goes beyond checking the accounts: it also involves a judgment on compliance with ERDF and national and programme rules, and state aid regulation. Controllers must also be aware of and apply the relevant legislation and the rules of the Programme. In line with these, verifications must check if the operation is in line with the Union's policies and

horizontal principles: accessibility for people with disabilities, state aid, public procurement, sustainable development, non-discrimination, partnership and multi-level governance (transparency and equal treatment), promotion of equality between men and women, and environmental rules – the Do No Significant Harm Principle (DNHSP).

The controllers are therefore expected to have good knowledge of controlling project expenditure under the structural funds' regulations. The programme and/or the MS involved will provide training for controllers. They are also expected to have a good command of English (since all programme documents and reports are in English). The country-specific control requirements are binding and provide additional conditions concerning the choice of a controller.

If an external controller is selected by the project partner, this controller must be set in accordance with the applicable procurement rules for each MS.

Changes of address, changes of the account number and changes of control authority/institution or the name of controller(s) must be duly notified following the procedure laid out in the programme manual for project modifications.

#### ***b) Role of the Controller***

The financial verification of a "Partner Project Report" is carried out by a controller, i.e., somebody who has the qualifications (usually auditors or certified public accountants) to verify that the expenditure connected to the project implementation was incurred in compliance with the relevant EU, national, regional, institutional and programme rules, as well as with the provisions of the Subsidy Contract and the PAF. The main aim of the controls is to provide a guarantee for the MA, the Accounting Function body and, most importantly, to the project itself that costs co-financed under the Atlantic Area Programme are fully accounted for and are eligible in compliance with applicable programme/national/EU rules.

The Controllers' task is to verify that the expenditure reported by the partners in each progress report fills the following conditions:

- The costs are eligible, incurred, and paid; for simplified costs such as lump sum/preparation costs and flat rate costs, no verification is needed. In these cases, the controller only needs to verify that the project partner has complied with the programme rules (e.g., for administration costs, that the presented staff costs are correctly calculated, an amount corresponding to 15% of staff costs is reported as administration costs, and no administration costs are reported in any other cost category). Following Interact's orientations: "Verification of simplified cost options, September 2023, v.1, Practical implications of SCOs on control and audit work", what to check when using those SCO's:
  - 15% flat rate for travel and accommodations of direct staff costs, the

information can be gathered from either a mission order or report or a recording of a meeting or similar evidence for at least one trip (the existence of the cost category is to be checked at least once in the project's lifetime;

- 20% flat rate for staff costs, evidence of at least one person of staff or a natural person working for the Interreg partner under a contract, according to Article 39 of the Interreg regulation (e.g., by providing registration at the social insurance agency or annual payroll.
- The programme rules, the approved "Project Application Form", and the Subsidy Contract have been observed and followed;
- The invoices and payments are correctly recorded and sufficiently supported by evidence;
- The related activities, sub-contracted supplies and services are in progress or have been delivered or carried out;
- EU rules have been respected, especially regarding information and publicity, public procurement, and the horizontal principles cf. Article 9 of the Regulation (EU) No 2021/1060.

The controllers must be familiar with the content of the following documents to be able to confirm the compliance with the provisions laid down in the EU regulations and directives, i.e., in particular with:

- Regulation (EU) No 2021/1060 (Common Provisions Regulation);
- Regulation (EU) No 2021/1058 (ERDF Regulation);
- Regulation (EU) No 2021/1059 (European Territorial Cooperation Regulation);
- EU Directives on public procurement;
- EU Directives on State aid;
- Further national rules and guidance (e.g. national public procurement rules);
- Programme Manual;
- The Managing Authority methodology for risk-based management verifications in 2021-2027,
- Project Approved Form (available in SIGI);
- Subsidy Contract (to be uploaded in SIGI after signatures);
- Partnership Agreement (to be uploaded in SIGI after signatures).

If there are amendments to the Project Application Form, Subsidy Contract and Partnership Agreement, both the Lead and other partners need to ensure that the latest

version is made available to the Controllers.

The programme provides standard documents (available on our website) that give guidelines for the controllers for their control work to ensure the consistent application of quality standards and to document the control steps properly. The text of the documents may not be amended or extended. Those documents must be filled and completed for each progress report by the Controller. For additional documents, if required (e.g., checks against national rules), guidelines will be provided by each MS control system but are not required by the programme.

Concerning the controller check, partners and controllers must contact their National Authorities for specific guidelines. The Article 74 (2) of Regulation No 2021/1060 indicates that verifications “shall be risk-based and proportionate to the risks identified ex ante and in writing”. Please note that each member state will consider the MA risk-based control methodology and give guidelines to the partners in their territories.

According to the orientations provided by each Member State, the control made by the Controller to a partner project Report (pPR) may be sampled, except for:

- Real staff costs;
- Equipment when the corresponding expenditure is equal to or higher than 2500 euros. Please take into account that full purchase of equipment is eligible only if the depreciation period is within the project life time;
- Small infrastructures and works;

In addition, the control must be done at 100% in the following situations:

- **First payment claim of each beneficiary** so that it is possible to assess potential risks associated with the specific project and/or the beneficiary;
- **All** expenditures subject to **public procurement** according to EU and national laws in all payment claims;
- Payment claims for projects for which potential risks were identified during the selection stage;
- Any payment claim that correspond to **50% or more of the approved budget** for the beneficiary;
- **Final payment claim of each beneficiary**, since in case of errors, it will be easy to recover any undue payment.

In case irregularities are identified in one verified item, the controller must extend the control to all the expenditure covered by the payment claim. The National Authority may also decide to extend the verifications of the declarations of its beneficiaries considering the risks detected in their beneficiaries, as it is mentioned in the document of Risk analysis methodology.

**After accommodating the requirements listed above**, where controllers choose to select a sample for additional checks (e.g., in case of risk mitigation), they should consider the following:

- a) The sample verification option can only be taken if the payment claim contains more than 30 expenditure documents **for the categories not subject to 100% verification** (these are listed on page 7);
- b) The sample should be random and have a minimum of 30 documents and a minimum volume of declared expenses whose percentage should be representative;
- c) Where systemic errors<sup>39</sup> are identified, the sample size shall be increased to identify the error and quantify its overall impact. In the case of simplified cost options (i.e., the flat rate for administration costs, the flat rate for travel costs, and the lump sum for preparation costs), controllers are not expected to check the reality of such costs themselves (no supporting documents need to be provided). In those cases, the controller only needs to verify that the project partner has complied with the programme rules (e.g., for administration costs, that the presented staff costs are correctly calculated, an amount corresponding to 15% of staff costs is reported as administration costs, and no administration costs are reported in any other cost category). It is inherent in such fixed rates that they may result in an amount higher or lower than the costs actually incurred with the project.

In the situation of State Aid, the analysis of the declaration issued by the Partner should be done by the Controller, with the information on the partner profile and project. Any inconsistency in the declaration must be reported to the LP and JS. A new declaration must be provided if a new approach is decided. When a situation of State aid is confirmed, it must be immediately communicated to the JS and the MA. On this matter, it is relevant to recall that, despite the regulations established as a simplification measure, for projects with a total cost below 5.000.000 euros (including VAT), VAT is eligible, this rule does not apply under the GBER schemes. Hence, the Controller must check the possibility of the partners being under State aid in the first payment claim.

### ***c) On-the-spot checks***

Typically, the Interreg programmes support activities such as meetings, seminars, studies, good practice guides, etc. These mainly generate costs related to staff, administration, external expertise, and travel. In this context, on-the-spot checks usually focus on two parameters, which can help to ensure that the project is being properly managed:

1. The good functioning of internal processes and systems related to the approval, ordering, accounting, and payment of reported costs: an on-the-spot check gives a

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<sup>39</sup> Meaning repeated similar errors.

better understanding of the supporting documents, the project, and the partner organisation. Interviews and walk-throughs can be conducted, for example, which means that processes can be traced from beginning to end at the partner organisation's premises and with the people responsible. The focus may, for example, be on public procurement processes, from the launch of the tender to the selection, contracting, and final delivery of the contract or a payment process from the ordering of the service to its delivery, invoicing, registration in the accounting system, and final payment. Moreover, original documents (e.g., invoices) can be readily accessed.

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

The staff working on the project can be met. Outputs such as publications, equipment items, etc., can be reviewed more thoroughly. The reality of infrastructure and works and their compliance with the application form and invoices can be checked. Supporting documents such as staff contracts, bank statements as payment proofs, and procurement documents can be accessed and reviewed more efficiently. Controllers must verify that the reported activities have taken place as well as that the delivery of sub-contracted supplies, work and goods is in progress or has been completed with every report that is submitted.

