Applicant Seminar
3ʳᵈ Call for Modular projects
May 16ᵗʰ, 2019

Expectations for the 3rd Call
For modular projects

3rd Call for modular projects: reminder on key features

✓ Budget of the call: 32M€
  – ERDF: 30M€ (8M€ for priority axis 1 and 22M€ for priority axis 3)
  – IPA: 2M€ (breakdown per priority axis to be decided depending on selection)

✓ Specific objectives (or sub themes) open, on Axis 1 and 3:
  ✓ S.O.1.1 sub-objective "Blue Growth"
  ✓ S.O.3.1 "sustainable tourism"
  ✓ S.O. 3.2 "biodiversity protection"

✓ Type of projects: multi-module Testing&Transfering+ Capitalising

M2+3

✓ Project duration:

Start: 01/11/2019

End: 30/06/2022

Max: 32 months

✓ project budget: between 2.5 and 4 M € in total

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Good job!

Restrictive call: candidates for modular projects
successfully passed the pre-application assessment phase
entitled to submit the full application

116 pre-applications submitted

> 91 eligible and assessed

> 25 selected pre applications

25 applicants for full application

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Expectations for the 3rd call

1. **The partnership**

2. **Feed-back on pre-application phase**

3. **Thematic community involvement**

4. **Expectations per S.O.**

5. **Capitalisation approach**

6. **Communication requirements**

General recommendations on partnership

- Specific attention on the involvement of regional and national level structures, to ensure policy support and mainstreaming of projects results.

- Possibility to revise the Partnership (if low rate or recommendations in pre application assessment)

- A partner of a horizontal project (2nd call) can not participate in a modular project approved within the same specific objective, or sub-objective for S.O.1.1) >partner should withdraw either from the Horizontal Project **or** from the Modular project.

- Direct involvement of **SMEs as beneficiaries (ToRs Axis 1)**

- Protected areas management bodies and authorities responsible of the management of protected areas, as project partners and/or as beneficiaries of transferring activities (ToRs Specific Obj 3.2)

NEW!

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Tips for a good partnership

- **Interests linked** to project objectives and **Committed** partnership

- **Required competences** on board

- **Complementary competences**: balanced mix of institutional / operational / scientific **Result oriented**: Institutions supposed to implement results

- **Capitalisation oriented**: Institutions that can have an impact with transfer and mainstreaming activities for the project topic (Decision-makers in (as PP or AP) for policy change!)

- **Territorially balanced** partnership (partners/country), with a high geographic coverage but keep a aanageable **size** of partnership

- **Sufficient** administrative and financial **capacity (attention to multi-participation): HR and cash flow**

- Balanced involvement (reflected in activities and budget)

Size of the partnership

As a **minimum requirement**, the partnership must involve:

• at least **5 financing partners**

• from at least **5 different countries** from the MED area (EU and IPA countries)

• Among which **4 of the partners located in the Union part** of the MED area = 4 ERDF partners within the MED area

Associated partners

Shall not receive any ERDF or IPA funds

No budget !

- Only possible expenditures: Travel and accommodation expenditures to be borne and claimed by a financing partner

- **Cannot act as service provider**

- Coming from EU, IPA and third countries

- Associated partner declaration to be signed and presented with Application Form annexes

EU (ERDF) Partners outside of the MED Area

Added value and **expertise** to the implementation
Benefit for the MED area
20% of the ERDF budget of the operation

NEW!

Confirmation of eligibility before approval
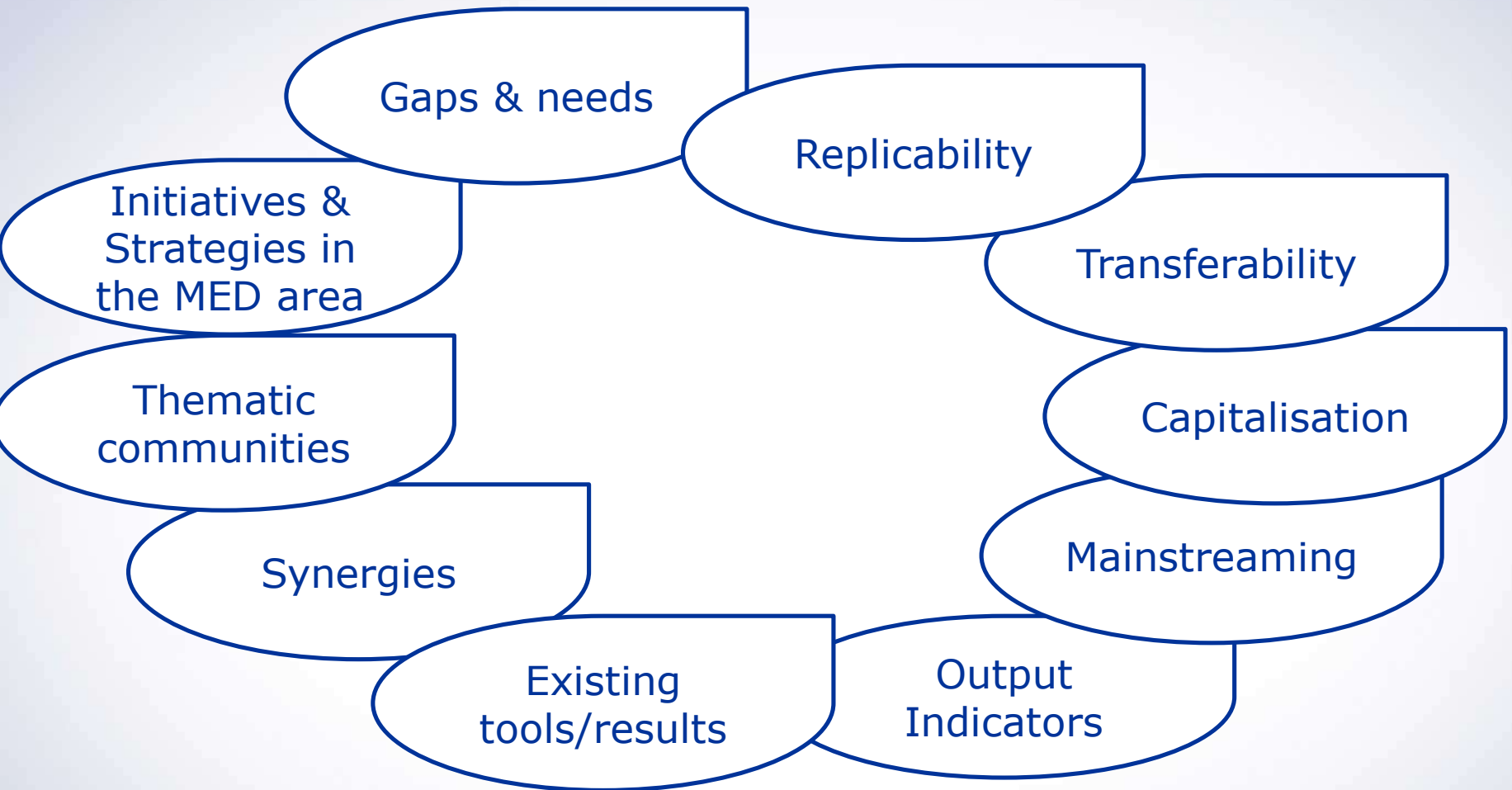**Agreement** between MED MA and the relevant EU country after approval*

➡ * In case of failure, the concerned partner will be excluded from the project. **No Agreement can be signed with German and Austrian authorities anymore**

