PROJECT MANAGEMENT HANDBOOK

Chapter I

Interreg - Essential Background
## Contents

1. Introduction to the handbook  .......................................................................................... 2
2. Important background for Interreg projects .................................................................... 3  
   2.1 European Territorial Cooperation - the bigger picture ............................................. 3  
   2.2 Objective 2 of EU cohesion policy - Interreg V (2014-2020) ..................................... 5  
   2.3 Key features of Interreg .................................................................................. 6  
3. Interreg project .............................................................................................................. 8  
   3.1 Requirements for the joint working approach ......................................................... 8  
   3.2 Advantages of cooperating ............................................................................... 9  
   3.3 Challenges of Interreg projects ........................................................................ 10  
4. Project life cycle ............................................................................................................. 11  
5. Interreg programmes ................................................................................................... 13  
   5.1 Overview of programme bodies .......................................................................... 13  
   5.2 Important programme documents and guidance ..................................................... 14  
   5.3 Interreg programmes funding principles .............................................................. 16
1 Introduction to the handbook

The purpose of this handbook is to provide practical guidance and advice for Interreg project managers, lead partners or partners in the 2014-2020 programming period. The key concepts, keywords and processes are explained following the chronological development of a project, from idea to closure.

Who should read this handbook?

This handbook is mainly intended for future project developers and managers. First-time project developers should find information on all the main steps needed to set up and implement an Interreg project, an explanation of the strategic framework where Interreg takes place, plus the jargon and expressions which sometimes hinder access to EU funding. Experienced project managers who are new to Interreg will also find valuable tips on working with an international partnership and avoiding problems with European rules and regulations. This handbook is also intended for those who have already worked in Interreg and wish to be acquainted with the main “change” elements related to project management for the 2014-2020 period.

We hope Interreg programme staff will also find a wide range of inspiration in this handbook for the practical advice needed by project developers, applicants and beneficiaries.

What is within the scope of this handbook?

The information contained in this handbook illustrates the unique opportunities and challenges of Interreg projects. It introduces the strategic framework within which programmes and projects operate, their distinctive principles and how these are applied at project level. The handbook addresses both the content side - i.e., what does one need to know in order to participate in or lead an Interreg project in the 2014-2020 period - and the skills side - i.e., which tools and techniques will enable partners and programmes to work closer together and be better prepared to seize the opportunities and challenges of Interreg projects.

Going step-by-step through the stages of the project cycle, it will be possible to understand what key actions, success factors and critical aspects a project partner will face while embarking on a project. By following each chapter, project developers will get practical tips and advice on every stage, from idea generation, partnership and application development, through contracting, starting-up and implementation to closure.

What is outside the scope of this handbook?

If you are searching for a standard project management manual or method, this handbook may not fully satisfy your expectations. The information herein focuses on the very specific aspects of Interreg projects and dedicates less attention to broad organisational or technical aspects that have been thoroughly developed in other project management manuals.

It is also important to note that the handbook must be used by project developers and managers in conjunction with the relevant European Commission, Programme and national/regional/local regulations and guidelines applying to their project.

PLEASE NOTE: This handbook is a general guide and cannot replace any official guidance on the individual requirements in each Programme area. Every Interreg programme has different objectives and rules, and the programmes themselves are the only reliable source of information on the type of projects that will be supported.
2 Important background for Interreg projects

2.1 European Territorial Cooperation - the bigger picture

It has often been said that Europe's strength lies in its diversity - but diversity is a mixed blessing. On the plus side, difference can be an inspiration, providing us with clues for new solutions to the challenges we face. On the negative side, differences can create barriers and conflict. European Territorial Cooperation is a tool that allows projects to work with these benefits and barriers.

In the late 1980s, the European Commission designed a policy for territorial cooperation, which meant moving away from short-term and one-off pilot actions towards a long-term, consistent strategy. In 1989, the European Commission granted EUR 21 million of financial support under article 10 of the ERDF Regulation to 14 cross-border pilot projects. They were designed to address structural development difficulties in border regions in two areas: 1) institutional separation of border communities, where economic and social separation prevents coherent management of the ecosystems, and 2) actual peripheral location of cross-border regions in relation to their respective national economic centres.

These pilot projects were the basis on which, in 1990, the European Commission created the INTERREG I Community Initiative, implemented as 31 operational programmes established at internal EU borders, with an ERDF allocation of EUR 1.082 million.

The launch of INTERREG I represented the enhancement of multi-level governance in Europe, as INTERREG funding did not have to be awarded to individual nation-states but could be allocated directly to specific cross-border regions covered by an INTERREG programme. INTERREG built on existing structures and supported their further development, enabling a direct dialogue between the European institutions and regional and local authorities within member states.

The success of INTERREG I was recognized and built on, and the initiative continued in 1994-1999 as INTERREG II. INTERREG II initially consisted of two strands: INTERREG IIA on cross-border cooperation (former INTERREG I) and INTERREG IIB on the completion of selected energy networks (former REGEN initiative). In 1997, a third strand, INTERREG IIC, on transnational cooperation was added in the context of the preparation of European Spatial Development Plans for large groupings of geographical areas.

The INTERREG III Community Initiative continued in the 2000-2006 programming period with a budget of EUR 4.875 billion. The third edition of INTERREG was characterized by the eastern enlargement of the EU, along with Malta, and the consequent increase of cross-border cooperation programmes to 62.

The final additions to the group of Interreg programmes came with the introduction of 4 programmes covering the whole of Europe. These are the inter-regional cooperation programmes Interreg Europe, ESPON, INTERACT and URBACT - all of which focus on the exchange of experience and good practices in various specialist fields.

1 In the 2014-2020 programming period, Interreg programmes and their stakeholders can choose to either keep the name European Territorial Cooperation (ETC), dominant in the 2007-2013 period, or use the new brand name ‘Interreg’. Both terms are acceptable and used interchangeably.
3 Community Initiative INTERREG II 1994-1999 An initial evaluation, January 2000, European Commission, P. 1
4 Multi-level governance is an approach often used to describe the policy process in the EU. It emphasizes complex interactions between different levels of governance in the EU: supranational (EU level institutions such as the European Commission, European Parliament, European Council, etc.), national, regional and local. The concept of ‘multi-level governance’ was first developed in relation to EU cohesion policy, which has been based on the ‘principle of partnership’ between European, national, regional and local authorities involved in the design and implementation of structural funds operational programmes. The core of multi-level governance is the claim that policy making competencies in the EU are shared among actors at multiple levels of governance (supranational, national, regional, local) and are no longer monopolised by nation states.
5 This covered two cooperation programmes within the energy sector between Greece-Italy and Spain-Portugal.
In 2007-2013, cooperation was recognized as a cornerstone of EU cohesion policy, and INTERREG was made into a separate structural fund objective - European Territorial Cooperation (ETC) - alongside the ‘convergence’ and ‘competitiveness’ objectives. The budget for cooperation almost doubled to EUR 8.7 billion. In the 2007-2013 programming period, European Territorial Cooperation supported 75 cross-border cooperation programmes (including external borders) - Strand A; 13 transnational programmes - Strand B; 4 EU-wide programmes: INTERREG IVC, ESPON, INTERACT and the newcomer URBACT - Strand C.

Becoming a separate objective of cohesion policy implied that European Territorial Cooperation programmes were considered on an equal basis with the mainstream national and regional development programmes. This meant more visibility for cooperation, an improved legal basis, closer links with existing thematic strategies, and higher expectations for achievements.

To a certain extent, the programmes continue to pursue their original objective of addressing the particular challenges faced by border regions. These regions still face challenges caused by the historical consequences of borders and the changed landscape of Europe after the Second World War; peripheral locations away from political, economic, cultural and social centers; lower activity levels compared with many central regions; and the fact that national borders are also still borders between different systems and world views. European integration and the removal of many border restrictions have alleviated many problems, but although the Single Market has created great opportunities for growth and development, not all regions have benefited equally from the advantages of free movement of goods, services, capital and people. Furthermore, successive enlargements of the EU have led to a widening of the institutional and socio-economic differences between Member States, especially in their border regions.

New challenges and opportunities have also emerged since the start of cross-border cooperation. Globalization is weakening the autonomy of nation states and increasing the functional inter-dependences between places, regardless of borders. In the globalizing economy, cities and regions (rather than nation states) have become the focus for investments. Through coordinated actions and joint decision-making, authorities and people from border regions can work together on developing many cross-border areas as centres of commerce and services, and make the transition from peripheral locations within a country to attractive Europe-internal locations. The goal is turning weaknesses into opportunities, recognizing cross-border regions as bridges and hubs between European countries.

Another important development since the start has been the addition of larger territories for cooperation, as it was realized that not only border regions could benefit from increased cooperation and coordination. The larger transnational programmes were initially focused on promoting balanced spatial development of the EU based on the recognition that ‘it makes no sense for planning to stop artificially at national borders’. As with the cross-border programmes, there has been an evolution of content over time, and the transnational zones also increasingly focus on helping regions adjust to the challenges of globalization, from the need for economic diversification, to aging of the population and climate change.

Since the first EU macro-regional strategy was approved back in 2009, cooperation across certain territories (countries and regions) has gained even more recognition. Adoption of the EU Strategy for the Baltic Sea Region (EUSTR) was followed by other initiatives. EU Strategy for the Danube Region (EUSDR) was adopted in 2011, EU Strategy for the Adriatic and Ionian Region (EUSAIR) in 2014, and EU Strategy for the Alpine Region (EUSALP) during the summer of 2015. More information can be found on special websites dedicated to each of the four macro-regional strategies. The EU macro-regional strategies aim at reinforcing cooperation within the macro-region in order to face several challenges, by working together as well as promoting a more balanced development in the area. The EU macro-regional strategies also contribute to the major EU policies and reinforce integration within the particular macro-region. This is where Interreg programmes play a significant role in building up and expanding cooperation, as well as

6 URBACT was created to facilitate transnational exchanges on integrated urban development. It was created in 2002, and integrated into the European Territorial Cooperation objective in 2007. Previously, URBACT was part of the Community Initiative URBAN.

7 Relocated borders after WW2 often resulted in deep animosities between people living across borders.


taking an active role in a broader context. Through finding synergies and common cooperation grounds across Interreg programmes and between Interreg programmes and other EU, national and regional financial instruments, even smaller cross-border programmes can contribute more efficiently to the change in the macro-region. The process is often referred as ‘alignment of funding’.

| European: | in the framework of the European Union policy and Member States. |
| Territorial: | focusing on the needs and potentials of the territories, regardless of the national administrative borders separating them. |
| Cooperation | is the process of groups of organisations working or acting together for their common/mutual benefit. |

**European Territorial Cooperation** encourages and supports organisations to undertake joint actions across borders for their common/mutual benefit.

### 2.2 Objective 2 of EU cohesion policy - Interreg V (2014-2020)

In the 2014-2020 programming period, Interreg is Objective 2 of EU cohesion policy. In practical terms this means that the programmes have completed their journey from small experiments to becoming the EU’s primary instrument for supporting cooperation across national borders. This means that there is a greater focus on Interreg concerns and, as a result, for example, there is now for the first time a separate European Territorial Cooperation Regulation setting out specific rules for Interreg. The regulation for the European Territorial Cooperation covers such elements as Interreg’s scope, geographical coverage, financial resources, thematic concentration and investment priorities, programming, monitoring and evaluation, technical assistance, eligibility, management, control and designation, participation of third countries, and financial management. It is part of a package of regulations whose practical implications we try to summarize in this handbook.

Increased attention on Interreg also means that there are increased expectations about the performance of the programmes in terms of delivering results and tackling administrative problems. There are many changes for the 2014-2020 period which should strengthen delivery and make life easier for project beneficiaries.

All together, the Interreg programmes have an allocated budget of over EUR 8.9 billion, which amounts to 2.75% of the global resources available for EU cohesion policy. These funds are allocated across 79 multi-country programmes:

- **a) 60 cross-border cooperation programmes (strand A)** along internal EU borders with ERDF contribution of EUR 6,597,822,373 (this constitutes approximately 74% of the cooperation goal budget)
- **b) 15 transnational cooperation programmes (strand B)** covering larger areas of cooperation such as the Baltic Sea, Alpine, Danube, Mediterranean Region, etc. with ERDF contribution of EUR 2,119,431,627 (approximately 20.36% of the cooperation goal budget)
- **c) The inter-regional cooperation programmes (strand C): INTERREG EUROPE, INTERACT, URBACT and ESPON**, with global ERDF contribution of EUR 514,397,835 (approximately 5.59% of the cooperation goal budget).

In addition, there are 12 Instrument for Pre-Accession Assistance (IPA) cross-border cooperation programmes between candidate countries and EU Member states, with a budget of around 242 million EUR. From this period, IPA CBC programmes have joined the Interreg brand and are now called Interreg-IPA CBC programmes.

The main distinction between Strands A, B and C is the geographic scale of cooperation. Other specific characteristics of each of the strands are presented in the following table.
### Table: Characteristics of Interreg programmes per strand

<table>
<thead>
<tr>
<th>Strand</th>
<th>Aims</th>
<th>Characteristics</th>
</tr>
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<tbody>
<tr>
<td>A</td>
<td>Cross-border cooperation Should aim to tackle common challenges identified jointly in the border regions while enhancing the cooperation process for the purpose of the overall harmonious development of the Union.</td>
<td>· Cover cross-border areas.&lt;br&gt; · Involve regional and local actors represented in programme joint bodies.&lt;br&gt; · Support genuine cross-border partnerships at programme and project level.&lt;br&gt; · High level of flexibility for development and approval of programmes, and high level of autonomy for programme implementation compared with Strands B and C.</td>
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<tr>
<td>B</td>
<td>Transnational cooperation Should aim to strengthen cooperation by means of actions conducive to integrated territorial development linked to the Union’s cohesion policy priorities.</td>
<td>· Cover mega-regions / transnational regions over several countries.&lt;br&gt; · More strategic authorities from regional and national levels are involved and represented in programme joint bodies.&lt;br&gt; · Require strong focus given the limited financial resources and the vastness of the territories involved.&lt;br&gt; · Evolve around transnational spatial vision, which facilitates the learning process about the transnational space, and focuses on certain categories of projects.</td>
</tr>
<tr>
<td>C</td>
<td>Interregional cooperation Should aim to reinforce the effectiveness of cohesion policy by encouraging exchange of experience between regions on thematic objectives and urban development, including urban-rural linkages, to improve implementation of territorial cooperation programmes and actions, as well as promoting analysis of development trends in the area of territorial cohesion through studies, data collection and other measures.</td>
<td>· The ‘youngest’ of all three strands with a relatively short cooperation tradition.&lt;br&gt; · It is meant to build on good practice experiences gained through Strands A and B.&lt;br&gt; · Supports cooperation between areas which are not adjoining; i.e., regions which have common problems or common interests, or which see other reasons for sharing efforts and experience.&lt;br&gt; · Supported projects rarely involve physical infrastructure; they involve transfer of ideas and experience to improve effectiveness of policies and instruments for regional development.&lt;br&gt; · Size of projects supported is relatively small compared with projects supported under Strands A and B.</td>
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### 2.3 Key features of Interreg

European Territorial Cooperation is central to the construction of a common European space, and a cornerstone of European integration. It has clear European added-value: helping to ensure that borders are not barriers, bringing Europeans closer together, helping to solve common problems, facilitating the sharing of ideas and assets, and encouraging strategic work towards common goals.

The overarching objective of European Territorial Cooperation is to promote the harmonious economic social and territorial development of the Union as a whole.

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10 ETC Regulation (EU) No 1299/2013 5-7  
European Territorial Cooperation programmes have decided to use a common brand name that is easy to understand in every language: Interreg.

The key features of Interreg can be been translated into the following specific aims, which will be given different weighting in different programmes depending not least on the development strength of the participating regions and the size of the territory:

- To prevent national borders from becoming an obstacle to integration and to the balanced economic, social and cultural development of the European territory.
- To correct the negative effects and disadvantages of isolation of some regions located in the border areas or peripheries of nation states.
- To encourage regions to benefit directly from Interreg funding to address the disadvantages of their location.
- To provide authorities with incentives to turn towards neighbours on the other side of national borders and with tools to jointly manage the socio-economic, environmental and territorial challenges of the region.

These aims have in turn been translated into a number of general areas of focus, which again may receive more or less emphasis depending on specific circumstances in each programme area:

- Facilitate development of cross-border, transnational and interregional cooperation as a method of work and a feature of daily activities for institutions and people across Europe.
- Facilitate establishment of lasting cooperation frameworks for action in support of economic development in areas where efforts were previously fragmented by the existence of a national border.
- Facilitate maturing of the cooperation tradition, such as the existence and scope of legal framework conditions for cooperation, as well as existence and capacity of permanent cross-border structures.
- Facilitate pooling and exchange of experience and know-how in areas of shared interest and concern.
- Stimulate ‘local’ idea generation in the region and for the region, and translation of these ideas into tangible actions for the benefit of the region.
- Facilitate perception of each region (especially cross-border or transnational) as ‘shared’ rather than ‘private’ areas.
- Support activities which are genuinely additional in relation to member states’ own efforts.
- Finance revitalization of regions along the Community’s internal and external borders.
- Generate added-value in various sectors (cooperation networks, knowledge bases, policy proposals, development of a transnational planning culture, realization of projects with strategic character, testing innovative approaches, joint actions to address environmental challenges, etc.).
- Provide opportunities to develop and test innovation by experimenting with new approaches.
- Support projects and networks delivered through cooperation across borders and which demonstrate a positive impact on development on both sides of the border.
- Support projects that seek to build on Europe’s territorial assets through cooperation.
- Deliver value in addition to that which would have been secured by national and regional authorities and the private sector. Interreg focuses on actions that member states and regions would not otherwise undertake and that can have a significant ‘leverage’ effect by securing additional investments from other sources.
- Provide a laboratory for the principles of subsidiarity and partnership through direct involvement of regional and local interests and ‘bringing the European Union closer to its citizens’.
- By adopting a ‘place-based’ approach, Interreg promotes multi-level governance - meaning the involvement of actors from regional and local institutions or other local partners in actively devising, implementing and taking responsibility for development strategies in the region.
- Contribute to better integration of new members in the EU through cooperation and transfer of know-how between authorities from ‘old’ and ‘new’ EU regions.
3 Interreg project

The general Interreg objectives are refined according to the needs of each programme area and are described in detail in a Cooperation Programme document. This document also presents how coordination and synergies with other programmes and financial instruments in the area are foreseen. Programmes operate by inviting a portfolio of projects to deliver these objectives. Interreg projects are governed by the same quality criteria that define all other types of projects: They need to achieve fixed objectives with limited resources (budget and staff) and within a defined timeframe.

European Commission and the Member States participating in the Interreg programmes expect the following from projects applying for funds in Interreg programmes:

- **A result-driven approach**: Every project needs to achieve results that contribute to the achievement of programme results.
- **A firm evidence base**: Facts that prove a need for the project and the outcome of project activities.
- **Concentration of funding**: Smaller group of projects which would ensure measurable progress on the programme priorities.

All stages of the project lifecycle are assessed on whether the outcomes justify the resources used (efficiency) and whether the activities carried out really contribute to the objectives (effectiveness). These measures have become even more important in the current climate of economic austerity and reduced budgets for public investment.

Interreg project management is focused firstly on delivering the project against these criteria, but also on creating and supporting an international team in improving on the results that any of the partners would have been able to achieve alone.

3.1 Requirements for the joint working approach

Working in an Interreg project immediately provides a pool of knowledge, skills and new perspectives in the partnership. Most project partners find that these new inputs are immediately useful in their daily work. However, the real advantage of cooperation and the common feature of the most successful projects is when project work is carried out jointly when skills are shared to develop a solution that is better than what any of the partners alone could have achieved.

Interreg strongly supports a process of ever greater cooperation across Europe’s borders and, as a result, 4 cooperation criteria are defined in the regulation. All Interreg projects must work jointly on both project development and implementation in order to be considered for funding. In addition, all projects must also
commit to either joint staffing or joint financing\(^{13}\). Programme interpretations may vary slightly, but some of the main points for delivering on this ‘jointness’ are included in the following table.

### Table: Cooperation criteria

<table>
<thead>
<tr>
<th>Joint development</th>
<th>As the initial idea matures into a project, partners will define together:</th>
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<tbody>
<tr>
<td></td>
<td>· What they plan to achieve together (results).</td>
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<tr>
<td></td>
<td>· What activities they will do together (work plan).</td>
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<tr>
<td></td>
<td>· What each partner contributes (budget, human resources, knowledge etc.).</td>
</tr>
<tr>
<td></td>
<td>· What each partner expects to get out (benefits).</td>
</tr>
<tr>
<td>Joint implementation</td>
<td>While carrying out the project, partners will:</td>
</tr>
<tr>
<td></td>
<td>· Carry out the agreed work plan according to their defined responsibilities.</td>
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<tr>
<td></td>
<td>· Contribute to developing the agreed outputs and targets - creating joint project solutions wherever possible rather than a range of local solutions.</td>
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<tr>
<td></td>
<td>· Avoid working in isolation and mirroring activities in the other countries.</td>
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<td></td>
<td>· Decide together on whether progress is good and what needs to be changed.</td>
</tr>
<tr>
<td>Joint staffing</td>
<td>Staff from the different partner organisations help each other deliver the project and develop new solutions:</td>
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<tr>
<td></td>
<td>· A lead partner bears the overall responsibility for the project.</td>
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<td></td>
<td>· Other partners may take on coordinating roles for content, monitoring and communication activities.</td>
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<tr>
<td></td>
<td>· Working groups, etc. bring together representatives from different partner countries to input on new and better solutions.</td>
</tr>
<tr>
<td>Joint financing</td>
<td>All project partners contribute financial resources to the project and use these funds to fulfil project objectives.</td>
</tr>
</tbody>
</table>

### 3.2 Advantages of cooperating

You need to identify clear benefits from working together between countries if you want your project to be approved. If you have never tried this, what kind of benefits can you really expect beyond building the skills and networks of all involved? These areas of potential learning should develop pretty quickly from project planning meetings - if they don’t, you may have a problem! Here are some ideas about the sorts of issues you should think about:

- **Integration results**: It is not about us and them. There is only us - ‘acting as one’. Interreg should reduce the effects of borders by encouraging regions to view their potentials as a shared asset, whether this concerns human capital, education and research opportunities, transport connections or any other issue. Regions working together and combining their efforts are stronger and more effective than each region acting in isolation.

  Examples: Integrated/coordinated delivery of services, integrated/coordinated business and education frameworks, common branding for inward investment, establishing frameworks for joint/coordinated management of joint assets.

- **Investment results**: Cross-border areas can share infrastructure and in some cases need new cross-border infrastructure. Larger transnational areas will more often benefit from joint development of new ideas for piloting more efficient or effective investments.

  Examples: New cross-border transport connections, shared facilities such as business incubators located on one side of the border but open to businesses from both sides, pilots of new flood prevention techniques tested in one location on behalf of the wider partnership, one-off facilities such as wind turbine evacuation models which can be used by all participating countries.

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\(^{13}\) ETC Regulation (EU) No 1299/2013 § 12.4 - Though there are limited exceptions for projects in programmes set up between outermost regions and third countries or territories.
• **Performance-related results:** Cooperation can lead to an improvement in the quality of policies and governance.

Examples: Better policies, improved working methods, spreading knowledge of new technologies and techniques, supporting more effective international innovation, improved cooperation between national business clusters.

If your project has a potential contribution to a macro-regional strategy (i.e., it addresses the same theme or contributes to the macro-regional strategy’s indicators), you can address programme authorities and the relevant coordinator of a macro-regional strategy\(^{14}\) for further guidance.

### 3.3 Challenges of Interreg projects

A good project should find a way to move partners past national differences and standard working practices as quickly as possible so they focus on seeing beyond differences and work instead on drawing out the best of each other’s knowledge and experience to find new solutions. Interreg project managers have to be aware that these differences exist even between apparently similar cultures, and be ready to mediate all partners towards constructive solutions. Some of the most common problem areas are:

- **Working with different (working) cultures and languages** and establishing a common way of working together in the project. Relationships and mutual trust need to be developed, especially when some of the partners do not know each other before the project. Do not under-estimate the value of shared experiences and face-to-face contact in building trust.

- **Different types of organisations** from the public, private and voluntary sectors with different fields of expertise and organisational cultures. They have different expectations and working methods, and these differences need to be managed so the team works together. More positively, cooperation projects can often unlock existing conflicts between organisations in the same country by injecting new ideas and perspectives, or may alternatively provide a safe, informal and non-committal space for contact and discussion between organisations in different countries.

- **Working remotely** in large partnerships requires extremely good planning and organisation, commitment of all partners to the project, and efficient and timely communication to achieve the common objectives and avoid isolated outcomes. Modern technologies help but can never completely replace the need to meet and look each other in the eye.

- **Defining a shared understanding** of what the project really wants to achieve, how much it will cost and how long it will take becomes more challenging in a multinational and multi-organisational context, but is still essential when developing the project. Projects need to identify the right balance between necessary detail and sufficient margins for adjustment.

- **Meeting European reporting, control and audit requirements** means investing time in developing the necessary knowledge and ensuring that all project partners are living up to all requirements. There is a major drive towards simplification in the new period, but new beneficiaries have to accept that there is still a lot to learn. Project managers need to make sure they themselves have the necessary knowledge, invest time in passing it on to the other project partners, and follow up to ensure that things really are being done in compliance with programme rules. Mistakes can be expensive!

- **Need for partner liquidity.** Project costs are almost always reimbursed after the money has been spent. A small number of programmes have managed to make arrangements for limited advance payments but this is generally impossible for programme authorities. This means that project partners need to have sufficient financial capacity to pre-finance their costs until payment is received from the programme. In the worst case (if programme payments are suspended because of unclear audit findings), this may mean a delay of payments of several years. Although these horror cases are rare, all project partners need to be aware of the risk before joining a project.

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\(^{14}\) The relevant coordinator of a macro-regional strategy is a policy area/horizontal action coordinator in the case of the EUSBSR; a priority area coordinator in the EUSDR; a pillar coordinator (or thematic steering group coordinator) in the EUSAIR, or action group leader in the EUSALP. All contact details are available on the macro-regional strategies websites.
4 Project life cycle

Every project follows a lifecycle, and Interreg projects do not vary much from other types of projects in this respect. Various models for the lifecycle exist but the differences are small. For this handbook, we have taken into account the Project Cycle Management (PCM) model developed by the European Commission\textsuperscript{15} and adapted it to reflect the cycle of Interreg projects. We follow the project lifecycle stages outlined below, and each stage is elaborated further in the following chapters.

The project lifecycle is not a continuum that leads on from the closure of one project over into a new project. Every project is defined by concrete start and end dates, and has to be completed within this framework. What the project delivers in terms of products, knowledge or any kind of outputs will outlive the project - hence, planning the maintenance and durability of outputs - i.e., ensuring that they are self-sustainable and will continue to be used - is part of the implementation work in the project.

After your project is closed and you would like to work on another one you need to investigate which projects have already been implemented within the respective priority or theme. This will not only support you with good background knowledge and provide you with ideas on further developments, but will also limit the possibility of duplicating earlier achievements. You can see all cooperation projects in the online database called KEEP\textsuperscript{16}.

\textsuperscript{15} Project Cycle Management Guidelines, EC DG Development, March 2004
\textsuperscript{16} \url{www.keep.eu}
Table: Project lifecycle stages - what happens when

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
<th>Actions</th>
</tr>
</thead>
</table>
| 1 | **PROJECT IDEA GENERATION**<br>This is the time when an idea is being shared among potential partners until the moment it becomes clear that the project is necessary and relevant to the improvement of a certain condition in the programme area. | - To establish the need for a project.  
- To establish the baseline; i.e., what has already been carried out and how we capitalise on this.  
- To start the search and involvement of partners.  
- To outline the scope and content of the project.  
- To test the project idea relevance through research, possible pilot activities and the involvement of key stakeholders.  
- To contact the programme and check if the project idea fits the programme strategy and requirements.  
- To contact the relevant coordinator of a macro-regional strategy, when relevant. |
| 2 | **PROJECT DEVELOPMENT**<br>During this stage partners consolidate the idea into a concrete project proposal, by defining the strategic and operational details as well as the responsibilities among partners. At the end of this stage the application form is submitted to the programme. | - To organise the responsibilities and accountabilities in the partnership and agree on who will take the role of lead partner.  
- To develop the project intervention logic; i.e., project objectives, results and outputs.  
- To work in detail on the project proposal, its justification and expected contribution to the programme strategy.  
- To prepare the project budget.  
- To keep regular contact with the programme to get support for the development of the project and the application.  
- To submit the application form to the programme. |
| 3 | **GETTING STARTED**<br>At this stage the programme has taken a decision on the funding of the project, thus the contractual agreements are signed and the project can officially start off. | - To sign subsidy contract with programme authorities.  
- To finalise the project partnership agreement and to have it signed by all partners.  
- To set up the project coordination and decision-making structures, milestones and project meetings.  
- To plan tasks and partner responsibilities in detail for the first part of the implementation period. |
| 4 | **PROJECT IMPLEMENTATION**<br>During this stage the project partners carry out the work planned to produce the desired outputs. Regular administration, management, monitoring and reporting activities take place, along with communication and promotion tasks. Changes to the plan are managed by exception in agreement with the partners and the programme. | - To carry out project activities and achieve objectives.  
- To carry out quality control to produce the best possible outputs.  
- To set up smooth monitoring and reporting procedures and report to the programme as required.  
- To manage risks and project modifications in agreement with the partners and the programme.  
- To manage the partnership.  
- To communicate and promote project work and achievements.  
- To build up a network of relevant contacts and initiate the uptake and use of project knowledge and outputs after closure. |
| 5 | **PROJECT CLOSURE**<br>At this stage the project content activities should be completed and all outputs delivered. The partnership takes care of the final administrative provisions before the funding is over. The project and the programme reflect together on the results and lessons learned. | - To finalise the rules for the use of results after the end of the project with all involved parties.  
- To ensure all partners are aware of what is expected by the end date of the project, also in terms of audit and responsibilities after the end of the project.  
- To draft the final report and submit it to the programme.  
- To develop follow-up activities, if relevant. |
5 Interreg programmes

The current programme cycle runs from 2014 to 2020. This means that at the start of each of these seven years, the European Commission releases part of the programme budget for use. The programme then has a maximum of 3 years to spend the money. For example, the money made available in 2020 must actually be used by the end of 2023. This means that programmes may still be accepting new projects after 2020 and that the absolute last date for projects to close might well be as late as the end of June 2023.

Within this larger cycle there are many smaller deadlines. Programmes have to keep spending regularly and claiming funds from the European Commission - or they risk losing those funds permanently. There are annual reports, which may require the collection of additional information from projects, and a programme evaluation plan, which requires regular assessments of progress. Projects generally have to report twice every year, and the Audit Authority will look at the claims that come in each time to select an annual sample for control.

Many of these issues should not concern most projects, and when there is an impact it will be carefully explained to the lead partners by the programme. However, it is important to be aware of other cycles within the programme. Programme management is quite closely regulated, and when projects get strict deadlines these tend to be decided by the requirements in these regulations and can be enforced quite inflexibly. Use the tips in this handbook to plan ahead and you should have few problems staying ahead of the deadlines!

5.1 Overview of programme bodies

Although many projects tend to think of all the different staff they are in touch with as ‘the programme’, every programme is in fact made up of a number of different authorities. Each is responsible for carrying out a number of specific tasks and/or ensuring that the rest of the programme is working as it should. This section provides a brief overview of these authorities to help you understand who you could be in contact with.

It is also worth remembering that when programme requirements seem too strict or require you to submit information you have already informed someone about, it is usually because the programme is trying to ensure that you do not at a later stage run into problems with any of the controlling or audit authorities. Programme administration can be frustrating at times. This handbook identifies many ways of minimising the trouble involved, and programmes are happy to hear constructive suggestions about how to make life simpler when implementing an Interreg project.

Generally speaking, the lead partner is the only member of the partnership in direct contact with the programme, although this is not always the case in cross-border programmes. Even so, it helps for every project partner to have an overview of programme management bodies in order to understand where different requirements come from. The description below builds on the basic rules defined in the regulations. The Cooperation Programme will have information on any important differences in the programme you plan to apply to.

This diagram includes the programme bodies for the 2014-2020 period and their responsibilities/functions with respect to the project level. It is a basic model with the minimum normal number of programme bodies covered. Programme structures can involve extra bodies such as Intermediate Bodies, or they can involve fewer authorities, as the Certifying Authority role may now be taken over by the Managing Authority.

17 This is a programme decision and it may not be the case for all programmes.
The Managing Authority (MA) has the main responsibility for the implementation of the programme - although in Interreg programmes it is important to note that many financial control tasks are often organised by the Member States. The MA has many responsibilities in addition to those related to the project level, and often delegates a lot of project work to the Joint Secretariat (JS). For projects, the MA, JS or Contact Points are often the main points of contact for information, project development and reporting during the implementation of the project. The other bodies can remain more or less ‘invisible’ for the project, but become involved in the approval of applications and the processing of reports and payment claims, as the diagram shows.

These structures are established to ensure adequate information flows, objectivity during project assessment and approval, monitoring of project and programme achievements, and proper certification of expenditure. The EC regulations demand single ‘joint’ programme bodies rather than duplicating these structures across countries, in order to ensure that cooperation also happens at the level of the authorities implementing the programme.

