



**Interreg**



Co-funded by  
the European Union

Lithuania – Poland

## Interreg VI-A Lithuania – Poland cooperation programme

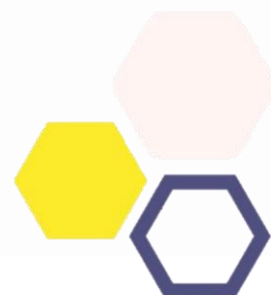
# PROGRAMME MANUAL

For the Restricted Call for Proposals for Selection  
of the Operations of Strategic Importance (OSI)

Approved by the Monitoring Committee  
on 11 April 2024



Version 2



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## **USE OF THE ELECTRONIC VERSION OF THIS DOCUMENT**

Please note, that this document is intended to be used in the electronic version, with the aim to ensure environmental friendliness and easier navigation within the document and, following the links, to the external resources (i.e. web-sites, internet publications, etc.). Therefore, all references to the external resources are specially marked and arranged as hyper-links, which are active only in the electronic version of this document.

Please let us know if there are any mistakes in hyperlinks by contacting the JS staff.

## ABBREVIATIONS

<b>AA</b>	– Audit Authority
<b>AF</b>	– Application form
<b>CC</b>	– Cost Category
<b>EC</b>	– European Commission
<b>ERDF</b>	– European Regional Development Fund
<b>ETC</b>	– European Territorial Cooperation
<b>EU</b>	– European Union
<b>EUSBSR</b>	– European Union Strategy for the Baltic Sea Region
<b>ISO</b>	– Interreg-specific objective
<b>JEMS</b>	– Joint Electronic Monitoring System
<b>JS</b>	– Joint Secretariat
<b>MA</b>	– Managing Authority
<b>MC</b>	– Monitoring Committee
<b>NA</b>	– National Authority
<b>NGO</b>	– Non-governmental organization
<b>OSI</b>	– Operation of Strategic Importance
<b>PA</b>	– Partnership Agreement
<b>PO</b>	– Policy objective
<b>RCO</b>	– Common output indicator
<b>RCP</b>	– Regional Contact Point
<b>RCR</b>	– Common result indicator
<b>RSO</b>	– Specific objective
<b>SME</b>	– Small and Medium-sized Enterprise
<b>SC</b>	– Subsidy Contract
<b>SCO</b>	– Simplified cost option

## INTRODUCTION

The Programme Manual (PM) of the Interreg VI-A Lithuania-Poland cooperation programme (hereinafter – “the Programme”) serves as a source of information for project funding applicants, project implementers, controllers and others involved.

The rules laid down in the PM are based on the provisions of the relevant European Union’s Regulations. Only in case a particular topic is not regulated by the PM or by the European Union’s law, the national legislation applies. In all other cases, the PM applies first.

The official language of the Programme is English. Official communication is conducted and all the Programme documents are prepared in English.

Partners are supported by the staff of the Joint Secretariat of the Programme at all stages of the project life-cycle: consultations when preparing the project application and continuous support when implementing the contracted project. Partners on the Polish side of the border will also be supported by the personnel of the Regional Contact Points located in Poland (in Podlaskie and Warmińsko-Mazurskie Voivodeships).

For more information about the Programme, consult the Programme Document on our [website](#).

## I. GENERAL INFORMATION ABOUT THE PROGRAMME

[Interreg](#) is the European Union's (EU) instrument to support cooperation across regions and countries. It aims to tackle common challenges identified jointly in the border regions and to exploit the untapped growth potential in border areas, while enhancing the cooperation process for the purposes of the overall harmonious development of the EU.

The Programme is co-financed from the [European Regional Development Fund](#) under the European territorial cooperation goal for the period 2021-2027. The Programme is a continuation of the cooperation started with the ETC cross-border cooperation Programme Lithuania-Poland 2007-2013 and 2014-2020.

Programme is implemented by two cooperating countries – the Republic of Lithuania and the Republic of Poland.

The projects to be co-financed by the Programme are governed by the following legislation and regulations: EU Regulations, Programme document, PM and other guidance documents to projects (if applicable), national legislation, local and/or regional legislation, and internal rules, guidance and regulations applied within partner institutions.

The hierarchy of rules sets out a priority of the EU legislation. Where none or no detailed provisions are stipulated in the EU rules, the Programme rules can be set up accordingly. National, regional or local legislation and internal rules applied by partner institutions only apply where specific issues are not regulated either by the EU legislation or the Programme rules.

### I.1. Programme area

The Programme covers Lithuanian-Polish border regions, which participate in the Programme on equal terms (there is no division on main and adjacent territory in the Programme). The eligible area of the Programme is comprised of 10 territorial units: 5 south-western Lithuanian counties and 5 north-eastern Polish subregions.

The total size of the Programme area is 67.170,00 km<sup>2</sup>.

On the Lithuanian side, there are 5 counties eligible under the Programme:



Figure 1. Map of the Programme area

- **Alytus County:** Alytus city municipality, Alytus district municipality, Lazdijai district municipality, Varėna district municipality, Druskininkai municipality;
- **Marijampolė County:** Marijampolė municipality, Kalvarija municipality, Kazlų Rūda municipality, Vilkaviškis district municipality, Šakiai district municipality;
- **Tauragė County:** Tauragė district municipality, Šilalė district municipality, Jurbarkas district municipality, Pagėgiai municipality;
- **Kaunas County:** Kaunas city municipality, Kaunas district municipality, Kaišiadorys district municipality, Prienai district municipality, Jonava district municipality, Kėdainiai district municipality, Raseiniai district municipality, Birštonas municipality;
- **Vilnius County** (Vilnius city is not included): Šalčininkai district municipality, Širvintos district municipality, Švenčionys district municipality, Trakai district municipality, Ukmergė district municipality, Vilnius district municipality, Elektrėnai municipality.

On the Polish side there are 5 subregions eligible under the Programme:

- **Ēlcki subregion** (part of Warmińsko-Mazurskie Voivodeship): ėlcki district, giżycki district, gołdapski district, olecki district, piski district, węgorzewski district;
- **Olsztyński subregion** (part of Warmińsko-Mazurskie Voivodeship): bartoszycki district, kętrzyński district, lidzbarski district, mławowski district, nidzicki district, olsztyński district, szczycieński district, city of Olsztyn;
- **Suwalski subregion** (part of Podlaskie Voivodeship): augustowski district, grajewski district, moniecki district, sejneński district, suwalski district, city of Suwałki;
- **Łomżyński subregion** (part of Podlaskie Voivodeship): bielski district, hajnowski district, kolneński district, łomżyński district, siemiatycki district, wysokomazowiecki district, zambrowski district, City of Łomża;
- **Białostocki subregion** (part of Podlaskie Voivodeship): białostocki district, sokółski district, city of Białystok.

## I.2. Programme budget

The Programme is funded from the ERDF, whose support to the Programme, without Technical Assistance, is **EUR 93 160 718,00** (80% of the total budget).

The ERDF support is up to 80% of all eligible project expenditure. The remaining expenditure must be a contribution of the partners' participating in the project.

Allocation of ERDF per Priorities	% of total Programme budget	ERDF support (EUR)	ERDF support (EUR) for OSI*
1 Promoting environmental wellbeing and strengthening crisis management	26%	24 476 215,00	5 600 000,00
2 Promoting physical, emotional and cultural wellbeing	44%	41 100 360,00	14 240 000,00



3 Strengthening cooperation of local, regional and national stakeholders	19%	17 242 178,00	4 658 035,00
4 Improving connectivity	11%	10 341 965,00	10 341 965,00
<b>Total:</b>	<b>100%</b>	<b>93 160 718,00</b>	<b>34 840 000,00</b>

\*The Programme's allocation for OSI's is indicative.

The Programme is managed and supported by several bodies responsible for the administration of the Programme and assistance to projects.

Contact details of the Programme bodies are provided on the [Programme's website](#).

### **Monitoring Committee (MC)**

The MC is the main decision-making body of the Programme responsible for successful and effective implementation and accountability of the Programme's projects. The MC i.a. selects projects for funding and monitors the implementation of the Programme and progress made towards achieving its objectives. The MC also examines all issues that can affect the performance of the Programme. National, regional and local authorities are represented in the MC; also, social and economic partners, partners representing the civil society (incl. e.g., NGOs, environmental authorities etc.), partners representing research organizations and universities from the participating Member States are involved.

### **Managing Authority (MA)**

MA is responsible, with the assistance of the JS, for managing and implementing the Programme on behalf of the participating countries in accordance with the relevant EU and national legislation. The Member States participating in the Programme have designated the EU Investments and International Programmes Department of the Ministry of the Interior of the Republic of Lithuania located in Vilnius, Lithuania to fulfil this task.

Economics and Finance Department of the Ministry of the Interior of the Republic of Lithuania is also responsible for carrying out the accounting functions, i.e., will monitor the use of Programme funds in line with the provisions of the EC Regulations, will make the payments to the Lead Partners.

### **National Authority (NA)**

The tasks of the NA in Poland are performed by the Ministry of Development Funds and Regional Policy of the Republic of Poland. The NA is an institution cooperating with the MA and representing the Polish side. The NA is responsible for ensuring the Programme implementation provisions on the Polish side of the Programme area.

## **Audit Authority (AA)**

The Member States participating in the Programme have designated the Centralised Internal Audit Division of the Ministry of the Interior of the Republic of Lithuania to act as the AA of the Programme. In accordance with Article 48 of the Interreg Regulation 2021/1059, the AA is assisted by the Group of Auditors, composed of representatives from each Member State participating in the Programme. The AA, with the assistance of the Group of Auditors, is responsible for the system audit of the Programme, sample audits of the projects implemented and submitting a closure declaration to the EC.

## **Joint Secretariat (JS)**

The JS is a body responsible for the day-to-day management and implementation of the Programme. The duties of the JS are performed by the public establishment Joint Technical Secretariat, located in Vilnius, Lithuania. Following the decision of the MC, the JS is responsible, with the assistance of the Regional Contact Points located in Poland, for launching calls for proposals; providing information and advice to applicants; assessing and monitoring of projects on behalf of the MA and other bodies, if necessary; assisting in the implementation of selected projects, etc.

## **Regional Contact Points (RCPs)**

The JS, in performing its tasks, is supported by the RCPs established in Olsztyn and Białystok, Poland. The RCP of the Warmińsko-Mazurskie Voivodeship is located at the Marshal Office of the Warmińsko-Mazurskie Voivodeship, while the RCP of Podlaskie Voivodeship is located at the Marshal Office of the Podlaskie Voivodeship. RCPs are especially responsible for assisting the JS in carrying out Programme communication and Project partners' support activities.

## **Controllers**

The Controller is an institution responsible for conducting the control and ensuring the verification of activity implementation, as well as legality and regularity of the expenditure declared by each Project partner participating in the project. The duties of the Controller are performed by the Voivode of Podlaskie Voivodeship (supported by Podlaskie Voivod's Office in Białystok) and the Voivode of Warmińsko-Mazurskie Voivodeship (supported by Warmińsko-Mazurskie Voivod's Office in Olsztyn) on the Polish side (depending on the location of a partner), and an institution independent from a partner (geographically and legally) and having the right to perform control tasks on the Lithuanian side.

## **Programme communication**

The official language of the Programme is English. Therefore, all communication between applicants, Lead Partners/Project partners and the MA/JS is carried out in

English. Additionally, official communication between Programme bodies is carried out in English.

Official communication is conducted and all Programme documents are prepared in English. Only unofficial and non-binding translations of particular documents can be provided by the Programme bodies. In all cases, the English language is binding.

Unofficial communication within the project and between the project and Programme bodies may take place in national languages (i.e., Lithuanian and Polish).

## **I.4. Horizontal principles**

Horizontal principles are the rules that must be integrated throughout the Programme and in all projects funded by the Programme.

Every project approved by the Programme should aim at eliminating inequalities and promoting equality between men and women and integrating the gender perspective, as well as at combating discrimination based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation. Project partners representing municipalities that have taken discriminatory measures are excluded from the funding and will not be approved. In case of Polish Project partners, a statement on the absence of discriminatory resolutions will be required from local self-government units and their subordinate units<sup>1</sup>. When financing infrastructure, accessibility for persons with disabilities should be ensured. Furthermore, projects implementers should respect obligations set in the [Charter of Fundamental Rights of the European Union](#), the [United Nations Convention on the Rights of the Child](#), and in the [United Nations Convention on the Rights of Persons with Disabilities](#). Activities planned within projects should be pursued in the framework of sustainable development and the EU promotion of the aim of preserving, protecting and improving the quality of the environment, taking into account the [polluter pays principle](#), the [UN Sustainable Development Goals](#), the [Paris Agreement](#) and the “[do no significant harm](#)” principle (DNSH). Projects should aim to provide adequate support, in particular to local and regional authorities of coastal and urban areas, to address the socioeconomic challenges linked to the integration of third-country nationals and to provide adequate support to disadvantaged areas and communities in urban areas.

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<sup>1</sup> According to the Polish Partnership Agreement cohesion policy support will only be provided to projects and partners that comply with the anti-discrimination provisions referred to in Article 9(3) of Regulation (EU) 2021/1060. Where the partner is a local self-government unit (or an entity controlled by or dependent on it) which has taken any discriminatory action contrary to the principles referred to in the above-mentioned article, support under cohesion policy cannot be granted.

## EU Strategy for the Baltic Sea Region

Both Lithuania and Poland participate in the implementation of [EU Strategy for the Baltic Sea Region](#) (EUSBSR). It is aimed at reinforcing cooperation among the countries of the region in order to fulfil three objectives – save the sea, connect the region and increase prosperity. The jointly-agreed Action Plan for the EUSBSR includes a number of priority areas for macro-regional cooperation addressing key challenges and opportunities in the region. Operations to be funded under Priorities of the Programme might be linked to a particular Policy Area foreseen in the Action Plan of the EUSBSR.

The contribution to the EUSBSR of every application will be assessed during the selection of applications procedure.

## EU Green Deal

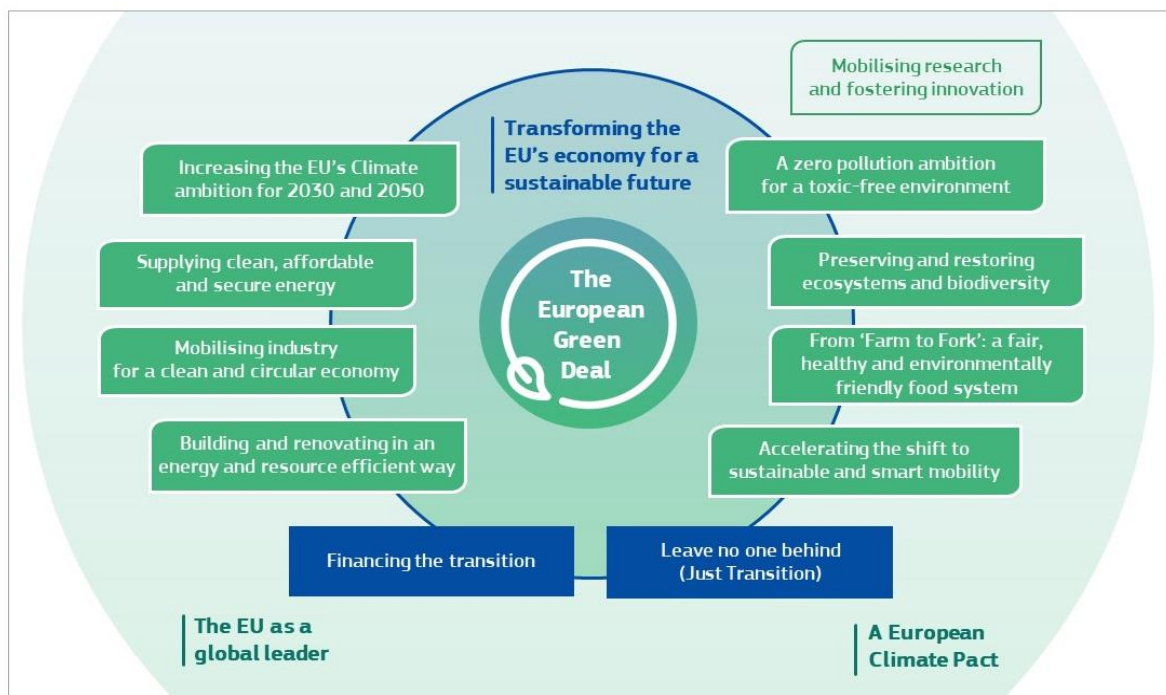


Figure 1 The European Green Deal

The [European Green Deal](#) is a response to challenges of climate change, pollution and loss of biodiversity. It is a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use.

It also aims to protect, conserve and enhance the EU's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition must be just and inclusive. It must put people first, and pay attention to the regions, industries and workers who will face the greatest challenges. Since it will bring substantial change, active public participation and confidence in the transition is paramount if policies are to work and be accepted. A new pact is needed to bring together citizens in all their diversity, with national, regional, local authorities, civil

society and industry working closely with the EU's institutions and consultative bodies. The Programme encourages Project partners and other stakeholders to incorporate the European Green Deal principles in the projects and to take the inspiration from it being the growth strategy of "[giving back more than taking away](#)".

## **New European Bauhaus**

The [New European Bauhaus](#) is a creative and interdisciplinary initiative that connects the European Green Deal to our living spaces and experiences. It encourages development that combines sustainability, aesthetics and inclusivity. As an interdisciplinary movement, it creates a bridge between the world of science and technology, art and culture, and supports green and digital transformation to improve the wellbeing of population. The initiative invites ideas for resolving complex societal problems through co-creation and building participation at all levels, by combining the three inseparable values:

- sustainability, from climate goals, to circularity, zero pollution, and biodiversity;
- aesthetics, quality of experience and style, beyond functionality;
- inclusion, from valuing diversity, to securing accessibility and affordability.

The Programme encourages Project partners and other stakeholders to explore the principles of this initiative at all project stages, so that the core values are incorporated in projects and bring added value to the Programme area, and contribute to improving of wellbeing of cross-border communities.

## II. INFORMATION FOR PROJECT PROPOSALS

### Territorial challenges

The overall objective of the Programme is improving wellbeing of cross-border communities through cross-border cooperation and sustainable use of cultural and natural heritage of the Lithuania and Poland cross-border area.

A low population density is an important factor framing the social, economic and environmental character and the challenges of the Programme area, for example it increases costs of infrastructure investments. Also, the area struggles with lower energy efficiency, lacking roads conditions and inadequate public transport availability, due to the lack of resources. At the same time, the rural and green character of the area has a potential for wellbeing tourism and other forms of sustainable tourism based on natural and cultural resources.

The Programme area has witnessed an economic growth over the recent years, however, there are discrepancies between regions, which have a strong urban-rural character. Even though the trends for individual regions vary, all the Programme regions experience negative demographic growth rates, and the aging society will need additional social, health, culture and other services, infrastructure and personnel for the elderly. Local initiatives are needed to stop the brain drain and make living in the Programme regions more attractive.

In terms of ecology, the Programme area is unique in its wetlands, numerous species of rare and threatened plants and animals, and a high species diversity of both flora and fauna. Although the area has relatively low air pollution, the levels are temporarily higher during heating season. Other significant sources of threats are a further increase of greenhouse gas emissions, endangered biodiversity, lower soil and common waters quality due to excessive use of fertilisers and pesticides. Statistics show that greenhouse gas emissions are increasing and additional measures to tackle the problem are needed. Moreover, Lithuania and Poland are facing increasing amounts of municipal waste.