Due to the nature of Interreg programmes activities, "on-the-spot checks" can be organised:

- At the partner's premises;
- On a project event/meeting;
- At the place of the project's physical output;
- On-the-spot checks may be performed remotely, i.e., via an online visit/meeting, *via* a virtual check and/or other suitable means.

Choices related to these verifications should be explained in the relevant control report. At least an on-the-spot verification shall be made during the project's lifecycle *per* partner, but this check may be done online. In projects where partners report equipment and/ or infrastructure & works costs, considering that verifications are now risk-based, at least one "on-the-spot check" truly on-the-spot and not virtually should be carried out during the project lifetime, after the conclusion of the infrastructure & work or installation of the equipment. On-the-spot checks are of added value, particularly in these cases, because they facilitate checks on the equipment or works delivered. Based on their professional judgment, the controller can decide to carry out an on-the-spot check not virtually for a project not reporting equipment/infrastructure costs, if they deem that it has an added value for their check (e.g., in case of suspicion of fraud, issues with the partner reporting/understanding of requirements, doubts about the proper functioning of internal processes, etc.).

It is recommended that controllers do not wait until the end of the project to schedule and carry out this visit. National authorities, when applicable, shall define a map of visits with partners and controllers.

***d) Controller for countries not covered by the programme:***

The Lead Partner should also ensure, to partners located in a country not covered by the Atlantic Area (inside or outside the European Union), the existence of a protocol signed between the MA and the competent authorities of the countries concerned, which defines, in particular, the provisions on financial control of expenditure. The protocol should be signed before signing the Subsidy Contract between the Lead Partner and the MA.

**5.2.4 Control systems in the Member States**

Contact details for the Controllers and the approbation bodies in the Member States can be found on the website.

Country	National Authority
France	<i>Région Nouvelle Aquitaine</i>
Ireland	Northern & Western Regional Assembly
Portugal	<i>Agência para o Desenvolvimento e Coesão, I.P</i>
Spain	Ministerio de Hacienda y Función Pública

Project partners from countries having set a decentralised control system ensure that Controllers are selected in accordance with the system set up by each MS. Still, the MA reserves the right, after agreement with the national authority, to require that the controller directly selected by the Lead Partner or project partners is replaced if considerations, which were unknown when the contract was signed, cast doubts on the controller's independence or professional standards.

Lead Partner acknowledges and agrees that the French project partners must follow the specific control system set up by their National Authority: the *Région Nouvelle Aquitaine*. Once the approved controller by the national framework agreement has checked and confirmed the reported expenditure, the control certificate must be validated by the National Authority *Région Nouvelle Aquitaine*.



Lead Partner acknowledges and agrees that the Irish project partners must follow the specific control system set up by their National Authority: the Northern & Western Regional Assembly that implements a centralised system.

Lead Partner acknowledges and agrees that the Portuguese project partners must follow the specific control system set up by their National Authority, the *Agência para o Desenvolvimento e Coesão, I.P. (AD&C)*. Once the approved controller has checked and confirmed the reported expenditure, the control certificate must be validated by AD&C.

Lead Partner acknowledges and agrees that the Spanish project partners must follow the specific control system set up by their National Authority, the *Ministerio de Hacienda*. Once the approved controller has checked and confirmed the reported expenditure, the control certificate must be validated by the Ministry.

#### **5.2.5 Role of the Lead Partner in the control process**

Following the Lead Partner principle as indicated in the EU Reg. 2021/1059, Article 26, the organization acting as Lead Partner bears the overall responsibility for ensuring the implementation of the project. When submitting a progress report, the Lead Partner must:

- Ensure that the expenditure reported by the partners has been paid in implementing the Interreg operation and corresponds to the activities agreed upon between all the partners and is in accordance with the PAF and the Subsidy Contract.
- Check any deviations from the PAF, should they exist, have been properly described and justified in the progress report;
- Check that amounts and activities reported are correctly integrated into the joint progress report and that they give a correct description of the implementation and present status of the project;
- Ensure that the expenditure reported by partners has been verified by a controller in line with the Programme rules and any country-specific requirements for Controllers;
- Interacts with Partners to help obtaining the documents or clarification requested by the JS, MA or Audit Authority, regarding the Project Payment Reports verification;
- Check that the control documents (i.e., standard Controller certificates) are correct and complete.

This verification by the Lead Partner does not imply re-performing the checks already carried out at the partner level. However, it is still up to the Lead Partner, due to their role

and knowledge of the project, to apply due diligence by screening the information available (partners' reports and outputs, Controller certificates). In cases of doubt, the Lead Partner must seek justification/clarification from the partner (and the relevant controller) before the cost item is included in the joint Project Progress Report submitted to the JS.

The MA, through the JS, may request relevant information at any time. That information must be supplied by the Lead Partner within the demanded time frame. The Lead Partner will also provide information and/or requested documents to other programme authorities, courts of auditors, or other control institutions acting within their respective sphere of responsibility.

In accordance with Article 69(8) of Regulation (EU) No 2021/1060, all exchanges of information between the Lead Partner and the programme authorities shall be carried out by means of electronic data exchange systems. Accordingly, the submission of financial claims and progress reports changes shall be done using the electronic data exchange system of the programme: SIGI ([www.sigi2127.atlanticarea.eu](http://www.sigi2127.atlanticarea.eu)), without prejudice to the utilization of an alternative instrument as a contingency solution in exceptional circumstances.

### ***5.2.6 Timing of control***

To ensure timely submission, the controls at the project partner level must be scheduled carefully in relation to the submission deadlines. **It is up to the partnership to decide on those deadlines considering the availabilities of the controllers.**

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

- Expenditure should be reported regularly, i.e., during the reporting period in which it is incurred when possible;
- The project partner's controller can only carry out the control after receiving all the documents from the partners in SIGI;
- Some project partner's controllers have fixed time limits for carrying out the control, which must be respected when the documentation is submitted (and limits the time for potential clarifications);
- The Lead Partner can only submit the progress report after receiving and having checked the control documents from the partners reporting expenditure.

In light of these points and considering the complexity of reporting procedures, it is crucial that projects establish a clear timeline for the reporting procedure. As foreseen in the Partnership Agreement (Article 9), the project partners should have their payment claims validated and submitted to the Lead Partner level 15 working days (indicative) before the

deadline for submitting the progress report. This gives the Lead Partner additional time for questions and other checks.

#### **5.2.7 Control costs**

Control costs for the verification of expenditure are considered eligible. Projects should therefore foresee a budget for these controls, depending on the control arrangements applicable in the relevant MS for each project partners.

Points of attention:

- Internal independent control should be included under the budget line 'staff'.  
For example, if the accounting department of a county council carries out the control for the environment department of the (same) county council, the expenditure should be reported under the budget line for staff costs, in accordance with applicable rules for staff costs, because the person(s) carrying out the verification is (are) on the payroll of the partner institution;
- The expenditure for an external independent controller should be reported under the budget line 'external expertise and services', (since this controller is not directly employed by the partner institution) in compliance with the relevant public procurement regulations.

#### **5.2.8 Payment procedure (detailed in the Subsidy Contract)**

Once the progress report is approved by the JS/MA, the payment procedure can be launched. Payments will be made by the Payment entity.

The MA reserves the right not to accept – in part or in whole – certificates of expenditure of this contract if, due to the results of its own checks and/or controls or audits performed by another authority, such a certificate or the facts stated therein, prove to be incorrect or if the underlying activities are not in line with the legal framework.

In such a case, the MA will either reduce the claimed certified amount, demand repayment of funds already paid out unduly or set them off against the next payment claim submitted by the LP, if possible. In compliance with Article 74 (1) (b) of the CPR, payments to the project can be partially or wholly suspended in cases of suspicion of an irregularity. The MA is entitled to withhold any ERDF payment to a particular beneficiary (LP or project partner) or the project until all unclear issues related to the implementation, management and reporting are clarified.

Following the approval of the progress report by the MA/JS, the respective corresponding share of ERDF funds is transferred directly to each of the project partners' accounts by the Payment entity in Euro (EUR; €). Any exchange rate risk or costs will be borne by the partners.

The ERDF reimbursement will be transferred to the bank accounts as indicated by the Lead Partner and project partners in the PAF (SIGI). Changes in the account's details must be duly and immediately notified to the MA/JS.

In case of system errors detected within audits, the MA also has the right to withhold payments temporarily. Payment suspension(s) shall be lifted as soon as observations and reservations raised by the relevant bodies have been withdrawn.

**Point of attention:**

**Cash flow issues may arise from lengthy payment procedures due to possible controls, audits, legal proceedings, etc. In such cases, partners (and not only private ones) should consider higher liquidity levels.**

### **5.3 Other controls, audits, and verifications (detailed in the Subsidy Contract)**

Every year, sample audits on projects will be carried out to verify that projects have declared expenditures correctly in their progress reports. These audits will be performed under the responsibility of the programme's audit authority, assisted by a group of auditors with at least one representative from each EU Member State.

