



# PROGRAMME MANUAL

## 2<sup>nd</sup> CALL FOR PROPOSALS



PL-BY-UA  
2014-2020

VERSION 3.0



**PROGRAMME MANUAL**  
**2<sup>nd</sup> CALL FOR PROPOSALS**  
**(PROJECTS WITH SMALL BUDGETS)**  
**Heritage**



**PL-BY-UA**  
**2014-2020**

## NOTICE:

The aim of this Manual is to describe and explain the rules of the ENI Cross-border Cooperation Programme Poland-Belarus-Ukraine 2014-2020 (Programme) which operates under the framework of the European Neighbourhood Instrument (ENI). The Manual provides a guidance on most important aspects of application and implementation of projects with small budgets. Its provisions are mandatory for all Lead Beneficiaries and Beneficiaries who are the main target group of the document.

**Please note that English version of the documents was approved by the Joint Monitoring Committee and takes precedence over working translation into other language versions (Polish, Russian or Ukrainian).**



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## List of Acronyms

AA	Audit Authority
AaE check	Administrative and eligibility check
AF	Application Form
BO	Branch Office
CBC	Cross-border Cooperation
CCP	Control Contact Point
CfP	Call for Proposal
EAM	Evaluation and Assessment Manual
EC	European Commission
ENI	European Neighbourhood Instrument
ENPI	European Neighbourhood and Partnership Instrument
EU	European Union
AF	Application Form
GoA	Group of Auditors
JTS	Joint Technical Secretariat appointed as Intermediate Body
IR	Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument
JMC	Joint Monitoring Committee
JOP	Joint Operational Programme
LB	Lead Beneficiary
MA	Managing Authority
NA	National Authority
PSC	Project Selection Committee
QA	Quality Assessment



# PART A: For Applicants

## 1. The Programme

### 1.1. Background

The Cross-border Cooperation Programme Poland-Belarus-Ukraine 2014-2020 (the Programme) operates under the framework of the European Neighbourhood Instrument (ENI). It continues and expands the cooperation in the border areas of the three involved countries, which so far has been developed within the framework of the Neighbourhood Programme Poland-Belarus-Ukraine INTERREG IIIA / Tacis CBC 2004–2006 and ENPI Cross-border Cooperation Programme Poland-Belarus-Ukraine 2007-2013.

The overall aim of the Programme is to support cross-border development processes in the borderland of Poland, Belarus and Ukraine, in line with the objectives of ENI laid down in ENI Regulation. As both its predecessors, the Programme is directed at Polish, Ukrainian and Belarusian border regions and all non-profit oriented institutions coming from these regions.

The Programme Strategy responds to the national and regional strategies for socio-economic development which shall be implemented by the strategic objectives of the Programme.

The legal framework of the Programme constitute the following documents:

- Regulation (EC) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (ENI Regulation);
- Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument (IR);
- Programming document for EU support to ENI Cross-Border Cooperation (2014-2020);
- Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action;
- Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union;
- Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;
- Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (hereinafter Regulation 2988/95)
- Joint Operational Programme for the ENI Cross-border Cooperation Programme Poland-Belarus-Ukraine 2014-2020, Financing Agreement concluded between Ukraine and European Union (19 December 2016) and Republic of Belarus and European Union (28 December 2016).

### 1.2. Programme bodies



### **Joint Monitoring Committee**

Responsibilities:

- overall quality and efficiency of the Programme implementation;
- selection of projects.

The Joint Monitoring Committee makes decisions by consensus

### **Project Selection Committee (PSC)**

Its members are approved by the JMC. Each country has one voting member.

Responsibilities:

- evaluation of submitted applications;
- drafting a report with a proposal of projects to be selected for financing for the Joint Monitoring Committee.

### **Managing Authority** – Ministry of Investment and Economic Development of Poland

Responsibilities:

- implementation of the Programme in accordance with the principles of sound financial management, economy, efficiency and effectiveness as well as for the legality and regularity of its operations;
- signing the Grant Contracts with project Beneficiaries.