For the Lithuanian-Polish border, the percentage of the population accessible within 90 minutes by road is below the EU average (46%) which is an obstacle to cross-border cooperation. Inefficient road connectivity impacts especially remote cross-border areas that are becoming even more isolated, which creates barriers in accessibility to cultural and historical objects located in this area. Due to low population density, it is not expected for rail connections to be developed in the future, so focus should be given to other solutions that would incorporate for example buses for, i.a. public transportation. Several challenges at the Lithuania and Poland border require to ensure permanent readiness to act jointly while ensuring safety and security of Lithuanian-Polish border. Lithuania and Poland are the main countries which are facing irregular migrants inflow from Belarus which try to get to other EU countries. Irregular migration at external

border might cause secondary movement to other Member States. According to Lithuania and Poland border guard services, there is a need to have a higher level of preparedness to respond to the new trends mentioned above and ongoing threats (such as organised crime, etc.). Considering ensuring permanent readiness to act jointly while ensuring safety and security of Lithuanian-Polish border and ensuring that activities are in line with the Schengen acquis, and that they do not have the effect equivalent to reintroducing border checks at the internal borders, where persons are checked only in relation of crossing the border. There is also a need to learn from EU best practices in strengthening special and tactical capabilities of Lithuanian and Polish border guard service officers to act in joint law enforcement operations.

One of the main challenges of the Programme will be also to identify and support inclusive projects within potential to form or strengthening the basis for the future functional areas and relationships in the Programme area and its closest vicinity. Even though currently there are no observed functional areas in the Programme area and they have limited functional relationships, there is a room for the creation of functional areas and links in the future, mainly in the tourism and environment protection fields.

### **Operations of Strategic Importance and Restricted Call for Proposals**

Operations of Strategic Importance (OSIs) will be developed on the basis of the cross-border area potential, challenges, needs and goals in the fields of promoting Programme territory as a single tourist destination (using common natural and cultural heritage of Lithuania and Poland), strengthening crisis management and connectivity. Planned actions will contribute to the development of the Programme area through strategic cooperation in the above mentioned fields and strengthening of identity of the cross-border population.

All OSIs shall have strong contribution to the Programme specific objectives, as well as the Programme output and result indicators.

The selected OSIs will serve as flagships for visibility and promotion purposes. It is expected that OSIs will implement joint capitalisation, communication and dissemination actions. The proposed scope of OSIs is provided in the Appendix No 3 of the amended Programme document as approved by the Decision of the European Commission No C(2023) 9146 of 18 December 2023). Programme bodies will provide support in these actions and will coordinate communication activities in line with the approach described in Section 5 of the amended Programme document (e.g., through communication events, media campaigns, press conferences).

The OSIs will be selected through the procedure of Restricted Call for Proposals.

The launched Restricted Call for Proposals is limited to 6 OSI proposals, submitted to the Task Force set up for the re-programming of the Programme, and then presented to MC

on 19 July 2023, due to their strategic importance for basis of further development of the cross-border area. These OSIs are:

- RSO2.7 – firefighting services cooperation;
- RSO3.2 – road modernisation;
- RSO4.6 creation of a joint brand of CB area as an attractive destination for sustainable tourism while paying attention to the EU environmental policy. Actions can include development of tourism products through strengthening the potential of e.g. health resort cities, and using the common natural, historical and cultural heritage for promotion and wider recognition of the area, e.g. Yotvingians or fortifications.
- ISO7.4 – border guard services cooperation.

Taking into account current geopolitical situation, cooperation of emergency services provides basis for safe and sustainable development of other sectors.

In this Restricted Call for Proposals for OSIs, the full applications for the above-mentioned 6 OSIs shall be fully developed and submitted through relevant online system (JEMS) within the following 4 specific objectives under 4 Priorities:

**Priority: 1 Promoting environmental wellbeing and strengthening crisis management**

PO 2: A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable urban mobility

Specific objective 1.1: RSO2.7. Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution

**Priority: 2 Promoting physical, emotional and cultural wellbeing**

PO 4. A more social and inclusive Europe implementing the European Pillar of Social Rights

Specific objective 2.2: RSO4.6. Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation

**Priority: 3 Strengthening cooperation of local, regional and national stakeholders**

ISO2: A safer and more secure Europe

Specific objective 3.3: ISO7.4. Other actions to contribute to a safer and more secure Europe

**Priority: 4 Improving connectivity**

PO3: A more connected Europe by enhancing mobility

Specific objective 4.1: RSO3.2. Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility



For each priority, there are several output and result indicators. The description of all indicators is included in the Annex 1 to this Manual. **At least 1 output and 1 result indicator** have to be used by each project.

Common output indicators highlight the cooperation aspect. Baselines for output indicators must be set at zero.

Result indicators are linked to project achievements; thus, they are measured at the project level. If possible, the corresponding common result indicator should be selected to the common output indicator. For result indicators, there is no defined baseline at start of the Programme; if possible and feasible, achievements in previous programme periods should be taken into account.

## II.1. Description of Priorities and Indicators

### II.1.1 Priority: 1 - Promoting environmental wellbeing and strengthening crisis management

#### Specific Objective 1.1: RSO2.7. Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution

Environmental issues are crucial for EU, national and regional agendas of sustainable development, and an important part of the strategies relevant to the Programme area. There is also a potential to share experiences and best practices among the local and regional stakeholders from Lithuania and Poland operating in the area of nature protection, reduction of pollution and enhancing the use of Renewable Energy Sources.



The goal within the Priority 1 is to improve the capacities of stakeholders in the fields of nature protection, preservation of biodiversity, reduction of pollution and development of green infrastructure by supporting the exchange of experience and sharing best practices. As this is a new topic for the cooperation programme between Lithuania and Poland, this opens up the possibility to establish professional links for local and regional stakeholders. Furthermore, the aim is to increase environmental awareness among society in regard to climate change and pro-environmental behaviour. The cooperation element and involvement of neighbours brings additional attractiveness to the environmental awareness activities and sends the message to the citizens about the global nature of the environmental problems. Finally, the Programme aims to support green infrastructure development and improvement initiatives in the Programme territory, including joint actions to reduce different forms of water and other pollution relevant in the Programme area. Lastly, Programme will contribute to strengthening civil

protection and crisis management considering the geopolitical situation in the Programme area vicinity.

The projects of this Programme specific objective potentially shall contribute to the actions of several EUSBSR Policy Areas (PA), which might be “PA Bioeconomy”, “PA Tourism” and possibly others.

To help formulate project ideas within this Priority, Project partners are encouraged to explore EU resources related to the subject, e.g. [EU Biodiversity Strategy](#), [Zero Pollution Action Plan](#), [Soil Strategy](#), [EU Forest Strategy](#), [European Climate Pact](#).

#### IMPORTANT:

- If development of solutions (e.g. joint cross-border studies, marketing strategies and action plans) is planned, the **detailed information on actions needed for the solution to be taken up or to be upscaled shall** be provided.
- If Project foresees organisation of joint cross border activities (events) they should be organized for the target groups (please note, that purely opening / closing conferences related to the progress of the project and purely partners/management meetings do not count).

Indicators that can be selected for this Priority:

Output Indicator number and name		Measurement unit
<b>RCO87</b>	Organisations cooperating across borders	organisations
<b>RCO116</b>	Jointly developed solutions	solutions
Result Indicator number and name		Measurement unit
<b>RCR84</b>	Organisations cooperating across borders after project completion	organisations
<b>RCR104</b>	Solutions taken up or up-scaled by organisations	solutions
<b>RCR96</b>	Population benefiting from protection measures against non-climate related natural risks and risks related to human activities	persons

#### Indicative themes of the OSIs to be supported under Priority 1

Strengthening coordinated crisis management, nature protection and reduction of pollution. Activities within this theme will ensure improved complementary cooperation with high territorial impact between fire, rescue and other services in order to protect the inhabitants and natural environment of the cross-border area.

#### Examples of activities which can be financed under Priority 1

Exchange of experience of policies applied in the fields of nature protection, preservation of biodiversity, reduction of pollution, development of green infrastructure, environmental impacts on natural capital, ecosystem restoration;

Joint actions and cooperation in environmental education and awareness raising;

Maintenance and improvement of green public spaces;

Joint actions to reduce water pollution (pesticides, heavy metals, other pollutants), including water pollution in river catchment areas;

Joint development of pilot water and waste water solutions, use of rainwater;

Cooperation and joint actions identifying and strengthening functional links and/or areas in the scope of environment protection and nature preservation in the Programme area and its nearest vicinity, enhancing scope of positive environmental impact on the cross-border area, including monitoring;

Development or upgrade of green public spaces and green infrastructure (biodiversity-rich parks, green walls, green roofs, green schoolyards etc.);

Investments in new or upgraded crisis situations monitoring, preparedness, warning and response systems against non-climate related natural risks and risks related to human activities;

Exchange of practices on the use of Renewable Energy Sources (RES) by households, municipalities and institutions (hospitals, schools, kindergartens, nursing homes, etc.).

## II.1.2 Priority: 2 – Promoting physical, emotional and cultural wellbeing

### Specific Objective 2.1: Ensuring equal access to health care and fostering resilience of health systems, including primary care, and promoting the transition from institutional to family- and community-based care

The specific objective 2.1. is not open for the call.



### Specific Objective 2.2: RSO4.6. Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation

A rich common cultural and historical heritage, shared traditions of culinary and other activities are evident throughout the Programme area. Tourists are attracted by lakes, rivers, various landscapes, parks and forests which cover about 30% of the Programme territory. [EC study regarding functional areas](#) pointed out that this area for tourists is relatively unknown, there is little information in opinion formation platforms, lack of cooperation between public tourism institutions of Poland and Lithuania and tour organisers, lack of management and marketing skills of tourism specialists. However, the development of the tourism in the Programme area should be implemented with respect for natural heritage and resources, social dimension and without focus on mass tourism. Until the COVID-19 pandemic, the number of tourists in the Programme area was constantly increasing, however, it dropped down temporarily as the number of foreign travellers has decreased significantly due to the pandemic situation and the introduced

restrictions. This posed a threat to the already-established connections and seasonal activities in the cross-border area.

The Programme commits to develop cultural and tourism services that can be provided year-round aiming to reduce seasonal dependence. Also, the investments into culture and tourism will facilitate inclusive growth and social innovations, environmental and economic sustainability of the local communities and regions. At the same time, the aim is to strengthen the general understanding on these interactions and ability to ensure the viable and long-term effects of the envisaged sustainable transformation of these sectors.

This Priority aims to enhance the role of culture and sustainable tourism in economic development, social inclusion and social innovation through support of the cross-border area as a single tourism destination. It is believed that joint communication efforts can bring better results than operations implemented just in one country. As a result, the joint Lithuanian and Polish heritage (tangible and intangible) should be better presented to local and foreign visitors. The aim is to merge the tourism and cultural needs with the social and educational needs of the local communities. Infrastructure and other investments facilitating sustainable tourism will be supported. No stand-alone infrastructure will be supported by the Programme. While developing the project, infrastructure and construction works have to be the result of cross border cooperation actions specifically directed at improving the development of the Programme area. The cross-border dimension and added value must be evident. A particular attention in developing infrastructure should be paid to the needs of people with disabilities. Finally, the Programme plans to support activities which will contribute to the development of tourism cross-border functional area, as envisaged in the EC study. Overall, the development of culture and tourism should reduce seasonal volatility of the industry, facilitate social inclusion and aim for social innovations. Any activities within this specific objective should be implemented according to best practices and based on quality principles set by international cultural heritage charters and guidelines, including standards set by [International Council on Monuments and Sites \(ICOMOS\)](#) or [Commission Recommendation on a common European data space for cultural heritage](#). Project partners are encouraged to explore and follow [New European Bauhaus initiative](#) throughout all stages of project implementation and development, in order to facilitate sustainable and inclusive development.

#### **IMPORTANT:**

- If development of solutions (e.g. joint cross-border studies, marketing strategies and action plans) is planned, the **detailed information on actions needed for the solution to be taken up or to be upscaled shall** be provided.
- If Project foresees organisation of joint cross border activities (events) they should be organized for the target groups (please note, that purely opening / closing

conferences related to the progress of the project and purely partners/management meetings do not count).

Indicators that can be selected for this Priority:

Output Indicator number and name		Measurement unit
<b>RCO77</b>	Number of cultural and tourism sites supported	cultural and tourism sites
<b>RCO87</b>	Organisations cooperating across borders	organisations
<b>RCO116</b>	Jointly developed solutions	solutions
Result Indicator number and name		Measurement unit
<b>RCR77</b>	Visitors of cultural and tourism sites supported	visitors/year
<b>RCR84</b>	Organisations cooperating across borders after project completion	organisations
<b>RCR104</b>	Solutions taken up or up-scaled by organisations	solutions

### Indicative themes of the OSIs to be supported under Priority 2

Creation of a joint brand of cross-border area as an attractive destination for sustainable tourism while paying attention to the EU environmental policy. Actions can include development of tourism products through strengthening the potential of e.g. health resort cities, and using the common natural, historical and cultural heritage for promotion and wider recognition of the area, e.g. Yotvingians or fortifications.

### Examples of activities which can be financed under Priority 2, Specific Objective 2.2

Development of joint marketing strategies and their implementation;

Development of joint tourism and culture routes, products and services;

Joint cultural events and activities, including search of stakeholders on the other side of the border with matching activities; promotion of eco-tourism and solutions for behavioural change in regards to nature and cultural heritage preservation;

Sustainable development of natural and cultural heritage, including intangible assets, for sustainable tourism, culture and community needs (social, educational);

Joint initiatives for maintenance and restoration of cultural and natural heritage sites;

Cooperation and joint actions implementing the concepts of tourism cross-border functional area proposed in the EC study "Identification of key elements for creating the touristic cross-border functional area at the Lithuanian-Polish border";

Joint solutions to improve resilience of the cultural sector, improve equal access for the vulnerable groups, focusing on inclusiveness and accessibility;

Introducing new technologies for preservation of natural resources and cultural heritage, use of digitalisation for monitoring of visitor flows and data exchange between partners (e.g., digital preservation of the digitised cultural heritage assets; digital strategy of preservation of cultural heritage; collaboration between cultural institutions regarding technological possibilities; facilitating accessibility to digital cultural heritage resource);

Joint initiatives to explore alternative and not fully explored cultural and tourism concepts (e.g., mushroom tourism, dark tourism, eco-tourism, gastronomy tourism etc.);

Investments into accessibility of tourism or culture sites (parking places, cycling and pedestrian paths, other accessibility measures etc.) as part of joint tourism and culture projects.

## II.1.3 Priority: 3 – Strengthening cooperation of local, regional and national stakeholders

### Specific Objective 3.3: ISO7.4. Other actions to contribute to a safer and more secure Europe

It is expected that the partners will increase the capacities of border guard institutions and preparedness to act jointly while ensuring safety and security of Lithuanian-Polish border.

The Programme will support improvement of facilities and equipment for joint patrols and other joint operations across EU internal border as well as equip officers with the specific practical capacities necessary to act and implement cross-border law enforcement cooperation.



The project of this Programme specific objective potentially shall contribute to the action of EUSBSR Policy Area (PA) “Secure”.

#### IMPORTANT:

- If development of solutions (e.g. joint cross-border studies, marketing strategies and action plans) is planned, the **detailed information on actions needed for the solution to be taken up or to be upscaled shall** be provided.
- If Project foresees organisation of joint cross border activities (events) they should be organized for the target groups (please note, that purely opening / closing conferences related to the progress of the project and purely partners/management meetings do not count).

Indicators that can be selected for this Priority:

Output Indicator number and name		Measurement unit
<b>RCO87</b>	Organisations cooperating across borders	organisations
Result Indicator number and name		Measurement unit
<b>RCR84</b>	Organisations cooperating across borders after project completion	organisations

#### Indicative themes of the OSIs to be supported under Priority 3

Increasing the capacities of border guard institutions and preparedness to act jointly while ensuring safety and security of Lithuanian-Polish border.

## Examples of activities to be financed under Priority 3, Specific Objective 3.2

Strengthening capabilities of border guard service officers for joint operations;

Improvement of border management facilities and equipment.

The types of actions have been assessed as compatible with the DNSH (Do no significant harm) principle, since they are not expected to have any significant negative environmental impact due to their nature.

### II.1.4 Priority: 4 – Improving connectivity

**Specific Objective 4.1: RSO3.2. Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility.**

Firstly, Programme will contribute to rehabilitation of crucial cross-border road links that will facilitate connectivity and improve access on both sides of the border. This will result in better access to cultural and historical objects located in the cross-border area, contributing to development of not only tourism sector but also other activities of cross-border communities. Secondly, this priority will contribute to reduction of isolation of the area and development of trade, thus facilitating social and economic growth of the cross-border region. Rehabilitation of roads planned within this priority will also enable potential development of public transport routes to connect cross-border area.



Within this priority one road route will be rehabilitated (sections of the road in the cross-border area connecting the area with the border crossing Beržniki-Kapčiamiestis), as operation of strategic importance (OSI), selected without open call for proposal on the basis of specified requirements for OSI projects. This route has been identified as a strategically important for functioning of so-called Suwałki Gap and will offer an alternative for border crossing Ogrodniki- Lazdijai.

**IMPORTANT.** While preparing a project following shall be respected:

- Planning, design and construction works must be carried out considering the species and habitats protected in the territory, the 'Natura 2000' territory management plan.
- Construction works are carried out after the end of the bird breeding period.
- Project design shall include biodiversity protection measures for the roads, e.g. crossings, barriers, jump ramps, etc., thus improving the existing biodiversity conservation/ migration situation.

Indicators that can be selected for this Priority:

Output Indicator number and name		Measurement unit
<b>RCO46</b>	Length of roads reconstructed or modernised - non-TEN-T	km
Result Indicator number and name		Measurement unit
<b>RCR56</b>	Time savings due to improved road infrastructures	man-days/year
<b>RCR55</b>	Annual users of newly built, reconstructed, upgraded or modernised roads	passenger-km/year

### Indicative themes of the OSIs to be supported under Priority 4

Improving connectivity in the cross-border area, and accessibility to tourist, cultural and natural sites. Activities will ensure accessibility to the remote areas of the cross-border area, increase mobility in the region and provide access to the tourist and cultural sites.

### Examples of activities which can be financed under Priority 4, Specific Objective 4.1

Modernisation and rehabilitated of non-TEN-T roads.

The Programme is streamlined towards the achievement of tangible results within the project implementation period, so there are activities that are ineligible for support – for more information about ineligible activities and costs, please check part [II.4.3. Categories of expenditure](#) – at the end of description of each cost category there will be a list of ineligible costs, as well as a general list in the part [II.4.4 Ineligible costs](#).

## II.2. Projects

The overall objective of the Programme is improving wellbeing of cross-border communities through cross-border cooperation and sustainable use of cultural and natural heritage of the Lithuania and Poland cross-border area. Any projects financed by the Programme are expected to be built to address challenges that cannot sufficiently be dealt with by a single country but require joint action by Project partners from both sides of the border.

For this Restricted Call for Proposals, only OSIs as pre-agreed by the Programme's Monitoring Committee will be financed.

### Operations of Strategic Importance (OSIs)

<b>Total budget</b>	As pre-agreed by the Programme's Monitoring Committee, maximum ERDF allocation for projects submitted under particular SOs is: RSO2.7. – 5 600 000 EUR ERDF RSO4.6. – 14 240 000 EUR ERDF RSO3.2. – 10.341.965,00, EUR ERDF ISO7.4. – 4.658.035,00 EUR ERDF
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<b>ERDF</b>	Up to 80% ERDF financing
<b>Duration</b>	Up to 36 months
<b>Partners</b> (1 Lead Partner and other Project partners)	At least 2 partners: 1 partner from each country, (1 in case the European Grouping of Territorial Cooperation is a sole partner
<b>Other rules</b>	Reimbursement based payments
	Specific objectives RSO2.7., RSO4.6., ISO7.4., RSO3.2.