The purpose of these audits is to detect mistakes in the accounting records at the level of individual projects and, on that basis, to obtain an overall picture of whether the management and control procedures and documents set up at the programme level are being applied and that they assure the prevention and correction of potential weaknesses and errors. Should a project be selected for a sample audit (or any other audit or check), the lead partner and other partners must cooperate with the auditing bodies and present any documentary evidence or information deemed necessary to assist with the evaluation of the accounting documents. They must also give access to their business premises if requested to do so by the auditors.

In addition to the sample audits explained above, other bodies, such as the European Commission's audit services, the European Court of Auditors, national bodies, or the Interreg Atlantic Area managing authority/ joint secretariat may carry out audits/sample checks to verify the quality of the programme and project implementation and, in particular, their financial management and compliance with EU and national rules.

Projects may be audited or checked even after the project has ended. It is, therefore, important to ensure good documentation and the secure conservation of all project documents at least until the end of the EU and national archiving periods.

The LP undertakes all the necessary actions to comply with the fundamental requirements indicated in the Subsidy Contract, the applicable laws and Programme documents (Programme manual and the call-specific Terms of Reference), to provide comprehensive documentation on compliance with those norms and the accessibility to this documentation. Besides the obligations regarding reporting and information, the LP particularly:

- Keeps all documents and data required for controls and audits safely and orderly;
- Makes all necessary arrangements to ensure that any audit, notified by a duly authorized institution, can be carried out smoothly; and
- Provides any requested information to these institutions about the project and gives access to their business premises and gives access to all the information and documents supporting the audit trail as requested in the European Structural and Investment Funds Regulations, Delegated and Implementing Acts and the Programme manual.

The LP must provide access to the premises, as well as project related locations, documents and necessary information, irrespective of the medium in which they are stored, for verifications by the MA, the JS, the body in charge of the accounting function, the AA, relevant national authorities, authorised representatives of the EC, the European Anti-Fraud Office, the European Court of Auditors, the Group of Auditors and any external auditor authorised by these institutions or bodies.

These verifications may take place up to 5 years from 31 December of the year of the last payment from the Programme to the project as stated in article 82 of the CPR and in the closure-letter addressed to the LP by the Programme. A longer retention period may apply in case of State aid or in accordance with national rules. The LP must ensure that all original documents, or their certified copies, in line with the national legislation related to the implementation of the project, are made available until the above final date of possible verifications, and until any ongoing audit, verification, appeal, litigation or pursuit of claim has been completed.

The MA has the right to withhold the payments until all required information and documentation have been delivered or made available otherwise in the required way.

The MA has the right to suspend payments should the project become subject to controls or audits by the MA/JS, body in charge of the accounting function, AA or relevant EU

bodies until these controls or audits have been completed. Should these bodies issue statements on the national control systems and identify problems of a systemic character, the MA has the right to suspend payments until the case has been resolved.

## 5.4 Project modifications

During implementation, projects might need to modify the PAF to adapt it to their actual needs. Modifications can be classified into minor, medium or major modifications depending on their impact on the project.

All modifications should be done through the online system SIGI, by the LP

Modifications can only be requested before the project end date, as indicated in the latest version of the PAF.

The project modification enters into force on the date of its submission (after approval).

A modification might also lead to a revision of the subsidy contract or the partnership agreement. In any case, the LP must inform the partnership of the approval of the modification request and the entry into force of the revised application form.

### 5.4.1 Minor modifications and budget flexibility

Minor modifications are adjustments that do not have a significant impact on the project. They can be implemented through SIGI automatically without prior approval of programme bodies within a certain flexibility range. Minor modifications may concern the aspects described below.

<b>Contact data</b>	Change of contact data of the project contact person or financial manager	No document to be provided
<b>Budget flexibility</b>	10% flexibility until a 50% of the total budget approved (contracted), between lines and years within partner's budget. This means that projects may introduce modifications equal to or less than 10% of the ERDF allocated to the each partner. These will be approved automatically. This automatic approval will only be	No document to be provided

	<p>available until projects reach 50% of the ERDF allocated to the partner.</p> <p>This will roughly translate into 5 modifications requests of this <u>type</u> <u>during</u> the project's lifetime. From then on, only "Major Modifications" will be allowed.</p>	
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#### 5.4.2 Medium modifications

The modification process can be summarised as follows:

- LP submits a modification request form to the JS via SIGI with a description of the requested changes/sections and justifications.
- JS analyses the modification request and, if applicable, asks for additional explanations or clarifications.
- If the request is considered justified, the JS director approves the modification request,
- The JS notifies the LP of the decision.

<b>Workplan</b>	Minor modifications of the work plan must not affect the project intervention logic (i.e., project objectives, outputs, and results). Consider here, for example, the format of an activity or a deliverable (e.g., change of location of a pilot action, shifting physical meetings/events to online, etc.), their timeline, or the involvement of partners in work packages and activities	No document to be provided
<b>Legal representative</b>	Changes in legal representative of the LP/project partner and in case of a change in the LP/project partner	New document shall be uploaded in section 4.2.2.8. Legal Representative declaration

	name that has no impact on its legal status	
<b>Project duration</b>	<p>In exceptional and well justified cases, the programme may grant an extension of the project duration. Prolongation requests should be rooted in external factors that hinder the timely finalisation of project implementation or the fulfilment of project objectives within the set time frame.</p> <p>The following restrictions and limitations apply:</p> <ul style="list-style-type: none"> <li>• The extension of the project duration should not exceed six months. Only in exceptional and duly justified cases an extension beyond this might be accepted;</li> <li>• The latest end date for a project is 31 December 2028, and no extension beyond this date can be granted.</li> </ul>	
<b>Institutional changes</b>	<p>In cases of institutional changes, where according to national law the legal personality does not change, and where all assets of a partner are taken over (i.e., in cases of universal succession), this can be treated as a medium modification.</p> <p>Whenever needed by the partnership, they have to be included and requested through the Modification Request form to the Joint Secretariat. They will be taken into account within its analysis and transferred to the entities module via the IT support.</p>	No document to be provided



<b>Bank account</b>	Change of the details of the bank account, as probative document must be checked.	New document shall be uploaded in section 4.1.3.2 Bank statement
<b>Budget flexibility</b>	10% flexibility until a 50% of the total ERDF approved between partners' budget, as new co-financing declarations must be checked.	New document(s) shall be uploaded in section 4.1.3.3. Project Partner declaration

### 5.4.3 Major Modifications

Major modifications require submission of the request to the JS (via SIGI) and trigger an approval procedure. Partners shall bear in mind that major modifications are approved only in duly justified cases. Only a major modification per year can be requested.

The modification process can be summarised as follows:

- LP submits a modification request form to the JS via SIGI with a description of the requested changes/sections and justifications.
- JS analyses the modification request and, if applicable, asks for additional explanations or clarifications
- If the request is considered justified, the JS forwards the modification request, including its technical opinion, to the Programme Monitoring Committee (MC) for approval (2 weeks minimum)
- JS notifies the LP of the decision taken by the MC.

Partnership	<p>As a principle, modifications of the partnership should be avoided. All other possible solutions should be explored before undertaking a partnership modification.</p> <p>In case a partner has to withdraw from the project, there are the following options:</p> <p>Integration of a new partner</p> <p>The new institution must have the necessary experience and technical and financial capacity to participate in the project. It should preferably be</p>	<p>New partner(s) documents shall be uploaded in section 4.1.3. Documentation</p> <p>Document probating the acknowledgement of modification by the partnership in section 6.Documents</p>
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	<p>located in the same region or country as the withdrawing partner.</p> <p>It is strongly advised that the withdrawing partner, in coordination with the LP, informs the NC of its country on the ongoing partner change. If needed, the NC can support the search for a partner replacement in the concerned country.</p> <p>If a withdrawing partner is located in an EU region outside the Interreg CE programme area, the incoming partner must be located in the Interreg CE programme area or, if this is not possible, must be located in the same Member State and have the same national responsible authority/body as the withdrawing partner.</p> <p>If a leaving partner has not yet started the implementation of its activities, all tasks and the related budget can be fully taken over by the new partner. If the withdrawing partner has already partially carried out planned activities, only the remaining tasks and budget may be taken over by the new partner.</p> <p>Replacement within the existing partnership</p> <p>One or more of the existing partners partly or fully take over the role, activities and related budget of the withdrawing partner and no new institution or body joins the partnership.</p> <p>No replacement</p> <p>No other institution (neither from outside nor within the existing partnership) is taking over the implementation of activities. In this case, the activities and the respective budget must be excluded from the revised application form.</p> <p>However, this option is only possible if the related activities and the role of the withdrawing partner are not crucial for the project implementation and the exclusion does not have an overall negative impact on</p>	
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	<p>reaching the project objectives and results. If this cannot be demonstrated, the MA has the right to terminate the project and demand the repayment of funds.</p> <p>Combination of the above three types of partnership modifications</p> <p>is possible, e.g., only part of the activities are taken over by a newly incoming project partner and other activities (and the related budget) are either excluded from the project or distributed within the partnership.</p> <p>Please note that obligations deriving from the subsidy contract and the partnership agreement in terms of audits, retention of supporting documents and durability of outputs remain applicable to the withdrawing beneficiary institution even if only part of the originally foreseen budget was spent.</p> <p>Supporting Documents for Partnership Modifications</p> <p>The following supporting documents shall be provided, depending on the type of partnership modification:</p> <ul style="list-style-type: none"> <li>• Signed partner declaration, for partners leaving or newly incoming;</li> <li>• PAF update</li> <li>• Acknowledgement of modification by the partnership (e.g., minutes of project steering committee meeting, email confirmations, etc.).</li> <li>• New partners: Signed partner declaration, VAT declaration; State aid declaration ; bank statement ; partnership agreement signature, Legal representative declaration .</li> </ul>	
<b>Partner legal status</b>	<p>If there is a change in the legal status or structure of the concerned partner institution.</p> <p>This modification can be done by the partner itself in the section “Entity” or by the LP in section 4.1.</p>	<p>Probing document of the new legal status must be uploaded in section 6. <i>Documents</i></p>