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Expectations for the 3rd call

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5. Capitalisation approach

6. Communication requirements

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General expectations for this call (reminder)

Gaps & needs

Replicability

Initiatives & Strategies in the MED area

Transferability

Thematic communities

Capitalisation

Synergies

Mainstreaming

Existing tools/results

Output Indicators

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On the basis of pre-applications, attention should be paid to…

Project's context (relevance and strategy):

✓ Link project territorial challenges to the ToRs and specific focus of the Call

✓ Reference and specify concrete contribution to all levels of policies

✓ Specify concrete use of available knowledge and existing results and practices

Cooperation character

✓ Demonstrate transnational approach and transnationality of activities

Project's contribution to programme's objectives, expected results and outputs

✓ In the Intervention logic: be concrete and direct

✓ Clarify objectives – results - outputs (deliverables)

✓ Contribute to Programme output indicators

✓ No studying module! Only limited preliminary studies

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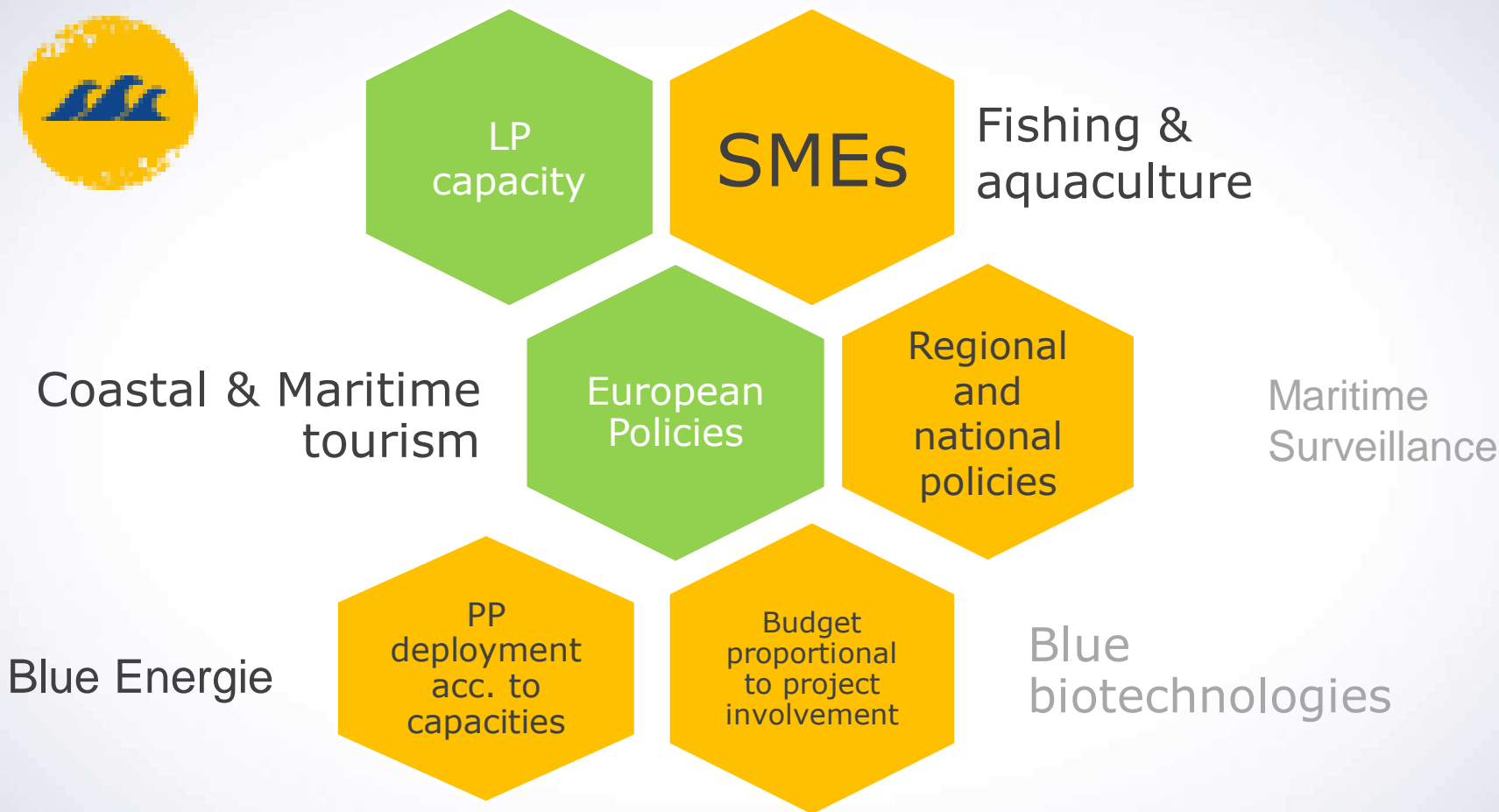
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Ongoing projects – Axis 1 – Blue Growth

HP InnoBlueGrowth
Blue Growth

7 **projects**

M1

M1+2

M2

M2+3

M3

M1+2+3

iBLUE
MAESTRALE
PROteuS

PELAGOS
4helix+

3rd call
projects

MISTRAL

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Ongoing projects – Axis 3 – Sustainable Tourism

HP BleuTourMed_C3
Sustainable Tourism

18 **projects**

M1

M1+2

M2

M2+3

M3

M1+2+3

ShapeTourism
SIROCCO

DestiMED
ALTER ECO
TOURISMED

COASTING

**INHERIT
HERIT-DATA**

BLUEISLANDS
BLUEMED
CASTWATER
CO-EVOLVE
EMbleMatiC
MEDFEST

CONSUME-LESS
MEDCYCLETOUR
MITOMED+

3rd call
projects

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Ongoing projects – Axis 3 – Biodiversity Protection