5.2 Important programme documents and guidance

The strategies and rules of the different programmes are laid out in a number of more or less standard documents - though the names and the content of many of these may vary considerably between programmes! It is very important to remember at all times that even though there have been extensive efforts at harmonising rules across Europe; every programme needs to adapt its requirements to the countries where it operates. Therefore, there are always differences between programmes, and you
should never assume that what is allowed in one programme will automatically be allowed in another. This is especially true for programmes operating under other Funds. For example, a programme like Horizon 2020 is managed directly by the European Commission and can therefore operate in ways that are simply not allowed for Interreg programmes.

Table: Programme documents and guidance

| Cooperation programme | The Cooperation Programme (CP) lays out the strategy adopted by the programme, moving from the requirements for content in the regulations, through an analysis of needs and opportunities in the programme area, to a clearly defined set of objectives and accompanying targets (this is known as the ‘intervention logic’). The description of the priorities will tell you exactly what the programme is trying to achieve in your area of interest, and there should be indicators setting out the targets you will need to contribute to. There is a wealth of background information about the policies and analyses that were used to decide the strategy, as well as some basic information on programme management structures and procedures. |
| Citizen summary | The structure and content of the CP are set by the European Commission to meet its needs, but as a result it can be quite hard to find what you need to know because not all related information is presented together and there is a lot of information that most projects will never need to know. Programmes may therefore prepare a Citizen Summary, bringing together the most important information for project developers and beneficiaries. |
| Online systems | There is a requirement for the 2014-2020 period that after approval, all projects are managed through ‘paperless’ procedures - all contacts with project partners will instead be through online reporting and communication systems. This means that many key programme documents such as the application and reporting forms are only available through the system - though copies are of course normally available for information. Your programme will let you know how to access its system. |
| Standard procedures and description of management and control systems and procedures | These are really internal documents though they should be available to projects. They set out the detailed procedures for the main programme tasks and explain how the different programme and control bodies work together and monitor each other’s work. |
| Programme manuals | Programmes produce a wide range of materials to try and translate the often complex requirements in the official documents into practical recommendations and rules for project partners. These should cover all major aspects of project activity, spending and contact with the programme. As a lead partner it is absolutely essential that you know these documents well - and that all of the controllers working on the project know them even better. |
| Call announcements and guidance | Whenever a programme opens a call for applications it will announce this, together with special terms and conditions applying to the call (for example, if it is only possible for projects to apply under some themes and not others). Accompanying guidance for the call should warn you of any changes to rules or common difficulties in past calls. |

There are lots of other documents you may come across such as the programme’s Evaluation Plan or Communication Plan, annual reports, brochures and more. It is important that you know your part of the Cooperation Programme, together with the rules and forms that you will have to use, and you should not go far wrong.
5.3 Interreg programmes funding principles

A number of basic rules define how and when and to whom project funding can be paid. Projects need to understand these general principles as they have implications for cash flows and whether some types of expenditure will be accepted. There are also detailed restrictions on how Interreg funding can be used (‘eligibility rules’), which often mean that costs which may be legal and standard in the accounts of a project partner cannot be claimed for an Interreg project.

1. Co-financing
The European Union will never pay 100% of the costs of your project. As a principle, it is always expected that project partners also contribute part of the cost. The regulations set the maximum EU co-financing rate in Interreg at 85%. The countries participating in the programme may however choose to select a lower rate - for the whole programme or for some types of projects. There can also be restrictions for some types of project partners; e.g., SMEs may only receive 50% of the programme funds in line with the General Block Exemption Regulation.

As every Interreg programme finances only a proportion of the project expenditure, the remaining part has to be covered by project partners. The source of the project partner’s contribution varies. It can come from the partner’s own resources or be provided to the partner from external sources other than EU funds. There are also examples of countries where national or regional authorities operate a fund that provides automatic financial support to approved projects. Project partners coming from such countries can use this support to cover part of their contribution. However, automatic public contribution is only available in some countries; in the majority of cases, the partner contribution must be fully secured by the partners themselves.

In most cases, the project reports 100% of the expenditure it has used on the project in each reporting period, and the programme simply pays the agreed percentage of EU funding - knowing in this way that the partners have provided the rest.

2. Refunding costs actually paid
As a basic principle, the costs that a programme will consider eligible are those that are actual; i.e., costs that have actually been incurred for project activities. Moreover, for costs to be refunded, they must have been paid, and proof of payment must be provided.

There are exceptions to the rules requiring paid invoices, and these are covered later in the handbook or can be found explained in detail in programme rules. The most common ones are lump sums, flat rate financing and standard unit cost payments, which may be possible under different programmes for different types of costs such as preparation costs, office and administration costs, and staff costs.

A small number of programmes (generally cross-border) also manage to make limited advanced payments available to some or all project partners. Check with your programme about what is available for your project. Most programmes will find it impossible to make advance payments because they are subject to the same rules: As a rule, The European Commission only makes payments to programmes to cover costs that have already been paid, so there are no spare funds available to advance to projects.

3. Approved activities
No expenditure can be reimbursed unless it is directly linked to the budget and activities approved in the application. Expenditure incurred for activities not covered or logically linked to activities in the approved application is ineligible. Check with your programme to see how strictly this rule is applied.

4. Costs within the eligible period only
The costs must have been incurred within the eligible period defined in the project’s contract. The start date for costs varies, and it is very important to find out what it is for your programme (the date of programme approval, the date you submitted your project, the date your project was approved or

18 CPR Regulation (EU) No 1303/2013 § 120.3
contracted, etc.) The contract will also state the end date - but you need to check whether this means the date by which all activities must stop or the date when the final report must be submitted.

Note that programmes have different approaches to what can be included in each interim progress report. For some programmes, the finance report must include all costs incurred during the reporting period (still, there must be proof of payment available before the expenditure can actually be reimbursed by the programme). For others, it is only important that the costs were paid within the reporting period. In any case, programmes in general allow the inclusion of amounts that have been paid later, provided the payment date falls within the eligible time period of the project.

5. **Only project partners stated in the application can receive payment**
   As a general rule, only project partners included and approved in the application (or formally approved subsequently as part of a formal modification procedure) can incur and declare costs for payment. Any costs - including staff costs - that derive from associated organisations or subsidiaries of the formal project partners are not eligible. This is in order to ensure that there is a clear audit trail down to the level of every organisation incurring and reporting costs. The only exception is where payments are made to sub-contractors that have been selected according to the relevant procurement rules.

6. **Location of activities and project partners**
   The location of activities financed by the programme is very important. As a general rule, project activities should take place within the eligible part of the programme area, but there is an understanding that this does not always make sense. The scope of some projects may require that certain activities are implemented outside, or that there are joint actions undertaken with partners located outside the programme area. As a result, programmes can finance such activities, provided they can be justified in terms of benefits. The regulations also put limits on the amount of expenditure that can be spent outside the eligible part of the programme area. Projects will need to check with programmes about how this is managed in practical terms.

   It must be noted that the location of activities is often determined by the location of the project partners implementing these activities. It is very common that programmes set additional rules on the eligibility of partners depending on location. Remember to consult the programme manual on the rules and requirements concerning the partner location.

7. **Only net costs are eligible**
   In general, all net revenue generated by project activities must be deducted from the expenditure declared, and there are very specific rules for how to do this depending on whether it is possible to estimate revenue in advance or not. The revenue generated by Interreg projects tends to be very limited and may include, but is not limited to, entrance fees for events, charges for books and publications, etc. Where these types of revenue are involved and cannot be calculated at project start, it is important to note that they must be monitored for three years after the end of the project and all net revenue during this period must be repaid to the programme. It is also important to note that these rules do not apply to project partner participating in a programme as part of an approved State Aid scheme.

8. **Sound financial management**
   It is a requirement that all projects can demonstrate cost effectiveness and good value for money when implementing the project. This does not mean that the cheapest possible solution must always be chosen, but that any purchase of services and/or products must be made at the lowest possible cost for the quality level required to meet project objectives.

9. **No double funding**
   Any cost can only be co-financed once from EU funds. If more than one programme or more than one EU fund is used to co-finance a project or a cluster of projects, it is essential that it is clear from the application stage exactly which specific activity each fund and each programme is funding. Likewise, during the implementation phase separate project accounts must be opened for each EU and/or programme fund, in relation to the respective activities that they co-finance.

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19 Regulation (EU) 966/2012 § 30
10. **In accordance with applicable laws**
All projects must comply with all relevant European Union laws, programme rules and national / regional / organisational laws in the country of each project partner ("applicable law")\(^{20}\). It is important to note that many eligibility matters not covered in the regulations are covered in special programme rules. Only where there is no eligibility rule on a particular issue in either the regulations or programme rules will the national rules of the country in which the expenditure is incurred apply. This is known as the hierarchy of rules\(^{21}\).

11. **Public funding and total funding**
Programme financial tables will show the EU payments which will be made to the programme (up to 85%) and the contribution required - which will be called either ‘Total eligible cost’ or ‘Public eligible cost’. If the programme finance tables say ‘Public eligible cost’, it means that contribution from the private sector will not be accepted under the programme concerned. Programmes may choose to exclude the private sector in this way in order to avoid problems with competition law or the higher risks of irregularities often associated with the private sector in Interreg projects. You need to find out from the programme you are applying to whether private sector project partners and funding are accepted.

12. **Projects are only paid when the European Commission has paid the programme**
Project contracts will make clear that it is generally only possible to pay projects once the relevant funding has been received from the European Commission. Normally this is a formality, but there are two situations which can lead to longer delays and which project partners therefore need to be prepared for - and certain that they can survive financially:

- **Interruption or suspension of the programme**: European Commission services will typically react to any negative audit findings with a temporary shutdown to parts or the whole of the programme - not just the projects that have been audited. If the programme cannot provide a satisfactory response to the audit findings within a reasonable period, the whole programme may be suspended - meaning no project payments for perhaps two years.

- **At the end of the programme**: The European Commission will keep making payments until it has paid out 90% of the EU funds allocated to the programme\(^{22}\). It will not pay out the last part until all audits and controls of all parts of the projects and programme have been completed and resolved satisfactorily. This means that there may not be funds to make the last payments to projects finishing late in the programme’s lifetime until the whole programme has been closed. This can take several years from the programme’s official end date.

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\(^{20}\) CPR Regulation (EU) No 1303/2013 § 6
\(^{21}\) ETC Regulation (EU) No 1299/2013 § 18.3
\(^{22}\) CPR Regulation (EU) No 1303/2013 § 130.1
PROJECT MANAGEMENT HANDBOOK

CHAPTER II

Stage 1: PROJECT IDEA GENERATION
## Contents

1. **Start of an Interreg project**
   - 1.1 Interreg project characteristics
   - 1.2 How to present your project idea

2. **Building a partnership**
   - 2.1 Project partnership
   - 2.2 How to identify the right partners
   - 2.3 Partnership development stages

3. **Project’s stakeholders**
   - 3.1 Analyse project’s stakeholders
   - 3.2 Engage project’s stakeholders
   - 3.3 Methods for engaging with stakeholders when preparing a project

4. **Fine-tuning the project idea**
   - 4.1 To be agreed at this stage
   - 4.2 Test the project idea
   - 4.3 Consult the programme

5. **Project idea generation checklist**
1 Start of an Interreg project

Every project starts with an idea which is provoked by a need or a problem that has been insufficiently solved or not solved at all. Next, a project developer needs to find out if someone else (preferably from a neighbouring country) has the same (or similar) need. At this point you may not yet approach other people, but it is advisable to know that you are not alone in your need. If possible, try to understand if your need is of a common or joint character.

Table: Joint versus common needs

<table>
<thead>
<tr>
<th>Joint needs</th>
<th>Common needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examples: pollution, environmental protection, transport links, improving/securing border crossings, etc.</td>
<td>Example: the need to promote economic development may be a priority in towns on both sides, but there is no guarantee that the reasons or the best solutions will be the same.</td>
</tr>
<tr>
<td>These are problems/needs/opportunities that cross the border and need to be tackled on both sides, or even further afield (in the case of macro-regional strategies) if there is to be an improvement. Positive action on one side of the border should automatically have a benefit for the other side of the border.</td>
<td>Common need are related to similar issues on both sides of the border but actions on one side of the border do not necessarily lead to an automatic positive effect on the other side of the border.</td>
</tr>
</tbody>
</table>

One of the benefits of Interreg is that project developers are encouraged to come up with original and innovative ideas, sometimes even visionary. But there are many projects out there and even more project ideas. The question is why some of these ideas survive and stand out from the rest. Some ideas develop into successful projects simply because they are worth spreading.

1.1 Interreg project characteristics

If you are looking for funding from Interreg programmes you need to be aware of the context and specificities of these programmes. In principle, the only successful ideas are those which will contribute to the programme results. However, there are other Interreg project characteristics you need to consider before developing your project idea further. These are not the only criteria which contribute to the development of a good project proposal, but they are the first ones to look at because they constitute the fundamental justification of a project in the eyes of future partners and of the programme.
Interreg project characteristics:

1. **Demand-driven project**

As mentioned before, a project should respond to the specific needs of target groups. The target groups are end users of project outcomes (outputs and results) - i.e., people and organisations which will benefit from the project. At the idea stage project developers need to know if there are users interested in using the project results.

A project lacking users would be like a company launching a product on the market without having preventively explored if there are customers interested in buying that product.

Project developers often work with their target groups in the framework of their regular jobs, yet their needs need to be verified and demonstrated when presenting an Interreg project proposal. The target group’s needs determine the choice of partners, outputs and activities. Involving target groups from this stage is therefore important for the success of the project.

2. **Relevant project**

Project developers need to make sure that the project idea is relevant for the programme they want to apply to. The project is relevant when it addresses a challenge of the programme territory (as identified in the Cooperation Programme) and contributes to the priorities of other (territorial) strategies covering the programme territory. Programme scope is defined by a mixture of top-down thematic strategies, such as Europe 2020 or EU macro-regional strategy (where relevant), and bottom-up policies such as those reflecting the challenges and needs specific to the communities and territory of the programme area. Challenges of the macro-region are defined in the action plan, which is part of the macro-regional strategy. The project developer can contact the relevant coordinator of a macro-regional strategy defining and learning more about demands of the area of interest.

If you have worked with Interreg programmes before you will notice that the new 2014-2020 Interreg programmes appear to be more focused - meaning that thematically they cover fewer things than in the previous period, and the themes they cover are much closer defined. For example, if general pollution to the environment was relevant under 2007-2013 programmes, this might be much closer defined in this period, or even not included in the Cooperation Programme at all.

Already at this stage you should also be aware of the limitations of the programme you will be applying to - e.g. due to limited resources some Interreg programmes might not be able to finance infrastructure projects.

You have to pay close attention to what has been prioritised by the programme you are applying to. The programmes are more focused, which defines the limits of what you can focus on. If your project idea doesn’t fit that scope, there will be little (if no) room for tweaking and making it look like it fits.

3. **Result-oriented project**

In the 2014-2020 programming period the notion of a result as “the ability to deliver an effect that is advantageous and a measurable change from the starting point” is strongly emphasized. The project result is what justifies the need to carry out the project.

1 See macro-regional strategies websites for the Action Plans.

2 Relevant coordinator of a macro-regional strategy is a policy area/horizontal action coordinator in case of the EUSBSR; priority area coordinator in the EUSDR; pillar coordinator (or thematic steering group coordinator) in the EUSAIR or action group leader in the EUSALP. All contact details are available on the macro-regional strategies websites.
Project management monitors activities and expenditure to keep projects on track, while result-oriented management monitors performance measures to keep the results on track. Being clear about the results you are striving to achieve will help you get everyone’s energy aligned toward the same achievements. Cooperation is then easier, and so is decision-making when problems or difficult choices arise.

A project is result-oriented when project partners agree what they will achieve (change) together, where (area) and for whom (target groups).

4. Project requires cooperation

Interreg programmes are cooperation based. In order for a project idea to be relevant, project developers need to combine the programme inputs (and, if relevant, with macro-regional challenges) with their own ideas about the best way to address the needs they are interested in on either side of the border.

In general terms, when projects respond to easily-identifiable reasons for cooperation, like in the case of joint reasons, the scope, content and partnership structure of the project often develop directly out of the reasons identified. In other cases, the precise scope and content of cooperation are less clear at the start of the project, and are defined during the development phase. This is often the case in projects addressing common reasons where partner regions will be aware of the challenges they face, but often much less clear about what action to take (this is the main thing they want to learn from their partners). More preparation work is normally required for this kind of project.

Partnerships applying for funds in Interreg programmes are required to develop and implement their project together. In addition, they must ensure either joint financing or joint staffing during the project implementation.

The four Interreg project characteristics are further explained below using one project idea as example.

**Example: Verifying the project idea**

**Information in the Cooperation programme**

**Programme specific objective:**
- To reduce the impact of natural and/or man-made risks to the environment and population in the programme area.

**Programme result indicators:**
- Reduced response time to disaster
- Reduced cost of damage

**Indicative type of actions:**
- Development and adoption of common and/or coordinated and/or harmonised strategies, action plans, manuals for risk prevention and response; joint / coordinated risk monitoring and notification systems, etc.; investment in risk prevention and management infrastructure; development of innovative tools, services, approaches to risk prevention and response; training of relevant organisations and services; joint simulation exercises of relevant services; public awareness campaigns; upgrade of civil defence structures, skills, knowledge

**Information in the macro-regional strategy**

**Focus of the policy area ‘Secure’:**
- Build up resilience and prevention towards emergencies and threats at local level

**Action:**
- Enhance a joint urban safety and prevention approach in the macro-region
Stage 1: Project Idea Generation

<table>
<thead>
<tr>
<th>Description of the action:</th>
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<tbody>
<tr>
<td>Many communities in the macro-region face similar risks. Therefore, raising awareness and enhancing prevention is of utmost importance. In many cases, however, the best new practices are learned through cooperation across borders. The macro-region has several networks of cities, regions and other local actors that would be natural networks for developing cross-border awareness-raising, prevention strategies, urban safety and safe community approaches.</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Project idea</th>
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<tbody>
<tr>
<td>A cross-border area is subject to a high risk of fires, and is sparsely populated during most of the year. However, during the summer season tourists occupy most of the households. Therefore, the population increases drastically exactly when there is a higher risk of fire. The project idea proposes to equip each household (in agreement with the municipalities on either side of the border) with a device that automatically notifies the closest fire department in either country. This will allow fire brigades from either side of the border to reduce their response time to the fire site and will reduce the risk of fatalities.</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Demand-driven project</th>
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</thead>
<tbody>
<tr>
<td>The project idea seems to have addressed relevant target groups (residents, tourists and responsible public bodies) and has considered the opportunity of engaging them in the implementation of the project. The solution proposed works automatically; it seems, therefore, that the final users will be able to use it.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Result-oriented project</th>
</tr>
</thead>
<tbody>
<tr>
<td>The project will directly contribute to both programme results because the fire brigades will be able to respond faster. This will reduce the cost of damage because the fire will be extinguished faster.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relevant project</th>
</tr>
</thead>
<tbody>
<tr>
<td>The project idea is in line with the programme objective and contributes to the macro-regional strategy. The project idea describes a solution customised to the programme area challenges and potentials – i.e., protecting the local population and tourism industry from natural threats.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project requires cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest fires are a clear example of a joint need for cooperation. Without the cooperation of the fire brigades on both sides of the border, the advantages of installing alarm devices would be much lower.</td>
</tr>
</tbody>
</table>

1.2 How to present your project idea

A structured presentation of project ideas can help partners and other key stakeholders, as well as programming authorities, understand and assess whether they want to get involved. In order to engage new partners in your project idea and to consult the programme, you should make sure to state in a clear way what you want to do, why and how. Try to make your description as simple, clear and concise as possible - even the most complex and technical matters can be explained in simple language. You may find the following table of some assistance when structuring your idea.
Table: Project idea description

<table>
<thead>
<tr>
<th>Name of the project</th>
<th>It should be one clear sentence. You may also suggest an acronym if you have got one already, as this will ease communication and make your idea easily recognisable.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisation and contacts of the</td>
<td>Name of the organisation and contact details of the person in charge: it will be easier for the potential partners to contact you if your details are on the same page as the project idea.</td>
</tr>
<tr>
<td>project developer</td>
<td></td>
</tr>
<tr>
<td>Programme</td>
<td>Indicate to which programme you wish to submit the project proposal. Add a link to the programme website for the interested parties to gain additional information.</td>
</tr>
<tr>
<td>Priority and specific objective</td>
<td>Choose the programme priority and its specific objective within which you plan to submit your proposal. It is advisable that you also share key information such as output and result indicators relevant to the specific objective chosen.</td>
</tr>
<tr>
<td>Background and needs</td>
<td>Describe which needs and potentials the proposal is addressing. This is the main justification for the project, and answers the fundamental question: why should we do it?</td>
</tr>
<tr>
<td>Objectives and results (expected</td>
<td>Describe what change the project intends to achieve compared to the initial situation. Propose the first draft of project objectives and results.</td>
</tr>
<tr>
<td>achievements)</td>
<td></td>
</tr>
<tr>
<td>Partners already on board</td>
<td>List and provide key information, where such exists, about the organisations already willing to participate in the project.</td>
</tr>
<tr>
<td>Sought partners</td>
<td>Describe the type of organisations you are looking for. You may be very specific if you already know what kind of organisation has the authority, competences and skills needed - e.g., municipalities. In this case, you may also specify if you are looking for a partner in a given territory. Otherwise you may provide indication of desired features such as jurisdiction and expertise.</td>
</tr>
<tr>
<td>Timeframe</td>
<td>Propose an indicative duration of the project (check programme rules), potential start date and when the project needs to be submitted to the programme for assessment.</td>
</tr>
</tbody>
</table>

Many programmes offer an online project idea database where you can either upload your own project idea or browse through ideas already submitted. You will find that the project idea forms in each programme may differ from one another and from the table offered above. Always refer to the official information and forms made available by the programme.

Even if you have a fairly clear idea of what you want to do, allow flexibility so interested partners can contribute to shaping the purpose and objectives of the project. Participating in an international project implies that the project idea must reflect the needs of all partners.
2 Building a partnership

Cooperation projects must always be based on a need to work together - or more often a set of interlinked needs around the same issue. This basic principle is spelled out in the regulatory requirement that all partnerships cooperate on joint development and implementation of the project idea. Project managers therefore need to strike a careful balance between developing the core idea far enough to give a clear vision of the project to potential partners, but not so far that there is no room for input and changes from the rest of the partnership. The first success in a good partnership should be the discovery of unexpected insights, resources and knowledge within the partnership and improvements to the original project proposal on this basis.

One consequence of programme recognition of the importance of joint development is an increasing focus on the need to involve ‘the right partners’. Most application forms for the 2014-2020 period (including the Interact HIT application form) focus on identifying the precise needs that every project partner is hoping to address through the project, and the capacity that they bring to the partnership as a whole to help it achieve its objectives. This should ensure that all partners are moving in the same direction and that all feel a strong sense of ownership of the project idea. Many programmes and some countries offer preparation costs for project developers to cover the costs involved.

2.1 Project partnership

Interreg project development is about using new international contacts to shake up how organisations work and achieve a better result. A good partnership mix is one of the best ways of doing this.

When developing project partnership for your project you need to consider (1) the programme’s minimum requirements for an Interreg project partnership, and (2) which project partners are needed to be able to achieve project objectives and results.

Tips when considering the right partnership mix:

a) Eligible partners
Interreg programmes have clear rules about which organisations are eligible for funding, and these vary from programme to programme. There are rules about the type of organisation (in some programmes private sector organisations are not eligible) and the location of the organisation (there are some limitations in case an organisation is located outside the eligible programme area).

b) Partnership size
One important rule is that biggest is not always best. The size of partnership can impact the efficiency of project implementation, particularly in terms of reporting and financial management, where large amounts of information will need to be collected and coordinated, and delays from some partners are almost inevitable. Choose partners that are crucial for the successful implementation of the project.

c) Partnership composition
Project partners should have the right expertise and knowledge to contribute to the project’s development and, later, implementation of the project. The project idea should be in line with the strategic focus of partner organisations, to ensure that partner organisations (rather than just individuals) are motivated to take an active part in project development and implementation. Similarities as well as complementarity in expertise are valuable for all partnerships:

- Partners often have similar expertise, which helps ensure that joint project activities can be efficiently implemented in each partner country, and that partners have a similar understanding of key issues.

3 ETC Regulation (EU) No 1299/2013 §12.4
More importantly, partners will most often aim to address similar problems and therefore be motivated to take an active part in the project.

- **Complementarity** means that the skills of one partner match the needs of other partners. It is of course unusual to find a perfect match, but looking for complementarity between partner specialisations can be useful for ensuring successful exchange of experience between partners (i.e., learning from each other) and delivering one of the key Interreg benefits.

<table>
<thead>
<tr>
<th>Specific objective</th>
<th>Lead Partner</th>
<th>Partner 1</th>
<th>Partner 2</th>
<th>Partner 3</th>
<th>Partner 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Significant experience, for example ...</td>
<td>Significant experience for example ...</td>
<td>Some experience, for example ...</td>
<td>Minor experience, including ...</td>
<td>No experience</td>
</tr>
<tr>
<td>2</td>
<td>No experience</td>
<td>Particularly interested in learning about ...</td>
<td>Particularly interested in learning about ...</td>
<td>Particularly interested in learning about ...</td>
<td>Particularly interested in learning about ...</td>
</tr>
<tr>
<td>3</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

### 2.2 How to identify the right partners

You need to find partners who can help you turn your idea into a unified set of activities and convincing results. You will need to work closely with all partners for the whole of the project, so getting the right mix is essential. You might have to turn some organisations away. In brief, key criteria for partners are:

- Shared needs with other partners and complementary expertise (to support exchange of experience).
- Knowledge of the relevant issues, in order to contribute to the content of the project.
- Commitment, enthusiasm and trust towards other partners (willingness to take part actively already during project development).
- Financial resources (in order to participate in project preparation, pre-finance project activities ahead of each claim and secure their own contribution).

#### 1. Existing contacts

Existing contacts often form the core of the partnership. The familiar partners can often identify new partners through organisations where they have contacts. Strong contacts like this can facilitate preparation of the project proposal, as there is a pre-existing understanding of working methods and goals, and less need for trust-building.

Some border areas, especially in the case of established EGTCs (or other previously established cooperation structures), have a strong background in partnership working, previous cooperation experience and prior knowledge of partners. Networks established within priorities of macro-regional strategies could be also considered. Where these cooperation structures exist, they will often be able to help identify suitable, reliable partners.

However, old partners are not without risk. Many programmes are cautious about approving projects based around ‘the same old faces’, and prefer to see new combinations of partners in order to avoid repeat projects based on the same content. Project managers should also be aware of the risk of ‘old’ and ‘new’ groups forming, and should work hard to integrate new partners as soon as possible, making them feel...
welcome and valued. Even where existing partnerships are strong, the possibility of bringing in new partners and ideas should always be explored.

2. New partners

Completely new partnerships can develop and successfully deliver Interreg projects. Most programmes run partner search events, websites and other programme support services to assist this process. Building a partnership from the start does, however, require more time and preparatory work (including regular partnership meetings), and it becomes even more important to be clear and open about the objectives and activities of the project.

Any partnership-building process should start with an assessment of each partner’s ability to contribute to the project, both in technical and financial terms, based on the written project idea. The active participation and commitment of potential partners during the preparatory phase can provide a good indication of their abilities and willingness to contribute to project implementation at a later stage. If a partner is inactive or shows no motivation during project preparation, it is worth considering whether to include them in the partnership. Partners who are completely new to Interreg may well need additional support throughout the whole implementation process.

Organisations also operate differently in different countries, and it is not always easy to find the right partner organisation that will be able to implement the project in the same way in the partner country – a region in your own country may be a very different thing to a region in a partner country. This often means that more than one potential partner needs to be identified.

3. Involving the private sector

Interreg programmes are increasingly focusing efforts on economic development as a response to the weaknesses exposed by the financial crisis that began in 2008. Extensive economic cooperation has long been an objective of the programmes, as it will allow EU countries to unlock the same economies of scale and effective regional specialisation as are found in our main competitors. In the past there were extensive barriers to achieving this type of cooperation within Interreg, but the financial crisis has created a clear incentive to remove these barriers at every level, and a great deal has been achieved. As a result, an increasing number of programmes are not only accepting but also actively promoting private sector involvement.

Private sector partners bring in new skills, knowledge, attitudes and contacts. Many programmes promote a ‘triple helix approach’: Behind this terminology is recognition of the fact that the private, public and academic sectors need to work together in balanced partnerships on the development of an effective, modern knowledge economy in the regions where they are based. The terminology gets an extra twist in ‘quadruple helixes’. This simply means that the users of new products and services should be involved in developing them – for example, open innovation processes.

Programmes have responded to the need to involve private enterprises in very different ways. There are two basic responses which can be understood through looking at the programme’s financial tables. Programmes that operate on the basis of ‘Total public funding’ (as opposed to ‘Total funding’) do not allow private sector beneficiaries. Programmes operating on the basis of ‘Total funding’ will allow private sector financing, and studying the programme’s financial tables will allow you to see the amount of private sector funding expected. Nevertheless, even programmes operating with private sector funding can have very different approaches to how this should be done, and it is vital to study the rules of the programme you are applying to.

Where programmes still do not allow private companies to be beneficiaries and receive European funds, the private sector will need to be approached indirectly through, for example, business associations or chambers of commerce. Projects are limited to activities that will not give a competitive advantage to any business involved.

Other programmes have embraced the opportunities provided by various State Aid schemes, which allow limited public funding of enterprises for a number of specific purposes. Regardless of the nature of their participation, private sector beneficiaries also need to be aware of a range of programme requirements regarding their participation, which in many cases differ significantly from standard business practices.
Check the programme rules on private sector participation before approaching private partners.

Private sector participation comes with an administrative workload which may be new and unwelcome to most companies. Despite this, many projects have successfully included the private sector by identifying project benefits that can compensate for the added administration. Examples include the positive publicity of being involved in activities for the public good, access to policy and decision makers, access to research, and access to new networks and partners.

2.3 Partnership development stages

Partnership building is far more than matching needs and managing financial questions. If it is going to work, it needs to involve building friendships and trust. On one level this means acknowledging the need for face-to-face meetings and social contact after the end of the working day - contacts that are based exclusively on virtual contact on work issues tend to be fragile. On another level, it also means acknowledging that development of the most meaningful types of cooperation is going to take time: People who have just met for the first time are not going to make long-term binding commitments to each other.

![Figure: Developing partner cooperation](image)

<table>
<thead>
<tr>
<th>Degree of cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Implementation</td>
</tr>
<tr>
<td>Joint implementation of projects, efficient project management, fulfilment of requirements by each partner</td>
</tr>
<tr>
<td>5. Decision</td>
</tr>
<tr>
<td>Binding commitment of partners, long-term agreements</td>
</tr>
<tr>
<td>4. Strategy / Planning</td>
</tr>
<tr>
<td>Defining joint objectives and developing concrete projects</td>
</tr>
<tr>
<td>3. Coordination / Representation</td>
</tr>
<tr>
<td>Creating a joint partnership structure, first allocation of functions and roles</td>
</tr>
<tr>
<td>2. Information</td>
</tr>
<tr>
<td>Developing (targeted) exchange of information, building basic cooperation structures and trust, shaping project ideas</td>
</tr>
<tr>
<td>1. Meeting</td>
</tr>
<tr>
<td>Getting to know partners, learning about motivation, interests, needs, skills, expectations, cultural and structural aspects</td>
</tr>
</tbody>
</table>

The chart above shows the different stages, through which international cooperation typically develops - from the first contacts in meetings, networks, etc. to the stage where the solid partnerships are in place and ready for successful implementation of development projects. The main point applies equally to all projects: Joint implementation activities requiring high cooperation and trust are unlikely to succeed without previous exchange and relationship building.

While informal meetings and exchange of information usually involve a wider number of related organisations (networks) but usually not a high degree of depth or close cooperation, the number of organisations (potential partners) involved decreases, the higher up the chain the partnership moves. In

4 Developed by Dr. Joachim Beck, Director of Euroinstitut, Kehl (www.euroinstitut.org) in the course of a joint intervention of PROGNOS (www.prognos.com) and VIAREGIO (www.viaregio.com).
other words, committing to closer cooperation on increasingly concrete ideas will mean that more and more of the less active stakeholders step back from the project.

Some partner relationships remain for a long time (or even always) on level 1 and 2, while others can move relatively fast from initial meetings to close cooperation, depending to a large extent on interests, motivations and the needs of the partners involved. New partnerships should reflect on how many of these partnership building activities can be carried out during development of the application, and how many will form part of the actual project. This should contribute to a realistic assessment of how far the partnership can expect to come in terms of the final project’s outcomes - from a continued exchange of information to a commitment to combine forces in future developments.
3 Project’s stakeholders

Stakeholders are anyone who has an interest in a project or will be affected positively or negatively by its outputs and results. Stakeholders are both internal to an organisation (i.e. staff and management) or external (i.e. people, groups, institutions or other organisations). They are also those who can significantly influence, positively or negatively, the project and therefore are important to its success. Stakeholders are an indispensable part of the life of the project which needs to be systematically addressed.

When considering project partnership it can be helpful to think about whether all of the local stakeholders in each partner region are effectively represented and whether there would be a benefit in involving national, European or even global organisations. An inclusive approach to local stakeholders helps to ensure that all concerned voices are heard and that project proposals are designed to minimise resistance and integrate all of the most useful suggestions. In addition, informal cooperation through a project can be an effective way for national bodies and ministries to explore each other’s positions in a non-committal setting - and can therefore serve as the forum for developing subsequent, more formal, cooperation. Even on a national level, many project partners report that international perspectives and partners can be a good way of breathing new life into discussions within each country and introducing fresh ideas.

