



Interreg



EUROPEAN UNION

Danube Transnational Programme

APPLICANTS MANUAL

for the period 2014-2020

2nd call for proposals

edited by the Managing Authority/Joint Secretariat

Budapest, Hungary, 2017

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Applicants Manual

for the period 2014-2020

Version 1.1

PART 1: DANUBE TRANSNATIONAL PROGRAMME



edited by the Managing Authority/Joint Secretariat
Budapest, Hungary, 2016

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I. Programme overview

The Danube Transnational Programme (DTP) is a financing instrument with a specific scope and an independent decision making body. The DTP supports the policy **integration in the Danube area** in selected fields under the CPR/ ERDF Regulations. The strategic vision is “policy integration” in specific fields of action below the EU-level (not duplicating efforts in policy integration at the EU-level e.g. TEN-T) and above the national level. Transnational projects should influence national, regional and local policies (policy driver).

In order to achieve a higher degree of territorial integration of the very heterogeneous Danube region, the transnational cooperation programme will act as a **policy driver** aiming to tackle the common challenges and needs deriving from specific policy fields. Therefore, transnational cooperation is expected to deliver tangible results through the **development and practical implementation of policy frameworks, tools and services**. To this end, the programme seeks to promote concrete pilot investments.





Current needs are related to the issues on how to improve institutional frameworks for cooperation, how to improve the quality of policies and their delivery and how to deliver solutions through smart pilot action. The success of the programme implementation will depend on targeted selection of the most relevant interventions and a further increase in the efficiency of administrative procedures and a reduction of the administrative burden for the beneficiaries.

II. Programme priorities and Specific Objectives¹

The programme builds on four priorities of particular relevance to the Danube Region. These are further broken down to specific objectives and respond to the programme area’s challenges and needs or build on opportunities identified in the analysis included in the Danube Transnational Programme document.

Projects to be funded in the framework of the programme will have to address one of the specific objectives formulated under each priority of the Programme.

¹ Programme intervention logic is detailed in Annex I

 <p><u>Priority Axis 1</u></p> <p>Innovative and socially responsible Danube region</p>	 <p><u>Priority Axis 2</u></p> <p>Environment and culture responsible Danube region</p>	 <p><u>Priority Axis 3</u></p> <p>Better connected and energy responsible Danube region</p>	 <p><u>Priority Axis 4</u></p> <p>Well governed Danube region</p>
<p><u>Specific objective 1.1</u></p> <p>Improve framework conditions for innovation</p>	<p><u>Specific objective 2.1</u></p> <p>Strengthen transnational water management and flood risk prevention</p>	<p><u>Specific objective 3.1</u></p> <p>Support environmentally-friendly and safe transport systems and balanced accessibility of urban and rural areas</p>	<p><u>Specific objective 4.1</u></p> <p>Improve institutional capacities to tackle major societal challenges</p>
<p><u>Specific objective 1.2</u></p> <p>Increase competences for business and social innovation</p>	<p><u>Specific objective 2.2</u></p> <p>Foster sustainable use of natural and cultural heritage and resources</p>	<p><u>Specific objective 3.2</u></p> <p>Improve energy security and energy efficiency</p>	<p><u>Specific objective 4.2</u></p> <p>Support to the governance and implementation of the EUSDR</p>
	<p><u>Specific objective 2.3</u></p> <p>Foster the restoration and management of ecological corridors</p>		
	<p><u>Specific objective 2.4</u></p> <p>Improve preparedness for environmental risk management</p>		

III. Programme area

The programme area covers **nine Member States** (Austria, Bulgaria, Croatia, Czech Republic, Hungary, Germany with two lands Baden-Württemberg and Bayern, Romania, Slovakia and Slovenia) and **five non-EU Member States** (Bosnia and Herzegovina, Republic of Moldova, Montenegro, Republic of Serbia and Ukraine with four provinces: Chernivetska Oblast, Ivano-Frankiviska Oblast, Zakarpatska Oblast, Odessa Oblast), being composed of 69 NUTS2 regions.

Geographically, the DTP area overlaps with the territory addressed by the EU Strategy for the Danube Region (EUSDR), comprising also the Danube river basin and the mountainous areas (such as the Carpathians, the Balkans and part of the Alps). It is the most international river basin in the world. The area makes up one fifth of the EU's territory and it is inhabited by approximately 114 million people. The variety of natural environment, the socio-economic differences and cultural diversity of the various parts of the area may be perceived as major challenges, but actually represent important opportunities and unexploited potential.

Figure 1: Programme area



IV. Programme budget

The implementation of Danube Transnational Programme will be supported by the European Union with an allocation of **EUR 231,924,597.00**, originating from three main sources: **European Regional Development Fund (ERDF EUR 202,095,405.00)**, the **Instrument for Pre-Accession (IPA EUR 19,829,192.00)** and **European Neighbourhood Instrument (ENI Moldova EUR 5,000,000.00, ENI Ukraine EUR 5,000,000.00)**. These amounts will be complemented by the **national contributions** of the countries participating in the programme (except TA funds for ENI which follow a different procedure). Individual projects under priority axes 1- 4 will receive the Union support up to 85% of their total eligible costs. The distribution of allocations from the Union sources among the Priority Axis is as follows:

Priority Axes (PA)	ERDF	IPA	ENI Moldova	ENI Ukraine	Total
PA 1: Innovative and socially responsible Danube region	56,586,713.00	5,459,759.00	1,340,426.00	1,340,426.00	64,727,324.00
PA 2: Environment and culture responsible Danube region	64,670,530.00	6,239,725.00	1,531,915.00	1,531,915.00	73,974,085.00
PA 3: Better connected and energy responsible Danube region	42,440,035.00	4,094,820.00	1,005,319.00	1,005,319.00	48,545,493.00
PA 4: Well governed Danube region	26,272,403.00	2,534,888.00	622,340.00	622,340.00	30,051,971.00
PA 5: Technical Assistance	12,125,724.00	1,500,000.00	500,000.00	500,000.00	14,625,724.00

More information regarding the financial appropriations of the DTP can be found in **Section 3 Financing Plan of the Cooperation Programme**.

V. Legal framework

The Danube Transnational Programme was developed taking into consideration the broad policy framework channelling the development efforts on macro-regional, national and regional levels.

Please note: The relevant documents listed below are provided on the DTP website. The list is not exhaustive.

- *Danube Transnational Cooperation Programme document adopted by the European Commission*
- *Structural Funds Regulations:*
 - Regulation (EU) No. 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006
 - Regulation (EU) No. 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006
 - Regulation (EU) No. 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal.
- *IPA Regulation:*
 - Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II)
 - Regulation (EU) 447/2014 of the European Parliament and of the Council of 2 May 2014 on the specific rules for implementing Regulation (EU) No 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession assistance (IPA II)
 - REGULATION (EU) No 236/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2014, Common Implementing Regulation for External Actions
- *ENI Regulation:*

- REGULATION (EU) No 232/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2014 establishing a European Neighbourhood Instrument (ENI)
- *EGTC Regulation:*
 - Regulation (EU) No 1302/2013 of the European Parliament and of the Council of 17 December 2013 amending Regulation (EC) No 1082/2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and functioning of such groupings
- *Strategic framework:*
 - The **Europe 2020 Strategy** is focusing on the three pillars of the concept of growth: smart, sustainable and inclusive. The EU 2020 Strategy is an instrument meant to coordinate the national and EU level policies in order to generate and maintain development at EU level and help the EU become the most competitive economy in the world by 2020. The mechanism needed for achieving the above-mentioned goals includes the National Reform Programmes which are containing the objectives set up at national level in pursuing the EU 2020 objectives.
 - The **Territorial Agenda of the European Union 2020** - Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions (TA2020) is set to provide strategic orientations for territorial development, fostering integration of territorial dimension within different policies at all governance levels and to ensure implementation of the Europe 2020 Strategy according to territorial cohesion principles.
 - The **South-East Europe 2020 Strategy (SEE 2020)** was launched by the participating countries in 2011, as recognition of the fact that close cooperation can accelerate the attainment of key goals in specific field of action. Inspired by Europe 2020 Strategy, the SEE 2020 is pursuing similar objectives taking into account the regional specificities. The document provides important strategic guidance for the non- Member States from Western Balkans, in achieving a higher degree of convergence with the goals of EU2020.
 - The **European Union Strategy for the Danube Region** Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - COM(2010) 715 final

Other programme documents and relevant information

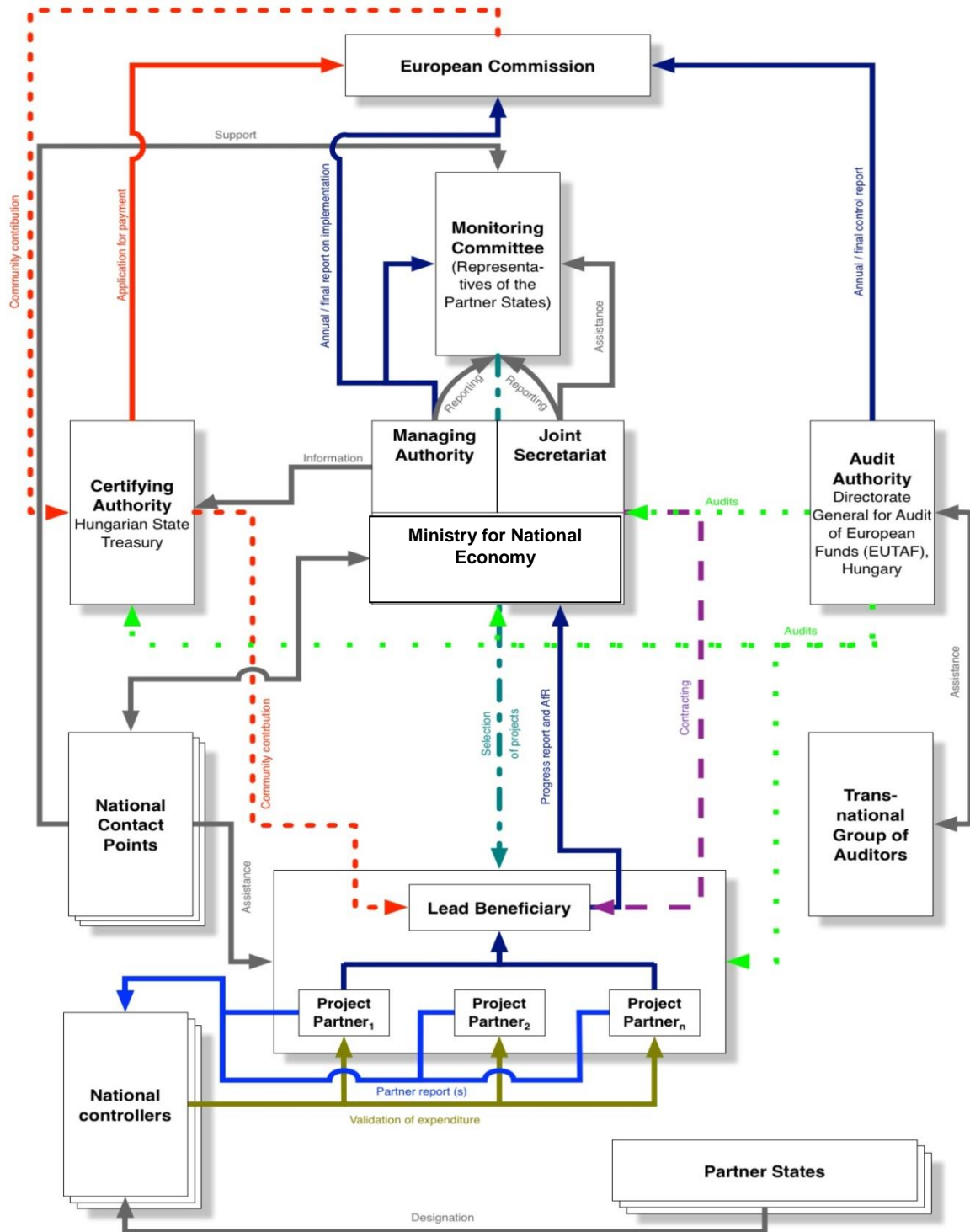
Additionally, thematic policy frameworks were reflected in order to best address the needs in given sectors. Consequently, the design of the programme took into consideration the goals identified in specific thematic fields as follows (the list is not exhaustive):

- EU Water Framework Directive (2000)

- TEN-T Connecting Europe
- EU Biodiversity strategy (2011)
- Prioritised Action Frameworks for NATURA2000
- EU 7th Environmental Action Programme
- EU Climate and energy package
- Energy efficiency plans / SET plans
- SME Small Business Act
- EU Smart Specialisation Platform
- The Danube Innovation Partnership
- European Research Area, Strategic Research Agendas developed under the Joint Programming Initiatives
- Western Balkan R&D Strategy for Innovation – WISE (drafted with World Bank / RCC to monitor progress.

VI. Management structure

The Danube Transnational Programme will use a shared management system to manage, coordinate and supervise its implementation, meaning that the Partner States and the Commission will be responsible for the management and control of the programme.



The **Monitoring Committee (MC)**, consisting of the representatives of each participating country, supervises the implementation of the DTP and selects the projects to be financed. Its overall task is to ensure the quality and effectiveness of the overall programme implementation process. To fulfil this task the MC is going to be assisted by the Joint Secretariat (JS).

The **Managing Authority (MA)**, assisted by the **Joint Secretariat** hosted by the Ministry for National Economy of Hungary, is responsible for the overall programme implementation by carrying out the functions laid down in Article 125 of the CPR as well as Article 23 of the ETC Regulation. The JS will be the central contact point for potential project applicants and Lead Partners of selected/running operations.

The **Certifying Authority (CA)** is responsible for drawing up and submitting certified statements of expenditure and applications for payment to the European Commission and receiving payments from the EC. The CA shall use the payments received from the EC to reimburse the Lead Partners in accordance with Article 132 of the CPR.

The **Audit Authority (AA)** is responsible for ensuring that audits are done in the framework of the management and control systems and are based on an appropriate sample of operations and on the annual accounts. The AA will be assisted by a Group of Auditors (GoA) comprising the representatives of responsible bodies of each Partner State.

National Contact Points (NCPs) will be set up by each participating country to complement transnational activities of the MA and the JS and by involving stakeholders from the national level as well as to contribute to the national and transnational programme management and provide guidance and advice to potential applicants and project partners.

The **Lead Partners (LPs)**, located in one of the DTP EU Member States, will be designated by all the partners participating in a project to carry out the tasks laid down in Article 13 of the ETC Regulation. In particular, the LP shall assume responsibility for ensuring the implementation of the entire operation, including the arrangements for recovering amounts unduly paid.

Controllers will be designated by each Partner State to ensure the compliance of expenditure incurred by the project partners with the Community and national rules, by carrying out verifications within the meaning of Article 23(4) of the ETC Regulation as well as Article 125(5) of the CPR, covering administrative, financial, technical and physical aspects of operations. Controllers shall be nominated in line with the national provisions of each Partner State. Each country participating in the DTP will be responsible for verifications carried out on its territory.

VII. Programme link with the EUSDR

Macro-regional strategies and Transnational Cooperation Programmes

Within the EU regional policy, macro-regional strategies significantly gained importance over the last years. Several macro-regions were identified throughout the European territory, covering large areas across national borders. The EU Strategy for the Baltic Sea Region (EUSBSR) was adopted in October 2009; the **EU Strategy for the Danube Region (EUSDR)** started its implementation in June 2011; the EU Strategy for the Adriatic-Ionian Region (EUSAIR) was endorsed by the European Commission in 2012; and the EU Strategy for Alpine Space Region (EUSALP) was endorsed by Council of Europe in November 2015. Discussion about possible other future European macro-regional strategies are on-going.

Given their identical geographical scope, the difference of macro-regional strategies and respective transnational cooperation programmes might not seem obvious at first glance. However, it should be highlighted that:

- **Macro regional strategies are not funding instruments.** A macro-regional strategy is an integrated framework (endorsed by the European Council), which may be supported by the European Structural and Investment Funds among others, to address common challenges faced by a defined geographical area relating to Member States and third countries located in the same geographical area which thereby benefit from strengthened cooperation contributing to achievement of economic, social and territorial cohesion. They rather seek to create synergies and coordination between existing policies, funding instruments and initiatives taking place across a given macro region
- **Transnational cooperation programmes like the DTP are funding instruments** contributing to the realisation of different EU policies and strategies, including macro-regional strategies. Yet, for either policy or (macro-regional) strategy they are **only one instrument among further funding opportunities**
- Transnational cooperation programmes and macro regional strategies are based on **different policy and/or legal frameworks**, defining – amongst other - different sets of rules, thematic priorities, internal governance structures and administrative procedures

How the EUSDR works

The Danube Region Strategy addresses a wide range of issues; these are divided among **4 pillars** and **12 priority areas** (see image below). The **EUSDR Action Plan** presents operational objectives, projects and actions for each priority area. In addition, concrete **targets** are defined for each priority area. Each priority area is managed by **Priority Area Coordinators (PACs)**. Steering groups advise and assist the work of the PACs. Further to that, some priority areas created working groups around sub-themes and tasks. The **National Coordinators (NCs)** coordinate the participation of their country in the implementation of the EUSDR. The role of the NC is to promote the Strategy and inform relevant stakeholders on the

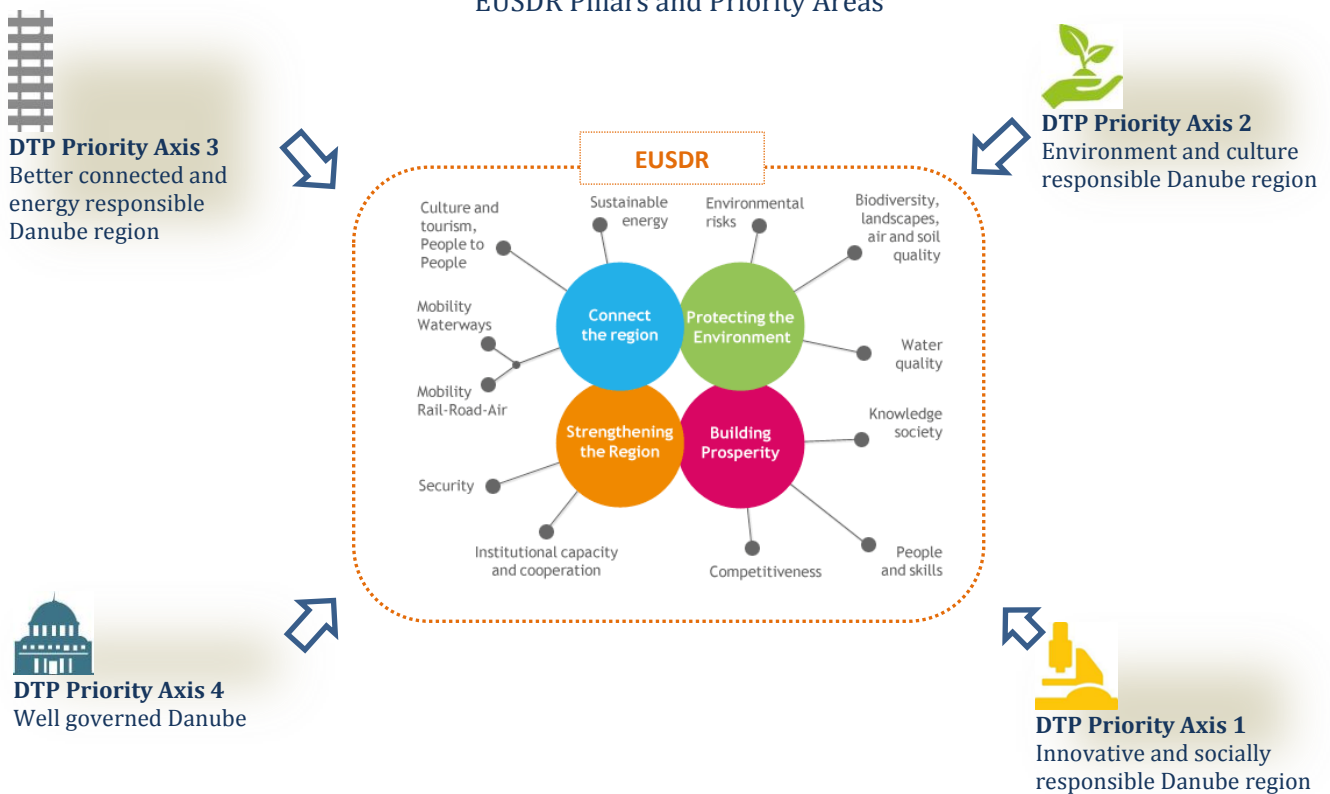
national level of key developments. The EUSDR website (www.danube-region.eu) provides general information about the EUSDR, its governance, priority areas and PACs, targets per priority area, funding opportunities and key documents.

Contributions of DTP projects to the EUSDR

The set-up of the DTP thoroughly considered the EUSDR. As one result of the close alignment of DTP and EUSDR, **all DTP Priority Axis and related Specific Objectives show direct linkages to the pillars of one or more EUSDR Priority Areas** (see also the DTP Cooperation Programme chapter 4.4.1). However, not all twelve EUSDR Priority Areas are equally reflected by the DTP due to the thematic concentration² applied to all territorial cooperation programmes in the EU programming period 2014 – 2020.