<b>Budget</b>	<p>Major budget modifications regard the reallocation of budget between cost categories or partners that go beyond flexibility rules, as presented in minor modifications.</p> <p>Budget modifications might also be linked to budget reductions due to low financial performance of the project.</p> <p>The project eligible budget and ERDF, as outlined in the subsidy contract, cannot be increased.</p>	<p>New document(s) shall be uploaded in section 4.1.3.3. Project Partner declaration, if applicable (partner's total budget modification or between partners)</p>
<b>Workplan</b>	<p>All modifications affecting the project intervention logic by going beyond a mere adjustment of the work plan (see medium modifications ) require formal approval by MC.</p> <p>This may regard the following:</p> <ul style="list-style-type: none"> <li>• Modification of project objectives and results as well as the overall project approach;</li> <li>• Outputs modification</li> <li>• Activities removal</li> <li>• Modification of output and result indicator targets.</li> </ul> <p>Requests for work plan modifications should be submitted in a fairly advanced stage of project implementation and must come with a sound and detailed justification. Such requests have to be submitted prior to the implementation of these activities affected by the requested change of the work plan.</p>	<p>Complementary documents could be required by the JS</p>

## 5.5 Project communication

Communication is a strategic tool to give visibility to the Atlantic projects and raise awareness of the investments made by the Atlantic Area programme through ERDF.

The lead partner has an essential role to play in promoting a good communication flow within the partnership, crucial for the project's success. All partners also have a relevant role in communication, they're responsible for ensuring visibility to their activities and results, showing their contribution to impact the Atlantic regions and citizens. It's essential for the partnership to appoint a person to manage project communication to ensure sound communication and involve all partners.

#### ***5.5.1 Set up a communication plan***

The design of a communication plan is useful for the partnership to achieve the projects' main objectives, disseminate results and inform audiences about their achievements, success, and benefits through the project's lifetime. The main aim is always to acknowledge the value of the project.

Planning, implementing, and evaluating are the three main phases of a communication plan, focusing on the project benefits and tailoring communication to different target groups.

The activities outlined in the plan must run alongside project activities and reflect the input and activities of all partners. The structure of a communication plan gives an overview of at least the following main elements:

- i. **Communication objectives:** they must be clearly defined, achievable and measurable. For example: raising awareness about the project's added value and benefits to a specific community, dissemination of the project's outputs, or changing the behavior towards a common solution.
- ii. **Target groups:** the plan should clearly identify whom it wants to address and consider both the internal (the partnership) and external audiences.
- iii. **Messages:** what does the target group need to know/ learn about the project? Deliver 2 or 3 main messages that sums up the main aims of the project with a focus on specific aspects.
- iv. **Activities:** which concrete communication activities will be implemented to reach the target audience?
- v. **Tools:** concrete tools that will be used to spread the messages, communicate the activities, and reach the audience. For example, websites, social media, events, publications, videos, visual elements, media relations.

- vi. **Evaluation:** measures to adopt to evaluate the communication plan, to monitor and review the achievements of the project and, if necessary, readjust the approach during the project lifecycle.

### **5.5.2 Communication measures**

Article 36, point 4. of the European Territorial Cooperation (Interreg) Regulation (EU) 2021/1059, sets out the responsibilities of beneficiaries to promote transparency and visibility, which includes mentioning the support from Interreg funds, for example through the following communication measures (not exhaustive):

#### **Project website and social media**

Projects are highly recommended to develop a website and social media sites dedicated to the project implementation. When such website exists, it must present a description of the operation, its objectives, expected results, funding and partnership. It shall also highlight the EU financial support by displaying the Interreg Atlantic Area logo, prominently featured when landing on the homepage. If the project doesn't foresee developing a website, this same information must be displayed on a webpage of the partners' organisations.

Projects are also advised to promote their activities and results on social media channels, such as LinkedIn, Instagram, Twitter, Youtube, Instagram or other appropriate. Other communication products such as videos or visuals can be developed to be shared by partners on social media channels or websites.

#### **Project events**

A kick-off event should be organised at the beginning of the project and a final event at the end of the project implementation. The audience of both events should be as wide as possible, and not limited to the project target groups.

To ensure visibility, **the Interreg Atlantic Area logo shall be prominently featured in all communication materials** used for the public or for participants, including presentations at conferences or seminars.

#### **Durable plaques or billboards**

It is required to install a plaque/billboard clearly visible to the public, presenting the emblem of the Union, to all projects that are purchasing equipment and/or having physical investments, regardless the actual cost.

### **Poster**

For projects which are not purchasing equipment and / or having physical investments, each beneficiary must display at their premises, one poster of a minimum size A3 or equivalent electronic with information about the operation highlighting the EU support through the Interreg Atlantic Area logo. This poster has to present the project short description and objectives, funding and partnership. It must remain visible for the whole duration of the project. The programme will provide a template of a poster for each thematic priority, available for download on our website.

### **Promotional materials**

When producing these items, please have in mind the environmental aspects, avoiding plastic or other materials harmful to the environment. Also consider a conscious production quantity and distribution to avoid waste.

Promotional items such as give-aways or gadgets can be used to promote the project. They are usually produced with a printed logo, to be distributed at events, such as conferences or exhibitions.

#### ***5.5.3 Branding***

According to articles 47 and 50, Chapter III Visibility, transparency and communication of Common Provisions Regulation (EU) 2021/1060, all information, communication and branding measures provided by the project, shall acknowledge the co-financing support from the Interreg Atlantic Area programme.

The Interreg Atlantic Area programme logo is in line with the Interreg harmonised brand to promote European Territorial Cooperation since 2014. This logo displays the EU emblem, the reference to the co-funding and combines the brand of Interreg and Atlantic Area.



Projects must follow the Brand Design Manual for the application of the Atlantic Area logo and icons of the thematic priorities, which will be available on the website for download.

### Combination with other logos

Point 1.7 of Annex IX of Common Provisions Regulation (EU) 2021/1060 states that “*If other logos are displayed in addition to the emblem, the emblem shall have at least the same size, measured in height or width, as the biggest of the other logos.*”

The emblem (or flag) forms an integral part of the Atlantic Area logo. Other logos, such as project logos or institutional logos, when placed on the same page or surface as the Atlantic Area logo shall not be higher or wider than the EU emblem. In case of doubts, please contact the Communication Officer at the Joint Secretariat.

### Project logo

It is highly recommended that project logos be based on the programme logo by adding the acronym in the colour of the matching thematic priority - a combined project logo. If you adopt this project logo you're respecting the EU regulation in terms of communication and visibility, strengthening the identity and support of the Programme and of the European Union. The editable combined project logo for each thematic priority will be available on [the website for download](#).



Projects can also develop their own brand identity and logo. In those cases, the Interreg Atlantic Area logo must always be displayed in all communication supports materials (printed or digital, such as publications, newsletters, flyers, publication, manuals, presentations, promotional material, videos, small materials...). This Atlantic Area logo must be placed in a visible position, and it can never be smaller than any other logo included in the same material (see section “combination with other logos”).



In cases where it is not possible to display a logotype, on a press release for example, projects shall use the sentence:

***“This project is co-financed by the Interreg Atlantic Area Programme through the European Regional Development Fund”.***

#### **5.5.4 Project responsibilities**

Projects are obliged to highlight the EU support by displaying the Interreg Atlantic Area logo or the combined project logo, when carrying out visibility, transparency, and communication activities.