3.1 Analyse project’s stakeholders

The stakeholder analysis is the identification of a project’s key stakeholders, an assessment of their interests, and the ways in which these interests affect project riskiness and viability. It should always be prepared at the beginning of a project, even if it is just a quick list of the stakeholders and their interests. Such a list can be used to draw out the main assumptions which are needed if the project is going to be viable, and some of the key risks. It contributes to project design and helps to identify appropriate forms of stakeholder participation.

A pragmatic method of carrying out a stakeholders’ analysis is to map them in a graph (see figure below). This will allow identified stakeholder organisations to be assigned to a category on the basis of which the appropriate form of participation can be decided.

On its vertical axis, the graph represents an increasing degree of power or the extent to which the project is influenced by the decision of the stakeholders. On the horizontal axis, stakeholders will be organised on the basis of their increasing level of interest in the project, hence on the extent to which they are affected by it. To start populating this map you should place organisations that exert a strong influence on the project, but are also highly influenced by it, in the top right corner. Conversely, organisations that have little interest as well as power, should occupy the bottom left corner of the square.

Figure: Project’s stakeholders
### Stage 1: Project Idea Generation

#### Table: Stakeholder groups

<table>
<thead>
<tr>
<th>SPONSOR</th>
<th>ENGAGE</th>
<th>ADVOCATE</th>
<th>INVOLVE</th>
<th>NEUTRAL</th>
<th>INFORM</th>
<th>BLOCKER</th>
<th>PERSUADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission the work. Their actions and decisions will have a high influence on the outcomes of the project. This group is also highly interested in these outcomes. This is obviously the most important area which needs to be carefully analysed, as these stakeholders are relevant to the decision making process in the project.</td>
<td>Support the work. Even though these organisations are unlikely to affect the project, they might in return be highly affected by it. It is the responsibility of the project to address these stakeholders' interests, especially in order not to become a threat to them and induce their shift towards the &quot;blocker&quot; position.</td>
<td>Neutral to the work, but might move towards any other position. Their decisions are unlikely to have serious consequences on the project and they have little interest in the purpose of the project. They are not irrelevant to the project because they might move towards a different area based on the relations they have with other stakeholders.</td>
<td>May hinder the work of the project. Organisations that have a strong power on the project outcomes, but no direct interest. These organisations may represent a risk to the project; however, if appropriately addressed they may become neutral, or even better.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>These are key players, so focus efforts on this group. Involve them in the project decision-making/governance bodies. Engage and consult them regularly.</td>
<td>Involve them and show consideration. Make use of interest through involvement in low risk areas. Keep them informed and consult them on interest areas.</td>
<td>Keep them informed via general communication.</td>
<td>Engage and consult on the interest area, and try to increase the level of interest.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The achievements of the project and programme objectives are strongly interdependent. This is because the programme has the biggest power on the project in terms of approving the funding, and the highest interest, since projects are those implementing the programme strategy the programme should be considered as a stakeholder.

### 3.2 Engage project’s stakeholders

In each instance, partners will have to decide who the appropriate stakeholders are and to what extent some or all of them should be involved. Involving a larger rather than smaller number of people is not necessarily better. Also, it is important to remember that not all stakeholders will be interested or able to participate. In a participatory approach the role of the stakeholders is to share their experiences and expectations.

**ENGAGE:**

- Their engagement is necessary for the project results to reach beyond the partnership and produce a lasting effect.
- Highest degree of involvement at the stage of project preparation and implementation.
- Make sure their needs and expectations are constantly reflected in the project.
- Plan project activities for direct engagement in the project - for example, at decision-making points.

On the top right corner of the graph there are those organisations which are important to the project because they can highly influence it, and also share a high level of interest with it. Project partners also
belong to this cluster. They are pro-active players in the joint development of the project idea, and participate in the entire decision-making and planning.

However, when developing a project the partners should not forget that those stakeholders who are not partners still have an interest in and influence on the project. In some cases they will be “excluded-partners” as a consequence of the need to keep the partnership within a workable size. They are potential multipliers with the capacity to reach out and beyond the project partners.

Therefore, their involvement is of definite relevance to the project, and they should be identified and addressed in a way that is appropriate to the level they influence the project and the extent the project may affect them. If they are disregarded, the project might find out too late that it is going down a route which will not secure the expected results, and radical adjustments will have to be made.

**INOLVE:**
- Decent degree of involvement at the stage of project preparation. It is important to be aware of their needs.
- During implementation, keep surveying their needs.
- Engage with them with initiatives, also at local level.
- Foresee specific activities in the project work plan.

In the bottom right corner of the graph, all the organisations that have expectations from the project will be grouped. They might become users of the outputs or they will benefit from the project results. Their participation in the project should be quite active. Their involvement since the beginning of the project is important - e.g., to survey their needs and interests and thereby better understand how the project can address them.

Having these stakeholders on board from the start serves two purposes:
1. First of all, that their voice is heard on a matter that is going to affect them. If the project is inclusive, their support should be secured and it should increase the possibility that the changes the project is seeking to achieve will actually happen.
2. Secondly, by establishing a relationship with these stakeholders the partners can gauge potential obstacles which might be raised by this group and could push them in the direction of the top-left box. Without any dialogue with these stakeholders the project would have very little chance of predicting such risk and may jeopardize its work.

Within this area you find the **project target groups**, defined as:
- Individuals and organisations directly and positively affected by the project outputs.
- Not necessarily receiving a financial grant and not even directly involved in the project as partners.
- The target groups may exploit project outputs for their own benefits.
- Target groups may be people or organisations external to the project partners, as well as internal to it, depending on the project.

Many project promoters find it useful to carry out a needs analysis with particular focus on the project target groups, in order to support project development. A clear link between the project idea and target group needs is indispensable; the target groups are customers of the project. Their role in the mainstreaming of project results is key. Mainstreaming is defined as the process by which project results are adopted as part of the standard systems and procedures of an organisation, and, by extension, of a community if the project result involves a change of behaviour.

**INFORM:**
- Low degree of involvement at the project preparation stage.
- Consider for project communication activities.

The people and organisations grouped in the bottom left corner are those unlikely to represent a risk, or an opportunity, for the project. Their capacity to affect the results is limited, as well as their interest in the project purpose or use of the outputs. Even though the priorities of this group lie somewhere outside
the immediate scope of the project, they will be interested in being kept informed on the project, and with time they may well move towards the right hand side of the graph. At this stage of the project, it will be worth noting these organisations and considering their participation in the framework of the project outreach strategy later on in the project development.

**PERSUADE:**
- Modest degree of involvement at the stage of project preparation, but it is important to be aware of their interests.
- To gain support, inform about the project expected benefits from their point of view.
- During implementation, keep surveying their position.
- Engage with them only with focused and targeted initiatives.

No matter how good a project idea might be, there will always be stakeholders who by taking, or not taking, decisions will negatively influence the work of the project. These stakeholders should not be disregarded; they occupy the top left corner of the graph and they should be persuaded about the value of the project so that their level of interest increases. In order for this to happen, the communication that goes out to them should highlight their interest in the project, and not a hypothetical value of the project per se. Failing to convey the message from their point of view will reduce the chances that they will change their position from blockers to sponsors or neutral. It is important to identify them at the start of the project and begin building a targeted relationship. Engaging with these organisations might be challenging, especially if they belong to the same partner organisation (internal stakeholders).

The minimum effort required towards internal stakeholders is to make sure that all people whose work is required by the project are aware of what is expected from them and are in the condition to perform it. Projects often experience administrative problems in their own organisations when they have to implement programme rules. Problems range from difficulties in securing the necessary staff and other resources, to conflicts between financial systems. All of these difficulties can delay a project.

**Engaging stakeholders in your project is a continuous and resource-intensive task. Focus on the most important ones from all clusters and involve them during the development and implementation of your project.**

**Example: Stakeholder mapping**

**Disclaimer:** *the analysis of stakeholders is not an exact science. You may disagree with some of the suggestions in this example as well. This tells you that:
- Stakeholders’ identification, analysis and engagement are matters to negotiate and agree with the partners.
- Additionally, different countries have different systems in place which may make the same or similar organisations assume different roles in the map. Be aware of these differences and allow flexibility in the project to address the matter in the most effective, yet cooperative, way.
- The reference for deciding whether a certain organisation is more or less affected by the project is the project result. When in doubt, prioritise on this basis.*

**Project idea**
A cross-border area is subject to high risk of fires and is sparsely populated during most of the year. However, during the summer season tourists occupy most of the houses. Therefore, the population increases drastically when there is a higher risk of fire.

The project idea proposes to equip each household (in agreement with the municipalities on either side of the border) with a device automatically notifying the closest fire department in either country. This will allow fire brigades from either side of the border to reduce their response time to the fire site, and will reduce risk of fatalities.
Stage 1: Project Idea Generation

Municipalities (sponsor)
The municipalities on each side of the border have the authority to decide on a matter such as equipping households with specific safety devices. They also carry the responsibility of overseeing that the people in the region are safe, and that the tourism sector does not suffer from the risks of fire. They are therefore the organisations with the highest interest in the project, as well as higher capacity to influence its success, and they should be involved in the project as partners.

Municipalities are not target groups because they are not directly affected by the outputs - i.e., the fire alarm devices.

Firemen (sponsor)
The firemen are those who will benefit from the project outputs, in the sense that they will be able to better respond to any possible fire. Their work is strongly influenced by the project: without the device they would not be able to coordinate their intervention as effectively. They have strong influence on the project (they might refuse to agree on a joint response plan), but they are strongly affected by its actions. Firemen should also be partners.

Association of house owners (advocate)
They have a high interest in the project because they want to preserve the value of their property. They have some influence on the project because they can lobby house owners who are against the project, to change their minds. The association would benefit from the installation of the fire alarm devices or from a faster rescue plan, yet other individuals would benefit more. The association is a target group.

The association might be a partner in the project; however, it has no power over the firemen, or specific authority in matters of civil protection. This means it may lack capacity to enforce the project.

House owners (advocate or blocker)
This group can assume contradicting positions. On one side, they could refuse to allow the installation of the devices for privacy reasons. They may not want a sensor recognising their presence in a specific room of the house at any given time of the day. In doing this they reduce the overall benefit to another group, that of the firemen who would need to verify if there are people in the house. If a large number of house owners assume this position, the project will fail. On the other hand, if they accept this condition they may improve their chances of survival in a possible fire.

Company producing the devices, tourism offices, travel agencies (neutral)
These other stakeholders are not decisive to the success of the project. They may provide additional support to the achievement of the results, but they lack the capacity to enforce the project.
3.3 Methods for engaging with stakeholders when preparing a project

Stakeholder involvement can be realised in various ways. When defining the stakeholder groups, careful consideration should be paid to how the groups should be involved. In some cases consultations are organised in the framework of seminars or conferences on the topic of the project, while in other cases dedicated meetings can be set up with the participation of relevant stakeholders.

There is a long list of methods for engaging with stakeholders that can be easily accessed online; below we list the most common ones.

Table: Methods for engaging with stakeholders

<table>
<thead>
<tr>
<th>Methods for sharing information and awareness:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Make use of the space and tools available at each programme’s website and/or events.</td>
</tr>
<tr>
<td>- Exploit existing fora, such as professional online networks on social media or experts’ platforms.</td>
</tr>
<tr>
<td>- Contact macro-regional strategy coordinators to reach wider stakeholder groups.</td>
</tr>
<tr>
<td>- Use your network as a multiplier: share information and ask your network to re-share it.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Methods for gathering specific input:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- <strong>Questionnaires and surveys:</strong> This is a structured way of obtaining information which can be easily analysed. They can reach a very large audience, especially when online surveys are used. The questions should be written in a neutral form, not leading.</td>
</tr>
<tr>
<td>- <strong>Focus groups:</strong> This is effective in small groups, if facilitated by an expert or experienced facilitator. They can lead to very relevant results, but it is rather resource-intensive. Face-to-face focus groups organised at local level are a very effective way of approaching stakeholders and establishing a trust relationship. Later on in the project the group can be “transferred” on professional social media platforms, enabling a less time-intensive, but equally informative exchange.</td>
</tr>
<tr>
<td>- <strong>Workshops:</strong> These are structured group discussions with a specific aim - e.g., solve a problem or analyse a topic. It is useful method for gathering experts from different fields/ backgrounds. As with the focus groups, it is resource-intensive. In this case too, a first face-to-face meeting might be an investment for future cooperation. However, in order to maintain momentum the support of online platforms could be used later on.</td>
</tr>
</tbody>
</table>

Whichever method you choose, make sure that it is proportionate to the relevant level of participation of the different groups of stakeholders, and remember that there is a large variety of solutions which can easily be conducted online with a significant saving of resources - time, money and CO2 emissions.
4 Fine-tuning the project idea

Participating in an Interreg project implies that the project idea needs to reflect the interests of all partners. The project idea should represent a joint agreement of what is to change, where and for whom. The evolution of the project idea and of the project partnership is an interdependent process. The project is influenced by the partners; likewise the partnership is shaped by the purpose and scope of the project.

4.1 To be agreed at this stage

When new partners-to-be come together they are normally enthusiastic about the new challenges and contacts that the project will bring. The partner that proposes the idea often - but not always - becomes the facilitator of the various ideas and inputs from partners. The facilitator's role will be to maintain this motivation while making sure that it does not result in unrealistic expectations about the project. This is particularly important during discussions about the purpose and scope, the foundation of any project, which should be focused and clear.

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Project scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose is the reason why something is done or used; the aim or intention of something.</td>
<td>Scope is the extent of a given activity or subject that is involved or relevant.</td>
</tr>
<tr>
<td>Partners discuss questions like:</td>
<td>Partners discuss questions like:</td>
</tr>
<tr>
<td>· Why should we do it?</td>
<td>· What needs to be changed?</td>
</tr>
<tr>
<td>· What improvements will the project bring compared to the present situation?</td>
<td>· What factors can we influence?</td>
</tr>
<tr>
<td>· How can we influence them?</td>
<td>· How can we influence them?</td>
</tr>
<tr>
<td>Partners should be knowledgeable of the needs, problems, potentials and assets that exist in their area, and use them as the basis for contributing to the definition of a future improved situation - the project purpose.</td>
<td>To agree on the scope of the project means to define the area of intervention: what the project will do and what it will not do in order to reach the result. The starting point is again the knowledge that each partner will have about specific needs, problems, potentials and assets that need to be addressed, and of the factors that can be influenced in order to make a change.</td>
</tr>
<tr>
<td>The purpose has to be jointly agreed within the partnership. Without sharing a common purpose, partners would lack motivation for committing to the project.</td>
<td>Defining the project scope will involve prioritisation of the various ideas. The project focus shall be narrowed to a level that is realistically achievable.</td>
</tr>
<tr>
<td>A clear understanding of the purpose from the beginning will:</td>
<td>Taking into account the resources available at this stage is also necessary - partnership, time limitations and budget.</td>
</tr>
<tr>
<td>· make it easier to plan resources and activities;</td>
<td></td>
</tr>
<tr>
<td>· reduce the risks of underperformance or partner withdraws during project implementation.</td>
<td></td>
</tr>
</tbody>
</table>

The main source of idea development material is partners’ discussion and expertise. Meeting with partners and potential partners to discuss ideas is certainly a good practice, since it allows immediate feedback on each other’s interests and suggestions. The development of the partnership is an important process, and the time it takes from a first meeting to definite commitment should not be under-estimated. It is also well-known that even the closest friends can argue when money is involved.

However, not everything can be covered in a project, and ideas need to be narrowed down to relevant and realistic objectives. To reach a high level of agreement that satisfies all interested parties it is advisable to circulate a project idea draft beforehand among the meeting attendees, as well as a clear

---

5 See the project idea description table offering guidance about the key information to share with the partners at the inception stage.
statement on the purpose of the meeting, in order to manage expectations. This should reduce the risk of
the exchange among potential partners generating frustration and misunderstandings.

To organize and coordinate a meeting that has such a large scope as developing project ideas is not an
easy task. The ideas of partners will often fall outside the original idea of the project. During the first
stages of planning the scope can be adjusted to include new objectives, but at a relatively early stage the
actual results need to be defined. This decision is essential so the project developer can communicate,
“What this project is about”. The project developer must consider ideas “outside the scope” carefully,
balancing the need to create a project with coherent activities and objectives against the need for
project partners to feel that their input is valued. This process is best managed face-to-face and becomes
more challenging, for example, via email exchanges.

<table>
<thead>
<tr>
<th>Table: Good practice examples for a project idea development meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Circulate a project idea draft prior to the meeting.</td>
</tr>
<tr>
<td>2. Communicate the expectations for the meeting.</td>
</tr>
<tr>
<td>3. Use working tools that stimulate participation and creativity, like flipcharts, post-its and boards. This will also make it easier to keep an eye on “the big picture”.</td>
</tr>
<tr>
<td>4. Ask a colleague not involved in the discussion to take notes.</td>
</tr>
<tr>
<td>5. Make sure to capture all inputs and organise the information in a logical order. It could be helpful to start by drawing a mind map.</td>
</tr>
<tr>
<td>6. Use decision-making techniques. These will support you when it is time to set priorities. Different techniques are explained here: <a href="http://www.mycoted.com/Main_Page">http://www.mycoted.com/Main_Page</a></td>
</tr>
<tr>
<td>7. Conclude the meeting by stating the expected benefits at the end of the project.</td>
</tr>
</tbody>
</table>

It is very likely that one meeting will not be sufficient to conclude the negotiation process, and further exchange among partners and partners-to-be will take place via email and other electronic forms of exchange. Make sure that you have a common base for a discussion: a good practice is to update the project idea description shared at the beginning of the process with the decisions made at the meeting, and use this as a joint working tool. There are several online platforms where the project idea document can be uploaded and simultaneously edited by different users, leaving the updates visible.

4.2 Test the project idea

The main source of project idea development material is partner discussion and expertise. In order to refine project ideas and ensure their relevance, project developers should carry out a range of activities to check the project’s focus and options.

Additionally, project developers should be aware that Interreg has been running for the past 25 years, during which time thousands of projects have been financed. This means that there is a huge capital of knowledge and experience to build on which cannot be ignored when preparing a new proposal. Furthermore, the competition has increased, and several organisations have developed specific Interreg-expertise gained through participation in different projects. So, before investing time and resources in drafting a complete application form, it is advisable to get a good understanding of the state of the art.
In order to test the strength of the project idea, you could carry out the following activities:

a) **Background research** and review of existing studies, with particular focus on target groups’ needs and the identification of gaps in existing services/products, as well as thematic gaps identified by the programmes.

Background research is often carried out in order to obtain further information about the project context and possible project impact. The research should cover the thematic field of the project to assess the level of maturity in the field of intervention for each part of the target area.

An assessment of existing services in the relevant intervention area can also be carried out in order to make sure that the project does not duplicate any existing activities being carried out by other organisations.

b) **Check complementarity and duplication** compared to previously funded projects: ideas should complement (and not duplicate) other projects being carried out in the programme area.

Project developers therefore need to know how the project fits into existing projects and how the project is likely to influence their activities. The application will need to demonstrate how the project is different and how communication and learning will be secured between similar projects. Project ideas that are too close to an existing project may be rejected.

If two similar ideas are under development, they may be asked to combine these into one larger partnership. In some cases, programmes might also discourage project development on a specific issue if it is felt that the projects approved so far already cover the theme sufficiently. It is therefore very useful to consult programme management on this issue before developing the project application.

Information on most projects financed by Interreg can be found not only on the websites of each Interreg programme, but also in the official database of all Interreg projects implemented since year 2000: www.keep.eu. Where macro-regional strategies exist, coordinators of these strategies would be key persons to address, as they have an overview of the projects within the specific theme and relevance for the macro-region. These projects are not limited to Interreg projects only.

c) **Avoid ‘saga’ projects** - i.e., projects that are continuations of previous projects. Such projects could be a good way of keeping the activities for individual projects within realistic limits. For example, a first project might develop feasibility studies or strategies, and a follow-up project could implement actions developed on the basis of the first project. Project promoters therefore would be tempted to apply for Interreg funding with a view to develop the project idea further (building on previous results) during the next round of calls. This ‘multi-stage project approach’ helps to set and achieve realistic project objectives within the timeframe of the project, but adds a long-term perspective to cooperation which cannot be assumed.

In fact there is no guarantee that the follow-up project will be funded, and in many cases programmes are unwilling to fund the same partners to carry out similar activities in more than one project. Every follow-up project must develop the activities carried out in the first project, and an added-value has to be demonstrated. Follow-up projects that just offer more of the same will almost certainly be rejected.

Considering the long tradition of Interreg in many European countries, many programmes consider the development of feasibility studies and action plans as an intermediate project deliverable, and would not accept that a project stops at that stage. The delivery of documents such as strategies, reports and studies is no longer considered a sufficient outcome of a cooperation programme. Make sure that you are aware what types of outputs and results are expected and requested by the programme.

d) If possible, **pilot the project idea** (or parts of the project idea) in order to identify any potential weaknesses or areas where the project idea can be further strengthened.

It is a precondition of successful project implementation that partners are experienced in the field of the planned project. In some cases partners have already carried out ‘pilot-type’ activities, which can
be used as a stepping-stone for the development of the project idea (or parts of it). These methods can underpin the project concept and help to support the project idea with key stakeholders (and programme management in particular).

Pilots show that the project idea is realistic and will increase confidence in the ability of the partnership to implement the next stage. However, a strong word of warning is needed. Projects must make sure that the main idea is not just a repeat of the pilot on a bigger scale. There is a need to demonstrate that activities build on what has been learnt or done so far. Applications that seek funding for existing activities will be rejected.

4.3 Consult the programme

Programme management and/or Joint secretariats (JS) should be consulted regularly for advice and feedback on the idea, and for partnership development. These clarifications contribute to a better understanding for both project developers and programme management about how the project responds to the programme objectives and targets. If a project already has a good understanding of the main issues in the programme documents, consultations can be used for fine-tuning the project so it is more likely to be approved. Projects should review received feedback carefully and consider adjusting proposals accordingly, as the comments received are likely to reflect the outcome of the assessment during the selection process.

**Table: Example of programmes’ events and tools for project development support**

<table>
<thead>
<tr>
<th>Event Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Info-days events or online seminars</td>
<td>To explain the strategy of the programme and the type of projects the programme is currently interested in, as well as some of the requirements.</td>
</tr>
<tr>
<td>Project pre-assessment</td>
<td>Project developers can submit their project idea using templates available on the programme’s website and will get a programme’s informal opinion about their project idea, either at an event or via other means.</td>
</tr>
<tr>
<td>Thematic seminars and partner search events</td>
<td>To bring together stakeholders from different sectors to discuss ideas and meet potential partners.</td>
</tr>
<tr>
<td>Supporting documentation</td>
<td>In addition to the Cooperation Programme, Interreg programmes prepare factsheets, guidance and application manuals where project developers can easily access all relevant information needed for project development.</td>
</tr>
<tr>
<td>Templates</td>
<td>Templates such as project idea, project partnership agreement, application form, progress report, etc.</td>
</tr>
<tr>
<td>Project idea web database</td>
<td>An online portal listing all project ideas in a programme, and types of partners those other projects are looking for.</td>
</tr>
<tr>
<td>Targeted assistance</td>
<td>In cases where project developers from different regions/countries are working simultaneously on a similar topic, the programme might suggest merging project ideas.</td>
</tr>
<tr>
<td>Individual project consultations</td>
<td>Between partners and Joint Secretariat staff based on a project idea submitted.</td>
</tr>
<tr>
<td>Network of national / regional contact points (CP)</td>
<td>To inform about the programme and the national context, facilitate country-specific partner search (you can also contact CPs in other countries where you are looking for partners) and provide tips and advice for project development.</td>
</tr>
</tbody>
</table>
## 5 Project idea generation checklist

<table>
<thead>
<tr>
<th>Success criteria</th>
<th>Yes</th>
<th>No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project is demand-driven: Identified target groups will be able to benefit from the project.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project is result-oriented: Project will make a change by addressing the need of the target groups.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project is relevant: Project contributes to the programme objectives and results as identified in the Cooperation Programme.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project requires cooperation: The project would not succeed without international cooperation.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The relevant organisations needed to address the need and achieve project objectives are involved.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The partnership is balanced with respect to levels, sectors and territory.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partner organisations have experience and competence in the thematic field concerned, as well as the necessary capacity to implement the project.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Potential project’s stakeholders and their roles have been identified.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholders to be addressed have been prioritised.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Core stakeholders have been contacted and engaged according to their interests.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The partners have made use of available knowledge, and built the project on existing results and practices.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The programme has been consulted and comments taken into account.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If relevant, the project idea has been tested.</td>
<td></td>
<td></td>
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</tbody>
</table>
PROJECT MANAGEMENT HANDBOOK

CHAPTER III

Stage 2: PROJECT DEVELOPMENT

INTERACT is co-financed by the European Regional Development Fund (ERDF)
Contents

1 The Lead partner principle.................................................................1
   1.1 Lead partner ...........................................................................1
   1.2 Responsibilities of project partners .........................................2

2 Preparing project proposal...............................................................4

3 Project content ..............................................................................7
   3.1 Project justification ...............................................................7
   3.2 Project intervention logic .......................................................7
      3.2.1 Project objectives ..........................................................8
      3.2.2 Project results and outputs ..............................................9
      3.2.3 Establishing a link between the programme and the project ..10
   3.3 Project work plan ...............................................................12
      3.3.1 Work plan structure .......................................................12
      3.3.2 Work package structure ...............................................13
      3.3.3 Time plan ..................................................................14
   3.4 Other parts of the application form ..........................................15

4 Project budget ..............................................................................16
   4.1 Budget planning .................................................................16
   4.2 Fine-tuning the budget ..........................................................19
      4.2.1 Staff costs .................................................................19
      4.2.2 Office and administration ............................................20
      4.2.3 Travel and accommodation ........................................21
      4.2.4 External expertise and services ...................................21
      4.2.5 Equipment ...............................................................22
      4.2.6 Other budget lines .......................................................23
   4.3 Arranging the rest of the financing .........................................25

5 Project development checklist ......................................................26
1 The Lead partner principle

The Lead partner principle (LPP) is an important feature of Interreg programmes. Under the LPP activities of a project are typically carried out by a number of partners, of whom one acts as the lead partner. The lead partner forms the formal link between the project partners and the respective programme.

Formally speaking, projects in cross-border and transnational programmes must involve organisations from at least two participating countries, at least one of which has to be from a Member State. Projects under interregional cooperation have to involve organisations from at least three countries, at least two of which have to be Member States. However, these are minimum requirements and many programmes will expect much wider participation in a lot of projects. As a result, one partner is selected as a coordinating lead partner.

Project partners are organisations participating in a project. Beneficiaries are project partners that receive programme co-financing for the expenditure related to their activities in the project.

1.1 Lead partner

The lead partner can be considered the overall project manager. Other project partners may have their own project managers to ensure that their share of the activities is delivered, but it is the lead partner who is responsible for making sure that all of the activities, timetables and budgets laid out in the approved application stay on track, and for reporting on them to the programme. The lead partner is generally the only contact between the project partnership and programme management bodies. Most programmes will have hundreds, if not thousands, of organisations working on projects. Communication with this large group is managed through the lead partners.

There are a number of regulatory requirements regarding the type and location of organisations which can take on the lead partner role:

- Lead partners must be located in a Member State participating in the cooperation programme.
- Some programmes have agreements that a lead partner may be located in a third country or territory participating in the Cooperation Programme (e.g., Norway).
- Some programmes have restrictions on private sector organisations taking the lead partner role. There may be extra requirements, or programmes may insist on a public sector body.
- Sole beneficiaries wishing to be lead partners must be registered in a Member State participating in the cooperation programme. However, they may be registered in a Member State not participating in the programme provided the conditions set out in the regulation are satisfied.

In many cases, the project developer who initiated the project idea will take on the lead partner role. This is often a natural progression, especially as the partnership will probably be based on the developer’s contacts. It is important, however, to recognise that taking on the lead partner role requires a certain level of resources, knowledge, administrative- and financial capacity. As a result, some organisations feel unprepared to take on this role, or prefer to focus on the project content rather than developing project management capacity. One of the other organisations in the project may therefore take on the task, or the lead partner may sub-contract project management and administration to specialist consultants so that its own staff can focus on project content. If this latter option is chosen, make sure that you follow all relevant public tender rules.

The lead partner will play a key role in the partnership building process and lead the process of formulating objectives, project plan and structure of activities. The role also involves coordinating between project partners, keeping them involved and ensuring that their suggestions are taken on board.

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1 In exceptional cases a project may be implemented in a single country, provided that cross-border or transnational impacts and benefits are identified. This generally involves infrastructure with clear cross-border relevance. See ETC Regulation (EU) No 1299/2013 § 12.2

2 ETC regulation (EU) No 1299/2013 § 12.3
The table below shows the key qualities for a lead partner according to the most experienced Interreg project managers.

### Table: Lead partner key qualities

<table>
<thead>
<tr>
<th>Capacity / experience</th>
</tr>
</thead>
</table>
| · Early involvement in project idea design.  
| · Access to a good network of potential project partners, stakeholders and external experts.  
| · Know-how in Interreg or international projects of similar nature, and a good knowledge of EU regulations and programme requirements.  
| · Financial and human resource capacity and skills to plan and manage the project and prepay project expenses (before being reimbursed by the programme).  
| · Good knowledge of the project theme.  

<table>
<thead>
<tr>
<th>Coordination</th>
</tr>
</thead>
</table>
| · Able to keep project strategy, objectives and work plan focused.  
| · Able to negotiate roles and responsibilities with all project partners.  
| · Flexible and prepared to deal with new factors or unforeseen events or problems, without abandoning the main path of the project.  

<table>
<thead>
<tr>
<th>Communication / liaison</th>
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</thead>
</table>
| · Bring and keep all project partners together; motivate them.  
| · Coordinate and quality check inputs from project partners and others (e.g., external experts).  
| · Act as a main contact for the Managing Authority/Joint Secretariat, link between project partners and programme authorities, inform regularly about changes and results.  
| · Pass programme information (for example, on requirements, eligibility, etc.) down to the project partners.  
| · Neutrality and at the same time real involvement and personal approach in dealing with project partners and their problems, or when resolving internal conflicts.  
| · Be available for project partners and their issues when they need assistance.  
| · Manage differences and problems stemming from cultural differences and different languages: educate and inform, use interpreters.  

<table>
<thead>
<tr>
<th>Financial management</th>
</tr>
</thead>
</table>
| · Ensure that project partners know all requirements regarding reporting, record keeping, auditing and eligibility.  
| · Agree schedules and follow up deadlines.  

As the table above shows, the role of the lead partner as ‘head of the project’ involves more responsibilities and a bigger workload than for the other project partners. **So why should you be interested in being the lead partner?** Especially for small organisations, the lead partner role can be too much of a burden, but it can also be rewarding and beneficial.  

When coordinating the project you:  
· have better control over content, financial management and results delivery;  
· are in direct contact with the Joint Secretariat and/or Managing Authority;  
· avoid the risk of being responsible to another (potentially poorer performing) lead partner;  
· get noticed at regional, national and sometimes even European level;  
· learn through stronger engagement with the Interreg programme;  
· pick up contacts and ideas at lead partner events from other projects.  

### 1.2 Responsibilities of project partners  

All project partners are responsible for fulfilling their own tasks as described in the application, and for ensuring that funds are only spent on the activities laid out in the application. The split of formal responsibilities between the lead partner and other partners in the project is defined below.
## Stage 2: Project Development

### Table: Lead partner and partner responsibilities

<table>
<thead>
<tr>
<th>Project stage</th>
<th>Lead partner (LP) responsibilities</th>
<th>Project partner (PP) responsibilities</th>
</tr>
</thead>
</table>
| Development and application | · Coordinates input from project partners.  
· Signs and submits the application form. | · The project and the application should be jointly developed and agreed by the partnership.  
· All PPs should jointly agree on who will be the lead partner.                                                                                                                                                                      |
| Financial contribution | · Secures LP financial contribution.                                                                 | · Secure financial contribution.                                                                                                                                                                                                                                                                  |
| Contracts              | · LP signs the subsidy contract between the programme and the project\(^3\).  
· LP draws up the project partnership agreement, including provisions for sound financial management and recovery of amounts unduly paid\(^4\). | · The project partnership agreement must be signed by all project partners. They commit to delivering all approved outputs and activities, and live up to financial responsibilities.                                                                 |
| Implementation         | · LP has overall responsibility for ensuring implementation of the whole project in line with the approved application. | · Every partner is responsible for carrying out the activities assigned to it in the application and project partnership agreement.                                                                                                                                                     |
| Finance and reporting  | · LP checks that all project partners’ expenditure has been validated by approved controllers.  
· LP ensures that reported spending has been incurred through spending on the agreed activities only. | · Every partner is responsible for ensuring that their expenditure has been certified by the approved controller.  
· They should ensure as far as possible that certification and other documents are provided before the LP’s deadline.                                                                                                                                 |
| Payments               | · LP receives payments from the programme and transfers funds to the other project partners without delay and without any deductions, unless these have been agreed in the project partnership agreement\(^5\). | · Every partner remains responsible and liable for any and all irregularities in the expenditure it has declared.                                                                                                                                                                                                 |
| Irregularities         | · The LP is responsible for paying back to the programme immediately any amounts which need to be recovered due to irregularities detected after project end (before this, amounts to be recovered will be deducted from the next payment to the project). The LP then recovers these funds from the project partner which caused the irregularity. If the funds cannot be recovered from the partner, the Member State where the partner is located is liable. |                                                                                                                                                                                                                                                                                        |

Formal responsibilities should not get in the way of the concept of partnership: It is the role of every partner to do what they can to ensure the success of the project.