### **National Authorities:**

- in Poland: Ministry of Investment and Economic Development of Poland;
- in Belarus: Ministry of Foreign Affairs of the Republic of Belarus;
- in Ukraine: Ministry of Economic Development and Trade of Ukraine.

Responsibilities:

coordination of Programme management in each respective Programme country.

### **Joint Technical Secretariat**

The JTS employs Polish, Belarusian and Ukrainian citizens who support the applicants during the calls for proposals and Beneficiaries during the implementation of projects.

Responsibilities:

- assist the MA in the daily management of the Programme;
- provide information and guidance for project applicants;
- support Beneficiaries during implementation of the contracted projects.

### **Branch Offices (BO):**

- Lviv,
- Brest,
- Rzeszów.

Responsibilities:

- ensure programme publicity,
- provide information to potential applicants and Beneficiaries in all three countries.

### **Control Contact Points (CCPs):**

- in Poland: Centre of European Projects in Poland
- in Belarus: EU ITA Centre in Belarus
- in Ukraine: Ministry of Finance of Ukraine.

Responsibilities:

- support MA in verification of expenditures declared by Beneficiaries;



- establish criteria and approve auditors for expenditure verification.

#### **Audit Authority (AA):**

- General Inspector of Treasury Control of Poland

#### **Responsibilities:**

- ensure that audits are carried out on:
  - the Programme Management and Control System,
  - a sample of projects and on the annual accounts of the Programme.

#### **Group of Auditors (GoA)**

#### **Responsibilities:**

- assist the AA in assessment of the national part of the system and during the performance of sample checks of project expenditure;
- assist the AA in the elaboration of the audit strategy for the Programme.

### **1.3. Programme language**

#### **Important!**

The official language of the Programme is English.

All important documents as well the communication between the applicants – Lead Beneficiary and all project Beneficiaries – and the JTS or the MA is carried out in English. For convenience of the Beneficiaries some of the Programme documents will be translated into national languages, but the English version will be always obligatory.

### **1.4. Thematic objective and priorities**

The 2<sup>nd</sup> call for proposals is opened for both priorities of the Thematic Objective **HERITAGE** Promotion of local culture and preservation of historical heritage:

Priority 1.1 – Promotion of local culture and history,

Priority 1.2 – Promotion and preservation of natural heritage.

#### **Goals:**

- preserving and promoting the cultural and historical heritage of the Programme regions,
- strengthening of cultural links and cooperation,
- improving the region's image and attractiveness,
- increasing the vitality of local communities.

Support of the Programme will focus on development of cross border cultural, historical and natural potentials, as well as at development of cross border tourism. Projects supported under this call for proposals should focus on:

- strengthening contacts and networks among the stakeholders in Poland, Belarus and Ukraine in culture and tourism sector;
- increasing the institutional potential of stakeholders in the fields of tourism, environmental protection and culture;
- increasing diversity and quality of tourism services, including seasonal diversity;
- creating border-regions' image in the area of cultural and natural heritage promotion.

#### **1.4.1. Supported activities**



Activities supported	Promotion of local culture and history	Promotion and preservation of natural heritage
Joint events	regarding promotion, development and preservation of local culture and history	regarding promotion and preservation of natural heritage
Joint actions	to promote and preserve the traditional crafts and skills	
Joint promotion	of cultural and historical features of the regions in order to increase tourism	of natural features of the regions in order to increase tourism
Joint creation of tourist products	respecting the need to protect the cultural heritage	referring to promotion and protection of the natural heritage
Joint development of cross-border strategies, plans, 2020+ cross-border cooperation projects concepts	regarding promotion, development and preservation of local culture and history	for preservation and use of natural sites, areas and landscapes
Preservation of heritage	cultural and historical	natural
Cooperation between institutions and institutional capacity building (exchange of best practices, joint trainings)	in the field of historical and cultural heritage	in the field of natural resource management
Improvement of human potential (joint trainings of staff, exchange of staff aiming at increase of capacities, school exchanges)	in the field of cultural and historical heritage management, development of joint tourism products and services, marketing of the heritage resources	the field of natural heritage protection management, development of joint tourism products and services, marketing of the heritage resources of Programme area

### 1.5. Indicators

Each project shall contribute to the achievement of Programme indicators defined in JOP.