The lead partner shall ensure that the project partners comply with all publicity, communication, and branding obligations (e.g. on the use of the programme logo, information requirements, organization of events etc.).

#### **5.5.5 Support to projects**

Once the project is approved, the JS provides guidance and training to help undertake effective communication activities. The JS will also provide a communication toolkit on the website with tutorials, templates, and practical advice on how to deal with communication through the whole project lifecycle, as for example:

- Identity guidelines;
- Editable logotypes;
- Tips for the use of social media, event organisation, digital and print publications, relations with the press;
- FAQs.

#### **5.5.6 Legal requirements**

After the approval, projects have to abide by the regulatory obligations relating to the EU communication and information requirements and the Subsidy Contract regarding beneficiaries' responsibilities and obligations in terms of publicity, communication and branding of projects.

According to Article 50 point 3. of Common Provisions Regulation (EU) 2021/1060 if the beneficiary does not comply with its obligations in terms of communication and visibility,

the MA shall apply measures, taking into account the principle of proportionality, by cancelling up to 3 % of the support from the Funds to the operation concerned.

## **6. Project closure** (to be added)

## **7. Resolution of complaints**

Complaints cover any dispute that applicants may raise about their submitted proposals (on the content or on technical issues), as well as any dispute project partners may have with third parties (JS, controllers, auditors, etc.) during the implementation of their projects.

As a first step, the Programme will always favour an amicable settlement of the complaint.

During this phase, the MA/JS and the lead applicant/partner will do everything possible to settle the dispute. They will communicate through e-mail their positions and any solution that they consider possible. Meetings can be organised as well.

If the outcome is not satisfactory for the project, or if it goes beyond the remit of the MA/JS, the lead applicant/partner may decide to file a formal complaint following the procedure described below.

### **Complaints against the application/selection phase**

The lead applicants whose project proposals are rejected are informed in writing about the reasons why their application was not eligible or was not approved. Any questions applicants may have concerning the assessment of their proposal will be examined and answered by the MA/JS.

Projects that are not selected for funding have the right to make a formal complaint against the Programme's decision not to select a proposal. However, such a complaint must be well-grounded and follow a specific procedure.

Only the project's lead applicant can make a complaint. Potential complaints from partners must be filed through the lead applicant. Complaints must be filed in English and in writing (through post or email) to the MA/JS within five weeks after the official notification of the non-selection and should be addressed to the JS Director.

The lead applicant shall detail the specific matter of complaint that is deemed to have occurred and include a clear reference to the relevant Programme documents (Programme Manual, Terms of Reference of the call, etc.)

The complaints will be examined and answered by a complaints panel comprising the MC and the MA/JS.

### **Complaints during the project implementation phase**

Projects may object to a decision made by the MA/JS that affects its implementation.

Only the Lead Partner can make a formal complaint. Potential complaints from partners must be filed through the Lead Partner. Complaints must be submitted in English and in writing (post or email) to JS Director.

The objection must contain the subject matter, the reasons for the disagreement with the decision, as well as possible solutions considered by the partnership.

It should include a clear reference to the Programme Manual and/or other applicable legal documents, such as the Subsidy Contract, for example.

If no amicable agreement is reached, the dispute may, by common agreement of the parties, be submitted for conciliation to the complaints panel, which is comprised of the MC and the MA/JS.

### **Complaints against control and audit bodies**

Complaints related to management verifications performed by controllers of the country where the project partner is located or related to an audit must be made to the responsible NA according to the applicable national rules.

### **Complaints outside the responsibility of the Programme authorities**

Complaints against any other person or institution performing activities that might affect activities of the partnership or the rights of beneficiaries and that are outside the sphere of competence of the Programme authorities must be directed, for example, to the employing or contracting institution or competent administrative or criminal offices and should not be addressed to the JS.

### **Legal action**

At any time, but preferably only after the failure of the above procedures, each party may submit the dispute to the courts. The place of jurisdiction is, as defined in the Subsidy Contract, Porto, Portugal.

## Annex 1. Eligibility and quality assessment criteria (Call 1 and 2)

### Call 1

#### Eligibility criteria

Check that an application meets the criteria set by the Programme in order to be eligible for assessment.

	Eligibility criteria	Description	Automatic check by SIGI	Check by the JS
1	All applicable sections of the application form are correctly filled with the requested information.	All fields in the application form are mandatory.	All the fields of the AF are completed.	Correctly filled with the requested and relevant information.
2	The project fulfils minimum requirements for the partnership:	The project must involve at least 4 partners from 4 different AA countries and eligible regions: France, Ireland, Portugal and Spain	Automatic check of the partners involved.	The JS checks that the information provided by the project is correct (consistency of the information declared in the AF)
3	The LP of the submitted proposal is a public, non-profit or governed by public law (public equivalent body, according to the public procurement law).	The lead partner has selected Non-profit in the application form. 'Profit making' organisations can never be lead partner. Application forms with such a lead partner are ineligible.	Automatic check of the Lead Partner.	The JS checks that the information provided by the project is correct (consistency of the information declared in the AF)
4	The lead partner is an organisation from an EU Member State within the AA Programme area.	Partners from outside the AA Programme areas cannot be lead partners	Automatic check of the Lead Partner.	The JS checks that the information provided by the project is correct (consistency of the information declared in the AF)

<b>5</b>	Documents requested have been provided by all the partners. These are signed and attached to the application form, such as Lead Partner and partner statements.	Partners must provide a set of documents referred in the Terms of Reference	The SIGI checks that documents are uploaded.	The JS checks that the information provided by the project is correct (consistency of the information declared in the AF)
<b>6</b>	All sections of the application are completed in English.	All sections of the application must be written in English	All the fields of the AF are completed.	Correctly filled with the requested and relevant information.
<b>7</b>	The project summary is provided in the 4 programme languages.	The project summary must be provided in English, French, Portuguese and Spanish.	All the fields of the AF are completed.	Correctly filled with the requested and relevant information.

### Application Form

Project proposals failing to meet at least one of the requirements above will be deemed not eligible for assessment.

### Quality Assessment criteria

Quality Assessment criteria			
Strategic assessment criteria	Points	Operational assessment criteria	Points
Project relevance regarding the programme strategy	20	Work plan	15
Cooperation added value	20	Communication	10
Project intervention logic	10	Budget	10
Partnership relevance	15		
Strategic assessment total: 65 points		Operational assessment total: 35 points	
Assessment total: 100 points			

### Quality Assessment criteria

Each point addressed within a section receives a score from 1 to 5 (1: Poor, 2: Insufficient, 3: average, 4: good, 5: Excellent). Each assessment criterion covers several points of evaluation (see below). The criteria score reflects the average of the scores given to each assessment point (no specific weight is given to any of these points), which is then translated to a total of points in line with the weight given to the criterion in question.

Example:

*For section 1 "Project relevance" (see below), seven points are assessed and a score is given to each of them. The average score is then calculated.*

$$\rightarrow (4+4+3+3+1+1+2)/7 = 2,571$$

*Based on the weight given to section 1 (i.e. 20 points), the average of the score is then converted into points.*

$$\rightarrow 2,571 \times 20/5 = 10,29 \text{ points (section1 score 10,29 / out of 20 points)}$$

**Strategic assessment criteria (65 points)**

Section 1: Project relevance and context regarding the Programme strategy	20 pts
<p><b>How well is the need for the project justified?</b></p> <ul style="list-style-type: none"> <li>• The project demonstrates to address common territorial challenges of the AA or a joint asset of the Programme's area - there is a real need for the project (well justified, reasonable, and well explained).</li> <li>• The project clearly contributes to the Atlantic Maritime Strategy, Territorial Agenda, the Green Deal<sup>40</sup>, complying with the DNSH<sup>41</sup>, and/or any other strategies such as a wider strategy on one or more policy levels (EU/national/regional), for example, the New European Bauhaus<sup>42</sup> (if applicable).</li> </ul> <p><b>To what extent will the project contribute to the achievement of the Programme objectives and indicators?</b></p>	

<sup>40</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en)

<sup>41</sup> Do No Significant Harm Principle: [https://ec.europa.eu/info/sites/default/files/c2021\\_1054\\_en.pdf](https://ec.europa.eu/info/sites/default/files/c2021_1054_en.pdf); [https://ec.europa.eu/info/sites/default/files/2021\\_02\\_18\\_epc\\_do\\_not\\_significant\\_harm\\_technical\\_guidance\\_by\\_the\\_commission.pdf](https://ec.europa.eu/info/sites/default/files/2021_02_18_epc_do_not_significant_harm_technical_guidance_by_the_commission.pdf)

<sup>42</sup> [https://new-european-bauhaus.europa.eu/index\\_en](https://new-european-bauhaus.europa.eu/index_en)

- The project's overall objective clearly contributes to the achievement of the Programme priority and specific objective.
- The project outputs are clearly linked to the programme's relevant output indicators and their contribution to Programme targets is sufficient.
- Project's contribution to Programme relevant result indicators is realistic and sufficient.