Thematic linkages between DTP and EUSDR

EUSDR Pillars and Priority Areas



² According to Art.4 of the Reg.1301/ 2013

Please note: Expected contributions of DTP projects to the EUSDR

- Applicants are expected to describe the link to the relevant EUSDR Priority Area(s) and the concrete contribution to the implementation of the Priority Area(s), as well as the contribution toward achievement of the EUSDR current targets and/or corresponding actions, as described in the official list of targets and actions (<http://www.danube-region.eu/component/edocman/action-plan-eusdr-pdf>). Besides the description of the contribution, Applicants have to demonstrate throughout their proposal that the Strategy is embedded in the actual implementation of the project (e.g. by involving the PAC or by proposing activities that are involving the EUSDR bodies).
- The applicant is also advised to check the websites of the specific Priority Areas in order to better understand how the proposal can contribute to the EUSDR (<http://www.danube-region.eu/about/priorities>).

Linking DTP projects to the EUSDR will require a sound knowledge about the EUSDR. Therefore, applicants should use all available sources of information, be it through the above mentioned web-links, direct contact with EUSDR representatives (PACs, Priority Area Steering Group members, National Coordinators or other) or by attending EUSDR events. Finally, applicants being in contact with their respective DTP National Contact Point during the preparation phase of their project might also use this opportunity for getting fruitful advice and guidance.



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PART 2: PROJECT REQUIREMENTS

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Programme co-funded by the European Union

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I. Key principles of the programme

I.1 Result orientation

The European Union requires programmes of the 2014-2020 period to follow a **result-oriented approach** through an intervention logic. Programmes have to demonstrate their **clear contribution to the objectives of the Europe 2020 Strategy and to the achievement of economic, social and territorial cohesion**. Therefore, since it is mandatory for the proposed projects to fit into the broader framework of the Programme, partners should ask themselves whether the aims of their projects are building upon those of the DTP.

Please note: In order to achieve its goals, the Programme shall support projects with real **transnational character** and strong **result-oriented approach**, reflected in the:

- Transnational relevance of the topic/theme
- Delivery of concrete and measurable outputs and results, in response to well identified transnational challenges affecting the programme area
- Delivery of durable outputs and results, such as implementing/ mainstreaming investments prepared in transnational context
- Quality of the partnership of the project
- Efficiency in terms of mobilised resources
- Integrated territorial approach

Projects require a clear **result-oriented approach** contributing to the achievement of a specific objective of Danube Transnational Programme:

- **Project objectives have to clearly target one single programme specific objective** within the chosen priority axis
- The **contribution of the project to the respective programme result** (and the related indicator) has to be clearly demonstrated
- Project **activities and outputs have to be logically linked to the targeted specific objective**

ATTENTION: Coherence of the project intervention logic with the programme intervention logic is a pre-requirement for selection of a project. Furthermore, the project has to demonstrate that it contributes to at least two programme output indicators (this being considered an eligibility criterion).

I.2. Transnational focus

Transnational programmes are defined by the added value of cooperation between regions in different countries. **Projects that could be implemented just as effectively without transnational cooperation will not be supported by the DTP.** Cooperation will be promoted *vertically*, among different levels of government, *horizontally*, among different policy sectors and policy actors and *geographically*, across administrative boundaries.

Transnational focus should result in concrete joint **institutional capacity building** and **improved policy instruments** for enabling multilevel and transnational governance application through joint design, testing, up-scaling, comparison and evaluation of tools, processes, actors, organisations and interfaces in the field of public institutions. Additionally, transnational action shall deliver conclusions on the relevance, effectiveness and sustainability of the above through monitoring and evaluation initiatives.

Transnational and territorial relevance is one of the key quality requirements for a project to be funded. Each project has to clearly contribute to the chosen programme specific objective, addressing development needs and territorial challenges specific to the programme area that are shared across the regions participating in the project.

I.3. Horizontal principles

Sustainable Development

Sustainable Development is the main pillar of the horizontal principles governing the Danube Transnational Programme.

Sustainable development stands for meeting the needs of present generations without endangering the capacity of future generations to meet their own needs. When applying for funding under the DTP, applicants should account for the impact of their project on economic, ecological and social aspects within the region targeted.

Applicants have to specify any possible environmental impact of their project on the following aspects: water, soil, air and climate, population and human health, fauna, flora and biodiversity, natural heritage and landscape.

Projects submitted under any priority axis are strongly encouraged to incorporate activities for tackling environmental concerns and **reducing their environmental and carbon footprint**, for example by:

- Contributing to energy efficiency, renewable energy use and reduction of greenhouse gas (GHG) emissions
- Contributing to efficient water supply, waste-water treatment and water reuse
- Contributing of green public procurement in a systematic manner
- Contributing to efficient waste management, re-use and recycling
- Contributing to the development of green infrastructures including Natura 2000 sites
- Contributing to reduced transport and mobility-related air pollution
- Contributing to sustainable integrated urban development
- Contributing to enhanced awareness of adaptation to climate change and risk prevention
- Contributing to more employment opportunities, education, training and support services in the context of environment protection and sustainable development

Equal opportunities and non-discrimination

Projects must promote equal opportunities for everyone and prevent any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the transnational cooperation projects. Additionally, projects must account for the particular needs of the various target groups prone to such discrimination and the requirements of ensuring accessibility for persons with disabilities.

Furthermore, when selecting service providers, suppliers or contractors, projects have to ensure equal opportunities for all interested parties and avoid limiting and discriminating with requirements or selection criteria. During project selection, each project will be subject to the verification of compliance with equal opportunities and non-discrimination principles defined in EU and national legislation.

Equality between men and women

The Danube Transnational Programme aims at promoting gender equality in line with the EU policies in this field. In the framework of their activities, projects have to ensure equal participation of men and women and gender mainstreaming and avoid generating discrimination of any kind.

I.4. Durability and transferability of the project results

Durability of project outputs and results is crucial for ensuring territorial impact and long-term benefits which continue after the project end, in order to reach the project's overall objectives. Therefore, projects have to ensure that outputs obtained and results achieved are durable and suitable to be continued after project closure. This may include follow-up activities, handover to the policy level, ownership, financing through other initiatives or funds, leverage of investments, etc. In order to achieve durability, projects need to adopt from the beginning a long-term, strategic perspective that leads to desired results for the target groups over an extended time frame. In order to achieve such long-term benefits, it is essential to consider needs of key stakeholders as well as the institutional context already when designing the project. In particular, key stakeholders should be actively involved from the early stages of the project development. Therefore, projects should be devoted to the achievements of the objectives set up by the EU 2020 Strategy and the Danube strategy and make sure that the outputs obtained and the results achieved are durable and suitable to be continued after the project closure. The ownership of the investment in the project is to be retained within the project partner. The durability of the investment is to be ensured for 5 years following the final payment to the beneficiary.

Please note: A pre-condition for durability of project outputs and results is sustainability. The following 3 dimensions of sustainability should be considered by every project already from the preparation phase:

- Financial sustainability: financing of follow-up activities and investments, leverage of funds, resources for covering future operating and maintenance costs, etc.
- Institutional sustainability: identification of structures that will take over the follow up of the action after the end of the project and enhancing the capacity for spill over effect.
- Political sustainability: impact of the project on the political choices that will lead to improved legislation, code of conduct, methods.

I.5. Integrated territorial approach

European Territorial Cooperation programmes are intended to complement other European programme strands such as “rural development” or “investment for growth and jobs”, programmes which aim to invest in infrastructures, enterprises and people. Transnational cooperation programmes are primarily designed for further territorial integration through enhanced cooperation in specific policy fields. Given its overall budget size, the transnational cooperation programmes cannot target large-scale investment interventions and consequently major economic impact.

The DTP will not use specific instruments for integrated territorial development offered by the EU regulations such as Community Led Local Development (CLLD) and Integrated Territorial Investment (ITI). However, the DTP supports an integrated territorial approach which is mainly understood as a comprehensive and coordinated approach to planning and governance and territorial coordination of policies in specific territories.

The DTP recognises that the territorial dimension and the coordination of EU and national sectorial policies are important principles in fostering territorial cohesion. Most policies at each territorial level can be made significantly more efficient and can achieve synergies with other policies if they take the territorial dimension and territorial impacts into account.

- Therefore, the DTP supports territorial approaches such as territorial integration in transnational functional regions
- Improving territorial connectivity for individuals, communities and enterprises

II. Partnership

II.1. Lead Partner principle

According to the EU Regulation 1299/2013, art 13, the “Lead Partner principle” applies to Danube Transnational Programme.

This means that the Lead Partner (LP) should be nominated by the partners from amongst themselves.

ATTENTION: The LP can only be chosen from among the ERDF partners.

The Lead Partner organisation should follow the legal requirements set out in section II.3. Lead partner organisations can be public bodies, bodies governed by public law, private non-profit institutions or international organisations.

The Lead Partner, together with the project partners, is responsible for drafting the Application Form and submitting it to the MA/JS. After approval of the project, a Subsidy Contract will be concluded between the MA/JS and the Lead Partner, being formally the final beneficiary of the ERDF, IPA and ENI funding and the only direct link between the project partnership and the programme.

According to Art.13 of the EU Reg. 1299/2013 the Lead Partner shall:

- Lay down the arrangements with other beneficiaries in a Partnership Agreement comprising provisions that, inter alia, guarantee the sound financial management of the

funds allocated to the operation, including the arrangements for recovering amounts unduly paid

- Assume responsibility for ensuring implementation of the entire operation
- Ensure that expenditure presented by all beneficiaries has been incurred in implementing the operation and corresponds to the activities agreed between all the beneficiaries, and is in accordance with the document provided by the managing authority pursuant to Article 12(5)
- Ensure that the expenditure presented by other beneficiaries has been verified by the responsible Controller where this verification is not carried out by the managing authority pursuant to Article 23(3)

II.2. Composition of the partnership

Each project has to involve at least **three financing partners from three different countries** of the programme area: the Lead Partner and at least two project partners. Out of these financing partners, at least one, the Lead Partner, has to be located on the territory of an EU Member state of the Programme area.

The responsibilities of the project partners are listed below:

- Carrying out activities planned in the approved Application Form (AF) and agreed in the Partnership Agreement
- Submitting reports of project activities to payment claims
- Assuming responsibility of any irregularity in the expenditure which it has declared, repaying the Lead Partner any amounts unduly paid in accordance of the Partnership Agreement signed between the lead partner and the respective project partner
- Carrying out information and communication measures for the public about the project activities

The number of partners may considerably vary between the projects depending on the character of the project. The project partnership should be comprised in a strategic manner and well adapted to its purpose. A partnership that is too small might reduce the potential of the project while a partnership which is very large might face significant organisational, communication and coordination problems and thus be cost ineffective.

Keeping this in mind, the partnership should always reflect on the optimal number and role of partners to be involved. No maximum limit of partners is fixed at programme level.

Please note: It is not the number of institutions listed in the proposal that makes the project partnership ideal, but rather their expertise necessary to carry out the planned activities, their commitment and willingness to cooperate. The number and type of partners, as well as project duration and budget depend on the specific focus of the project and proposed activities.

The topics addressed by the project determine the profile of the organisations that could be involved in the project activities.

The ideal partnership should include:

- Optimal transnational representation (linked to the problems and challenges identified the partnership should include institutions from the concerned countries),
- Complementary sectorial expertise (horizontal composition of the partnership),
- Necessary expertise at relevant administrative levels (vertical composition of the partnership),
- Sufficient financial, technical and human resources to implement project activities.

In order to apply integrated territorial approach within the project, partnerships should not consist only of organisations from one sector (e.g. ports, environmental associations, etc.) but include relevant organisations from other sectors affected by the project as well (e.g. universities/ research facilities, chambers, societal partners, relevant associations).

The actions that require a transnational or integrated territorial approach (e.g. related to transport) should not be concentrated in only one country, at one administrative level nor focused on only one economic sector but should demonstrate a larger geographic or sectorial perspective.

Political commitment is often crucial for transferring the strategies worked out in the project into real actions or investments. In addition, involvement of public authorities might facilitate the implementation of project results. Otherwise, there is a risk that e.g. the strategies developed by the projects are not recognised by the respective decision-makers.

Project partners should be involved already in the project drafting phase in order to incorporate ideas and needs from all partners and to ensure a high level of commitment to the project. In addition, during the preparatory phase partners can test how the cooperation works before the implementation of the project activities is started.

Involvement of permanent staff of the participating organisations helps the network to keep operating after closing the actual project activities and ensures that the knowledge gained during the project implementation stays in the organisation.

II.3 General eligibility rules

The following types of partners, according to their legal status, are eligible for funding within the Danube Transnational Programme: local regional, national public bodies/ bodies governed by public law (including EGTCs in the meaning of Article 2(16) of Regulation (EU) No 1303/2013,

registered in one country the programme area), international organisations, private bodies (including private enterprises) having legal personality.

A. Local, regional, national public bodies¹/ bodies governed by public law (including EGTCS in the meaning of Article 2(16) of Regulation (EU) No 1303/2013)

Bodies governed by public law

Bodies governed by public law’ as defined in Article 2(9) of DIRECTIVE 2014/24/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 February 2014 on public procurement and repealing DIRECTIVE 2004/18/EC (OJ L 94, 28.3.2014).

The definition of a body governed by public law is the following according to Article 2(1) of DIRECTIVE 2014/24:

‘bodies governed by public law’ means bodies that have all of the following characteristics:

- *They are established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character (being not relevant the industrial and commercial character)*
- *They have legal personality; and*
- *They are financed, for the most part, by the State, regional or local authorities, or by other bodies governed by public law; or are subject to management supervision by those authorities or bodies; or have an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law*

How to assess whether a legal entity is a “body governed by public law”?

In individual cases it might be difficult to ascertain whether a legal entity fulfils the criteria defining a “body governed by public law”. In this respect it can be helpful to first consult Annex I of the Directive 2014/24/EU. For all EU Member states participating in the DTP, it sets out non-exhaustive lists of bodies and categories of bodies governed by public law which fulfil the criteria in question. Moreover, lawyers specialised in public procurement law, certified public accountants and national procurement authorities and national programme’s representatives could give advice. They will also be familiar with the national jurisdiction on the term “body governed by public law”.....

Considering the case-law of the European Court of Justice the following can be noted to interpret the three criteria of the term “body governed by public law” correctly on European level. In general, the European Court of Justice held that the term must be interpreted in functional terms and broadly.

a.1 Established under public or private law for the specific

The term “needs in the general interest” is an autonomous concept of Community law. In case of doubt, its legal and factual

¹ E.g. ministries, municipalities, regions etc.

<p><i>purpose of meeting needs in the general interest</i></p>	<p><i>situation must be determined in each individual case in order to assess whether or not it meets a need in the general interest.</i></p> <p><i>Needs in the general interest are generally needs which are satisfied otherwise than by the availability of goods and services in the marketplace and which, for reasons associated with the general interest, the State chooses to provide itself or over which it wishes to retain a decisive influence. Account must be taken of relevant legal and factual circumstances, such as those prevailing when the body concerned was formed and the conditions in which it carries on its activity. However, the existence or absence of needs in the general interest not having an industrial or commercial character must be appraised objectively, the legal form of the provisions in which those needs are mentioned being immaterial in that respect.</i></p> <p><i>A body which was not established to satisfy specific needs in the general interest not having an industrial or commercial character, but which has subsequently taken responsibility for such needs, which it has since satisfied, fulfils that condition provided that the assumption of responsibility for the satisfaction of those needs can be established objectively. Activities of the body in question linked to public policy can indicate that it meets needs in the general interest.</i></p> <p><i>The condition that the body must have been established for the “specific” purpose of meeting needs in the general interest, not having an industrial or commercial character, does not mean that it should be entrusted only with meeting such needs. It is immaterial that such an entity is free to carry out other activities provided that it continues to attend to the needs which it is specifically required to meet.</i></p>
<p><i>a.2 (and) Not having an industrial or commercial character</i></p>	<p><i>This criterion is intended to clarify the meaning of the term “needs in the general interest”. That means that within the category of needs in the general interest there is a sub-category of needs which are not of an industrial or commercial character.</i></p> <p><i>If a body operates in normal market conditions, aims to make a profit, and bears the losses associated with the exercise of its activity, it is unlikely that the needs it aims to meet are not of an industrial or commercial nature.</i></p> <p><i>The status of a body governed by public law is not dependent on the relative importance, within that body's activity, of the meeting of needs in the general interest not having an industrial or commercial character.</i></p>
<p><i>b. Having legal personality</i></p>	<p><i>The question whether or not a body has legal personality is to be answered by national law. An entity's private law status does not constitute a criterion for precluding it from being classified as “body governed by public law” within the meaning of Directive</i></p>

	2014/24/EU.
<p><i>c.1 Financed, for the most part, by the State, regional or local authorities, or other bodies governed by public law</i></p>	<p><i>Each of the alternative conditions set out in the “c” criterion (c1, c2, c3) reflects the close dependency of a body on the State, regional or local authorities or other bodies governed by public law. Whilst the way in which a particular body is financed may reveal whether it is closely dependent on another public authority, that criterion is not an absolute one. Not all payments made by a public authority have the effect of creating or reinforcing a specific relationship of subordination or dependency.</i></p> <p><i>Only payments which go to finance or support the activities of the body concerned without any specific consideration therefore may be described as public financing.</i></p> <p><i>The term “for the most part” means more than half. That necessarily implies that a body may also be financed in part in some other way without thereby losing its character as a body governed by public law. In order to determine correctly the percentage of public financing of a particular body account must be taken of all of its income, including that which results from a commercial activity.</i></p> <p><i>To decide whether a body is a “body governed by public law” the way in which it is financed must be calculated on the basis of the figures available at the beginning of the budgetary year, even if they are only provisional.</i></p>
<p><i>c.2 Or subject to management supervision of those bodies</i></p>	<p><i>The criterion “management supervision” must give rise to the dependence on the public authorities’ equivalent to the dependence which exists where one of the other alternative criteria (c1 or c3) is fulfilled. A mere review does not satisfy the criterion of management supervision. That criterion is, however, satisfied where the public authorities supervise not only the annual accounts of the body concerned but also its conduct from the point of view of proper accounting, regularity, economy, efficiency and expediency and where those public authorities are authorised to inspect the business premises and facilities of that body and to report the results of those inspections to other public authorities.</i></p>
<p><i>c.3 Or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law.</i></p>	

B. International organisations

International organisations acting under the national law of any DTP Partner State or under international law, provided that, for the purpose of the project, they fulfil the EU, programme and national requirements in terms of control, validation of costs and audits, can be considered as eligible for funding. In particular, these organisations should express in written form (through a form of Declaration) that:

- They agree to comply with applicable community policies, including the respect of principles on public procurement
- They accept the national control requirements set in the framework of the Danube Transnational Programme
- They agree to accept the controls and audits by all bodies entitled to carry out such controls in the framework of the Programme, including the Managing Authority and Joint Secretariat, the Audit Authority and the European Court of Auditors as well as the relevant national authorities of the Member State in which the international organisation acting as project partner is located. Storage of all documents required for these controls must allow performing them in the geographical area covered by the Danube Transnational Programme
- They assume the final financial liability for all sums wrongly paid out

C. Private bodies

In the context of this programme, the concept of “private bodies” means all organisations which are founded by private law such as (but depending on the country) chambers of commerce, trade unions, non-governmental organisations, private enterprises². They may receive funding if they fulfil the following criteria:

- They have legal personality
- They make available the results of the project to the general public
- They apply the principles of public procurement

ATTENTION: Private enterprises coming from non-EU countries of the programme area are not eligible for funding.

Due to the overall objectives and the nature of the programme private enterprises cannot be Lead Partner.

² In the context of the Danube Transnational Programme private enterprise refers to any type of profit making body, including SMEs.

Nevertheless, private non-profit bodies acting as Lead Partner have to demonstrate that:

- They have no debts to the state budget
- No liquidation or bankruptcy procedure has been initiated against them
- They are financially autonomous
- They are solvent (meaning that they can cover their medium and long term commitments)

Private non-profit LPs will demonstrate the fulfilment of the criteria above through a self-declaration.

ATTENTION: Private bodies whose main scope of activities within their business profile, as well as their project role, consists of project management, communication, financial monitoring or other activities that are of supporting character cannot be involved as project partners, but need to be sub-contracted following the public procurement rules. The Joint Secretariat will carefully check this requirement during the quality assessment and specifically during the assessment of the involvement of the Project Partners in project implementation (assessment of the Work Packages and activities and contribution of each partner to their implementation). Nonetheless, the non-compliance with this criterion will not lead to an automatic rejection of the proposal, but could lead to the exclusion of the concerned partner(s) from the project.

Only legal entities listed in the approved Application Form eligible for funding may report their costs. In order to ensure a proper audit trail, the JS/MA needs to know which organisations receive programme funding and whether they are eligible according to the programme rules. Therefore, an “umbrella” type of partnership structure, where one partner collects funding and represents other partners without naming them is not possible.

II.4. Geographic eligibility rules

The Programme covers 14 countries, 9 of them EU Member States (Austria, Bulgaria, Croatia, Czech Republic, Hungary, Germany-Baden Württemberg and Bayern, Romania, Slovakia and Slovenia) and 5 non-member states (Bosnia and Herzegovina, Republic of Moldova, Montenegro, Serbia and Ukraine with four provinces: Chernivetska Oblast, Ivano-Frankiviska Oblast, Zakarpatska Oblast, Odessa Oblast). As a general rule, EU financing is only provided to project partners located in the Programme Area.