HP PANACeA
Biodiversity Protection

12 projects

M1

M1+2

M2

M2+3

M3

M1+2+3

ConFish
POSBEMED
ACT4LITTER

AMAre
MEDSEALITTER

EcoSUSTAIN
MPA-ADAPT
WETNET

FishMPABlue2

PHAROS4MPAs

PlasticBustersMPAs
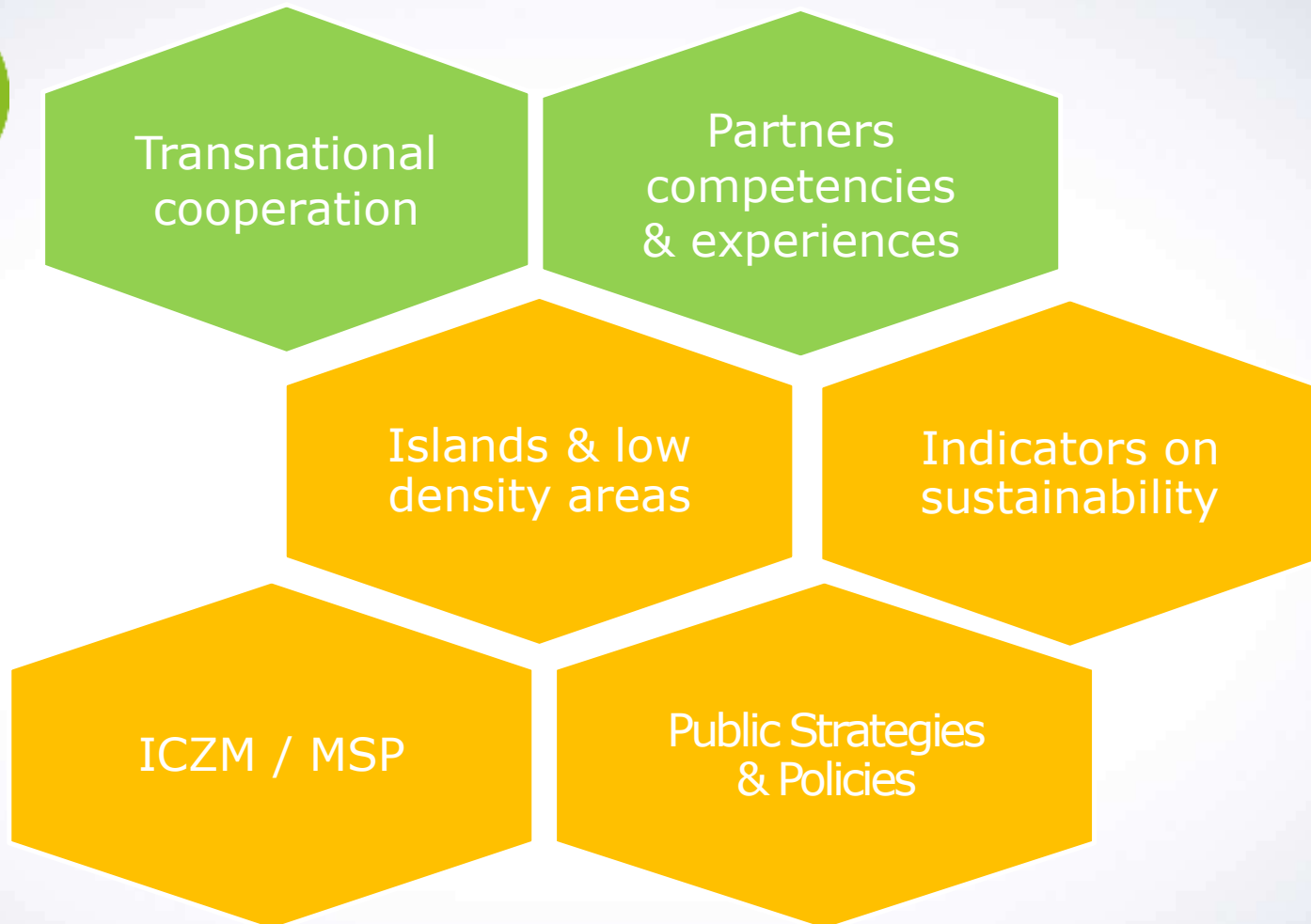
3rd call projects

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Expectations S.O.1.1 'Innovation' sub-theme « Blue Growth »

Expectations S.O.3.1 Sustainable tourism

Transnational cooperation

Partners competencies & experiences

Islands & low density areas

Indicators on sustainability

ICZM / MSP

Public Strategies & Policies

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Expectations S.O.3.2 Biodiversity protection

- Marine Protected Areas
- Joint Governance Plans
- Replicability of existing tools
- MPAs conservation in territorial development strategies
- Coordination with relevant networks initiatives strategies in MED area
- Involvement of institutional partners

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Capitalisation in MED

❖ It's not new : **+/- 10 years old !**

❖ **It derives** form:

    1) the Interreg **MED *Strategic* Framework**

    2) The Interreg **MED programme architecture**

❖ *Echoes the MED projects' Capitalisation WPs*

❖ Builds on the *compelling rational* for ETC programmes to **'*focus on results'***

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What is Capitalisation ?

General definition:

"systematic collection, analysis, dissemination"

MED definition:

⇨ **Project level:** *"continuous learning process shaping all aspects of a project life-cycle"*

⇨ **Programme level:** "build upon acquired experience & *take further* existing assets"

A highly participatory process to leverage local/regional policy change

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MED Capitalisation (I)

❖ *New **projects'** typology : M+I+H*

❖ *New programme architecture* (projects' links)

MED ➔ double Capitalisation Focus

Thematic level

Territorial level

Programme Capitalisation

Field Cooperation
Modular Projects =
Field Capitalisation

Thematic ***Communities***
Horizontal Projects →
Thematic Capitalisation

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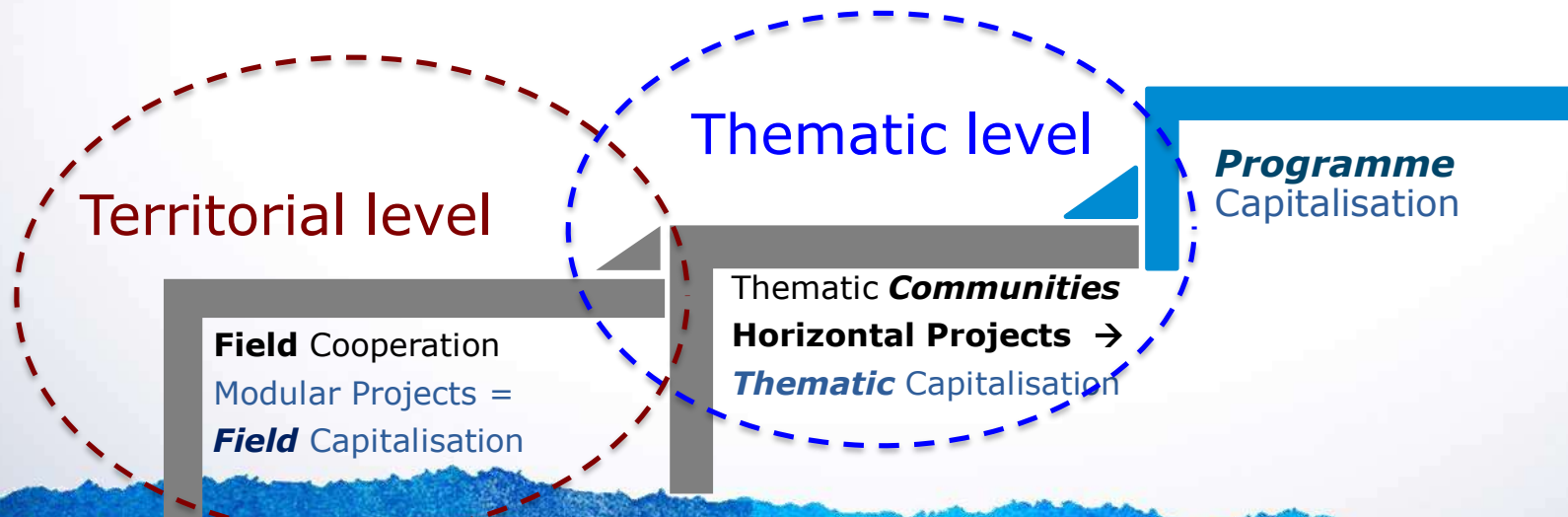
MED Capitalisation (II)

▶▶ *a highly participatory process !*

▶▶ *made up of Joint Cooperation "steps":*

❖ *STEP 1: Joint test & transfer preparation*

❖ *STEP 2: Joint pilots' testing*

❖ *STEP 3: Joint assessment*

❖ *STEP 4: Joint transferring*

❖ *STEP 5: Joint revision / adjustment*

❖ *STEP 6: Joint consolidation ➔ capitalisation*

MED Capitalisation (III)

‣ *Not a serial of "isolated steps" but*

‣ *A **dynamic sequence** of jointly implemented activities (proactive stand) setting up the project's participatory process towards capitalisation*