Support for Polish NGOs – beneficiaries of Interreg 2021-2027: <https://www.ewt.gov.pl/Strony/o-programach/Programy-Interreg-2021-2027/Aktualnosci/Wsparcie-dla-polskich-NGOs-beneficjentow-Interreg>

Support for Lithuanian partners according to the Order of the Minister of Interior No 1V-119 of 10 March 2023:

<https://www.e-tar.lt/portal/lt/legalAct/938b1020bf1b11ed97b2975f7dad7488>

## II.3. Partnership in the project

### II.3.1. Cooperation criteria

In order to have cross-border effect the open call projects have to ensure at least three mandatory cooperation criteria between Project partners:

**Joint development of the project (obligatory)** – project application is prepared by the representatives from all partner organisations together. Ideas, priorities, needs and expectations as well as contributions from all partners have to be integrated in the project proposal.

**Joint implementation (obligatory)** – each project activity is implemented in close cooperation between all of the partners and there must be a balanced division of tasks and responsibilities between the partners.

Project partners have to also cooperate in one of the following, or in both of them:

**Joint financing (obligatory)** – project budget is well structured with clear links to project activities.

**Joint staffing** – the project has staff with clearly divided tasks between the partners and its structure should not duplicate functions.

### II.3.2. Eligible partners

For successful implementation of a cross-border project, partners should ensure that they have suitable administrative and human resources, as well as organisational and financial capabilities.

Each project has to have at least one partner from each country (Lithuania and Poland). As an exception, in a project there can be only 1 partner in case the European Grouping of Territorial Cooperation is a sole applicant.

Each partner has to be officially registered as a legal person (legal entity). As well, a partner may have a similar status fixed in relevant acts – this relates only to Polish budgetary units (“jednostka budżetowa”), such as regional headquarters of the border guards, police, fire service and other public services. In all cases, such similar status shall be confirmed by provision of relevant documents.

Partners located outside the Programme area, but within the EU, can also apply for funding as Lead Partner/Project partner however such partners have to bring a clear benefit to the Programme and shall be clearly described in the application.

The main types of partners that can participate in the Programme are:

- local, regional and national authorities;
- public bodies and bodies governed by the public law;
- non-governmental and not-profit seeking entities having legal personality (e.g. associations, foundations, support funds, European Groupings of Territorial Cooperation (EGTC), public organisations (in Lithuanian “VšĮ”));
- Small and Medium Enterprises (SMEs) definitions can be found here: [https://ec.europa.eu/growth/smes/sme-definition\\_en](https://ec.europa.eu/growth/smes/sme-definition_en) – only as a Project partner for Priority 2, Specific Objective 2.2/RSO4.6.

Bodies governed by the public law means entities that have all of the following characteristics<sup>2</sup>:

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

The activities envisaged in the application for the bodies governed by the public law shall only be related to the performance of public functions, i.e. they must meet the needs of the general interest and not have an industrial or commercial character, and this should be justified in the AF.

The Polish partners falling under the category of “bodies governed by the public law”, which are registered in ENTERPRISE REGISTER as companies (e.g. Ltd. or as other types

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<sup>2</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement

of companies) shall provide relevant documents to confirm their eligible status (for more information, please refer to section III.2.2 of this Programme Manual).

## IMPORTANT

The following rules and requirements are set for SMEs participating in projects as Project partners:

1. **SMEs can participate as Project partners only in applications submitted for Priority 2 Specific Objective 2.2/RSO4.6.**
2. SMEs cannot act as the Lead Partners.
3. Each organisation representing an SME should be established at least 3 full calendar years before the announcement of this call for proposals.
4. Similarly to all other Project partners, the SME Project partner shall be described in section B.1 of the Application, and provide the same documents as all other partners, according to the requirements of section III.2.2 of the Programme Manual. As an additional requirement, in order to confirm its capacity to participate in the project, an SME Project partner shall additionally fill-in and submit the Statement by SME Project partner (Annex 8, for more detail, please refer to section III.2.2 of this Programme Manual).
5. Participation of SMEs in project shall be for the needs of the general interest and for public benefit.
6. SME partners shall not be under bankruptcy proceedings nor proceedings for economic fraud, shall bear full legal capacity and shall be financially reliable, and their foundation and activities shall be in line with the respective national legislation.
7. Involvement of SMEs in projects as projects partners should be justified as bringing added value and proven to be relevant and necessary for the achievement of the project outputs and results, in the relevant sections of the Application. Relevance of each SMEs will be evaluated during Quality assessment.

Any SME organisation **cannot join a partnership** as a Project partner, if its only or main activity within its business profile, and/or main role in the project relates to project development, coordination, management, project communication, and consulting! Such partners cannot be assessed as bringing meaningful contribution or added value for achievement of the project outputs and results, and therefore, not necessary for the project.

Examples of partners that can participate in the Programme:

Type of eligible partner	Example
National, regional and local authorities and their	- administrations of municipalities, councils, ministries,

organisational units having legal personality.	<ul style="list-style-type: none"> <li>- local or regional development agency, environmental agency, energy agency, employment agency, etc.</li> </ul>
Bodies governed by public law as defined in Directive 2014/24/EU on public procurement	<ul style="list-style-type: none"> <li>- public schools and universities (i.e., primary schools, gymnasiums, public vocational schools, colleges etc.),</li> <li>- training institutions (i.e., voluntary labour corps, public vocational training centres etc.),</li> <li>- local and regional labour offices,</li> <li>- culture centres,</li> <li>- sports centres,</li> <li>- tourism information centres,</li> <li>- regional administrations of state forests,</li> <li>- museums and other heritage institutions,</li> <li>- public hospitals and medical institutions, etc.</li> <li>- public transport, utility company (water supply, electricity supply, sewage, gas, waste collection, etc.),</li> <li>- airport, port, railway, etc.</li> </ul>
Associations formed by one or several regional or local authorities.	<ul style="list-style-type: none"> <li>- associations of municipalities,</li> <li>- Euroregions, European Grouping of Territorial Cooperation (EGTC), etc.</li> </ul>
Associations formed by one or several bodies governed by the public law.	<ul style="list-style-type: none"> <li>- heritage associations (e.g., formed by museums),</li> <li>- environment associations (e.g., formed by public benefit organizations), etc.</li> </ul>
Non-governmental and not-profit seeking entities, having legal personality, and established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character.	<ul style="list-style-type: none"> <li>- foundations,</li> <li>- employee's organisations,</li> <li>- labour unions,</li> <li>- foundations and associations for fighting discrimination, decreasing poverty or social exclusions,</li> <li>- social support centres,</li> <li>- churches, religious association, having legal personality and established according to the national law, etc.</li> </ul>
Small and Medium Enterprises (only as a Project partner for Priority 2, Specific Objective 2.2/RSO4.6)	<ul style="list-style-type: none"> <li>- Small and Medium Enterprises (SMEs) specialising in tourism, culture, other relevant fields, etc.</li> </ul>

All partners have to follow and comply with the rules and regulations (including any subsequent amendments made to these rules and regulations) which are part of the Programme's legal framework.

Please refer to the Guidance note for particular Call for Proposals for more details and rules applicable to specific Call.

A European Grouping of Territorial Cooperation (EGTC) relevant for LT-PL border area is eligible as sole beneficiary provided that the minimum Programme requirements are complied with.

The geographic location of an EGTC is considered to be in the country where it is registered and its costs shall be verified according to the control system established in that Member State.

There can be situations, when a branch office / field unit / department or other structural unit, having no legal personality, wants to be a Lead Partner or a partner in a project. In such cases, its central organisation / headquarters, which has legal personality, shall be indicated as a Lead Partner or a partner in the Application; all relevant supporting documents shall be submitted by such central organisation/headquarters and signed by its Head or authorised official.

### II.3.3. Associated Organisations

Associated Organisations are organisations, which are not able to comply with the eligibility requirements for Project partners, or which do not want to become financially involved in the project for any reasons, but are willing to take part in the projects.

Associated Organisations do not share the project budget: they dedicate their own resources to the project. At the same time, Associated Organisations participate in the activities of the project, but are not directly involved in the design and implementation of the project, they can be consulted during the project implementation to provide guidance if needed.

#### **Specific features of Associated Organisations:**

- They **cannot be subcontracted** by the Project partners to carry out parts of their activities in a project due to the potential risks relating to conflict of interest and infringement of fair competition rules;
- **Another Project partner can cover travel and accommodation expenditure** of the Associated Organisation if it is essential to the achievement of the project's objectives and does not infringe the State aid rules. As a rule, these costs should be included in the Application Form;
- **They must not generate any revenues** (i.e., payments from third parties outside the partnership that constitute income to the organisation as a result of its involvement in the project activities) from the project implementation and its outcomes;
- **They act as supporter**, when the project seeks to increase its outreach and seeks the endorsement of its outputs;
- **As end-users, takers or final beneficiaries** they are interested in implementing, transferring the outputs of the project, tools, actions plans, etc.

In order to confirm its willingness to participate in the project, an Associated Organisation shall fill-in and submit only the Statement by Associated Organisation (for more detail, please refer to section III.2.2 of this Programme Manual).

### **II.3.4. The Lead Partner principle**

A Lead Partner has to be nominated for each project. A Lead Partner serves as a link between the project and Programme bodies, especially with regards to communication between the project and the JS. The Lead Partner is responsible for the application procedure and coordinates the project on behalf of the whole Project partnership. That also means the Lead Partner is responsible for: delivery of project reports and documentation, delivery of project outputs and financial management of the project.

Lead Partner must follow all the requirements set for Project partners; the Lead Partner responsibilities are additional. A Lead Partner must have proficient administrative and financial capacity to be able to manage a cross-border project. Therefore, all project applications must demonstrate that the Lead Partner has the capability to manage a cross-border project.

Lead Partner has to ensure that the expenditure presented by all partners has been paid in implementing the Interreg project and corresponds to the activities agreed between all the partners, and is in accordance with the provisions set in the SC.

## **II.4. Budget planning**

### **II.4.1. General requirements**

Project partners are responsible for their own budgets, which are necessary to perform activities in order to achieve project objectives. Partner contribution cannot be covered by funding from other projects or EU-funded programmes. Budget should be prepared jointly by all partners, coordinated by Lead Partner, and be realistic and cost-effective.

Programme uses simplified cost options (flat rates and lump sum) and real costs. Project implementation activities can start from the date when the MC decision on grant award is communicated to the LP and must be finalised and all costs related to activities must be incurred and paid until Project end date indicated in SC (except for controllers' costs).

Eligibility of costs starts from the 1st of January 2021 (the preparation costs; costs related to the preparation of technical documentation for works planned in the project).

Eligibility of costs requirements are set in the Regulation (EU) 2021/1060 (CPR).

All expenditure reported in the progress report must be denominated in euro. Any expenditure paid in another currency must be converted into euro using the monthly [accounting exchange rate of the Commission](#) in the month during which that expenditure was submitted for verification.

All accounting and supporting documents (e.g. SC, AF, service contracts, public procurement documentation, rental agreements / contracts, important communication with project beneficiaries / MA / JS, etc.), documents related to the expenditure, controls and audits, and documents required to ensure an adequate audit trail must be stored in a safe and orderly manner by the LP and the PPs and be accessible at least 5 (five) years after the final payment have been paid to the LP. Expenditure has to be registered in the partner's accounts through a separate accounting system or an adequate accounting code set in place specifically for the project.

While planning a project, partners should thoroughly consider the spending schedule. The Programme has a binding spending schedule agreed with Commission, so that the spending planned by projects is a crucial information for the overall Programme implementation. In case the Programme misses the spending targets due to inconsistent spending reporting, it may lose the ERDF funding, which can lead to projects not receiving full ERDF funding.

The Programme offers the EU co-funding in the form of reimbursement of expenses only. Reimbursement of the ERDF funding will take place only after all checks have been performed by the control and the Programme (JS/MA). Partners should carefully consider their financial capabilities and liquidity to cover their costs.

Please remember that the rate of the ERDF co-financing is up to 80%, meaning that partner contribution is minimum 20% of the total project budget.

Please note, that in accordance with the provisions set in the article 64 of the Common Provisions Regulation 2021/1060 (CPR), the value-added tax (VAT) for operations which total cost is less than EUR 5 million is eligible and does not require verification in projects. However, an exception to this rule are projects with state aid. The eligibility of the VAT in projects with state aid is determined by the provisions of the GBER Regulation and depends on the possibility of its recovery in light of national regulations.

Please note, that all costs must be borne by the partner organisation. All costs related to external expertise and services, equipment and infrastructure works are subject to EU and MS public procurement procedures. The EU, national, regional, or programme thresholds have to be considered to determine the applicable public procurement procedures and that all contracts comply with the basic principles of transparency, non-discrimination and equal treatment. All costs must comply with other applicable EU and programme information and publicity rules. Costs of equipment are eligible if no other EU funds have contributed towards financing of the same expenditure item; i.e., no double funding is permissible.

Principles of sound financial management and cost-efficiency should be applied. Effectiveness should be the leading principle. Applicants are strongly encouraged to familiarise themselves with concepts of [Sound financial management](#).

## II.4.2. Simplified cost options

In order to substantially reduce the administrative burden, the Programme uses a number of simplified cost options (SCOs):

**Lump Sum** for Preparation Costs – approved projects which sign the subsidy contract with the MA are entitled to the reimbursement of their preparation costs in the form of a lump sum. Preparation Costs (if chosen) need to be included in the project budget in a separate category. The amount approved for the Programme is EUR 2.250,00 (EUR 1.800,00 ERDF co-financing) (more information in section II.4.3, point 7 “Preparation costs”).

**10% Flat Rate** for Staff Costs – staff costs of the Project Partner can be reimbursed on the basis of a flat rate of 10 % of real costs (cost categories 4-6).

**15% Flat Rate** for Office and Administrative Costs – Programme reimburses office and administrative expenditure according to a flat rate of 15% of eligible staff costs.

**10% Flat Rate** for Travel and Accommodation Costs – Programme reimburses travel and accommodation costs solely through a flat rate of 10% of eligible staff costs.

Partners do not need to document (invoices, payment proofs, etc.) that the expenditure has been incurred, or that the lump sum, or flat rates correspond to reality. The flat rates are calculated automatically in the AF (after planning real costs), and then when reporting in JEMS (after declaring real costs).

Any correction of reported real cost expenditure will result in a corresponding correction of the flat rates. Controller checks focus on the correct reporting of real costs and verify that no expenditure related to the flat rates or lump sum is included in any other budget line.

## II.4.3. Categories of expenditure

### 1. Cost Category 1 “Staff costs” (CC1)

Staff costs consist of gross employment costs of staff members employed by the Project partners as listed in the AF and working full or part time on the implementation of the project, i.e., salaries of the staff directly engaged in the project activities.

For calculation of staff costs one option must be selected by the project:

**flat rate** can be used by all Project Partners, staff costs to be calculated as 10% of direct project costs foreseen in budget categories 4-6; or

**zero costs** for this budget category.

The planning and reporting of the staff costs on the real costs basis is not possible.



## **In case partner foresees zero costs in cost category 1 “Staff costs” (CC1), payments for budget categories 2 and 3 are not possible.**

The staff costs must be calculated and afterwards reimbursed by the Programme on the basis of a flat rate of 10% of eligible direct project costs (cost categories 4-6). The calculation based on the flat rate for staff costs will be done in every progress report taking into account the amount of direct project costs that have been reported in cost categories 4-6. The expenditure covered under this cost category will not require any documentation from the Project partners (i.e., payslips, payment proofs, etc.). The Controller verification focuses on the correct reporting of the direct costs and that neither expenditure related to the staff costs category is included in any other cost category nor single staff expenditure is included in the costs' itemisation lists of the progress reports. Controller checks availability of employees appointed to the project. Any difference to the real costs is neither checked nor monitored.

The existence of this cost category (verified at least once during the project) should be documented by at least one employment contract/equivalent document related to the project. Documents confirming employment will constitute the proof of legitimacy of using a flat rate (the documents will not be used to compare the real salaries with the amount reimbursed using the flat rate but to prove that the project does indeed have the staff working on the project).

### **2. Cost Category 2 “Office and administrative costs” (CC2)**

Office and administrative expenditure cover operating and administrative expenses of a project partner involved in the implementation of the project (support delivery of project activities).

For calculation of the office and administrative costs one option must be selected by the project:

**flat rate** can be used by all project partners, to be calculated as 15% of costs foreseen in cost category 1 (staff costs); or

**zero costs** for this cost category.

Following costs are covered by the flat rate under category *Office and administrative costs* and they cannot be reported under any other category:

- office rent
- office supplies
- archives
- utilities (e.g., electricity, heating, water)
- IT systems support
- accounting
- security
- maintenance, cleaning and repairs

- insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g., fire, theft insurances)
- communication (e.g., telephone, internet, postal service, business cards)
- bank charges for opening and administrating the account or accounts where the implementation of an operation requires a separate account to be opened
- charges for transnational financial transactions

Additional rules:

- Office equipment, IT hardware and software, furniture, and fittings cannot be included under this cost category; these costs must be reported as equipment expenditure. This does not include IT system support of an administrative nature.
- Costs of the Controllers of the Lithuanian Project Partner cannot be included under this cost category; they must be reported under the External expertise and services costs category.

If a contract with an external expert includes administrative charges, these costs should be included in the cost category External expertise and services costs (as they are a part of the external expertise contract).

### 3. Cost Category 3 “Travel and accommodation costs” (CC3)

This cost category concerns travel expenditure only of employees of the partner institutions when it is:

- directly related to the activities implemented in the project in locations other than usual place of residence of these employees, or
- necessary for project administration (e.g., participation in project meetings, meetings with the Programme bodies, seminars, conferences, etc.) and have a valuable contribution to the implementation of the project and the delivery of the project outputs.

These activities have to be included in the AF.

For calculation of travel and accommodation costs one option must be selected by the project:

**flat rate** can be used by all Project Partners, to be calculated as 10% of costs foreseen in budget category 1 (staff costs) by each Project Partner; or **zero costs** for this budget category.

Documentation of at least 1 trip per Project partner is required (e.g., mission report, meeting recording, or other similar evidence) confirming that the Project partner realizes a flat rate for travel **and accommodation**. This does not apply to the level of spending.

Following costs, related to employees of the partner institutions, are covered by the flat rate under category *Travel and accommodation costs* and they cannot be reported under any other category:

- travel costs (e.g., tickets, travel and car insurance, fuel, car mileage, toll and parking fees);
- costs of meals;
- accommodation costs;
- visa costs;
- daily allowances.

#### **4. Cost Category 4 “External expertise and service costs” (CC4)**

This cost category can be claimed as real costs only. It includes expenditure of external service providers – i.e., legal body or natural person other than partner organisation/employee, who are subcontracted to carry out certain tasks or activities linked to delivery of the project results. **Project partners cannot be contracted as external experts.**

Payments to external service providers have to be made on the basis of contracts or written agreements, as well as invoices or requests for reimbursement issued by external experts and service providers that provided services essential for the project. The following services and expertise provided by an organisation other than the Project partner are eligible under this cost category:

- studies or surveys (e.g., evaluations, strategies, concept notes, design plans);
- training;
- translation;
- development, modifications and updates to IT systems and websites;
- promotion, communication or publicity linked to the project or to the Programme;
- financial management;
- services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- participation in events (e.g., registration fees);
- legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- intellectual property rights;
- management verifications pursuant to point (a) of Article 74(1) of Regulation (EU) 2021/1060 and Article 46(1) of the Regulation 2021/1059;
- audit costs on programme level pursuant to Articles 78 and 81 of Regulation (EU) 2021/1060 and pursuant to Articles 48 and 49 of the Regulation 2021/1059;

- the provision of guarantees by a bank or other financial institution where required by Union or national law or in a programming document adopted by monitoring committee;
- travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;
- costs for technical projects for works for projects (must be incurred until signature of the subsidy contract);
- investment supervision;
- authors supervision;
- other specific expertise and services needed for project which legitimate necessity was justified in the AF.