THEMATIC OBJECTIVE	PRIORITY	OUTPUT INDICATOR	RESULT INDICATOR
<b>TO HERITAGE – Promotion of local culture and preservation of historical heritage</b>	Promotion of local culture and history	<ul style="list-style-type: none"> <li>Number of improved cultural and historical sites as direct consequence of Programme support;</li> <li>Number of cross-border cultural events organized using ENI support</li> </ul>	Increased number of visitors of the historical heritage and cultural sites
	Promotion and preservation of natural heritage	<ul style="list-style-type: none"> <li>Number of cross-border events organized using Programme support;</li> <li>Number of promoted and/or preserved natural sites as direct consequence of Programme support;</li> <li>Number of persons participating in actions and awareness raising activities promoting preservation of natural heritage.</li> </ul>	Increased number of visitors of the natural heritage sites

**Important!**



Projects contributing to the achievement of Programme output indicators will be favoured.

Priority will be given to projects contributing to output indicators:

- Number of improved cultural and historical sites as direct consequence of Programme support
- Number of cross-border cultural events organized using ENI support
- Number of cross-border events organized using Programme support

Moreover, the following specific project output indicators may be used, if needed.

PRIORITY	OUTPUT INDICATOR
<b>Promotion of local culture and history</b>	<ul style="list-style-type: none"> <li>• Number of participants of cross-border cultural events organized with the support of ENI funding;</li> <li>• Number of new tourist products or services respecting the need to protect the cultural heritage and/or promote local culture (including e-products, e-services);</li> <li>• Number of newly created tourist services increasing the use of cultural heritage in tourism;</li> <li>• Number of improved tourist services increasing the use of cultural heritage in tourism;</li> <li>• Number of newly created infrastructure increasing the use of cultural heritage in tourism (e.g. cycle routes, educational paths, etc.);</li> <li>• Number of modernised/ equipped/ improved (existing) tourist infrastructure increasing the use of cultural heritage in the tourism (e.g. cycle routes, educational paths, etc.);</li> <li>• Length of improved or newly created tourist infrastructure increasing the use of cultural heritage in the tourism (e.g. cycle routes, educational paths, etc.);</li> <li>• Number of campaigns promoting local culture and history (cultural and historical heritage);</li> <li>• Number of new strategies/policies to promote and preserve local culture and/or historical heritage;</li> <li>• Number of publications describing cultural and/or historical heritage of the region(s);</li> <li>• Number of newly created infrastructure serving local community to preserve local culture and/or historical heritage;</li> <li>• Number of trainings for staff responsible for the management of historical and cultural heritage;</li> <li>• Number of exchanges of staff responsible for the management of historical and cultural heritage.</li> </ul>
<b>Promotion and preservation of natural heritage</b>	<ul style="list-style-type: none"> <li>• Number of campaigns promoting the preservation of natural heritage;</li> <li>• Number of new strategies/policies regarding promotion and preservation of natural heritage;</li> <li>• Number of publications on natural heritage of the region;</li> <li>• Number of newly created infrastructure increasing the use of natural heritage in the tourism (e.g. cycle routes, educational paths, etc.);</li> <li>• Number of modernised/ equipped/ improved (existing) tourist infrastructure increasing the use of natural heritage in tourism (e.g. cycle routes, educational paths, etc.);</li> <li>• Length of improved or newly developed tourist infrastructure aiming to increase the usage of natural heritage in tourism (e.g. cycle routes, educational paths, etc.);</li> <li>• Number of new tourist products or services referring to promotion and protection of natural heritage (including e-products, e-services);</li> <li>• Number of trainings for staff responsible for the natural heritage management;</li> <li>• Number of exchanges of staff responsible for the natural heritage management.</li> </ul>