Please note: Exceptions

Legal entities located in Germany and Ukraine (in the sense of legal registration) but outside the Programme area can receive EU financing, if:

- a. Are competent in their scope of action for certain parts of the eligible area, e.g. federal ministries, federal agencies, national research bodies which are registered outside the Programme area etc.,
- b. Fulfil the basic requirements specified in point II.3 and
- c. Carry out activities which are for the benefit of the regions in the Programme area.

Based on the geographical location the following two **types of partners** are identified:

- **Directly financed partners:** receiving directly financial contribution from the Programme (by ERDF, IPA and ENI) and bearing full responsibility for their budget
- **Indirectly financed partners (ASPs):** being **not** directly financed by the Programme but – eventually – “sponsored” by an ERDF Partner that is bearing the responsibility for their participation to the project. Associated Strategic Partner (ASP) in the DTP is an organisation whose participation is considered crucial for the added value given to the partnership. As an example, ASP can potentially be a Ministry, which does not want to apply and contribute financially because of administrative burdens and financial reasons but it is interested to participate to a project for ensuring the *political sustainability* of delivered outputs and results.

ASPs (Associated Strategic Partner) are actors not contributing financially to the project and are located either in an:

- **EU country (inside or outside the Programme area) or in a**
- **Non-EU country of the programme area (in case the given partner is not financed by IPA/ENI funds within the same project)**

Expenditure is limited to reimbursement from the programme of *travel and accommodation* costs related mainly to their participation in project meetings, which shall be finally borne by any of the institution acting as ERDF “sponsoring” partner in order to be considered as eligible.

Furthermore, **EU countries outside the programme area/ non EU-countries of the programme area** can benefit also from **20% activities**³ which are specific activities of the project implemented by the ERDF LP/ PPs in:

³ Further information on eligibility of these costs is provided in PART 3

- EU countries outside Programme area
- Non-EU countries of the programme area

Summary of the proposed type of partners

Type of Partner		Location	Budget	Budget lines ⁴
Directly financed partners	LEAD PARTNER	Only EU part of the Programme area	Separate	All
	ERDF PARTNER	Only EU part of the Programme area	Separate	All
	IPA PARTNER	Only Bosnia and Herzegovina, Montenegro, Serbia	Separate	All
	ENI PARTNER	Moldova and Ukraine	Separate	All
Indirectly financed partners	Associated Strategic Partners (ASPs)	<ul style="list-style-type: none"> ➤ EU countries ➤ Non-EU countries of the Programme Area 	Part of a "sponsoring" ERDF PARTNER budget	TRAVEL and ACCOMODATION

II.5. Financial capacity of project partners and national co-financing

The Programme works based on reimbursement principle, which means that project partners have to pre-finance their activities and the amounts paid are reimbursed after the submission and evaluation of the progress reports. As a general rule, progress reports are submitted twice a year and cover six month period each. Since the timeframe between the payment and the reimbursement is approximately up to 10 months, project partners have to be ready to financially support the project implementation.

Under the Danube Transnational Programme, projects are co-financed by ERDF, IPA and ENI. The co-financing rate per partner is up to 85% for ERDF, IPA and ENI partners. The remaining budget (15%) can be covered by state contribution (where applicable) and/or own sources (can be public or private) of the project participant and/or other contribution (e.g. regional/local/other sources).

⁴ The eligible expenditure of the DTP include the following budget lines: staff costs, office and administrative expenditure, travel and accommodation costs, external expertise and service costs, equipment expenditure, infrastructure and works

Please note: State contribution has to be indicated in the AF only in case the Partner State provides national public contribution at state level for the projects selected by the Monitoring Committee, and therefore the amount is covered in total or partially by the state

Each Partner State applies a different system in providing state public contribution. An overview on the national co-financing system of the Danube Partner States is available on the Programme website. However, as more detailed information might be available at national level, Partner States, through the DTP NCP, should be contacted in order to clarify the position.

III. Type of project activities

Activities and related expenditures are eligible according to the eligibility rules set out in the Cooperation Programme. However, in conjunction with these, there are wider considerations for project providers as the Danube Transnational Programme is fully integrated within the European Territorial Cooperation Objective of the EU's Cohesion Policy, which in turn is strongly linked to the achievement of the EU 2020 and EUSDR objectives. This being the case, projects should carefully consider the following aims:

- Contribution to sustainable territorial development
- Leverage effect on investment, development perspectives and policy development
- Facilitation of innovation (including social innovation), entrepreneurship, knowledge economy and information society by concrete cooperation action and visible results (creation of new products, services, development of new markets, improvement of human resources based on the principles of sustainability)
- Contribution to integration by supporting balanced capacities for transnational territorial cooperation at all levels (systems building and governance)

ATTENTION: The orientation on research, technology and innovation encompasses a significant entrepreneurial development aspect. **As a consequence, projects focusing on purely academic cooperation or basic research activities or aiming at mere networking and exchanging of experience and/or not demonstrating the translation of outputs arising from “soft” actions (surveys, studies, networks, etc.) into concrete and sustainable results will not be supported by the DTP.**

Projects could include activities such as strategies, studies and operational plans, capacity building activities, promotion actions, development of tools, set-up of services, preparation and development of investments proposed by transnational strategic concepts, including small scale

infrastructure investment if appropriate and justifiable. Additional activities could include networking and exchange of information, though not as stand-alone activity, as purely networking activities will NOT be supported.

It is the task of each project applicant and each proposed intervention to present an adequate activity mix, which will produce concrete results, ensure the fulfilment of the proposed project specific objectives and contribute to the programme specific objectives.

IV. Capitalisation

Based on previous experience, capitalisation proved to be a very fruitful exercise that developed from the beginning of the programme can bring added value.

In this respect, capitalisation can be used both internally within the programme, but also externally for the purpose of cooperation and finding synergies with the other programmes.

The programme emphasises the importance of building upon past efforts and existing knowledge (relevant information can be found on the SEE programme website – SEE Output library, INTERACT database Keep 2.0). This being the case, relevant and up-to-date knowledge, tools and partnerships which are appropriate for the development, implementation and dissemination of planned outputs and results are needed to build a solid ground for innovation and to avoid the duplication of efforts. Furthermore, this will allow for existing disparities between regions and uneven development of regions in the cooperation area to be effectively addressed. In this respect, the programme also invites partnerships to reach out to relevant stakeholders and professionals in order to ensure effective networking beyond the partnerships. In order to encourage the capitalisation activities, the programme will develop a guiding strategy for the partners.

Cross-programme cooperation⁵ - Art 20, point 3 of the ETC regulation states that “For operations concerning technical assistance or promotional activities and capacity-building, expenditure may be incurred outside the Union part of the programme area provided that the conditions in points (a) and (c) of paragraph 2 are satisfied.” laying the ground to start **promoting cooperation between projects supported by different programmes and not individual partners.**

The main objectives of the Danube Transnational Programme capitalisation strategy are:

- To valorise and further build upon the knowledge resulting from projects working in a thematic field
- To fill knowledge-gaps by linking actors with complementary thematic specialisation, experiences, methodological approaches or geographical scope

⁵ Cross-programme cooperation refers to cooperation between different EU funded programmes

- To increase the visibility of the projects and the Programme and to ensure their impact on the policy making process at local, regional, national and European levels
- To strengthen strategic thematic networks in the Programme area
- To encourage the wider take-up of project outcomes from outside the DTP Programme area
- To contribute to the design and/or implementation of future transnational cooperation in the area

Possible capitalisation activities could include:

- Newsletters
- Joint thematic meetings to exchange on projects' content and outputs
- Joint thematic studies and policy recommendations
- Peer review or benchmarking of project outputs
- Exchange visits between projects, if this enables cross-fertilisation and/or take-up of results
- Joint dissemination activities such as joint (final) conferences addressing common stakeholders

Please note: Capitalisation activities and the related budget have to be planned already in the application form. The capitalisation activities have to be included in the project work plan in a coherent manner, according to the project structure and the expenditures included in the concerned Work Package.

V. Duration of projects

The maximum project duration (implementation of project activities) is **36 months**.

Costs incurred in the last reporting period and control costs related to the Final Progress Report have to be paid within 60 days from the project end date at the latest.



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Danube Transnational Programme

Applicants Manual

for the period 2014-2020

Version 1.2

PART 3: ELIGIBILITY OF EXPENDITURES

edited by the Managing Authority/Joint Secretariat

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PART 3 of the Applicants Manual is meant to provide the main framework for the eligibility of expenditure and detailed rules for implementation (e.g. including methods for calculation of staff costs, examples etc.) are available in the Danube Implementation Manual and Danube Control Guidelines which can be downloaded from the programme website.

I. Legal background and hierarchy of rules

In the framework of Danube Transnational programme there are three levels of rules that govern the eligibility of expenditure:

1) EU regulations:

- REGULATION (EU, Euroatom) No. 966/2012 (Financial regulation) providing the financial framework applicable to the general budget of the Union.
- REGULATION (EU) No 1303/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 - Common provisions regulation is setting the basic rules for, among others, the European Regional Development Fund (ERDF), one of the main financing sources of the Programme. More specifically, Articles 65-71 are dealing with the eligibility of expenditure.
- REGULATION (EU) No 1301/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 - ERDF Regulation is dealing solely with the ERDF. Regarding eligibility of expenditure, Article 3 is the most relevant in which scope of support from ERDF is established, stating what can and cannot be financed from the ERDF.
- REGULATION (EU) No 1299/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 - ETC regulation is dealing with the eligibility of expenditure in Articles 18-19.
- COMMISSION DELEGATED REGULATION (EU) No 481/2014 of 4 March 2014 - Delegated Act on Eligibility for cooperation programmes supplements the ETC regulation and provides detailed rules for staff costs, office and administrative expenditure, travel and accommodation costs, external expertise and services costs, and equipment expenditure.
- REGULATION (EU) No 236/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2014 - Common Implementing Regulation for External Actions is laying down common rules and procedures for the implementation of the Union's instruments for financing external action

- REGULATION (EU) No 231/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2014, IPA II
- COMMISSION IMPLEMENTING REGULATION (EU) No 447/2014 of 2 May 2014 – IPA II implementing regulation sets more detailed rules for the implementation of IPA II.

The list of regulations is not exhaustive and the amendments of the above regulations shall be also considered.

- 2) **Programme rules** on eligibility of expenditure outlined in Implementation Manual¹.
- 3) **National (including specific institutional) rules** which apply for matters not covered by the EU regulations and Programme Rules.

Please note: The eligibility rules laid down in the Implementation Manual shall not be overruled by national or institutional legislation.

II. General eligibility requirements

The rules on eligibility of expenditure for the Danube Transnational Programme are developed based on the EC Delegated Regulation No. 481/2014, referred in the Applicants' Manual as "Delegated Act" and in line with the EU Regulations listed in section I of this document and thoroughly outlined in the Implementation Manual.

In principle, the same eligibility rules apply to ERDF and to IPA Funds due to the integration of IPA Funds at programme level. In case of exceptions due to different rules for IPA, these are explicitly mentioned under the relevant sections.

1) General provisions

In general, in order to be considered **eligible** the expenditures have to fulfil all the following criteria:

- All expenditures are related to the initiation and implementation of the project as approved by the Monitoring Committee, and essential for the achievement of the agreed project activities
- All expenditures must comply with the principle of efficiency, effectiveness and economy
- All expenditures must comply with the principle of real costs, with the exception of the costs calculated as flat rates and lump sums

¹ According to Article 18(2) of the ETC Regulation, "the participating Member States in the monitoring committee, shall establish additional rules on eligibility of expenditure for the cooperation programme as a whole"

- All expenditures are incurred and paid by the project partner indicated in the application form during the eligibility period of the project
- All expenditures relate to activities that have not been financed from other financial instruments
- All expenditures are supported by invoices or other documents with probative value directly attributable to a certain project partner with the exception of the costs calculated as flat rates and lump sums
- All expenditures are in line with eligibility rules on EU, programme and national eligibility rules

2) Ineligible expenditure

- Fines, financial penalties and expenditure on legal disputes and litigation
- Costs of gifts, except those not exceeding 50 EUR per gift where related to promotion, communication, publicity or information
- Costs related to fluctuation of foreign exchange rate
- Interest on debt
- Purchase of land and existing buildings
- Value added tax except where it is non-recoverable under national VAT legislation
- Contributions in kind, as defined in Article 69(1) of regulation (EU) No. 1303/2013
- Project expenditure split among project partners (i.e. sharing of „common costs”)
- Second hand equipment

3) Eligibility in time

The rules for the eligibility period are set to Article 65 (2) of Regulation (EU) No 1303/2013. Within the Danube Transnational Programme, the eligible project period shall be set **between 1st January 2014 and 31 December 2022**.

The project period shall be defined in the approved Application form by the starting date and end date of the project. In principle, the project starting date is defined after the final approval date of the project by the Monitoring Committee.

Eligible project expenditure shall be incurred and paid within the project period defined by the starting date and end date of the project according to the approved Application Form with the exception of:

- **Preparation costs** (see special eligibility rules in section IV. 1);

- **Control costs related to the last progress report and Application for Reimbursement**
can be incurred after the end date of the project period, but it shall be paid within 60 days from the end date of the project at the latest;
- **Expenditure incurred in the last reporting period** shall be paid within 60 days from the end date of the project; the deadline for payments will be explicitly given in the subsidy contract

III. Eligibility of expenditures by budget lines

In accordance with the EC Delegated Regulation No. 481/2014 (as referred to “Delegated Act”) and the relevant EU regulations, specific rules on the eligibility of expenditure within the Danube Transnational Programme are established by budget lines for the five expenditure categories of the Delegated Act. In addition, based on the decision of the Partner States, the Danube Transnational Programme established an additional budget line “infrastructure and works” for the project activities where the expenditure is not covered by any of the expenditure categories of the Delegated Act.

Project expenditures are eligible under the following budget lines:

- 1) Staff costs**
- 2) Office and administrative expenditure**
- 3) Travel and accommodation costs**
- 4) External expertise and service costs**
- 5) Equipment expenditure**
- 6) Infrastructure and works**

III.1 Staff costs

The costs of the personnel employed by the beneficiary institution and executing tasks for the project management (project coordinator, project manager, assistant, financial manager, etc.) and/or tasks for the project content related activities are eligible to be reimbursed by the Programme.

Expenditure on staff costs shall be limited to the following:

- a. **Salary payments** related to the activities which the entity would not carry out if the operation concerned was not undertaken, fixed in an employment/work contract, an appointment decision (both hereinafter referred to as 'employment document') or by law, relating to responsibilities specified in the job description of the staff member concerned;

- b. Any **other costs directly linked to salary payments incurred and paid by the employer**, such as **employment taxes and social security** including pensions as covered by Regulation (EC) No 883/2004 of the European Parliament and of the Council provided that they are:
- i. Fixed in an employment document or by law;
 - ii. In accordance with the legislation referred to in the employment document and with standard practices in the country and/or organisation where the individual staff member is actually working; and
 - iii. Not recoverable by the employer.

The above rules apply to any other additional benefits incurred and paid by the employer over the monthly salary. Additional benefits must be directly linked to the salary payments and figure on the payslip. Ad-hoc regulations for additional benefits, ad-hoc salary increases or bonuses applicable only to the project are not eligible.

Overtime is eligible only in case it is directly related to the project, it is foreseen in the employment document and it is in line with national legislation and the standard practice of the beneficiary, and on the basis of appropriate time registration system. In case of part time employment, overtime shall be proportionally allocated to the project.

Staff costs may be reimbursed in the Danube Transnational Programme either:

- a. On a **real cost basis** (proven by the employment document and payslips); or
- b. As a **flat rate up to 20% of direct costs** other than staff costs.

Each project partner must choose one of these reimbursement options already in the Application Form which will remain unchanged through the entire project period.

III.2 Office and administrative expenditure

Office and administrative costs related to the project implementation shall be declared on a flat rate basis of **15% of the eligible staff costs of the project (i.e. costs declared under “Budget line 1 Staff costs” no matter if the flat rate or real costs method is used for the staff costs)**.

No further justification or supporting document is needed from the project partners to justify the Office and administrative costs declared.

Office and administrative expenditure shall not be claimed as direct cost under other budget lines.

The following types of expenditures are included under this budget line (exhaustive list):

- a. Office rent

- b. Insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurances)
- c. Utilities (e.g. electricity, heating, water)
- d. Office supplies
- e. General accounting provided inside the beneficiary organisation
- f. Archives
- g. Maintenance, cleaning and repairs
- h. Security
- i. IT systems
- j. Communication (e.g. telephone, fax, internet, postal services, business cards)
- k. Bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened
- l. Charges for transnational financial transactions

Further eligibility rules:

- The **same flat rate** (15%) shall be automatically applied **for each reporting period**, by each project partner. **In case staff costs are not declared for the relevant reporting period, the office and administrative expenditure cannot be declared**
- Office and administrative expenditure is eligible also in case the staff costs are declared on flat rate basis
- In case **staff costs are not eligible** for financing for the given project partner according to national eligibility rules, **office and administrative expenditure cannot be declared to the project** (i.e. the institution of the project partner financing the staff of the project shall finance the related office and administration expenditure as well)
- The 15% flat rate shall be applied in case of budget changes affecting the amount of direct staff costs of a project partner's budget

III.3 Travel and accommodation costs

Project related travelling costs of the project staff employed by the beneficiary are eligible for financing under the travel and accommodation costs budget line. The project partners can choose from the following 2 options in accordance with the national/internal rules:

Option A)

Eligible expenditure includes (exhaustive list):

- a. Travel costs:
 - Tickets: flight tickets (including the costs for carbon offsetting), bus, train, local transportation tickets, etc.
 - Travel and car insurance
 - Fuel, car mileage according to the rules relevant for the beneficiary's institution
 - Toll
 - Parking fees (e.g. parking at the event, at the airport)
 - Taxi costs and car rental according to the criteria of "further eligibility rules" of this budget line
- b. Costs of meals
- c. Accommodation costs
- d. Visa costs
- e. Daily allowances

In case travel costs, meals, accommodation costs or visa costs or any of these are covered by the daily allowance, the actual incurred expenditure related to the cost covered by daily allowance shall not be reimbursed as an addition to the daily allowance.

Option B)

Eligible expenditure includes:

Per diems according to the **EC-funded external aid contracts**. In this context, per diems cover accommodation, meals, local travel within the place of mission and sundry expenses. The current per diem rates can be found on the EC website: https://ec.europa.eu/europeaid/sites/devco/files/perdiem-2015-03-corr-columbia_en.pdf

III.4 External expertise and service costs

Expenditure on external expertise and service costs shall be limited to the following services and expertise provided by a public or private law body or a natural person other than the beneficiaries of the project:

- a. Studies or surveys (e.g. evaluations, strategies, concept notes, design plans, handbooks)
- b. Training

- c. Translations
- d. IT systems and website, modifications and updates²
- e. Promotion, communication, publicity or information linked to the project
- f. Financial management
- g. Services related to the organisation and implementation of events or meetings (including rent, catering or interpretation)
- h. Participation in events (e.g. registration fees)
- i. Legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services
- j. Intellectual property rights
- k. Verifications: Externalised control activities (FLC) for the verification of the project expenditure where it is relevant for the control system of the concerned Partner State
- l. The provision of guarantees by a bank or other financial institution where required by Union or national law or in a programming document adopted by the monitoring committee
- m. Travel and accommodation for external experts, speakers, chairpersons of meetings and service providers
- n. Other specific expertise and services needed for the given project

III.5 Equipment expenditure

Purchase, rent or lease of equipment costs is eligible in case it is necessary for the project implementation and is foreseen in the approved Application Form.

The purchase, rent or lease of the following equipment is eligible under this budget line:

- a. Office equipment
- b. IT hardware and software
- c. Furniture and fittings
- d. Laboratory equipment
- e. Machines and instruments
- f. Tools or devices

² The Danube Transnational Programme website will include and host one website per project

- g. Vehicles
- h. Other specific equipment needed for operations

Cost items accounted under the equipment budget line shall not be reimbursed under any other budget line.

Eligible costs of project equipment:

- As a general principle, for all project equipment purchased during the project lifetime **the full costs of the equipment should be allocated to the project**, if in line with national and institutional regulations
- In case national or institutional regulation does not allow that project equipment is reimbursed in full, **only depreciation costs are eligible**.
- For project equipment that was purchased before the project starting date, not fully depreciated before and used for the project purposes, **only depreciation costs for the relevant project period** should be allocated to the project. Furthermore, depreciation costs of the equipment are eligible only if the acquisition of equipment is not financed from any other financial instrument (e.g. EU, national, international) The calculation of depreciation or equivalent division of shares of equipment should be done according to a justified and equitable method and be in line with the national or institutional regulations
- Depreciation costs of equipment should be allocated to the time period when the equipment was used for the project purposes

Example of the case when only depreciation costs are eligible:

An equipment item was used from beginning of -January to end of -June. This would mean that the equipment was used throughout 6 months period. The price was EUR 4,000, with annual depreciation of EUR 1,200. By dividing this annual depreciation further by 12 months, the monthly depreciation would equal 100 EUR. In our example the project could report EUR 600 (=6 months x EUR 100).