\(^3\) CPR Regulation (EU) No 1303/2013 § 125.3(c)  
\(^4\) ETC Regulation (EU) No 1299/2013 § 13.2(a)  
\(^5\) ETC Regulation (EU) No 1299/2013 § 13.3
2 Preparing project proposal

Interreg programmes award grants to projects on the basis of competitive calls where several project proposals are assessed and the best ones selected for approval and implementation. The programme selects those projects that are more likely to make a contribution to the results sought. Programmes assess the project contribution to the programme objectives and the operational feasibility of the proposal.

In order to assess all projects on an equal basis, the programmes publish an application form template where the partners describe the strategic and operational elements of their project proposal. Good project applications are generally the result of detailed preparation and teamwork between all partners.

The application form (AF) is an official document binding in similar terms as a contract would. It describes the project (objectives, results, outputs, partnership) and gives detailed information on the work plan and financial figures.

The AF has to be submitted during the selection process and is assessed by the programme bodies, in order to select the projects to be funded by the programme.

Once the project has been approved, the AF becomes the reference document for the whole implementation of the project until its closure.

The content of it may change to a certain extent during the implementation, but only according to the programme's project modification rules and procedures.

Every programme has slightly different requirements for how the project proposal should be presented in the application form, and the level of detail required. Look at the application form as early as possible to see what is needed.

The application form template is defined by each programme, and is usually available all year round on the programme’s website. Recently, Interreg programmes have been using electronic forms to be filled in directly via web portal. Nevertheless, a PDF version or editable document may still be available for preparation and drafting.

Most application forms are split at least into the content part of the project (explaining project strategy, context and work plan) and the finance part (showing resources needed to implement the project). In addition, programmes require information on partner organisations and several supporting documents, depending on the nature of the project.

A good application is not just about getting the project approved. It is the blueprint for the whole project and the first source of information when there are doubts or problems. Remember also that it will form an integral part of the project’s contract with the programme.

The preparation of a good proposal should be seen as an investment in increasing the chances of an application being successful. Any potential project developer has to bear in mind that without sufficient internal resources the preparation of successful proposals is impossible.
Table: Resources required for the application process

<table>
<thead>
<tr>
<th>Financial resources</th>
<th>Human resources</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project preparation takes money (for staff, travel, meetings and possibly for additional expert assistance). While some of the programmes have established mechanisms to support pre-approval project financing (e.g., seed money or preparatory projects) this is not the case for many Interreg programmes. In some programmes there is also an opportunity to recover preparatory costs, but these costs can be claimed only if the project application has been approved.</td>
<td>Partners - and the lead partner organisation in particular - will need to have sufficient staff to prepare the application, including the coordinator, field-experts (and, in some cases, external consultants). Partner organisations need to make a serious commitment at an early stage and give staff time to work on the application. You should consider whether partners who are unwilling to do this will be good contributors to the main project.</td>
<td>The preparation of applications is often time-consuming. Some project proposals take 1-2 years, but on average the preparation of a good project will require approximately 1 year. It is not particularly time-consuming to fill in the application form (approximately 1-2 months) but developing the information required to do this will take time.</td>
</tr>
</tbody>
</table>

When drafting the application the information sources are the same as those used during the rest of the development process. The priority given to different sources may, however, shift. The programme and its documents should take a central role.

Programme sources:

- **Programme manual and handbooks:** Most programmes draft a manual or series of guidance factsheets to support applicants during the application process, explaining rules and procedures.

- **Programme management:** Officers can advise on harmonising project content with programme priorities, necessary links between the project idea and other programme requirements, guidance with setting the indicators and drawing links to those used by the programme, and technical advice on the requirements of the application form (e.g., some programmes have special events where technical questions related to filling in the application are discussed).

- **Project assessment criteria:** These tell you what the programme will be looking for when it considers your project. Compare the assessment criteria with the application form to decide where you should include the information required. Make sure you provide enough information to allow the programme to make a decision on all criteria: a common reason for project rejection is that programmes feel unable to make a judgement on the basis of the information in the application.

- **National/regional contact points:** These are set up for the purpose of helping project developers with any questions related to the programme or its requirements (including the requirements related to the application procedures). Make sure that contacts are established well before application submission.

The involvement of external experts is considered useful by some projects when developing the content of the application - especially for less-experienced project developers. The best experts can contribute specialist know-how and take on the administrative burden for organisations that are uninterested in developing Structural Funds management capacity. However, external consultants should be selected only after careful consideration. Some projects have found that external consultants were costly but at the same time did not take any responsibility for the project’s success. Also, the involvement of external consultants cannot substitute the involvement of partners in project preparation: rather, the external consultant should be seen as a moderator who pulls together partner ideas and provides support to the process with their own knowledge of Interreg procedures and requirements.

Consider also whether the project is expected to be the organisation’s only involvement in Interreg programmes. If extensive project participation is planned, reliance on consultants may become expensive. In this case, ensure that external experts also take on a ‘mentor’ role and transfer their knowledge to the staff of the partner organisation.
Finally, if the consultant is only going to be involved in the application and not in the implementation, think critically about all proposals and whether partners will actually be able to do what is being suggested. Think also about the time when the consultant leaves the project: you need to make sure this does not result in a sudden loss of project momentum.

### Table: Application form preparation tips

- Send the project application form and budget templates to the partners as early as possible to familiarise them with the structure and explain which information they need to collect from other colleagues or departments.
- Carefully read the programme rules, especially the eligibility rules, and make sure that all partners can reach their national contact point to clarify specific matters.
- Do not underestimate the efforts necessary to explain the descriptive parts. You need to support your case with competence and convincing arguments.
- Create your own Word files for drafting descriptive sections; this will make it easier for the partners to comment and review.
- Test the application form template well in advance of the deadline. Make sure you know which parts fill in automatically; this will help you trace eventual mistakes.
- Allow yourself and the partners several rounds of review, and make an overall consistency check prior to submitting the application form.
- Hiring a consultant does not guarantee a successful application. Review your options carefully - a good indicator is the consultant’s track record of successful applications in the programme. If in doubt, consider linking payment to the success of the application.
3 Project content

The project idea is mature enough to be developed into a concrete project proposal when partners involved have reached an agreement on the project purpose and scope. The content part of the application form is often split into four main parts: project justification, project intervention logic, project work plan and other information.

3.1 Project justification

In this part of the application form, the background of the project (where the idea came from) in relation to the target groups’ needs (for whom the project is intended) and the prior work completed (not to overlap or to repeat activities) is described, to explain the need for the project.

In the application form the project needs to describe:

- Which common challenges and/or joint assets is the project tackling?
- Why is cross-border/transnational/interregional cooperation needed to achieve project results?
- What are the benefits that project partners / target groups / project area / programme area can expect from the project?
- How the project builds on the outcomes of previous projects?
- That the approach chosen by the project partners presents a dimension of novelty compared to what has been realised so far.

3.2 Project intervention logic

Project intervention logic provides the framework for the project and must provide a logical organisation of the project on the basis of its rational. Normally, project managers are required to demonstrate how planned activities and outputs logically link to the achievement of results and objectives stated.

Project intervention logic must provide the necessary information for programmes to assess the contribution of a project to the “achievement of the specific objectives and results of the relevant programme priority”\(^6\). In order to be able to assess and measure a project’s contribution to the achievement of programme objectives, the project needs to establish project intervention logic mirroring the programme intervention logic.

![Figure: Project intervention logic](image)

Showing the cause-effect relation between all elements of the project makes it possible to manage and monitor the project’s implementation. In fact, if the activities planned do not deliver the expected outputs, the project manager knows how the objective will be affected and can devise a plan to manage the deviation.

\(^6\) CPR Regulation (EU) No 1303/2013 § 125.3 (a) (i)
3.2.1 Project objectives

Project objectives are the basic pillars of the project, and they remain the same throughout the project. Objectives express the vision of the partners about why they are working together and what they are going to change. With objectives partners make a commitment to perform a specific act that will enable the project result to be achieved, and contribute to the programme specific objective.

Project objectives can be broken down into different levels, ranging from an overall vision to an operational intention relating to outputs. In the first case, they refer to a situation that has a long-term effect, the change (overall objectives). In the latter case, they establish a direct link between the project vision and the project work, specifying what the project in particular is going to contribute to the upper level objective (specific objectives).

It is important to formulate objectives in a clear and logical way to ensure, firstly, that all partners understand them in the same way and, secondly, they can remain valid throughout the project. One methodology that is frequently quoted for formulating objectives is outlined below.

Table: SMART objectives

| Specific | The objective should be as concrete and precise as possible about what will be achieved. |
| Measurable | You need to be able to measure the output or result to see whether the objective has been achieved. This is easier to define the more operational the objective is and is closely linked to the project indicators. It should include the unit and the quantity (for example % increase in xyz). |
| Achievable | Objectives have to be realistic and possible to achieve within the given time and with the given resources (time, budget, staff, skills). Proposals with clearly unrealistic objectives are likely to be rejected by the programme. |
| Relevant | All objectives should be relevant to the programme, the partnership and the target groups to be addressed. |
| Time-related | Each objective has to be related to an end date by when it will be achieved: by the end of the project or sooner. |

Setting objectives is about balancing the need to deliver worthwhile results with the danger of being over-optimistic to make the project look attractive to the programme.

Table: Tips for developing objectives

- They are formulated using an action verb which qualifies the envisaged situation.
  - Avoid:
    - general, vague objectives with unclear terms;
    - formulating objectives in terms of activities;
    - and -ING expressions like supporting, strengthening, promoting.
  - Avoid the use of “and” or commas to join two objectives into one sentence. Don’t put multiple objectives under one specific objective. For example: “Increasing the capacity for innovation, the uptake of R&D, and the use of new innovative technologies for product and service development” (at least three specific objectives).
  - Avoid the use of generic and non-specific expressions without any supporting explanation (such as innovation, since innovation is inherently something difficult to grasp, and of a multifactorial nature).
3.2.2 Project results and outputs

The project results and outputs are used to measure the achievement of project objectives. The results should be in proportion to the resources available to the partners and to the factors that they can actually influence with their work. Nonetheless, it should be something that lasts in the long run and thus continues to provide a benefit after the project is finished. The outputs are the starting point for planning the project specific activities and resources, as they will be described in the project work plan and budget.

<table>
<thead>
<tr>
<th>Project Result</th>
<th>Project Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>· Informs about a new situation, the desirable one the project is looking to achieve.&lt;br&gt;· Says in what way this achievement will represent a benefit to the programme area and people.&lt;br&gt;· Is an immediate effect of using what the project produced and/or a direct effect of the activities implemented by the project.&lt;br&gt;· Is formulated in a statement describing an improvement of a state or of a condition.</td>
<td>· Is a “tool” that needs to be produced to obtain the change.&lt;br&gt;· Tells what is actually going to be produced for or used by the target group.&lt;br&gt;· Can be:&lt;br&gt;  - tangible: like a device or a product,&lt;br&gt;  - intangible: like a service, capacity or skills.&lt;br&gt;· Must be measurable and supported by indicators, those established by the programme and/or project specific indicators, if foreseen by the programme.</td>
</tr>
</tbody>
</table>

The project outputs should be financially and operationally viable also after the project has ended. Matters of ownership, accessibility and intellectual property rights should be addressed at this stage not only among project partners, but also with stakeholders. These are particularly delicate issues, especially if there are private partners involved or a potential development in the market. It is highly advisable to clarify these matters with the programme and with the national contact points, to avoid negative surprises.

At this stage, partners will also need to choose programme indicators they will contribute to. Indicators set the level of ambition of the project by assigning a target. They allow monitoring progress throughout the implementation, and warn if corrective action is needed. An indicator should consist of a definition, a value and a measurement unit.

Programmes vary on requirements, but typically the project will be required to select one or more output indicators defined by the programme, while other indicators can be defined by projects to reflect the specific activities and objectives of the project concerned. Regardless of the specific programme requirements, it is recommended that the project agrees on a set of specific indicators, besides the ones indicated by the programme, which will be used for internal monitoring.

<table>
<thead>
<tr>
<th>Table: Tips for developing indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>· Make sure you understand programme indicators before indicating a target you aim to achieve.&lt;br&gt;· To avoid double counting, count one output only per indicator.&lt;br&gt;· When choosing your own indicators be specific and add a definition of the indicator (what it means).&lt;br&gt;· Agree on measurement methodology and a source for verification.</td>
</tr>
</tbody>
</table>
3.2.3 Establishing a link between the programme and the project

So far, we have described the steps of developing the project intervention logic for the purpose of establishing a coherent project. Why and how to best connect the project and the programme is a rather complex matter, yet extremely relevant in 2014-2020 programmes.

<table>
<thead>
<tr>
<th>WHY</th>
<th>HOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>The project intervention logic tells how the project will achieve its objectives.</td>
<td>Project overall objective contributes to the programme priority specific objective.</td>
</tr>
<tr>
<td>The programme also has an intervention logic which is reflected in its strategy.</td>
<td>Project result contributes to the programme result.</td>
</tr>
<tr>
<td>A successful project achieves its objectives by means of activities and outputs. Likewise, a successful programme achieves its objectives by means of its operations: the projects. Therefore, the most secure way for a project to be successful is to link its intervention logic to that of the programme.</td>
<td>Specific objectives contribute directly to the overall objective and are measured with outputs.</td>
</tr>
<tr>
<td>Project overall objective contributes to the programme priority specific objective.</td>
<td>Project outputs need to contribute to programme outputs, so they can be aggregated on a programme level.</td>
</tr>
<tr>
<td>Project result contributes to the programme result.</td>
<td></td>
</tr>
<tr>
<td>Specific objectives contribute directly to the overall objective and are measured with outputs.</td>
<td></td>
</tr>
<tr>
<td>Project outputs need to contribute to programme outputs, so they can be aggregated on a programme level.</td>
<td></td>
</tr>
</tbody>
</table>

The fact that the project is consistent with the programme strategy justifies the request for funding. If the project falls outside the scope of the programme, it would obviously be of no interest for the programme to invest in a project aiming at results and objectives that are not aligned with its own.
Figure: Project intervention logic elements with examples

**Programme PRIORITY AXIS**

Programme priority specific objectives
What the programme wants to change for its inhabitants in a specific thematic area.
To reduce the impact of natural and/or man-made risks to environment and population in the programme area.

Programme result indicators
The measurement which will capture the effect of the actions financed. External factors contribute as well.
- Reduced response time to disasters
- Reduced costs of damage

**PROJECT**

Overall objective
It relates to the strategic aspects of the project and provides overall context for what the project is trying to achieve.
To reduce the impact of fires to the environment and population in the Tamtam lake area.

Project result
The immediate advantage of carrying out the project telling us about the change the project is aiming for.
40% decrease in surface area affected by fire in the Tamtam lake area.

Specific objective
A concrete statement describing what the project is trying to achieve and for which it requires the production and use of the project outputs.

- To install remote fire alarm devices in 220 households in the Tamtam lake area.
- To establish a cross-border Coordinated Response Protocol (CRP) in case of fire in the Tamtam lake area.
- To increase the Tamtam lake community preparedness for fire emergencies.

Project output
The product of the activities funded telling us what has actually been produced for the money given to the project.

Programme output indicators:
- 5,722 permanent residents benefiting from fire protection measures
- Surface area of 1,478 km² covered by project’s measures
- 1 joint protocol (communication protocol for coordinated response of the firemen brigades in municipalities Glokula, Zadini and Murburg)
- 1 Investment (220 households in Tamtam lake area equipped with the remote fire alarm devices)

**Indicative types of action**
Examples of types of actions that the programme supports and lead to the attainment of the specific objectives.
- Development and adoption of common and/or coordinated and/or harmonised strategies, action plans, manuals for risk prevention and response
- Joint / coordinated risk monitoring and notification systems, etc.
- Investments in risk prevention and management infrastructure
- Development of innovative tools, services, approaches to risk prevention and response
- Training of relevant organisations and services; joint simulation exercises of relevant services
- Public awareness campaigns
- Update of civil defence structures, skills, knowledge

**Programme output indicators**
Indicators describing the “physical” product of spending resources in interventions (projects).
- Population (nr of people) benefiting from flood protection measures
- Population (nr of people) benefiting from fire protection measures
- Surface area (km²) at risk covered by programme’s measures
- Joint protocols (number) in the field of early warning and emergency response
- Investments (group of items with the same purpose) to reduce the impact of risks
3.3 Project work plan

Project work plan is the backbone of the project. Not only does it define the actual work which will be carried out, but also by whom, in which order, and how much time it will take. Both project partners and programme officers will refer to the work plan during the entire period of implementation to see whether the project is on track.

Although the project is not yet approved at this stage, it is advisable to invest sufficient time in this process to avoid misunderstandings about what exactly each partner will do in the project. This can make a great contribution to avoiding problems and conflicts later during implementation, when things are generally more difficult to change.

Project work plan defines processes (What do we need to do? How to plan the work needed for the achievement of the objectives?) and responsibilities (Who will do what? Which partner is going to take care of which part of the work? How are partners going to work together?).

What is the most logic and efficient way of organising the partnership's work in order to deliver the outputs and achieve the objectives, within schedule and to the desirable quality and quantity levels? One solution is to adopt an output-based planning approach: outputs have been identified first, then the activities and resources required to deliver these outputs are identified.

3.3.1 Work plan structure

In Interreg programmes project developers normally have a lot of freedom to decide for themselves, based on their own knowledge and experience, which activities will have the greatest effect on the need identified.

Most Interreg programmes use the work package approach to present project activities in a structured way. In general it is understood that a work package is a group of related activities required to produce project outputs. The activities in the work packages are organised based on dependencies and interdependencies: “What needs to be done first in order to do this next”? For example, if the project intends to use an output which does not exist yet, it will first plan the activities necessary to produce it (or get it) and then it will start using it. The first group of activities may belong to a different work package than the second one.

A project requires several work packages to be completed. Three is generally the minimum in order to cover the essential work:

1. General project management: all the activities necessary to coordinate the work of the partnership, to monitor it, to verify expenditure, to report it to the programme and oversee the general implementation of the project.
2. Communication: all the activities necessary to ensure targeted awareness about the project work and achievements outside the project partnership.
3. Thematic work: this work package clusters the project specific activities. A project may establish as many thematic work packages as necessary in order to carry out all necessary activities to deliver the outputs and achieve the objectives. On average, a project will have 3-5 such work packages.

One challenge is to negotiate in the partnership about what the right activities will be, and perhaps more importantly which activities are not suitable. Project partners also need to develop details of activities and outcomes sufficiently to make a realistic estimate of time and budget, while still leaving some flexibility to allow for the changes that will almost certainly occur later on during project implementation. Well-defined objectives should make decisions on appropriate work packages and activities relatively easy.

Planning can only be done to a level of detail that is manageable and foreseeable. Planning into precise detail what each partner will do for the next 24 or 36 months will almost certainly be inaccurate after just a few weeks. So how detailed should the project work plan be? Use your common sense:
- Avoid breaking down your work packages into too many activities. It is time consuming and will be difficult to monitor during the implementation.
- Avoid statements that are too vague; they will prevent the partners from having a clear understanding of what it is expected of them, and the programme from understanding what you want to do.

One useful factor to consider is the amount of detail required in the application form, as this obviously sets the minimum requirements. When you draft your work plan you are required to provide sufficient level of detail to:
- assess whether the proposal is realistic,
- be able to give reliable advice to partners on their roles,
- produce a convincing, well-argued application,
- draw up a sound budget.

But even where programme requirements are limited, planning still needs to go at least as far as the work package level and a split of tasks between partners. The better the planning is from the beginning, the easier it will be to work out detailed work plans for project staff after approval.

### 3.3.2 Work package structure

Programmes have different requirements of what needs to be included in the work package. In general, if work package methodology is used, partners need to describe what will be done (activities), who will do it (which partner), when it will be done (time plan) and how much it will cost (detailed budget is presented in budget tables).

The activities within work packages should be clustered in a logical way, not arbitrary, and in chronological order. It should be clear why these activities are grouped, and what one obtains by completing the work package.

<table>
<thead>
<tr>
<th>Work package description</th>
<th>Every work package has a title which reflects its content. Most programmes will require a work packages story or a summary of a work package which should include its purpose or objectives and main steps.</th>
</tr>
</thead>
</table>
| Activities and outcomes  | There are different approaches to where and how the project developers should describe project activities within work packages and their outcomes; i.e., outputs and deliverables. Lately, output-based planning has been used. This means clustering activities around main outputs. Depending on how complex the project is, it may be that one of the specific objectives is achieved through one work package. Additionally, a project will deliver some side products or services called deliverables which contribute to the development of project main outputs. Including activities that foster further use of the outputs or continuation of the project work is an essential part of the development of the work plan. Examples of information that support the durability of the project are:
- organisations committed to run/maintain the outputs after the end of the project are actively involved in the project,
- financial sustainability is addressed during project implementation and a solution found for after the project ends,
- ownership and intellectual property matters are identified before the project begins, addressed during the project, and secured for after the project end, the transferability and/or replicability of the project outputs beyond the partnership is verified and, if applicable, some work is envisaged for that to happen. |
| Project partners’ roles  | Each partner will take up different roles in the project and carry out different tasks. It is worth stressing again that all partners must be strongly involved in this process. Generally, one partner takes lead of a work package and coordinates the work of the others. He will be responsible for ensuring that by the end of the work package the project has delivered what was planned. |
Stage 2: Project Development

Target groups involvement
Including or engaging with target groups and other stakeholders is essential in a project to ensure durability of its results. When describing the target groups, be as specific as possible. Remember that you cannot reach everyone; focus on those you can make an impact on.

Budget
Some programmes will request an indicative budget per work package or even per activity. If you go through all budgeting steps (see next chapter) it should be relatively easy to calculate costs per work package and/or activity.

3.3.3 Time plan

The project time plan is usually created automatically based on the time allocations for activities and/or work packages. Nevertheless, it is useful to plot all activities in a Gantt chart to understand the overall expected effort and the number of activities which run in parallel or consequently.

Table: Time plan tips

- Most Interreg programmes set a maximum duration of three years per project. Always verify the programme specific rules.
- Pay careful attention to the actual time it will take to carry out all the activities of all the work packages.
- Especially in the case of data comparison or harmonisation processes, make sure you plan generously. Experience tells that data is very uneven across the regions and that partnerships require a lot of time to agree on the details.
- Some activities will take longer than if they were being implemented by one organisation because cooperation and coordination take time.
- Plan a soft start to the project because start-up activities will take time.
- Plan to end thematic activities a few months before the end of the project to allow time for completing the verifications and other requirements linked to the project closure.
- Administrative procedures are often time-consuming, especially if they involve translation of project documents and reports.

Table: Time plan example

<table>
<thead>
<tr>
<th>Work plan</th>
<th>Period 1</th>
<th>Period 2</th>
<th>Period 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work packages and activities</td>
<td>Month 1</td>
<td>Month 2</td>
<td>Month 3</td>
</tr>
<tr>
<td>WP 1 Title</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 1.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 1.2</td>
<td></td>
<td></td>
<td>● Deliverable 1.2.1</td>
</tr>
<tr>
<td>Activity 1.3</td>
<td></td>
<td>● Deliverable 1.3.1</td>
<td></td>
</tr>
<tr>
<td>Activity 1.4</td>
<td></td>
<td></td>
<td>● Output 1.1</td>
</tr>
<tr>
<td>WP 2 Title</td>
<td></td>
<td>● Deliverable 2.1</td>
<td></td>
</tr>
<tr>
<td>Activity 2.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 2.2</td>
<td></td>
<td></td>
<td>● Deliverable 2.2.1</td>
</tr>
<tr>
<td>Activity 2.3</td>
<td></td>
<td></td>
<td>● Output 2.1</td>
</tr>
<tr>
<td>WP 3 Title</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
3.4 Other parts of the application form

Project summary

This part usually gives immediate access to the essential information about the project, including a content and budget overview. If the application form asks for a short summary of the project to be submitted, make sure this sounds catchy and that it is written in plain and correct English. This is the business card of your project at the selection phase, as well as for the future. Very often programmes will publish this section on their website, if your project gets approved. It is useful to counter-check this section just before submission.

Project partners

All details concerning project partners are usually presented at the beginning of the application form. The degree of detail required ranges from only contact and legal data, to more extensive descriptions of the partners’ motivation, experience and competence in relation to the project.

Circulate the application form to all partners so that each can verify the information they need to retrieve from, e.g., other departments, or the details they need to get clarified with their national contact points. Often the application form is in English or in another language that is not the language of the partner organisation, thus technical terms might not be immediately clear. For example, a VAT number is a fiscal code associated with each legal entity, however not all countries use it, or identify it in association with VAT (Value Added Tax).

The horizontal principles

The regulation requires that both programmes and projects act in respect of these cross-thematic principles: 1) sustainable development, 2) equal opportunities and non-discrimination, 3) equality between man and woman. These are principles that apply to the work of any project, regardless of the thematic field addressed. Because they cut across all themes, they are called “horizontal”.

In its policies and regulations, the EU has constantly increased attention towards the application of these principles at all levels. The programmes and the projects must also ensure that their work reflects the principles of a European society which is equal and sustainable.

In demanding that the projects contribute to the horizontal principles, it is expected that at least they do not act against these principles in the implementation of their projects. Rather the opposite, the intention is to encourage a reflection at a ground level, to find measures to put in place concrete actions that increase awareness of these principles and foster a behavioural change.

Annexes

These are usually pre-defined declarations that the lead partner and/or the partners need to complete and sign; e.g., declaration on the correctness of the information provided in the application form. Letters of commitment to partners’ financial contribution and declarations of support from sponsoring authorities are also common annexes.

Make sure all partners are aware of which documents need to be signed so that they can deliver these to the authorised person in good time before the deadline.

You should enclose the correct annexes and not overload the programme staff with excessive documentation. Since most programmes are using an online application form the project needs to upload scanned annexes. This takes additional time and equipment.
### 4 Project budget

Once it is clear exactly what the project will do, the next step is to work out how much it will cost. Here programme, national and European rules play an important role: each item of planned expenditure needs to be checked to make sure it can be claimed from the programme. Some planned costs may need to be modified to fit the rules, while other costs and their corresponding activities may need to be dropped.

It is vital that projects start to consider financial issues and the project budget from the very beginning. Programme advice should be requested on the possible budget available as a way of defining the scope of the project - there is no point planning activities that you cannot afford to implement. Some programmes may have maximum and minimum project budgets, but in many cases programmes prefer general guidelines to fixed limits.

Regardless of the overall budget size, all programmes are focused on value for money and whether the project’s objectives and targets justify the funding requested.

All project partners should be equally involved in this process. If the lead partner develops a project alone and later tries to assign activities and budgets to possible project partners, this generates resentment in the partnership and results in unrealistic proposals. All project partners need to take responsibility for their own budgeting and develop figures that reflect price levels in their own country.

#### 4.1 Budget planning

Although Interreg programmes require different levels of project budget details to be included in the application form, all projects should go through a detailed budgeting process. Most programmes require the project budget to be based on a detailed work plan which forms an important part of the application. The work plan helps project partners estimate the real costs for their activities and minimises the risk of over- or under budgeting.

This approach means that the programme can be sure every project has a clear idea of exactly what it will do, and can control all proposed costs in some detail. The drawback is that this demands a lot of work during the project development phase and limits flexibility to adapt to changing circumstances and new ideas during project implementation.

<table>
<thead>
<tr>
<th>Table: Budget planning tips</th>
</tr>
</thead>
<tbody>
<tr>
<td>When planning your budget consider the following:</td>
</tr>
<tr>
<td>· Be realistic when indicating what you will need to complete the project and how much it will cost. Unclear or excessive costs and unrealistic figures will be spotted at the assessment stage.</td>
</tr>
<tr>
<td>· Project budget should reflect project partners’ involvement in the activities planned.</td>
</tr>
<tr>
<td>· Tell partners how to plan the budget and what is possible/eligible. Make sure that partners’ internal accounting systems are able to provide information on the programme’s budget lines.</td>
</tr>
<tr>
<td>· Be aware that budgeting takes time. Start early enough.</td>
</tr>
<tr>
<td>· Have a realistic approach to the almost inevitable delays at project start up.</td>
</tr>
<tr>
<td>· Experience shows that guess-based budgets are increasingly dangerous.</td>
</tr>
<tr>
<td>· There are no shortcuts, and no standard budgets are available.</td>
</tr>
</tbody>
</table>
To make project budget development easier, you should consider following the next four steps:

**Step 1: Work plan**

Work plan is covered in earlier sections, so we’ll just recap a few main points here. First, you need a clear idea of what you want to achieve and how you plan to do it. Identify the objectives and results of the project. Decide what you will need to do to deliver main outputs and build a group of activities (i.e., work packages) around them. The work packages need to be further broken down into activities indicating who will do the work, when and what will be delivered.

**Step 2: Resource planning**

Develop an estimate of the resources (i.e., people, equipment and materials) needed to complete project activities and deliver outputs. The more concrete you are, the easier it will be to estimate the cost of each resource (e.g., indicate names of people who will work on the project if you know them already).

At this stage it is also important to remember that cooperation projects bring with them some additional costs, which may not be obvious to newcomers. Effective cooperation in the partnership takes time and effort. Allocate resources to the project partners who will incur these costs (e.g., face-to-face meetings). New project partners often underestimate the time needed for administration, coordination and communication - in many cases this will be a full-time job for one of the staff at the lead partner organisation (though it depends, of course, on the size of the project).

**Step 3: Cost estimating**

You should now have a reasonably accurate picture of what will happen over the course of the project. The next step is to try and work out how much it will all cost. Estimate the cost for each resource. Some costs are reasonably easy to calculate. For example, you will know the number and type of staff required and the standard salary for this type of staff. Other costs are more difficult. For example, if you plan a pilot activity based on the results of initial research carried out by the project, it will be impossible to know the exact costs at the start. The best approach is to define a realistic maximum price for the activity, but be aware that different programmes have very different degrees of flexibility on this issue.

How accurate do cost estimates need to be? It is natural for project managers to try and build some slack into their estimations to cover unexpected expenditure, but in the past this resulted in a lot of projects spending a comparatively low percentage of their budgets. Because of the way programme funding works, the unused money normally just has to be paid back to the European Commission, and any benefit to the programme area is therefore lost. This has resulted in a number of solutions to ensure better budgeting and regular spending. In general, as overall public expenditure on many project themes is being cut, there is an increased pressure on Interreg funding, and a larger number of really good projects coming forward to claim it. Projects can therefore expect limited patience towards over-budgeting, and tougher action against it. In short, do your planning and keep things as realistic as possible.

**Step 4: Allocation of costs**

You should now know the main activities, which partners will carry them out, the estimated start and end dates and the estimated resources (and therefore budget) required. The final step involves re-organising these figures to match the budget lines used by the programmes.

The standard budget lines defined in the regulation are:

- Staff costs
- Office and administration expenditure
- Travel and accommodation costs
- External expertise and services costs
- Equipment expenditure

These are covered in detail below, together with some of the main additional budget lines you may come across.
One other important part of most project budget tables is the **annual budget targets** for the project and for each partner. These are used by the programme to monitor whether the project is running according to plan. If the project is spending much slower than planned, the programme may make cuts in the overall budget. Think carefully about how you spread your budget over the project’s lifetime. The first few months of the project are generally slow, as the first meetings need to be held, detailed planning completed, and in many cases tenders organised for the main external services. There are normally not many costs in this period, and the budget needs to reflect this. If you have a big budget for the first year but do not use it within the given timeframe, the programme may reduce your overall budget.

**Table: Budget planning steps with examples**

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work plan</td>
<td>Resource planning</td>
<td>Cost estimating</td>
<td>Allocation of costs</td>
</tr>
<tr>
<td>Who will do what and for how long?</td>
<td>What do you need to get the job done?</td>
<td>How much does each of your resources cost and what associated costs do they bring?</td>
<td>Organise each of the different costs you have calculated under the programme budget lines and according to the spending period or year.</td>
</tr>
<tr>
<td>Project partner Regional agency will work on the Regional report for 3 months.</td>
<td>Two employees (John and Jane) will work on the report, 50 hours each.</td>
<td>Hourly rate for both employees is 20 EUR. Total cost is 2.000 EUR.</td>
<td>Total cost for this activity is added to the budget line staff costs. The cost will be reported in the third reporting period.</td>
</tr>
</tbody>
</table>

At this point in the planning process, and before submitting an application, it is also worth sorting out the financial issues that can most often cause disputes in the partnership. These are:

- **Preparation costs** - If the programme you are applying to offers reimbursement of preparation costs, they may be paid as real costs, a lump sum, or treated as a mini-project. In many cases they are only paid out if a project is approved, and only after approval. Finally, these funds are intended as an incentive and will often not cover full preparation costs - though some countries also offer additional schemes making a national grant available for project development. Find out exactly how much money can be paid out and agree how it will be divided between the different project partners. It is of course normal that the lead partner receives the largest share to cover the extensive work involved in putting together the application.

- **Shared costs** - These are costs after the project has been approved, which are paid by one partner but are for the benefit of the whole partnership. Common examples include paying for the project website, costs of hiring project management experts, etc. Some different options for tackling this kind of cost are covered below, but note that not all programmes accept all of the options. It is important to find out which options are possible in the programme you are applying to, and agree how it can be ensured that all project partners make a fair contribution.

