

Interreg
Atlantic Area



Co-funded by
the European Union

INTERREG ATLANTIC AREA 2021-2027

PROGRAMME MANUAL

For applicants and beneficiaries

V1 January 2023

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"> - Communication objective and target audience - Investment - Project intervention logic/workplan - Project management and communication <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>
	14.02.2023	<p>2.7 Project’s in their policy context – a mistake has been corrected</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
IGF	<i>Inspeção Geral de Finanças</i>
JS	Joint Secretariat
MA	Managing Authority
MC	Monitoring Committee
MS	Member State
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 an 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.

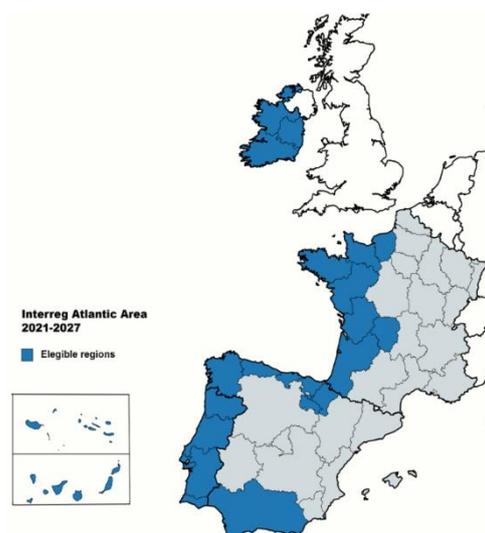
The Programme's mission is to be at the forefront of the transition to a unique, carbon neutral and climate resilient Atlantic Area Region. The Programme will foster the integration of sustainable economic development, societal well-being, and the preservation of biodiversity.

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.

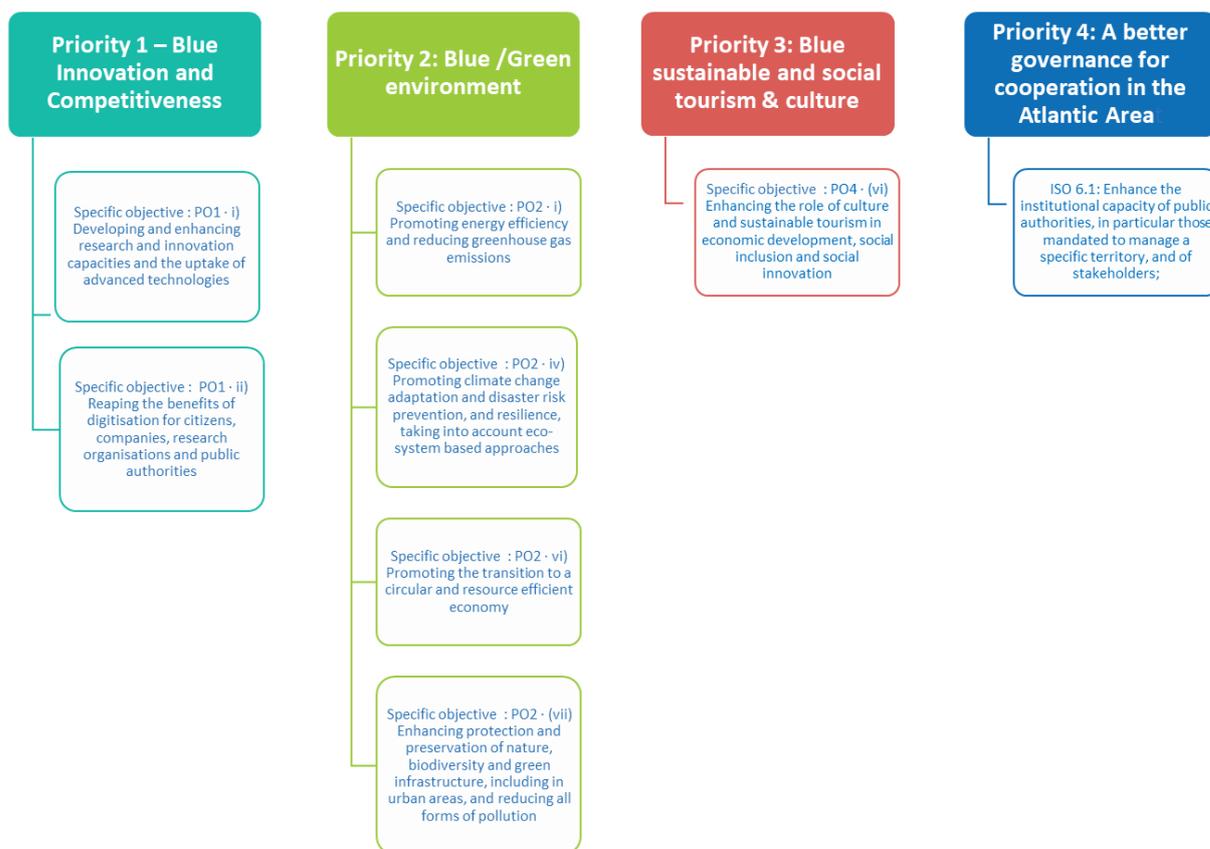
The Atlantic Area, due to its geographical and maritime characteristics, is in constant evolution and subject to challenges that are common to all the Member States (MS) and regions that are part of the Programme.