Insurance of fixed assets and infrastructure created under the project:

- The expenditure incurred for insurance of fixed assets, permanently installed in the project, and for infrastructure created under the project, is eligible.
- The costs of insurance for the duration period of the project are eligible.
- If insurance compensation is obtained, the funds should be used towards purchasing fixed assets that would substitute for the damaged assets as closely as possible, or towards replacement of damaged infrastructure. Otherwise, all financial benefits obtained by the partner, including payments from project insurance, must be returned in proportion to the share of EU co-financing in project eligible expenditure.

Specific rules for this cost category:

- Costs have to be connected to the implementation of certain project tasks that cannot be carried out by the Project partners themselves and therefore are outsourced to external service providers;
- Work of external experts and service providers must be essential to the project and has to be linked to activities foreseen in the AF;
- Each Project partner is responsible for ensuring that all applicable EU, Programme, national and internal public procurement rules are respected. Even below EU thresholds, contracts with external providers must comply with the principles of transparency, non-discrimination, equal treatment and effective competition;
- Project partners or services of staff employed by the partner institution (i.e., freelancers) cannot be contracted as external service providers (by any other Project partner). It is not possible to contract an employee of the same institution, who is working independent with labour contract, to deliver any kind of services, which are a needed to reach project results;
- Advance payments may only be accepted if they are in line with commercial law and practice, stipulated in the service contract, are supported by an invoice or

another document of probative value and when the service has been delivered within the project eligibility period; such payments are eligible only in specific cases when the delivery of service cannot start without the advance;

- Partial payments to the external service providers are eligible only after the part of the contracted services is delivered. The possibility to deliver the service in parts must be indicated in the service contract;
- All additional costs related to external experts (e.g., travel and accommodation costs for external experts) must be foreseen in the service contract and recorded under this cost category;
- All costs of external expertise and services that are linked to an investment in infrastructure should be included under this cost category;
- Accounting services are not eligible under this cost category and must be attributed to cost category Office and administrative costs.
- Expenditures for external project / financial management services possible only when zero costs option is selected in Cost Category 1.

The following main documents have to be available for control purposes:

- procurement documentation (evidences of the selection process, contracts or other written arrangements, etc.);
- invoices (or equivalent accounting documents);
- proof of payment;
- proof of delivery of services (copies of promotional materials, recordings, etc.).

## **5. Cost Category 5 “Equipment expenditure” (CC5)**

Expenditure for the financing of equipment purchased, rented or leased by a partner, necessary to achieve the objectives of the project, which legitimate necessity justified in the AF can be declared under this cost category as real costs.

Equipment expenditure (other than covered by the *Office and administrative costs* category) is limited to the following items:

- office equipment;
- IT hardware and software;
- furniture and fittings;
- laboratory equipment;
- machines and instruments;
- tools or devices;
- vehicles – purchase of vehicles will be eligible only if they are operated and used solely for the purposes of fulfilling the main objective of the project;
- purchase of equipment to the infrastructure objects;
- other specific equipment.

The costs of second-hand equipment are eligible if following three conditions are fulfilled:

- No other assistance has been received or from the funds listed in point (a) of Article 1(1) of Regulation (EU) 2021/1060 (the European Regional Development Fund [ERDF], the European Social Fund Plus [ESF+], the Cohesion Fund, the Just Transition Fund [JTF], the European Maritime, Fisheries and Aquaculture Fund [EMFAF], the Asylum, Migration and Integration Fund [AMIF], the Internal Security Fund [ISF] and the Instrument for Financial Support for Border Management and Visa Policy [BMVI]);
- Its price does not exceed the generally accepted price on the market in question;
- It has the technical characteristics necessary for the project and complies with applicable norms and standards.

Specific rules for this cost category:

- Functionality and quantity of equipment have to be justified in the AF;
- Equipment ownership and the way of use cannot be changed and will be checked after project closure during project durability period;
- For equipment rented or leased for certain period during the project lifetime rental or leasing costs for the respective period are eligible, if necessity for renting and lease of equipment is properly justified and costs are planned in the AF;
- Depreciation of the equipment purchased from project cannot be included in the project budget;
- Purchase cost of equipment is eligible, if it is used solely for the purpose of the project or the target group, and is in line with objectives of the project and incurred, and paid within the eligible period;
- Operating and servicing costs of equipment used for project purposes are eligible;
- Equipment cannot be purchased, rented or leased from another Project partner;

It is crucial to indicate clearly the future ownership of equipment in the AF. It should be noted that according to durability principle any equipment should be used by the partners for the purpose foreseen in the approved project AF and for the benefit of target group for 5 (five) years after the final payment for the Lead Partner is made (unless the depreciation period is shorter according national law).

Advance payments for equipment are eligible only in specific cases when its delivery cannot start without the advance payment and advanced payment is foreseen in the public procurement process. Respective provisions on repayment of advance payments paid in case the contractual obligations are not fulfilled have to be included in the contract.

## **Lease of equipment**

In case of lease of equipment, final ownership should belong to the respective Project partner and leasing period should be within the duration of the project implementation. Expenditure incurred in relation to the use of financing methods that do not result in the immediate transfer of ownership of a given good to the partner (user entity), especially expenditure incurred in relation to lease, qualify for co-financing.

1) In the case of lease financing of project expenses, a part of leasing instalment related to the repayment of stock capital instalment by the partner can be considered eligible.

2) Expenditure that does not qualify for co-financing is expenditure related to the execution of the lease agreement, in particular the following:

a) lessor's margin;

b) insurance fees.

3) Funds under the project are paid to the partner (lessee) in amounts corresponding to actual lease instalments.

4) In the case where the provisions of tax law stipulate the issue of a single invoice on the date of concluding the lease agreement, and reimbursement is made to the lessee, the proof of incurring expenditure is the repayment schedule together with information on payments and an account statement.

5) If the term of the lease agreement exceeds the end date of expenditure eligibility, expenditure eligible for co-financing are only lease instalments whose payment date falls within the period of incurring eligible expenditure defined in the subsidy contract and actually paid during this period.

6) The maximum amount of eligible expenditure may not exceed the market value of the leased good. This means that the amount eligible for co-financing may not exceed:

a) the amount stated in the proof of purchase issued to the lessor by the supplier of the co-financed good – in the case of goods purchased not earlier than within 12 months prior to submitting the AF by the Lead Partner;

b) the market value of the leased good, stated in the appraisal prepared by an authorised expert or in the appraisal prepared on the basis of the methodology presented by the partner – in the case of goods purchased earlier than within 12 months prior to submitting the AF by the Lead Partner. The appraisal may be replaced by documenting the selection of the leased good in the tendering procedure/market analysis.

7) The following forms of lease are eligible for co-financing: finance lease, operating lease and leaseback.

The following main documents have to be available for control purposes:

- procurement documentation (evidences of the selection process, contracts or other written arrangements, etc.);
- invoices (or equivalent accounting documents);
- calculation scheme of depreciation, where relevant;

- proof of payment and delivery.

## **6. Cost category 6 “Infrastructure and works” (CC6)**

This cost category covers eligible expenditures for infrastructure and works necessary to achieve the objectives of the project related to investment component. This includes costs for:

- building permits;
- building material;
- labour;
- specialised interventions (such as soil remediation, mine-clearing);
- purchase of land for an amount not exceeding 10% of the total eligible expenditure of the investment in infrastructure and works concerned. For derelict sites and for those formerly in industrial use which comprise buildings, that limit is increased to 15%.

All of the other indirect infrastructure related costs (e.g., investment supervision, authors supervision, purchase of equipment to the infrastructure objects, etc.) has to be included under other appropriate budget categories (e.g., *External expertise and service costs* or *Equipment expenditure*). In case of difficulty in assigning the exact part of the invoice to separate budget lines, the assignment of the whole amount to one of the budget lines can be done basing on the prevalent part of the purchase as it was planned during the public procurement procedure.

Specific rules for this cost category:

- Investments ownership and the way of use cannot be changed within five years after the project final payment. Otherwise, the Programme has the rights to reclaim the funding;
- Full costs of investments in infrastructure incurred (paid out) within the project duration are eligible, i.e., no depreciation is eligible;
- Infrastructure and construction works have to serve the cross-border purpose as well as have to be directed at improving the development of the Programme area in line with the additionality principle. The cross-border dimension and added value must be evident;
- Infrastructure and construction works will be financed only if crucial for the achievement of the project's outputs and results, and if they are clearly described in the AF.
- all compulsory requirements set by the EU and national legislation related to the respective investment in infrastructure and all technical preconditions for the investment have to be fulfilled in order to start the procurement procedures of



works, i.e., all the permissions and approvals related to construction works are available, technical design project is ready, construction permit or other document of equal probative value according to the National legislation (e.g. copy of the proof of submission the notification on the construction in case decision on the construction permit is not required) is issued.

- In order to promote the achievement of a climate-neutral Union by 2050, taking due account of social and economic consequences that it entails, Programme aims to contribute to reducing greenhouse gas emissions and to tackling energy poverty. In that context, investments in energy efficiency, including energy savings schemes, in sustainable renewable energy in accordance with the sustainability criteria set out in [Directive \(EU\) 2018/2001](#), in smart energy systems, as well as investments aiming at disaster prevention, promoting biodiversity and green infrastructure, including preservation, valorisation and the highlighting of protected natural areas, and other measures to reduce greenhouse gas emissions, such as the preservation and restoration of natural areas with high potential for carbon absorption and storage, including by rewetting of moorlands, the capture of landfill gas or emission reduction in industrial processes or products, would be particularly important. Furthermore, investments aiming at reducing every form of pollution, such as air, water, soil, noise and light pollution, are especially encouraged.

A Project Partner has to ensure all compulsory requirements set by the EU and national legislation relating to the respective investment in infrastructure and works (e.g., feasibility studies, environmental impact assessments, building permission). This includes: if the Project Partner invests in infrastructure which has an expected lifespan of at least 5 years, it has to ensure **climate proofing**. Climate proofing means a process of preventing infrastructure from being vulnerable to potential long-term climate impacts whilst ensuring that the 'energy efficiency first' principle is respected and that the level of greenhouse gas emissions arising from the project is consistent with the climate neutrality objective in 2050.

Please note, the Programme is not responsible for climate proofing. The European Commission provides [Guidance on the climate proofing of infrastructure in the period 2021-2027](#). In addition, specific rules may be set out by national rules.

**Additional works** – for additional works (being a result of necessary changes in originally planned investment works, e.g., due to unforeseen circumstances) to be regarded as eligible expenditure, all the following conditions must be met:

- a) the expenditure is justified and necessary for the achievement of the project objective;
- b) the expenditure is linked to works which were unforeseeable at the stage of project preparation, or works which were planned, but it has become necessary

to carry out more works than what was specified in the contract, and which are now essential for the proper implementation of the project;

- c) the project co-financing, inclusive of expenditure for additional works, cannot exceed the amount specified in the subsidy contract;
- d) the expenditure was made in line with the public procurement law;
- e) the expenditure does not concern activities, for which regional investment aid was granted;
- f) the Project Partner has been granted permission of the JS for financing such additional works as part of the project.

The following main documents have to be available for control purposes:

- procurement documentation (evidences of the whole process, etc.);
- contracts laying down the infrastructure and works to be provided, with clear reference to the project and the Programme;
- invoices (or equivalent accounting documents);
- calculation scheme of depreciation, where relevant;
- proof of payment and delivery.

It is crucial to indicate clearly the future ownership of investment objects in the AF. It should be noted that according to durability principle any investment objects should be used by the partners for the purposes foreseen in the approved project AF and for the benefit of target group for at least of 5 years after the final payment for the Lead Partner is made.

### Contractual penalties

There are two main ways of contractual penalty settlement:

1. On the basis of a VAT invoice (or another equivalent document) issued by the contractor, partner pays the contractor the invoice amount less the contractual penalty. Then, reimbursement concerns only the amount actually paid by the partner, in line with the general rule on eligibility, which says that expenditure actually incurred is eligible for co-financing.
2. Partner makes a payment in line with the VAT invoice (or another equivalent document) issued by the contractor, i.e., without deducting the contractual penalty in cases when it is not affecting the value of the object. Having paid the total amount due on the VAT invoice, the partner receives a payment of the required amount (contractual penalty) from the contractor. The partner then can present the amount equal to the VAT invoice amount for settlement, for which they have a payment confirmation in 100%.

The following investments are considered as ineligible under ERDF rules:

- a. the decommissioning or the construction of nuclear power stations;

- b. investment to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to [Directive 2003/87/EC](#);
- c. the manufacturing, processing and marketing of tobacco and tobacco products;
- d. supporting an undertaking in difficulty, as defined in point (18) of Article 2 of Regulation (EU) No 651/2014;
- e. investment in airport infrastructure;
- f. investment in disposal of waste in landfill, except for investments for decommissioning, reconvertng or making safe existing landfills provided that such investments do not increase their capacity;
- g. investment increasing the capacity of facilities for the treatment of residual waste, except for investment in technologies to recover materials from residual waste for circular economy purposes;
- h. investment related to production, processing, transport, distribution, storage or combustion of fossil fuels, with the exception of investments as listed in article 7 of [ERDF Regulation](#).

## 7. Preparation costs

Lump sum of fixed amount of EUR 2.250,00 (EUR 1.800,00 ERDF) for preparation costs per project (JEMS allows splitting this amount between PPs), if such, could be foreseen in the AF and is meant to cover costs incurred by all Project partners in relation to the preparation of the AF before the project's start: preparation costs of travel, accommodation (if necessary), per diems and meals during partner meetings and preparation costs for translation (during partner meetings) and organization of the events (partners meetings). Projects will receive preparation costs' reimbursement to the Lead Partner with the first Project Report submitted along with **proof of delivery of the activities** covered by the lump sum (meeting agenda, participant list, etc.).

## II.4.4 Ineligible costs

Costs listed below are ineligible in the Programme:

- costs of the purchase of land for an amount exceeding 10% of the total eligible expenditure of the investment in infrastructure and works concerned. For derelict sites and for those formerly in industrial use which comprise buildings, that limit is increased to 15%";
- real estate purchase;
- costs incurred and/or paid outside project duration (except the costs for Controllers for Lithuanian Project Partners incurred and paid after the project completion until the submission of the final report);

- construction of roads (except for RSO 3.2.);
- technical project for infrastructure works not planned with the project;
- costs related to political and religious activities;
- fines, financial penalties and expenditure on legal disputes and litigation;
- costs of gifts,
- costs related to fluctuation of foreign exchange rate;
- interest on debt;
- charges for national financial transactions;
- travel and accommodation costs of participants of events organised by the project, where the participants do not contribute to delivery of the project results;
- consultant fees or other service costs between partners for services and work carried out within the project;
- contracting of employees of the partner organisations as external experts, e.g., as freelancers (by any other Project Partner). It is not possible to contract an employee of the same institution, who is working independent with labour contract, to deliver any kind of services, which are a needed to reach project results;
- advance payments not foreseen in the contract and not supported with an invoice or another document of probative value. Also, advance payments cannot cover the whole sum of the product or service as this must be delivered before the final payment can be made;
- in-kind contribution (contributions in the form of provision of works, goods, services, land and real estate for which no payment supported by invoices, or documents of equivalent probative value, has been made);
- creation of project logos or other design elements;
- recoverable VAT, under national VAT legislation, for projects which total cost is at least EUR 5 million.

## **II.5. Other rules (state aid, revenue generation, public procurement)**

### **II.5.1. State aid regulations**

State aid refers to financial support that can distort competition and intra-market trade. State aid is allowed under specific conditions which are described below in this chapter. For state aid to take place, the recipient of project funding must be an undertaking. The term 'undertaking' is in this context used in a wide sense as any entity has an activity of an economic nature and which offers goods and services on the market, regardless the legal form and the way of financing of this entity. Also, if an entity is not profit-oriented

state aid rules will apply as long as it competes with companies that are profit-oriented. Therefore, not only private companies are subject to state aid rules but also public authorities or other organisations if they carry out an economic activity on the market. Funding to projects should comply with the State aid rules. Therefore, the tasks for the projects include providing correct information to the Programme and to manage aid to third parties.

The JS assesses the state aid relevance at level of activities during assessment of the project applications or during project changes at implementation stage **using the set of five criteria that all have to be fulfilled:**

- 1. public nature of aid,**
- 2. selectivity,**
- 3. economic advantage,**
- 4. distortion of competition**
- 5. effect on trade (on European internal market).**

Two of those (the existence of aid of public nature and selectivity) always apply for Programme projects. Thus, state aid exists if the remaining conditions are also met.

- Undertaking: it has to be assessed if the partner (irrespective of its legal form) is involved in economic activity/ies through the project (e.g. does the partner develop/offer goods or services for which a market exists?; could respective activity be carried out by a private entity to make profit?; does the partner plan to carry out the economic activities on its own (without publicly procured services)?; does the partner plan to disseminate goods/services developed within the project on an exclusive and discriminatory basis (restricted databases, publications, software)?; will activities involving construction of infrastructure and this infrastructure be exploited commercially and/or will be not available for public use for free?).
- Economic advantage: the project support is an economic advantage that the undertaking would not have received in the normal course of business. Such an economic advantage can be assumed if the undertaking does not provide for any market-driven consideration (e.g., it promises to create jobs in return for state funds received or it buys land from the state for a price lower than the market price).
- Effect on competition and trade: this criterion is already fulfilled if an aid has potential effect on competition and trade between Member States. It is sufficient if it can be shown that the Project partner is involved in an economic activity and that it operates in a market in which there is trade between Member States. As a general rule, no effects on competition and trade are to be expected in case of purely local activities such as taxi drivers, retail sale.

The criteria are described in full detail in the [“Commission Notice on the notion of State Aid as referred to in Article 107\(1\) of the Treaty on the Functioning of the European Union”](#).

The applicants are required to evaluate the State aid relevance in relevant part of Application (in JEMS), in order to assess whether the activities are considered as State aid. During phase of condition fulfilment for selected projects, the operation may undergo a “state aid assessment” by relevant Programme Bodies to identify State aid relevance of the project on the level of each Partner. Should the assessment lead to the result that the project is State aid relevant, the Programme might ask the partners to exclude certain activities from the project proposal or to take other measures instead, as this could easily remove State aid relevance (e.g. by asking the partners to disseminate project results widely). Also, in case certain activities are State aid relevant, the EU contribution may be decreased.

### **Direct state aid to the project**

Where the above conditions are met in project activities or partners, and state aid exists, the Programme as a first instance uses the [General Block Exemption Regulation \(GBER\)](#), Article 20. This article comprises the same eligibility rules as the Programme and allows to support of up to EUR 2.2 million per Project partner per project.

JS will set up aid scheme for Article 20 of the GBER. Whether the project will fall under GBER, Article 20 will be evaluated and confirmed before contracting.

### **State aid to third parties**

In this case the final beneficiary of state aid is not the partner itself but an organisation to whom the Project partner targets aid. This principle applies when intermediary organisations are providing services to target group companies. The services can be for example provided as face-to-face consultations by external experts to support the company, paying expenses of companies’ representatives for travel and accommodation to take part in events, participation fees of companies, costs related to trade fairs etc. When preparing the full application, you must consider if such occasions arise. In such a case, each applicant has to ensure compliance with the State aid rules. In cases of indirect aid to third parties the GBER, Article 20a is applied. This means that a Project partner can grant aid up to EUR 22 000 ERDF per undertaking per project. The Partner has to document the calculation of the amount of aid and report it to the JS. In case if the value of the support is higher than EUR 22 000, the Project partner providing the support has to decrease or eliminate any State aid element exceeding that threshold.