**How does the project go beyond the current situation and build on existing practices?**

- The project makes use of available knowledge and builds on existing results and practices.
- The project avoids overlaps and replications; there is evolution, added value and new solutions that go beyond the existing practice or the project adapts and implements already developed solutions.

Section 2: Cooperation added value	20 pts
<b>What added value does the cooperation bring?</b>	
<ul style="list-style-type: none"> <li>• The importance of cooperation at a transnational level for the topic addressed is clearly demonstrated. The results cannot (or only to some extent) be achieved without cooperation.</li> <li>• There is a clear benefit from the results issued from the transnational cooperation for the target groups and the programme area.</li> </ul>	

Section 3: Project intervention logic	10 pts
<b>Is the project intervention logic coherent, realistic and relevant?</b>	
<ul style="list-style-type: none"> <li>• The project specific objective is precise, realistic and achievable.</li> <li>• Proposed project output(s) is (are) needed to achieve the project specific objective.</li> <li>• Project output(s) and result(s) that contribute to Programme indicators are realistic (it is possible to achieve them with given resources – i.e. time, partners, budget - and they are realistically based on the quantification provided).</li> </ul>	
<b>Will project outputs have an impact beyond the project lifetime?</b>	

- Project outputs are durable (the proposal is expected to provide a significant and durable contribution to solving the challenges targeted) – if not, is it justified?
- Project main outputs are applicable and/or replicable by other organisations/ regions/countries outside the current partnership (demonstrated transferability) – if not, is it justified?

Section 4: Partnership relevance	15 pts
<b>How is the partnership composition relevant to the proposed project?</b>	
<ul style="list-style-type: none"> <li>• The project involves the relevant actors needed to address the territorial challenge/joint asset and the objective specified.</li> <li>• The Lead Partner demonstrates capacity/competence in coordinating the project action and the partnership.</li> <li>• The partnership is adequate for the project's objective: <ul style="list-style-type: none"> <li>1. Regarding the levels, sectors, and territory proposed in the application</li> <li>2. Do partners complement each other?</li> </ul> </li> <li>• Partners have demonstrated experience and competence in the thematic field concerned.</li> <li>• Each Partner plays a defined role in the partnership and the territory benefits from this cooperation.</li> <li>• The partnership involves a high diversity of actors covering the quadruple helix approach, including the relevant social and civil society actors, to achieve better linkages between public, private, and research actors.</li> </ul>	

#### Operational assessment criteria (35 points)

Section 5: Work plan	15 pts
<b>Is the work plan realistic, consistent, and coherent?</b>	
<ul style="list-style-type: none"> <li>• Proposed activities and deliverables are relevant and lead to planned output(s) and result(s).</li> <li>• Project outputs and results are realistic based on the quantification provided.</li> <li>• Distribution of tasks among partners is appropriate (e.g. sharing of tasks is clear, logical, balanced and in line with partners' role and skills in the project).</li> <li>• The time plan is demonstrated as realistic.</li> </ul>	



- Activities, deliverables, and outputs are in a logical time sequence.

Section 6: Communication	10 pts
<p><b>Do communication objectives clearly contribute to the achievement of the project specific objectives?</b></p> <ul style="list-style-type: none"> <li>• The communication objectives are clearly defined.</li> <li>• The communication objectives are relevant (“raising awareness”, “increasing knowledge”, “change behaviour”) and are expected to contribute to the project specific objectives.</li> </ul> <p><b>Are the communication activities appropriate to reach the communication objectives identified?</b></p> <ul style="list-style-type: none"> <li>• The communication activities and deliverables are appropriate to reach the communication objectives defined.</li> </ul> <p><b>Are the communication activities appropriate to reach the relevant target groups?</b></p> <ul style="list-style-type: none"> <li>• Target groups are clearly identified and fit with the communication objectives.</li> <li>• Communication activities are appropriate to reach the relevant target groups</li> </ul>	

Section 7: Budget	10 pts
<p><b>How does the project budget address the principles of economy, efficiency, and effectiveness?</b></p> <ul style="list-style-type: none"> <li>• The principle of economy regards minimising the costs of resources. The resources used by the project’s partnership for its activities should be made available in due time, in appropriate quantity and quality, and at the best price. <ul style="list-style-type: none"> <li>1. Does the proposal represent value for the money according to the corresponding explanation?</li> <li>2. Is the budget justification detailed?</li> </ul> </li> <li>• The partners’ budgets reflect their real involvement, it is balanced and appropriate according to the partners’ responsibilities in the project.</li> </ul>	

- The principle of efficiency implies getting the most from the available resources. It is measured through the relationship between resources allocated and outputs delivered in terms of quantity, quality, and timing.
  1. The need for engaging external expertise is justified (strategic public procurement<sup>43</sup> will be valued).
  2. Financial allocation per cost category and years is justified.
- The principle of effectiveness regarding meeting objectives and achieving the intended results.
- Is the available information transparent and sufficient, coherent, and proportionate to the proposed results?

## Call 2 ISO 1

### Assessment of project proposals

The eligibility check will be carried out to verify whether an application meets the minimum criteria established by the AA Programme.

Proposals not fulfilling one of these conditions will be considered ineligible and will not be further processed. Lead partners will be informed of the outcome of this first check. Eligible proposals will go under quality assessment.

### Eligibility criteria

Check that an application meets the criteria set by the Programme to be eligible for assessment.

	Eligibility criteria	Description	Automatic check by SIGI	Check by the JS
1	All applicable sections of the application form are correctly filled with the requested information.	All fields in the application form are mandatory.	All the fields of the Application Form (AF) are completed.	Correctly filled with the requested and relevant information.

<sup>43</sup> The Programme promotes the strategic use of public procurement. Beneficiaries are invited to consider social, innovative, and environmental features to support policy goals, targeting quality instead of adopting a narrow view focused on the 'lowest price'.

2	The project fulfils minimum requirements for the partnership.	The project involves at least 2 full partners by each: France, Ireland, Portugal and Spain	Automatic check of the partners involved.	The JS checks that the information provided by the project is correct (consistency of the information declared in the AF)
3	The LP of the submitted proposal is a public, non-profit or governed by public law (public equivalent body, according to the public procurement law).	Profit making private partners will not be allowed to participate in this call.	Automatic check of the LP legal status.	The JS checks that the information provided by the project is correct (consistency of the information declared in the AF)
4	The LP is an organisation from an EU Member State within the AA Programme area.	Partners from outside the AA Programme areas cannot be lead partners.	Automatic check of the LP location.	The JS checks that the information provided by the project is correct (consistency of the information declared in the AF)
5	There are not “profit making private partners” in the partnership.	Profit making private partners will not be allowed to participate in this call	Automatic check of the Partner legal status.	The JS checks that the information provided by the project is correct (consistency of the information declared in the AF)
6	Documents requested have been provided by all the partners. These are signed and attached to the application form, such as LP and partner statements.	LP and Partners must provide a set of documents referred in the Terms of Reference	The SIGI checks that documents are uploaded.	The JS checks that the information provided by the project is correct (consistency of the information declared in the AF)
7	All sections of the application are completed in English.	All sections of the application must be written in English	All the fields of the AF are completed.	Correctly filled with the requested and relevant information.

### **AF (Application Form)**

Project proposals failing to meet at least one of the requirements above will be deemed not eligible for assessment.

## Quality Assessment Criteria

Quality Assessment Criteria			
Strategic assessment criteria	65 Points	Operational assessment criteria	35 Points
Project relevance according to the call goals and expectations	20	Work plan	15
Cooperation added value, Increasing coordination and dialogue with relevant stakeholders in the AA	20	Communication, synergies and complementarities, and Risk management	10
Project intervention logic	10	Budget	10
Partnership	15		
Strategic assessment total: 65 points		Operational assessment total: 35 points	
Assessment total: 100 points			

After the assessment, all the proposals will be ranked according to their final technical overall score. A final decision on project approval or rejection is taken by the MC.

Each point addressed within a section receives a score from 1 to 5 (1: Poor, 2: Insufficient, 3: average, 4: good, 5: Excellent). Each assessment criterion covers several points of evaluation (see below). The criteria score reflects the average of the scores given to each assessment point (no specific weight is given to any of these points), which is then translated to a total of points in line with the weight given to the criterion in question.