## 2. Formal expectations within this Call for proposals

### 2.1. Eligibility of Beneficiaries and partnership

One of the institutions in each project shall play the role of the Lead Beneficiary. Other organizations implementing the project are Beneficiaries. The Lead Beneficiary and Beneficiaries shall actively cooperate in the development and implementation of projects. In addition, they shall cooperate in the management and/or financing of projects. The Lead Beneficiary and Beneficiaries are legally and financially responsible for the activities that they are implementing and for the share of the grant they receive.

**Important!**



During the implementation of a project the Lead Beneficiaries and Beneficiaries may award Contracts, however, **Contractors are not regarded as Beneficiaries and are subject to the tendering procedures.**

### 2.1.1. Lead Beneficiaries

The Lead Beneficiary represents the partnership and shall:

- submit the Application Form to the JTS;
- sign a Grant Contract with the MA;
- lay down the Partnership arrangements with the Beneficiaries in the Partnership Agreement;
- create a well working consortium ensuring the proper and sound implementation of the project;
- receive the grant from the MA for the implementation of the project;
- ensure that Beneficiaries receive their parts of the grant as quickly as possible and in full in accordance with the arrangements of the Partnership Agreement. Lead Beneficiary shall not deduct or withheld any amount and shall not levy any specific charge with equivalent effect that would reduce parts of the grant for the Beneficiaries;
- assume responsibility for ensuring implementation of the entire project;
- ensure that the expenditures presented by the Beneficiaries have been incurred for the purpose of implementing the project and correspond to activities set in the Contract and agreed between all Beneficiaries;
- verify that the expenditure presented by the Beneficiaries has been examined pursuant art. 32(1) of IR.

As a rule, the Lead Beneficiary shall act as the direct contact between the project and the management bodies of the Programme. The possibility to initiate projects and to act as a Lead Beneficiary is open to all eligible organisations.

### 2.1.2. Partnership statement and Declaration by the Lead Beneficiary

In order to ensure that the cooperation between Beneficiaries during application stage and project implementation runs smoothly, all project Beneficiaries (except for the Lead Beneficiary) have to acknowledge their responsibilities within the project by signing a Partnership statement.

#### **Important!**

The relevant Partnership statement must be signed, stamped and dated by each Beneficiary (except for the Lead Beneficiary) before the Application Form is submitted to the JTS. Any Application Form not containing the relevant Partnership statement(s) will be rejected.

The Lead Beneficiary will acknowledge to the principles of good partnership practice and obligations imposed on this institution by signing the Declaration by the Lead Beneficiary which constitutes part of the Application Form and shall have the same checksum as relevant Application Form submitted to the JTS.

### 2.1.3. Partnership Agreement

The Lead Beneficiary and Beneficiaries shall draft and sign the partnership agreement. This document shall stipulate the rights and duties of every Beneficiary (define the functions and tasks in the project implementation, mutual obligations and responsibilities).

#### **Important!**

The Partnership Agreement must be drafted in line with *The Partnership Agreement template* available at the Programme website.



Partnership Agreement shall comprise provisions that, inter alia, guarantee the sound financial management of the funds allocated to the project including the arrangements for recovery of funds unduly paid.

The Lead Beneficiary shall submit a partnership agreement to the JTS 30 days after the conclusion of the Grant Contract at the latest. It shall be drafted in English and signed by all project Beneficiaries. It may be also supplemented with a national translation.

#### 2.1.4. Beneficiaries

Beneficiaries participate in designing and implementing of the project. The costs which Beneficiaries incur are eligible in the same way as those incurred by the Lead Beneficiary. They must therefore satisfy the same eligibility criteria as applicable to the Lead Beneficiary himself, listed in section 2.2.