## **II.5.2. Revenue of the projects**

Projects are expected to share any outputs and results widely and for free. In the rare case where income to the project appears, the Partners should check for possible national legislation on how to handle revenue.

### II.5.3. Competition and public procurement rules

The procurement of goods, services and works must be carried out by all the Project partners following the public procurements rules which are in force in Lithuania and Poland. Each contract should be awarded on the basis of objective criteria that ensure compliance with the principles of transparency, non-discrimination and equal treatment, efficiency in the use of public funds, and ensure that bids are evaluated under conditions of effective competition. In line with green and social public procurement principles, we encourage Project partners to include relevant sustainability criteria in their tender documents, whenever relevant, according to the type of services, supplies and works being procured.

When dealing with public procurement rules, those standards need to be considered:

- national rules;
- Partner organisations' internal rules.

The Lead Partner or Project partner must exclude from a public procurement procedure or competition persons and entities included in the EU or national sanction lists in connection with Russia's aggression against Ukraine or an entity that is related to persons or entities included in these lists<sup>3</sup>.

In the case of Polish Lead Partners and Project partners, additional requirements for the exclusion of contractors also arise from Article 7 of the Act of 13 April 2022 - on specific solutions to prevent support for aggression against Ukraine and to protect national security (consolidated text in Journal of Laws of 2023, item 129, 185). The Lead Partner or Project partner shall apply the exclusion of the above-mentioned contractors to contracts awarded:

- in accordance with the Public Procurement Law (Journal of Laws of 2021, item 1129, as amended),
- in proceedings with a value of less than PLN 130,000, including the rules of competitiveness,
- in procurements excluded from the provisions of the Public Procurement Law.

During all stages of project implementation, Project partners must undertake all necessary steps to avoid conflicts of interest. A conflict of interest exists where the impartial and objective exercise of the functions of any person involved in the project is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect personal interest, as it is stated in Regulation 2018/1046 (Financial Regulation).

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<sup>3</sup> Council Regulation (EU) No 2022/576 of 8 April 2022 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.

Corruption constitutes a particularly serious threat to the Union's financial interests, which can in many cases also be linked to fraudulent conduct. Corruption is described in Directive (EU) 2017/1371 as:

- action of a public official who, directly or through an intermediary, requests or receives advantages of any kind, for himself or for a third party, or accepts a promise of such an advantage, to act or to refrain from acting in accordance with his duty or in the exercise of his functions in a way which damages or is likely to damage the Union's financial interests;
- action of a person who promises, offers or gives, directly or through an intermediary, an advantage of any kind to a public official for himself or for a third party for him to act or to refrain from acting in accordance with his duty or in the exercise of his functions in a way which damages or is likely to damage the Union's financial interests.

If existence of conflict of interest or corruption is detected by any party, including third party, it can be notified to the Programme bodies via e-mail address: [prevencija@stt.lt](mailto:prevencija@stt.lt) (on the Lithuanian side) and by e-mail: [nieprawidlowosci.EWT@mfipr.gov.pl](mailto:nieprawidlowosci.EWT@mfipr.gov.pl) (on the Polish side). The Programme bodies will maintain confidentiality regarding sources of such information.

To avoid most common irregularities, the European Commission published a [handbook Public procurement guidance](#) (available in Lithuanian and Polish languages) for practitioners on the avoidance of the most common errors in projects funded by the European Structural and Investment Funds.

In concern for environmental impact of services related to procurement, Programme invites Partners to explore topic of [Green Public Procurement](#) when setting up the procurement processes.

In the event of breaching the regulations or principles on the award of public contracts or the principle of competitiveness tendering, the relevant expenditure related to the contract will be deemed, in whole or in part, irregular. More about the irregularity procedure, please read the part [IV.4.1. Irregularity administration procedure](#).

Specific competition rules regarding the award of contracts by Polish Project partners are described in Annex 5 of the Programme Manual and uploaded on the [Programme website](#).



### III. APPLICATION AND ASSESSMENT

Application is the whole set of documents and information which is submitted by the Lead Partner on behalf of the project within the timeframe set in the announcement of the call for proposals.

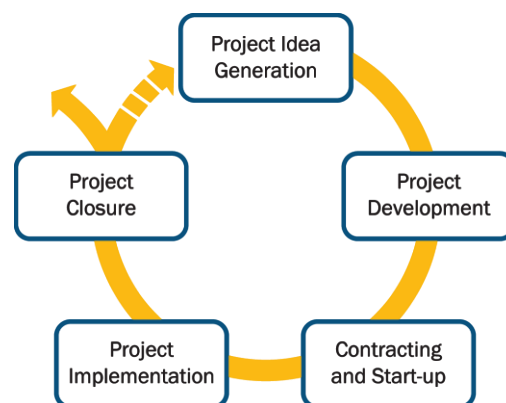
Assessment is the procedure performed by Programme bodies in order to select projects, which contribute most to the achievement of Programme objectives.

#### III.1. Preparing a project

Projects financed under the Programme have to contribute towards the overall objective of the Programme, which is improving wellbeing of cross-border communities through cross-border cooperation and sustainable use of cultural and natural heritage of the Lithuania and Poland cross-border area. To achieve this goal, projects have to clearly define their objectives and outputs that will help them achieve this goal, set resources (budget and staff) and timeframe for project implementation.

To prepare a good project, applicants should explore [Project Cycle Management \(PCM\)](#) model developed by the European Commission. Every project follows a lifecycle, and it can be divided in 5 parts: Project idea generation, Project development, Contracting and Start-up, Project Implementation and Project Closure.

This chapter focuses on Project idea generation and Project development – for details on contracting, implementation and closure please check the [Project Implementation and Reporting](#) part.



#### Project idea generation

This is the part when an idea is first shared among potential Partners until the moment it becomes clear that the project is necessary and relevant for the improvement of a certain condition in the programme area. Each project applying in an Interreg programme should be able to define outputs and results that will contribute towards the programme output indicator and programme result indicator.

The project idea should come from a need or a problem that has been insufficiently solved or not solved at all in the Programme area. The need for the project should be joint, which can be often confused with a common need in the area. A joint need comes from the same source and affects both sides of the border. A positive action on one side of the border should automatically lead to a benefit for the other side of the border (e.g., pollution reduction, environmental protection, transport links, improving/securing border crossings, etc.). A common need means that there are similar issues on both sides of the border but actions on the one side of the border do not necessarily lead to

an automatic positive effect on the other side of the border. For example, the need to tackle climate change may be a priority for two towns lying on each side of a border, but the reasons or possible solutions will probably not be the same for both towns. To read more about territorial challenges affecting the Programme area, please check short description at [II. Information for Project Proposals](#) or check the [Programme Document](#).

Once you are sure that your project proposal will be relevant for the programme, you also need to consider 'the bigger picture'. For that reason, several items should be considered:

- **Links to other strategies/policies on the regional, national and EU levels:**

A project is relevant when it also contributes to the priorities of other strategies already applying in the Programme area. Projects have to explain how they will contribute to the [EUSBSR](#). It is therefore highly recommended for Project partners to contact institutions in charge of the existing territorial strategies, to learn more about the needs and challenges of the area of interest.

- **Previous work and knowledge in the area of interest:**

The Programme will check whether the proposed project builds on any previous cooperation, and will make sure that it is not a repeat of an old story. A lot has been done and financed by many funding sources during the previous programming periods, and project applicants need to build on this work. Desk research will therefore have to be done thoroughly at this stage to demonstrate that a new solution is proposed to what already exists in the sector and/or programme area.

- **Innovative aspects:**

It is important for programmes to understand if the project will go beyond the existing practice in the sector/programme area/participating countries, or will it adapt and implement already-existing solutions. Programme will not fund projects that plan to implement activities that already exist on the market or are part of the regular activities of Project partners. Already at the idea generation stage, partners should take into account how such innovative aspects could be capitalised on in the future and how they could be replicated by other stakeholders.

Throughout the Programme, we encourage applicants to come up with **pilot actions** to be implemented. These pilot actions should:

- Have an experimental or demonstration character, i.e., it should test, evaluate or demonstrate the feasibility and effectiveness of new procedures, instruments or tools. If a project foresees several pilot actions (either at cross-border, local or regional level), these should differ from each other in order to maximise mutual learning among the partnership.
- Be limited in its scope, i.e., in its location, duration, scale, etc. It should be unprecedented in a comparable environment.

- Be jointly evaluated in terms of results as well as jointly exploited and transferred to other institutions and territories.

## **Project development**

The applicants (Lead Partners) and their Project partners are responsible for proper development of the project proposal and filling in the application form (AF) in JEMS.

NOTE: there are changes to project design in the new Programme – project is composed of work packages that contain activities and deliverables, and generate certain outputs and results. You can find more details in part [III.2.1. Filling in and submitting the application through JEMS](#) or by checking the [Application Form Guidelines](#).

The project intervention logic should present a coherent and logically-correct progression from activities, work packages, outputs and all the way to results. To sum up, projects must provide the necessary information for Programme to assess their contribution to the achievement of the programme-specific objectives.

After Partners consolidate the idea into a project proposal by defining the strategic and operational details, they need to prepare the intervention logic of the project.

Start by defining the project overall objective and expected result, and link them the programme intervention logic. Projects should choose a programme priority specific objective (listed in part [II.1. Description of Priorities and Indicators](#)) to which the project contributes and describe how it will contribute. It is important to be consistent between the project objective(s) and the programme priority objective, as this will help focus the reach of the project and underline what impact the project will make. Indicate to which programme result indicator, corresponding to the chosen programme priority specific objective, the project will contribute. The project will need to indicate a baseline and set a value to monitor progress on the project result. The measurement unit cannot be chosen by the project, but will be the same as that of the programme result indicator selected.

Next, define project specific objectives. The project can define several project-specific objectives, but please remember that each project-specific objective has to be supported by a work package. The project-specific objectives need to show a direct contribution to the project overall objective. Each work package, created to support the delivery of the project specific objectives, outlines and describes which activities and outputs support the achievement of this objective.

Then, define project outputs and link them to the programme output indicators. Project outputs are specific elements that can be measured and that align with a programme output indicator. Project output and programme output indicators need to have the same measurement unit to be able to combine them and monitor progress on programme level. It is mandatory for the project to contribute to at least one programme

output indicator. It is possible for several project outputs to contribute to the same programme output indicator.

The project output is the outcome of the activities funded, telling what has actually been produced for the money given to the project. It can be captured by a programme output indicator, and directly contributes to the achievement of the project result. The project result is the immediate advantage of carrying out the project, telling us about the benefit of using the project outputs.

Projects have to demonstrate the result-oriented approach as there has been a clear call for more effective use of EU investments. To achieve this, Programme will finance projects that can generate tangible, measurable results. These results should lead to a change of the initial situation and should have a real impact on the performance of cities, regions and territories in the Programme area. Projects should also be able to guarantee the continuation, possible share and replication of activities and associated results. Building process aimed at consolidating the capital built by projects and the Programme is commonly referred to as Capitalisation. Objectives of capitalisation can be defined as:

- Making the knowledge and results generated by projects more accessible, thus improving the transfer of knowledge;
- Obtaining additional results through benchmarking and detailed content analysis, building on existing knowledge and experience;
- Promoting the re-use and/ or transfer of this knowledge and these results, to boost performance and delivery;
- Raising awareness and improving the communication of results in specific fields of regional policy.

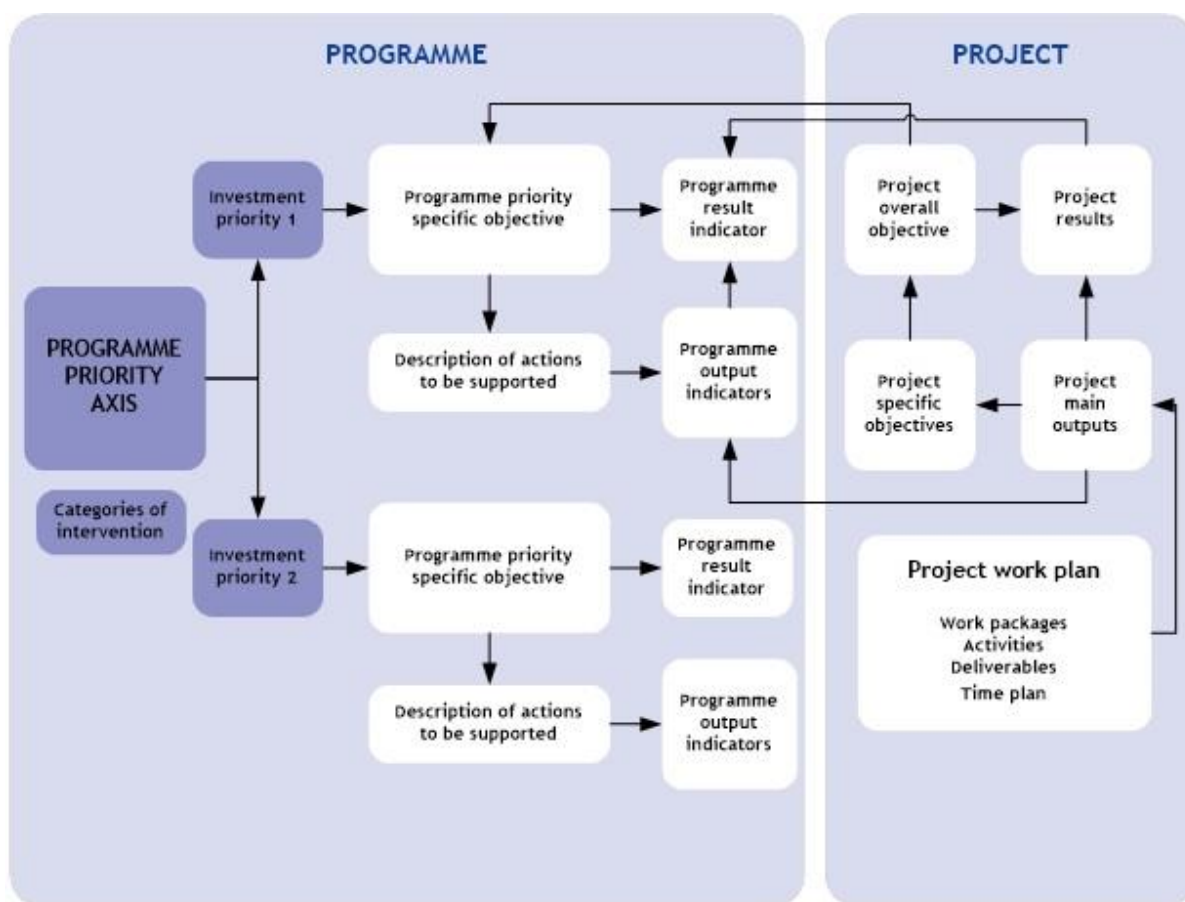
For more information about capitalisation of project results please check the [Capitalisation Management Guide](#) published by Interact.

Finally, projects have to define a Work Plan. Project objectives, results and outputs have to be logically linked to work packages, activities, time plan. The project work plan must explain what needs to be done to deliver project outputs and results, in order to achieve project specific objectives. The work plan is divided into a number of work packages, which are further broken down into activities.

A side-product of the project that contributes to the development of a project output can be listed as a deliverable of an activity in the work package. Every activity has to have at least one deliverable.

More about creating a Work Plan and all its elements you can read in part [III.2.1. Filling in and submitting the application through JEMS](#).

Simplified visualisation of project intervention logic and its connection to Programme intervention logic is shown on figure below.



To sum up this chapter, below are terms introduced in the 2021-2027 Programme:

Term	Definition
<b>Project overall objective</b>	Provides overall context for what the project is trying to achieve, and aligns to programme priority-specific objective. It relates to the strategic aspects of the project.
<b>Project-specific objective</b>	A tangible statement describing what the project is trying to achieve. It refers to the project's main outputs. It can be evaluated at the conclusion of a project, to see whether it was achieved or not.
<b>Project result</b>	The immediate advantage of carrying out the project, telling us about the benefit of using the project's main outputs. It should indicate the <u>change</u> the project is aiming for.
<b>Project work package</b>	A group of related project activities required to produce the project's main outputs.
<b>Project activity</b>	Specific task performed for which resources are used. It's a work package component which may or may not result in a deliverable or an output.
<b>Project deliverable</b>	A side-product or service of the project that contributes to the development of a project's main output (it can be a report, equipment etc.)

## III.2. Application procedure

Calls for project proposals will be announced on [Programme website](#). The Programme Manual is a main document providing detailed information on the Call requirements and listing specific expectations in terms of project content (e.g., priorities, topics, expected results) and also specifying operational details (e.g., budget, duration, partnership).

The Lead Partner is responsible for the coordination of the preparation and submitting the application on behalf of all the Partners of the project. The application has to be filled in English and has to indicate only one Programme's priority and one Programme's Specific Objective that the activities of the proposed project are focused on.

Information in the application has to be provided in such detail so as to provide sufficient amount of information for assessment and selection procedures to be performed.

Supporting documents to be provided together with the application, such as annexes (or, in case of project selection for funding, during conditions fulfilment stage) must be seen as an integral part of application. The annexes (e.g., documents issued by national or local administrations; technical documentation, etc.) can be submitted in national languages.

During the period of call for proposals the Project partners can consult the JS in Lithuania or RCPs in Poland. The information and contact details of contact points (RCPs) can be found on the Programme website. Consultations can be done by phone or e-mail as well as during online or physical meetings at the discretion of the institutions.

Before final submission of the OSIs full applications, the JS organizes **mandatory consultations** for each OSI. It is advisable that representatives of all partners are participating in the consultation.

### III.2.1. Filling in and submitting the application

The Programme uses an online monitoring system called JEMS (Joint Electronic Monitoring System) to receive project applications, the system can be accessed at [jems.lietuva-polska.eu](http://jems.lietuva-polska.eu). JEMS covers pre-contractual (applications for project financing) and post-contractual relationships (after project approval and signature of the Subsidy Contract) between the project and the programme bodies. JEMS User Guide is Annex 2 to the PM.

After registering in JEMS, a user can create a project proposal when there is a Restricted Call for Proposals. The project proposal can be developed and saved gradually. In order to make sure that the inserted information is not lost, the application should be saved regularly. Pre-submission checks in JEMS help applicants to see missing or incorrectly filled parts of the AF. These checks should be run timely before the deadline of a call, in order to have enough time for any needed corrections. All obligatory documents required in addition to the application form have to be uploaded to JEMS before the final

submission of the project proposal. The project proposal can only be submitted by the user that created the project proposal, who should be the Lead Partner.

The Programme Application Form (AF) is based on the harmonised template developed by the community of Interreg programmes under the umbrella of [Interact](#). The project application is prepared and submitted via the JEMS, however on the Programme website an unofficial offline AF is available to download – please note that it is unofficial document intended to help applicants to prepare their project proposals, that have to be submitted through JEMS.