Stepping Up towards Capitalisation

❖ *Securing a "Capitalisation Responsive environment" right from the start* ☺

➔ Engage with:

✓ **End-users**

✓ **Competent authorities / policy makers**

➔ Create *incentives* for target groups to *support* you

❖ *Deploy proactive communication to back the transfer & capitalisation processes*

➔ Establish early & strong *links* with key stakeholders

➔ Build *consensus* on evidence based policy proposals

"Policy Change" ≠ *Agreement set in STONE* ☹

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Communication strategy

All levels in a consistent interactivity

- Modular projects level

- Thematic communities /horizontal projects level

- Transnational / Programme level
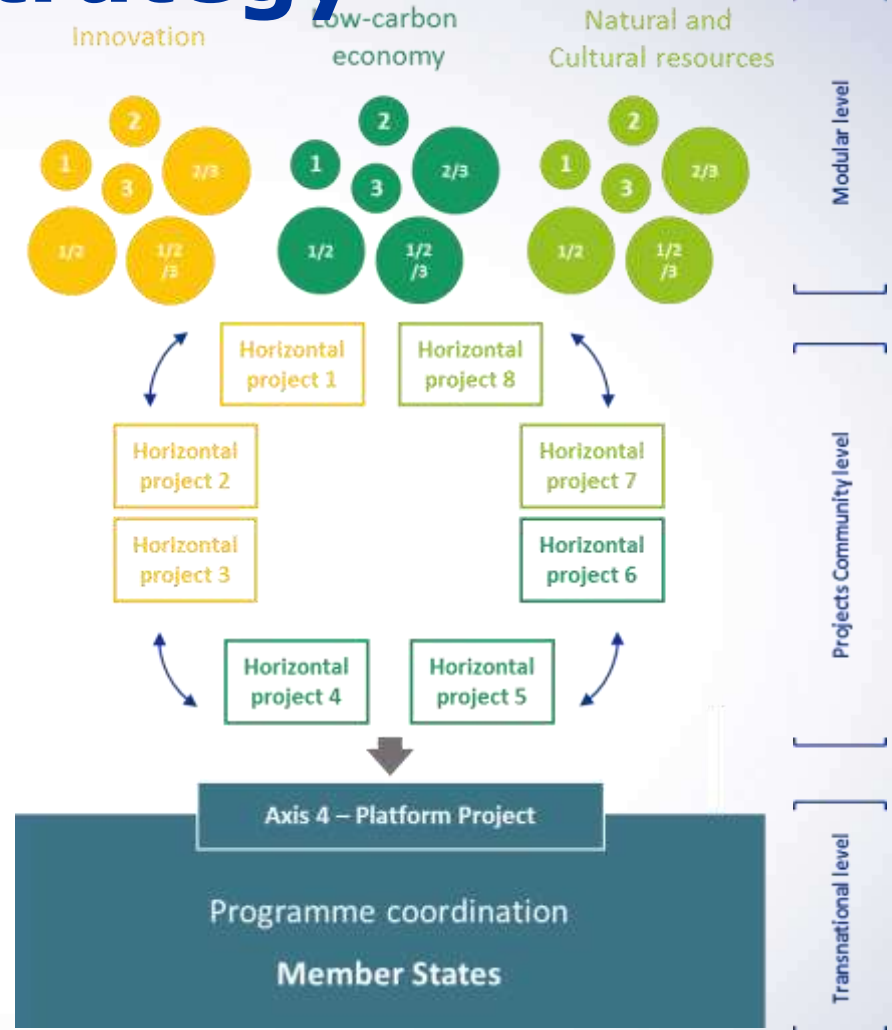
Communication strategy

- **Application form**:
  Summary of communication strategy
  (1 or 2 pages): possible lines of
  action; minimum activities; main
  targets; tools / channels
- Connect your project specific
  objectives with communication ones
  (Good Process)

- **After project approval**: complete
  communication
  plan 6 months after

  Examples of communication activities:
  social media, stories, end users testimonies,
  videos, advocacy
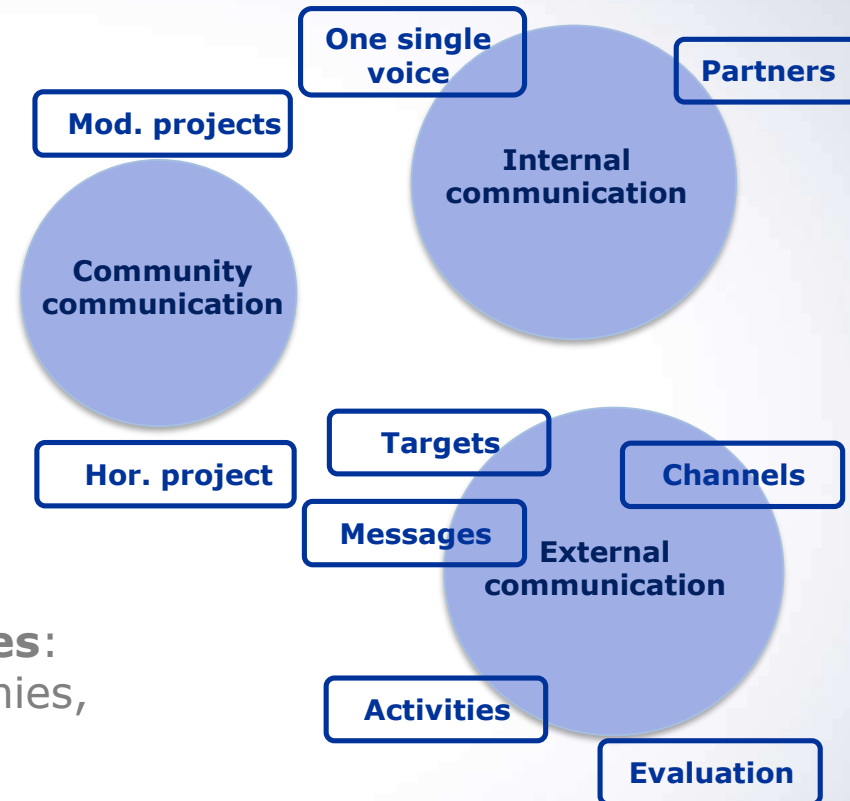
  For further details on com activities, have a look at
  the Project communication factsheets of the Manual

One single voice

Partners

Mod. projects

Internal communication

Community communication

Targets

Hor. project

Channels

Messages

External communication

Activities

Evaluation

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Communication strategy

What other resources?

Financial and human resources:
- to ensure the project participation in Programme events, external and horizontal project events
- For communication campaigns or activities
- For project website management
- For a newsletter tool (if necessary)

➡️ **Please keep in mind**

In no case, no financial resources should be allocated to:
- the development of a logo
- nor a website. For the website, exceptions can be made if it is the core of the project and it is strictly justified in the application form.

Branding of the projects

European
Cooperation

European
emblem

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Mediamer

Programme

Community/Project

➔ **One joint logo for
the Interreg MED
Community**

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Icons of the thematic communities

INNOVATION

Blue Growth

Green Growth

Social&Creative

ÉCONOME À FAIBLES ÉMISSIONS DE CARBONE

Efficient Buildings

Renewable Energy

Urban Transports

RESSOURCES NATURELLES ET CULTURELLES

Biodiversity Protection

Sustainable Tourism

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Objectives

- To **concentrate** the development and hosting of project's web sites

- Save human and financial resources

- To offer each project a **modern website**

- **Responsive design**;

- **Branded** with the thematic colour;

- **Technology**: TYPO3, version 7 LTS, launched in 2015

Projects websites

Horizontal projects

Modular projects

Features

What can you do with the project website?