- For equipment rented or leased for certain period during the project lifetime rental or leasing costs for the respective period are eligible
- If according to the national legislation the **equipment is not depreciable** (e.g. low-value asset), **the full costs of purchase, lease or rent could be allocated to the project**. Equipment under this category does not have to be used for project purposes after the end of the project. Moreover, after use the equipment does not have to remain in the ownership of the project partner that had reported the related costs. (In case of the full cost of purchase is allocated to the project and the equipment in question is later sold, please see section VII. Revenues of this Manual).

Equipment which is part of an investment:

- In case **equipment is part of or fully represents an investment item** which was listed and approved in the AF, **the full cost of the equipment is eligible**.

In general, equipment which is part of investment belongs to budget line Equipment,

- In case equipment belongs to this category, the following rules have to be observed:
 - The equipment must be a part of an investment output as specified in the application
 - The equipment should be solely used for the project purposes during the project lifetime. Please, note that the purpose and ownership of the equipment which is part of and investment shall not be changed for at least 5 years after the project end date.

III.6 Infrastructure and works

The DTP, as well as the other transnational cooperation programmes, is not intended as an investment programme. This is largely due to its limited budget and its cooperative nature.

For this reason, only small scale infrastructure is eligible where the transnational impact of the investment is demonstrated and the activity is approved in the Application Form.

Please, note that the total investment expenditure can be divided among different budget lines. The budget line “Infrastructure and works” should only cover costs related to investment having the nature of infrastructure or works and not included under any other budget line. In line with the EU Directive 2014/24/EU Art.2, the budget line should include execution or both design and execution of works as well as site preparation, delivery, handling installation, renovation.

Eligible investments:

- **Either** follow a transnational physical or functional link over the national border (e.g. transport corridors) which has been analysed from transnational point of view and has a clear impact over the national borders

or

- Create a transferable practical solution through a case study in one area, which is jointly evaluated by the project partners and transferred for testing in at least two other participating countries

Examples of possible investments :

- *Infrastructure investments in ports, railways, routes, inland waterways and road junctions improving the operability of a transnational transport corridor*
- *Information and visitor centres, located in different countries of the programme, presenting the Danube region natural heritage (not focused on a specific site or narrow*

area)

Ineligible expenditure:

- Investments without transnational relevance
- Costs of purchase of land and buildings

Examples of investments that are not eligible under DTP Programme:

- *Investments not driven by a transnational need jointly identified by the partnership but by the individual local/regional/national needs*
- *A selection of investments linked by the need of funding*
- *Pilot investments that are not jointly evaluated and transferred for testing in the partnership*

IV. Special eligibility rules

1) Preparation costs

Projects approved by the DTP Monitoring Committee are entitled to receive the reimbursement of the **preparation costs in a form of a lump-sum, except** for those projects that **already received financial support** for the project preparation under the EU Strategy for the Danube Region (EUSDR) **Seed Money Facility** or on any **other EU fund**.

As general principle, the DTP shall not finance the same costs which have been previously covered by other EU funds. Therefore, it shall be indicated in the Application form if the project has received other EU financial support for the project preparation.

Further eligibility rules:

- The lump sum will amount to **17,500 EUR per project**. This amount represents the total budget for the preparation costs and the ERDF contribution part of this amount (which is 85% according to the programme rules) will be reimbursed to the Lead Partner
- This amount covers all costs linked to the preparation of the Application and further costs related to the conditions clearing until the contracting of the project
- This amount shall be part of the Lead partner's budget and it shall be planned under WPO.

2) Expenditure of the Associated Strategic Partners

EU partners and non-EU partners of the programme can be involved as **Associated Strategic Partners (ASP)** in the projects; therefore the following **general conditions** apply:

- The **involvement** in the project of **ASPs** is possible, where it has an added value for the project
- The need for the involvement of the ASP for the implementation of the project and the benefit for the DTP area has to be always demonstrated, in the description of the project proposal and during the implementation
- The **ASP** are **indirectly financed** from the project budget, i.e. the concerned ASP contributes to the project without separate budget
- **The costs of the concerned ASP shall be planned in the travel and accommodation budget of one "sponsoring" ERDF PP and shall be paid by the "sponsoring" ERDF PP as well.** In line with the rules set in Article 20(2) of Regulation (EU) No 1299/2013 EC Regulation, expenditures of the **EU partners located outside the Programme area and non-EU partners of the programme area** shall not exceed 20% of the ERDF PPs' budget in total.
- **Only travel and accommodation costs** of the ASPs related to project activities **are eligible.**

Specific rules:

- The costs shall be **traceable** from the **approved Application Form**
- The expenditure shall be verified by the Controller of the "sponsoring" ERDF PP and has to be reported in the Control Certificate as well

3) 20% activities

Project activities co-financed by the ERDF shall be located in the part of the Programme area comprising European Union territory (EU part of the Programme area).

Nevertheless, project partners can, in justified cases, implement part of ERDF-financed activities (i.e. participating in events, organisation of seminars, events or workshops) in EU countries outside programme area and/ or non-EU countries within the programme area.

Special conditions and eligibility of expenditure:

- costs to be spent according to the 20% ERDF flexibility rule must be traceable from the approved Application Form;
- **costs shall be clearly planned in the budget of PP1 or ERDF PP and shall be paid and validated by the PP1 or ERDF PP;**
- the need for the activities outside the EU part of the programme area for the implementation of the project and the achievements of its objectives has to be clearly demonstrated;
- the benefit of the programme area has to be always demonstrated, in the description of the project proposal and during the implementation.

Eligible expenditures:

- costs of the organisation of joint meetings in EU countries outside programme area and/ or non-EU countries within the programme area (e.g. organisation of a workshop in the Republic of Moldova);
- costs for the implementation of specific activities of the project in EU countries outside programme area and/ or non-EU countries within the programme area (e.g. organisation and implementation of training activities in Montenegro).

V. State aid

Public support granted by the Danube Transnational Programme must comply with state aid rules applicable at the point of time when the public support is granted. According to Article 107 (ex. Article 87) of the Treaty on the Functioning of the European Union, state aid is defined as “any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods”, therefore affecting trade between Member States.

Please note: In practical terms, state aid applies when **all criteria** listed below are met:

- a. The recipient of the aid is an “**undertaking**”, i.e. an entity engaged in an economic activity (i.e. offering goods and services on the market), regardless of its legal status and whether its aim is to make profit or not. An undertaking can be a public body, a charity, a NGO, an association, a university, a private firm, etc.
- b. The aid **comes from the State**, which is always the case for ETC programmes.
- c. The aid gives an **economic advantage** (a benefit) which an undertaking would not have obtained under normal market conditions.
- d. The aid is **selectively** favouring certain undertakings or the production of certain goods and it distorts or (threatens to distort) competition and trade between Member States.

Danube Transnational Programme does not finance state aid relevant activities and state aid regulations which determine exemptions will not be applied. All project partners are expected to be familiar with the relevant state aid rules to ensure that their activities do not constitute state aid.

VI. Use of Euro and exchange rate

The method proposed by the Partner States for the conversion of expenditure incurred in another currency than the Euro in line with the above regulation is the following:

Expenditure incurred by project partners in a currency other than the euro shall be converted into euro by using the monthly accounting exchange rate of the European Commission (http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cf m) in the month during which expenditure was submitted for verification to the controller. This method shall be applicable to all project partners. The conversion shall be verified by the controller in the Partner State in which the respective project partner is located.

VII. Revenues

Revenues represent cash inflows directly paid by the users for the goods and services developed by the project.

Please note: As a general rule, the eligible expenditure of a project shall be reduced according to the net revenue generated by the project both during project implementation as well as three years after project completion.

Net revenues³ are understood as revenues (as defined above) minus any operation costs and replacement costs of short-life equipment incurred during the corresponding period. Please note that operating cost-savings generated by the project shall be treated as net revenue unless they are offset by an equal reduction in operating subsidies.

In case of revenue-generating projects, applicants have to calculate the expected net revenues following the method described under Articles 15 to 19 of the Delegated Regulation (EU) No 480/2014.

Expected net revenues are to be indicated in the application form by the applicants. Applicants shall not indicate expected net revenues in the application form if the specific project output generating net revenue is state aid relevant (for further information on state aid, please refer to section V.).

³ In accordance with Articles 61 and 65(8) of Regulation (EU) 1303/2013

VIII. Public Procurement

In the framework of the Danube Transnational Programme, different rules apply for ERDF partners and for IPA partners.

- ERDF partners shall apply the EU and national public procurement rules, and the programme specific rules;
- IPA partners shall follow the provisions of the Financial Regulation (Chapter 3 of Title IV of Part Two) and the Delegated Regulation (Chapter 3 of Title II of Part Two). The threshold specified in the Delegated Regulation must be followed.

Detailed rules regarding public procurement for implementation purposes are available in the Danube Implementation Manual and Danube Control Guidelines which can be downloaded from the programme website.



Interreg



Danube Transnational Programme

Applicants Manual

for the period 2014-2020

Version 1.1

PART 4: APPLICATION AND ASSESSMENT

edited by the Managing Authority/Joint Secretariat

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Programme co-funded by the European Union

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I. Overview

Part 4 of the Applicants Manual illustrates clearly and transparently the project selection system. This system is made public in order to make all stakeholders and project partners aware of the selection procedures and criteria before preparing their applications. Hence, they can develop high quality proposals and assist the programme to reach its specific objectives of realising high quality, result-oriented transnational projects relevant to the programme area.

II. Application procedure

The AF is to be submitted electronically together with the other relevant documents via DTP website www.interreg-danube.eu.

The AF is composed of two parts:

- The PDF template, which contains detailed information regarding the partnership, intervention logic, the strategic relevance of the proposal, work packages, time frame and investments.
- The excel template, which contains detailed information regarding the budget.

ATTENTION: In order to be considered eligible, both the PDF and the excel templates duly filled in have to be submitted by the LAs. Please, note that in case one of the two files is missing the entire project will be considered ineligible. Please, also note that only the official templates provided by the Programme will be accepted.

Once filled in completely and accurately, the **AF (PDF and excel templates)** and its **Annexes** can be uploaded onto the dedicated section of the Programme website. Please, consider that all Applicants must submit the Partnership Agreement, the Co-financing and State Aid Declarations, while ASP and International Organization Declarations are to be submitted only if it is the case.

ATTENTION:

- Only **electronic submission** is allowed
- All the documents (pdf and xls parts of the AF and Annexes) have to be submitted in **one single package**.
- **For a submission to be valid, it has to contain at least the pdf and xls parts of the AF. Only the first submission containing both pdf and xls parts of the AF shall be taken into consideration.** No other version(s) of the pdf and xls AF shall be considered.
- **Once the e-version of the documents is submitted, changes are no longer possible.**

Once the deadline for submission has expired, the assessment is carried out by the JS. The assessment results are then presented to the MC which decides which projects will be financed by the Programme.

Following the assessment, the applicants might be requested to fulfil some conditions and/ or consider some recommendations with regard to their proposals (e.g. budget revision, correction of the intervention logic, dropping out the ineligible partners, etc.). Applicants are informed about the result of the assessment through electronic communication.

III. Assessment procedure

During the assessment process, two different sets of criteria are applied to come to the decision of approving an application: eligibility and quality criteria.

The **eligibility criteria** aim at confirming to the applicant that their proposal has arrived within the set deadline and that the Application Form is complete and conform to the requirements. As the eligibility criteria are of “knock-out nature”, they should be answered with a YES or NO as they are not subject to interpretation.

This phase will be carried out by the JS and assisted by the NCPs.

Failing to meet the eligibility requirements leads to the rejection of the proposal or to the rejection of the partner whom the eligibility problem is related to.

The following table lists all eligibility criteria at project level. Failure to meet any of the criteria below results in rejecting the whole proposal:

Nr	Eligibility criteria	Description
1	The AF in all its parts has been submitted within the set deadline (date and time)	The AF (inclusive of its PDF and excel parts) has been submitted within the date and time set in the Call announcement.
2	The AF in all its parts has been submitted in the official templates and through the DTP website	The AF (inclusive of its PDF and excel parts) has been submitted in the official templates and through the DTP website.
3	The AF in all its parts, including the annexes have been submitted in one single package	The AF (inclusive of its PDF and excel parts) and its annexes have been submitted in one single package through the programme website.
4	The AF is compiled in English	All parts of the AF are compiled in English, as the

		official language of the DTP.
5	Partnership is composed by at least three financing partners from at least three participating countries of which at least one (LP) is located in a Member State	Partnership complies with the minimum requirements for a transnational DTP partnership: at least three financing partners (receiving ERDF, IPA or ENI co-financing) from at least three DTP participating countries, of which at least one (LP) is located in a Member State.
6	Lead Applicant is an eligible beneficiary	The Lead Applicant fulfils the requirement set in Part 2, section II of the Applicants Manual.
7	At least 3 joint cooperation levels are indicated	According to Art 12(4) of EU reg. 1299/2013, among the four levels of cooperation (joint development, joint implementation, joint staffing and joint financing) beneficiaries shall cooperate in the development and implementation of projects and in either the staffing or the financing of projects, or in both.
8	The proposal contributes to at least two programme output indicators	The proposal contributes to the horizontal output indicator predefined in the AF and to at least another programme output indicator.
9	Completeness of Partnership Agreement	The Partnership Agreement is signed by all directly financed partners.

The following table lists the eligibility criteria applicable to individual partners. Failure to meet any of the criteria below by one partner results in rejecting the single partner affected:

Nr	Eligibility criteria	Description
10	Financed partners (ERDF/IPA/ENI) are eligible	The ERDF/IPA/ENI financed partners fulfil the requirements set in Part 2, section II of the Applicants Manual.
11	Completeness of submitted ERDF/IPA/ENI partner documents	The documents (Declaration of co-financing, State Aid declaration, Declaration for International organisations) are filled in and signed by the partners.
12	Completeness of submitted ASP	The document (ASP declaration) is filled in and signed by the ASP.

documents	
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In case of missing documents, parts of documents and/or signatures, the LA will be awarded 5 working days from the **JS notification** for the completion of the documents.

The purpose of the **quality criteria** is to assess the quality of the eligible project proposals. Quality criteria are closely linked to the specific objectives and results of the DTP CP and are common to all Priority Axes.

This phase will be carried out by the JS, supported by external assessors. The assessment is based on an assessment matrix consisting of the following criteria groups:

- Relevance of the proposal - The main aim is to determine the extent to which the project is in line with the thematic focus of the Programme and of the call for proposals.
- Strategic assessment criteria - The main aim is to determine the extent of project's contribution to the achievement of programme objective(s) and to programme result(s).
- Operational assessment criteria - The main aim is to assess the viability and the feasibility of the proposed project, as well as its value for money in terms of resources used against delivered outputs and result.

Each criteria group (“Relevance”, “Strategic” and “Operational”) is assessed on basis of sub-criteria with each being scored from 0 (not present / missing) to 5 (very good). The score of the main question is an average of the scores of the related guiding questions.

Score	Description
0	None
	The information requested is missing (either not filled it in or not provided in the text).
1	Very poor
	The information is provided but reflects the inexistence of a requirement.
2	Poor
3	Fair
4	Good

	outlined details
5	Very Good
	The information provided is outstanding in its details, clearness and coherence

To determine if the project is relevant for the programme and in line with the provisions set in the call announcement, the *relevance assessment* is carried out first and independently from the *strategic assessment*. Only projects successfully passing the *relevance assessment* are assessed strategically. By the same logic, only projects successfully passing the *strategic assessment* are assessed operationally. **The knock-out threshold for both the relevance and strategic assessment is set at 60%.**

The following procedure applies:

- If a proposal receives a lower score than 60% in the relevance assessment, then it will not be assessed strategically and operationally and it fails the overall assessment.
- If a proposal passes the relevance assessment, but receives less than 60% in the strategic one, then it won't be checked from the operational point of view and it fails the overall assessment.
- If a proposals receives at least 60% both in the relevance and strategic assessment, then it will be assessed also from an operational point of view and the final score will be given by the sum of the scores related to the relevance, strategic and operational assessment, taking into consideration the weight that each criterion provides to the overall points (relevance 10/55= 18% of the total score, strategic 25/55 = 46% of the total score, operational 20/55 = 36% of the total score¹).

In the following tables the sub-criteria to assess the relevance of the proposal, the strategic and operational aspects are illustrated. The sub-criteria are defined using a set of questions with the scope of guiding the assessor through, while performing his/ her evaluation. Due to the complex requirements of transnational projects, these questions cannot be answered in a yes or no manner. The assessor must check to what extent the questions are satisfactorily answered by the applicant and then give an overall assessment score. Guiding questions should be considered binding, as it is binding also the maximum score that can be attributed to single guiding questions.

The criteria for the quality check will contain:

- Two sub-criteria for the relevance of the proposal for a maximum score of 10 points.
- Five sub-criteria for the strategic relevance for a maximum score of 25 points.

¹ The score is calculated by multiplying the single points received by each assessment group to its weight and summing the result of each assessment group: For example if a project received 65% in relevance, 63% in strategic and 59% in operational the final score is calculated as follows: $65 \cdot 0.18 + 63 \cdot 0.46 + 59 \cdot 0.36 = 11.7 + 28.98 + 21.24 = 62\%$

- Four sub-criteria for the organisational relevance for a maximum score of 20 points.

A. Relevance of the proposal

Assessment main question	Guiding questions	Points
<i>Is the project relevant for the Programme?</i>	To what extent is the project in line with the focus of the Programme and of the Call?	5 points
	To what extent is the project intervention logic coherent with the programme one?	
<i>Is the need for transnational cooperation demonstrated?</i>	To what extent does the project have a clear transnational dimension/ impact?	5 points
	To what extent is the added value of the transnational cooperation clearly described?	
Total		10 points

B. Strategic relevance

Assessment main questions	Guiding questions	Points
<i>Are the territorial needs and challenges identified and duly justified?</i>	To what extent are the territorial needs/ challenges coherently described and relevant for achieving the programme objectives?	5 points
	To what extent is the proposal clearly addressing the needs/ challenges?	
	To what extent does the proposal take into consideration the capitalisation of relevant previous projects and the synergies with on-going projects and brings added value to them?	
<i>Is the project intervention logic coherent?</i>	To what extent is the project main objective clearly defined and coherent with the project specific objectives?	5 points
	To what extent are the specific project objectives, activities, outputs and expected result clearly defined and coherent?	
	To what extent are the project outputs and result realistic, well quantified and linked to the needs of the selected target groups?	

<i>To what extent the proposal contributes to an EU strategy or policy?</i>	To what extent is the project concretely contributing to a relevant EU strategy/ policy (other than EUSDR) in the thematic field addressed by the project?	5 points
	To what extent does the project clearly contribute to one or more targets of the selected Priority Area(s), as set out in the Action Plan of the EUSDR?	
	To what extent is the EUSDR embedded in the proposal (at the level of needs and challenges, methodology, synergy/ capitalisation, work plan, durability and transferability)?	
<i>Is the partnership composition relevant, justified and balanced for the proposed project?</i>	To what extent is the partnership representing the right mix of countries, levels of governance and thematic competences/ sectors according to the project topic?	5 points
	To what extent is the partnership balanced and not overly dominated by one / two countries?	
	To what extent is the role of the partners balanced?	
	To what extent can the partners demonstrate that their participation in the project is to the benefit of the territory they represent?	
<i>Is the target group defined and has ownership of the project result?</i>	To what extent is the target group clearly identified, realistically quantified and involved throughout the project implementation (e.g. in the development and/or testing/ of the project outputs, providing feedback to the consortium in relevant aspects etc.)?	5 points
	To what extent does the proposal clearly explain how the target group will integrate/use the project outputs after the end of the project?	
	To what extent is the durability and transferability of the project outputs clearly ensured?	
	To what extent does the project prove to make a positive contribution to the programme's horizontal principles?	
Total		25 points

C. Operational relevance

Assessment main questions	Guiding questions	Points
<i>Is the work plan</i>	To what extent is the proposed timetable coherent and	5 points

<i>realistic, consistent and coherent?</i>	realistic?	
	To what extent are the planned activities, outputs, deliverables and result coherent with the overall methodology?	
	To what extent are the activities logically linked, described in detail (how, where, when and by whom they will be undertaken) and balanced in terms of geographical implementation (national, regional, local)?	
<i>To what extent are management structures and procedures in line with the project size, duration and needs?</i>	To what extent are the management structures (e.g. project steering committee) and procedures clear, transparent, efficient and effective?	5 points
	To what extent does the partnership ensure proper dissemination of information and knowledge transfer between the partners?	
	To what extent is the quality management of the project clearly described and effective?	
	To what extent has the lead applicant demonstrated that it has capacity to manage EU co-financed projects or other international projects or can ensure adequate measures for management support?	
<i>To what extent are communication activities appropriate and forceful to reach the relevant target groups and stakeholders?</i>	To what extent are the communication activities clearly linked to the project specific objectives?	5 points
	To what extent is the chosen approach appropriate to reach the specific objectives of the project?	
	To what extent are communication activities and deliverables appropriate to reach the relevant target groups and stakeholders?	
<i>Does the project budget demonstrate value for money?</i>	To what extent is the budget allocated to each content related activity justified and correctly quantified?	5 points
	To what extent is the budget of each BL coherent with the planned activities and involved partners?	
	To what extent is the spending forecast realistic and correctly timed?	
	To what extent is the budget allocated to project management and communication justified?	
Total		20 points

The overall score will be calculated as the sum of the scores related to the relevance, strategic and operational assessment, taking into consideration the points that each criterion provides to the overall points (relevance 10/55= 18% of the total score, strategic 25/55 = 46% of the total score, operational 20/55 = 36% of the total score). The score is calculated by multiplying the single points received by each assessment group to its weight and summing the result of each assessment group: For example if a project received 65% in relevance, 63% in strategic and 59% in operational the final score is calculated as follows: $65 \times 0.18 + 63 \times 0.46 + 59 \times 0.36 = 11.7 + 28.98 + 21.24 = 62\%$

Project proposals scoring overall 75% or more will be recommended by the JS for immediate selection.