In the online AF, some fields/sub-sections are automatically generated by the system, displaying already inserted data. The AF is organised in five main parts and several sub-sections:

### **Part A. Project Identification**

- A.1 Project Identification
- A.2 Project Summary
- A.3 Project Budget Overview
- A.4 Project Outputs and Result Overview

### **Part B. Project Partners**

- B.1 Partners Overview

### **Application Annexes**

- Lead Applicant Declaration
- Partner Declarations of All Project Partners

### **Part C. Project Description**

- C.1 Project Overall Objective
- C.2 Project Relevance and Context
- C.3 Project Partnership
- C.4 Project Work Plan
- C.5 Project Results
- C.6 Time Plan
- C.7 Project Management
- C.8 Long-Term Plans

### **Part D. Project Budget**

- D.1 Project Budget Per Fund
- D.2 Overview Per Partner
- D.3 Project Budget Overview

### **Part E. Lump Sums**

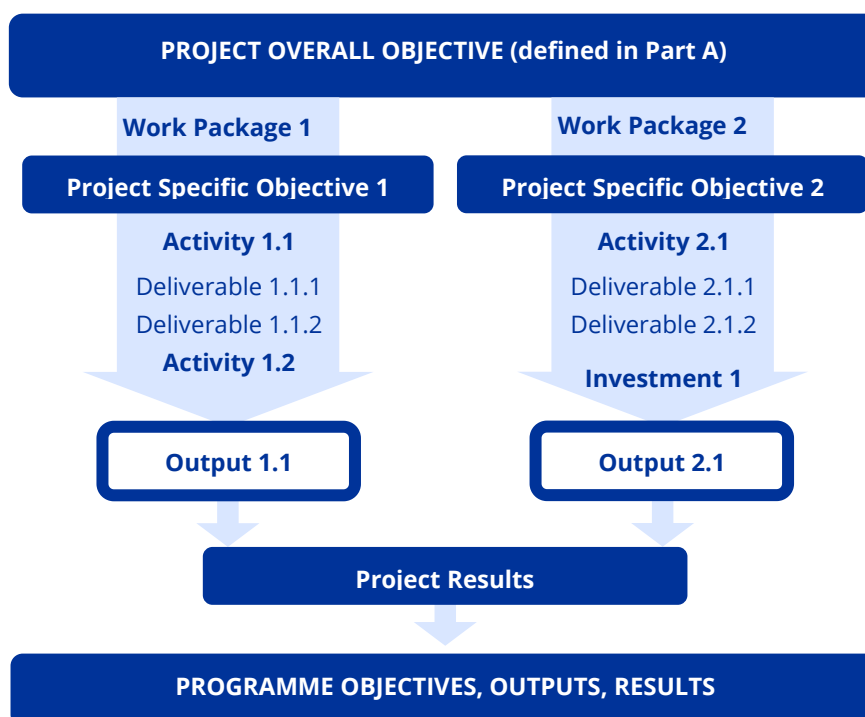
**Part A. Project Identification** includes basic information about project proposal and project summary. You (Project partners) are asked to provide short overview of the project and describe common challenges, overall objective and main outputs.

**Part B. Project Partners** includes technical information about Project partners, Partner contact details and Partner budgets. For each Project partner, you have to provide information on competences and experience to better understand contribution to the project. You fill in budget for each Partner – please note that cost categories 1 (Staff costs), 2 (Office and administrative costs) and 3 (Travel and accommodation costs) are automatically calculated based on the flat rate. For more details, please check [Budget Planning](#) part.

**Part C. Project Description** provides main information about the project. You have to describe the overall objectives and provide details on project relevance and context, as well as define target groups, contribution to wider policies and partnership structure. Within this part you have to create project **Work Plan**. The work plan shows the project objectives and results, and how they will be achieved. You have to present clear project plan for achieving foreseen outputs. The work plan description should focus on the main implementation steps and avoid too many details and fragmentation. This will also increase flexibility for the project during implementation and allow the partnership to adjust activities to specific needs and upcoming developments. Before drafting the work plan, you should read part [III.1. Preparing a project](#) and familiarise yourself with [Programme Priorities](#).

### Work Packages

The work plan is structured around work packages, which are broken down into one or more activities and deliverables. For each single project specific objective – one work package should be defined. For OSI Projects we recommend to specify up to four specific objectives (limiting number of Work Packages to four). Outputs and their contribution to the Programme’s output indicator(s) are an important factor and must be considered when deciding how to divide the project into Work packages. There should not be overlapping contribution to the same output indicator from different work packages. The contribution towards an output indicator cannot be zero. In many cases, following this logic means that you are likely to have less Work packages and more activities inside them.



Project Work Plan logic scheme

Within the Work Package, you should define **Project Specific Objective** which will be achieved through the implementation of planned activities and related outputs and



deliverables. Project Specific Objective should be realistic, specific and measurable. Each Work Package should have a distinct Project Specific Objective (i.e., Project Specific Objectives should not be repeated in other Work Packages!). Additionally, the Work Package must have at least one communication objective and related target audience.

## Activities

Project activities are sets of tasks and actions that have to be performed in order to achieve project outputs and results. Structure of activities, deliverables, and outputs should be clearly and logically linked. We advise to group similar activities or activities connected to a specific project phase, showing the progress of the project. As an example, the project may have preparatory activities (for example mapping of current situation, legislation overview, designing of implementation activities), practical implementation activities (for example recruiting the participants, procuring experts, organisation of training seminars, dissemination), wrapping up activities (for example getting feedback, finetuning of created solutions based on the feedback, documentation). The number of activities per work package depends on its complexity, such as the number and type of outputs to be developed, and shall be reasonable. Usually no more than 4 to 6 activities per work package should be foreseen. An activity can have several different deliverables which relate to the different tasks included in that activity. Limiting the number of activities will make implementation and reporting easier. When planning the project and its activities, you should make sure that the budget is coherent with the work plan and activities. The work plan and the budget must be planned side by side so that a corresponding resource for the activities is in place.

Please note that all projects have to implement a set of standard publicity requirements (project website, poster, etc.), as described in part [Visibility requirements](#).

However, project-specific communication activities should be included in relation to the project communication objectives and thematic activities: Communication activities should not be listed as stand-alone activities but be included as smaller steps in the "Activity description" column of a bigger thematic activity (e.g., "Social media posts and a public event to promote the launch of a pilot action and reach target audiences..."). In specific cases, a communication activity may be a main implementation step for reaching a thematic objective, in which case it could be listed as a separate activity (e.g., a thorough stakeholder engagement process or a public awareness campaign across various communication channels).

## Deliverables

A deliverable is a tangible or intangible object produced as a result of the activity that is intended to be delivered to a target group or a stakeholder. A deliverable could be a report, a document, a server upgrade, or any other building block of the project results. In order to document the implementation of activities, at least one deliverable should

be defined per activity. Deliverables should present the outcomes of activities, thus be sufficiently comprehensive. We recommend to limit and to keep a moderate quantity of the total number of deliverables per work package in order to have balance between the activities (e.g., for the majority of cases it is recommended not to exceed three deliverables per activity), also keeping in mind that project implementation will be monitored against the deliverables foreseen in the application form.

The main achievement of a set of project activities is an **output (one or several)** that will be delivered during the implementation of the work package. When planning outputs, please refer to the output types defined by the Programme, which have to be selected by achieved project outputs – the list of Programme outputs is [Annex 1 to the PM](#).

## **Investments**

In the work package, you can indicate the investment planned in your project. This investment component can include equipment (only long-term asset, Polish "*środki trwałe*", Lithuanian "*ilgalaikis turtas*") in costs category 5 and infrastructure and works in cost category 6. Such investment component shall be described in the Application Form, section "Investments".

Please remember, that investments in infrastructure works and equipment have to be duly justified and necessary for achievement of project objectives and have a co-operative character. The project must focus on joint activities, and any investment has to be implemented along soft activities, having clear logic link to them.

Investments in infrastructure works and equipment have to be the result of cross border cooperation actions specifically directed at improving the development of the Programme area in line with the additionality principle. The cross-border dimension and added value must be evident. Investments in infrastructure works and equipment will be financed only if crucial for the achievement of the project's outputs and results.

For infrastructure and constructions works, in line with official regulations, climate proofing of investments in infrastructure has to be ensured (you can read more in "[Infrastructure and works](#)" (CC6)) and projects that respect the '[energy efficiency first](#)' principle will be priorities when selecting such investment. Actions that contribute to any form of segregation or exclusion will not be supported, and when financing infrastructure, accessibility for persons with disabilities has to be ensured.

In order to promote the achievement of a climate-neutral Union by 2050, taking due account of social and economic consequences that it entails, the Programme aims to contribute to reducing greenhouse gas emissions and to tackling energy poverty. In that context, investments in energy efficiency, including energy savings schemes, in sustainable renewable energy in accordance with the sustainability criteria set out in [Directive \(EU\) 2018/2001](#), in smart energy systems, as well as investments aiming at disaster prevention, promoting biodiversity and green infrastructure, including

preservation, valorisation and the highlighting of protected natural areas, and other measures to reduce greenhouse gas emissions, such as the preservation and restoration of natural areas with high potential for carbon absorption and storage, including by rewetting of moorlands, the capture of landfill gas or emission reduction in industrial processes or products, would be particularly important. Furthermore, investments aiming at reducing every form of pollution, such as air, water, soil, noise and light pollution, are especially encouraged.

**IMPORTANT:** only thematic work packages can be used, planned towards specific project objective – it is not possible to have a work package devoted only for specific actions, e.g., for project management, investment or communication only.

**Part D. Project Budget** provides automatically generated overview of project and partner budgets.

**Part E. Lump Sums** lets applicants to select Lump Sums and define split-up of the funds between the partners.

Before submitting an Application Form, you have to initiate a pre-submission check in JEMS in order to review any missing information in the AF. All obligatory documents required in addition to the application form have to be uploaded to JEMS before the final submission of the project proposal.

### III.2.2. Annexes to be submitted with the application

- 1. Project Statement (Annex 3)** – document for projects applying for Programme funding. This has to be submitted by the Lead Partner only and is an obligatory document to perform the eligibility check.

**IMPORTANT:**

- In case the Project Statement is not submitted, the missing document **will not be requested** during Administrative and Eligibility Check, the respective Application will become non-admissible and will be automatically rejected.
- In case the Project Statement is not signed or issued for a different project, by a different organisation than the Lead partner, a correct document **will not be requested** during Administrative and Eligibility Check, the respective Application will become non-admissible and will be automatically rejected.

- 2. Partner Statement (Annex 4)** – provides confirmation on the whole partner budget (consisting of the own co-financing and the Programme contribution) for each Project partner. This has to be submitted by each Project partner (including the Lead Partner!). This document is submitted at the application stage.

The templates for Project and Partner Statements are available on the [Programme website](#). Project and Partner Statements can be signed digitally with a qualified

electronic signature compliant with the eIDAS Regulation (Regulation (EU) No. 910/2014). In case of Polish Partners, in the situations when validity of the electronic signature cannot be verified by commonly used free-of-charge software, e.g. Adobe Acrobat Reader or equivalent, together with the electronically signed documents there has to be attached/included verification of electronic signature (in PDF format). In case of scanned version of signed document, Partners have to provide statement that the original document is available at partner institution.

**3. Authorisation to sign documents** – confirmation that person signing the documents is legally authorised on behalf of the organisation. This can be scanned legal act of organisation with link to legal act on institution website, or as required by national law.

**4. Supporting documentation for investments in infrastructure:**

- Partners have to provide short technical description and justification for need for investment (maximum one-page A4) with simplified design illustration of the works in English – these are obligatory documents at the application stage.
- Full technical documentation for the planned works, based on the information provided in the AF, shall be submitted, including building permits, if applicable.
- If the full set of the technical documentation is not yet ready, a declaration (free form on the letterhead of the organisation) with the timeline when the technical documentation and building permits are ready shall be prepared and submitted via JEMS.

An overview list of required documentation is below – please note that the Project partners should follow national rules when preparing investment documentation.

Overview list of **investment documentation for infrastructure works:**

- Ownership documents, lease of land or premises, agreements for lease (for period covering planned project duration and durability period);
- Cost estimates for works;
- In case of simple repair works, where according to national legislation full technical project is not required, then short description provided with application is enough;
- Technical project for construction works in line with national requirements, along with:
  - o Building permits from relevant municipality,
  - o Permits from other bodies as required by national law – cultural heritage institution, nature protection bodies etc.,
  - o Environmental impact assessment (if applicable according to the national legislation).

- 5. Statement on the absence of discriminatory resolutions (Annex 6).** This statement is applicable to **Polish Project partner** which is **self-government unit or an entity controlled by or dependent on it**<sup>4</sup>. The Annex 6 to Programme Manual is available to download from the [Programme website](#).
- 6. SME Declaration (Annex 8)** – is an additional document to be filled-in and submitted by each SME Project partner in project applications within Priority 2, Specific Objective 2.2/RSO4.6. In this document information about the SME is provided to confirm its eligible status and capacity to participate in the project.
- 7. Statement by Associated Organisation (Annex 9)** - is filled-in and submitted by each Associated Organisation to confirm that it is willing to participate in the project.
- 8. Other relevant documents depending on the type of the project partner** to confirm their eligibility:
  - For Polish budgetary units (“jednostka budżetowa”), such as regional headquarters of the border guard, police, fire service and other public services - relevant documents to confirm their legal status;
  - For Polish [partners falling under the category of “bodies governed by public law”, which are registered in ENTERPRISE REGISTER as companies \(Ltd. or as other types of companies\)](#) - founding resolutions (uchwała założycielska), Statutes (statut/umowa spółki), and/or signed statement confirming that the organisation’s income/profit (revenue) is used to fulfil the statutory purposes of the company.

Project assessment is done only based on the information provided in the Application Form in JEMS and the mandatory attachments described above. Any information provided in any additional attachments will not be used for the assessment. Additional attachments can be included only in exceptional cases and upon prior agreement with the JS. Therefore, it is extremely important that the application form is filled carefully and all requested information is provided there.

All annexes have to be clearly titled and easily identifiable by name of the document – otherwise it may disrupt the assessment process. All annexes must be submitted in an electronic format. Although a large variety of file types are supported, PDF files are preferred. The maximum file size is 50 Mb.

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<sup>4</sup> According to the Polish Partnership Agreement cohesion policy support will only be provided to projects and partners that comply with the anti-discrimination provisions referred to in Article 9(3) of Regulation (EU) 2021/1060. Where the partner is a self-government unit (or an entity controlled by or dependent on it) which has taken any discriminatory action contrary to the principles referred to in the above-mentioned article, support under cohesion policy cannot be granted.

## III.3. Assessment and selection procedure

### III.3.1. Assessment of applications

The assessment of project applications starts upon the closure of the call. It is performed by the JS, however, at any stage of the assessment of application, the JS can seek support of external experts. The assessment results and recommendations are then presented to the MC.

To ensure the transparent assessment, it will always be made by two assessors ensuring four-eyes principle throughout all stages in the assessment. Assessors will coordinate their assessments and produce one joint checklist. Clear rules on arbitration in case of controversial assessments are set.

After all projects applications have been assessed, there will be a final overarching check that all assessments are comparable in terms of quality and the conclusions reveal no bias.

The assessment is carried out in two steps:

- **Administrative and Eligibility check** (to verify that application fulfils the minimum administrative and eligibility requirements of the Programme);
- **Quality assessment** (to provide the MC members with sufficient information on the quality of each eligible application).

If during the administrative and eligibility check, the JS notices that annexes or additional documents are missing, the JS is entitled to ask for missing documents (deadline to submit the missing document is 5 calendar days and will be clearly stated in JS request); at the same time, the Project Statements cannot be requested.

### III.3.2. Administrative and Eligibility check

JS assesses the compliance of the received applications and their annexes with the formal administrative and eligibility criteria.

The purpose of administrative and eligibility check is to verify that the application fulfils the minimum administrative requirements of the Programme and whether an application complies with the eligibility rules established by the Programme for its projects.

The administrative compliance and eligibility criteria are applicable to all submitted applications and are presented below.

#### Administrative and Eligibility criteria

Obligatory annexes (Project Statement, Partner Statements, Statements on the absence of discriminatory resolutions, where applicable - SME statement, Associated

Organisation Statement, authorisations, other required documents) are signed and attached;

Application Form is filled in English

Project involves at least two applicants – one from Lithuania and one from Poland, (exception – 1 partner in case the European Grouping of Territorial Cooperation is a sole applicant);

Lead partner organisation is eligible:

- It is officially registered as a legal person or has a similar status fixed in relevant acts, and
- It belongs to one of the Types of eligible partners.

*Eligibility is checked according to the provisions of section II.3.2. "Eligible partners" of the Programme Manual.*

Other partners organisations are eligible:

- Each partner is officially registered as a legal person or has a similar status fixed in relevant acts, and
- Each partner belongs to one of the Types of eligible partners.

*Eligibility is checked according to the provisions of section II.3.2. "Eligible partners" of the Programme Manual.*

The project application is based on one of the OSI ideas, which were presented during the 2<sup>nd</sup> MC meeting on 19 July 2023, based on OSI fiches' presented to the Task Force (TF) members. The project application is submitted under Specific Objectives RSO 2.7, RSO 3.2, RSO 4.6, ISO 7.4.

The project duration is in line with requirements;

The project budget size is in line with requirements;

The Lead Partner has selected the three mandatory cooperation criteria;

The project application provides positive or neutral contribution to the horizontal principles.

An application is deemed administratively inadmissible or ineligible at this stage if it does not meet the above-mentioned criteria. Administratively admissible and eligible applications will then undergo a quality assessment, 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-money, and a suitable partnership.

In case any of the administrative or eligibility criteria is not met, the application is assessed as administratively inadmissible or ineligible and further quality assessment of such application will not be performed.

### III.3.3. Quality assessment and criteria

The purpose of this part of assessment is to evaluate which of the submitted eligible applications contribute mostly to the objectives of the Programme, are mostly relevant in terms of the cross-border cooperation, which of the projects has the biggest social and economic impact on the cross-border region, demonstrates cost effectiveness and ensures the efficient and smooth implementation.

The quality assessment is based on quality assessment criteria presented below. Quality assessment criteria are divided into two categories, and each criterion the guiding criteria are identified:

**Strategic assessment criteria** – the main aim is to determine the extent of the project's contribution to the achievement of Programme objectives (including contribution to Programme indicators), by addressing joint needs of the target group.

**Operational assessment criteria** – the main aim is to assess the viability and the feasibility of the proposed project, as well as its value-for-money in terms of resources used versus results delivered.

In order to ensure equal treatment of all applications, the quality assessment is carried out on the basis of the information provided in the application. No additional clarifications will be requested during the quality assessment process. The quality assessment criteria are presented in the table below.

<b>QUALITY ASSESSMENT</b>	<b>Max. 100 points</b>
<b>Strategic assessment criteria</b>	<b>Max. 60 points</b>
<b>Project relevance</b>	<i>25 points</i>
<ul style="list-style-type: none"><li>- The project addresses common territorial challenges of the programme or a joint asset of the programme area – there is a real need for the project. The project clearly contributes to a wider strategy on one or more policy levels (EU / national / regional/EUSBSR).</li><li>- The project contributes to the achievement of programme's objectives and indicators, and the contribution is realistic. The project outputs clearly link to programme output indicators and their contribution to programme targets is obvious. The project makes a positive contribution to the horizontal principles, in particular sustainable development, equal opportunities for men and women, non-discrimination and accessibility.</li><li>- The project makes use of available knowledge and builds on existing results and practices but avoids overlaps and replications. The project demonstrates new solutions that go beyond the existing practice in the sector/programme area/participating countries, or adapts and implements already developed solutions.</li></ul>	
<b>Cross-border impact</b>	<i>15 points</i>



- The importance of cross-border cooperation for the topic addressed is clearly demonstrated and justified. The project demonstrates a strong cross-border impact throughout the programme area.
- The results cannot (or only to some extent) be achieved without cross-border cooperation.
- There is a clear benefit from cooperating for the Project partners / target groups / project area / programme area.

### **Project intervention logic**

*10 points*

- The project intervention logic and methodology are plausible. Project specific objective is specific, realistic and achievable. Proposed project outputs are needed to achieve project specific objective and they are realistic.
- Project major achievements and outputs are durable (the proposal is expected to provide a significant and durable contribution to solving the challenges targeted), and are potentially replicable by other organisations/regions/countries outside of the current partnership.