- Publish **news**
- Launch **events**
- Make a complete **search**
- Create **surveys** and **forms**
- Publish FAQ, glossary, tutorials
- Embed in your pages the access to external platforms through **Iframe**

➡ **Many possibilities of collaboration and coordination**

How can you collaborate in the Platform?

- You'll have a **profile (account)**…
- and an **internal area** where you may participate or create **discussion groups**, share **documents**, **subscribe** RSS feeds, news and events from other sites
- You will **upload your deliverables**

➡ **No website unless these features do not meet your project's needs**

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THANK YOU FOR YOUR ATTENTION AND PLEASE FOLLOW US ON:

www.interreg-med.eu

Twitter **@medprogramme**

Facebook **@interregmed**

Typology of Work Packages

Transversal Work Packages

- WP0 Preparation
- WP1 Management
- WP2 Communication

Module 2 + 3 (pro-rata)

Thematic Work Package

- WP3 Testing
- WP4 Transfering

Module 2

- WP5 Capitalising

Module 3

Pre-defined WPs & types of activities

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Work Packages: the timeline
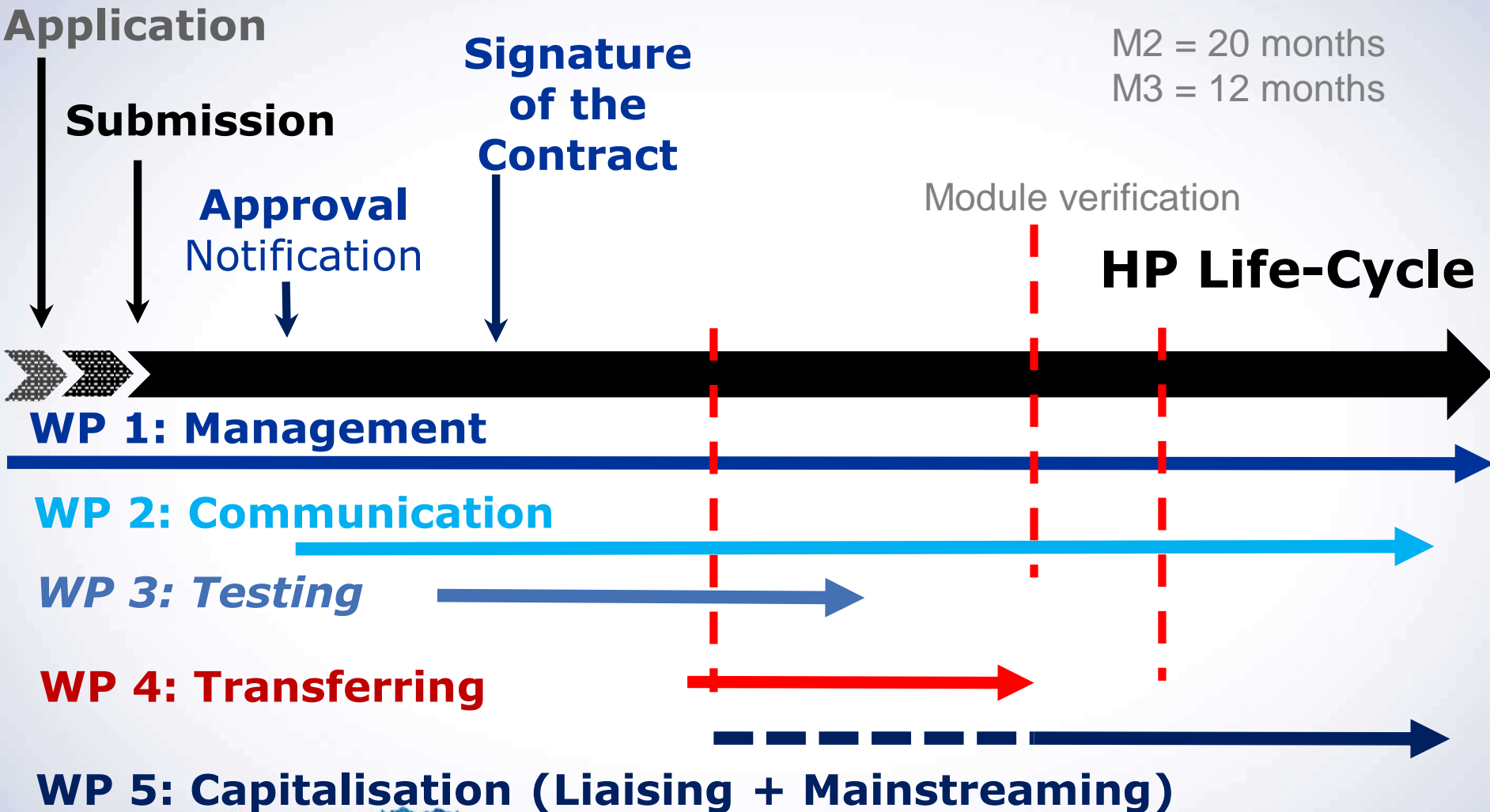
The Work Plan
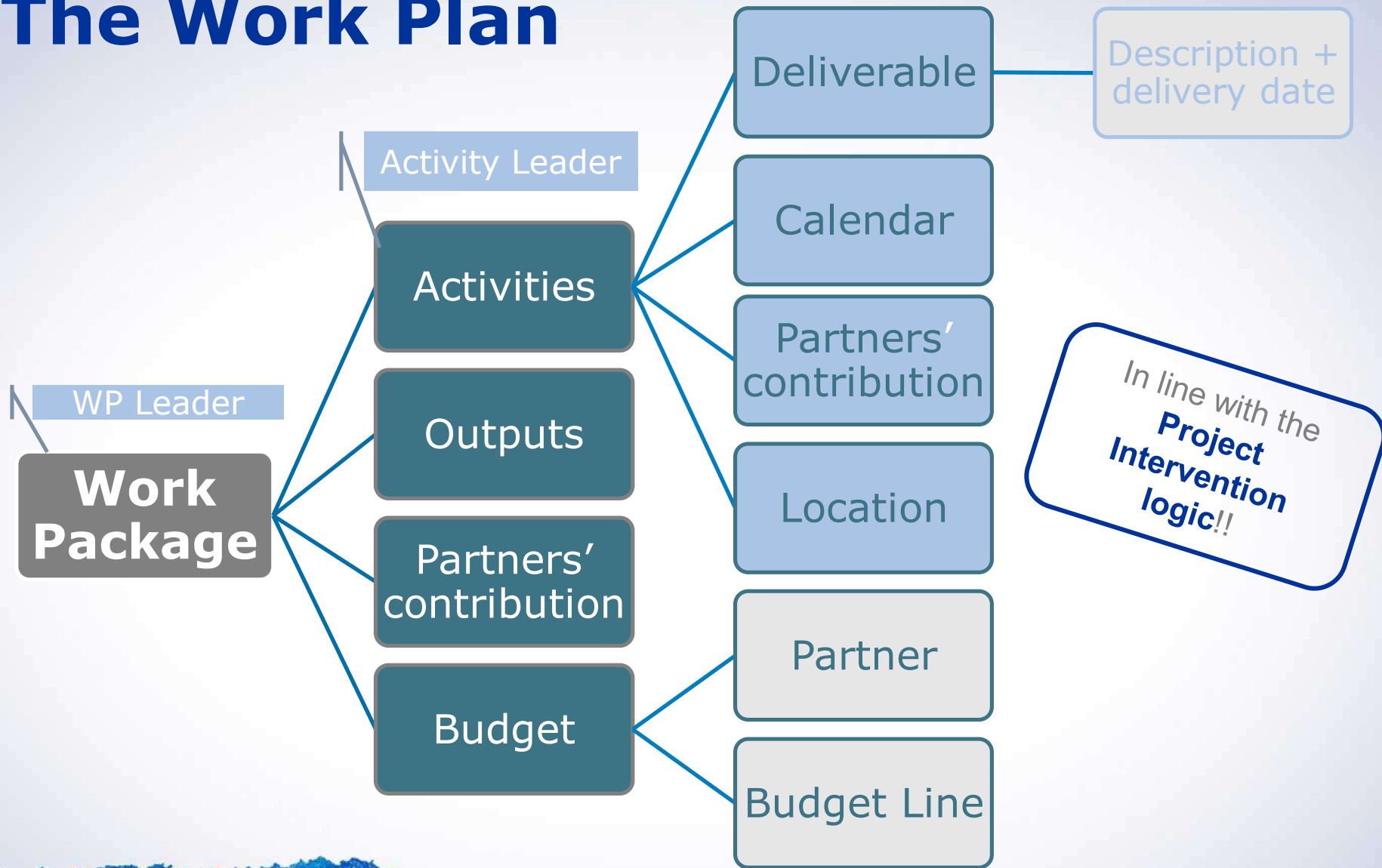
Types of activities per WP