Project Beneficiaries have the following obligations and tasks to fulfill:

- ensuring the implementation of the part of the project under its responsibility, according to the project plan and to the partnership agreement signed with the Lead Beneficiary;
- cooperation with the Lead Beneficiary in the implementation of the project, reporting and monitoring;
- delivering project outputs planned in the application and agreed in the partnership agreement;
- ensuring sustainability of main outputs;
- assuming responsibility of any irregularity in the expenditure which it has declared;
- repaying the Lead Beneficiary any amounts unduly paid in accordance with the partnership agreement signed between the Lead Beneficiary and the respective project Beneficiary;
- carrying out information and communication measures for the public about the project activities according to the visibility rules laid down by the Programme and the relevant regulations;
- keeping available all documents related to the project for five years from the date of payment of the balance for the Programme. In particular they shall keep reports, supporting documents, as well as accounts, accounting documents and any other document relating to the financing of the project;
- facilitation of the audit trail by all relevant European Community authorities, Managing Authority, Audit Authority, national authorities and control contact points;
- signing a Partnership Agreement.

#### 2.1.5. Composition of the partnership

The Lead Beneficiaries and Beneficiaries in every project must establish one of the following compositions:

- Poland-Ukraine or
- Poland-Belarus or
- Poland-Belarus-Ukraine.

There may be more than one Beneficiary in the project from any of the above countries.

As microprojects are regarded as integrated projects, for each project **at least three of the following four cooperation criteria must be met:**

- **Joint project preparation (obligatory)**
  - All partners contribute to the creation of a project concept;
  - Partners determine how the project will be managed, e.g. through the establishment of common objectives and outcomes, financial plan, implementation schedule and the division of responsibilities for project activities in order to achieve the project objectives;
  - Each partner defines what knowledge and experience may be involved and what



are partners expectations of project realization.

- **Joint project implementation (obligatory)**
  - The Lead Beneficiary is responsible for the implementation of the entire project. Beneficiaries assume responsibility for parts of the project implementation;
  - Each Beneficiary responsible for some part of the project shall ensure the coordination and implementation of planned activities, reaching the objectives and solvency of unexpected problems;
  - Few Beneficiaries may contribute to the implementation of one part of the project.
- **Joint project staff (optional)**
  - All project Beneficiaries take over some roles in the project and engage staff for this purpose;
  - Employees of Beneficiaries coordinate their tasks among themselves and exchange information on a regularly basis;
  - Unnecessary duplication of functions in partner institutions shall be avoided.
- **Joint project financing (optional)**
  - The project has a joint financial plan with funds allocated for Beneficiaries according to their participation in the project;
  - At least one Polish and at least one Belarusian and/or Ukrainian Beneficiary contribute to the financial plan through their own contributions;

The financial plan shall include the responsibilities of the Beneficiaries.

## 2.2. Eligibility of Lead Beneficiaries and Beneficiaries

Only the following types of organizations may receive grant within the Programme:

- a) institutions of national, regional, local governments or association of such institutions;
- b) bodies governed by public law or by private law established for the specific purpose of meeting needs in the general interest, not having industrial or commercial character, and having legal personality and financed for the most part by the state, regional or local authorities or other bodies governed by public law or that are subject to management supervision by those bodies or having an administrative, managerial or supervisory board with more than half of whose members are appointed by the state, regional or local authorities or other bodies governed by public law, or
- c) non-governmental organization with legal personality.

In case of Polish institutions falling within the category a) eligible are entities:

- having legal personality under the applicable national law;
  - entities without legal personality;
  - if their superior unit (having legal personality) grants them power of attorney and also assumes financial responsibility for the project implemented; or
  - on behalf of which the superior unit will apply for financing (with indication which entity will implement the project).