### **Partnership relevance**

*10 points*

- The project involves the relevant actors needed to address the territorial challenge/joint asset and the objectives specified.
- The distribution of tasks among partners is appropriate. All partners play a defined role in the partnership and the territory benefits from this cooperation.
- With respect to the project's objectives, the Project partnership: is balanced with respect to the levels, sectors, territory; consists of partners that complement each other.
- Partnership is of a manageable and appropriate size.
- Partner organisations have proven experience and competence in the thematic field concerned, as well as the necessary capacity to implement the project (financial, human resources, etc.).

## **Operational assessment criteria**

**Max. 40 points**

### **Work plan and Communication**

*20 points*

- The work plan (consisting of project activities and deliverables), and the time-plan are clearly explained, properly defined, realistic, and relevant to the project intervention logic.
- The investment component is ready for implementation – the technical documentation has been prepared or is in high degree of readiness (technical documentation with cost estimate is ready, but some final steps are missing – building permit or / and expertise, etc.).
- The communication objectives are relevant and are expected to contribute to project specific objective. The communication activities are clearly explained and are appropriate to reach the relevant target groups and stakeholders, to achieve the communication objectives. The project plans to implement joint capitalisation, communication and dissemination actions.

### **Budget**

*20 points*

- The project budget is sufficient and reasonable for the project, it is proportionate to the proposed work plan, to the project outputs and to the project's contribution to the intended programme indicators.
- The planned expenses are clearly explained and justified as necessary for the project, their costs are reasonable.

For all criterion points are used from 0 to 5, as described below. Only full numbers are used in the assessment process. The points are added up and weighted into total score for the project. Then, projects are put in ranking lists for each specific objective according to points received.

<b>The explanation of the scoring system</b>	
<b>5</b>	<b>Very good</b> Information provided is complete, clear and coherent for assessing the criteria, showing that project is exceptionally well in line with the requirements set by the Programme.
<b>4</b>	<b>Good</b> The application fulfils the given criteria well, however the provided information includes minor shortcomings (e.g., the timeline provides little space for unexpected delays, details are missing in the given information in minor parts of the application).
<b>3</b>	<b>Sufficient</b> The application sufficiently addresses the criterion; however, some aspects of the given criteria have not been fully met or not explained in full clarity or detail (e.g., the partnership lacks certain expertise to address the identified challenge; the implementation steps are not fully clear based on the description in the work plan).
<b>2</b>	<b>Weak</b> There are serious shortcomings fulfilling the given criteria and/or the provided information is of low quality (e.g., the cross-border relevance of the project is not clearly justified; the main outputs are not clearly described; the target groups of main outputs are not clearly described). Important details are missing.
<b>1</b>	<b>Poor</b> Information can be found to prove that some requirements of the Programme have been met. The information provided lacks relevant quality and there are mismatches between question asked and provided answer.
<b>0</b>	<b>Insufficient</b> The information requested is missing (either not filled in or not provided in the text). The information provided is not relevant for the criterion (e.g., the application addresses issues that are not relevant to the Programme priorities).

### **Rejection criteria**

There are several cases when application is deemed ineligible for funding, and thus suggested to be rejected for the MC decision:

- If any point of administrative or eligibility criteria is not fulfilled and application failed the administrative and eligibility check;
- If application received 0 points for even one strategic assessment criterion or 0 points for at least two criteria, either strategic or/and operational assessment;
- If application receives 1 point for at least three criteria, either strategic or/and operational assessment;
- The application which fails to score at least 65 points out of 100 in total;
- A project can also be rejected in case the Programme does not have funding available (in the priority or based on other financial concerns on programme level).

After Administrative and Eligibility Check and Quality Assessment, the final ranking list of the recommended projects is prepared. Applications will be ranked according to the final score received. Project can receive maximum 100 points. Applications that receive less than 70 points will not be recommended for funding.

As an outcome, the Final Ranking List will be created, containing:

- Project recommended for funding;
- Projects recommended for funding placed on reserve list (that can be financed later upon availability of funds within priority);
- Projects not recommended for funding due to lack of funds within given priority;
- Project not recommended for funding after quality assessment and/or administrative and eligibility check.

Final Ranking List will indicate maximum eligible expenditure allowed for each approved application. Final approved amounts will be later set in the finally approved AF and in the Subsidy Contract.

Projects rejected by the MC will receive official information regarding rejection, including the reasoning behind the rejection and information for the Lead Partner on the possibility to appeal against this decision.

### **III.3.4. Selection of applications for funding**

Selection procedure is established and applied by MC in order to ensure the prioritisation of operations to be selected with a view to maximising the value-for-money of the Programme funds. Decisions for funding is made by the MC in compliance with the [Rules of Procedure of the MC](#), basing on the final assessment results. The dates for the MC meeting for each call can be found on the Programme website.

Based on the assessment results MC takes the decision to select the projects for funding. The MC may approve the project directly or under certain conditions. The Monitoring Committee can also give recommendations to the project.

If the application is approved conditionally, the conditions will be clearly communicated to the Lead Partner with a set deadline set by the MC decision to fulfil them. Conditions

can be technical (like changes to activities, budget adjustments, corrections to information provided etc.) or explanatory (clarification of descriptions etc.). For projects that have planned investments requiring any additional documentation, all documentation related to it needs must be submitted during the conditions fulfilment stage. Lead Partner can request to extend the deadline to fulfil the conditions – it will be granted only in duly justified cases. In case project fails to fulfil conditions set by the MC within the deadline or conditions are not fulfilled properly, the decision of MC on project funding is automatically cancelled.

Information about final decision on selection or rejection of the project application will be communicated to the Lead Partner within 10 working days from the date decision is taken.

### **III.3.5. Project Contracting**

The contracting procedure starts right after the project fulfils conditions set while assessment and receives the final approval. After final decision on selection of project for financing, the Subsidy Contract between MA and Lead Partner can be signed.

The Subsidy Contract (hereinafter – SC) is an agreement that, in compliance with the “Lead Partner principle”, is established between the Ministry of Interior of Republic of Lithuania, acting as Programme MA, and the Lead Partner. The subsidy contract constitutes the legal framework for the implementation of the project. The information in the SC is standard and covers the need to comply with EU, Programme and national rules. It cannot be modified, and is the legal document which sets the requirements for receiving the grant. Any extra activities cannot be carried out without the Programme’s advance approval. The SC confirms the final ERDF commitment to the project, contains project budget details, again based on the information in the application. Projects will be expected to meet these targets (or at least come close), and failure to do so may result in a cut in the grant to the project.

The most recent version of the approved application form is an integral part of the subsidy contract. A model of the subsidy contract is available at the [Programme website](#).

### **III.4. Complaint Procedure against funding decision**

The term ‘complaint procedure’ to be understood – different from the term ‘appeal’ – as a procedure not to replace, but in the best case to avoid a later appeal (national court procedure).

Complaints during project implementation are not the subject of this complaint procedure because: 1) complaints against a decision of the MA during project implementation based on the subsidy contract concluded between the MA and the Lead Partner should follow the rules laid down in the Subsidy Contract and 2) complaints related to the Controller or AA (regarding irregularities or irregular expenditure detected

during AA's audits) have to be lodged to the responsible national authority according to the applicable national rules.

Complaints regarding irregularities or irregular expenditure detected during AA's audits are not a part of the above-mentioned complaint procedure. Project partner should follow national legal acts.

The applicants can complain against the decision of the MC, for which the legal basis is Article 69 (7) of Regulation (EU) No 2021/1060. Within 7 calendar days after communication of the MC decision (the term is indicated in the letter sent from the JS), the Lead Partner has the right to submit a complaint, giving clear arguments.

The complaint can be submitted only against the following aspects:

- a. the Application's drawbacks indicated in the rejection letter, and therefore - the outcomes of the administrative and eligibility check and/or quality assessment, including strategic assessment of the project application, based on the selection criteria, do not correspond to the information provided by the Lead Partner during the project assessment and selection process; and/or
- b. the project assessment and selection process failed to comply with specific procedures laid down in the Programme Manual that materially affected or could have materially affected the decision.

Only the project's Lead Partner, as the one representing the Project partnership affected by the funding decision, is entitled to submit a complaint. Therefore, it is the task of the Lead Partner to collect and bring forward the justification of the complaint from all Project partners.

The complaint should include:

- name and address of the Lead Partner;
- reference number of the application which is a subject of the complaint;
- clearly indicated reasons for the complaint, including listing of all elements of the assessment which are being an issue for complaint and/or failures in adherence with procedures limited to the criteria mentioned above;
- any supporting documents.

The relevant documentation can be provided for the sole purpose of supporting the complaint and may not alter the quality or content of the assessed application. No other reasoning for the complaint than indicated (i.e., clearly indicated reasons for the complaint, including listing of all elements of the assessment which are being an issue for complaint and/or failures in adherence with procedures limited to those criteria for lodging a complaint which are mentioned above) will be taken into account during the complaint procedure.

A complaint will be rejected without further examination if submitted after the set deadline or if the formal requirements are not fulfilled.

The JS, in consultation with MA, examines the complaint and checks whether the complaint contains all necessary details (as mentioned above). The complaint will be examined on the basis of the information provided by the Lead Partner in the complaint. The JS will provide the MA no later than twenty calendar days after the receipt of the complaint with a copy of:

- the complaint after the formal check by the JS;
- the copy of AF and all supporting documents that were taken into consideration by the relevant bodies during the project assessment and selection process;
- all documents related to the assessment of the application including checklists and the record of the MC decision;
- any other documents requested by the MA relevant to the complaint.

A meeting regarding examination of the complaint might be assembled by the MA no later than 40 calendar days after the complaint was submitted. The JS is invited to the meeting to present the position of the technical examination and to answer possible questions. The MA may decide to invite the Lead Partner for a hearing. The representatives of the JS have the right to respond to the statement by the Lead Partner. The MA may request clarifications from both parties (Lead Partner and JS).

Based on the findings of this assessment, the decision regarding approval or rejection of the complaint will be proposed to the MC. The final decision on the legitimacy of the complaint (if the complaint is justified or to be rejected) is taken by the MC. The decision of the MC is communicated by the JS in writing to the Lead Partner.

The complaint procedure – from the receipt of the complaint to the communication of the MC decision to the Lead Partner should be resolved within maximum 50 calendar days.

The decision of the MC is final, binding to all parties and not subject of any further complaint proceedings within the Programme based on the same grounds.

## IV. PROJECT IMPLEMENTATION AND REPORTING

To implement the project means to carry out project activities. To be able to do this successfully, the partnership needs to:

- monitor progress;
- ensure that quality standards are being met;
- identify and assess the potential problems that can create a risk for the project implementation;
- deal with unexpected situations and manage project changes.

To report means to inform others about project implementation progress. In the project this will happen internally (within the partnership) and externally (from the partnership to the Programme).

Partners will have to provide descriptions, justifications and evidence to the Programme about the activities and related expenditures. They have to do this to confirm that the project is performing according to what was initially agreed in the application form.

### IV.1. Starting the project implementation

Project start and end date will be indicated in the Subsidy Contract signed by the Lead Partner and the MA. Project implementation can start from the date when the MC decision on grant award is communicated to the LP but not later than on the start date as indicated in the Subsidy Contract. The planned start of the implementation of OSIs is 2024.

After the Lead Partner receives the decision on funding from MA, Project partners can prepare and sign the Partnership Agreement, if needed. The Programme does not require to provide signed Partnership Agreement.

A template of the [Partnership Agreement](#) is available on the Programme's website.

### IV.2. Reporting and payment procedure

During the project implementation, all projects have to report on their progress regularly; the reporting covers both the project activities and the financial implementation. The central instrument for the project monitoring is the project report. The main objective of the project reports is to monitor whether projects are on track with implementation (working toward the project overall objective, work package objectives, outputs and results, carrying out communication of activities and achievements, and tracking the budget). The reports have to be submitted in English in JEMS and are subject to management verifications performed by the Control.

The terms 'control' and 'audit' (and thus controller and auditor) are not interchangeable since they have two different meanings as well as implications.

The term 'control' refers to the management verifications performed by the MAJS and the Controllers identified by each participating country. The control ensures the legality and regularity of expenditure declared by the Project partners before the reimbursement of project costs.

The term 'audit' refers to the verifications performed by auditors supporting the Audit Authority. Auditors check expenditure already reimbursed by the MAJS and declared to the European Commission. The auditors perform their checks based on annual samples.

#### **IV.2.1. Control**

Management verifications include checks of accounting records (not applicable for simplified cost options), correctness of calculations and documentation of expenditure. Verification of partner reports is risk-based and proportionate to the risks identified at Programme level. In this process, the controllers verify:

- that the co-financed products and services have been delivered,
- their purchase complies with applicable law (EU, Programme, national),
- the conditions for support of the project have been met.

The MAJS also check that the activities declared for funding have been implemented in compliance with the aims of the project as approved by the Monitoring Committee.

The verification will mainly ensure that expenditure reported by Project partners to the Programme is correct and in accordance with:

- provisions of the subsidy contract,
- the latest version of the approved project AF,
- the EU regulations,
- Programme rules and
- national rules.

Management verifications include:

- administrative verifications of payment claims made by the Project partners; and
- on-the-spot verifications of the projects

Controllers of the Project partners must be chosen according to the provision set by the country where the partner is located and must perform their controls on the basis of the Control system established in that country. Depending on the Control system set up in the country, expenditure related to the Controller can be eligible for funding. In this case it is necessary to include this expenditure into the Project budget already at the stage of applying for financing.

In **Lithuania** a decentralised system is established and the partners will choose the Controller in compliance with national public procurement rules and the national requirements for the Controllers (independent and certified audit companies). Minimal requirements for the Control services can be found in LT Implementing Rules (Order of



the Minister of the Interior N. 1V-375 of 14 June 2023, [www.esbendradarbiavimas.lt](http://www.esbendradarbiavimas.lt)), the cost of conducting the Control should be covered from the project budget. Lithuanian partners should take into account that chosen Controller shall be accepted by the Ministry of the Interior of the Republic of Lithuania (Mol).

In **Poland**, the Control system is centralised. For Polish partners institutions responsible for conducting the control, are Controllers depending on location of Project partner – Voivodes of Podlaskie and Warmińsko-Mazurskie. Polish Partners do not incur the cost of the Controllers. For partners outside the Programme territory, Controller will be assigned by NA.

Contact details for Controllers are below:

<b>Podlaskie Voivodeship Office</b> Department of Government Programmes and European Funds ul. Mickiewicza 3, 15-213 Białystok, Poland	<b>Warmińsko-Mazurskie Voivodeship Office</b> Infrastructure and Estate Department Al. Marszałka Józefa Piłsudskiego 7/9, 10-575 Olsztyn, Poland
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#### **IV.2.2. Complaint against the results of Control**

Complaints regarding the results of the tasks performed by the Controllers, if envisaged, are examined based on the national solutions of the Member State in which the Project partner is located.

Lithuanian partners may file objections regarding the results of the verifications conducted by the Controller pursuant to provisions set in the service contract signed with the Controller.

The Polish Project partner may file objections regarding the results of verifications conducted by the Controller pursuant to Article 27 of the Act on the rules for the implementation of tasks financed from European funds in the financial perspective 2021– 2027.

#### **IV.2.3. Reporting levels**

Reporting takes place at a partner and a project levels. Each partner has to prepare and submit a partner progress report according to deadlines set in Subsidy Contract and in JEMS. After all partner reports are approved by the Control, the Lead Partner consolidates partner reports and submits project progress report. The whole process is conducted online, via JEMS.

Financial reporting of a project is conducted in Euro and the Programme will reimburse ERDF contributions in Euro. All Project partners located outside the Eurozone will convert expenditure incurred and paid in national currency into Euro using the monthly accounting exchange rate of the European Commission in the month during which that expenditure was submitted for verification.

**Reporting at the partner's level** takes place through **a Partner Report**. This allows to inform on activities performed, deliverables achieved and costs incurred by the concerned partner during a certain period of project implementation. The duration of implementation period is 4 months (the last period might be different depending on total project duration).

At the end of each reporting period, partners must submit Partner Report with all supporting documents to the Control in JEMS. The Control will verify compliance of expenditures and activities according to the management verifications framework of the Programme. The Control can clarify any issues and may deduct any expenditure that is considered ineligible. The Control confirms eligible expenditure in a form of the Certificate, which is available in JEMS. The Control may postpone expenditure under question or clarification (for example, in case of suspicion of ineligible costs, etc.) for further checks.

If partner has no costs to report, the Partner Report still has to be formally submitted via JEMS ("zero costs report") by the set deadline.

**Reporting at the project level** takes place through **a Project Report**. After Control issues Certificates for Partner Reports, Lead Partner prepares a Project Report and submits it to the JS via JEMS. It includes information on the achievements of all project activities and incurred expenditures during the respective reporting period. If there are questions about any part of the Project Report during the check, the JS will contact the Lead Partner for clarification or additional information. The JS/MA may withdraw and/or postpone expenditure under question or clarification (for example, in case of suspicion of possible irregularity, etc.) for further checks.

### **IV.2.3. Payment to the projects**

Within 10 calendar days after receiving the Project Report in JEMS, the JS checks the administrative information and the Controller certificates. If no mistakes are found, the MA proceeds to transfer the 1<sup>st</sup> part of payment (70% of eligible approved ERDF costs) to the Lead Partner. Then, after confirmation that the Project Report is completed, the JS sends the approved reports and the payment request to the MA for the 2<sup>nd</sup> part of payment (remaining 30% of ERDF) to be transferred.

The Lead Partner proportionally distributes appropriate amounts between the Project partners, and afterwards must inform the JS about the transfer.

In case costs are to be withdrawn and/or suspended by the JS/MA from Project Report, they are deducted from respective part of payment. In case ineligible costs are detected during the approval of the Project Report, they will be automatically deducted from the total reported eligible costs, therefore the 2<sup>nd</sup> part of payment could be paid less than 30% of the total requested ERDF co-financing.

If ineligible costs, withdrawn and/or suspended, exceed 30% of the requested ERDF co-financing, the 2<sup>nd</sup> part of payment will not be made and the difference will be deducted automatically from the amount of total eligible costs reported in the next Project Report or in case of Project Progress Report for the last reporting period – the recovery procedure will be initiated.

In accordance with the Common Provisions Regulation 2021/1060 Article 74 (1b), partners should receive the total amount of eligible public expenditure due in full and no later than 80 (eighty) calendar days from the date of submission of the Project Report to the JS, however, in case the clarifications or corrections are needed, this period is put on hold until the proper documents are submitted to the JS for assessment.

#### **IV.2.4. On-the-spot checks and project visits**

In addition, **on-the-spot-checks** can be carried out by the Controllers and JS to ensure that the evidence supplied is correct and accurate. For example, on-the-spot-check will confirm whether administrative systems are working well, project documents are in order, and whether there is proof that activities have actually been carried out and that any investments really have been completed and match the descriptions supplied to the Programme.

The JS can also perform **project visits**, where deemed beneficial for Programme implementation. These visits can take place during major or especially interesting events implemented by partners, e.g., workshops, seminars, conferences or other public events to showcase project achievements.

### **IV.3. Modification procedure**

Partners should carefully consider own capabilities for project implementation during the development stage so that modifications in project are avoided. However, unexpected circumstance outside of partner control can happen that require modifications in the project done. There are however several restrictions regarding project modifications:

- Essence of the project cannot be changed;
- There can be no negative effect on the project results;
- Output value cannot be changed;
- Once the requested modification has been approved, the reverse change will not be accepted;
- Decisions regarding different project implementation issues are taken only on the basis of officially submitted request and following requirements and procedures set in the Programme.
- The total project budget cannot be exceeded in any cases.

In case of information only modifications, these changes should be either communicated to the JS by e-mail or shortly described in the appropriate part in JEMS. More detailed information will be developed at later stage.