- **WP Preparation:** preparation & submission of AF

- **WP Management:** Project administrative and financial management; reporting; partnership coordination; projects' meetings; project evaluation

- **WP Communication:** (internal & external) website content creation & update; social media animation; delivery of information and information exchange;

    In coordination with HP and the Programme

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Types of activities per WP

- **WP Testing:** testing, simulating, evaluating processes/techniques/models/tools/methods/services (existing / adapted ones)

- **WP Transferring:** transferring tested processes/techniques/models/tools/methods/services; transferring knowledge/ Know how / expertise

FOCUS on transfer modalities and effective transposition / transfer to ensure replicability

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Types of activities per WP

- **WP Capitalising:**
  - Mainstreaming results
  - Liaising activities

Systematising knowledge; lobbying and advocacy; creating synergies and cooperation mechanisms

At project level, in cooperation with thematic community.

Action at local / regional level, with a transnational approach

Procedure for the
Full application phase

3rd call for modular projects – modalities

- **2 steps** for application

  Submission of the **full application 02/05/2019 – 27/06/2019**:

- **Additional time for uploading** stamped and signed annexes in SYNERGIE : 11/07/2019 (12:00, France local time)

- **Courtesy version** of the **project's A.Form** available on the Interreg Med website

- **Eligibility and Assessment grids:** to be taken into account for preparing your proposal and making a pre-assessment

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On-line tool SYNERGIE CTE

- Full application Submitted by **27/06/19 (at 12:00 , France)**
- Annexes to be **uploaded by 11/07/19 (12:00, France)**

Submission full application

Assessment : July to September 2019

Administrative and eligibility criteria

- Criteria presented in the check grid available in the Application pack
- **Results of the eligibility check : August**

Steering committee decision Information to LP

Assessment of the application

Selection : October 2019

Steering committee decision Information to LP

Project starting

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Novembre/ 2019

Application procedure: 100% Online application

- Fill-in your application form on SYNERGIE CTE
- Validate it (deadline 27/06/19!)

- Print and sign the confirmation page of the A.Form section E (mention "submitted version" on the right top of the page)

- **Upload** the requested signed documents **correctly named** (deadline 11/07/19!)

  - ✓ Application form confirmation page (Section E) dated stamped and signed by the LP
  - ✓ Partners declarations per each partner and the LP
  - ✓ Associated Partners Declarations

- Check the quality and **readability** of uploaded documents

- Your application is submitted to the JS !

- Keep the **original documents on LP premises**

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Administrative and eligibility check

List of **administrative and eligibility criteria** included in the Application pack

↓

Proposals failing in any of the criterion will be regarded as non-eligible and **eliminated**

MAIN ELIGIBILITY PROBLEMS IN THE PAST

- Application form not validated correctly on Synergie CTE (A.1)
- Compulsory Med templates have been modified (A.2)
- Annexes are missing; not duly filled in; signed or stamped (A.1, A.2, A.3)

Budget requirements

Some budget thresholds must be respected:

- the most important **partner**: 30% of the total eligible budget (ERDF + IPA + national co-financing)
- the most important **country**: 40% of the total eligible budget (ERDF + IPA + national co-financing)

> SYNERGIE CTE will block the submission of proposals not observing those limits.

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TIPS to avoid ineligibility of proposals!

- **Part E of the Application Form:** be completed and signed after its electronic submission in the system (PDF version to be extracted, printed, signed and scanned and uploaded on SYNERGIE Cf. step 13 of SYNERGIE guide)

- **DO NOT MODIFY templates!!!!!!**

- LP and Partners' declaration : **specific templates (role in the project!)**

- All empty spaces filled-in, **coherent** with the data from the A. Form

- <u>Delegation of signature:</u> **proof** attached to the A.Form in case of discrepancy between the name of the signatory and the legal representative

- Project duration in the ToRs + Minimum requirements for partnerships

USE THE lists and assessment grid included in the PACK!!!

Contents of the full application form

- To be filled-in in the project's language (FR or EN)
- Highly recommended to redact some elements in both languages (WP titles, short description, partners name)

Before starting check the courtesy version of the project's A.Form !!!

LIST OF CONTENTS

PART A - Project summary
A.1 Project identification
A.2 Project short description
A.3 Project budget summary
A.4 Project partners overview
A.5 Project MED community and statistic information

PART B - Project partners
B.1 Project partners
B.2 Associated partners

PART C - Project description
C.1 Project relevance
C.2 Project focus
C.3 Project context
C.4 Horizontal principles and evaluation
C.5 Work plan per work packages
C.6 Activities outside the programme area
C.7 Indicative time plan
C.8 External expertise and services, Equipment

PART D - Project budget
D.1 Project budget co-financing source (fund) - breakdown per partner (one for ERDF and another for IPA)
D.2 Project budget - overview per partner/ per budget line
D.3 Project budget - overview per partner/ per WP
D.4 Project budget - overview per WP/ per budget line
D.5 Project budget - overview per partner/ per module
D.6 Net revenues
D.7 Origin of partner contribution
D.8 Partner budget - overview per WP/ per budget line
D.9 Project budget - overview per semesters

PART E - Lead Partner confirmation and signature page

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Assessment of projects proposals

All sections of the A.Form should be filled in a clear and understandable way

Full assessment of the project's proposals

- ➢ Strategic assessment criteria: 4 main questions identified in the evaluation grid for the project's assessment
  - Context,
  - Transnationality,
  - Logical framework,
  - Partnership

- ➢ Operational criteria: 4 main questions for the project's assessment
  - Management
  - Communication and Capitalisation
  - Work plan
  - Budget

  > The minimum total score needed: 75/100

Cf. Quality assessment grid : A.Form sections and corresponding sub questions!

Good things to do!