Project proposals scoring overall between 60% and 74% will be subject to further discussions and a final decision will be taken by the MC. The final decision on financing the proposals will be taken by the MC based on the results of the technical assessment coordinated by the JS and on the available amounts per Specific Objective. The final MC decision might take into consideration the number of projects contributing to each output indicator.

Project proposals scoring less than 60% will be recommended by the JS for rejection.

IV. Complaint procedure

All rules set in this manual are meant to provide transparent information to all applicants who are applying for a financial support from the Danube Transnational Programme. Specifically, assessment and selection procedures set in this manual offer a fair and transparent consideration of all received proposals.

The rules set in this section are aimed at providing a transparent complaint procedure against decisions taken by Programme authorities during the project assessment and selection process².

The complaint against a decision of the Managing or Certifying Authority of the Programme during project implementation based on the subsidy contract concluded between the Managing Authority and the Lead Partner follows the rules laid down in the subsidy contract.

1. The Lead Applicant is the only one entitled to file a complaint.

² In case of appeal to the judiciary system against the decision of the programme authorities during the project assessment and selection process, the court of Hungary has the jurisdiction on the matter.

2. The right to complain against a decision regarding the project selection applies to the Lead Applicant whose project application was not selected for the Programme co-financing during the project assessment and selection process.
3. The complaint is to be lodged against the communication issued by the Managing Authority/Joint Secretariat based on the decision by the Monitoring Committee as the MA/JS' communication is the only legally binding act towards the Lead Applicant during the project assessment and selection process.
4. The complaint can be lodged only against the outcomes of the eligibility assessment performed by the JS, supported by the NCP and approved by the MC.
5. The complaint should be lodged in writing by e-mail to the Managing Authority of the Programme within 5 calendar days after the Lead Applicant had been officially notified by the MA/JS about the results of the project selection process. The complaint should include:
 - a. Name and address of the Lead Applicant
 - b. Reference number and acronym of the application which is a subject of the complaint
 - c. Clearly indicated reasons for the complaint, including listing of all elements of the assessment which are being complaint and/or failures in adherence with procedures limited to those criteria mentioned in point 4
 - d. (e)signature of the legal representative of the Lead Applicant (scanned signatures are accepted)
 - e. Any supporting documents (no additional content-related information than the one included in the proposal is allowed)
6. The relevant documentation shall be provided for the sole purpose of supporting the complaint. No other grounds for the complaint than indicated in point 4 will be taken into account during the complaint procedure.
7. A complaint will be rejected without further examination if submitted after the set deadline or if the formal requirements set in point 5 are not observed.
8. In case the complaint is rejected under provisions set in point 7, the MA/JS conveys this information within 10 working days to the Lead Applicant and informs the Monitoring Committee.
9. Within 5 working days after the receipt of the complaint the MA/JS confirms to the Lead Applicant in writing having received the complaint and notifies the Monitoring Committee.
10. The Managing Authority, assisted by the Joint Secretariat, examines the complaint and prepares its technical examination regarding the merit of the complaint.

11. The complaint will then be examined on the basis of the information brought forward by the Lead Applicant in the complaint and the technical examination prepared by the MA/JS by the Complaint Panel.
12. The Complaint Panel is the only body entitled to review a complaint against a decision regarding assessment and selection of projects co-financed by the Programme.
13. The Complaint Panel comprises of 3 members of whom one is the Chair of the Monitoring Committee, one is member of the Monitoring Committee and the third one is member of the Managing Authority or Joint Secretariat (not involved in the assessment).
14. The members of the Complaint Panel are appointed by the Monitoring Committee.
15. Impartiality of members of the Complaint Panel towards the case under review has to be ensured. If this cannot be provided, the distinct member shall refrain from the distinct case's review and be replaced by another impartial member.
16. The Joint Secretariat acts as the secretariat for the Complaint Panel and provides any assistance necessary for the review of the complaint.
17. The Managing Authority shall provide the Members of the Complaint Panel no later than 10 working days after the receipt of the complaint with a copy of:
 - a. The complaint with the technical examination by the Managing Authority and Joint Secretariat
 - b. The original application and all supporting documents that were taken into consideration by the relevant bodies during the project assessment and selection process
 - c. All documents relating to the assessment of the application in question including checklists and the record of the Monitoring Committee's decision
 - d. Any other document requested by the Members of the Complaint Panel relevant to the complaint
18. The Complaint Panel will have 5 working days to provide a binding decision through written procedure.
19. The decision if the complaint is justified or to be rejected is taken by the Complaint Panel by consensus. In case it is justified, the case will be sent back to the Monitoring Committee to review the project application and its assessment. The Complaint Panel has to provide the Monitoring Committee with a written justification with explicit reference to the criteria established in the Complaint Procedure
20. The decision of the Complaint Panel is communicated by the MA/JS in writing to the Lead Applicant and the Monitoring Committee within 5 working days from the receipt of the Complaint Panel decision.

21. The complaint procedure, from the receipt of the complaint to the communication of the Complaint Panel's decision to the Lead Applicant, should be resolved within maximum 30 calendar days.

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

Proposals rejected after the quality assessment will receive an official electronic communication from the programme with the reasons for rejection outlined in a summarised grid. Further details on the reasons for rejection can be requested on demand and, according to the needs, could be discussed in bilateral meetings



Interreg



EUROPEAN UNION

Danube Transnational Programme

Applicants Manual

for the period 2014-2020

Version 1.1

PART 6: GUIDANCE ON HOW TO DEVELOP A SUCCESSFUL PROJECT

edited by the Managing Authority/Joint Secretariat

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I. Project generation and support from the programme

Project generation

Development of a transnational project is a demanding and challenging process which starts from the need to produce a change in a certain field.

- After the project idea is formed:
 - The funding instrument is to be searched (and not vice versa – first finding the financing instrument and then developing of the idea based on its objectives)
 - The link with the programme specific objectives needs to be checked
 - The added value that transnational cooperation brings to solving the identified problem is to be checked as well
 - The programme requirements in terms of eligibility need to be checked in order to understand if the project has potential to fulfil them

The programme recommends that the results of the previous programming period are taken into consideration in order to build on existing results and/ or avoid duplication. Therefore, results of the projects financed from SEE and other EU programmes should be checked before going further with the development of the project idea. Furthermore the Applicants should also check the already approved projects by DTP Programme in order to seek synergies and avoid duplication.

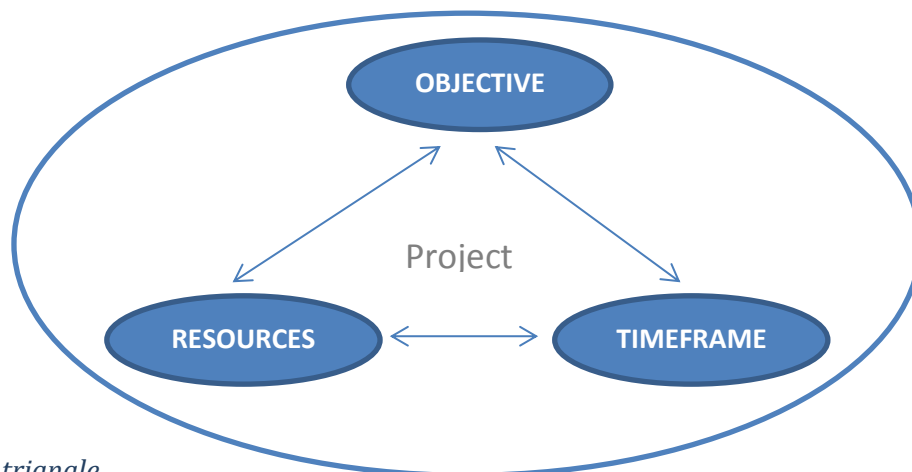
- In order to build a strong partnership, the network of National Contact Points should be used. They can offer first hand support in project development, besides advising on potential interested and committed partners in their countries.
- The project idea is presented then to the identified project partners and further elaborated to include their feedback and input while observing Programme rules and guidelines. It is therefore recommended to **follow the structure of application forms** (i.e. AF) to get an idea of the information to be requested and not to miss out any relevant issues.

Please be aware that in order to have the full commitment of all partners their involvement in the project development is crucial since they have the ownership of results.

- The Lead Partner of the project should be agreed at an early stage and should be a common decision of the partnership. The LP will be the one steering the project development and will prepare and submit the application form.
- Last but not least, the Joint Secretariat can be consulted during project development in order to have a first feedback on the project idea.

When developing the project idea into an Application Form please have in mind:

- ***Territorial analysis*** is not only the first step to be made but also one of the most important ones. In order to establish most coherent and comprehensive objectives, you need to clearly define the main characteristics of the territory in question, which your competences and expertise are, what the general context in the specific field is, what has been done so far, are there any on-going projects.
- Set a ***limited number of specific objectives***, which have to be on one side, clearly linked to the programme specific objectives, and on the other side realistic and achievable in the project timeframe.
- Building on already existing project results is very much appreciated (as highlighted also above) as well as finding synergies with other on-going projects and initiatives, but attachment of an ***innovative character*** to your project is essential in order to strengthen the impact of activities and avoid duplication of efforts and production of almost similar results.
- In order to accomplish planned results, you need to define necessities in terms of both ***human and financial resources***. Depending on the planned activities and envisaged results, working teams covering both management and content expert positions have to be set up as well as a realistic budget in strict compliance with project activities, duration and eligibility rules.
- ***Duration of the project and calendar of actions*** are to be set in close relation to project activities and other external factors, if the case (e.g. seasonal works, appropriate measurements times etc.)
- ***Durability*** of the results needs to be ensured. Transnational cooperation should have a leverage effect, meaning that it has to give the possibility to multiply its results, but also a kick-off effect (for further developments and improvements).



Project triangle

Support from the programme

The DTP shall assist and support potential applicants throughout the development of project proposals and submission of AF.

During the **project proposal development phase**, the Joint Secretariat (JS) with the support of National Contact Points (NCPs) shall:

- Organise thematic workshops during, but not limited to the annual conferences related to Programme's priorities to disseminate information on funding opportunities, objectives, indicative activities to be financed, allocated budgets
- Provide constant information, on specific Calls for Proposals, including specificities thereof (type of call, submission procedure and deadlines, available budget and co-financing rates, eligible applicants and partners, contact details for additional information and support)
- Provide individual consultations to get initial feedback on the project idea and advice to be considered when preparing the application
- Provide useful tools to facilitate partner search/ organise partner search events
- Provide guidance for project generation

Throughout this phase, the DTP shall ensure full transparency and non-discriminatory access to same information to interested parties regardless of their location.

II. How to set up the partnership

Setting up a relevant and solid partnership is an indispensable precondition both for successful project application and implementation. Getting competent, reliable and committed partners on board is a challenging and time-consuming core-task of project preparation. It is strongly recommended to actively involve project partners already into project development and to establish direct and personal links among them at that early stage. Further to that – and the eligibility rules outlined in Part II – the following critical factors should be considered for setting up a DTP project partnership.

General characteristics of a successful partnership

The quality of a project depends largely on an integrated composition of its partnership. A good partnership should pool all competences and capacities needed to address the project objectives and to achieve the set outputs and results. Thus, a partnership should comply with the following basic characteristics:

- The project partnership should be **set up in a strategic manner** and well adapted to its purpose
- The competences of partners should be **closely linked to the project objectives** and all partners should be **relevant for reaching the project outputs and results**
- The partnership should be **balanced** regarding the number of actors involved per country, distribution of project activities and responsibilities as well as related budgets
- **Policy relevance:** decision makers (e.g. ministries, etc.) should be either directly included in the partnership or involved as ASPs, or project partners should have the capacity to create strong links to relevant policy drivers
- The **partnership size** shall reflect the **transnational character** of the DTP, yet having a large partnership shall not be the ultimate goal. Too large, a partnership might cause significant organisational, communication and coordination problems and thus be cost inefficient, thus the **size of the partnership should be manageable**.
- **Multi-level governance:** In order to apply integrated territorial approach the partnership should not only consist of one administrative level (e.g. only local). The project should build on effective linkages across sectors (e.g. transport-environment) and governance levels (vertical cooperation).

Lead Partner ideal profile

Lead Partners are the drivers of a project. Though both the development as well as implementation of a project is substantially based on team work, the performance of a project very often directly links to the one of the Lead Partner. Lead Partners have to cope with this challenge. Therefore, Lead Partners should have the following profile:

- Solid **experience in the management of EU funded projects**; experience in the management of transnational cooperation projects is recommended
- Sound **institutional capacity, sufficient financial and human resources**; awareness of the administrative burden which implies the Lead Partner role
- In-depth **knowledge of the DTP Programme rules**
- **High level of commitment** of both Lead Partner organisation and project management team
- **Intercultural sensitivity and pro-active management approach** of the project management team
- **Thematic expertise** with regard to the project topic
- Professional **experience in the Danube area**

Most of the above mentioned requirements are also applicable to project partners.

Requirements for Project Partners

Though project partners should be generally involved in a balanced way, the concrete role of a partner can vary depending on scope and kind of activities assigned (e.g. partners can act as work packages leaders), their capacity and/or level of experience. Before joining a partnership the following should be taken into account:

- Project partners should be committed to the project implementation and this can be considered the main asset when deciding to involve a certain institution as project partner
- Project partners have to be **acquainted with DTP rules**. They shall have an **in-depth understanding of the project** they intend to be part of, ideally by having been involved in its development
- Each project partner should be fully **aware of the specific role** within the project and the **institutional, managerial and administrative capacity** needed to fulfil this role. Staff involved has to be able to speak and to write in English
- Since no pre-financing is provided, project partners should have the **adequate financial capacity** to pre-finance their implementing activities, keeping in mind the time-lapse between the payment of project costs and the reimbursement of these costs through the DTP
- **Newcomers** are recommended to contact the respective DTP National Contact Points before joining a partnership and to consider partnerships with an experienced Lead Partner and/or project partners for doing their “first steps”
- The **involvement of permanent staff** of the participating organisations helps the network to stay operational after closure of project activities. It also ensures that knowledge gained during the project implementation remains within the organisations
- The **involvement of external expertise** should be considered to complement and bridge thematic gaps, technical constraints or administrative / managerial bottlenecks. External experts can play an important supportive role – especially for project partners still missing experience in transnational projects

III. How to develop the intervention logic

The core principle of Danube Transnational Programme is result-orientation, the basis for the result-orientation approach being the “**change**”. Therefore, all the projects that will be approved and implemented need to embrace the same principle. The intervention logic should reflect the path of the project and the necessary steps that will lead to change. It should be clear, simple and easy to monitor and implement.

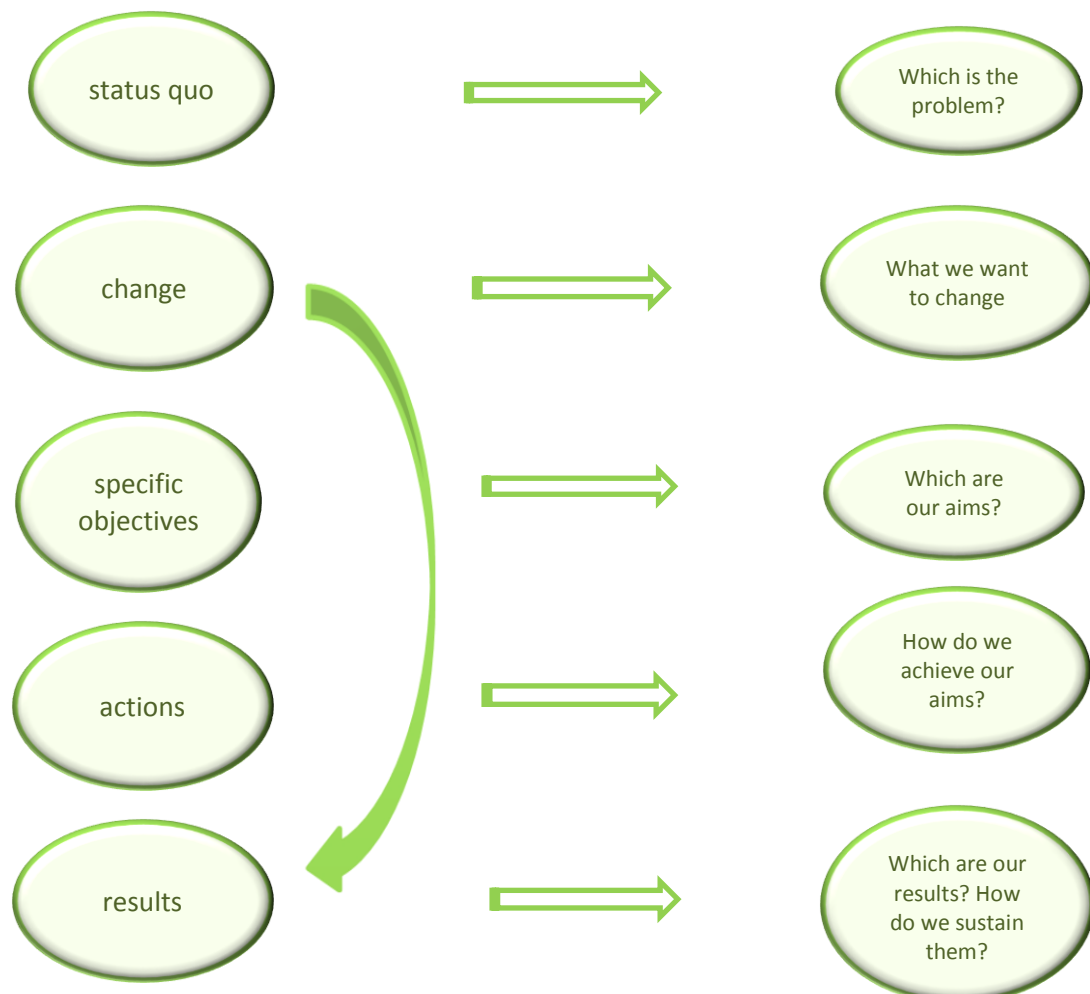
The coherence of the project intervention logic (projects main and specific objectives, activities, outputs and results) with the programme intervention logic (specific objectives, outputs and results) is a pre-condition for a project to be funded under DTP. Projects not showing a clear link to a programme specific objective and/ or not contributing to the respective programme results will not be funded in the programme’s framework.

ATTENTION: Projects can choose maximum 5 programme output indicators to which they can contribute to. Projects have to contribute to at least two programme outputs indicators to be considered eligible.

The project intervention logic is a tool that needs to show how the change will be achieved, therefore it should define:

- A clear status quo related to the project context (What is the problem?), including the causes that influence it
- The change that the project wants to achieve
- The specific objectives
- The actions and the outputs that are needed in order to achieve the change, including the definition of stakeholders and target groups
- The results and their durability

Project intervention logic:



When developing to project intervention logic the first question that should be answered is: “what positive change the implementation of my project will bring?” The answer to this question should give the project direction, based on which the specific objectives and the results can be defined. As the project specific objectives and results should be in line with the programme ones, the applicants should choose one Programme specific objective and its corresponding result to which their project is contributing the most. Only projects contributing to the programme objectives and results will be funded by Danube Transnational Programme.

How to build the project intervention logic?

Define project overall objective and result and link them to the programme intervention logic

- Specify project overall objective and project result.
- Choose a programme priority specific objective to which the project contributes and describe how it will contribute. It is important to secure consistency between project objectives and programme specific objective.
- Choose a programme result indicator corresponding to the chosen programme priority specific objective to which the project will contribute. A quantification of the projects' contribution to the programme result indicators is not required - the programme result indicator shall not relate only to programme beneficiaries, but to the whole target population. It's also not feasible, because results often materialise only after the project closure. However the project shall demonstrate the direct link between programme and project result, possibly also indicating to what extent it will contribute to the programme result.

Define project specific objectives

- The project should specify up to three specific objectives to stay focused.
- The project specific objectives need to show direct contribution to the project overall objective.
- It should be possible, at least to some extent, to measure achievement of project specific objectives with project main outputs. Ideally direct link should be established.