Please note that all modifications have to be based on reliable information collected from partners, agreed by all partners involved. Modifications can be done only during the project implementation, i.e., between project start and end date.

## IV.4. Irregularities and recoveries

### Scope and definitions

The Treaty on the Functioning of the European Union (TFEU) lays down that 'the Union and the Member States will counter fraud and any other illegal activities affecting the financial interests of the Union'.

The EU regulations give detailed definitions of related terms which can be detected at a Project partner, project or Programme levels:

**'irregularity'** means any breach of applicable law, resulting from an act or omission by a legal entity involved in the project implementation, which has, or would have, the effect of prejudicing the budget of the Union by charging unjustified expenditure to that budget;

**'systemic irregularity'** means any irregularity, which may be of a recurring nature, with a high probability of occurrence in similar types of operations, which results from a serious deficiency, including a failure to establish appropriate procedures in accordance with the Common Provisions Regulation and the Fund specific rules;

**'fraud'** means any intentional act or omission relating to the use or presentation of false, incorrect or incomplete statements or documents, non-disclosure of information in violation of a specific obligation or misapplication of funds for purposes other than those for which they were originally granted, thus affecting the Union's financial interests. Fraud is further divided into three specific types by the Association of Certified Fraud Examiners (ACFE): intentional manipulation, misappropriation and corruption.

Irregularities include fraud. It is the element of intentional deceit, which distinguishes 'fraud' from the more general term of 'irregularity'.

Expenditure that does not comply with the EU or national rules is irregular (an 'irregularity') or ineligible and cannot therefore be declared to the EC as expenditure that qualifies for the EU support. But, if the above-mentioned expenditure is detected by the Controller during their validation procedure, or by the MA/CA/JS during the monitoring, clarification and certification procedure, it does not result in reduction of the value of the Subsidy Contract, because it will be deducted from the payment of the respective progress report and will not be declared to the EC. Consequently, any ineligible

expenditure detected and deducted before the MA/JS declared the expenditure to the Commission will not be subject to the following irregularity procedure.

In the event of irregularities, the procedures listed in the relevant EU Regulations and relevant national rules will be applied, as well as the [Guidelines for determining financial corrections to be made to expenditure financed by the Union for non-compliance with the applicable rules on public procurement](#).

#### **IV.4.1. Irregularity administrative procedure**

Irregularities can be detected on the basis of any information available to: a Lead Partner, Project partner, in respect to its own or other Partner/partner's expenditure, the Controller, the JS, the MA/Body with accounting function, the NA, the AA and to other EU or control bodies authorised to carry out controls. Irregularities can be detected during implementation or closure of a project, as well as after the project end date. Consequently, the irregularities found by different authorities or bodies, e.g., the national auditors, have to be made known to the MA/JS and to the AA as soon as possible. Such notifications have to be in the written form and give details that allow the MA/JS or other bodies to carry out an assessment of the case reported. Furthermore, the information should provide sufficient details to investigate whether the case is subject to irregularity or fraud with all its consequences.

The irregularity detection procedure at the project level is performed:

- in Lithuania – according to the procedure defined in the LT Implementing Rules;
- in Poland – the assessment of irregularity is performed by the Controller.

The decisions on further actions on irregularities (regardless of the country where they have been detected) are taken by the MC. If irregularity has been committed by a PL Project partner, the proposal for the MC's decision on further actions related to that irregularity is prepared in the consultation with the NA.

In cases irregularity has been detected, a "Notification on the detected irregularity" form (Annex 7) should be filled by an institution which has detected the irregularity and sent to the JS. Notification should be submitted through the JEMS or/and by email.

The MA is responsible for the preparation and submission of the quarterly information/quarterly reports to the EC about the detected irregularities or absence of irregularities during the reporting period in Lithuania. In Poland the NA is responsible for providing information on irregularities on Polish side through a unit at the Polish Ministry of Finance, competent within the scope of informing the EC about irregularities in the use of the Structural Funds and the Cohesion Fund, responsible for submission of the quarterly reports or information about the absence of irregularities to the EC. Information about irregularities on the Polish side should be also sent to the MA<sup>5</sup>.

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<sup>5</sup> Regulation (EU) 2021/1060, Article 69(12)

## IV.4.2. Recovery procedure

The MA's recovery procedures will be performed following the requirements set in the national legislation.

There are three ways of recovery suggested by the Rules on Recovery:

1. Recovery of irregular expenditure by transferring funds to the account of the MA.
2. Deducting irregular expenditure from the declared amount in the respective Project Reports if the final payment for the project was not made.
3. Another decision could be taken following the provisions set in other legal acts.

When the MC's decision related to the detected irregularity is taken, the MA will issue the decision on the recovery of funds related to the irregular expenditures and recovery process will be initiated.

The Lead Partner and the MA are not obliged to recover an amount unduly paid that does not exceed EUR 250 (ERDF), not including interest, in contribution from any of the Interreg funds to an operation in an accounting year.

The Lead Partner will be informed about the decision on the recovery in a period of 3 working days by an e-mail and by regular mail that will be send to the Lead Partner's address indicated in the SC. Copy of the recovery information will be sent to the JS.

The basic provision of the procedure for recovery of irregular expenditure for Lithuanian and Polish partners will be established in the SC. Based on it, the MA will request the Lead Partner to recover the unduly paid amounts. The Lead Partner as the next step, will request the repayment of the relevant amount from the Project partner, based on the provisions of the PA.

Following the provisions set in the article 52 of Interreg Regulation, if the Lead Partner does not succeed in securing repayment from other partners or if the MA does not succeed in securing repayment from the Lead or Project partner, the Member State or third country on whose territory the Project partner concerned is located will reimburse the MA any amounts unduly paid to that Project partner. The MA will be responsible for reimbursing the amounts concerned to the general budget of the EU, in accordance with the apportionment of liabilities among the participating Member States as laid down in the cooperation programme.

## IV.5. Project communication and publicity requirements

Communication is one of the project's prerequisite activities, therefore beforehand actual implementation of the project, the Project partners have to plan appropriate resources (financial and human), measures and results to be achieved.

The main objectives of the publicity requirements on the project level are the following:

- a) To inform the society about the project results and benefits;
- b) To highlight contribution of the European Union;

c) To ensure transparent use and assimilation of the European Union funds.

In this relation each Partner must plan the publicity measures which will be conducted during the implementation of the project in relation to its contribution to project activities. Communication is a common responsibility of all Project partners to ensure that the project outcomes will be presented to the public. The ways of doing this may vary depending on the project's target groups and nature of the project, however it must be stressed, that all projects are obliged to disseminate information about the project.

Communication and visibility material including at the level of the Project partners is made available upon request to Union institutions, bodies, offices or agencies and that a royalty-free, non-exclusive and irrevocable licence to use such material and any pre-existing rights attached to it is granted to the Union in accordance with [Annex IX of the CPR Regulation \(EU\) 2021/1060](#). This shall not require significant additional costs or a significant administrative burden for the Project partners or for the MA.

Partners are encouraged to explore the [Brandbook "Cohesion policy communication in practice"](#) prepared by European Commission.

Please note that failing to meet requirements set up in the Programme Manual and "Communication guidelines" might lead to the financial corrections specified in this section under the paragraph "Financial corrections related to projects' publicity".

Information regarding

communication requirements will be shared with all OSI applicants by JS, including instruction with clear visual part. Project partners should be aware of communication

recommendations prepared by the Commission services and summarized in a practical toolbox "[Communicating Operations of Strategic Importance in 2021-2027](#)".

### **Use of project logo**

In order to properly follow the visibility requirements, Project partners have to include the Programme logo, which consists of three elements:

- the [emblem of the European Union](#) presented in accordance with the technical specifications laid down in Annex IX of the EU Common Provisions Regulation 2021/1060;
- the statement '**Co-funded by the European Union**' written in full and placed next to the emblem of the European Union;
- the Programme name '**Interreg Lithuania Poland**' placed next to the emblem of the Union.

**Interreg**



**Co-funded by  
the European Union**

**Lithuania – Poland**

Apart from the Programme logo, no other visual identity or logo can be used to highlight the support from the EU. The creation of project logos or other design elements is not recommended by the Programme and not eligible as part of the project costs.

The Programme logo must be featured on all promotional materials, presentations, print materials, or in any other communication activity that the project organises.

[The \*\*Brandbook manual\*\*](#) for the Programme projects sets out the rules to be observed in the use of the logo, colours, fonts and documents templates. The Programme's brandbook manual can be used voluntarily.

If other logos are displayed in addition to the Programme logo, the European Union emblem (i.e., the flag in the Interreg logo) shall have at least the same size, measured in height or width, as the biggest of the other logos. Please consult the JS in case of doubt about using the logo.

### **IV.5.1. Visibility requirements**

Depending on the nature of the project activities and expenditure incurred each Partner has to implement the following 3 minimum publicity requirements:

1. Each Project partner has to provide a statement highlighting the support from an Interreg fund in a visible manner on documents and communication material relating to the implementation of the Interreg project, intended for the general public or for participants.
2. Every Project partner must display on their organisation's website and social media channels, if the websites and channels exist, the following **information about the project**:
  - The Programme logo, highlighting the financial support from the Programme;
  - A short project description including the project's aims, results and highlighting the received EU funding.

Information published on the organisation's website cannot be considered as an article or a press-release.

It is recommended that the social media post mentions the support from the EU, visually using the brand elements and/or the support is mentioned in the text. These approaches can vary among individual posts.

3. Project partners have to display **durable plaque or billboard** clearly visible to the public, if project includes infrastructure or works, or equipment investments and if the total costs of the project exceed EUR 100,000. Project partners should present the Programme logo and install plaque or billboards as soon as the project with planned physical investments starts, the purchase of equipment starts or purchased equipment is installed.



The EU regulations do not differentiate between a billboard and a plaque. If a Partner sets-up a billboard and wishes to change it to a plaque after the completion of a construction, this can be done as long as the plaque is set up as soon as the billboard is taken down.

Other recommended elements for plaque/billboard are: project name, partner logo(s), short project description, financial contribution, duration, picture, address of the website (if applicable).

Plaques and billboards are to be made of durable material that enables long-lasting display.

We recommend that projects put up a durable billboard or plaque of significant size on the infrastructure or construction, or (if not possible) at a place nearby, that is readily visible and accessible to the public.

**4.** For projects not falling under point 3, Project partners have to publicly display at least one **poster of a minimum size A3** or equivalent electronic display (at partner locations) with information about the project highlighting the support from the Programme. The poster has to be displayed in the publicly visible place such as an entrance area of the building. The poster should present the Programme logo

Other recommended elements for posters: project name, partner logo(s), short project description, financial contribution, duration, picture, address of the website (if applicable).

**5.** Projects whose total budget exceeds EUR 5 000 000,00 should organise **at least one communication event** and invite representatives of the EC and the Programme bodies in a timely manner.

It is advised **to allocate at least 2 %** of the total project budget for communication activities (e.g., posters, display panels, articles, videos, social media campaigns, etc.).

All the materials have to be agreed with the representatives of the JS responsible for communication.

### **Obligations for Polish partners**

Polish partners who carry out tasks financed or co-financed from the state budget or state earmarked funds (fundusze celowe) are required to provide adequate information on this financing or co-financing<sup>6</sup>. In the case of simultaneous implementation of tasks co-financed from European Funds (including the Interreg programme), this obligation is performed regardless of information activities resulting from the provisions of the European Union. Such a combination of various sources of financing may occur when

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<sup>6</sup> Rozporządzenie Rady Ministrów z 7 maja 2021 r. w sprawie określenia działań informacyjnych podejmowanych przez podmioty realizujące zadania finansowane lub dofinansowane z budżetu państwa lub z państwowych funduszy celowych (Dz. U. z 2021 r. poz. 953 z późn. zm.) oraz art. 35 a ust. 1 i art. 35 b ustawy z dnia 27 sierpnia 2009 r. o finansach publicznych (Dz. U. z 2023 r. poz. 1270 t.j. z późn. zm.).

the Project partner's contribution to the project comes from the state budget or earmarked funds (fundusze celowe).

In practice, this means that the Polish Project partner who implements the project from the Interreg program and additionally receives the above-mentioned state financial support must prepare, for example, 2 information boards – one in accordance with EU regulations and the other one on the basis of the regulation of the Polish Council of Ministers.

The Regulation of the Council of Ministers defines the types of information measures, the ways of their implementation, including the deadlines in which they are to be performed, as well as the amount or amounts of financing or co-financing from the state budget or state earmarked funds (fundusze celowe), up to which the information obligation does not arise.

### **Other obligations**

Besides the mentioned obligatory and additional publicity and information measures, each project has to ensure proper delivery and maintenance of the publicity outcomes:

- a. Inform the JS in advance about the upcoming events of the project;
- b. Display the EU flag in the venue of the trainings, seminars, fairs, exhibitions and others events, which are part of and co-financed within the project. On all materials and presentations related to the event, the references must be displayed as instructed above;
- c. Collect the evidence of the promotional activities (copies of publications, photos of events, promotional tools, copies of the press releases with the list of recipients, etc.);
- d. Label the purchased within the project equipment with stickers with the Programme logo. This is to facilitate identification of the equipment purchased with project funding. As there are different needs for the stickers (size, material, etc.) the stickers have to be prepared by the project;
- e. Submit a copy of any publicity or information material together with the Project Reports;
- f. Keep at least one set of the produced information material at the Lead Partner institution for audit purposes.

The public availability of results has to be in line with durability requirements. The basic project information (aims, partners, amount of funding and its source, description of activities) and description of the main results has to be available on the partners' websites (i.e. on the Lead Partner's and Project partner's website and on the project website if such was produced during the project implementation) even after the project closure.

### **Financial corrections related to project publicity**

In case the Lead Partner or the Project partner disregard requirements of the EU and the Programme on publicity, and where remedial actions have not been put into place, the MA shall apply measures, taking into account the principle of proportionality, by cancelling up to 2 % of the support from the Programme funds to the Project partner concerned. For instance, the absence of the Programme logo in the article, on durable plaques or billboards might lead to the financial corrections.

We encourage Project partners to familiarise themselves with the legal requirements and technical specification set out in the EU regulations:

- Article 36 of the [Interreg Regulation](#);
- Articles 47, 49 p. 6 and Annex IX of the [Common Provisions Regulation](#).

#### **IV.5.2. Processing of personal data**

Following the legal framework for Interreg in the period 2021-2027, the Programme management bodies are allowed to process personal data only where necessary for the purpose of carrying out their respective obligations under European Regulations (CPR Regulation (EU) 2021/1060, Interreg Regulation (EU) 2021/1059), in particular for monitoring, reporting, communication, publication, evaluation, financial management, verifications and audits and, where applicable, for determining the eligibility of participants. The personal data will be processed in accordance with the [Regulation \(EU\) 2016/679](#). A Privacy Policy statement informs individuals about the collection and use of personal data at relevant occasions throughout the Programme lifetime, typically: user registration in JEMS, use of the Programme website, registration and participation in events online and in person.

At project level, processing of personal data takes place within the project between Lead Partners and Partners, as well as between Partners and end users, e.g., for a project event, survey, or publication. For this reason, Project partner organisations should take the necessary measures so that project activities are carried out in respect of the GDPR regulation, as foreseen in the practice and rules of their organisations.

The privacy policy refers to the provisions of the General Data Protection Regulation in the framework of the Programme.

The Programme treats carefully all data collected as confidential and use it only under the legal compliance with EU regulations.

All data collected and managed by the Programme, namely accounts, databases of Project partners and newsletter subscribers, event participants, is in strict compliance with the new Regulation (EU) 2016/679, General Data Protection Regulation.

This notice is addressed to the following public:

- Project partners;
- project website creators;
- respondents to surveys of the Programme;

- event participants;
- newsletter subscribers.

### **For what purposes does the Programme store your data?**

The purpose of processing is to fulfil the obligations set out in the legislation related to the use of the grant, and to exercise the public authority granted to the data controller. The data controller manages personal data to a different extent depending on the type and existence of the legal relationship with the Data Subject. Processing includes the data processed in the course of fulfilling the administrative obligations towards the grant management organisations, and data used in project implementation and stored in the project documentation kept on the data controller's site. The data controller processes data that is necessary for the functioning of the Programme. National level coordinator, regional contact point and MC members are nominated by the Member States. Contact data (name, e-mail, phone number) of the national level coordinators and regional contact points, and the names of the MC members are published on the Programme's website.

The Programme bodies, MC members and regional contact points, and persons mandated by the Programme bodies to act on their behalf (e.g., auditors) may also use the personal data collected and published to provide or request information to/from the MC members related to their tasks, the Programme implementation or further development.

The Programme is legally bound by EU Regulation to publicly disclose some information about its projects and partner organisations, namely:

- The list of co-financed operations that includes information on the partners,
- Any information regarding the projects that usually includes references of institutions behind the Project partners.

The scope of the data collected is limited to what is strictly necessary for each purpose, avoiding as much as possible personal information. However, no personal information is collected without the knowledge of the target public.

No data will be shared with third parties outside the Programme, other than the external providers or used for unintended purposes without the express consent and prior notification to the interested individuals.

### **How is the data collected?**

The Programme stores different types of personal data, in several ways:

- E-mail, postal and telephone contacts;
- Newsletters subscriptions;
- Registration for events and trainings;
- Surveys;
- Data collected through the Programme Web platform, JEMS applications' system;
- Data shared with the Interact platform KEEP.eu and other European Union platforms.

## IV.6. Project closure and durability of project outputs

At this phase the project content activities should be completed and all outputs delivered. Project partners take care of the final administrative provisions before the project is over. Factors connected to project closure, work contracts ending and especially the collection of all relevant information for the final report should be planned for.

With the last Project Report, Partners should submit short description of achieved results, and list of **long-term assets** (according to national legislation) that will be used for monitoring of durability of project results.

The project lifecycle formally ends with the closing date of the project; however, the project outputs and results are intended to continue producing value, e.g., being used or enjoyed by the community.

Certain responsibilities of the Project partners do not stop with the finalisation of a project but they continue after the project closure. In particular, you should be familiar with the specific requirements regarding ownership, record keeping and revenue generating.

The Project partners are obliged to repay the ERDF co-financing granted for projects having investment in infrastructure, if within 5 years of the final payment to the Lead Partner the following happen<sup>7</sup>:

- a cessation or transfer of a productive activity outside the NUTS level 2 region in which it received support;
- a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
- a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

Repayment due to non-compliance will be made in proportion to the period of non-compliance. The only exception to this rule is in case of cessation of a productive activity due to a non-fraudulent bankruptcy.

### Availability of documents

All supporting documents related to the project co-financed by the Programme have to be kept at the appropriate level for a 5-year period from 31 December of the year in which the last payment by the MA to the Lead Partner is made. In case of State aid in the project based on the Article 20 GBER, the detailed records with supporting documentation should be kept for 10 years from the date on which the ad hoc aid was granted or the last aid was granted under the scheme. This concerns all supporting documentation and project data, and it should be easily available in case of audit

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<sup>7</sup> Article 65 of CPR Regulation.

procedures. Documents should be kept in form of originals, certified copies, electronically signed documents etc. The 5-year period will be interrupted either in the case of legal proceedings or by a request of the Commission.

## LIST OF ANNEXES

- Annex 1. Description of indicators
- Annex 2. JEMS User Manual
- Annex 3. Project Statement template
- Annex 4. Partner Statement template
- Annex 5. Specific competition rules regarding the award of contracts by Polish Project partners
- Annex 6. Statement on the absence of discriminatory resolutions applicable for Polish Project partners
- Annex 7. Notification on the detected irregularity
- Annex 8. SME Declaration
- Annex 9. Statement by Associated Organisation