In addition to requirements mentioned above the Lead Beneficiary/Beneficiary must:

- not fall under any of the exclusion situations set out in Article 106(1) and Article 107 of Regulation (EU, Euratom) No 966/2012; and
- be national<sup>1</sup> of any of the participating countries, or legal persons who are effectively

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<sup>1</sup> Such nationality being determined on the basis of the organisation's statutes which should demonstrate that it has been established by an instrument governed by the national law of the country concerned. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a "Memorandum of Understanding" has been concluded.



established in the Programme area or international organisations<sup>2</sup>.

#### **Exception!**

Lead Beneficiaries/Beneficiaries that are not registered within the Programme area shall fulfill all the following conditions:

- they are established in Poland, Ukraine or Belarus;
- their participation is required by the nature and by the objectives of the project and as necessary for its effective implementation;
- the total amount allocated under the project to these Beneficiaries does not overcome 20% of the total budget of the project.

#### **2.2.1. Examples of potential Lead Beneficiaries/Beneficiaries:**

- regional and local authorities, bodies providing public services commissioned by these authorities, other legal entities with the participation of these authorities or acting on their behalf;
- central bodies, on behalf of regional and local representations responsible for carrying out public tasks at the regional/local level;
- regional and local representations of central government, responsible for carrying out public tasks at the regional/local level;
- state organisations/institutions;
- public institutions responsible for environment protection management of nature protection areas, nature parks and local forestry directorates;
- public educational institutions (public schools, public universities, etc.);
- non-governmental organisations and non-profit organisations, such as Euroregions, business support organisations, chambers of commerce, organisations promoting tourism, educational/training and research institutions, associations, foundations, parishes, etc.

Please note that the above-mentioned list is not exhaustive.

### **2.3. Eligibility of projects**

#### **2.3.1. General rules**

**Definition:** a project (action) is a series of activities defined and managed in relation to the objectives, outputs, results and impacts which it aims at achieving within a defined time-period and budget. The objectives, outputs, results and impacts shall contribute to the priorities identified in the Programme (point 1.3 of this Manual).

Using the application documents for this particular CfPs, the Beneficiaries will jointly develop and submit an Application Form to the JTS. Projects may receive grants from the Programme provided they meet all the following conditions:

- a) they deliver a clear cross-border cooperation impact and benefits as described in the Programming document and demonstrate added value to the respective strategies and programmes of the EU, Poland, Belarus and Ukraine;
- b) they are implemented in the Programme area. In special cases, projects may be partially

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<sup>2</sup> International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies, European Investment Bank (EIB) and European Investment Fund (EIF) are also recognized as international organizations.



implemented outside the Programme area<sup>3</sup> provided that all the following conditions are met:

- the projects are necessary for achieving the Programme's objectives and they benefit the Programme area;
  - the total amount allocated under the Programme to activities outside the Programme area does not exceed 20% of the Union contribution at the Programme level;
  - activities outside the Programme area cannot be of investment and/or infrastructure character;
- c) each Beneficiary implements a part of the activities of the project on its own territory;
- d) they contribute to at least one of the output indicators and the result indicator defined in the list of indicators for priority within which the project will be implemented (point 1.5 of this Manual).

All projects shall respect principles of accessibility for the disabled.

### **2.3.1.1. Target groups and final Beneficiaries**

Each project shall influence both target groups and final Beneficiaries.

Target groups are entities directly and positively affected by the project at the project purpose level.

Final Beneficiaries are those who will benefit from the project in the long term at the level of the society or sector at large.

### **2.3.1.2. Character of projects**

All projects financed within this call for proposals are considered as soft projects, i.e. improving people-to-people relations or investing in capacity-building of people and institutions in the border area of Poland, Belarus and Ukraine. The projects shall be of non-investment character and focus on cultural and environmental aspects of cooperation of inhabitants of the border area in the cross-border regions. All projects shall lead to strengthening of the cooperation of institutions and local communities and facilitate contacts between inhabitants.