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

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, First Level 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).

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, taking into account 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 of the following characteristics¹:

- 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, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law.

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**², 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 - 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;

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

² 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 (none 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.

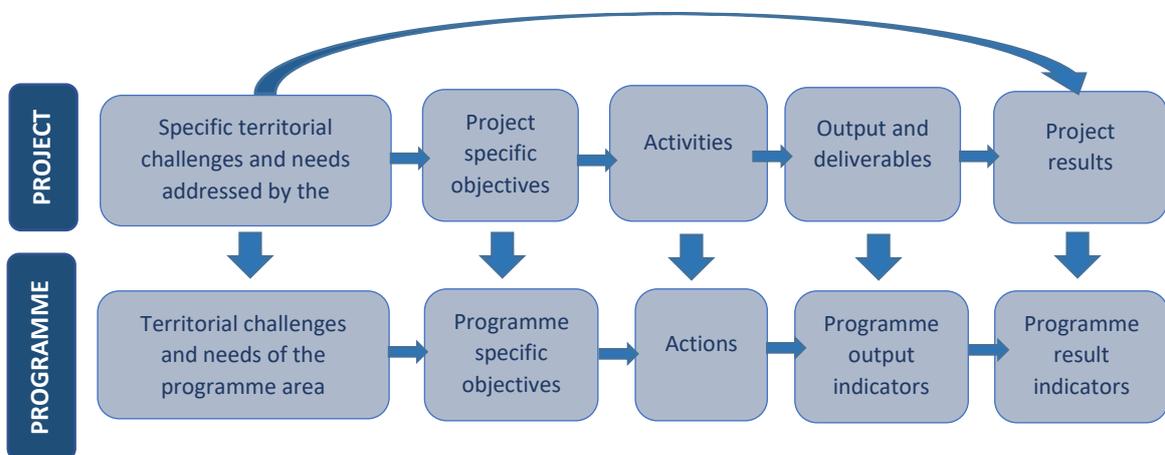
2.3 Intervention logic

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. In order 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 has to 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 2.8 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 2.8 and Annex 2.

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.

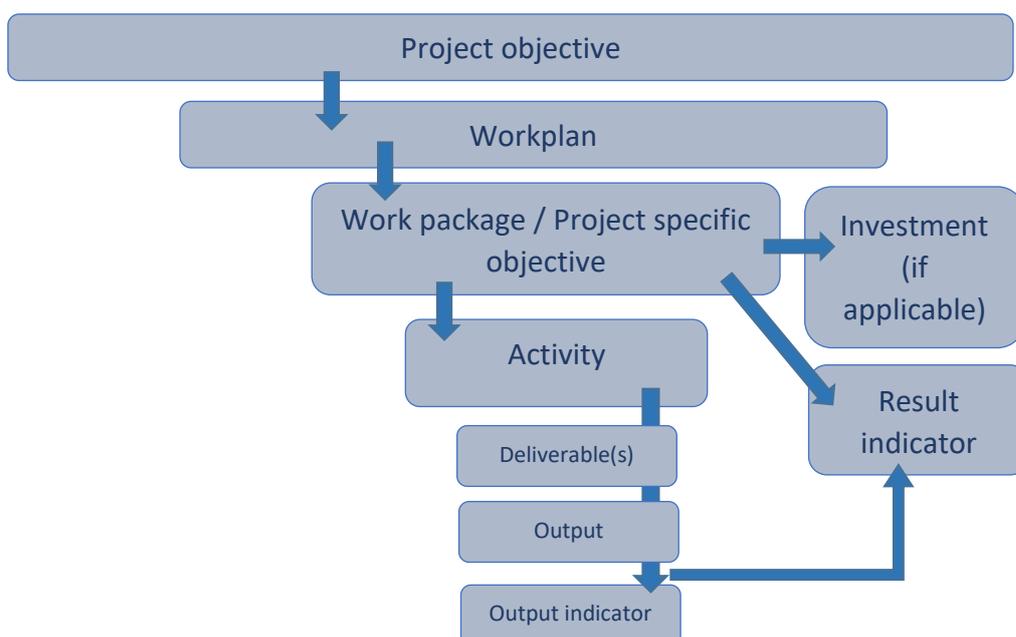
The **project result**:

- 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 principles³:

- 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

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

additionality and the **‘do no significant harm’⁴ 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.⁵ 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;

⁴ 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/2021_02_18_epc_do_not_significant_harm_-_technical_guidance_by_the_commission.pdf

⁵ 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 DNSH⁶, 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.^{7 8}

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.