Define project outputs and link them to the programme output indicators

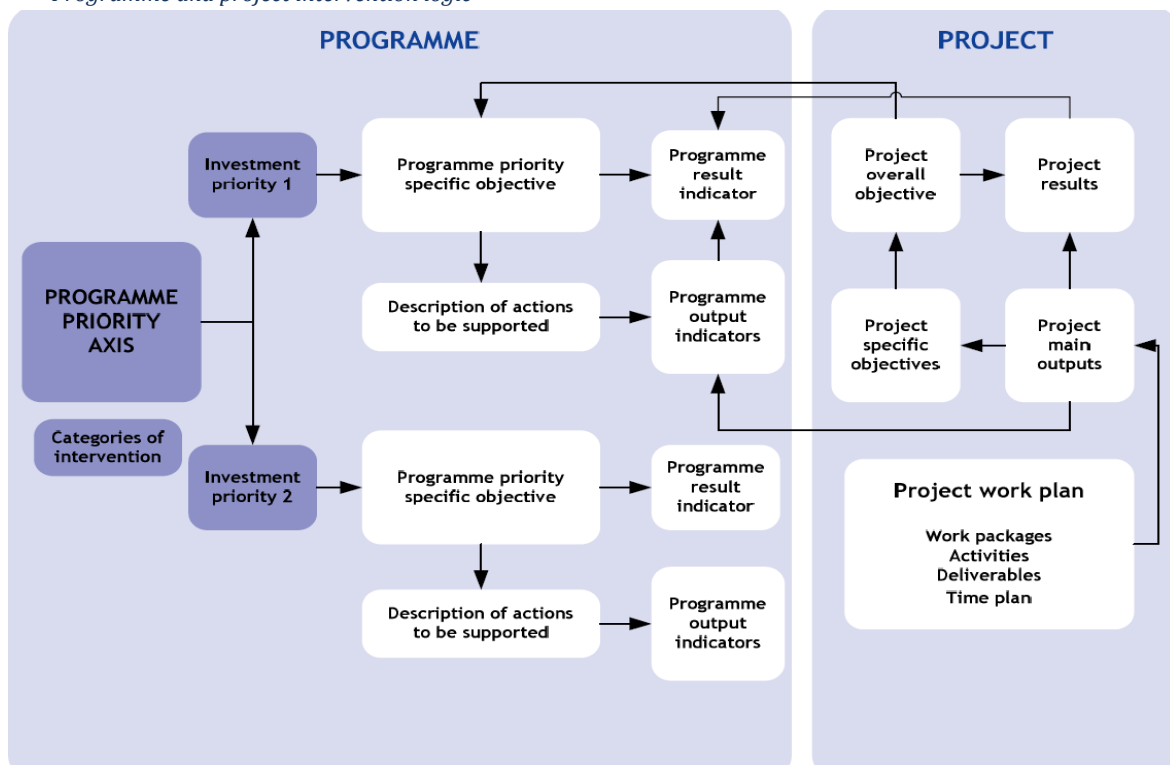
- Project outputs are defined in the workplan and only then linked to objectives, therefore first the workplan must be drafted. Not every work package must have a/several main outputs (in fact, a project may have only one main output).
- A project output is one that can be captured by a programme output indicator and that directly contributes to the achievement of the project result. ***Project output and programme output indicator need to have the same measurement unit to be able to aggregate them.***

- An aggregation of project outputs based on programme output indicators is essential for the achievement of output targets set on the programme level. Project specific output indicators are not accepted, because they fall out of programme intervention logic and therefore don't contribute to the achievement of programme objectives and indicators.

Develop the work plan

- Project objectives, results and outputs have to be logically linked to project work plan (work packages, activities, time plan). The project work plan shall explain what needs to be done to deliver project outputs and achieve project specific objectives.
- The work plan is divided in several work packages, which are broken down into activities. The number of thematic work packages should be limited to five to encourage projects to be focused. The maximum number of activities per work package is limited to five.
- A side-product of the project that contributes to the development of a project output can be listed as a deliverable of an activity in the work package, however not every activity has to have a deliverable.

Programme and project intervention logic



Project intervention logic glossary

Term	Definition
Project overall objective	Describes the strategic and long term change that the project seeks to achieve for the benefit of the target groups.
Project specific objective	Describes the specific and immediate effects of the project and it can be realistically achieved within the implementation period.
Project result	Constitutes the immediate advantage of carrying out the project, telling us about the benefit of using the project main outputs. It should indicate the change the project is aiming for.
Project output	It tells us what has actually been produced for the money given to the project. It can be captured by a programme output indicator, and directly contributes to the achievement of the project results.
Project work package	Represents a group of related project activities required to produce project main outputs.
Project activity	Describes specific task performed for which resources are used. It is a work package component which may or may not result in a deliverable or an output.
Project deliverable	Is a side-product or service of the project that contributes to the development of a project's main output.

Programme intervention logic terminology is explained in the relevant EC regulations and guidance papers.

IV. How to contribute to the programme output indicators

The Programme achievements will be measured by result indicators in terms of intensity of cooperation of the Programme's target groups, as well as by output indicators quantifying products of the projects and relevant target groups. The information about the output indicators will be collected directly from the projects. Therefore, **the project output indicators must be linked to the programme output indicators.** Project specific output indicators are not accepted, because they fall out of programme intervention logic and therefore don't contribute to the achievement of programme objectives and indicators.

Horizontal output indicator:

The cross-cutting element of the DTP is increased institutional knowledge. Therefore, a horizontal indicator that captures the progress that the projects are contributing to in this area, was created: "**documented learning interactions**". The term "documented learning interactions" can be defined as the process of acquiring/ enhancing institutional knowledge in transnational cooperation context through joint work aimed at a practical solution, transfer of know-how, capacity building, exchange of experience, peer-reviews or any other type of learning processes.

Please note: It is **expected** that each project develops, implements and documents three joint learning interactions.

The indicator is mandatory; therefore each project has to contribute to it and will have to define its own target.

What is a ‘documented learning interaction’?

DTP is a programme strongly supporting capacity building, knowledge transfer and learning. The way in which the indicator is formulated, the ‘learning interactions’ stands for a process of acquiring institutional knowledge in the transnational context through joint testing, piloting or any other type of demonstration activities related to newly developed, transferred or adapted services, products, structures, processes or strategic documents. Whereas ‘documented’ means that physical proofs that such a learning process has been implemented have to be in place and available to any interested party. In the application, applicants have to describe their planned learning interaction in a similar way to the example below. **The project must define a minimum of one learning interaction.**

Examples:

- *A project is developing an e-learning platform which is a tool. When delivering the actual training or e-courses through the platform then the learning interaction takes place.*
- *A project is developing an action plan for the implementation of a strategy in the field of valorisation of cultural heritage sites. The activity implies, among other activities, also the training of the target groups in implementing the action plan. The training represents the documented learning interaction.*
- *A project is developing a new service to be introduced on the market. The service itself represents a tool and the testing of the service represents a pilot. However, if inside the pilot there is a transfer of knowledge of the results of the testing then the activity should be considered learning interaction.*

Specific programme output indicators

In order to allow an aggregation of outputs at programme level and monitoring of the programme achievements, the Danube Transnational Programme has developed a typology for main project outputs based on the mission of the programme and the main actions that are going to be financed, according to the Cooperation Programme.

Type of outputs	
Strategy	<p>In the context of transnational cooperation, defining a strategy should have as starting point, a definition of joint problems/ challenges of the participating countries/ regions. The strategy should set up clear mid and long term objectives and priorities reflecting also the common vision of the Danube Region in the specific field. The involvement of the relevant stakeholders is crucial, since the strategy should be a reflection of their needs and ensure its sustainability and future implementation. Strategies should aim at policy integration in the Danube area in the selected fields and act as policy drivers below EU level but above national level.</p> <p>An action plan should break down the strategy goals and objectives into specific actions. It should include the sequence of steps to be taken, or activities that must be performed, for a strategy to succeed. Therefore, it should include a time line, the financial resources and a definition of the responsible actors.</p> <p>This type of output can relate either to the development of new or further improvement, revision and/or update of existing strategies/policies/ action plans as well as their subsequent implementation.</p> <p><u>Each developed strategy/action plan, whether implemented or not, should be only counted once under the respective output indicator. Project management and communication-related strategies such as e.g. the project communication strategy should not be considered under this output indicator.</u></p> <p><u>Example: A project is developing a transnational strategy in the field of innovation networks. In this respect, each partner has to deliver a country report. The country reports represent the deliverables (or intermediate steps) necessary in order to develop the strategy (the output).</u></p>
Tools	<p>A tool is to be understood as the means for achieving a specific task. Tools should be jointly developed at transnational level and be innovative. Tools can be tangible (physical or technical objects) and intangible (methods, concepts or services). They comprise amongst others of analytical tools, management tools, technical tools, software tools, monitoring tools, decision support tools etc.</p> <p>To be effective, a tool must be tailored to end users' needs and the respective framework conditions and has to be comprehensive and durable.</p> <p>This type of output relates either to the joint development of new or further improvement and/or adaptation of existing durable tools as well as their subsequent operational implementation.</p> <p><u>Each developed tool, whether implemented or not, should be only counted once under the respective output indicator. Project management-related tools internal communication platforms and templates should not be considered under this output indicator.</u></p> <p><u>Example of tools: data bases, financing schemes, innovative platforms, ICT tools, management concepts, guidelines etc.</u></p>
Pilot actions	<p>A pilot action is to be understood as a practical implementation of newly developed solutions (e.g. services, tools, methods or approaches, even an investment). A pilot action has an experimental nature which aims at testing, evaluating and/or</p>

Type of outputs

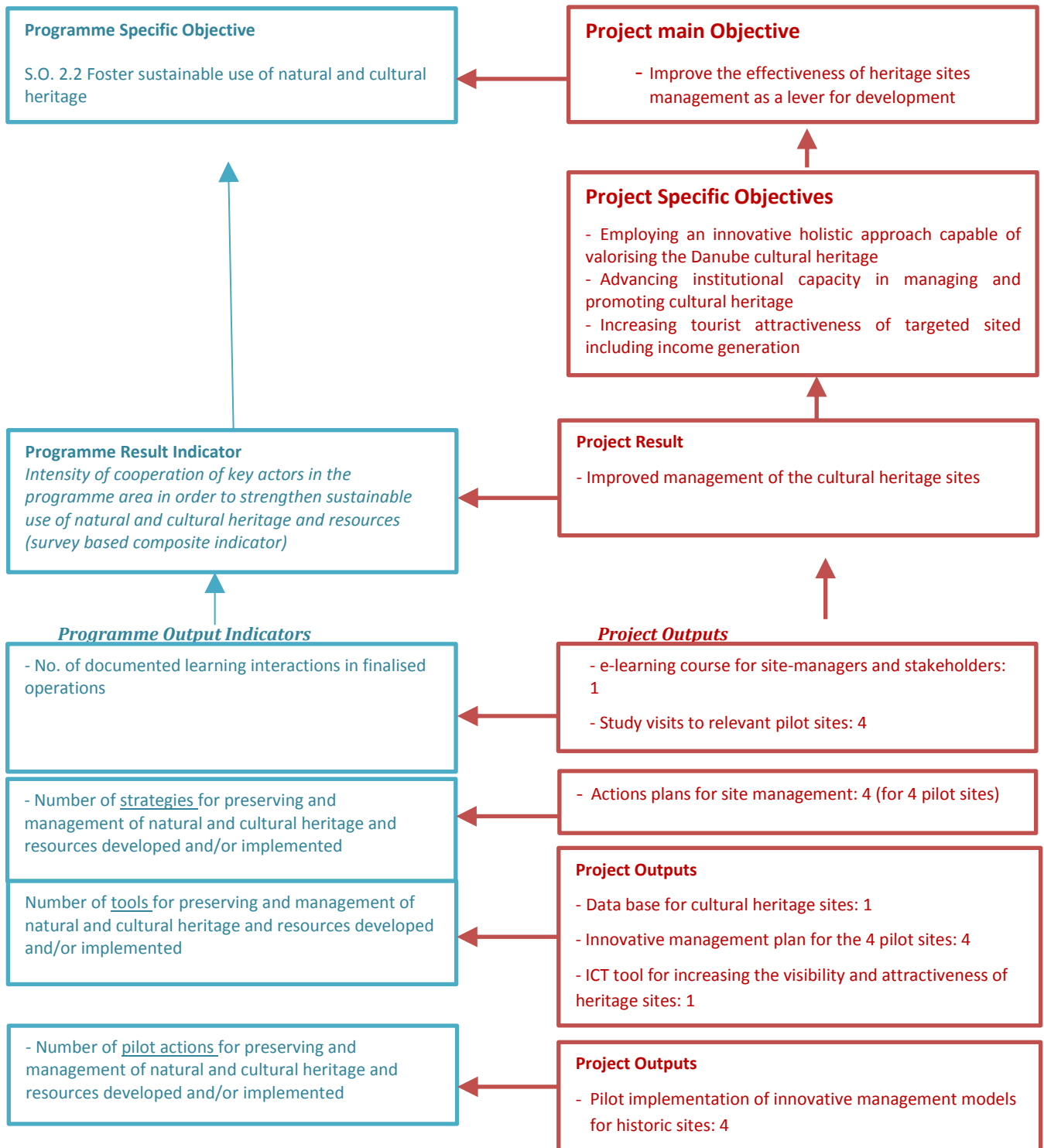
demonstrating the feasibility and effectiveness of a scheme. Therefore, it covers either the testing of innovative solutions or demonstrating the application of existing solutions to a certain territory/sector.

The results and practices of pilot actions should be exploited on and transferred to other institutions and territories.

A pilot action is limited in its scope (area, duration, scale etc.) and must be unprecedented in a comparable environment.

Examples of pilot actions: pilot implementation of innovative management models, pilot implementation of schemes, pilot application/ testing of new technologies, services etc.

Example on how to link the project intervention logic to the programme intervention logic



V. How to set up an efficient project coordination

Management structure:

Setting up an efficient project coordination is mainly related to internal project organisation in terms of structure, assignment of responsibilities and clear decision making procedures so that smooth implementation of the project is ensured.

In defining the management structure of the project, the Lead Partner principle is to be considered meaning that one institution is designated as Lead Partner (LP) in accordance with Programme's requirements. The LP will act as an interface between the Programme (MA, JS) and the partnership. Besides its responsibilities with regard to the implementation of content related project activities, the LP is also responsible for establishing and maintaining a sound management and implementation of the project (depending on the capacities of the LP this can be externalised or organised in house). The LP is the one signing the Subsidy Contract with the MA on behalf of ERDF and IPA partners.

The document governing the legal aspects agreed by partners is the Partnership Agreement which has to be signed by all partners beforehand and submitted together with the AF and which lays down the relations of the LP with the project partners, such as responsibilities and contributions to the work plan and activities, reporting requirements, financial provisions and others. The Partnership Agreement enters into force and produces legal consequences only once the Subsidy Contract is signed. The DTP will make a Partnership Agreement template available before the launch of the call for proposals.

Size and composition of the **management team** can vary, yet the following three key positions shall ensure a proper implementation of the project:

- **Project Manager (PM):** in charge with the overall management and coordination of the project implementation, daily monitoring of project progress with the support of Work Package Leaders and Activity Leaders, compilation of the content parts of the Progress Reports and timely submission thereof, achievement of project objectives within the planned period of time and quality control of delivered outputs. He/ she also acts as an interface between Joint Secretariat and the partners
- **Financial Manager (FM):** responsible for permanent monitoring of all financial aspects, including internal management of funds, expenditures, spending rates, budget shifts, financial reporting, public procurements, collection of documents for the Controllers
- **Communication Manager (CM):** responsible for developing and implementing project communication strategy, defining communication objectives, approaches, activities and key messages to be sent out, preparation of information materials and promotion items, preparation and distribution of newsletters and press releases to identified stakeholders.

The Communication Manager will also coordinate communication within the partnership by setting up internal communication rules and monitoring tools, updating the information on the project section in the DTP website etc.

The core management team will also act as permanent contact for external actors.

Similar positions as the ones mentioned above should also exist at partner level so that specific issues can be dealt with in a more efficient way.

Decision making structure

In order to establish a clear decision making structure, a **Steering Committee** needs to be established from the beginning of the project.

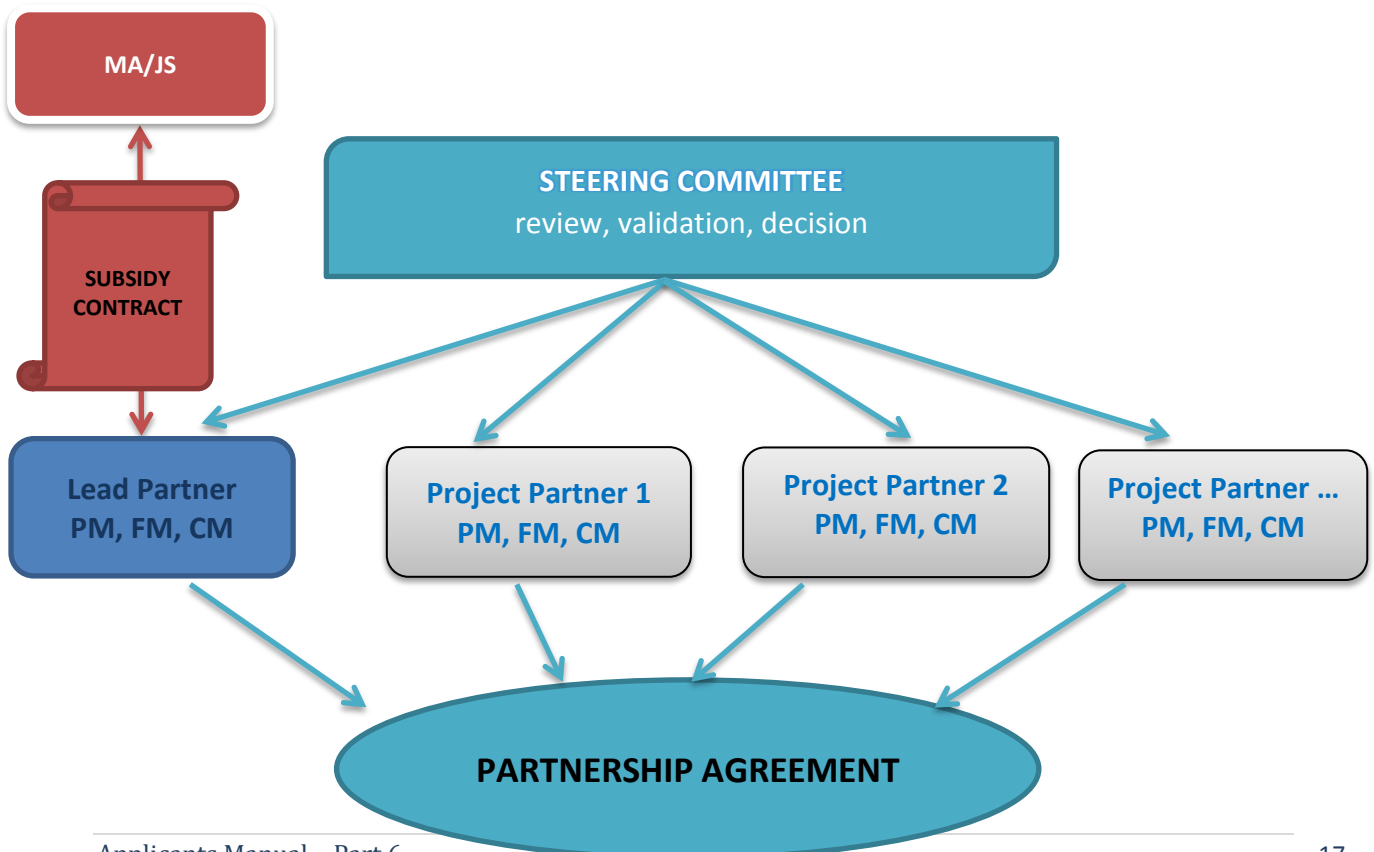
The Steering Committee will monitor, steer and take strategic decisions with regard to project adjustments in case of unforeseen situations. All project partners are represented in the Steering Committee which meets regularly (e.g. once/ twice a year).

Main tasks of the Steering Committee include:

- Checking if project implementation is in line with the activities and outputs foreseen in the AF
- Validating the progress towards the achievement of project outputs
- Review project performance in terms of implemented activities against spending
- Take decisions with regard to project modifications (e.g. content, partnership, budget, duration), if applicable, approval for which will be requested from relevant Programme bodies

For the Steering Committee to act in accordance with its tasks, rules of procedure have to be established and agreed from the beginning of the project implementation.

In its activity, the Steering Committee will be supported by the management team able to provide details on specific issues so that the decision making process is facilitated.



Quality management structure:

The success of a project relies heavily on its internal quality management which is a sine qua non condition for the delivery of qualitative and sustainable outputs. Quality management procedures should be established already in the application phase and they must include:

- Setting up an internal quality management structure consisting of designated individual(s) in charge with proofreading, analysing and reviewing project outputs from the qualitative point of view and submission of quality reports (as part of the regular progress reports if the case), especially related to main outputs of the project (for further details on this topic, please refer to *Part 7 – Reporting of the Applicants Manual*)
- Additionally, external written validation of project outputs (e.g. by EUSDR PACs, relevant professional organisations or associations, expert working groups etc.), besides being considered a plus, might also be requested by the JS following analysis of the respective output

VI. Project communication strategy: key for the success of a project

In order to complement and strengthen the measures set up in the programme Communication Strategy, an important role will be played by the projects themselves. Communication activities are an important and integral part of the project implementation, and thus require a good planning as well as adequate financial and human resources. Already at the application stage, projects are expected to demonstrate how communication will help to implement the project successfully.

When developing project communication objectives it is important to consider that these objectives have to be linked to the specific project objectives. When deciding on which communication objectives to choose, projects will first have to identify their key target groups. Once the project communication objectives and target groups are clearly defined, it becomes important to think about how the project communication will achieve its goal and through which activities.