### Example:

*For section 1 "Project relevance" (see below), seven points are assessed, and a score is given to each of them. The average score is then calculated.*

$$\rightarrow (4+4+3+3+1+1+2)/7 = 2,571$$

*Based on the weight given to section 1 (i.e. 20 points), the average of the score is then converted into points.*

$$\rightarrow 2,571 \times 20/5 = 10,29 \text{ points (section1 score 10,29 / out of 20 points)}$$

## Strategic assessment criteria (65 points)

<b>C1 Section 1: Project relevance according to the call goals and expectations</b>	<b>20 pts</b>
<p><b>C1.1 Does the projects tackle the ToR requirements?</b></p> <p>C1.1.1 How well does the project meet the specific goals and expectations outlined in the call?</p> <p>C1.1.2 Does the project make a clear contribution to a broader strategy on one or more policy levels for a better governance in the Atlantic, including the EU, national, and regional levels going beyond what is stated in the ToR?</p> <p><b>C1.2 How the project contributes to the Programme overall/specific objectives and the ToR environmental topics achievement?</b></p> <p>C1.2.1 Does the information provided contributes to the project overall objective achievement? If yes, how?</p> <p>C1.2.2 Are the planned activities presented in a logical way?</p> <p>C1.2.3 Does the proposal include other activities that go beyond what is required? Are those extra activities bringing significant added value?</p> <p><b>C1.3 How well does the project show it complies with the ToR details on activities and target audience? Does it build on existing practices and realistic expectations?</b></p> <p>C1.3.1 Are the activities related to the use /re-use of AA available 'knowledge' clear and well presented? Are the proposed activities adapted to the different target audiences involved within the governance process, not only at AA level but also regional, national and European level?</p> <p>C1.3.2 Could the activities proposed to the different target audiences be more lasting and improve the global governance within the AA?</p>	
<b>C2 Section 2: Transnational Cooperation added value, increasing coordination and dialogue with relevant stakeholders in the AA</b>	<b>20 pts</b>
<p><b>C2.1 Does the proposal clearly demonstrate how it increase:</b></p> <ul style="list-style-type: none"> <li>The importance of cooperation at a transnational level for the topic addressed is clearly demonstrated.</li> </ul>	

- The results cannot (or only to some extent) be achieved without cooperation.

**C2.2 How well demonstrated is the work/transnational cooperation with different stakeholders in, previous projects? How did they pave the way to facilitate the transfer of practices and results?**

### **C3 Section 3: Project intervention logic**

**10 pts**

#### **C3.1 Outputs and Results**

C3.1.1 Do the proposed outputs meet what is requested in the ToR and how? Is it shown that the results will lead to create measures and recommendations, improve procedures, implement transferring and mainstreaming plans, etc.?

C3.1.2 Does the proposal include other outputs going beyond what is requested?

C3.1.3 Is it shown that the results reinforce the existing networks of authorities and stakeholders, strengthening coordination between existing Atlantic networks and strategies?

#### **C3.2 Impact and Indicators Monitoring**

C3.2.1 Are the beneficiaries, communities, stakeholders or sectors well targeted to achieve the expected project's long-term impact? Are there mechanisms in place to assess and monitor the project's impact over the time and manage risk?

C3.2.2 In relation to the identified indicators, does the proposal include/foresee mechanisms for collecting, monitoring, analysing and reporting accurate data? Is it effectively described in the Work Plan?

### **C4 Section 4: Partnership**

**15 pts**

#### **C 4.1 How the partnership is relevant to the project ?**

C4.1.1. Do project partners have the necessary expertise and skills to successfully implement the project activities?

C4.1.2 Does the partnership cover all the institutional levels and all relevant geographical areas affected by the project's objective?

C4.1.3. Have the partners demonstrated previous experience in similar projects or collaborations?

C4.1.4. Have roles, and responsibilities and distribution of tasks been clearly defined to ensure effective coordination and cooperation within the partnership?

C4.1.5. Is the partnership composition, including the associated partners, able to facilitate the implication of active organisations, at regional, national or European levels, in the public policies design?

C 4.1.6 Does the Lead Partner demonstrates capacity/competence to coordinate the project actions and the partnership?

### Operational assessment criteria (35 points)

C5 Section 5: Work plan	15 pts
<b>C5.1 Is the work plan realistic, consistent, and coherent?</b>	
C5.1.1 Is the work well structured to carry out the requested activities within the project's lifetime set?	
C5.1.2 Does the proposal respect the outputs and results expected in a realistic way based on the provided planification?	
C5.1.3 Are the requested activities and deliverables presented in a logical time sequence?	
C5.1.4 How robust are activities structured to ensure the project outcomes to draft policies, mainstreaming, recommendations and practices?	
C5.1.5 Is the workplan flexible enough to accommodate changes in circumstances or emerging priorities in particular the specific review process mentioned in the ToRs? Are there other mechanisms in place to adjust the plan as needed based on monitoring findings and stakeholder feedback?	

C6 Section 6: Communication, synergies and complementarities, and Risk management	10 pts
<b>C6.1 Do communication objectives clearly contribute to the achievement of the project specific objectives?</b>	
C6.1.1 Is there a well-structured communication plan strategy in place to raise awareness about the project and its outcomes?	
<b>C6.2 capitalisation, dissemination and Knowledge Transfer</b>	

C6.2.1 Are their well-structured capitalization and dissemination activities in the proposal?

C6.2.2 Are the project results effectively disseminated to stakeholders and the public through communication channels and actions? What communication mechanisms are in place to amplify/transfer the results outside the Interreg “bubble”? Are these communication mechanisms tailored to engage the targeted institutions crucial for driving changes and policy transformations?

### **C6.3 Risk management**

C6.3.1 Has the project identified potential performance/schedule risks and developed strategies to mitigate them? How is the risk management plan connected and linked to the specific review process foreseen for this project?

C6.3.2 Is there a contingency plan to address unforeseen circumstances without compromising project objectives? How is it linked with the specific review process foreseen for this project?

## **C7 Section 7: Budget**

**10 pts**

### **C7.1 Budget effectiveness and soundness**

C7.1.1 How well the budget allocation to activities and timing is? Are the financial resources well distributed to achieve the project outcomes (by partner, budget lines and years)?

C7.1.2 Is the project budget geographically balanced between the partners/countries involved?

C7.1.3 Does the budget complies with the budget guidelines set by the program?

C7.1.4 Have cost estimates been thoroughly researched and justified?

C7.1.5 Has the budget considered potential risks and uncertainties that may impact project costs? Is there a robust financial management system in place to ensure the proper use of project funds and compliance with Programme rules?

## **Call 3**

### **Assessment of project proposals**

The eligibility check will be carried out to verify whether an application meets the minimum criteria established by the AA Programme.

Proposals not fulfilling one of these conditions will be considered ineligible and will not be further processed. Lead partners will be informed of the outcome of this first check.



Eligible proposals will go under quality assessment.

### Eligibility criteria

Check that an application meets the criteria set by the Programme to be eligible for assessment.

	<b>Eligibility criteria</b>	<b>Description</b>	<b>Automatic check by SIGI</b>	<b>Check by the JS</b>
<b>1</b>	All applicable sections of the application form are correctly filled with the requested information.	All fields in the application form are mandatory.	All the fields of the AF are completed.	Correctly filled with the requested and relevant information.
<b>2</b>	The project fulfils minimum requirements for the partnership:	The project must involve at least 4 partners from 4 different AA countries and eligible regions: France, Ireland, Portugal and Spain	Automatic check of the partners involved by country	The JS checks that the information provided by the project is correct (consistency of the information declared in the AF)
<b>3</b>	The LP of the submitted proposal is a public, non-profit or governed by public law (public equivalent body, according to the public procurement law).	The lead partner has selected Non-profit in the application form. 'Profit making' organisations can never be lead partner. Application forms with such a lead partner are ineligible.	Automatic check of the Lead Partner.	The JS checks that the information provided by the project is correct (consistency of the information declared in the AF)
<b>4</b>	The lead partner is an organisation within the AA Programme area.	Partners from outside the AA Programme areas cannot be lead partners	Automatic check of the Lead Partner.	The JS checks that the information provided by the project is correct (consistency of the information declared in the AF)

<b>5</b>	Documents requested have been provided by all the partners. These are signed and attached to the application form, such as Lead Partner and partner statements.	Partners must provide a set of documents referred in the Terms of Reference	The SIGI checks that documents are uploaded.	The JS checks that the information provided by the project is correct (consistency of the information declared in the AF)
<b>6</b>	All sections of the application are completed in English.	All sections of the application must be written in English	All the fields of the AF are completed.	Correctly filled with the requested and relevant information.
<b>7</b>	The project summary is provided in the 4 programme languages.	The project summary must be provided in English, French, Portuguese and Spanish.	All the fields of the AF are completed.	Correctly filled with the requested and relevant information.

#### AF (Application Form)

Project proposals failing to meet at least one of the requirements above will be deemed not eligible for assessment.