- **Liability** - Agree from the start who is liable in the event of errors. It is clearly stated in the regulations that it is the partner originally incurring the cost, but this may need to be underlined, especially to new project partners.

- **Public procurement rules** - The project needs to tender for external project management and controllers when these activities are being provided by external private companies. This is also the case when a consultant has been involved in helping to write the proposal: there is no right to continue and manage the project.

These issues will eventually be included in the project partnership agreement which every project has to draw up, but it may already be too late to avoid disputes if they have not been discussed before that.

**De-commitment and the n+3 rule**

De-commitment is a tool to encourage efficient financial management and avoid large amounts of funds being left inactive in programme accounts for many years. At the start of each year (year N), the
European Commission allocates funds to each programme. These funds have to be spent within three years (by the end of n+3). If they have not been spent they are returned to the European Commission or ‘de-committed’ from the programme.

One of the main causes of de-commitment problems has been that programmes estimate how much money they will spend each year from the amounts that projects say they will spend. Unfortunately, projects often do not meet their spending targets and this means that programmes cannot report sufficient expenditure. The threat of de-commitment has led to the creation of the concept of ‘project under-spending’ (projects failing to meet the spending targets in their budgets).

Of course, programmes have safety margins, and a small under-spend will not be a problem. The problem might come from badly managed projects that spend substantially less than they budgeted, and action will probably be taken against them in future. This is likely to take the form of grant cuts if budget performance does not improve. Project managers need to check programme rules on what action is possible.

How do projects ensure that they do not fall into this group? One main problem in the current programmes has been that projects under-estimate the time needed for project start-up before main implementation can begin. Plan carefully for what needs to happen and how long this will take, and reduce your budget for the first months accordingly. The other main problem is that projects simply over-budget; the safety margins built into the budget are too big, and the project does not need the full grant it has asked for. See earlier sections on building the budget for tips on how to avoid this.

In some programmes these difficulties have led to a dangerous misunderstanding: Projects feel that the most important thing is to spend money and don’t see the need to make cost savings. This is clearly not the case, and financial control will continue to demand evidence of value for money actions. If you find that the project is over-budgeted, unnecessary spending is not the answer! Talk to the programme instead and it will generally be possible to find a compromise solution that safeguards both the project and the programme.

### 4.2 Fine-tuning the budget

There are limitations and/or special requirements for some types of costs in the programmes and these need to be considered when the budget is prepared. It may be necessary to reduce or even remove some of the costs the project has planned. The rules vary because they are frequently influenced by programme and national rules, but some main points are outlined below.

**PLEASE NOTE:** The information below describes some of the main rules used in many programmes but as always check the specific rules for your programme for exceptions and alternative interpretations.

#### 4.2.1 Staff costs

This covers expenditure on costs of staff members employed by the partner organisation who are formally engaged to work on the project:

- a) Full-time employees
- b) Part-time employees
  - Part-time with a fixed percentage of time dedicated to the project per month
  - Part-time with a flexible number of hours worked on the project per month
- c) Employees contracted on an hourly basis

Under this budget line, each partner will register the staff costs of employees in line with their employment/work contract. This can also include the costs of persons working for the partner organisation under an agreement other than an employment/work contract and receiving salary payments.
General principles
- Staff costs must relate to activities which the partner organisation would not carry out if the project was not undertaken.
- Overheads and any other office and administration costs cannot be included under this budget line.
- Daily allowances and any other travel and accommodation costs cannot be included under this budget line.

Forms of reimbursement
There are a number of options in the regulations for how to reimburse staff costs. Each programme generally chooses a limited number of these options and there may be different rules for different countries or different types of organisation. The most common options used by programmes are:

I. Real costs
II. Flat rate of (up to) 20% of direct costs other than staff costs
III. Standard scale of unit costs

Unless the form of reimbursement is prescribed by the programme, each partner must decide on which option to use. This means choosing one of the options available in the particular programme. The same reimbursement option will apply to all staff members of the partner organisation working on the project. It will be set for the entire project duration.

Budget line specific rules
There are many detailed rules depending on which of the options the programme is using and how exactly it interprets these, but in general you should make sure you are clear about the following important points:
- How are social security, holiday fund and other costs paid by the employer in addition to salary handled by the programme?
- What arrangements are there for maternity/paternity leave, sick leave, overtime, etc?
- What evidence do you need? Full-time staff and staff spending a fixed percentage of their time on the project need these arrangements written into their employment contract or another formal agreement. Staff working a variable number of hours or paid by the hour need timesheets or equivalent evidence. Note also that the timesheets need to cover 100% of each employee’s time and not just the time worked on the project.
- For hourly rate calculations, does the programme use the standard number of working hours per year (1,720) defined in the regulations? or does it also allow use of the contracted number of hours?

4.2.2 Office and administration
This covers expenditure on office and administration costs incurred by the partner organisation in relation to the project. In other words, these are the operating and administrative expenses that support delivery of the project activities.

General principles
- Office and administration costs can be both direct and/or indirect costs.
- Office equipment, IT hardware and software, and furniture and fittings cannot be included under this budget line; those costs must be reported as equipment expenditure. This does not concern IT system support of an administrative nature, the cost of which still falls under the office and administration budget line.
- Costs of control and audit of the project should not be included under this budget line. They must be reported as external expertise and services costs.

Forms of reimbursement
Office and administration can be reimbursed by the programme either on the basis of real costs or flat rate of (up to) 15% of staff costs.

---

7 CPR Regulation (EU) No 1303/2013 § 68.2
In some cases, the programme will decide which option to use. In others, each partner may be able to
decide on the reimbursement option. The reimbursement option will be set for the entire project
duration.

**Budget line specific rules**

- Some organisations have complained that the 15% flat rate is too low. However, while it may not cover
  all costs, it will be a huge help for projects in avoiding errors and repayments, and this security should
  not be under-valued.
- If the real cost option is open in the programme you are applying to, you can try and increase
  administration payments by using this form of reimbursement. Be aware that this is a high risk
  approach which has been the source of many audit errors in the past. If you take this route:
  - Indirect expenses must be allocated to the project according to a justified and equitable
    method. The partner should use a pro rata to distribute the organisation’s indirect expenses
    among different activities and to extract the share of indirect costs necessary for the
    implementation of the project. The allocation methodology should be in line with the general
    accounting policy of the partner organisation; e.g., allocation of indirect costs to the project
    based on a percentage of personnel costs.
  - It is essential that all costs paid by the project are verifiably based on the real costs for the
    organisation hosting the project. All beneficiaries using real costs must have documentation
    proving this available at all times.

4.2.3 **Travel and accommodation**

This covers expenditure on the travel and accommodation costs of staff of the partner organisation,
where these are justified for delivery of the project. It includes travel costs, accommodation costs,
costs of meals, visa costs, and/or daily allowances.

**General principles**

- Travel and accommodation costs must clearly link to the project and be essential for effective delivery
  of the project activities; e.g., participation in project meetings, project site visits, meetings with the
  programme bodies, seminars, conferences, etc.
- Costs must be definitely borne by the partner organisation. Direct payment by a staff member of the
  partner organisation must be supported by proof of reimbursement from the employer.
- The principle of sound financial management should apply to the choice of transport and
  accommodation.
- The travel and accommodation costs of external experts and service providers cannot be included
  under this budget line. They must be reported as external expertise and services costs.
- The travel and accommodation costs of non-contracted external representatives (e.g., speakers,
  chairpersons, trainers, etc.) contributing to the project must be reported as external expertise and
  services costs, unless the cost is borne directly by any of the partner organisations.
- Remember there are special rules governing travel and accommodation outside (the Union part of) the
  programme, and such trips may require special programme permission. In all cases, the benefit of such
  activities to the programme area must be demonstrated.

4.2.4 **External expertise and services**

This covers expenditure for the financing of external expertise and services provided by a public or
private body or a person outside of the partner organisation. This budget line includes costs paid on the
basis of contracts or written agreements and against invoices or requests for reimbursement to external
experts and service providers that are required to carry out certain tasks or activities linked to the
delivery of the project.

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8 The monitoring committee of the programme may decide on one reimbursement option and set it at the programme level, e.g.
some programmes will finance office and administration costs based on a flat rate only.
General principles

- All work by external experts and service providers must be essential to the project.
- Each partner is responsible for ensuring that EU, programme, national and organisational public procurement rules are respected, and that all contracts comply with the basic principles of transparency, non-discrimination and equal treatment as defined in the EC Treaty and the Commission Interpretative Communication on the Community law applicable to contract awards below the EU thresholds.
- No sub-contracting between project partners is allowed.

Budget line specific rules

- Additional costs related to external experts (e.g., travel and accommodation expenses for external experts) should also be recorded under this budget line.
- All costs of external expertise and services that are linked to an investment in infrastructure should be included under this budget line; e.g., feasibility studies, notarial fees, training fees.
- Some programmes will have detailed requirements for tendering and other value for money procedures, and may set specific programme threshold values (for example, requiring three offers on all contracts over € 5000). You must check these rules as a matter of priority.
- Ensure that a full audit trail is in place for all contracting. This would consist as a minimum of:
  - Evidence of the selection process, in line with national, programme and organisational procurement rules or the EU public procurement rules depending on the amount contracted.
  - A contract or a written agreement laying down the services to be provided with a clear reference to the project. For experts paid on the basis of a daily fee, the daily rate together with the number of days contracted and the total amount of the contract must be provided. Any changes to the contract must comply with the public procurement rules and must be documented.
  - An invoice or a request for reimbursement providing all relevant information in line with the applicable accountancy rules.
  - Outputs of the work of external experts or service deliverables.
  - Proof of payment.

4.2.5 Equipment

Expenditure for the financing of equipment purchased, rented or leased by a partner, necessary to achieve objectives of the project.

General principles

- Costs of equipment are eligible if they have been approved by the programme.
- 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.
- All costs are subject to applicable public procurement rules, and each partner organisation is responsible for ensuring that these rules have been respected.

Budget line specific rules

- The full purchase cost of equipment is generally eligible if it is used solely for the purpose of the project and incurred and paid for within the eligible period. Some programmes and national systems will, however, only accept the value of depreciation within the project period.
- For equipment purchased before the project but used solely for the project, or equipment purchased during the project lifetime but used partially for the project, only a pro rata cost related to the project (duration, degree of use) is eligible. This share has to be calculated according to a justified and equitable method in line with the legislation or general accounting policy of the partner organisation.
- The purchase cost of second-hand equipment is eligible, provided the equipment complies with applicable norms and standards, and its price does not exceed the generally accepted price on the market. There are rules in the regulations about the evidence required.

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9 http://ec.europa.eu/internal_market/publicprocurement/docs/keydocs/communication_en.pdf
10 CPR Regulation (EU) No 1303/2013 § 65.11
11 Commission Delegated Regulation (EU) No 481/2014 § 7.2
· Equipment cannot be purchased, rented or leased from another partner. However, in some programmes the provision of equipment as in-kind contribution is eligible\(^\text{12}\), provided that the value of the contribution does not exceed the generally accepted price on the market and this can be independently assessed and verified.

4.2.6 Other budget lines

Different programmes may operate with a number of other budget lines or have requirements and/or restrictions on specific types of costs in a number of budget lines. Some of the main examples are covered here.

**Infrastructure and works**

Although not part of the list of expenditure categories defined in the regulations, many programmes have added an additional budget line that covers expenditure for the financing of infrastructure and construction works. This includes costs for site preparation, delivery, handling, installation, renovation, and the purchase of land, where applicable. In programmes that allow investments in infrastructure, the general rules are very similar to those for equipment budget line, especially with regard to the need to ensure that public procurement rules have been respected.

In addition, there are a few specific requirements:

- All investments in infrastructure must comply with the applicable EU and programme information and publicity rules with regard to displaying billboards and permanent plaques.
- Purchase of land cannot exceed 10% of the total eligible expenditure of the project. In the case of derelict sites and sites formerly in industrial use which comprise buildings, the purchase price cannot exceed 15% of the total eligible expenditure. In exceptional and duly justified cases, a higher percentage may be permitted for projects concerning environmental conservation, provided this has been approved by the programme\(^\text{13}\).
- All compulsory requirements set by the EU and national legislation related to the respective investment in infrastructure must be fulfilled (e.g., feasibility studies, environmental impact assessments, building permission, etc.).

**In-kind contributions**

Although the regulations allow in-kind contributions\(^\text{14}\), some programmes have decided not to accept this kind of cost. If they are allowed, part of a partner contribution may be made up of ’in-kind’ costs in the form of unpaid work, goods, services, or land provided to the project (paid staff hours in partner organisations count as cash rather than in-kind contributions). Programmes may flag these out in the budget or require a separate specification of all the in-kind elements included in different budget lines. There are limits on the amount of contribution that can be provided in-kind, and rules about assessing and documenting the value of each contribution.

**Revenue**

Some programmes will require a separate estimate of the future project revenue as part of the budget. All net revenue generated by project activities during the implementation of the project must be deducted from the eligible costs claimed.

Revenue means cash inflows directly paid by external users for the goods or services provided by the project. The most common sources of Interreg project revenue are entrance fees for events, charges for films, DVDs, books and publications, etc. Revenue can also be generated from payments for the use of infrastructure, sale or rent of land or buildings, or payments for services provided by the project.

\(^{12}\) CPR Regulation (EU) No 1303/2013 § 69.1  
\(^{13}\) CPR Regulation (EU) No 1303/2013 § 59.3(b)  
\(^{14}\) CPR Regulation (EU) No 1303/2013 § 69.1
Rules for revenue do not apply to projects participating in a programme under a State Aid scheme. Also, projects whose total eligible costs are less than €1,000,000 do not always have to take account of revenue and net revenue after project closure. Projects falling into this category should contact the programme for further advice.

Where revenue-generating activities involve operating costs and replacement costs for short-lived equipment, these expenses are deducted from the revenue. The resulting net revenue is then deducted from the amount to be claimed from the programme. The basis for the calculation and reimbursement of ERDF from the programme is always:

\[ \text{Costs} - \text{net revenue} = \text{eligible costs} \]

If a project generates or expects to generate revenue after the completion of the project, this should ideally be taken into account from the start of the project by calculating the expected net revenue and deducting this from the project budget. When calculating the net revenue in advance, different methods exist:

- (a) Application of a flat rate net revenue percentage for the relevant sector. For example, if the sector in question is the energy sector, then the flat rate for the energy sector must be applied.
- (b) Calculation of the discounted net revenue of the project taking into account the reference period appropriate to the sector in which the project is implemented.

The method by which the net revenue is deducted from the eligible expenditure must comply with national rules in the member state in which the net revenue is generated.

Many small projects will, however, find that it is unrealistic to determine net revenue in advance using any of the approved methods because of the small amounts of revenue involved and the uncertainty about whether potential revenue will be realised. Where this is the case, the actual net revenue generated must be monitored and reported for three years after completion of the project. These amounts will have to be paid back to the programme.

**Value added tax (VAT)**

Only irrecoverable VAT is eligible for payment. This means that a calculation should be made of the amount of VAT expected to be reclaimed during project implementation, and this amount should be deducted from the project budget. In some cases, this is included in the budget to improve transparency about the amounts actually being reclaimed.

**Shared Costs**

Shared costs are an important element of many cooperation projects as they provide the funding for shared activity. There are many different approaches:

- Most programmes require that activities are split between beneficiaries; for example, one pays for the final conference, one pays for an external study, etc.
- In other cases, large invoices (for example, for external project management support) can be split into smaller invoices for each paying partner.
- Sometimes one partner has to pay all the costs of an activity delivered for the whole partnership (for example, for the development of a demonstration investment site). In this case it may be possible for the paying partner to issue a request for reimbursement to other beneficiaries for their share. However, some national tax authorities regard this as an invoice and will require that VAT is added. This VAT is ineligible, which prevents some beneficiaries from using this option.
- Some shared costs cannot be treated using any of the three methods above. A very common example is the staff time of the lead partner used for project administration, where there is no invoice. In such cases, it is possible for the lead partner to withhold part of the payments from the programme to cover shared costs\(^{15}\), provided that this has been agreed in advance and appears in writing in the project partnership agreement. In these cases, the budget tables in the application form will generally ask for a breakdown of the costs involved.

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\(^{15}\) ETC Regulation (EU) No 1299/2013 § 13.3
4.3 Arranging the rest of the financing

All Interreg programmes finance only up to a certain amount (co-financing rate) calculated on the base of the eligible expenditure of the project and for each individual partner. The remaining funds are provided from the partners’ own resources or other public or private contributions. This is to ensure ownership of the investment on the ground.

<table>
<thead>
<tr>
<th>Table: Example of total eligible budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount (EUR)</td>
</tr>
<tr>
<td>Programme co-financing (ERDF and/or other funds)</td>
</tr>
<tr>
<td>Public contribution (automatic and other)</td>
</tr>
<tr>
<td>Private contribution</td>
</tr>
<tr>
<td>Total eligible budget</td>
</tr>
</tbody>
</table>

The amount of ERDF paid out to projects varies. The regulation states that it must be no higher than 85%\(^4\), and programmes vary the rate they will pay - sometimes also offering different rates to different projects or priorities. As soon as your project has reached the stage where you can decide where it fits under the programme, contact the programme to ask about ERDF rates.

It is difficult to give concrete advice about securing the project partners’ contribution, as procedures vary so widely. In administration terms, the easiest way of getting the funds is as an ‘own contribution’, meaning that partner organisations themselves provide the money. Another relatively simple procedure exists in countries that operate an ‘automatic public contribution’ system. Here, all project beneficiaries from the country concerned will automatically receive the support if the project is approved. In a few rare cases the automatic public support is paid directly to the programme, and programme management bodies also look after the distribution of this money. In many other programmes, however, beneficiaries will have to approach various national, regional and local bodies and put together a package of funding.

You must supply written commitments from all financers, covering the full amount of the contribution, when you submit the application. Make sure you leave time to get these documents.

\(^4\) CPR Regulation (EU) No 1303/2013 § 120.3
## 5 Project development checklist

<table>
<thead>
<tr>
<th>Success criteria</th>
<th>Yes</th>
<th>No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>The project addresses common territorial challenges or a joint asset of the programme area.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The project clearly contributes to a wider strategy on one or more policy levels (EU / national / regional).</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The project makes use of available knowledge and builds on existing results and practices.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The results cannot (or only to some extent) be achieved without cooperation and/or the cooperation has a significant added-value for the partners.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The project overall objective clearly links to a programme priority specific objective.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The project results clearly link to a programme result indicator.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The project specific objectives clearly link to the project overall objective.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The project main outputs clearly link to the project specific objectives.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The project main outputs clearly link to programme output indicators.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Results and main outputs are specific, realistic and in accordance with the selected target groups’ needs.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The project involves the relevant partners needed to address the territorial challenge/joint asset and the objectives specified.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The project partnership is balanced with respect to the levels, sectors, territory needed to achieve project results.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>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.).</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>All partners play a defined role in the partnership and get a real benefit from it.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Proposed activities and deliverables are relevant and lead to the planned main outputs and results.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Distribution of tasks among partners is appropriate (e.g. sharing of tasks is clear, logical, in line with partners’ role in the project, etc.).</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Time plan is realistic (contingency included).</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Activities, deliverables and outputs are in a logical time-sequence.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Sufficient and reasonable budget is planned to ensure project implementation.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Project budget is proportionate to the proposed work plan and the main outputs and results aimed for.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Total partner budgets reflect real partners’ involvement (i.e., are balanced and realistic).</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>
PROJECT MANAGEMENT HANDBOOK

CHAPTER IV

Stage 3: Contracting and Start-up
Stage 3: Contracting and Start-up

Contents

1 Contracting............................................................................................................1
   1.1 Programme funding decision.............................................................................1
   1.2 Legal agreements ..........................................................................................2
      1.2.1 Subsidy contract..................................................................................2
      1.2.2 Project partnership agreement ..........................................................2

2 Establishing a common working culture ...............................................................4
   2.1 Building the team ..........................................................................................4
   2.2 Overcoming language barriers .....................................................................6

3 Project start-up ......................................................................................................7
   3.1 Communication within the partnership .......................................................7
      3.1.1 Project handbooks and guides ............................................................8
      3.1.2 Ways of sharing information ...............................................................8
      3.1.3 Kick-off meeting ..................................................................................9
   3.2 Decision-making structures .........................................................................10
      3.2.1 Project steering group .........................................................................10
      3.2.2 Management structures .................................................................11
      3.2.3 Information flows .............................................................................11
   3.3 Detailed planning .......................................................................................12

4 Project external communication.............................................................................14
   4.1 Publicity .....................................................................................................14
   4.2 Project communication strategy ....................................................................15
   4.3 Communication challenges .........................................................................18

5 Project contracting and start-up checklist ................................................................21
1 Contracting

1.1 Programme funding decision

Once the application has been submitted to the programme, projects are generally not allowed to make contact with the programme bodies until the decision as to whether the project will be approved or not has been made. The programme may contact the Lead Partner if important documentation is missing, but otherwise the project is assessed on the basis of what is written in the application.

Projects will first go through an eligibility check of formal requirements, such as whether there are partners from at least two countries (not relevant in the case of the sole beneficiary), whether there is evidence that partners’ financial contributions will be provided, whether partners are located within the eligible area, etc. After this, the project will be assessed against the programme quality assessment criteria. The assessors check to what extent the project will contribute to programme objectives and what benefits the project will bring for the programme area. The quality assessment is carried out by programme management bodies and/or external experts.

The applications and the results of the assessment are then sent to the members of the Monitoring / Steering Committee (MC / SC) and may also be considered by national / regional sub-committees. It is the members of the MC/SC who take the final decision on whether to approve the project or not. Shortly after the MC/SC meeting projects should receive a letter informing them of the decision.

Table: Types of funding decisions

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval</td>
<td>Lead partners of the approved projects will receive a letter stating the decision of the Monitoring / Steering Committee, as well as the total ERDF fund approved. The programme might also recommend certain project modifications to optimise the project delivery.</td>
</tr>
<tr>
<td>Conditional approval</td>
<td>Some programmes only agree to approve some projects if they meet a number of conditions (e.g., budget cuts, work plan modifications) before final approval. The conditions cannot fundamentally change the project and need to be met within a deadline. If not, the project could be rejected.</td>
</tr>
<tr>
<td>Reserve list</td>
<td>At the end of the programme period projects may also have to accept that there is simply not enough money to approve the project: when the programme’s funds</td>
</tr>
</tbody>
</table>

Table: Project selection process

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call for proposal</td>
<td>Ongoing or restricted call</td>
</tr>
<tr>
<td></td>
<td>1 or 2 step approach</td>
</tr>
<tr>
<td>Assessment process</td>
<td>Administrative and eligibility</td>
</tr>
<tr>
<td></td>
<td>Quality assessment</td>
</tr>
<tr>
<td>Selection process</td>
<td>Monitoring Committee</td>
</tr>
<tr>
<td></td>
<td>Steering Committee</td>
</tr>
<tr>
<td>Selection follow-up</td>
<td>Inform applicants</td>
</tr>
<tr>
<td></td>
<td>Contracting</td>
</tr>
</tbody>
</table>
have almost run out it may have to reject otherwise good projects. If some of the running projects don’t spend all their approved funds the programme might approve additional projects from the reserve list.

### Rejection

Applicants of the rejected applications will receive a notification letter together with a summary of the assessment results, listing the reasons why their application has failed.

### Rejection with a recommendation to re-apply

Projects which are important for the programme, but, for example, are badly written or partnership does not involve all necessary partners could be offered a possibility to submit an improved application when the next call for proposal opens. Make sure you understand what is wrong with your project before you re-apply.

If your project is not approved, you have the possibility to complain to the programme management. For more information about complaints procedures you need to contact the programme, because these vary from programme to programme. However, before you decide to complain you need to understand why your proposal has been rejected. In principle, you are allowed to request more information from the programme.

### 1.2 Legal agreements

When your project has been approved, and before you start with the implementation of the project, you need to have a legal agreement with the programme (Subsidy contract) and within the partnership (the Project partnership agreement). Depending on the programme rules, it might be possible to start the project before this is in place.

#### 1.2.1 Subsidy contract

Successful projects will sign a Subsidy contract between the programme’s Managing Authority and the lead partner organisation. Much of the information is standard and covers the need to comply with programme, national and Community rules and regulations.

A template of the contract is normally made available on the programme website. It is important to read this document before drafting the application, in order to have an understanding of the legal obligations. You would also have the possibility to ask for any information/clarification in due time. The provided contract template cannot be modified, and is the legal document which sets the requirements for receiving the grant.

When communicating the approval of the project application, the Managing Authority could also indicate the timing and terms and conditions for signing the contract and providing any relevant complementary document as annex to this document.

A couple of features are worth stressing:

- The contract allows projects to carry out the approved activities, and the approved application is normally attached as an annex to the contract. Any extra activities cannot therefore be carried out without the programme’s advance approval.
- The contract contains project budget details and almost certainly annual spending targets, 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 (generally specified in another clause).

#### 1.2.2 Project partnership agreement

Project partnership agreement is a contract signed between the lead partner and all other project partners. It states all duties and responsibilities of project partners before, during and after project implementation.
Project partnership agreement is used as a reference document that describes the key roles and responsibilities of all partners. Putting key requirements on paper in a formal document increases the probability that partner organisations will take action to ensure that these responsibilities are fulfilled. In practice, project partnership agreement is rarely used for settling disagreements between partners. It is extremely unusual for partnerships to end in legal disputes, and most conflicts can be solved in more informal ways such as regular communication and meetings.

The level of detail required for the contents of a project partnership agreement varies. In many projects, the application form is used as a key reference document. The application form, financial annexes and the Subsidy contract will normally cover many of the issues that might typically be included in this agreement. Rather than duplicating contents, these additional documents can be annexed to the actual Project partnership agreement and referred to in the text of the agreement.
2 Establishing a common working culture

The division of roles and responsibilities is necessary in order to involve partners according to their capacity, experience and resources in the project. This process, however, refers to individuals rather than a team. Usually partners will work together on the project for a relatively long period of time, and a common working culture needs to be developed in order to make this process work.

Do not under-estimate the importance of trust and cooperation between the staff involved in a project. These factors can have a strong impact on partner performance and project results.

Various tools can be used to support this process. These include the development of project manuals/guides that clarify roles, processes and structures, as well as rules and norms for working together. The start-up phase is a good time to invest in building solid foundations for project implementation.

2.1 Building the team

In projects where some or all of the partners are working together for the first time, they need to grow into a team rather than work as a group of individuals. The project team is a new form of organisation that allows partners to benefit from wider input of expertise and skills, facilitates individual learning, and leads to higher performance and better achievements through the project.

While the project outcomes, structure and responsibilities are defined on a very tangible and technical basis, teamwork involves a lot of the ‘softer’ aspects of human interaction. Not only do teams consist of people with different backgrounds and specialisations, but also different types and characters, such as leaders, implementers, visionaries, collaborators, etc. A mix of these different roles is very valuable for projects. In order to ensure that all members have an equal status in the team, some teams define core values or ‘ground rules’ for collaboration.

<table>
<thead>
<tr>
<th>Table: Ground rules for communication in the complex multinational and long-distance environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>· Use simple, clear language that is also easy to understand for non-native speakers.</td>
</tr>
<tr>
<td>· Be as concrete as possible - vague messages can be interpreted in different ways and can easily lead to confusion or conflicts.</td>
</tr>
<tr>
<td>· When using technology, ensure that all partners have technical access/capacity and the skills to use these tools without creating extra work for them.</td>
</tr>
<tr>
<td>· Encourage open/honest communication and feedback.</td>
</tr>
<tr>
<td>· Respect each other as professionals.</td>
</tr>
<tr>
<td>· Support each other and provide help when needed.</td>
</tr>
<tr>
<td>· Listen to feedback and ideas.</td>
</tr>
<tr>
<td>· Leave open the chance to ask questions any time.</td>
</tr>
<tr>
<td>· Share information, expertise, skills, etc. within the team.</td>
</tr>
<tr>
<td>· Encourage pro-active participation of all members in the team.</td>
</tr>
<tr>
<td>· Have an open-minded/constructive approach to conflicts.</td>
</tr>
</tbody>
</table>

It can be part of the kick-off meeting to discuss these core values and to produce a framework for good collaboration - particularly as project partners may have different cultural approaches to common working situations. To name but a few examples:

- Is it OK to arrive late for a meeting?
- Is it OK to talk on the phone during meetings?
- Should you answer colleagues’ e-mail as soon as possible, or can you wait?
- Is it acceptable to criticise the work of one partner in front of others?
- Is it OK to miss deadlines?
If you find a better way of doing things, is it OK to decide to change plans agreed with others?

One of the lessons of cooperation is developing understanding and tolerance for these differences, but it can help to get the most important issues out in the open. What seems like normal behaviour for one partner can be a source of irritation for another, and this can have a major effect on their willingness to cooperate.

It is worth remembering that culture is not just about nationality. Organisations have their own culture as well. Do not assume that cooperation between partners from the same country will be problem-free. For example, public and private or national and local organisations may have very different ways of looking at the world.

Teams go through certain stages of development that to some extent correspond to the stages of the project lifecycle. At the beginning, when partners come together for the first time as individuals, they start to get to know each other with a certain distance and try to identify their own position in the group. Next, team members start testing and challenging each other: different ideas on how the project can be realised come up and conflicts can arise. This phase is important and can sometimes take a long time. Once it has been completed, the team develops a shared vision and agrees on values, rules and processes for working together. The roles of the team members are established, and they develop trust in each other as the basis for joint performance and support (these phases are often described in project management literature as “forming, storming, norming, performing”. See the chart below).

For the management of the project, it is important to be aware of these phases and when they are happening, as they can have a direct impact on the performance of the partnership. When the partners come together for the first time, everyone is usually highly motivated and things can move quite fast. However, when this initial phase ends and the team enters the phase of challenging each other and the project, work may get delayed (unfortunately this often coincides with the project start-up phase when delays are most critical). Even during implementation, when the team is working well together, there will be periods of higher and lower performance and motivation of partners. The task of the project manager is then to identify the ‘lower’ phases and intervene in a way to support the team to get back on track by, for example, bringing partners together in a meeting.
Planning the closure phase and exit strategies is important for the technical and content related aspects of the project, but also for the team. At the end of the project, it is important to celebrate the achievements of the team and look ahead to new projects and challenges. This may well involve breaking up a team after very intensive and fruitful collaboration, which is why this phase is called ‘mourning’.

**2.2 Overcoming language barriers**

Despite the extensive use of a common language in many projects, some projects (especially those working at regional or local level) do not find one common working language that all partners feel confident to work in. This can get even more complex when projects involve a large number of countries and languages. This is a key barrier that may reduce the joint character of projects, and it needs to be managed.

Depending on the individual project, the right way of dealing with language barriers has to be worked out. For example, a project with a smaller partnership and more direct collaboration of partners from different countries will need a different means of ensuring transparency and good communication, and may rely more heavily on interpretation and translation.

Language should never be a cause for some partners to participate less actively in the project than others. If no common language can be found, the partners should consider the following:

- adequate interpretation facilities at meetings and other means of communication,
- translation of publications
- interpretation and translation services need to be budgeted already at the development stage,
- time allocation will be increased due to the time needed for interpretation and translation.
3 Project start-up

3.1 Communication within the partnership

It is important to be clear in advance about what needs to be communicated and to whom. Insufficient communication can easily lead to conflicts and problems. Too much information or irrelevant information may, on the other hand, confuse or lead to a drop in interest in project communications.

<table>
<thead>
<tr>
<th>Information</th>
<th>Tip</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information that partners need in order to work together</td>
<td>All partners must have complete, clear and unlimited access to project information relevant to them.</td>
<td>The application form, the subsidy contract, the respective tasks in the projects, the total budget, the detailed work plan, the finalised project deliverables, etc.</td>
</tr>
<tr>
<td>Information about the sources of official information</td>
<td>All partners must have access to the official information sources for a matter of transparency. Also, it is often more effective to link the partners to the sources rather than re-writing a project management manual duplicating the information available on the programme website, or that is provided directly to the partners by their national or regional contact points.</td>
<td>Links and contacts of the national/regional contact points where partners can get advice on country-specific details, programme eligibility rules, link to the programme official information, information from the programme to the lead partner.</td>
</tr>
<tr>
<td>Information about project progress to identify and react to problems and success</td>
<td>All partners need to inform each other about their progress and any issues that need to be addressed by all partners; e.g., how far have we reached towards the overall objective, what is still to be achieved, what are the problems and obstacles, or where were we successful.</td>
<td>Partners informing the rest of the partnership about delays in the data gathering process, about successful outcomes of a meeting with stakeholders, of a successful completion of a trial or pilot period, etc.</td>
</tr>
<tr>
<td>Information about decisions and changes within the project and externally, to the programme</td>
<td>No matter how well a project is prepared and planned, adjustments and changes will be necessary along the way to adapt to events. Both the partners and the programme must be aware of these modifications. Minor ones will only result in a deviation from the work as planned in the application, whereas major modifications may require a more formal procedure and changes to official project documents.</td>
<td>A conference scheduled in the work plan to happen 12 months into the project needs to be postponed to month 15, in order have more relevant/important content to present.</td>
</tr>
</tbody>
</table>
3.1.1 Project handbooks and guides

Projects working in a single organisation do not usually require a written set of project rules and procedures: they already share the same working methods and culture. These documents can, however, be very useful in cooperation projects. All partners need to have a clear idea about and agree on project processes and procedures for the period they work together, because these will probably differ from how things work in their own organisations.