⁶ Atlantic Area Cooperation Programme, page 21.

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

⁸ 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).

Important note:

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 Bauhaus⁹ 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 procurement¹⁰ 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.

⁹ New European Bauhaus, https://europa.eu/new-european-bauhaus/index_en

¹⁰ European Commission's Public Procurement Action Plan
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;
- 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
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	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,¹¹ 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
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

¹¹ 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
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). 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);
- 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). Partners can also download the Interreg Atlantic Area APP (<https://www.atlanticarea.eu/news/230>) to search for partners.

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.

All above regulations are available in its latest version in the EUR-Lex database of EU Law at <https://eur-lex.europa.eu/homepage.html>.

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;¹²
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

¹² 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.

contracts concluded 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**¹³. 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):

¹³ 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

- 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);¹⁴
- 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;¹⁵
- 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);

¹⁴ 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.

¹⁵ 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;
- Subcontracting 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;¹⁷
- 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 AF and accepted by the JS, as being intended to become a label or a brand;¹⁸
- 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 AF. 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.

¹⁶ Activities also include "equipment located and operated outside the cooperation area and outside the EU.

¹⁷ 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.

¹⁸ 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 MC¹⁹ until its official ending date, as established in the most recent version of the approved AF. Project start date cannot be earlier than approval date.

All operational expenditure must be related to the implementation of an activity carried out and paid¹¹ before the official ending date of the project as established in the most recent version of the approved AF. 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).

¹⁹ 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.

¹¹ 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 a number of 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.

Reimbursed automatically after the contractualisation (signature of the subsidy contract between the MA and the Lead Partner).

No FLC nor NAs verifications are required.

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

Staff costs of the beneficiary can be reimbursed on the basis of 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 FLC nor NAs verifications are required.

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

- **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 FLC 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 FLC 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.

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)²⁰, if they are:
 - Fixed in an employment document or by law;

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

- 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.

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 costs 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. In principle, the fixed percentage could cover the whole project duration, but this percentage may also change provided this is 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/include an amendment to the aforementioned assignment document setting out the fixed percentage of time worked on the project per month.

The reimbursement of staff costs has to be calculated by applying the percentage stipulated in the working document (or similar) 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

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 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;
- Be signed by the employer (supervisor, line manager etc.) and the employee.

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 on the basis of 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 on the basis of 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;²¹
- h) Other specific equipment needed for the project.

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;

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

- 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 a 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">a) Building permits;b) Building material;c) Labour. |
|---|

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 goods²².

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;
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;²³
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 goods²⁴. Comprehensive information on State Aid can be found on the [EU DG Competition website](#), where a guideline on the notion of State Aid is available²⁵.

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 regulation²⁶.

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

²² 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”.

²³ 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.

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

²⁵ https://ec.europa.eu/competition-policy/state-aid/legislation/notion-aid_en

²⁶ 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.

20b of the General Block Exemption Regulation (GBER)²⁷ or in compliance with the De Minimis²⁸ 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

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

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

²⁸ 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.

partner is regarded as State Aid granted under the GBER²⁹ or, in exceptional cases, under de minimis³⁰ (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.

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).³¹ 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**.

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

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

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

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 aid³². 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 aquiculture and fisheries sectors.**

The *de minimis* thresholds counts per “**single undertaking**”³³. 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.

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** in order to ensure the respect of the applicable *de minimis* thresholds.

³² Date of signature of the subsidy contract

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

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 150.000 (75% ERDF co-financing). The company will co-finance its project budget (EUR 50.000) through own resources.

This company also received a national grant of EUR 60.000 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**

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 20a³⁴, 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.³⁵

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

³⁵ 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 authorities³⁶, 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.

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

³⁶ "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).

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 aforementioned 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 ³⁷ for ERDF partners);
- National rules;³⁸
- 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.