- Read carefully your specific ToRs and the Programme Manual

- Use the « list of administrative and eligibility criteria » and the specificities of the ToRs to make a self assessment

- If you already have an access to SYNERGIE, use the same one for creating your proposal

- If your partner's organizations are already registered on the Synergie database, use their ASP reference code (list available on the application pack) to add them easily to your proposal

- ~~Double~~ **TRIPLE** check all documents uploaded, their readability and their content and **ANTICIPATE** the deadlines!

- In case of doubt, please contact the Joint Secretariat (programme_med@maregionsud.fr)

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Project's starting

- Clean up phase: consolidation of the A.Form + Conditions, Milestones and Indicators, update documents and administrative information, minor technical issues or adjustments

- Contractual phase

- FLC selection!!!

- Identify eventual Public procurements to be launched

- Operational coordination team for each PPs : contact updated, staff appointed !!!!

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More information

Eligibility of expenditure
Programme rules

Main difficulties in building the project budget

- Staff costs and External experts categories
- Changes in staff bring along changes in administrative costs
- Cost category Equipment -> pay attention to the specificities of each sub-category!
- In house companies (External expertise)
- Budget lines or Working Package with empty budget

- ➢ **No budget modification is allowed during the first year of project implementation!**
- ➢ **Anticipate partner's needs and internal rules!**

Tips for a good budget proposal

Horizontal principles
Economy + Efficiency + Effectiveness

➢ Budget to be **agreed and built with the rest of your partnership**

Full application: detailed information and detailed budget per partner structured per budget line and work-package

➢ Shall **reflect the work plan,** i.e. outputs, activities and deliverables planned in order to achieve the intended results

➢ In proportion with **partners participation** in the different Work packages

➢Think about **human, administrative and financial capacities**

➢Plan enough resources to have a **Communication responsible**, **internal evaluation** and **Communication strategy**

Eligibility of expenditures

- **Simplified costs options:**
  - Overheads = flat rate (15% of the Human Resources)
  - Preparation costs = lump sum (30.000 €)

- **Commission Delegated Regulation (EU) No 481/2014**
  - 5 Budget Lines
    - Staff costs
    - Office and administrative expenditure
    - Travel and accommodation costs
    - External expertise and services costs
    - Equipment expenditure

  - Exhaustive list of eligible expenditures for each Budget Line in the Manual
  - Sub-Budget lines cannot be created
  - New general principles for the **justification of staff costs**

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Eligibility of expenditures - timing

Projects duration:
November 1st 2019 and ending date June 30th 2022 (32 months max!)

Implementation costs:
Engaged, invoiced and paid out between: the date of project approval (Program Steering Committee decision) - date of project closure: June 30th 2022.

Implementation costs **MUST be paid out before the June 30th 2022!**

Closure administrative expenditures:
Only costs to be claimed related to First Level Control and staff costs may be engaged and **paid out before the June 30th 2022***.

NO additional time for closure costs!

*Date of closure for programme expenditures

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Preparation costs – Lump Sum

- Lump sum **30.000€** (25.500€ ERDF) to cover preparation costs

- **Not automatic**: breakdown per partners to be included in the Application Form

- **Only ERDF partners** are entitled to budget and claim preparation costs. Not available for IPA partners

- **Co-financing** rate to be applied per partner

- No possibility for projects to opt for **real costs**

- **No need** to report on activities and/or to produce further documentation

Budget line 1 – Staff costs

- Staff employed by the beneficiary for implementing the project, already employed by the beneficiary or contracted specifically for the project

- It includes **salary payments + any other costs directly linked to salary payments supported by the** beneficiary

- Calculated **based on real costs** using <u>compulsorily</u> one of the methods established by the Programme

- Should **not exceed** 40 % of the project total eligible budget

- Each partner must choose the **staff calculation method** to be applied for each employee involved in the project implementation

Budget line 1 – Staff calculation methods

- **Method A**: the employee dedicates 100% of the working time to the project.
  Staff costs = total of the gross employment cost

- **Method B**: the employee dedicates a fixed percentage of the working time to the project.
  Staff costs = fixed percentage x monthly gross employment cost

- **Method D**: the employee is contracted on an hourly basis and dedicates a certain number of hours to work on the project.
  Staff costs = number of hours worked on the project x hourly rate stated in the employment document

For part-time staff, **ONLY Method B** : fixed percentage of the gross employment cost (No time-sheet, same % for the full semester)

Budget Line 2. Office and administrative expenditure

- Represents **15 % of eligible staff costs**

- Automatically calculated by SYNERGIE CTE after validation of the staffs costs by the FLC

- It covers all the operating and **administrative** expenses of the structure (e.g. rent, utilities, maintenance, equipment for general office use, phone, bank charges, etc…)

- No need to provide **supporting** documents. No calculation method required

Direct costs falling under this budget line are not eligible

Budget Line 3.
Travel and accommodation costs

- Expenditure on travel and accommodation of the **staff of the partner institution** for missions

In the case of travels **outside of the MED area**:
   – indicated in the approved Application Form
   – authorised by the MA/JS **prior to the travel purchasing**

- Plan enough resources to **participate to Programme events**, specific thematic events, to interact with the Horizontal projects

Budget Line 4.
External expertise and services costs

- Costs of external expertise and services provided by a **body outside of the partner organisation** (e.g. studies and surveys, translation, promotion and communication, services related to meetings and events, audits, travel of experts):
  - ➤ Sub-contracted
  - ➤ In-house companies

- Full respect of EU, Programme and national (including stricter institutional) **public procurement rules** and compliance with the principles of transparency, non-discrimination and equal treatment.

- **Travel and accommodation** costs of persons outside the partner organisation: external expertise and services providers, associated partners, in-house companies staff, and invited speakers, chairperson of meeting.

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Budget Line 5. Equipment Expenditure

- **Equipment for general office** use as computers, office furniture, printers, telephones, cameras, etc. necessary for the implementation of the project and used exclusively for project purposes.

- **Thematic equipment** directly linked to (or forming part of) the project thematic activities, which will be used for the project implementation by beneficiaries and target groups in line with the project objectives.

- **Small scale investment** as facilities or infrastructures of limited size or scope, which are essential to the successful implementation of a pilot activity.

- Need to **be specified** in the Application Form or previously approved by the JS, before the expenditure is done

- A **compulsory template** to prove the exclusive use of the equipment in the framework of the project **is provided by the Programme**

- The existence of equipment for **general office use** should be verified in the framework of **on-the-spot verifications** performed by FLC

More info @ -> Programme Manual -> Factesheet "Eligibility of Expenditures"
-> Chapter "Budget Line 5. Equipment Expenditure"

Equipment Expenditure: Resuming table

	Equipment for general (office) use	Thematic equipment	Small scale investment
Definition and examples	Tools and devices purchased or already in the possession of a partner necessaries for the daily work of the project staff and/or need for carrying out certain specific activities	Tools, devices and goods purchased or already in the possession of a partner, linked to (or forming par of) outputs necessaries for the successful implementation of a pilot activity	Facilities or small infrastructures of limited size or scope necessaries for the successful implementation of a pilot activity.
Examples	Computers, office furniture, printers, telephones, cameras, IT hard and software, etc.	Tools and devices: Technical IT software, devices, laboratory equipment, Goods: fuel to run the equipment, planting seeds, animals, chemicals for a research activity, fluids, oxygen, metals, etc.	Light structures, space arrangement.
Exclusive use	Yes	Not necessary	Yes
Amount to be claimed	In full, according to a depreciation plan	In full (exclusively use) or pro-rata (shared use with other projects), according to a depreciation plan	In full, no depreciation plan needed
Activities linked to	Management WP	Content-related WP	Testing WP – Module 2
Timing	Purchased at the beginning of the project	Based on the calendar established for the related project activities	

Public Procurement - Outsourcing

- Main difficulties for project's starting!