A number of Interreg programmes have developed management handbooks and other tools. These provide a good basis for communicating programme requirements, and give partners guidance and practical tips on technical aspects such as the use of forms and templates, as well as requirements like eligibility rules, etc. However, they are limited in their scope and mostly target the lead partner or project manager who then has to adjust requirements to the project and its partners.

Project handbooks are tailored to the individual project as a tool to support all partners and provide a common understanding of how the project works. Contents and procedures to be laid out in the project management guide can be agreed at the kick-off meeting.

Table: Project management guide

- Working values and norms for the team (if discussed and agreed by the partnership)
- Project working and decision-making structure
- Internal project evaluation and review
- Reporting requirements and deadlines (what and when - financial and activity)
- Control and audit procedures (partner, project and programme level)
- Internal communication and organisation of partner meetings (including meeting preparation and follow-up)
- Definition and use of indicators
- Stakeholder involvement plan
- Communication plan
- Resolution of problems and conflicts

In addition to processes and procedures, it is also advisable to include relevant programme forms and templates partners will need to use during the implementation and reporting processes.

3.1.2 Ways of sharing information

There are two ways to keep partners informed: face-to-face or through media (e.g., phone, emails, shared working environments and virtual conferences).

a) Face-to-face internal communication

Some face-to-face communication is essential for effective project management. The frequency of meetings has to be decided by partners and depend on the availability of resources and the project needs. These aspects should be decided early on, during budget preparation, to be able to calculate for a reasonable number of meetings.

Table: Types of meetings

<table>
<thead>
<tr>
<th>Preparatory meeting</th>
<th>Kick-off meeting</th>
<th>Regular interim meeting</th>
<th>Final meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>→ To develop the project before project application submission.</td>
<td>→ To finalise the last details and kick-start the project as soon as it has been approved.</td>
<td>→ To discuss progress, reporting, work plan, modifications, successes and risks.</td>
<td>→ To evaluate results and initiate project closure.</td>
</tr>
</tbody>
</table>

Face to face meetings are very valuable, but it is recommended to have phone calls or virtual meetings more often to monitor the progress and to deal with urgent issues rapidly.
Table: Practical tips for organisation of partner meetings

- Save all the meeting documents and reports in a shared working environment (IT platform) to ensure that they are always accessible.
- Provide partners with all relevant practical details about the meeting, accommodation, travel, etc. well in advance.
- Create a working atmosphere where all partners feel comfortable (professional but not too formal).
- Provide sufficient space for smaller break-out groups (for example, to have separate discussions with all partners in a work package) rather than only having long sessions in the plenary.
- Ensure easy access to all relevant project materials that might be needed, as well as technical equipment (internet, printers, copy machine, etc.).
- Work out a balanced programme with sufficient breaks and ensure that there is enough time for everyone to ask questions and discuss specific issues.
- Ask partners for their inputs / discussion points beforehand and add these to the agenda.
- Arrange an informal social activity, such as a joint dinner, for everyone to get to know each other better (but check programme rules to see whether you can include this type of expenditure as part of the project).
- Ensure that adequate documentation of what was discussed and decided (meeting minutes) is circulated to the partners afterwards - and give them a chance to comment before preparing the final version.
- Keep the pre- and post-meeting documents short and to the point. Highlight responsibilities, action points and follow-up tasks.

b) Virtual internal communication
The use of IT tools facilitates not only communication between partners, but also project management, in particular coordination and reporting. While phone and e-mail are the most commonly used and immediate tools, multinational projects can rely on more sophisticated platforms that perfectly support distance collaboration.

- **Online storage of documents** is a good way to ensure that all partners have easy access to the latest information and documents, templates, etc.
- **Shared working environments** allow not only sharing of documents, but also co-editing and keeping track of comments and versions.
- **Internet calls and conferencing** allow calling across countries at low rates (if at all) and phone conferences, where documents can be simultaneously viewed or screens shared.
- **Project management platforms** allow sharing work plans, assigning tasks and deadlines, and monitoring progress. These platforms often integrate all the above points - except internet phone calls.
- **Fully-integrated platforms** allow most of the above, as well as simultaneous written and video messaging within a restricted group of users, or to a larger audience.

The amount of media available free of charge, and the extremely powerful solutions they provide to project communication and management, make them indispensable working tools in Interreg projects. Without giving up on face-to-face meetings, virtual platforms allow cost savings without big losses in effectiveness.

3.1.3 Kick-off meeting
The starting point of project implementation and the first milestone of the project is the kick-off meeting, where all partners should be present and (sometimes) meet each other for the first time. This is a key step in the management and coordination process, as it offers the opportunity for partners to get to know each other, prepare detailed work plans and decide on administrative procedures. Often it is also the initial team-building event.
The kick-off meeting should take place as soon as possible after project approval. It is a way to ensure that all partners are ready to start the implementation work and are clear about what steps to take next. Depending on the size of the project and its partnership, the meeting usually takes 1-2 days and is organised by the lead partner in their respective country (to ease organisational and practical aspects).

These meetings are generally an overview of the project content, and give new staff on the project who did not take part in the preparatory meetings the opportunity to introduce themselves. Bear in mind that some time might have passed since the partners last met and/or the application was submitted, so even if it might seem obvious, partners should look at the approved project in detail.

### Table: Kick-off meeting agenda

- Confirm objectives, activities and responsibilities.
- Elaborate and agree on a detailed work plan for the first part of the implementation period.
- Agree on quality standards for the first outputs to be delivered.
- Finalise required documents, if any (e.g., sign the project partnership agreement, verify the procedures for the controllers).
- Agree on administrative and reporting procedures.
- Technical arrangements for shared working spaces/environments could be also discussed and eventually provided.
- Train all partners on how to use programme’s electronic monitoring system.
- Clarify any doubts.

### 3.2 Decision-making structures

In multinational projects with a large number of partners, a management structure needs to be set up in order to ensure transparency and good coordination. It is very important that these structures operate within the overall framework of cooperation represented by the lead partner principle and the four cooperation criteria. The development of independent national sub-projects must be avoided at all costs: any management divisions within the project should reinforce cooperation and not replace it.

In some cases, and especially in smaller partnerships, the lead partner acts as a central point for all partners. In very large partnerships (more frequent in transnational or interregional projects), the choice of coordination structure is a key factor for efficient management of the project.

#### 3.2.1 Project steering group

Large partnership projects covering several countries often set up project steering groups (PSG) in order to monitor and steer the project efficiently. The composition and responsibilities of the PSG are determined by project management structures. The PSG consists of work package leaders and the project manager and/or lead partner (communication manager and financial manager, if these functions are separate) as a minimum of members. Other partners can be involved in some PSG meetings according to the subjects discussed (for example, experts in one specific area as part of a work package).

In most cases, the role of the PSG is strategic coordination, evaluation and decision-making in the project. In addition, a PSG can involve further key stakeholders to widen its mission (not necessarily involved in all discussions and meetings and without participation in decisions):
- Project steering group can include political representatives, representatives from administration, social partners and other regional actors (e.g., NGOs) to make project results more visible and more likely to be mainstreamed.
- In technical projects covering a specific sector (e.g., water supply), it is advisable to include experts or representatives with in-depth knowledge of that sector.

Rules of procedure for the PSG should be confirmed by all partners, and information about all issues discussed and decisions taken have to be well communicated within the partnership before and after the meetings.
As the PSG is a decision-making group, it is very important that the partner representatives have the power and the knowledge to take decisions on the issues to be discussed: it is very frustrating to leave meetings with important issues unresolved. This means that the partner preparing the meeting needs to send out papers well in advance, so each partner can discuss key issues internally in their organisation and reach an opinion. Ensure that partner representatives have decision-making power covering both content and finance matters. A proxy might be necessary. When frontal meetings are not possible, it is important to foresee a written decision-making procedure. This will help you speed-up project decision-making and implementation.

In smaller partnership projects there is often no need for a separate steering group. The success of smaller projects very much depends on the close interaction and regular (more informal) communication between project partners to ensure joint implementation. Partners are directly involved in the decision-making processes and participate in partnership meetings.

3.2.2 Management structures

The purpose of management structures is coordination of some activities within the project. Normally they help avoid a long discussion within the PSG, and allow a more technical and detailed discussion among the partners. Their size and organisation depends on the size and composition of the partnership and work plan structure.

The following management structures are mostly used in Interreg projects:

a) Management structure based on national/regional coordinators
   This is often used in projects where the same activities take place in each participating country or region (such as regional pilot actions, research or testing). The danger with this structure is that you run the risk of partners working in isolation from each other.

b) Management structure based on thematic coordinators
   This structure is useful in projects with partners from a variety of different sectors or different fields of expertise.

c) Advisory board
   This could be composed of local stakeholders or the project’s target groups, observers, or experts who are involved in the project implementation. Such groups address general or technical issues where a wider consultation, other than the project partnership, is needed.

d) Evaluation board
   Is responsible for ongoing evaluation of project outcomes, and assures good quality management and sound project implementation.

3.2.3 Information flows

The information flows follow the organisation of the project implementation structure. People involved at the same level or within the same field must all be aware of the information that interests/affects them, and they should provide information that they produce which affects others.
Table: Who needs to know what?

<table>
<thead>
<tr>
<th>Part</th>
<th>Information in order to work together</th>
<th>Sources of official information</th>
<th>Information on progress</th>
<th>Information on changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partners</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>within work</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>packages</td>
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<td></td>
</tr>
<tr>
<td>Work package</td>
<td>x</td>
<td></td>
<td>x</td>
<td>x</td>
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<tr>
<td>leaders</td>
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<td></td>
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<tr>
<td>Lead partner</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Project</td>
<td>x</td>
<td>x</td>
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<td>steering</td>
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<td>group</td>
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<td>Advisory</td>
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<td>board</td>
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<td>group</td>
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<tr>
<td>Consultants</td>
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<td>contractors</td>
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<td>Interreg</td>
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<tr>
<td>programme</td>
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<td>x</td>
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</tbody>
</table>

Not everybody in the project needs to be informed about everything. The project manager and other coordinators within the project need to ensure that the right audience receives the right information. In this respect, there is no difference between external and internal communication strategies.

### 3.3 Detailed planning

Effective coordination and management rely on well-coordinated and realistic project planning. Initial project planning takes place at the pre-application stage, but needs to be developed further after approval in order to create a detailed work plan for the project.

This is necessary for a number of reasons:

1. The project approval and subsidy contract from the programme can be issued later than anticipated, so that the project starts later than originally planned. The timeline for delivering the project needs to be adapted according to the new starting date.
2. The project can receive a conditional approval. This means that changes need to be made to the original outline of the project content, timing and resource allocation in order to meet the conditions required by the programme.
3. The pre-application project plan needs to be further refined in order to develop a more-detailed work plan for the first phase of project implementation. This is the time to assign tasks to named staff and set exact start and end times.

Detailed planning should show the order of what happens when and what tasks need to be completed before the next set of tasks can start (Critical Path Analysis can be used here).

Depending on the type and the scale of the project, detailed planning mostly covers only the first period of the implementation phase, either the first 6 months or first year (this decision depends on the frequency of later planning meetings). This is because a good level of detail can only be worked out on a short-term basis. In order to prepare subsequent work plans, outcomes of the previous stage need to be reviewed to see if the initial set of work packages has delivered the intended outputs / results.

When planning your project’s details, a good practice is to **identify milestones**, even if it this not mandatory. Milestones can be helpful to manage risks or to recognize potential bottlenecks, eventual
implementation gaps or needed adjustments in some activities. The definition of milestones (the most important interim results/outputs at certain dates) throughout the work plan improves project monitoring and review, and is also important for partners to see that progress is being achieved, and to maintain the team spirit. Milestones are important interim activities and outputs that have to be achieved in order for the project to move on or be completed. If a milestone is not achieved as scheduled, the work plan needs to be revised to bring the project back on track.

A variety of electronic project management applications as supporting tools for planning and tracking can be found on the internet, some of which are even available for download free of charge and can be used in shared working spaces tools. One way of presenting a work plan in a very transparent way is by using Gantt charts. Such charts allow project managers to break down the work packages, tasks and sub-tasks over a timeline, and include milestones.

Table: Steps of detailed planning

1. **Breakdown activities**
   Start with the work package breakdown prepared for the application form and divide each activity down into a number of concrete tasks that have to take place.

2. **Identify resources**
   Allocate persons (not just partner organisations) to do the work and name these next to each task. These can be team members or sub-contractors.

3. **Highlight relationships**
   Show dependencies between tasks (not necessarily activities). This is especially important when working with larger partnerships where work has to be coordinated between partners. It helps to show, for example, when the interim outputs of one stage are handed over to the next person to complete activities and tasks.

4. **Work out the real time frame**
   Define the time required for each task and the start and end-date. The original outline of work packages should give a good indication for this but needs to be broken down further.
   - Make sure you calculate with the real time of when the tasks will be completed. If the person assigned to the task only works 50% on the project throughout the time the task takes place, a 5-day task may take 10 days.
   - Include time-lags where relevant; for example, time between the selection of a subcontractor and their actual start of working on the project.
   - Add limited time for delays. Some things will not go as planned, but keep safety margins small to emphasise that partners must try to keep all deadlines.

5. **Identify milestones**
   These have to be quantifiable and meaningful so that the project manager can see whether they are achieved or not (there are no half-completed milestones). They can be linked to reporting deadlines. The number of milestones for a project varies according to the duration of the project, number of partners involved and number/duration of work packages. Partners should work out a reasonable number of milestones together (if you have too many, they become meaningless; if you have too few, you can’t keep track of progress in between).
4 Project external communication

Interreg projects seek to bring about change or improvement to jointly identified issues or challenges. Communicating these changes or improvements is essential if the project is to have an impact. Competition for attention is high in today’s information overloaded society, so it is important that projects rely on communication in order to become noticeable, and obtain an effect and with a specific means to:

· inform about the project;
· establish a relation with those who have an interest in the project - the stakeholders - to get feedback and follow-up on the impact from your project activities;
· obtain an effect on their decisions/attitude/behaviour.

Sufficient time, energy and resources should be invested by the project in this task. Communication should be included as a management function at the core of the project. Getting an experienced communication manager on board in your project team right from the start will help. Whilst communication can be done as a side-job on top of somebody’s regular tasks, not everybody excels with communication tasks and specialist skills can help if communication activities are to have an effect.

A project’s external communication has two fundamental functions:

Publicity: this is a one-way communication from the project to the European Community. In accordance with European legislation, co-funded projects have to acknowledge and promote the EU support received in all of their communication. For example, using the correct EU logos on all project publications.

Communication: this is a two-way communication from the project with an expected response or reaction from the recipient. It can help to raise awareness and knowledge of project outputs and results. It can also increase the chances of the project outputs being taken up and used.

“Communication is a tool with which we exercise our influence on others, bring out changes in our and others’ attitudes, motivate the people around us and establish and maintain relationships with them”

During project start-up stage, the project needs to start planning communication activities that will enable more extensive communication with the stakeholders, in addition to informing them about how the project is funded (publicity). Some of these activities will be decided at the kick-off meeting and started right after the meeting. Other communication activities will take place throughout the lifetime of the project, right up until project closure. Below is advice regarding some of the steps that can be taken with regards to publicity and communication at the start of the project.

4.1 Publicity

Project publicity is an obligation according to the regulations. All Interreg programmes include this requirement in their guidance material for project applicants. Projects should refer to this for official information. This chapter will only provide an essential overview of the publicity requirement that the project should consider as part of project start-up.

The reasons why publicity requirements must be met are that such publicity:

· Notifies in a standard and unified way about the use of EU Funds by acknowledging receiving support from it.
· Contributes to overall public visibility about the use of EU Funds towards the general public.

---

1 See INTERACT Communication Toolkit for more guidance.
3 CPR Regulation (EU) No 1303/2013, Annex XII, Paragraph 2.2 draws the information and communication responsibilities of the beneficiaries.
The requirements for the 2014-2020 period applicable to Interreg projects generally include very simple obligations such as always displaying the programme logo and always mentioning EU Funds. Failure to do so may result in major grant cuts.

At this stage of project preparation you need to be aware of publicity requirements in order to plan the necessary resources and time. Generally publicity measures include:

- Creation of a project logo and branding where the EU publicity rules need to be respected.
- Creation and maintenance of a project website. In some cases, the project website will be hosted on the programme website, which is a significant time- and cost saving option for projects.
- Design of project informative materials such as: banner, factsheets, boards/panels, give-aways (which have to be proportionate to and appropriate for the project size and content).

### Interreg Joint Branding

In the transition between the 2007-2013 and 2014-2020 programming periods, several programmes realised that having individual logos represented a handicap for the promotion of the territorial cooperation achievements.

To overcome this bottleneck, a group of programmes initiated a campaign to create a joint logo which could be used by all willing programmes, thus support the visibility of all initiatives linked to Interreg. Over 40 programmes adopted the Interreg logo above and integrated it in various ways into their communication standard for the 2014-2020 period.

If the programme you are applying to is using the joint branding logo, you may not need to develop your own project logo and graphic coordinated image.

### 4.2 Project communication strategy

Projects have to identify their communication activities at the application stage as part of completing the project application. Here, projects identify the objectives of their communication activities and how the partnership wishes to achieve these objectives.

In order to further develop a common understanding of communication activities within the partnership, as well as have an agreement on how they will be delivered in practice, it is extremely useful if projects develop a communication strategy outlining how they will get from ‘a’ to ‘b’ with their communication activities. Some programmes even make this an obligatory part of their application procedure, while others require that a communication strategy is submitted along with the first progress report.

**The purpose of the communication strategy:**

- It helps address and overcome the challenges that arise from having to communicate from and about an Interreg project.
- It reflects the project purpose towards the external environment - linking project partners and target groups.
- It makes things happen. Projects are not isolated islands, and communication is important to move forward.
- It makes the project priorities transparent, identifies where resources should be concentrated, and proposes delivery mechanisms for this.
- It allows projects to plan ahead and thereby act in a timely fashion: stakeholders’ agendas are busy and they need to be informed in good time about events or promotional activities.
Table: Key elements of the communication strategy

| Objectives | Communication objectives need to demonstrate how communications can contribute to the achievement of project objectives. They reflect the project objectives and embed a long-term perspective which supports the durability and transferability of project outputs.  
Example:
Project specific objective - To establish a cross-border Coordinated Response Protocol (CPR) in case of fire in the Tamtam lake area.  
Communication objective - To raise awareness of the Coordinated Response Protocol to visitors and residents of the Tamtam lake area. |
|---|---|
| Target groups | The target groups are the audience of the project. This is the group whose behaviour, attitude or condition the project intends to influence, or is influenced by. They are identified in the stakeholders analysis carried out at the project idea generation stage.  
The target groups are likely to change over the lifetime of the project.  
The partnership will need to identify:  
· the target groups’ interest in the project;  
· what the target groups’ needs are;  
· what information the target groups will need from the project for their work and interests;  
· what information or knowledge they are missing or wishing for;  
· which audiences will be interested in which parts of the project.  
Example:  
Visitors and residents of the Tamtam lake area. |
### Key messages

**What do we want to tell?**

A message is what is communicated. The purpose of the message is to establish an engaging relation with the project target audience. The next task is to break down your objectives into relevant messages for each of those audiences.

*Example:*

*Project Firetam enables local communities and fire services to cooperate on risk prevention measures to reduce the impact of forest fire in the Tantam lake area.*

### Roles

**Who does what?**

The cooperation criteria are valid for communications, as for any other work in the project: joint implementation and joint staffing are concerned at this stage.

The purpose of agreeing on communication roles and jointly developing the communication is manifold:

- The project establishes a common identity.
- The project communicates with a unique voice.
- The messages are coherent and non-contradictory.

Defining the roles in project communications means:

- choosing a partner who takes the overall coordination responsibility;
- identifying a reference person in each partner organisation who will develop, implement and follow-up on the communication tasks.

### Activities

**How will we do it?**

Communication activities are the specific tasks that the partners will carry out to fulfil the communication objectives. These activities are developed alongside the project activities and therefore differ during the various phases of project.

Sometimes there is a fine distinction between communication tasks and general project activities. General project activities should be clustered logically into work packages and contribute to the objectives. Those activities that are directly contributing to the communication objectives should belong to the communication work package.

When drafting the communication work package listing the communication activities, you will also define the communication outputs and deliverables.

Besides the communication objectives, the choice of the activities will depend on two other factors:

- What are the possible communication tools and channels?
- What are the best activities and methods to support the communication about the project towards the target audiences?

*Example:*

*If the project’s main target audience is young people between the ages of 18-25 (those most likely to cause fires), a good way to communicate might be by making a very short film/series of pictures about fire damage and showing these via online virtual communities. The chosen method is likely to capture the attention of younger people, thus create a bigger impact.*

*In comparison, if the project’s main target group is local politicians and national authority representatives and the aim was to promote the added-value of installing fire alarm devices in forest homes, it might be more relevant for the project to organise a targeted event or a site visit/demonstrations so that the politicians could see how the device is used in practice.*

### Timeplan

**When to do what?**

The time plan addresses when communication activities should take place in relation to the rest of the project. At the stage of project development, a time plan for communication coincides with the work plan, giving an indication of the main project communication activities and outputs based on the communication objectives and on the expected development and deliveries of the other work packages.

A more detailed communications time plan should be developed during the
implementation with a short-, medium- and a long-term perspective in order to support the project durability.

More time will be needed to communicate the project achievements towards the end of the project. Nevertheless, be ready all the time to be able to react to related local, regional or national events or situations which might occur where you can promote the work of the project and/or its achievements.

<table>
<thead>
<tr>
<th>Budget</th>
<th>How much will it cost?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The budget must reflect the cost of carrying out communication activities and the share of responsibilities among the partners. In other words, budgets should be proportionate to the level of communication activity taking place.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measuring</th>
<th>How do we know if we will be successful?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Like any other activity, communication is measurable and should be evaluated. This should be based both on quantitative and qualitative indicators which measure the level of achievement of the communication objectives. It is important for the project to measure the impact of its communication activities. If something is not working, change tact and take a different approach.</td>
</tr>
</tbody>
</table>

**Qualitative indicators:**
- They describe how a certain objective or target has been reached and to which extent.
- They normally consist of a series of structured questions.
- They can be used before, during and after the communication activity in order to see if the communication activity has provoked a change.
- Information can be gathered by means of surveys, polls, interviews, “likes”, testimonials, etc.

**Quantitative indicators:**
- They provide evidence based information on the extent to which a certain objective or target has been reached.
- They should be kept to a minimum of essential and effective indicators.
- They should be measured regularly in order to capture the extent of the change. Plan for this.

Do not forget that collecting and analysing this data is part of the project communication tasks. Develop simple indicators and do not be overambitious. A mixture of qualitative and quantitative statistics is useful.

### 4.3 Communication challenges

Communicating about an Interreg project is not an easy task; there are a number of factors that challenge the project manager as well as the project partners and the audience. When discussing the project communication strategy, keep in mind the following:

**A multinational partnership**

Partners come from at least two different countries. They have different languages, cultures and assumptions. Different ways of communicating should be respected. English might be the programme’s official language, but not the spoken language in any of the programme countries.

The questions that arise are:
- Which language should be used, and when?
- What should be translated in order to effectively convey the message?
- How can a slogan be developed such that it delivers the same message across borders?
A virtual team

Working with a team without sitting in the same room more than once or twice a year is a challenge the project faces, also when dealing with the coordination of communication tasks. The use of technology has certainly helped to close this gap, with the possibility to share documents and opinions online.

Some points for consideration when working in virtual teams:
- The one element that is absolutely essential for a well-working virtual team is that the objectives are clear and shared.
- How to create a common project identity? How to communicate “as one” given the virtual nature of the team?
- How can local activities be coordinated such that the project still communicates “as one”?

Different levels of communication

The project should be able to communicate at different levels: at local as well as at cross-border/transnational level, at EU or nationwide, depending on the needs of the project and target audiences. However, as project resources are limited it should be agreed which of these levels is most relevant to work with at each given stage of the project.

Some questions to consider when working at different levels:
- Which are the most relevant levels for my project and at which stage should I be connecting with them?
- Is any of the project content work communicating across all levels?
- Which media tools best support communication at the different levels?

Table: Project communication IT tools

<table>
<thead>
<tr>
<th>Your aim</th>
<th>Media to consider</th>
</tr>
</thead>
<tbody>
<tr>
<td>To show progress/demonstrate impact</td>
<td>Facebook, YouTube, Flickr, Pinterest, HumHub, Diaspora, LinkedIn, Instagram, Prezi</td>
</tr>
<tr>
<td>To share knowledge</td>
<td>Wikipedia, Blogs, own project website</td>
</tr>
<tr>
<td></td>
<td>Basecamp, GroupSpaces, HumHub, Diaspora, Yammer</td>
</tr>
<tr>
<td>To alert people to events or activities</td>
<td>Meetup, Facebook, Twitter</td>
</tr>
<tr>
<td>To build communities</td>
<td>Facebook, HumHub, Twitter, Yammer, Basecamp, Vine</td>
</tr>
<tr>
<td>To get feedback</td>
<td>Survey Monkey, Gizmo, Polls on Facebook, LimeSurvey</td>
</tr>
</tbody>
</table>

Partners from different sectors

A good partnership mix reflects a variety of competences, expertise, sectors and organisational structures. Each partner belongs to a bigger/wider communication structure or network within their partner organisation, which can be useful for a project when it comes to promoting the work of the project and its outcomes. However, it is important that all project partners communicate the project in line with the principles agreed in the communication strategy, including the use of the project message. This ‘one voice’ compliance ensures that the project’s identity is ensured.
If relevant, a project communication manager or equivalent can work with individual partners to identify relevant channels, multipliers and speakers within each partner organisation that can help to communicate the project. The project will then be better placed to exploit the outreach potential of its partners.

Some points to consider:
· How and when to blend the project’s and the partners’ communication in an optimal and mutually beneficial communication performance?
· Who are the relevant contacts in each organisation?
· How to ensure the integrity of the project key message?

Intangible/abstract results
The focus of the project is often very technical and specific. The biggest challenge of all might be that of translating intangible and abstract results into engaging, simple and capturing messages.

Formulating the project results in a clear way is the first step to help the project communication be successful. Other techniques (e.g., storytelling, testimonials) can be used to simplify and exemplify the benefits that a project will bring, without necessarily going into the technical specificities.

Table: Developing project key messages

<table>
<thead>
<tr>
<th>Star Icon</th>
<th>Project messages can be used in project communication. The process is usually led by the communication manager and it involves the project communication staff and all project partners.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A message should be a short sentence (up to 25 words), which is simple, clear, credible, memorable, positive, active, free from jargon, easily identifiable and adoptable in different communication tools.</td>
<td></td>
</tr>
<tr>
<td>Some recommendations for successful messages:</td>
<td></td>
</tr>
<tr>
<td>· It says in clear and simple words (avoids jargon) what benefit your project is bringing to the programme area or beyond.</td>
<td></td>
</tr>
<tr>
<td>· It is not necessarily a slogan. Do not try to spin it to please a specific target group. Instead, develop your own vision.</td>
<td></td>
</tr>
<tr>
<td>· It tells a story. The message speaks about the target group’s needs / wishes / problems and benefits from the project.</td>
<td></td>
</tr>
<tr>
<td>· It tells about the change the project is contributing to.</td>
<td></td>
</tr>
<tr>
<td>· It is best if supported with evidence and examples.</td>
<td></td>
</tr>
<tr>
<td>Once the messages are ready:</td>
<td></td>
</tr>
<tr>
<td>· Test them by asking people outside the project if the messages are understood.</td>
<td></td>
</tr>
<tr>
<td>· Check the media coverage regularly. If not satisfying, consider revising your messages.</td>
<td></td>
</tr>
<tr>
<td>Messages can come in the form of a statement, idea or assertion, such as:</td>
<td></td>
</tr>
<tr>
<td>· “(x) is a problem and (y) is the solution.”</td>
<td></td>
</tr>
<tr>
<td>· “Project (x) enables (actors) to cooperate on improving (y).”</td>
<td></td>
</tr>
<tr>
<td>· “The work of project (x) is valuable because (y) and (z).”</td>
<td></td>
</tr>
<tr>
<td>· “(actors) must share solutions on the issue of (x) because ...”</td>
<td></td>
</tr>
<tr>
<td>· “(x) must take action on the issue of (y), otherwise (z) will happen.”</td>
<td></td>
</tr>
</tbody>
</table>
## 5 Project contracting and start-up checklist

<table>
<thead>
<tr>
<th>Success criteria</th>
<th>Yes</th>
<th>No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidy contract has been signed.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Project partnership agreement has been signed.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Kick-off meeting has been planned / taken place.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Internal communication flows have been agreed.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>IT tools to be used for monitoring, reporting and communication have been chosen.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Project management handbook has been prepared.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Project steering group and/or other management structures have been set up (if needed).</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The communication objectives clearly link to the project’s specific objectives.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Communication activities and deliverables are appropriate to reach the relevant target groups and stakeholders.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The approaches (tools and methods) chosen are appropriate to achieve communication objectives.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Partners’ roles in the project activities are confirmed (usually predefined in application form and/or in Project partnership agreement).</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The necessary resources (time, staff, budget) for delivering outputs have been specified in detail.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Timeframes and deadlines have been identified.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Milestones that mark the critical path of the project have been identified.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The workflow (i.e., the sequence of tasks and relationships between tasks) has been defined.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Baselines for project review, evaluation, reporting and early identification of risks, as well as day-to-day project management, have been decided on.</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>
PROJECT MANAGEMENT HANDBOOK

CHAPTER V

Stage 4: PROJECT IMPLEMENTATION
Contents

1  Project implementation ................................................................. 1
   1.1  Partners’ responsibilities during implementation ......................... 1
   1.2  Interreg programme’s role during project implementation ............ 2

2  Implementing the work plan ......................................................... 4
   2.1  Keeping track of the project ..................................................... 4
   2.2  Financial management ......................................................... 5
   2.3  Managing risks ................................................................. 6
   2.4  Revising the work plan ........................................................ 7
       2.4.1  Unexpected delays ..................................................... 7
       2.4.2  Project modifications ................................................ 7
   2.5  Project communication ....................................................... 9

3  Project reporting ................................................................. 10
   3.1  Reporting process .......................................................... 10
   3.2  Reporting requirements .................................................. 11
   3.3  Financial control ......................................................... 12
       3.3.1  Eligibility rules ..................................................... 17
       3.3.2  What kinds of problems do financial controllers find? ... 17
       3.3.3  Eight tips for avoiding financial management problems .... 18

4  Project evaluation ................................................................. 20
   4.1  Scope and object of the evaluation ........................................ 21
   4.2  Selection of the evaluator and the evaluation method ............ 22
   4.3  Implementing and managing evaluations ........................... 23

5  Project implementation checklist .............................................. 25
1 Project implementation

To implement a project means to carry out activities proposed in the application form with the aim to achieve project objectives and deliver results and outputs. Its success depends on many internal and external factors. Some of the most important ones are a very well organised project team and effective monitoring of project progress and related expenditures.

Overall management has to be taken over by the lead partner and project manager, who is often employed or engaged by the lead partner. The project management has to have an efficient management system and always has to be flexible to current needs and changed situations, as the project is rarely implemented exactly according to the initial plan. Nevertheless, the partnership should aim to deliver quality results and outputs. Quality means meeting expectations described in the application and those agreed within the partnership.

1.1 Partners’ responsibilities during implementation

According to the lead partner principle, the overall responsibility for project monitoring will be with the lead partner. However, all partners should be responsible for monitoring their own part of the work.

<table>
<thead>
<tr>
<th>Responsibilities</th>
<th>Lead partner</th>
<th>Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuously monitor project progress</td>
<td>• Monitor progress of key project elements</td>
<td>• Review progress of tasks on partner level</td>
</tr>
<tr>
<td><em>(ensure that the project stays on track)</em></td>
<td>• Deliverables comply with content and quality requirements</td>
<td>• Report to the LP/ inform about the progress</td>
</tr>
<tr>
<td></td>
<td>• Milestones are met</td>
<td>• Inform of the potential risks and problems associated with risks</td>
</tr>
<tr>
<td></td>
<td>• Cost as budgeted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Review and process requests for modifications to the plan</td>
<td></td>
</tr>
<tr>
<td>Conduct team reviews</td>
<td>• Determine the information needs in the partnership</td>
<td>• Inform about information needs and discuss them with the LP and the rest of the partnership</td>
</tr>
<tr>
<td><em>(review progress and plan for the next activities)</em></td>
<td>• Decide/ discuss how best to communicate information</td>
<td>• Regularly exchange status information</td>
</tr>
<tr>
<td></td>
<td>• Acquire the necessary information (e.g., through programme sources)</td>
<td>• Present/ discuss plans for next actions, and outline action points</td>
</tr>
</tbody>
</table>
### Manage modifications

*monitor modifications to one or more project parameters*

- Document the modifications requested, prioritise modifications that involve the whole partnership
- Estimate the resources involved to implement the modification that involves all relevant partners
- Inform programme management, or make a request for a modification
- Include an alternative solution
- Provide a description of how the modification requested affects the project resources and outcomes
- Ensure the approved modifications are incorporated in the project structure and carried out

- Outline the modification - link it to the original plan - highlight deviations
- Estimate the impact of the modification on the partner’s part of the project, and on the project as a whole
- Inform and discuss with the LP and the rest of the partnership

### Communicate

*ensure that the project achievements are communicated to the relevant stakeholders*

- Harmonise key messages used for communication
- Prepare information and material to be used for communication
- Communicate project achievements in their networks

- Prepare and present deliveries and achievements as requested
- Communicate project achievements in their networks

### Formal project progress review

*ensure that the relevant programme bodies are kept informed of project progress*

- Identify what needs to be prepared for the review
- Allocate tasks in the partnership regarding the provision of information
- Establish logistics for information flow between the partnership and the programme
- Undertake overall project progress review (e.g., against timetables, indicators, etc.)
- Prepare the project periodic reporting and submit to the programme

- Undertake progress review (e.g., against timetables, indicators, etc.)
- Prepare and present status information as requested
- Identify action items that require attention by management and/or stakeholders

Non-performing or inactive partners can be a problem, especially in large partnership projects. This can cause delays or simply reduce the effectiveness of the project, especially if these partners fail to fulfil their obligations. The most effective solution is to create an atmosphere where all partners feel able to express dissatisfaction and internal problems. If problems continue, the lead partner may be forced to call on the programme or other external authorities, and may even exclude the partner as a last resort.