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:

³⁷ 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

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

- 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 (drafting ongoing)

5. Project implementation and management (drafting ongoing)

5.1 Submission of Progress Report & Payment Claims

5.2 Expenditures' financial flow

5.3 Controls, audits and verifications

5.4 Project modifications

5.5 Communication

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

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)
5	Documents requested have been provided by	Partners must provide a set of documents	The SIGI checks that documents are uploaded.	The JS checks that the information provided by the project is

	all the partners. These are signed and attached to the application form, such as Lead Partner and partner statements.	referred in the Terms of Reference		correct (consistency of the information declared in the AF)
6	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.
7	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>How well is the need for the project justified?</p> <ul style="list-style-type: none"> • 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). • The project clearly contributes to the Atlantic Maritime Strategy, Territorial Agenda, the Green Deal³⁹, complying with the DNSH⁴⁰, and/or any other strategies such as a wider strategy on one or more policy levels (EU/national/regional), for example, the New European Bauhaus⁴¹ (if applicable). <p>To what extent will the project contribute to the achievement of the Programme objectives and indicators?</p> <ul style="list-style-type: none"> • 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. 	

³⁹ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

⁴⁰ 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/2021_02_18_epc_do_not_significant_harm_technical_guidance_by_the_commission.pdf

⁴¹ https://new-european-bauhaus.europa.eu/index_en

<ul style="list-style-type: none"> • Project’s contribution to Programme relevant result indicators is realistic and sufficient. <p>How does the project go beyond the current situation and build on existing practices?</p> <ul style="list-style-type: none"> • 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.
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Section 2: Cooperation added value	20 pts
What added value does the cooperation bring?	
<ul style="list-style-type: none"> • 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. • There is a clear benefit from the results issued from the transnational cooperation for the target groups and the programme area. 	

Section 3: Project intervention logic	10 pts
Is the project intervention logic coherent, realistic and relevant?	
<ul style="list-style-type: none"> • The project specific objective is precise, realistic and achievable. • Proposed project output(s) is (are) needed to achieve the project specific objective. • 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). <p>Will project outputs have an impact beyond the project lifetime?</p> <ul style="list-style-type: none"> • 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
<p>How is the partnership composition relevant to the proposed project?</p> <ul style="list-style-type: none">• The project involves the relevant actors needed to address the territorial challenge/joint asset and the objective specified.• The Lead Partner demonstrates capacity/competence in coordinating the project action and the partnership.• The partnership is adequate for the project's objective:<ol style="list-style-type: none">1. Regarding the levels, sectors, and territory proposed in the application2. Do partners complement each other?• Partners have demonstrated experience and competence in the thematic field concerned.• Each Partner plays a defined role in the partnership and the territory benefits from this cooperation.• 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.	

Operational assessment criteria (35 points)

Section 5: Work plan	15 pts
<p>Is the work plan realistic, consistent, and coherent?</p> <ul style="list-style-type: none">• Proposed activities and deliverables are relevant and lead to planned output(s) and result(s).• Project outputs and results are realistic based on the quantification provided.• 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).• The time plan is demonstrated as realistic.• Activities, deliverables, and outputs are in a logical time sequence.	

Section 6: Communication	10 pts
<p data-bbox="229 246 1359 324">Do communication objectives clearly contribute to the achievement of the project specific objectives?</p> <ul data-bbox="271 358 1359 548" style="list-style-type: none"><li data-bbox="271 358 1359 392">• The communication objectives are clearly defined.<li data-bbox="271 414 1359 548">• The communication objectives are relevant (“raising awareness”, “increasing knowledge”, “change behaviour”) and are expected to contribute to the project specific objectives. <p data-bbox="229 571 1359 660">Are the communication activities appropriate to reach the communication objectives identified?</p> <ul data-bbox="271 683 1359 772" style="list-style-type: none"><li data-bbox="271 683 1359 772">• The communication activities and deliverables are appropriate to reach the communication objectives defined. <p data-bbox="229 795 1359 840">Are the communication activities appropriate to reach the relevant target groups?</p> <ul data-bbox="271 862 1359 963" style="list-style-type: none"><li data-bbox="271 862 1359 896">• Target groups are clearly identified and fit with the communication objectives.<li data-bbox="271 918 1359 963">• Communication activities are appropriate to reach the relevant target groups.	

Section 7: Budget	10 pts
<p data-bbox="229 1097 1359 1187">How does the project budget address the principles of economy, efficiency, and effectiveness?</p> <ul data-bbox="271 1209 1359 1780" style="list-style-type: none"><li data-bbox="271 1209 1359 1344">• 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.<ol data-bbox="319 1366 1359 1523" style="list-style-type: none"><li data-bbox="319 1366 1359 1456">1. Does the proposal represent value for the money according to the corresponding explanation?<li data-bbox="319 1478 1359 1523">2. Is the budget justification detailed?<li data-bbox="271 1545 1359 1635">• The partners’ budgets reflect their real involvement, it is balanced and appropriate according to the partners’ responsibilities in the project.<li data-bbox="271 1657 1359 1780">• 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 procurement⁴² 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?

⁴² 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'.

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	<p>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".</p> <p>In terms of links with common output indicator, RCR79 may be used together with RCO83 and/or RCO84 and/or RCO116.</p>
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