### Quality Assessment criteria

Quality Assessment Criteria - CALL 3 - 2021-2027	Weight
<b>Strategic assessment criteria</b>	<b>65%</b>
Project relevance according to the call goals and expectations	20
Cooperation added value, increasing coordination and dialogue with relevant stakeholders in the AA	20
Project intervention logic	10
Partnership	15
<b>Operational assessment criteria</b>	<b>35%</b>
Work plan	15
Communication, synergies and complementarities, and Risk management	10
Budget	10
<b>Assessment total:</b>	<b>100%</b>

### Quality Assessment criteria

Each point addressed within a section receives a score from 1 to 5 (1: Poor, 2: Insufficient, 3: average, 4: good, 5: Excellent). Each assessment criterion covers several points of evaluation (see below). The criteria score reflects the average of the scores given to each assessment point (no specific weight is given to any of these points), which is then translated to a total of points in line with the weight given to the criterion in question.

#### Example:

*For section 1 "Project relevance" (see below), seven points are assessed and a score is given to each of them. The average score is then calculated.*

*→  $(4+4+3+3+1+1+2)/7 = 2,571$*

*Based on the weight given to section 1 (i.e. 20 points), the average of the score is then converted into points.*

*→  $2,571 \times 20/5 = 10,29$  points (section1 score 10,29 / out of 20 points)*

## Annex 2. Output and result indicators

### 1. Output indicators

#### RCO 81 – Participations in joint actions across borders

Definition	<p>Number of participations in joint actions across borders implemented.</p> <p>Joint actions across borders could include, for instance, exchange activities or exchange visits organized with partners across borders. Participations (i.e. number of persons attending a joint action across borders - e.g. citizens, volunteers, students, pupils, public officials, etc.) are counted for each joint action organised on the basis of attendance lists or other relevant means of quantification. A joint action is considered as the action organised with the involvement of organizations from at least two participating countries.</p> <p>Not to be counted in this indicator: participations in public events, events organised, participation in project internal meetings.</p> <p>Values reported under this indicator shall not be reported under RCO85</p>
Programme specific objectives	All SO
Measurement unit	Participations
Time measurement achieved	Upon project finalisation

#### RCO 83 – Strategies and actions plans jointly developed.

Definition	<p>Number of joint strategies or action plans developed. A jointly developed strategy aims at establishing a targeted way to achieve a goal-oriented process in a specific domain. An action plan translates an existing jointly developed strategy into actions. Jointly developed strategy or action plan implies the involvement of organizations from at least two participating countries in the drafting process of the strategy or action plan.</p> <p>In terms of links with common result indicators, RCO83 may be used together with RCR79. In case RCO83 is used together with RCO84 and/or RCO116, the common result indicators which may be used are RCR79 and/or RCR104</p>
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Programme specific objectives	All SO except priority 4
Measurement unit	strategy/action plan
Time measurement achieved	Upon project finalisation

#### RCO 84 – Pilot actions developed jointly and implemented in projects

Definition	<p>Number of pilot actions developed jointly and implemented. The scope of a jointly developed pilot action could be to test procedures, new instruments, tools, experimentation or the transfer of practices. In order to be counted by this indicator, - the pilot action needs not only to be developed, but also implemented within the project and - the implementation of the pilot action should be finalised by the end of the project. Jointly developed pilot action implies the involvement of organizations from at least two participating countries in its implementation.</p> <p>In case RCO84 is used together with RCO83 and/or RCO116, the common result indicators which may be used are RCR79 and/or RCR104.</p>
Programme specific objectives	All SO except priority 4
Measurement unit	Pilot action
Time measurement achieved	Upon project finalisation

#### RCO 85 – Participations in joint training schemes

Definition	<p>Number of participations in joint training schemes. Participations in a joint training schemes are intended to be counted as registered participants who started the training. A joint training scheme implies the involvement of organizations from at least two participating countries in the organisation of the training. A joint training scheme requires building knowledge in a certain topic and involves the training of participants over several sessions. A one-off meeting/event/internal session where information is disseminated should not be considered as a training scheme.</p> <p>Values reported under this indicator shall not be reported under RCO81. RCO85 is not counting the number of participants who</p>
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	finalised the joint training schemes - this is done through RCR81. Joint trainings for which the training organisers do not intend to record the confirmed completions / do not intend to issue certificates of completion should be considered under the generic term of "joint actions" - the participations in this case should be counted in RCO81. In terms of links with common result indicators, RCO85 is intended to be used together with RCR81.
Programme specific objectives	1.2
Measurement unit	participations
Time measurement achieved	Upon project finalisation

#### RCO 87 – Organisations cooperating across borders

Definition	Number of organisations cooperating formally in projects. The organisations counted in this indicator are the legal entities including project partners and associated organisations, as mentioned in the financing agreement of the application. Organisations cooperating formally in small projects (for instance under a Small Project Fund) are also counted. In terms of links with common result indicators, RCO87 is intended be used together with RCR84.
Programme specific objectives	All SO
Measurement unit	organisations
Time measurement achieved	Upon project finalisation

#### RCO 116 – Jointly developed solutions

Definition	Number of jointly developed solutions from joint pilot actions implemented. In order to be counted in the indicator, an identified solution should include indications of the actions needed for it to be taken up or to be upscaled. A jointly developed solution implies the involvement of organizations from at least two participating countries in the drafting and design process of the solution.
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	RCO116 may be used together with RCO83 and/or RCO84. In case RCO116 is used together with RCO83 and/or RCO84, the common result indicators which may be used are RCR79 and/or RCR104.
Programme specific objectives	All SO
Measurement unit	solutions
Time measurement achieved	Upon project finalisation

## 2. Result indicators

RCR 79 – Joint strategies and action plans taken up by organisations

Definition	Number of joint strategies and action plans (not individual actions) adopted and implemented by organisations during or after the project completion. At the time of reporting this indicator, the implementation of the joint strategy or action plan need not to be completed but effectively started. The organisations involved in take-up may or may not be direct participants in the supported project. It is not necessary that all actions identified are taken-up for a strategy/action plan to be counted in this context. The value report should be equal to or less than the value for "RCO83 Strategies and action plans jointly developed". In terms of links with common output indicator, RCR79 may be used together with RCO83 and/or RCO84 and/or RCO116.
Programme specific objectives	All SO except Priority 4
Measurement unit	joint strategy/action plan
Baseline	0
Time measurement achieved	Up to one year after project completion

## RCR 81 – Completions of joint training schemes

Definition	<p>Number of participants completing the joint trainings schemes organised by supported projects. Completion should be documented by the training organisers either through a record of the confirmed completions or by issuing certificates of completion of the training. The certificates of completion do not necessarily require a previous national certification process of the issuing organisation.</p> <p>In terms of links with common output indicators, indicator RCR81 is intended to be used together with RCO85. The value reported for RCR81 can be equal to or lower than the value of RCO85 (for example in case some participants withdraw after the training started or in case not all participants receive the final certification), but not higher.</p> <p>In terms of links with common output indicators, indicator RCR81 is intended to be used together with RCO85. The value reported for RCR81 can be equal to or lower than the value of RCO85 (for example in case some participants withdraw after the training started or in case not all participants receive the final certification), but not higher.</p>
Programme specific objectives	1.2
Measurement unit	participants
Baseline	0
Time measurement achieved	Upon project finalisation

## RCR 84 – Organisations cooperating across borders after project completion

Definition	<p>Number of organisations cooperating across borders after the completion of the supported projects. The organisations are legal entities involved in project implementation, counted within RCO87. The cooperation concept should be interpreted as having a statement that the entities have a formal agreement to continue cooperation, after the end of the supported project. The cooperation agreements may be established during the implementation of the project or within one year after the project completion. The sustained cooperation does not have to cover the same topic as addressed by the completed project.</p>
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	In terms of links with common output indicator, RCR84 may be used together with RCO87. The value reported for RCR84 can be equal to or lower than the value of RCO87, but not higher.
Programme specific objectives	Priority 4
Measurement unit	organisations
Baseline	0
Time measurement achieved	During project implementation / up to one year after project completion

#### RCR 104 – Solutions taken up or up-scaled by organisations

Definition	Number of solutions, other than legal or administrative solutions, that are developed by supported projects and are taken up or upscaled during the implementation or within one year after completion. The organisation adopting the solutions developed may or may not be a participant in the project. The uptake / up-scaling should be documented by the adopting organisations in, for instance, strategies, action plans etc. In terms of links with common output indicator, RCR104 may be used together with RCO116 and/or RCO83 and/or RCO84
Programme specific objectives	All SO
Measurement unit	solutions
Baseline	0
Time measurement achieved	During project implementation / up to one year after project completion

*Source: COMMISSION STAFF WORKING DOCUMENT Performance, monitoring and evaluation of the European Regional Development Fund, the Cohesion Fund and the Just Transition Fund in 2021-2027*