### 1.2 Interreg programme’s role during project implementation

While project partners are implementing the work plan, the programme co-financing the project is monitoring its implementation. Monitoring project progress is a main programme management tool. As an administrative procedure, the main task of monitoring is to assure that project inputs (budget and activities) and outputs are in line with the original plan (the application), and that the expenditure incurred complies with the rules of eligibility. The main feature of project monitoring is that it is based on the project application.

For these reasons, it is important that monitoring is an on-going process and not a task left for the end of the project. Programmes put considerable emphasis on project monitoring, and it is one of the core tasks of those responsible for programme management. Monitoring of project implementation provides vital
information on the overall performance of the programme; in particular, in terms of how (quantitatively and well as qualitatively) programme objectives and key targets have been met.

Other main reasons for monitoring are that it:

- Gives an accurate picture of the status of project implementation.
- Allows programmes to keep track of whether projects are being implemented according to the plan and thus keep track of all major project variables - cost, time, scope and quality of deliverables.
- Provides programme managers with important information on significant achievements which support programme information and publicity.
- Allows problem identification.
- Verifies and provides transparency on the spending of public funds.
2 Implementing the work plan

Project implementation consists of carrying out the activities with the aim of delivering the outputs and monitoring progress compared to the work plan. Monitoring can be defined as control of the project implementation in order to keep the project on track and achieve the end results of the project. The project manager is responsible for the regular monitoring of the project, but the partner organisations should also contribute actively to the effective monitoring of the project.

The whole partnership will benefit from monitoring of project progress because it:
- provides support for project implementation and acts as an indicator of whether targets are being met;
- through feedback activities, it stimulates improvement in project results based upon observations of the value and the quality of the various elements of the project;
- provides reliability and credibility of results;
- foresees potential problems in good time and simplifies decision-making, especially if corrective actions are necessary.

2.1 Keeping track of the project

The project application that was approved by the programme is the baseline for project implementation. It is the main document that helps the project manager track progress. The project application contains project objectives, a description of the activities for achieving them, and measurable output and result indicators to show they have been achieved. However, you should not expect the project to be implemented exactly as planned.

No matter how good the original plan is, there will always be some deviation during implementation. This should be anticipated, and the aim of project management is to track this deviation, make sure it stays within the scope of the project, and redirect activities to get back on track. The further the project goes into implementation, the more important it is to track things systematically to avoid drifting away too much from the original outline and falling outside the scope of the project. Remember also that many modifications will actually be improvements, and that it is this dynamic aspect of project management and the ability to adapt to modifications that are likely to lead to success.

Figure: Project implementation

Once the project has started, the objectives should be regarded as unchangeable - if you alter what you plan to achieve you are in effect starting a new project and would have to start your activity planning again from the start. However, modifications to objectives often happen in small steps (called ‘scope creepage’) and do not seem to have a major impact. When these small modifications add up, though, they
can put the project seriously off target. The project manager should compare all decisions on modifications to the original objectives to make sure this does not happen. Programmes do not generally allow modifications to objectives - because it would mean they were getting a different project to the one they had approved.

The steps to achieving objectives are a different question. Situations change, new information becomes available, project activities may lead to better ways of doing things; all of these things naturally lead to activity modifications. A large part of the project manager’s role involves monitoring these modifications and ensuring that they do not threaten achievement of the final objectives. A key skill is flexibility and being able to adapt to rapid changes without losing sight of objectives.

Table: How to start tracking?

- Fix the project baseline / starting point as a reference for comparison.
- Define what information you need from partners and when. Programme reporting periods provide clear deadlines, but basic information about each partner’s progress should be updated much more often (say, once a month).
- Define margins and the scope for variation that can be tolerated to achieve objectives with the available resources.
- Document and communicate variation to partners; i.e., estimated and real progress.
- Decide on a general approach about how to deal with different degrees of deviation from the plan (slight deviation within the scope, medium deviation at the limits of the scope, deviation outside the scope).

2.2 Financial management

On the programme level, once the funds are allocated to a project they are “locked” in that project and cannot be released until after project closure. This means that these funds cannot be used to get other projects started, and the funding is ‘parked’ and useless. As a result, the European Union has created a number of mechanisms to ensure that if money is committed but remains unused for a number of years, the projects and/or programmes concerned will have their budgets cut and lose all rights to the unused funds. These mechanisms (de-commitment and the spending targets in the Performance Framework) operate at programme level, but if programmes lose money because of projects failing to spend according to their budget they may well pass on these budget reductions to the under-performing projects.

This makes it essential that projects provide reasonably accurate spending forecasts. Spending under target because genuine cost savings have been achieved is of course a good thing. The problems to be addressed are bad budget planning and, as a result, asking for funding that will never be needed or used for the project: under-spending is most often the result of over-budgeting. It is also important to think about the realistic timing of expenditure. Experience shows that implementation in approximately the first quarter of the project is slow, and project managers planning the same level of expenditure here as in other parts of the period should ask themselves whether this is really realistic.

The lead partner has to have the overall responsibility for financial management, but each partner organisation must monitor its spending and keep its own records on expenditures for the project in question. The task for the lead partner is to make sure that project partners only report expenditure in line with their original budget, do not exceed the budget for different categories of costs, or claim costs under headings where they have no budget. In most cases, however, the new online systems being put in place should make this kind of basic mistake impossible. Lead partners need to be aware of how different programmes address these kinds of formal errors. Some have a degree of flexibility. Others will rule expenditure ineligible if it is in conflict with the approved budget in any way.
2.3 Managing risks

Risks are internal or external events that may occur during project implementation and could threaten the achievement of project objectives and the project as a whole. A risk could be, for example, a partner dropping out or a key change in policy that goes against what the project is trying to achieve. Basic risk management is important for every project, but the level of detail needed varies depending on the size of the project and the number of risks and possible impacts on the achievement of the objectives. Identifying risks and outlining contingency measures for when they happen should be a task for every partnership, regardless of whether this is required by the programme or not. This process involves three steps:

1. Identifying risks

To identify risks you can look at possible sources of risk or at the threats / problems that can become risks. Sources include the team members, stakeholders, sub-contractors, target groups, etc. Problems could be, for example, a change in the political environment or the loss of money through decommitment.

A good way to identify relevant risks can be an open brainstorming session at one of the partner meetings either during the project development stage or very early on in the start-up phase on ‘What can go wrong?’ All partners should be involved in this process to a) raise their awareness about possible risks, and b) to identify as many relevant risks as possible (especially with reference to different countries, legislations, sectors, and types of organisations involved). Do not let this exercise get out of hand: It is not about spreading gloom and panic, but rather identifying issues where a few sensible precautions can be taken.

2. Assessing risks

Once potential risks have been identified, they need to be qualified according to their impact on the project and their probability of occurring. As with most other aspects of planning, the assessment of probability can often only be based on assumptions and educated guesses. The impact, however, can often be estimated in relation to the budget and time lost or indicators not achieved. This assessment allows projects to prioritise risks - the ‘high risk’ decisions and actions have to be taken first.

<table>
<thead>
<tr>
<th>Table: Risk assessment matrix</th>
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<tbody>
<tr>
<td>Low impact</td>
</tr>
<tr>
<td>High probability</td>
</tr>
<tr>
<td>Medium probability</td>
</tr>
<tr>
<td>Low probability</td>
</tr>
</tbody>
</table>

3. Dealing with risks

When a problem occurs it is often too late to take any preventive or alternative actions. The project manager and partners concerned have therefore to decide in advance how to handle each risk while there is sufficient time. Possible approaches are:

- **Ignore the risk.** This is sensible for risks with a low impact, or where the resources to develop alternatives would be greater than the impact of the problem, or if the probability is low but implications would be so substantial that the project cannot compensate for them anyway. *Example:* Natural disasters.

- **Identify alternative ways to remove the risk.** This is usually the approach to take for risks with high impact and high probability. *Example:* The project success depends on political support in all participating regions. It is known that the regional government in one of the participating regions could lose the regional elections that will take place in the middle of the project implementation. The possible new government will have different priorities and will probably not support the project.
· **Have a contingency plan to reduce the impact of problems that do happen.** This does not remove the risk but is a temporary solution. **Example:** The project developer has been the driving force behind developing the idea and bringing the partnership together. He/she is a key asset in the project. A plan must be made for the loss of this member of staff, ensuring that their knowledge and ideas are communicated to other people in the organisation so the project can continue without them, if necessary.

It is advisable to review and monitor risks throughout the project to keep on top of them, as they might transform or new ones might come up - **nothing is as constant as change!**

### 2.4 Revising the work plan

Work plans are short-term planning tools that contain a lot of detail on the activities carried out in the project and can therefore only cover the immediate future of the project - but with reference to the overall project plan. As part of tracking and monitoring, work plans are revised periodically and adapted where necessary.

Timings for the intervals between revisions and the period each detailed work plan should cover vary and should be proportional to the size of the project. In general, it is advisable that each work plan covers the working period between the main project meetings (many projects meet two or three times a year, therefore the periods covered by the detailed work plan would cover between four and six months). Connecting the work plan to the meeting schedule also has the benefit of being able to directly involve all partners in the elaboration of the next phase of the work plan, so that activities can be allocated directly to the team members, and coordination of shared tasks can begin straight away. This direct approach usually proves very efficient with great time-savings compared to the alternative way of sending drafts back and forth between partners. Afterwards, the project manager can prepare the updated or new work plan based on the meeting agreements, and distribute it to all partners so that implementation can continue smoothly.

#### 2.4.1 Unexpected delays

Project timetables often fail to take account of the time needed for certain administrative procedures that need to be completed before the project can proceed. Two typical examples are obtaining planning permission for construction work and carrying out public procurement procedures for contracting external services. Both procedures are unavoidable and need to be included in project planning.

Some factors cannot be planned for. Bad weather is a typical example in infrastructure projects. The only thing to do is to include this type of problem in project risk assessments and try to develop project activities so all project progress does not depend on the completion of the activities that may be affected.

Another common externality, in particular when it comes to implementation work, is if the project’s work depends on the work of others. Here a typical example is when the project’s material investment represents part of a large national scheme: If the large project is delayed it usually obstructs the project plan as well. In this case, leaving some leeway for unforeseen delays or regular updates on the progress of the other project might be necessary.

#### 2.4.2 Project modifications

Programme attitudes to this kind of modification vary. Generally speaking, the more detailed the information required in the application, the higher the likelihood that projects will have to ask for permission for even quite small modifications (because the approved application is a main part of the contract with the programme). Whatever the case, adding completely new activities or removing planned ones will always require programme approval and may even mean that the project has to be reconsidered by the programme monitoring committee. Don’t ever be tempted to make this kind of major modification without approval: Costs for activities not included in the application are ineligible.
In order to help the programme management make an informed and timely decision regarding the requested modification, it is best to provide information on:

- The nature of the modification (activity, partnership, etc.)
- Who does it affect - one partner/the whole partnership?
- Does it have an effect on the project budget?
- Does it have an effect on the project timeframe?
- Is there a danger that the project will not deliver all or some results and outputs?
- Is the modification related to working methods and procedures or objectives and deliverables?
- Outline alternative solutions, justify them in terms of complying with the original application (i.e., they do not significantly change the original plan).

One important question related to monitoring is to see whether the initial activity plan is still realistic for delivering the promised outcomes. For many projects the plan is likely to undergo change in order to reflect information that was unknown at the start of the project or changing conditions since then. Monitoring project modifications and making sure that these modifications stay within acceptable limits is another important task for project managers.

Project modifications and programme reactions vary according to the type of modification requested:

- **Activity modifications** - Generally accepted if main outcomes are unaffected. Budget implications should be considered.
- **Roles modifications** - When considering a redistribution of tasks in the project, programmes will make sure that joint implementation is not threatened and that all partners continue to play a strong role.
- **Partnership modifications** - Tend to be taken very seriously. There are administrative implications - if a partner leaves, who will provide their financial contribution? Do any new organisations live up to programme requirements? Is there still a viable cooperation partnership?
- **Outputs and results modifications** - Modifications in results imply a modification in objectives, and will be questioned.
- **Project time plan modifications** - Project time extensions have been quite common in some programmes, but they make de-commitment forecasting very difficult and will probably be less common in future. Requests for timetable modifications should be based on evidence that delaying factors have been discovered and put right.
- **Budget modifications** - Most programmes are very flexible up to a certain limit of 10%-20% of the budget. After this, the procedures tend to get more complex. Some programmes require more information on certain modifications, such as moving budgets between partners (this can affect partner contribution) and the movement of money between certain budget lines (e.g., from staff costs to external experts).

All programmes have certain flexibility limits when it comes to project modifications. It is imperative that lead partners are well acquainted with these limitations and the flexibility allowed on a project level. Modifications in project activities and deliverables can be particularly sensitive issues, as this implies a modification to the basic terms on which the budget was approved.

**Always seek the support of the programme when in doubt or when you foresee significant project modification! In general, all requests for modifications should go through the lead partner to the programme. Inform well in advance, if possible - better safe than sorry!**
2.5 Project communication

Each project should find the most appropriate activities in order to reach their communication and project objectives. The following points should be considered part of project communication:

- **Regular information flow** - from within the project to the outside world. Keep your target audience up to speed with project progress, making use of the most appropriate media available. Target more in-depth communication at key delivery stages of the project. Create some suspense in the run-up for important project deliveries.

- **Feedback systems** - set up, run and make use of regular feedback to engage with your target audience, get their opinion and check that their expectations are being met or that they can be met.

- **Regular evaluation** - of your communication performance through the feedback and measurement of the project communication indicators. Adjust consequently, and notify project partners of the outcomes, successes and bottlenecks captured.

- **Make use of the programme resources** - programmes and national/regional networks can be multipliers, so feed them regularly with information about your project. This will help programmes to identify projects worth showcasing at large scale events such as the RegioStars awards, the Open Days and other thematic occasions where programmes are asked to bring testimonials from the projects.

- **Long-term arrangements** - should start now in order to ensure that ownership and copyright matters are solved before the end of the project. This is valid first and foremost for the project website, in case it is not hosted by the programme, as it will have to be run and updated for a certain period after project closure.

- **Prepare for closure** - decide how you want to showcase the project at its end, and gather what you need along the project lifetime. Images, videos and testimonials can help to make the story of the project and use it as a closing product. On the other hand, efforts should also be made to point to the future directions of the project. Support the durability and transferability efforts envisaged by the project with communication activities.
3 Project reporting

All Interreg programmes require progress reporting during project implementation. The aim of the reporting process is to establish whether project objectives have been achieved, what resources have been expended, what problems have been encountered, and whether the project is expected to be completed on time and within budget. If performance is sufficient, the project will receive payment from the programme for costs incurred, paid and reported.

The most common practice is that programmes have one progress report form which includes both financial and content related information and has to be supplemented by required attachments. In additional, programmes often have a separate final report form which is submitted at the end of the project. The frequency of the reports submitted is decided by the programme, and this varies from programme to programme.

3.1 Reporting process

The process begins on the partner level, where each project partner needs to report to the controller, who certifies the expenditure declared. Activities, outputs and costs approved by the controller are summarised and aggregated in the project progress report prepared by the lead partner, who sends it to the Joint Secretariat for approval. Payments are carried out by the Certifying Authority to the lead partner only if the expenditures have actually incurred, are in line with the subsidy contract, and were paid by the project partners. It is the responsibility of the lead partner that the subsidy received from the programme is transferred to project partners in full and without delay. The procedures for the transfer of funds are to be defined in the project partnership agreement.

The figure above indicates that there are two main information streams in the reporting process: From the partners to the lead partner, and from the lead partner to programme management. In this process the lead partner is the central figure with an important coordination and mediation role. An efficient lead partner should allow for a smooth information flow from the programme to the partner level, and vice versa. In terms of reporting the lead partner is seen as the practical link between the partnership and programme management.
Table: Responsibilities of the lead partner

<table>
<thead>
<tr>
<th>Towards the programme</th>
<th>Towards the partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>・ Responsible for delivering the project.</td>
<td>・ Making sure that all information available on programme reporting procedures and reporting templates is passed on to the partner level.</td>
</tr>
<tr>
<td>・ Responsible for reporting according to the programme’s timetable.</td>
<td>・ Providing clarification related to the information/requirements.</td>
</tr>
<tr>
<td>・ Responsible for ensuring that the expenditure presented by partners is in line with the work plan agreed.</td>
<td>・ Making sure that the partners provide the right information in order to produce the project report.</td>
</tr>
<tr>
<td>・ Responsible for ensuring that activities carried out are in line with the application.</td>
<td>・ Making sure that any feedback from the reports reaches the partners (especially if some of the information is directly related to a specific partner).</td>
</tr>
<tr>
<td>・ Responsible for immediately warning the programme if changes occur.</td>
<td>・ Funnelling partner questions to the programme.</td>
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</tbody>
</table>

3.2 Reporting requirements

In order to carry out effective project monitoring, programmes usually require projects to submit the progress report at the agreed deadlines throughout project implementation. The report includes information about activities carried out, outputs delivered and expenditure incurred. The information provided in the report is compared to the latest version of the application form (i.e., the application form approved, including all approved modifications) to establish if the project is delivering according to the plan.

The financial part of the report provides information on the amount spent since the last report, split according to the same budget lines as those in the application. Each project partner will also have to present a certificate signed by the approved (designated) controller, stating that he/she has checked the spending, and that all of the amounts included are correct and in accordance with the rules. Finally, there is a request for the programme to transfer the amount claimed to the lead partner.

Many programmes regard six-monthly reporting as adequate to obtain a good indication on project progress (though some programmes ask for reports every 3 months). Projects prefer 6-monthly reporting because of the administrative work involved, but on project level lead partners should establish a system which provides more frequent and systematic basic updates on the progress of each partner.

Most projects put reporting deadlines in the project partnership agreement and make clear that the lead partner will not be responsible for any project partner losses caused by partners’ delays. Programmes are also toughening up on requirements and may, for example, suspend projects and/or project partners who fail to report for a number of periods. In other cases, it may be acceptable to submit a report without the delayed partners - who will then be allowed to claim for a double period with the next report.

Uniformity of reporting both to the programme (by the lead partner) and to the lead partner (by the partners) requires harmonisation of procedures on all levels. Uniformity is important because lead partners need to be able to compare the input of their partners, and programmes need to be able to compare different projects. This means that, as far as it is possible, all levels need to provide the same information in the same format.

The basic principle is that programmes provide reporting templates (checklists or other reporting tools), which are distributed well in advance to the lead partners (they may be also be available on programme websites), who should pass them on to the partners. These set out how information should be provided. Progress and financial reporting require different templates but are prepared at the same time for the same reporting periods, and submitted together to the programme.
Table: Reporting tips

- Learn exactly what your programme requires in terms of signatures, supporting documents and data before preparing your first report. It is essential that this information is communicated to the whole partnership and built into the working procedures of each of the partners.
- Build reporting timelines into the project partnership agreement, and remind all project partners of approaching deadlines well in advance.
- Consider the relevance of the information provided.
- Do not report on planned activities and outputs - only on activities actually carried out and outputs delivered.
- The amount of information provided should be proportionate to the level of expenditure claimed (e.g., if you have spent € 500.000 on material investment make sure it is explained sufficiently).
- Highlight main achievements - they are needed for programme communication.
- Report on time.
- See if there is a maximum length for different report sections - and stick to it.
- Reporting should follow and be consistent with the application and appendixes, as far as possible.
- Do not refer to content on your project website as a main mechanism for monitoring. Instead, provide the information with the report.

Insufficient and unclear information provided in the project reports may lead to misunderstanding of your project and, as a result, to delays in project payments. Make sure that all partners have a chance to review the full report before it is submitted. This ensures that the lead partner has not misinterpreted partner statements.

Programmes are now required to process reports within 90 days after them having been submitted to the Joint Secretariat. This means that projects should expect less flexibility in terms of delayed report submission, and that programmes are likely to stop processing completely if a project’s report is incomplete or ambiguous (this will suspend the 90-day period). The online reporting systems now being used should prevent a lot of the formal and technical errors that often caused problems in the past. Nevertheless, it will remain an important role of lead partners to ensure firstly that the whole partnership knows how to avoid problems and, secondly, that the documents eventually submitted by each project partner do indeed live up to the programme’s minimum requirements.

3.3 Financial control

Every time a project claims money from a programme, the spending reported has to go through a financial control check to make sure that spending rules have not been broken. This check is normally called First Level Control. In addition, because the controllers responsible for this First Level Control (‘control’) do not always spot all problems, a Second Level Control (‘audit’) has been set up. This involves re-checking some project spending to make sure that there are not too many mistakes. In addition, there are sometimes checks by the European Commission and the European Court of Auditors. Projects must therefore know the basic requirements and rules for spending and reporting costs before they start; there are quite a lot of formal requirements, and partners need to make sure they can provide the documentation required.

Illegally claiming money from the EU budget can lead to financial cuts in the project and - in severe cases - to court procedures. There is no need to panic, but make sure you are familiar with basic rules such as public procurement, and ensure that all of the project partners in your project can always document expenditure. Then you should not have any problems. The result of many project controls and audits is zero negative findings, and zero reduction to the funds claimed. That said, some projects seem to have almost endless problems and may have to pay back most, if not all, of the funding they have received.
How do you make sure you are in the good group?

- Be absolutely clear about what the EU, programme and national rules are for every type of expenditure you are claiming.
- Communicate this to every project partner and make sure they are living up to every requirement. Do this repeatedly and never assume that what you have said is the same as what has been understood - experience shows this is generally not the case.
- Stay away from borderline costs. You can claim costs which are necessary for delivery of the project - and only these costs. If you are in any doubt, ask the programme secretariat.

Make sure you know your controller and make sure he/she knows your project and what you are trying to achieve. Some controllers are willing to provide useful information and help you improve your financial reporting. Financial control and audit can have many layers (FLC, SLC, etc) but behind all of these lies one basic fact: All funds claimed from the European Commission must be eligible, and every Member State needs to set up an effective system for ensuring that this is the case. The risks are significant. If one of the control or audit bodies carries out a check and finds that ineligible expenditure has been paid out to a project, this may result in significant cuts to accepted project expenditure. Each country therefore designs a system that it feels is safe based on its own needs and experiences, and although programmes try to harmonise basic requirements it is possible that different project partners in the same project face different control requirements.

**Which project partners are checked by controllers?**

Every project partner is checked. Generally speaking, each project partner is checked by a controller approved by the country in which they are based (though in a small number of cross-border programmes one organisation will do all control for the whole programme). The lead partner then collects certified statements of expenditure from each project partner, and checks they have been signed by the approved controller and that each project partner has spent on the agreed activities only. The lead partner then draws up the claim for the whole project and sends it to the programme. The exact procedure and documentation to be submitted can vary considerably.

The important point is that every report submitted to the programme must have been checked and signed off by controllers. Control must be carried out at the organisation originally incurring the expenditure; that organisation must maintain a full audit trail, and it is that organisation that will be liable in the event of any errors.

**Who are the first level controllers?**

All Member States are required to select a body responsible for FLC in their country. The task of doing the actual controls can be delegated, for example, to regional/local bodies or private institutions. Different types of organisations are designated and programmes will be able to provide information on the controller for each project partner (sometimes it is a public office, and sometimes a private company).

**Centralised first level control systems** require all partners in a country or region to submit claims and other documents to one office, which checks all partners. The main problem here is that there are often significant delays in control in centralised systems. There is a three-month deadline for control in the regulations but still this is not always met. Centralised systems also tend to find more errors, potentially indicating that controls by central bodies tend to be stricter.

In **decentralised control systems** every project partner chooses its own controller (from an approved list or according to a set procedure). The main issue with this system is that the controllers do not always have the time or the knowledge to carry out the checks properly, and there is a risk that approved expenditure will later be corrected by other programme control bodies. Some countries now have a shortlist of approved controllers so it is easier to monitor performance, offer training and remove bad controllers.

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1 ETC Regulation (EU) No 1299/2013 § 23.4
It is important to remember that if you are from a country with a decentralised system and there is a free choice of controller, you might have to carry out some kind of procurement procedure to select the controller.

The Managing Authority (but often the Joint Secretariat on its behalf) also has an important role in control. As a minimum, the Managing Authority will carry out checks focusing on the delivery of outputs and compliance with non-financial rules, such as those on publicity and information. It does this by checking (‘monitoring’) the reports submitted by the projects. In some programmes, the MA/JS is also responsible for checking that all project claims are supported by signed certificates from the respective FLC bodies (the lead partner should already have checked this once before submitting the claim). As noted above, the European Commission also requires that the MA has a clearly-defined supervisory role and satisfies itself that the different national FLC systems put in place are indeed working. Controllers and programme management bodies can both make changes to the amount a project has claimed. These changes result in cuts if they find incorrectly claimed expenditure. Keep in mind that positive changes by FLC or programme bodies are also possible - if, for example, expenditure was not claimed in full even though it would be eligible.

**What is checked during first level control?**

Controllers check every report in terms of eligibility of expenditure claimed. Many FLC systems now do not check every item, relying instead on a sample of it. The whole system is designed to provide guarantees of the eligibility and correctness of expenditure declared, and this is the focus of the checks. It is important to stress again that first level control needs to be far more than a check of the correctness of costs in accounting terms! It must address the specific rules covering Interreg projects, and controllers must also make deductions where they find problems in compliance with these rules.

As such, controllers must look at key documents in the audit trail to make sure that:

- the costs claimed are real costs (with some exceptions, such as flat rates for office and administration), reflecting only the actual costs that had to be paid by the project partner),
- the activities really took place (e.g., participant lists from seminars), and
- the rules are being followed (e.g., evidence of public procurement procedures).

The audit trail must allow controllers and auditors to trace back all declared expenditure to the original invoices (or documents of equivalent value). A clear description of the accounting evidence to be held is therefore essential, as is communicating this information to everyone involved. This is particularly important in the case of regular project partners (i.e., project partners who are not the lead partner), who play a key role but are not always properly informed about programme requirements by lead partners. It should also be possible to verify the transfer of funds from the programme to the lead partner, and from the lead partner to partners.

Sometimes the checks will require that evidence for the expenditure claimed is sent to the controller, who will then carry out a desk-based administrative control. Others will be (additional) on-the-spot checks, which are carried out to ensure that the evidence being supplied is correct and accurate and that, for example, any investments claimed really have been completed and match the descriptions supplied to the programme.

As part of its supervisory role, the MA / Joint Secretariat may also carry out project visits. Procedures vary considerably but often focus on whether administrative systems are working well, project documents are in order, and whether there is proof that activities have actually been carried out.

**What is the audit trail?**

The regulations and many programme documents refer to the need to safeguard the ‘audit trail’. Put simply this means keeping records to show how every EURO of programme money has been spent. In most cases, this is simply a matter of storing the invoices issued for products and services delivered. The Managing Authority keeps a record of where all of these documents are stored (most of them will be in project offices), so that financial controllers always know where to check, if they have questions.
It is not possible to provide a comprehensive list, as requirements will vary slightly depending on the project, the activities and the partner organisation’s administrative rules. However, the audit trail must include proof that all costs are eligible, and will demonstrate not just what was paid but also the need for this expenditure, whether it complies with all relevant rules and regulations, and that value for money principles were observed. The table below provides examples of the sorts of documents and evidence that should be available. Some controllers also provide such lists to project partners, making it much easier for them (and the controllers) to ensure that documents submitted are complete. These lists seem like a lot of detail, but all of the information should be standard and easily obtained: All partners should get into the habit of collecting this evidence from project start up. It is always worth remembering that one of the main reasons that claims are reduced is missing evidence.

All documentation should be accessible at the project partner’s premises. For some documents, it may be sufficient to provide access to a digital system. This should be checked with the controller/auditor in advance. For details of the rules behind these documentary requirements, see the programme manual.

<table>
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<tr>
<th>Table: Main supporting documents needed for different types of costs</th>
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<tr>
<td><strong>Basic background documents</strong></td>
</tr>
<tr>
<td>· Subsidy contract and all amendments</td>
</tr>
<tr>
<td>· Latest approved version of the application form</td>
</tr>
<tr>
<td>· Evidence of the accounting system (either separate accounting system or adequate accounting code/cost centre) for all project-related transactions</td>
</tr>
<tr>
<td>· Project partnership agreement and all amendments</td>
</tr>
<tr>
<td>· Programme documents: Cooperation Programme, fact sheets, programme and first level control manuals, etc.</td>
</tr>
<tr>
<td><strong>Basic project report documents</strong></td>
</tr>
<tr>
<td>· Progress report including all obligatory annexes, properly signed and submitted</td>
</tr>
<tr>
<td>· List of expenditure</td>
</tr>
<tr>
<td>· Copies of main project deliverables such as studies, agendas of meetings, etc., in line with the progress report</td>
</tr>
<tr>
<td>· Publicity items such as brochures, publications, website, etc.</td>
</tr>
<tr>
<td>· Confirmation of receipt of ERDF from the previous period</td>
</tr>
<tr>
<td><strong>Staff costs</strong></td>
</tr>
<tr>
<td>· A document showing the contractual relationship (e.g., employment contract or other formal agreement) for all employees reporting staff costs (part-time and full-time)</td>
</tr>
<tr>
<td>· Written agreement(s) outlining the work to be done for the project for all persons reporting staff costs (part-time and full-time)</td>
</tr>
<tr>
<td>· A document specifying salaries for each relevant month and each person working on the project (e.g., payslips, print-out of the accounting system)</td>
</tr>
<tr>
<td>· Proof of payment of salaries and any additional compulsory employer contributions (e.g., social insurance)</td>
</tr>
<tr>
<td>· For part-time work on the project - based on a fixed percentage of time worked per month: Document setting out the percentage of time to be worked on the project for each person reporting staff costs under this option</td>
</tr>
<tr>
<td>· For part-time work on the project - based on a flexible number of hours OR hourly rates): Records of time worked (e.g., signed time sheets or equivalent) showing 100% of the work of the person</td>
</tr>
<tr>
<td>· For part-time work on the project - based on hourly rates calculated using 1720 hours): Document showing the latest documented annual gross employment cost; i.e., the latest available data from a period of one year (12 consecutive months)- e.g., data from July 2015 to June 2016 (if available) should be used for the reporting period January to June 2016.</td>
</tr>
<tr>
<td>· For part-time work on the project based on flexible shares OR hourly rates: Calculation scheme for salary costs for each employee working part-time on the project</td>
</tr>
</tbody>
</table>
### Travel and accommodation
- Agenda or similar of the meeting/seminar/conference
- Proof of participation (e.g., email or signed list of participants)
- Paid invoices or documents of equivalent probative value (hotel bills, tickets, etc.)
- Information on daily subsistence allowance / per diem claims
- Proof of payment of travel and accommodation costs (e.g., bank account statement, receipts, if applicable, reimbursement to the staff)

### External experts and services
- The selected offer or the contract
- Invoices and proof of payment of external services and experts (e.g., bank account statement)
- For experts and services that are NOT exclusively used for the project: Calculation method showing the share allocated to the project and justification for the share allocated
- Deliverables and other evidence of the work carried out by external experts

### Equipment and infrastructure
- The selected offer or contract
- Invoices and proof of payment
- For depreciation: Calculation scheme for depreciation
- For equipment used only partially for the project: Calculation method showing the share allocated to the project and justification for the share allocated
- Proof of existence (pictures, delivery note, etc.)

### Public procurement
- Where external services or equipment were purchased
- Documents required by controllers to check the procurement can also vary depending on national public procurement laws and programme rules.
- Initial cost estimate made by the project partner to identify the applicable public procurement procedure:
  - Procurement publication/notice
  - Terms of reference
  - Offers/quotes received
  - Report on assessment of bids (Evaluation/selection report)
  - Information on acceptance and rejection
  - Contract, including any amendments

There are exceptions to these rules which allow programmes to use flat-rate financing, standard scales of unit costs, and lump sums. For example, costs for office and administration may often be calculated as a fixed percentage of the eligible staff costs claimed.

All supporting documents must be kept on average for five full years from 31 December of the year in which the final payment is made to the project. Programmes may interpret this time limit slightly differently. Most notably, if there has been State Aid in your project, documents must be kept for 10 years after the signing of the subsidy contract.

There are some costs for which it is not possible to show an individual project invoice. Office and administration costs are a good example, as the project only pays part of, for example, a larger heating bill for the whole building (this is one of the main reasons many programmes have gone over to a flat rate for these costs). In-kind contributions (if allowed) are another. In such cases, documents of ‘equivalent probative value’ need to be provided. This means that they provide reliable proof that the costs were calculated fairly and correctly. Different programmes and countries have different rules for defining how such documents should be presented.

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2 CPR Regulation (EU) No 1303/2013 § 67, 68; ETC Regulation (EU) No 1299/2013 § 19; Regulation (EU) No 1304/2013 § 14.2-4
3 CPR Regulation (EU) No 1303/2013 § 140.1
Generally speaking, original documents are needed for the audit trail. Each Member State draws up national standards to be met if copies, electronic versions or other formats are used.