In their proposals, applicants are expected to describe the general goal and objectives for their project's communication, the target groups to be addressed, the main communication activities to be implemented, the related budget, as well as how the project partners will coordinate, communicate and share the tasks among themselves. All activities foreseen in the project communication strategy must be consistent with the other project activities and they should be a useful tool for the partnership to reach the main project goal(s) and for ultimately informing in all the partner regions about their successes and achievements.

The rules and recommendations included in this chapter aim to help projects plan and implement their communication successfully. Only the relevant information for the application phase has been included. Once the project is approved, the Joint Secretariat (JS) will provide

communication training, a toolkit and templates for projects as support for their communication.

Project Communication Plan

The Communication Plan aims to coordinate the effective implementation of the communication activities and to support the achievement of project objectives. Therefore a Communications Plan must be developed by the projects once approved in order to have standardised project communication practices, and use them effectively throughout the whole project implementation. Thinking about the Communication Plan already in the application phase will help to have a more realistic approach on how to carry out the project communication and will facilitate its smooth implementation once the project is approved.

The project's Communication Plan needs to be developed in close cooperation with the project coordinator and project partners. Communication is an essential element of a successful project, so all partners must be involved and committed in the communication activities.

In developing the project Communication Plan, it is important to decide what communication tools and methods would be appropriate for specific project and communication objectives and for specific target groups.

It must include at least the following sections:

- **Project communication main goal and objectives:** What to achieve with the communication activities?
- **Target group(s):** The success of project communication depends on establishing and developing continuous relations with the key audience (target groups previously selected) during the whole project duration, engaging some of them to contribute to the project implementation and reaching all of them when informing about the project achievements
- **Main messages** of the project to be communicated through the communication activities and to be tailored for different target groups
- **Tools and methods** to achieve the objectives: explanation of the foreseen communication activities, the **time plan** and which activities will be tailored to different target groups' needs
- **Evaluation measures:** Regularly checking whether – and to what extent - the activities are reaching the communication objectives, allowing revision and readjustment if necessary
- **Budget:** reasonable financial resources to be committed for the project communication activities and to be planned already in the application phase (thinking for instance whether, for some activities, the expertise of an external service provider is needed)

Responsibilities

The obligations of beneficiaries regarding information and communication measures for the public are included in: Annex XII, section 2.2 of EC Regulation 1303/2013: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0320:0469:EN:PDF>

All information and communication measures provided by the beneficiary shall acknowledge and promote the EU support received from the Danube Transnational Programme by displaying the DTP logo, together with a reference to the Fund/s supporting the operation.

Each project partner has to plan enough staff and resources for the implementation of the communication activities. To ensure consistency, the Lead Partner should appoint a **communication manager**. The communication manager should be a qualified person in charge of the planning, coordination and implementation of the project's Communication Plan and distribution and involvement of all partners in communication activities. This person will be as well the liaison with the Joint Secretariat on project communication issues.

Internal communication

The communication within the partnership should be planned and budgeted from the start of the project to ensure engagement of all partners and the smooth implementation of the project.

The internal communication needs to support the management of the project with measures to ensure fluent communication among partners.

The success of programme communication depends both on good project results and good cooperation between the projects and the MA/JS. The JS will be in contact with the appointed communication manager regularly, and it expects projects to actively participate in programme's communication initiatives by delivering content and photos for digital and print materials and involving the JS in major communication events.

Project acronym

We recommend using project names that are short, easy to pronounce and associated with the project's theme (using already existing brands and trademarks if not directly linked with the proposal should be avoided). They should be able to be clearly communicated to the general public and easily displayed on the project communication material. A longer explanatory name can be used for certain communication purposes.

Project websites within the programme website

The Danube Transnational Programme website will include and host one website per project. The integrated system of programme and project websites will facilitate the monitoring of project activities and it will save financial and human resources. No costs will be needed for creating and maintaining the project website since these services will be offered by the programme free of charge.

The Joint Secretariat will give projects access information (username and password) and guidance on how to produce and upload content to their webpages. The project webpages will have the same structure for all projects allowing some flexibility to create new sub-sections

according to the projects' requests. All projects need to update their webpages regularly with content designed to attract new visitors during the whole project implementation.

The micro-sites will include:

- Pre-filled information fields with data from the application form: partnership, budget, etc.
- Dynamic information to be filled in manually by projects: project summary, project results, news and events, etc.

Projects might still develop a separate website for tools or products with a life reaching beyond the project and being a project output itself and not a simple communication tool. The development of such a separate website will be subject to approval during the assessment of the project and a specific justification will be required. In the event that this separate website is approved, the project will be required to follow the programme's corporate design.

Beyond the basic website, the programme encourages the projects to develop their presence online through social media and to use digital communication tools, when relevant to their communication objectives, target groups and the Communication Plan in general.

Logos and visual identity

The Regulation (EU) No 1303/2013 (Annex XII, Article 2.2) requires all beneficiaries to follow a number of rules regarding the use of the logo of the European Union and the respective fund. The logo must always be visible in a prominent place and of a comparable size to other logos used. The Danube Transnational Programme logo already respects all the programme requirements, and all approved projects are obliged to use it on all their communication materials (both hard copy and electronic as well as to display it in events).

DTP projects are not allowed to develop their own project logo. Developing a logo is costly, it has a limited lifetime and so many logos bring confusion to the audience. For this reason and in order to limit costs, projects will share the programme's brand just adding the project acronym below in the colours of the priority each project belongs to.

A specific logo might exceptionally be considered for an output/result with a lifetime going beyond the project if well justified in the application form and approved by the Joint Secretariat.

The DTP provides a visual identity manual with rules and related templates for different materials to be followed by all projects. These documents are downloadable from the DTP website. The JS will help the projects in fulfilling these rules and support them constantly in all their communication activities.

Poster

Within six months after the approval of the project, each project partner has to place at least one poster with information about the project (minimum size A3), including the financial support from the EU, at a location visible to the public, such as the entrance area of a building (Regulation (EU) No 1303/2013, Annex XII Article 2.2 paragraph 2.b).

The poster needs to stay visible for the whole duration of the project. The production costs of the poster need to be budgeted.

Events

At least two major events must be organised by the project to create awareness and disseminate the project results. A kick-off event should be organised within four months after the beginning of the project implementation and a final dissemination event should be organised at the end of the implementation period.

To these events, not only project partners but key stakeholders/final beneficiaries/decision-makers should attend and the audience should be as wide as possible. Some tips for a better organisation of the events will be included in the Communication Toolkit addressed to the approved projects. During the events, projects are encouraged to place the EU flag and ensure visibility of the programme logos.

Other activities/events can be organised by the project or the partners can decide to participate in an activity organised by someone else if relevant for the project implementation.

Projects are encouraged to think about the capitalisation opportunities with other projects and the related costs already in the application phase (joint publications, joint events, etc.). The DTP Capitalisation Strategy is aimed to promote synergies between projects on similar topics and increase the visibility and impact of their results.

The DTP encourages project partners to incorporate several other activities organised by the programme in their budget planning (an average participation of two-three events per year is to be budgeted). Events may include:

- Lead partner seminar (only once after the project's approval)
- Annual DTP events (once per year)
- Communication training (once per year according to the needs)
- Thematic capitalisation events (from 2017 once per year)

VII. Environmental sustainability

The total sets of greenhouse gas emissions caused by an organisation, event, product or person define their carbon footprint.

Changes in our lifestyles, attitudes and behaviours towards more environmentally sound choices will provide a contribution to reverse this situation.

The Danube Transnational Programme, covering a wide area of 14 countries and over 114 million of inhabitants that agreed to interact and work together for the next years, has a considerable potential carbon footprint. However, in line with Art 8 of Regulation (EU) No

1303/20131, the DTP would like to attempt to reduce any potential increase of carbon dioxide derived from the implementation of the DTP.

Experience of transnational programme implementation showed that two main factors, among others, directly contribute to increasing the carbon footprint of a programme: 1. excessive use of printed documents either for formal or informal use; and 2. extensive travels of the involved actors.

The actions planned to decrease the carbon footprint of the DTP are twofold. On one hand, a reduction of the printed paper needed for the implementation of the DTP and, on the other hand offsetting the CO₂ emitted during the travels of all actors involved in the DTP implementation.

Reduce – reuse – recycle principle

The first step towards a greener direction should be taken during the procuring process: whenever procuring for activities which will produce documents and publications in general, a clear request of using only recycled paper should be indicated in the related ToRs.

Considering the significant number of events planned and expected to be organised throughout the project duration, it is strongly recommended to avoid distributing paper copy of materials used during the events (e.g. agenda, printout of PPTs, discussion documents in general) and make appropriate use of the electronic support.

The DTP ensures a considerable reduction of request of paper documents from the projects in all steps of implementation.

1. Application phase: application forms and all supporting documents will be requested in electronic format only. The signed paper version will be requested only for the signature of the subsidy contracts of approved proposals.
2. Reporting phase: progress reports and declarations of validations will be requested in electronic format only. Applications for reimbursement will only need to be sent in the signed paper version. Copies of deliverables will be requested in electronic format only.

We encourage using best practice procedures that stress the reduction of the used paper, its reuse and the recycling through appropriate recycling bins.

Reduce:

- The circulation of printed documents should be reduced by using email wherever possible
- It is advised to always use both sides of paper. Printers and photocopiers should be set to copy double-sided as default

¹ “The objectives of the ESI Funds shall be pursued in line with the principle of sustainable development and with the Union’s promotion of the aim of preserving, protecting and improving the quality of the environment, as set out in Article 11 and Article 191(1) TFEU, taking into account the polluter pays principle.[...]”

Reuse:

- Waste paper should be used and assembled into notepads
- It is advised to use designated containers to collect part-used waste paper. This can then be fed back through faxes/printers or used for rough working

Recycle:

- Confidential documents should be shred and sent for recycling
- All other used paper should be sent for recycling where possible

Carbon offset

According to a rough estimation that considered the experience of the past programming period, a minimum of 9,400 travels are expected during the Danube Transnational programme and project implementation. Therefore, it can be expected that travelling for programme/project purposes will substantially increase the carbon footprint.

The DTP strongly suggests the project partners to previously assess the need for travel and to explore the alternative options, such as conference calls, online meetings, etc.

As often travels cannot be avoided, the DTP proposes to first trying to reduce the impact of the travel by combining events together (e.g. project steering committee meeting with working group meeting and kick-off event) and/or by selecting the venue taking into consideration its accessibility (e.g. location easily reachable by train).

Another option that the DTP offers is the offsetting of the carbon emissions produced by the programme actors (programme bodies and project partners) when flying.

Carbon offsets are achieved through financial support of projects carried out by organisations that act as service providers of CO₂ compensation that reduce the emission of greenhouse gases in the short- or long-term.

Costs for compensating the CO₂ emissions are eligible for co-financing at programme level. Project actors are advised to read carefully the chapter on the eligibility of expenditures to make sure that programme rules are followed when purchasing carbon offsetting.



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Danube Transnational Programme



Applicants Manual

for the period 2014-2020

Version 1.1

PART 7: OVERVIEW ON PROJECT IMPLEMENTATION PRINCIPLES

edited by the Managing Authority/Joint Secretariat

Budapest, Hungary, 2015

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I. Starting phase

A smooth starting phase of a project is crucial for successful project implementation. Delays caused at that stage cannot be caught up in most cases, or if, then only with an extra effort of the project partnership. In order to avoid any early turbulence which might negatively affect the further pace of project implementation, applicants should therefore be aware of specific challenges related to the project inception phase.

Start of implementation and eligibility of costs

The project implementation can start after the final approval is given by the DTP MC. Applicants have to keep in mind that within the DTP approval procedure two ways can lead to the **final approval of a project application** by DTP MC:

- Direct final **approval without conditions**
- **Approval with conditions**

In case the DTP MC will approve a project with conditions, the Lead Partner, supported by the partnership, is recommended to undertake all necessary steps for the fulfilment of these conditions (e.g. provision of further information or re-phrasing of certain sections of the Application Form and/or modification of the project budget) by the given deadline provided by the JS.

Contracting

The contracting starts right after the final approval of a project application by MC, i.e. after the direct approval (without conditions) or after the successful fulfilment of conditions.

Once the Lead Partner submitted the necessary set of official documents, the JS prepares the Subsidy Contract. The Subsidy Contract is going to be signed first by the MA and will be sent to the Lead Partner for signature.

Kick-off conference

A crucial step in terms of actual project operation is the kick-off conference. A kick-off event should be organised by each project within **four months after the starting of the project** implementation. Though this kind of event is not only addressing project partners but Target groups/ key stakeholders/final beneficiaries/decision-makers, it offers the platform for deepening the contact among project partners and to start implementation work. Often internal project meetings (steering group, work group or Work Package-meetings) are combined with a kick-off event for this purpose.

Guidance during the starting phase

The main source of information for projects during the starting phase and beyond will be the DTP Implementation Manual. In addition, further advice and guidance is offered through the following elements:

- Official DTP documents, management tools, (available on DTP website)
- Continuous advice and support through the DTP JS
- Direct JS-project consultations
- Lead Partner seminars and specific seminars (communication, finance)
- Further Programme- or project meetings during the starting phase which offer the platform for bilateral consultations.

II. Reporting

According to the Subsidy Contract to be concluded between the LP and the MA, one of the LP's obligations is to submit regular reports highlighting the progress of project implementation and requesting at the same time reimbursement of the amounts paid. Within the Danube Transnational programme, reporting is done through Progress Reports drafted generally on a six month basis and submitted electronically.

The progress report consists both of an activity report (highlighting the achievement of the activities and outputs) and a financial report (providing information regarding project expenditure).

Reporting activities and outputs

In the progress reports, the project has to describe the progress made regarding the implementation of the activities, the outputs achieved in the given reporting period and the possible delays and the means to overcome them. The tasks implemented by each project partner should be clearly described, underlining also the possible problems within the partnership. Additionally, the involvement of the target groups and project stakeholders needs to be outlined.

The project has to ensure the **quality of the project outputs**. In this respect an internal quality assurance manager (QAM) responsible should be chosen at project level already in the application phase (this will be a pre-defined activity in the AF- WP1 Project management). The independence of the person(s) nominated to ensure the quality assurance should be guaranteed. The QAM responsible will be in charge with proofreading, analysing and peer-reviewing project outputs from the qualitative point of view. As a recommendation, the QAM should be insured by the LP. The QAM responsible will submit quality reports on a six months basis (together with the progress report). Furthermore, all the project outputs need to be accompanied by a qualitative assessment of the QM responsible, who might also give a negative opinion on a certain output.

Please note: External written validation of project outputs (e.g. by EUSDR PACs, relevant professional organisations or associations, expert working groups etc.), besides being considered a plus, might also be requested by the JS, on a case by case basis, following analysis of the respective output.

Besides the mandatory QAM reports, each project will undergo a review which is going to be performed by the JS. The review (which will cover the timely implementation of the activities and the related spent and validates costs) will be done after the first year of implementation in order to understand the effectiveness of the cooperation. Further details will be found in the Implementation Manual.

Reporting finances

The expenditures of all project partners are reported to the JS in the joint financial report included in the Progress Report. All costs included in the financial report must be paid, validated and correctly allocated to a certain WP and budget line.

Each project partner is responsible to have its costs validated before submitting them to the LP, who compiles all the reports. Both financial reporting and expenditure validation is done electronically.

As soon as the financial report is accepted by the JS, the EU funds (85% of ERDF and/or IPA/ENI) of the eligible expenditures are reimbursed to the LP.

III. Project changes

The chapter presents the main project changes allowed by the programme. Nonetheless, detailed procedures to be followed by the partnerships will be outlined in the Implementation Manual.

During the lifetime of a project the following types of project changes are allowed:

Minor changes: that do not affect the content and the main outputs of a project and only need the approval of the JS project officer (e.g. change of the location of the final conference, budget reallocations within the 10% flexibility limit)

Major project changes: that have an impact on either the partnership and that need an addendum to the subsidy contract (partner change) or on the project content (e.g. budget reallocation between partners, adding new activity etc.). Depending on their type major project changes would need the approval of MA/ JS or the MC. The following project changes are allowed by the DTP:

- Changes in the partnership (dropping/ withdrawal of a partner with or without replacement)
- Changes in the budget (budget reallocations between WP and budget lines above the flexibility rule, budget reallocations between PPs)
- Changes in the content of the project

➤ Project prolongation

Some changes (e.g. project prolongation) can be requested only once during the project lifetime. All project changes must be submitted to the JS electronically and need to be accompanied by a clear and solid justification.

IV. Audit and control

The audit and control in the programme meaning are two different terms.

The term “*first level control*” (FLC) refers to the checks performed by the Controllers in order to validate the legality and regularity of expenditures declared by the project partners. The procedure for control in the Danube Transnational Programme follows the Lead Partner principle, which means that the verification of expenditure should be performed by the responsible Controller at national level for each project partner and the Lead Partner is responsible to prepare the Application for Reimbursement at project level based on the expenditure validated at partner level. The Progress Report and the Application for Reimbursement shall be submitted by the Lead Partner to the Joint Secretariat **within three months from the end date of each reporting period**.

As a general rule in the framework of the programme two different Control systems are applied by the countries:

- Centralised Control system (a central body is appointed by the respective country to carry out the FLC)
- Decentralised Control system (the controlled project partner appoints its controller. Nevertheless, a prior approbation of the Controllers is done by the country).

A detailed description of the national FLC systems will be available on the DTC website.

In some countries, the FLC is not free of charge. Therefore, these costs have to be budgeted by the respective partners. Nevertheless, the partners are advised to get in contact with the National Contact Points in order to get more information.

The term “second level audit” refers to the checks performed by the auditors based on the samples selected by the Audit Authority during the project implementation or after its closure.

Besides the first level control and the sample checks performed as second level audit, other audits might be carried out during and after the project period. These audits can be carried out by any of such responsible auditing bodies of the EU, audit bodies of the participating EU Member States, IPA/ ENI Partner States, the Audit Authority, Managing Authority, JS and Certifying Authority of the Programme. The aim of these audits is to verify the proper use of funds by the LP or by the project partners.

Each verifications can be carried out from different aspects to check the regularity of project expenditure, e.g. checking of the Control Certificates already issued by the Controllers against the supporting documents and other relevant information at the premises of the Lead Partner and / or Project Partners in order to verify the accuracy and validity of the Control Certificate, checking of the project documentation and audit trail, the accounting of project expenditure, etc.

The list of possible auditing bodies as well as the aspects of the verifications mentioned above are not exhaustive.



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EUROPEAN UNION

Danube Transnational Programme

Applicants Manual

for the period 2014-2020

Version 1.1

ABBREVIATIONS AND GLOSSARY

edited by the Managing Authority/Joint Secretariat

Budapest, Hungary, 2016

ABBREVIATIONS

AA	Audit Authority
AF	Application Form
AfR	Application for Reimbursement
AM	Applicants Manual
ASP	Associated Strategic Partner
CA	Certifying Authority
CfP	Call for Proposals
CP	Cooperation Programme
CPR	Common Provisions Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013
DR	Danube Region
DTP	Danube Transnational Programme
EC	European Commission
EGTC	European grouping for territorial cooperation
ENI	European Neighbourhood Instrument
EoI	Expression of Interest
ERDF	European Regional Development Fund
ESIF	European Structural and Investment Funds
ETC	European Territorial Cooperation
EUSDR	EU Strategy for Danube Region
FLC	First Level Control
GoA	Group of Auditors
IMIS	Danube Programme Monitoring and Information System
IP	Investment priority
IPA	Instrument for Pre-accession
ITI	Integrated Territorial Investment

JS	Joint Secretariat
LA	Lead Applicant
LP	Lead Partner
MA	Managing Authority
MC	Monitoring Committee
NCP	National Contact Point
NGO	Non-governmental organisation
NUTS	Nomenclature of Territorial Units for Statistics
PA	Priority Axis of DTP / Priority Area of EUSDR
PAC	Priority Area Coordinator (EUSDR)
PP	Project Partner
PR	Project Progress Report
PRAG	Practical Guide to contract procedures for EU External actions
QAM	Quality Assurance Management
QM	Quality Management
RBMP	River Basin Management Plan
SC	Subsidy Contract
SO	Specific Objective
TA	Technical Assistance

GLOSSARY

Acronym

The acronym is the abbreviation used for the project title or project partners.

Applicants Manual

The Applicants Manual is part of the Application Pack intended to provide applicants detailed and specific information about the programme, project requirements, eligibility rules, application and assessment processes, project implementation principles and to guide them through the drafting of the project proposals.

Beneficiary

A beneficiary is an entity receiving EU funds for the implementation of a project.

Capitalisation

Capitalisation is the valorisation of knowledge and results generated by previous projects in a certain thematic field meant to ensure a stronger impact on the policy making process at local, regional, national and European level.

Co-financing

In general terms it refers to the situation when there are 2 financing sources for the same project or activity. In the EU programmes environment, usually there are 2 or more sources of funding. In case of Danube Transnational Programme, financing is provided from a) ERDF and state contribution and/or own sources (can be public or private) of the project participant and/or other contribution (e.g. regional/local/other sources), b) IPA and state contribution and/or own sources (can be public or private) of the project participant and/or other contribution (e.g. regional/local/other sources) or c) ENI and state contribution and / or own sources of the project participant and / or other contribution.

Cohesion Policy

Cohesion policy was enshrined in the Treaties with the adoption of the Single European Act (1986). It is built on the assumption that redistribution between richer and poorer regions in Europe is needed in order to balance out the effects of further economic, social and territorial integration.