The Programme will support joint actions and events aiming at promotion, development and preservation of cultural and natural heritage, such as:

- cultural and sport events and festivals,
- seminars and conferences,
- development of cross-border strategies, plans, reports and concepts of 2020+ projects;
- capacity building of institutions (joint trainings, exchange of best practices, establishment of cooperation networks, coordination of policies, creation of regulatory framework);
- improvement of human potential (joint trainings, study visits, culture and language courses, exchange of ideas and approaches, school exchanges).

#### **Important!**

Investment and infrastructure costs (works, supplies) cannot exceed 20% of the EU grant.

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<sup>3</sup> Activities may take place in other regions from the outside Programme area, but on the territory of Poland, Belarus or Ukraine



**Best practices:**

Microprojects were an important element of the 2007-2013 Poland-Belarus-Ukraine Programme. They'd supported: cross-border contacts and social initiatives, scientific and educational cooperation, tourist, cultural and sporting events. Microprojects were focused on both: promotion and cultivation of the Programme area's common traditions, cultural diversity and national minorities and development of civil society and local communities.

Microprojects supported creation of new ties of cross-border cooperation among a variety of actors, strengthening the regional identity and mutual understanding and overcoming existing barriers, by:



- artistic and culinary workshops



- cultural events



- historical re-enactment events (Przemyśl Fortress)





- active life and active tourism (e.g. Nordic walking, cycling, sport competitions)





- trainings for fire fighters



- **experience exchange**



**2007-2013 Microprojects resulted in:**

- 94 cross-border events,
- 4 joint science research studies,
- 12 common strategies,
- 27 new websites promoting the cross-border,
- almost 112 000 pages of publications,
- 4 mobile applications,
- 4 010 copies of maps,
- 69 places promoted,
- 434 km of created, renovated or marked tourists routes,
- 2 new tourists centres.



#### 2.3.1.3. Duration

The planned duration of the project may not exceed **12 months**. All project activities financed by the Programme shall end on 31 December 2022 at the latest.

#### 2.3.1.4. Grants

The grant awarded must fall between **20.000 EUR – 60.000 EUR**.

No grant may exceed **90% of the total eligible costs** of the project.