If audit trail documentation is not available, the spending it covers will be rejected. The basic rule is: If you can’t prove it, it never happened!

**You still need it, even if the controller does not ask to see it**

The actual documents that a controller asks to see vary enormously. Some will check everything while others will assume that a lot of the supporting evidence is in place without looking at it. You still need these documents even if they are never used during first level control. If you are part of a programme quality check, a second level control check, a Commission audit or a check by the European Court of Auditors, you will be required to produce the documents with two weeks warning, or even less. If you cannot do so, you face having to pay back large amounts of money - just because the paperwork was not filed. Although you may be able to provide some documents later to some authorities, the damage has already been done if they are not available (as they should be) at the time of the audit.

### 3.3.1 Eligibility rules

In order to receive funding, all of the costs reported by a project must not only be ‘correct’ - calculated and entered accurately in your organisation’s book-keeping system. They must also be ‘eligible’ - meaning that they live up to a number of special rules governing EU expenditure. The EU, programme and national levels will all have eligibility rules to make sure that funds granted to projects are not wasted or misused. Spending that is eligible will be paid. Spending that breaks the rules is ‘ineligible’ and will not be paid.

In the 2014-2020 period there is a new hierarchy of rules: Eligibility is decided by EU rules. If there are no EU rules in a particular area, programme rules may apply, if they exist. This means that the EU eligibility rules in the regulations have been expanded considerably, and the same basic principles apply to similar costs in all programmes. As is often the case, however, the devil is in the details: most programmes will have manuals and fact sheets explaining exactly how they interpret different eligibility rules, and there may be some differences between programmes and even between Member States. As a result, it is vital that you always consult each programme’s own materials.

Programmes may also add their own rules, with the agreement of participating Member States. These may cap certain types of cost or not allow certain costs, even when these are allowed by the regulations (e.g., no in-kind costs allowed or grants to private companies), or set out specific rules to be met before a cost becomes eligible (e.g., costs outside the programme area will only be accepted with prior programme permission).

Never assume that the rules and systems in place in your country automatically apply to the rest of the partnership. Every project partner needs to check eligibility rules carefully before and during implementation to make sure that any proposed expenditure is allowed in their country.

### 3.3.2 What kinds of problems do financial controllers find?

The level of ineligible expenditure detected during first level control varies enormously from project to project. Most programmes have started special seminars for project managers in order to reduce the number of problems before they reach the control stage. Always remember that many projects are implemented from start to finish without financial errors, so it can be done!

**Common control problems found by controllers or auditors:**

- Errors in public procurements (missing documentation, infringement on rules, direct contracting without procurement at all) - the number one problem!
- Payment requested does not match finance report.
- Budget of a budget line or a project partner is exceeded beyond programme flexibility rules.

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4 ETC Regulation (EU) No 1299/2013 § 18.3
- Costs are reported under the wrong budget line and/or work packages.
- Changes to project were made without prior approval by the programme.
- Expenditure does not correspond to project activities and objectives; documentation is not available to demonstrate a clear link between the work actually carried out and the declared expenditure (i.e., parts of the audit trail are missing).
- Activities were added that involve State Aid.
- Incorrect calculation of staff costs, office and administration costs, flat rates, depreciations, etc.
- Wrong currency exchange rate used.
- Expenditure not clearly documented (invoices missing or inadequate, proof of payment missing, etc.).
- Costs reported by organisations with no approved budget.
- Publicity requirements were not met (e.g., the EU logo is missing in all publications).
- No documents and evidence for the project partner financial contribution were available.
- Invoices were paid after the deadline for reporting.
- Invoices were included twice, either in the same project or in different projects (double counting!).

From the above it will be seen that many of the problems detected are quite basic - and should hopefully become things of the past. Some online reporting systems also have effective automatic controls of essential figures and data. Others can be detected and corrected with simple financial monitoring. Financial control should not present serious problems if the basic financial guidelines presented in the handbook are followed, and there is good communication with FLC and the programme.

### 3.3.3 Eight tips for avoiding financial management problems

It is not unusual for control and on-the-spot checks to reveal problems with the expenditure declared by a project or the basic financial management practices being used. Most of these problems can be solved, but this of course requires considerable time and effort, and may result in a suspension of payments to the project until all problems have been dealt with. The following simple tips summarise what you can do to avoid the most common problems.

1. **Set up separate accounts for project funds**
   Or at least ensure that every partner’s accounting system can clearly separate project costs. Control visits have sometimes revealed that this basic requirement is missing. When this is the case, there is no evidence for which costs have been assigned to the project or why. The probable result is that large parts of the expenditure involved will be judged ineligible.

2. **Involve partner finance managers from the start**
   Organisations have their own financial management systems and procedures. All project partners need to check that these comply with programme requirements, and that the systems can deliver the evidence that is needed (do not assume that this is the case!).

3. **Secure the audit trail**
   All project partners must keep all invoices. Supporting documents are also needed, such as timesheets for part-time staff and tendering evidence. If these documents are missing, the costs involved will not be accepted. Note also that all documents need to be kept until well after project closure! If documents are destroyed before then, all payments to the project can be reclaimed.

4. **Keep your filing up to date and find out what to file**
   Control visits typically have to be announced only two weeks in advance. You should make sure that you always have all documents available. Commonly missing documents are contracts and evidence of public procurement procedures. If you cannot provide these documents, it will be assumed that you have not followed the rules.

5. **Find out what the national public procurement thresholds are in each partner country**
   Basically, public procurement rules require that public organisations request offers for providing services and products. They are designed to promote a free and open market, and give value for money. There are
three values that generally need to be considered. Very small contracts do not need to be tendered. Larger contracts can be the subject of a limited tender, whereby a smaller number of offers are requested. Large contracts must be the subject of a full public tender with strict rules and procedures. ‘Small’ and ‘large’ are relative terms here: There are enormous differences between countries in the threshold values (the value of the contract that determines which tender procedure needs to be used). In some countries, full public tendering is required for very small amounts, and project managers should be aware of the delays this will cause. You must respect the threshold values and the relevant rules - you cannot divide contracts into smaller jobs to get around these rules. If you award a contract for equipment or services, you must be able to prove that you used the right tendering procedure. These documents are often missing, and the most common reasons are that partners say they did not know anyone else who could do the job involved, or had to act quickly and did not have time for tendering. These are not acceptable reasons, and the full value of the contract will probably be judged ineligible. Many programmes have now put their own rules and thresholds in place for small value contracts to avoid all problems arising from lack of clarity in national rules.

6. Check you have approval for all activities outside the eligible programme area
There are many different situations to consider here, and all projects should find out how their programme interprets them (e.g., project partners outside the area, travel outside the area, costs incurred outside the area, etc.). Regardless of programme interpretation, planned activities outside the eligible area typically need to be included in the application.

7. Avoid grey areas
There is sometimes a temptation to bend the rules or misinterpret programme advice. If in doubt, ask - and accept the guidance that is given. Programmes are understandably harsh on projects that have deliberately ignored the rules.

8. Only report costs directly related to implementation of the project
You must be able to demonstrate that all of the costs reported were actually incurred and paid out (with the exception of flat rates, lump sums, in-kind contributions and depreciations), and were necessary for implementing the project. Any costs that do not fit these criteria may be treated as ineligible.
4 Project evaluation

Although project evaluation is not a legal requirement in the upcoming period 2014-2020, it is an important tool to measure your project performance and to demonstrate the achievements of your project. It helps you answer questions such as ‘Is my project still on track?’, ‘Is my project delivering results as planned’, or ‘What is working well in my project’. If your project is not delivering results as expected, project evaluation can be a useful tool that can assist you in adapting activities.

Altogether an evaluation should be seen as a learning exercise: “a culture that supports learning and that is able to derive positive lessons for the future from problems, or even failures, as well as from success”.

Before starting an evaluation, it is necessary to find out about the specifications, requirements and guidelines of your programmes related to project evaluation. It could be that your programme has issued specific guidelines for a project evaluation.

An evaluation can be carried out during the implementation of a project; e.g., to find out if the project is performing as planned, or at the end of the project; e.g., to present the achievements of the project.

If you plan to carry out a project evaluation, you should first ask yourself why you want to implement the evaluation. Evaluations should never be carried out without having a clear picture of why and for whom the evaluation is being done.

<table>
<thead>
<tr>
<th>Purpose of evaluation</th>
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<tbody>
<tr>
<td>Accountability</td>
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<tr>
<td>Implementation</td>
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<tr>
<td>Knowledge production</td>
</tr>
<tr>
<td>Planning / efficiency</td>
</tr>
<tr>
<td>Institutional strengthening</td>
</tr>
</tbody>
</table>

All these evaluation purposes are of interest to different stakeholders, and tend to determine the type of evaluation and the method you select.
4.1 Scope and object of the evaluation

Defining the scope of your evaluation should start with the question “What is to be evaluated?” It is recommended to adopt a relatively strict definition of the scope of the evaluation, in order to reach concrete conclusions and recommendations. For example, the best way to define the focus and the evaluation questions is to consider practical constraints such as time, human resources and budget (e.g., How much money does the project have for the evaluation? How much time is available to implement the evaluation? Will the evaluation be done by an internal or external evaluator?)

Consult your programme on how and what to evaluate. Your project might be required to contribute specific data to the programme database, or deliver data for the final report of the programme.

Inadequate stakeholder involvement is one of the most common reasons programmes and projects fail. Therefore, it is very important that you involve relevant stakeholders in the planning, monitoring and evaluation process. The crucial point is to identify the relevant stakeholders that have an interest in your project: they may make decisions, participate in project activities, or are themselves affected by projects activities.

Stakeholders, programme managers and policy makers, potential project partners and partners should be involved in the evaluation from the earliest stages, whenever possible. This will ensure that the evaluation design and plan will include their priorities. This will also ensure that they feel some sense of ownership of the outputs of the evaluation, and are more likely to put them to use.

Defining evaluation questions

Through defining the evaluation questions, the project can focus on different aspects of the project implementation:

- What has the project accomplished? What change did the project bring? (Descriptive questions intended to observe, describe and measure changes.)
- How and to what extent is that which occurred attributable to the project? (Causal questions which strive to understand and assess relations of cause and effect.)
- Are the results satisfactory in relation to targets? (Normative questions which apply evaluation criteria.)
- What will happen in the future because of the project? For example, will the project create positive effects for the environment? (Predictive questions, which attempt to anticipate what will happen as a result of planned interventions.)

Evaluation questions refer to the main evaluation criteria:

- **Relevance**: To what extent are the project’s objectives justified in relation to the needs of the programme area?
- **Effectiveness**: To what extent have the objectives been achieved? Has the project produced the expected effects? Could more effects be obtained by using different instruments?
- **Efficiency**: Have the planned outputs been achieved at the lowest costs?
- **Utility**: Are the expected or unexpected effects satisfactory from the point of view of direct or indirect project partners? Did the project have an impact on the target groups in relation to their needs?
- **Sustainability**: Are the results, including institutional changes, durable over time? Will they continue if there is no more funding?

7 UNDP: Handbook on Planning, Monitoring and Evaluating for Development Results, 2009
8 EVALSED: The resource for the evaluation of Socio-Economic Development, September 2013, p.58
9 Adapted from EVALSED: The resource for the evaluation of Socio-Economic Development, September 2013, p.35
When selecting evaluation questions it is important to ensure that these questions are answerable with the available data. Another important consideration is how the evaluation results will be used, by whom, and for what purpose.

4.2 Selection of the evaluator and the evaluation method

It is the Lead Partner’s responsibility to organise evaluation activities in the project. This can be done internally and/or through external experts. Internal evaluators are probably more familiar with institutional and management requirements, but may lack certain specialist expertise. External evaluators often have more specialised expertise, and may be seen as more independent, which provides greater credibility to the outcome of the evaluation.

Please be aware that your project might also be evaluated through programme evaluations (e.g., the mid-term evaluation or ex-post in the current period). Programme evaluations assess the overall effectiveness of the programme, the impacts of the type of cooperation being funded in the projects, and the overall achievement of objectives — a process which is underpinned by the performance of each project implemented under the programme.

In order to answer the evaluation questions, the project has to select the appropriate technique and method. The EVALSED Sourcebook lists (alphabetically) the wide range of methods and techniques that can be applied to answer the evaluation questions.

When choosing methods and techniques, it is important to consider the kind of questions selected which are part of an extensive design exercise that includes consulting stakeholders and assessing programme characteristics. Choosing methods and techniques first and then trying to make them fit with questions for which they have not been specifically chosen will create problems. The techniques chosen need to reflect the purpose and focus of the evaluation.11

Please note that programmes have to carry out evaluations to improve their implementation and to assess their effectiveness, efficiency and impact. That is why it is highly recommended that the project discusses its evaluation questions and methods with the programme. The programme might be interested in questions related to indicators or links that were set up between the programme and the projects.

The questions could be:

- Are the chosen indicators appropriate?
- Do the indicators reflect the change that should be achieved through the projects activities?
- Is the project contributing to the programme interventions?

The graphic12 below depicts the factors that influence the formulation of the evaluation questions and the choice of methods and techniques, in a broader context.

11 EVALSED: The resource for the evaluation of Socio-Economic Development, September 2013, p.88
12 Adapted from the graph in EVALSED: The resource for the evaluation of Socio-Economic Development, September 2013, p.73
4.3 Implementing and managing evaluations

During the evaluation process there should be continuous interaction between the evaluator/evaluation team and all involved stakeholders. The success of the evaluation depends on the level of cooperation of the involved stakeholders.

Evaluation results can be disseminated and communicated to the stakeholders not only in writing but also verbally. The final report is only one means of communication of the results. An evaluation report usually consists of following parts: executive summary, project description, evaluation methodology, findings and recommendations.

Finally, the evaluation feedback should be communicated to the whole partnership as an opportunity to improve and strengthen the project’s performance and profile. In addition, the plans on what to do with the evaluation findings should be implemented (e.g., communicate the findings to the wider public, use the findings to develop new projects, etc.). It is considered good practice that the key stakeholders review the report first, to clarify any discrepancies and ensure that they have a common understanding of the findings.

Share your results!
To be of added value, the results/findings of evaluation have to be communicated.¹³

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¹³ EVALSED: The resource for the evaluation of Socio-Economic Development, September 2013, p.48
Table: Evaluation tips

- Be pragmatic! Consider that your resources are limited, administrators are not always efficient, coordination can be imperfect, knowledge is patchy and data is often not available. Even modest outputs can make a big difference, especially when set within a longer period!
- Contact your programme to find out if there are some guidelines you have to consider. Inform them about your evaluation, including the purpose, questions, method, etc.
- An evaluation can be carried out during the project implementation to reveal weaknesses in project design, or be carried out at the end of the project implementation to appraise success or weaknesses.
- Make sure that the evaluation is integrated into project planning and management. An evaluation takes time and human resources.
- Make sure that you involve the right stakeholders; if a major stakeholder interest is ignored, this is likely to weaken your evaluation, either because it will be poorly designed or because its results will lack credibility. Involving relevant stakeholders will ensure that the result will be taken up and used. Identify your stakeholders, find out what their interests are in an evaluation, and involve them!
- The importance of evaluation questions in an evaluation design cannot be overstated. Formulate evaluation questions in a way that makes them easy to answer. Ask questions that people will find useful.
- An evaluation is not about gathering large quantities of data in the belief that these will eventually provide answers to all evaluation questions. By being clear about the purpose, method and tools of evaluation that are needed, your evaluation can be more focused and result in a better outcome.
- Evaluation is an interactive process: It used to be common to regard the use of evaluation as being confined to acting on recommendations and final reports. It is now understood that evaluation use can be supported, and occurs throughout an evaluation. Promoting dialogue during the course of an evaluation is likely to ensure that when stakeholders receive the reports they will be better prepared and more receptive.
- Consider at an early stage how the evaluation findings will be used.

14 These tips are taken from the golden rules of EVALSED: The resource for the evaluation of Socio-Economic Development, September 2013
5 Project implementation checklist

<table>
<thead>
<tr>
<th>Success criteria</th>
<th>Yes</th>
<th>No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>The partnership is monitoring the project progress compared to the latest version of the application form.</td>
<td>☑</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The contingency plan to deal with identified risks has been prepared.</td>
<td>☑</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The project is being revised according to the needs and within the limits set by the programme.</td>
<td>☑</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>The deliverables have been produced as expected (quality and quantity).</td>
<td>☑</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Project achievements are being communicated to the stakeholders (including the programme).</td>
<td>☑</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Regular contact with the programme secretariat has been maintained, to ensure a two way exchange of information.</td>
<td>☑</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>All partners report about their progress to the relevant programme bodies according to the agreed schedule.</td>
<td>☑</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>All project partners are aware of financial rules set up by the programme and their respective country.</td>
<td>☑</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>All partners have secured the audit trail.</td>
<td>☑</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Separate accounts have been set up for project funds.</td>
<td>☑</td>
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</tbody>
</table>
PROJECT MANAGEMENT HANDBOOK

CHAPTER VI

Stage 5: Project Closure
Contents

1 Closure process.............................................................................................................1
   1.1 Steps to project closure ..................................................................................1
   1.2 Time and resource planning for the closure stage ..............................................3
2 Obligations after project closure ..............................................................................3
3 Project legacy ...........................................................................................................4
   3.1 Impact on project partners and stakeholders....................................................4
   3.2 Making an impact .............................................................................................5
   3.3 Planning the next steps ...................................................................................6
   3.4 Programme activities to support project legacy .................................................6
4 Project closure checklist ..........................................................................................7
Stage 5: Project Closure

1 Closure process

All projects have to undergo a formal closing procedure which typically requires the gathering and collection of both content and financial information related to the project, and co-ordination between the lead partner and each of the different partners. During this process project managers will need to demonstrate that the results and impacts of the project have been achieved in comparison to the targets proposed in the application. Thus, attention needs to be paid to indicators and the completion of all work packages, as well as satisfactory final reporting by all project partners on the activities they have carried out.

The closure process can take time, but with good planning and organisation - from the start of the project - partners can already be informed about what is expected of them during this period. Despite being prepared, the reality is that delays are not unusual during this time. Project managers might have to spend extra time motivating project staff, since all of the project activities are completed.

Programmes and the European Commission have been aware of difficulties and have tried to react by publishing forms and requirements much earlier, and by ensuring that the 90-day limit for processing reports and making payments also applies to final reports. However, project managers also have an important role to play in preparing the partnership and ensuring that all vital information and evidence is collected before essential staff move on.

In financial terms, programmes need confirmation that it is safe to pay out the last part of the grant and that no problems are expected in future. While projects are in the main implementation phase, programmes can afford to be somewhat flexible in terms of financial control findings. If there are problems deductions can be made from later payments, and expenditure affected by open questions can be left out until a later date. However, project closure means that no questions can be left open: All problems need to be finally resolved. This is perhaps the main challenge of project closure, though the actual checks carried out differ little from financial checks at earlier stages. If financial management in the project has been good, the closure check should be a formality that just confirms the findings of other first level control checks.

1.1 Steps to project closure

Finalisation of all project activities

Programmes will monitor carefully whether the project has implemented all activities and delivered all outputs proposed in the application. This may lead to a cut in the EU grant if changes have been made but never discussed and agreed with the programme. The total paid to the project can never exceed the initial grant.

Sometimes it is not possible for a project to achieve all of the targets set at the start of the project. Activities may not produce the intended results, or the original targets may have been unrealistic. These kind of problems need to be included in project progress reports as soon as they have been detected, along with clear evidence that the project has learnt from the failure and taken action to ensure that overall objectives will not be affected. Programmes will generally react harshly if serious under-performance is only announced at the end of the project.

Communication of the results

The success or failure often depends on planning and the quality of the results on offer. Result promotion should therefore be built into the communication work package and budgeted at project start, and achieving promotional targets should be ranked as highly as other success criteria.

During the closure period, a project will typically concentrate on communicating the project successes, legacy and future:
· **Showcase success** - base this on evidence, testimonials and stories gathered throughout the project, and make a final communication product which gives an overview of what the project changed from its start to its end.

· **Accessibility** - to the knowledge and outputs produced by the project needs to be ensured. First thing to do is to adjust the look of the website so that the key information is easily accessible by relevant target groups.

· **The end. No, it’s not the end!** - Don’t let your audience think that with the end of the project it is all over. Interreg projects are investments that initiate a process of change, and it should be made clear that this change has started and is continuing, after the project ends.

**Accumulation of project records**

The initial step in closing an Interreg project is the accumulation of all official project records. These records include all accounts, papers, photographs or other documentary materials made or received by the project partnership in connection with the implementation of the project (i.e., the evidence needed for the audit trail). These records are generally kept by the project partner responsible for each activity. Many programmes now require that the most important documents are also uploaded to programme websites and/or databases to ensure that these materials are available for distribution and do not disappear after project closure.

**Preparation of project final report**

In order to receive the final payment, projects need to submit final reports. The content of these reports varies considerably - sometimes they are little more than a regular progress report for the final months of the project. In other cases, they are a separate document asking the project to analyse and evaluate their achievements. Project managers should investigate programme requirements for the final report as soon as possible after the start of the project, as this may help greatly in making sure that the right data is monitored during the project’s lifetime.

A final report typically includes:

· **Executive summary**.

· **Information on the project’s achievement** towards the project and programme objectives and results, the durability of the project’s outputs, as well as information about any challenges faced by the partnership during the implementation of the project.

· How the project results and outputs will be *communicated and disseminated* following the closure period.

· **Continuation of project activities** - will there be any follow up activity or further impact as a result of the project’s activities? For example, new projects or a continuation of networks? Have there been any spin-offs as a result of the project - new activities or approaches that were unanticipated?

· **Partnership evaluation**. Programmes may use the project closure phase as an opportunity to ask lead partners for the overall evaluation of the partnership, how it worked, what kind of problems were experienced, and what solutions were proposed.

· **Opportunity to give feedback** on the programme’s implementation. This feedback will provide valuable input for the future development of the programme.

**Last financial report**

The final project report will also require the certification of all claimed costs by the controller. Controllers must also check if all findings and recommendations resulting from previous controls have been implemented by project partners.

Moreover, the Managing Authority, in most cases via the Joint Secretariat, must ensure that all expenditure claimed during the whole implementation period of the project is correct. At the stage of checking of the final project report the JS will double check if the project has been carried out in accordance with the approved application, subsidy contract and any other conditions. The Certifying Authority will ensure that all irregularities found during the project implementation have been recovered, and that the final project report can be reimbursed.
1.2 Time and resource planning for the closure stage

Project managers should be aware of the risks involved in collecting information for the final report: As activities have finished, partner organisations may already be losing interest in the project and moving on to new activities. Some key staff may already have left the organisation. It is therefore very important that the process of accumulating the necessary information starts in good time. This is particularly true when partners have only been involved in the earlier stages of the project - they may already have received full payment for their activities, so it can be very hard to get them to put in the time required for final reporting.

**When does all project work need to stop?**

The date for closing the project will have been set in the subsidy contract, based on the information provided in the application. However, project managers need to find out exactly what this date means. In some programmes all activities, including final reporting, must be completed by the stated end date. In practice, this means that project activities need to be completed some months before so that there is enough time for final invoices to be processed and the final report to be completed. In other programmes, the end date is the point at which all activities must be completed. An additional period of two or three months is provided for writing the final report and doing the final control of the project - and costs related to this closure work are eligible within this shutting down period.

**How long does it take to get the last money?**

In principle the programme is obliged to keep the deadline of 90 days from the final project report is submitted to the programme, as the period for reimbursement. However, in case some follow ups on controls are yet to be delivered by a project, or findings of on-the-spot checks still need to be implemented, or irregularities still to be recovered, the period of 90 days can be prolonged. However, it is crucial in order to speed up the final project reimbursement to resolve all pending issues as soon as possible.

2 Obligations after project closure

One other important issue is to be clear about the meaning of closure: It is the end of project activities and payments from the programme, but does not represent the end of project requirements. Even though the programme has accepted the final report and made the final payment, the project is still subject to checks by European Commission auditors, the European Court of Auditors and other national and European institutions.

There are a number of obligations to be aware of:

- All project records and documentation must be retained and stored in case of future project audits. While some programmes are still asking projects to keep documents for up to five years, the official regulations state that:
  - The Managing Authority must ensure that all supporting documents regarding expenditure of a project with a total eligible budget below 1 million EUR are made available, upon request, for a period of three years from 31 December following the submission of the accounts in which the expenditure of the project is included.
  - In the case of projects with a total eligible budget above 1 million EUR, all supporting documents must be made available for two years from 31 December following the submission of the accounts in which the final expenditure of a project is included.
  - Projects involving State Aid have to retain all documents until ten years after completion of the project.
  - Remember that the rules regarding ownership of project deliverables and revenue continue after the end of the project.

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1 CPR Regulation (EU) No 1303/2013 §140 (1)
· If an irregularity is found after the final payment has been made to the project, the programme will issue a recovery note to the lead partner. The lead partner must repay the full amount required to the programme, then recover this amount from the project partner concerned. This means that the lead partner must have sufficient resources to cover the whole project budget, in the absolute worst case.

· If the lead partner does not succeed in securing repayment from the project partner, the Member State or third country on whose territory the project partner concerned is located or (in the case of an EGTC) is registered, must reimburse the Managing Authority for amounts unduly paid to that project partner.

3 Project legacy

Some projects aim to achieve a clear and immediate change; for example, improving the quality of water in a shared river by building a waste treatment plant. Once this has been done, there is nothing more to be said, and the project is over once a plaque has been put up to acknowledge the EU’s contribution. The majority of Interreg projects are, however, small parts of much longer, more complex processes such as increasing the level of innovation in regional economies, greening regional manufacturing, or improving the sustainability of regional transport. This means almost inevitably that there will be new projects after the Interreg project closes. Project legacy is all about giving these subsequent projects the best possible start.

It may help to consider this point as comprising of three separate needs:
- Ensuring that project activities have a lasting impact on project partner organisations and stakeholders
- Ensuring that project activities have a lasting impact on the wider programme area and beyond
- Trying to ensure that there is commitment and funding to take the next steps

It is important to note that there are no additional funds available for this work after the end of the project. Thus, activities to support these aims need to be planned and budgeted from the start, and main deliverables should be in place early enough to allow a realistic period in which to communicate them properly.

3.1 Impact on project partners and stakeholders

The ‘durability’ or legacy of project outcomes is a major principle of Interreg. In many programmes, some of the selection criteria aim to ensure that outputs and results (sometimes even the partnerships) continue to have a lasting impact after the end of the project. As an absolute minimum this needs to be ensured within project partner organisations and the stakeholder groups who have worked most directly with the project: If a project’s results are abandoned immediately after the end of the project, and there is no interest in working further on the theme, it is unlikely that any lasting benefit will have been achieved.

‘Mainstreaming’ or ‘capitalisation’ describes the process of introducing new ideas and practices into the normal procedures of target organisations. The activities involved can take different shapes and forms, depending on the type of output and solution, target groups and wider project stakeholders involved. It is generally one of the main objectives of dissemination and publicity activities, but goes one step further than general promotion by trying to ensure the application and implementation of what was produced in the project. Projects with a serious mainstreaming strategy will definitely have the advantage during the application process. Many of the keys to success are discussed in previous chapters in the context of stakeholder involvement, needs analysis and communication.

Planning for what happens with the actual outputs after the end of the project is a key part of project development and management, and steps towards these objectives should be initiated early on in the project. There are four key questions to ask:
- What outputs will the project produce that should be made available to a wider audience?
- Which target groups should be informed about which outputs?
- What is the best way of reaching these target groups?
- How do we expect them to make use of these outputs?
Discussion on these issues should start early in the project’s life. The starting point should be to address how the project should impact each project partner, who in each organisation will need to support project results in order for this to happen, and how they can be involved most effectively. It is always important to remember that people tend to support ideas they have had a chance to influence! The same process should also be applied to the direct target groups of the project. If it was SMEs, for example, is there some kind of regional business or interest organisation that can take over the findings? If work has been successful, can SMEs be persuaded to continue with their own funding? This already raises the final question: Is it enough that the target group is aware of the project outcome and draws some knowledge from it, or has the project developed a tool which should ideally be used in its entirety by new stakeholders in future? This type of question should shape the communication strategy in the final part of the project, to define a set of actions that will get the necessary information to the relevant people - rather than relying on luck with an open final conference and a publication for general distribution.

Some thought also needs to be given to any products and services developed by the project. If a project partner has been participating as part of an approved State Aid scheme, there are few limitations: Products and services can be developed commercially, and the project partner can use the revenue to continue the work.

However, there are strict limits for the majority of project partners, and it is not possible to just sell or charge for access to project outputs (see below). As a result, planning will generally be based on free handover of project results to public organisations willing to fund future operating and development costs. This handover must be publicised, and must include background data and any other materials needed for another organisation to duplicate the work of the project. As a result, programmes generally insist that the developers of project outcomes cannot retain any intellectual property rights over their work other than the right to be acknowledged as the author.

This kind of handover is not possible where there has been an investment in infrastructure and/or equipment (see below). In these cases, the project partner will itself have to budget for operating and maintenance costs after the project. Any revenue (money paid to project partners relating to services or products developed during the project) generated within 5 years of the end of the project must be reported, and the amount repaid to the programme.

3.2 Making an impact

If the first step is to target the immediate users of project results, the next should be to go after policy makers and politicians to ensure that they also take up and understand core issues identified by the project. In most cases, it is no longer possible to finish the project with the production of a research report or completion of a pilot; there is an expectation that the partnership will find out who else in the programme area could make use of what has been achieved, and ensure that the results are effectively communicated to them.

This process takes time and effort. It requires that policy agendas and needs are understood, and that trusting relationships can be built to satisfy concerns about whether the project has reliable answers and can remove barriers, improve performance, etc. As with other stakeholders, policy-makers are unlikely to take over finished results if they have not been involved in shaping them in some way, or cannot, as a minimum, see their own policies clearly reflected in project proposals.

This process of building a good relationship with key stakeholders right from the start of the project should really pay off at project closure. There is no point in developing recommendations if responsible authorities will not consider them. There is no point identifying good practices if organisations are unwilling to implement them. There is no point writing reports if they are never read by anyone outside the partnership. Agreements need to be made about how and when outputs will be handed over to stakeholders, and what they expect to do with them.

Stakeholder support is essential if project results are to be ‘mainstreamed’ and become accepted parts of regional, national and/ or European policies or procedures. This is extremely unlikely to happen if stakeholders are first contacted near the end of the project and presented with completed outputs. Opportunities for giving input will be expected and must be provided by the project. Remember also that
the programme and the national and regional representatives working on the different programme committees can be invaluable here, and may be able to gain access to different contacts.

3.3 Planning the next steps

Every project needs a clear end. There must be a point at which it can be clearly stated that the project’s objectives have been achieved (or will not be achieved). This is one area where requirements are becoming stricter in many programmes: Endless continuations of old activities or dependency on further funding to produce sustainable stand-alone outputs are very likely to be rejected. After a certain time, project activities should be able to find their own funding if they have genuine value for the programme area.

On the other hand, there is general understanding for the fact that Interreg and other programme funding plays an increasingly important role for many public organisations. A lot of work is structured around complex portfolios of projects operating under different funds, with Interreg providing new international insights, knowledge and inspiration. This often feeds into eventual investments or research in other, more substantial, programmes - which may in turn generate a new wave of issues needing exploration in an Interreg project. These synergies are positive, and create opportunities for exchanges of knowledge and experience across different sectors and levels of government, ensuring that different funding instruments can be employed with greatest effect.

It is positive to explore at project end and report to the programme how your outcomes can feed into these wider processes, what will be taken up by other initiatives, and what remains as potential new areas for Interreg funding.

3.4 Programme activities to support project legacy

Programmes are increasingly aware of the role they need to play to support these processes. While projects are themselves the most effective communicators to local and regional audiences, programmes may have good access to national and European institutions. Furthermore, by combining the messages of all successful projects under a given theme, programmes may be able to create critical mass in terms of the scope and depth of material available, and prevent overloading key audiences.

A number of programme activities have been developed to support these goals. There is an ever-greater focus on project results and how they link through the ‘intervention logic’ to the wider strategic goals being pursued at programme level. This is reflected in the need to provide precise result descriptions and targets in the application form, and report on them on a regular basis, especially in final reporting for the programme. These results represent the main information the programme can use to promote its impact on the programme area, and projects should carefully consider how they present themselves in order to ensure that they have a positive place in programme publicity.

Some programmes have also run a number of initiatives based on thematic synergies, bringing together related projects (sometimes with additional funding, sometimes without) in order to peer review results, identify and address gaps, and create a stronger voice in policy debates. It is expected that similar approaches will continue in the 2014-2020 period.

A number of related initiatives have also already been run in the 2007-2014 period by the INTERACT programme, and similar approaches may be tried in future. These include attempts to define a common terminology for discussing project results across all programmes, the KEEP database to display these results in a user-friendly format, and a range of thematic analyses building on these inputs. Being part of this process can greatly increase the profile of the project and the project partners involved, giving them a greater voice in future policy discussion.
# 4 Project closure checklist

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<thead>
<tr>
<th>Success criteria</th>
<th>Yes</th>
<th>No</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>All thematic activities have been finalised.</td>
<td>☐</td>
<td>☐</td>
<td></td>
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<tr>
<td>The final results have been communicated to the identified target groups.</td>
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<tr>
<td>The partners have checked if all project documentation is available in each partner organisation.</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>All final reports have been submitted to the programme.</td>
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