Coordination

Coordination is the synchronization and integration of activities, responsibilities, and command and control structures to ensure that resources are used most efficiently in pursuit of the specified objectives.

Durability

Durability of projects outputs and results refers to the long-lasting effect of the project achievements beyond project implementation timeframe.

Eligible costs

Eligible costs are the project-related costs reported by the beneficiaries which are in line with the applicable programme eligibility rules and which are reimbursed from ERDF or IPA II funds.

ERDF and IPA co-financing rate

ERDF and IPA co-financing rate is the 85 percentage applied to the eligible expenditure of each individual partner resulting in the amount of co-financing to be reimbursed.

European Regional Development Fund (ERDF)

The ERDF is one of the five Structural Funds and it is intended to help to reduce imbalances between regions of the Community. The Fund grants financial assistance for development projects in the EU regions. In terms of financial resources, the ERDF is by far the largest of the EU's Structural Funds.

First Level Control (centralised/ decentralised)

The First Level Control is the system set up by each Partner State in order to carry out verifications at national level with regard to the use of ERDF/ IPA/ENI funds against established procedures in terms of delivery of products and services according to the approved Application Form, verification of the reality of claimed expenditure, ensuring compliance with the terms of the Commission decision on the programme, compliance with the national and Community rules on eligibility of expenditure, public procurement, state aid, protection of the environment and equal opportunities. FLC may be centralised, i.e. a central body is appointed by the respective country to carry out the control activities, or decentralised, i.e. the controlled project partner appoints its controller (however, in this case, limitations on the selection of the controller may be imposed by the Partner State).

Controller

The Controller is the private or public body or individual designated by the Partner States to carry out control activities with regard to the use of ERDF/ IPA/ ENI funds.

Flat rate

Flat rate is a level of payment that is the same in all cases, calculated as percentage of a certain amount.

Intervention Logic

The intervention logic is the backbone of the project and the programme, demonstrating the link in terms of existing challenge/ need, objectives, expected results and outputs. The project intervention logic will have to show how the intended change will be achieved through planned activities.

Lead partner (LP)

The Lead Partner is the project partner having full financial responsibility for the entire project and being responsible for the overall coordination of the project, including proper reporting of progress to the Joint Secretariat as also stipulated in the Subsidy Contract.

Lump sum

A lump sum is a fixed amount of money that is paid entirely on one occasion/ at a particular time.

Macro-regional strategy

A macro-regional strategy means an integrated framework endorsed by the European Council, which may be supported by the ESI Funds among others, to address common challenges faced by a defined geographical area relating to Member States and third countries located in the same geographical area which thereby benefit from strengthened cooperation contributing to achievement of economic, social and territorial cohesion (according to Article 2(31) of the CPR).

Pilot action

A pilot action is to be understood as a practical implementation of newly developed solutions (e.g. services, tools, methods or approaches, even an investment). A pilot action has an experimental nature which aims at testing, evaluating and/or demonstrating the feasibility and effectiveness of a scheme. Therefore, it covers either the testing of innovative solutions or demonstrating the application of existing solutions to a certain territory/ sector. A pilot action is limited in its scope (area, duration, scale etc.) and must be unprecedented in a comparable environment.

Programme Priorities

The Programme Priorities are the thematic areas around which the programme is structured.

Progress Report

The Progress Report is the report to be submitted by the Lead Partner to the JS at the end of each reporting period outlining performed activities within the period as well as associated eligible expenditure. It documents the progress of the project and serves as reimbursement request.

Real costs

Real costs represent the expenditure actually incurred and paid (as opposed to lump sums or sums resulting from applying flat rates) and supported by invoices and other documents of equivalent probative value.

Reporting period

A reporting period is generally a six-month period, the deadlines for which will be set in the Subsidy Contract and at the end of which the Lead Partners will have to submit a Progress Report. Reporting periods will be established for each Call for Proposals so that projects implemented within the same CFP will have the same reporting deadlines. The first and the last reporting periods may differ in length depending on the start/ end date of the project.

State contribution

The state contribution is the national public contribution representing a certain percentage of the eligible expenditure to be secured by the Partner States in accordance with national regulations.

Subsidy contract

The Subsidy Contract is the contract signed between the MA/JS and the Lead Partner of each project stipulating the provisions to be observed by both parties during the implementation of the project.

Strategy

A strategy is a plan of action designed to achieve a long-term and overall aim. In the context of transnational cooperation, a strategy should have as starting point a definition of common problems or challenges of the participating countries/ regions. The strategy should set up clear mid and long term objectives and priorities reflecting also the common vision of the programme geographical area in the specific field. The involvement of the relevant stakeholders is crucial, since the strategy should be a reflection of their needs and ensure its sustainability and future implementation. Strategies should aim at policy integration in the programme area in the selected fields of action and act as policy drivers below EU level but above national level. An action plan should provide a breakdown of the specific actions aimed at reaching the strategic goals and objectives. For a strategy to succeed, it should include the sequence of steps to be taken and activities that must be performed. Furthermore, it should include a timeline and a timeframe, as well as financial resources and responsible actors.

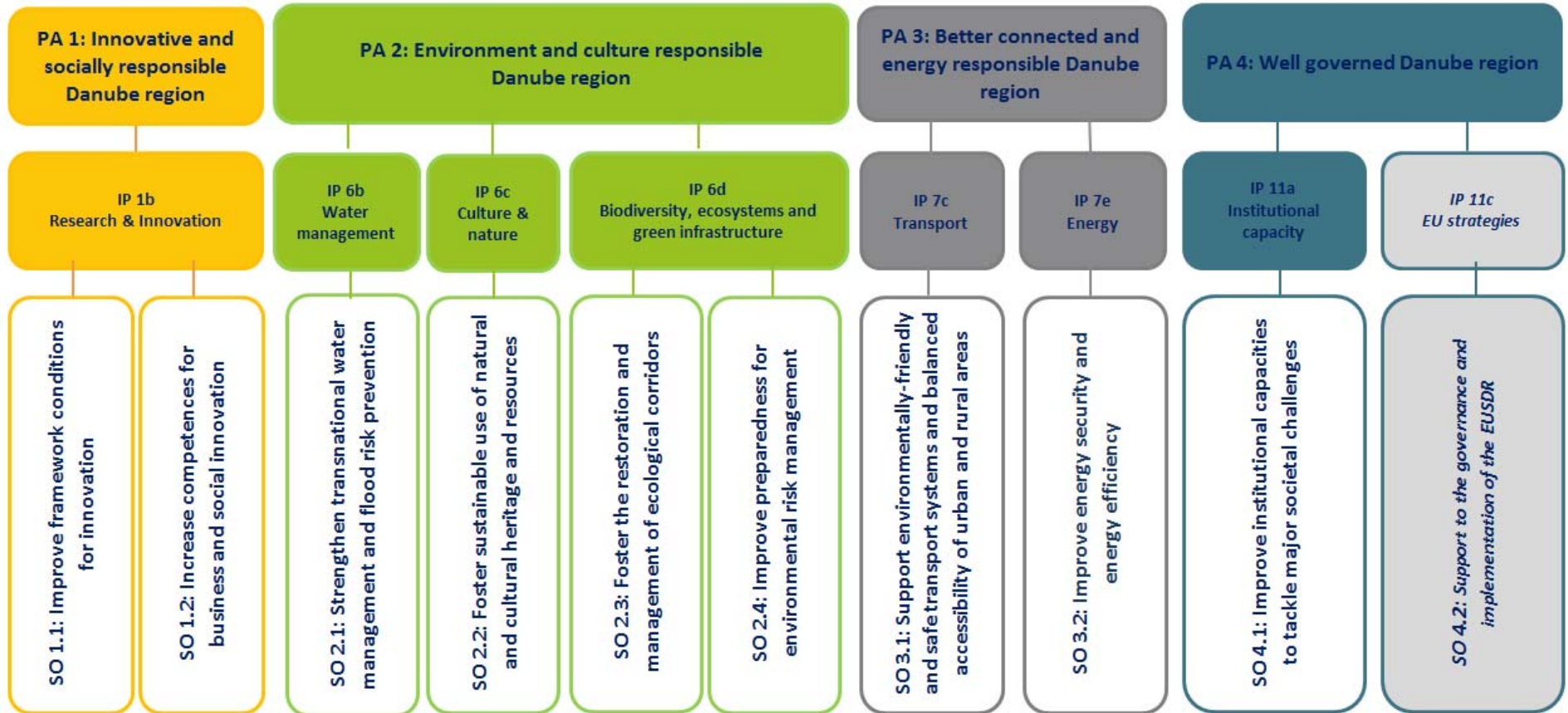
Target group

The target group consists of those individuals and/or organisations towards which the project aims are directed and which will therefore be directly or indirectly affected by the project activities and results. Even if target groups may not necessarily receive funds and be directly involved in the project implementation, they may exploit project outcomes for their own benefit.

Tool

A tool is a means for achieving a specific task. Tools should be jointly developed at transnational level and prove an innovative character. Tools can be tangible (physical or technical objects) and intangible (methods, concepts or services). They consist amongst others of analytical tools, management tools, technical tools, software tools, monitoring tools, decision support tools etc. To be effective, a tool must be tailored to end users' needs and the respective framework conditions and has to be comprehensive and durable.

ANNEX I: INTERVENTION LOGIC



PRIORITY AXIS 1: INNOVATIVE AND SOCIALLY RESPONSIBLE DANUBE REGION

Investment priority 1b: Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector

SPECIFIC OBJECTIVE 1.1 Improve framework conditions for innovation

Expected results

- Improved strategic frameworks and cooperation to build up excellent research infrastructure in the Danube region.
- More effective collaborative research & innovation activities and support of competent networks between enterprises, R&D centres, education and higher education and the public sector to enhance the commercial use of research results, foster technology transfer and broaden access to knowledge.
- Improved coordination and developed practical solutions for cluster policies and transnational cluster cooperation for innovation development in technological areas (e.g. environmental technologies and energy efficiency) and non-technological areas (service innovation, social innovation) based on smart specialisation approaches (RIS3).
- Improved strategic frameworks and developed practical solutions to tackle bottleneck factors that hinder the innovation in SMEs, e.g. better access to innovation finance, support for innovative start-ups, and better assistance with the management of intellectual property rights.

Result indicator

Intensity of cooperation of key actors in the Programme area in order to improve framework for research and innovation

Examples of actions

- Development of excellent research and innovation infrastructure through joint planning and management;
- Development of joint smart approaches in technological and non-technological areas, strategies for improved access to innovation finance and start-ups, business development;
- Establishment of competent networks to develop and implement environmental technologies, products and services meeting social needs;
- Strengthen capacities of support organisations in the field of innovation.

Output indicators

**Strategies/
Action plans
Tools
Pilot actions**

**improving the institutional and infrastructural
framework conditions and policy instruments
for research and innovation and social
dimension of innovation**

PRIORITY AXIS 1: INNOVATIVE AND SOCIALLY RESPONSIBLE DANUBE REGION

Investment priority 1b: Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector

SPECIFIC OBJECTIVE 1.2 Increase competences for business and social innovation

Expected results

- Improved policy learning and development of practical solutions to better adapt human resources to technological change and market requirements.
- Improved policies and practical solutions for entrepreneurial culture and learning. Building up a stronger culture of entrepreneurship, improve developing skills and competences for innovative entrepreneurship
- Improved environment, skills and competences to advance social innovation and social services to better meet social needs and further improve the capacities of regions and public institutions to manage new challenges such as those deriving from demographic change, migration and brain drain and to better provide services in the general interest.
- Built up joint educational offers in specific fields of interest (e.g. in sustainable transport sector).
- Improved systems for institutional learning and building capacities of public administration to better cope with innovation processes.

Result indicator

Intensity of cooperation of key actors in the Programme area in order to increase competences for business and social innovation

Examples of actions

- Transnational cooperation to increase skills allowing better adaptability of people to technological changes and labour market requirements;
- Development of strategies to stimulate entrepreneurship among youngsters and involvement in science and innovative activities;
- Implementation of innovative learning systems and development of innovative services (in such fields as migration, health, aging, business incubation, workplace innovation);
- Build up public administration capacities (e.g. innovative public procurement);
- Strategies to better link academic and business environments.

Output indicators

**Strategies/
Action plans
Tools
Pilot actions**



increasing competences of employees in the business sector and strengthening entrepreneurial culture and learning

PRIORITY AXIS 2: ENVIRONMENT AND CULTURE RESPONSIBLE DANUBE REGION

Investment priority 6b: Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs identified by the Member States

SPECIFIC OBJECTIVE 2.1 Strengthen transnational water management and flood risk prevention

Expected results

- Better integrated plans and developed solutions to further protect and enhance the status of all waters and to ensure the sustainable, long-term use of water resources in the Danube region strongly interlinked with sound flood risk management.

Result indicator

Intensity of cooperation of key actors in the Programme area in order to improve transnational water management and flood risk prevention

Examples of actions

- implementation of appropriate techniques and practices for the improvement of waste treatment;
- integrated policies for the reduction of the total amount of pollution entering the Danube river basin;
- prevention of groundwater quality deterioration;
- sustainable approach to manage risks of floods to protect human life and property;
- transboundary implementation of the Flood Directive;
- proper fluvial and sediment management to track sediment transport and morphological changes;
- Implementation of joint actions, facilitation of know-how transfer and capacity building for sound water management through education and training activities.

Output indicators

Strategies/ Action
plans
Tools
Pilot actions



improving transnational water
management and flood risk prevention

PRIORITY AXIS 2: ENVIRONMENT AND CULTURE RESPONSIBLE DANUBE REGION

Investment priority 6c: Conserving, protecting, promoting and developing cultural and natural heritage

SPECIFIC OBJECTIVE 2.2 Foster sustainable use of natural and cultural heritage and resources

Expected results

- Improved frameworks, capacities and solutions for sustainable tourism development in the Danube region based on protection and sustainable use of natural and cultural heritage and resources, reduction of resource and energy consumption and sustainable mobility management in order to reap multiple benefits in terms of economic development, environmental protection and quality of life.
- Improved strategies and tools for sustainable use of cultural and natural heritage and resources for regional development in order to avoid or limit use conflicts (e.g. with tourism, natural resource consumption).

Result indicator

Intensity of cooperation of key actors in the Programme area in order to strengthen sustainable use of natural and cultural heritage and resources

Examples of actions

- Development of integrated solutions for sustainable tourism, leisure and culture;
- Implementation of strategies for the protection, management and sustainable use and preservation of natural and cultural heritage in close interaction with nature conservation;
- Development of strategies to reduce energy consumption and CO₂ emissions and create sustainable solutions for mobility management as part of tourism development;
- Development and implementation of education, training and capacity building to support quality tourism;
- Stimulate multiculturalism, cultural exchange in order to create cultural diversity.

Output indicators

**Strategies/
Action plans
Tools
Pilot actions**



**preserving and management of natural
and cultural heritage and resources**

PRIORITY AXIS 2: ENVIRONMENT AND CULTURE RESPONSIBLE DANUBE REGION

Investment priority 6d: Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000 and green infrastructure

SPECIFIC OBJECTIVE 2.3 Foster the restoration and management of ecological corridors

Expected results

- Improved strategic frameworks and developed concrete solutions to restore, conserve and improve a network of green infrastructures/ bio-corridors in the Danube region consisting of natural and semi-natural habitats to help reduce the fragmentation of ecosystems and improving the connectivity between sites in the Natura 2000 network in order to ensure biodiversity.

Result indicator

Intensity of cooperation of key actors in the Programme area in order to foster restoration and management of ecological corridors

Examples of actions

- Development of concrete solutions to restore, conserve and improve bio-corridors of transnational relevance;
- Development of advanced tools for mapping, diagnosing, protection and management of natural landscapes;
- Improvement of spatial planning and integrated management of habitats;
- Harmonization of flood protection and rehabilitation of river systems;
- Fostering integrated approaches for soil protection;
- Implementation of coordinated measures to control and eradicate invasive alien species in the Danube region.

Output indicators

**Strategies/
Action plans
Tools
Pilot actions**



**strengthening approaches to
preservation, restoring and
management of bio-corridors and
wetlands**

PRIORITY AXIS 2: ENVIRONMENT AND CULTURE RESPONSIBLE DANUBE REGION

Investment priority 6d: Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000 and green infrastructure

SPECIFIC OBJECTIVE 2.4 Improve preparedness for environmental risk management

Expected results

- Improved strategic and operational cooperation and interoperability among the emergency response authorities and stakeholders at all levels in the Danube countries. This includes the development of joint strategies and action plans for more effective management of natural and manmade disasters; building up a common knowledge base and data observation capacities, and mechanisms for the exchange of information; joint development of tools, development and practical implementation of education, training and capacity building.

Result indicator

Intensity of cooperation of key actors in the Programme area in order to improve preparedness for environmental risk management

Examples of actions

- Development of joint strategies and action plans for risk management, including future scenarios and development of integrated and harmonized response procedures;
- Build up common knowledge and observation capacities for risk mapping and update of existing risk spots database;
- Development of discussion platforms on the topic of climate adaptation and reduction of disaster;
- Development of joint tools to improve performance of relevant public institutions;
- Implementation of education and training activities in accordance with EU standards with regard to emergency and disaster management;
- Transnational cooperation for the elimination of unconventional explosive devices and hazardous ammunition as well as handling of dangerous goods.

Output indicators

**Strategies/
Action plans
Tools
Pilot actions**



Improving strategic and operational cooperation and interoperability among the emergency response authorities and stakeholders

PRIORITY AXIS 3: BETTER CONNECTED AND ENERGY RESPONSIBLE DANUBE REGION

Investment priority 7c: Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility infrastructure

SPECIFIC OBJECTIVE 3.1 Support environmentally-friendly and safe transport systems and balanced accessibility of urban and rural areas

Expected results

- Contribute to the development of a better connected and interoperable environmentally-friendly transport system.
- Better integrated policies and practical solutions to further developing waterways while limiting negative impacts of the transport systems on the Danube ecosystem.
- Improving coordination and transnational integration among transport stakeholders to further develop multimodal hubs, terminals and links.
- Contribute to a safer transport network.
- Contribute to a better organisation of public transport links and other sustainable modes of transport in functional urban and rural areas and contribute to a better connectivity.

Result indicator

Intensity of cooperation of key actors in the Programme area in order to strengthen environmentally friendly, safe and balanced transport systems

Examples of actions

- Development of integrated transport frameworks and joint coordination measures to improve mobility, connectivity and accessibility;
- Development of joint solutions for a better management of environmental friendly transport corridors
- Development of integrated approaches to further develop waterways in terms of infrastructure, maintenance, fleet and port modernisation;
- Harmonisation of technical, safety, legal, organisational and other aspects of transport modes and networks.

Output indicators

Strategies/
Action plans
Tools
Pilot actions



enhancing transport safety/ developing environmental transport systems/ improving connectivity/ improving transport planning, organization and coordination

PRIORITY AXIS 3: BETTER CONNECTED AND ENERGY RESPONSIBLE DANUBE REGION

Investment priority 7e: Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources

SPECIFIC OBJECTIVE 3.2 Improve energy security and energy efficiency

Expected results

- Improved information sharing and practical coordination of regional energy planning to achieve effective energy distribution, energy storage, diversification of energy sources including promotion of all kinds of renewable energy sources and higher energy efficiency in order to contribute to the security of energy supply.

Result indicator

Intensity of cooperation of key actors in the Programme area in order to contribute to energy security and energy efficiency

Examples of actions

- Diversification of energy sources and transnational integration of energy networks;
- Development of strategies to secure energy supplies;
- Explore opportunities for the development of a joint energy infrastructure in the Danube region;
- Support smart grid policy integration and actual development of Smart Grids;
- Development of practical strategies and solutions to increase the use of renewable energy sources;
- Development of energy efficiency concepts through transnational cooperation;
- Promote exchange of experience with a view to policy and technology development.

Output indicators

**Strategies/
Action plans
Tools
Pilot actions**

**increasing energy efficiency /
intensifying use of alternative and
renewable energy / ensuring energy
supply/ developing smart grids/
improving energy storage,
distribution and transmission
systems/ improving practical
coordination of regional energy
planning**

PRIORITY AXIS 4: WELL GOVERNED DANUBE REGION

Investment priority 11: Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services

SPECIFIC OBJECTIVE 4.1 Improve institutional capacities to tackle major societal challenges

Expected results

- Improved capacities of public institutions and stakeholders to tackle major societal challenges in fields such as labour market policies, education systems and policies, demographic change and migration challenges, inclusion of vulnerable and marginalized groups, participatory planning process and involvement of civil society, urban-rural cooperation and partnership, cooperation on safety, justice and security and administrative issues.

Result indicator

Intensity of cooperation of institutional actors and other stakeholders in the Programme area in order to tackle major societal challenges

Examples of actions

- Transfer of know-how and exchange of best practices between labour market and social partners to increase employability and avoid brain waste;
- Improvement of knowledge, skills and competences through the implementation of improved education systems and policies;
- Development of innovative learning systems addressing demographic change and migration challenges;
- Development of strategies, tools, methodologies and policies for social inclusion of marginalised and vulnerable groups;
- Development of joint policies and tools to strengthen participatory planning and involvement of civil society;
- Enhanced cooperation of public administration to improve quality and effectiveness of strategic planning at national, regional and local level.

Output indicators

**Strategies/
Action plans
Tools
Pilot actions**



**strengthening institutional capacities
and transnational multilevel governance**