- All partners, public and private

- No sub-contracting between project partners or associated partners is allowed

- Detailed information to understand the activities foreseen

- Any external expertise expenditure above 30.000 € not foreseen in the Application Form MUST then be validated in advance by the JS

Anticipate needs and administrative capacity of your structure!!!!

State Aid Rules

Every single partner has to declare in the Partner Declaration if it carries out **an economic activity in the project**

YES

Undertaking offering goods and services on the market regardless of its legal status (public/private, profit/non-profit)

The main element to take into account is the **nature of the activities** that the partner intends to implement through the public funding project.

CHOOSE

Art.20 GBER*
Only SMEs

50% ERDF
Max 2M € ERDF funding

De minimis

85% ERDF
Max 200K € funding (France)

Fill in the corresponding De Minimis Declaration only if necessary

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AVOID THE RISK OF STATE AID

Circumstances to be avoided (non-exhaustive list):

- Risk of selectively favor certain undertakings or production of certain goods;

- Distortion or threaten to distort competition;

- Affection of trade between Member States.

Solutions to be provided in order to avoid these circumstances:

- Wide dissemination of project outputs results and deliverables to avoid selective advantage;

- Open source software;

- Open trainings.

Does not fall under the state aid scheme activities having passed public procurement

Net revenues

Cash in-flows **directly paid by users** for the goods or services provided by the project, such as charges borne directly by users for the use of infrastructure, sale or rent of land or buildings, or payments for services.

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Any **operating costs** and replacement costs of short-life equipment incurred during the corresponding period

- Eligible expenditures shall be reduced according to the net revenue generated by the project both during its implementation as well as until three years after its completion.

- Expected net revenues, generated during the project implementation and after completion, are to be **indicated in the budget of the Application Form** in order to offset the corresponding Union contribution

Multi-modular approach

- The multi-modular projects will undergo a **verification** from the JS/MA before passing from one module to the other

- Every module has its own **budget** -> Working Package of the module + part of the Communication and Project Management Working Package

- The LP provides a specific "**Module Report**" to be validated on line -> confirm the achievement of the expected milestones and justify any deviations from the Application Form, if any

- The verification focuses in four main aspects of the project implementation:
  - the involvement of all the project **partners** in the activities of the project
  - the level of **expenditure** (at least 75% of foreseen payments, of which at least 50% certified) and respect of the cost eligibility
  - the availability and quality of **deliverables**
  - the respect of the **timing** in the implementation of the activities

- For 2014-2020 programmes, partnerships who decide to carry out multi modules projects must recruit an "**External expert**" to assist the Lead Partner and the partners in successfully implementing their project and anticipate any difficulties that could prevent the transition from one module to another

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De-Commitment on Programme

Article 5, paragraph 5.1 of the Subsidy Contract (SC) :

"Should the LP submit a request for reimbursement lower than the (…) forecast, there is no guarantee of availability of the certified ERDF/IPA amount(s) for the (…) periods".

In case the LP requests fewer funds on behalf of the project partnership than the budget commitments indicated in the Application Form (AF) spending targets table, available there and in the Article 5 of the SC, the following rule shall apply: if less than 80% of the spending target (ERDF tranches to be requested per reporting period as indicated in the annex) is met, the difference is to be considered as "under risk" and might be lost if the Programme experiences a de-commitment of funds."

The programme's total expenditure is mainly composed by the project's expenditures

De-commitment on project

The risk of facing a de-commitment during project life time can be reduced by considering the following:

- the financial plan of the project, especially the budget distribution in time shall be defined carefully
- the financial performance of the project partners shall be monitored closely and regularly by the LP

Reference period	Expenditure forecast per period of implementation (€)			
	Total eligible (€) of partners ERDF	ERDF	Total eligible (€) of partners IPA Funding	IPA
Semestre I (du 01/07/2019 au 31/12/2019)	168 800,00 €	136 786,25 €	15 550,00 €	13 217,50 €
Semestre II (du 01/01/2020 au 30/06/2020)	405 120,00 €	328 287,00 €	37 320,00 €	31 722,00 €
Semestre III (du 01/07/2020 au 31/12/2020)	506 400,00 €	410 358,75 €	46 650,00 €	39 652,50 €
Semestre IV (du 01/01/2021 au 30/06/2021)	573 920,00 €	465 073,25 €	52 870,00 €	44 939,50 €
Semestre V (du 01/07/2021 au 31/12/2021)	708 960,00 €	574 502,25 €	65 310,00 €	55 513,50 €
Semestre VI (du 01/01/2022 au 30/06/2022)	1 012 800,00 €	820 717,50 €	93 300,00 €	79 305,00 €
Total	3 376 000,00 €	2 735 725,00 €	311 000,00 €	264 350,00 €

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THANK YOU

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Practical exercise on building a budget

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The exercise

The Excel pages presented draft the budget of an hypothetical application form with 13 ERDF partners (including LP) and 1 partner from IPA countries.

1. Which aspects seem to be a sign of incoherence, unrealism or maladjustment to modular project general characteristics?

2. Why?

3. What would you recommend to improve the proposal?

15 minutes

D.1 Project budget co-financing source (fund) – breakdown per partner

- Concentration in one single territory
- Project partner with wrong co-financing origin
- LP and some PPs with a small budget (LP role?)
- Automatic distribution of the budget among other partners
- Main differences between groups of partners (the majority around 5% and a few with more than double that average
- IPA partner: Unrealistic amounts
- Financial capacity of small structures with high budget (NGO, association)

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D.2 Project budget – overview per partner/ per budget line

- Administrative capacity of public structures with high budget: capacity for engaging equipment's costs, long public procurement process
- IPA partner: preparation costs
- Inadequate distribution of expenditures per budget line:
  - Insufficient budget (staff costs 25.000€)
  - Overall amount for external expertise
  - LP budget on staff and equipment mainly : really in charge of project management?
  - No amount for external expertise (event organization? FLC ?)
  - Inadequate forecast for traveling and accommodation (in view, for example, of the cooperation with horizontal projects)

D.3 Project budget – overview per partner/ per WP

- LP with very low budget under WP1/2: majority for testing – LP role questionned
- PP2 "shadow LP" with majority of expenditures on WP1 + protected area (human resources and administrative capacity confirmed ibn the A.Form ?)
- 2000€ Preparation costs missing (1 000€ IPA PP and missing other 1000€)
- PP integrated only for participating in ONE activity: Testing or communication + risk of state aid!
- WP 4 representing 46% of the budget against 3% for capitalization

D.9 Project budget - overview per semesters

- No realism on the repartition per semesters

    > Recommendation: increasing forecast (FLC capacities to certify, capacity to engage costs from project's start up, no possibility top declare advance payment for experts until activity completion, etc)

- Risk in case of decommitment by the EC

- Risk concerning the verification step to pass from one module to another

To do list !

- Your budget MUST reflect your Application form content and your partners participation to project's activities

- Human, administrative and financial capacities must be questioned together with your partners when elaborating the budget

- Read carefully the Programme Manual and the specific ToR

- Use the « list of administrative and eligibility criteria » and the specificities of the call to check your proposal

- Double check all documents uploaded and their content

- In case of doubt, please contact the Joint Secretariat (programme_med@regionpaca.fr)

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