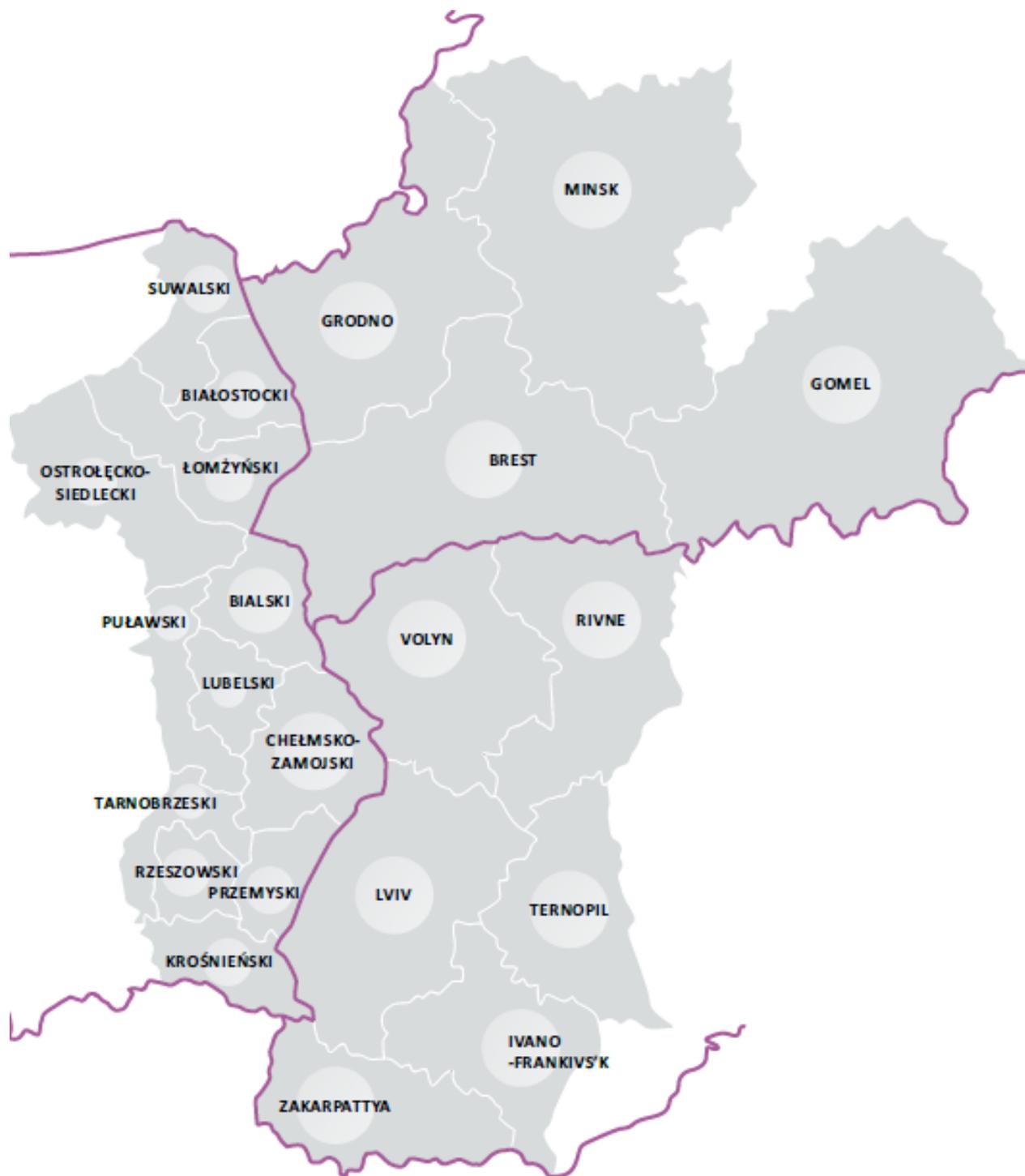
The balance must be financed from the Lead Beneficiary's and/or Beneficiaries' own resources, or from sources other than the European Union budget.

#### 2.3.1.5. Location

The area of the Programme covers the following regions:

- **in Poland:** Krośnieński, Przemyski, Rzeszowski, Tarnobrzeski, Chełmsko-zamojski, Puławski, Lubelski, Bialski, Ostrołęcko-siedlecki, Łomżyński, Białostocki, Suwalski sub-regions;
- **in Belarus:** Grodno, Brest, Minsk (including the city of Minsk) and Gomel Oblasts;
- **in Ukraine:** Lvivska, Volynska, Zakarpatska, Rivnenska, Ternopilaska and Ivano-Frankivska Oblasts.





*The area of the Programme*



### 2.3.1.6. Sustainability

Sustainability of project outputs and results is crucial for ensuring territorial impact and long-term benefits, which continue after the project end. Therefore, all projects with investments and infrastructure have to ensure that outputs obtained and results achieved are durable and sustainable for continuation after project closure (defined as the end of the implementation period of a project as defined in point 4.4 of the Grant Contract). This may include follow-up activities, long-term partnerships, improved legislation, plans, further financing through other initiatives or funds, etc.

In order to achieve sustainability, projects should, from the beginning of planning and implementation, adopt a longer-term, strategic perspective which leads to desired results for the target groups over an extended period. Thus, it is essential to consider the needs of key stakeholders, as well as the institutional context, when designing the project. Key stakeholders could be actively involved, from the early stages of the project development, if the case.

#### **Important!**

Any project including an infrastructure component, investments shall repay the Union contribution if, within five years of the project closure, it is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

Sums unduly paid in respect of such project shall be recovered by the MA proportionally to the period for which the sustainability requirement has not been fulfilled.

### 2.3.2. Ineligible projects

The following types of projects are **ineligible**:

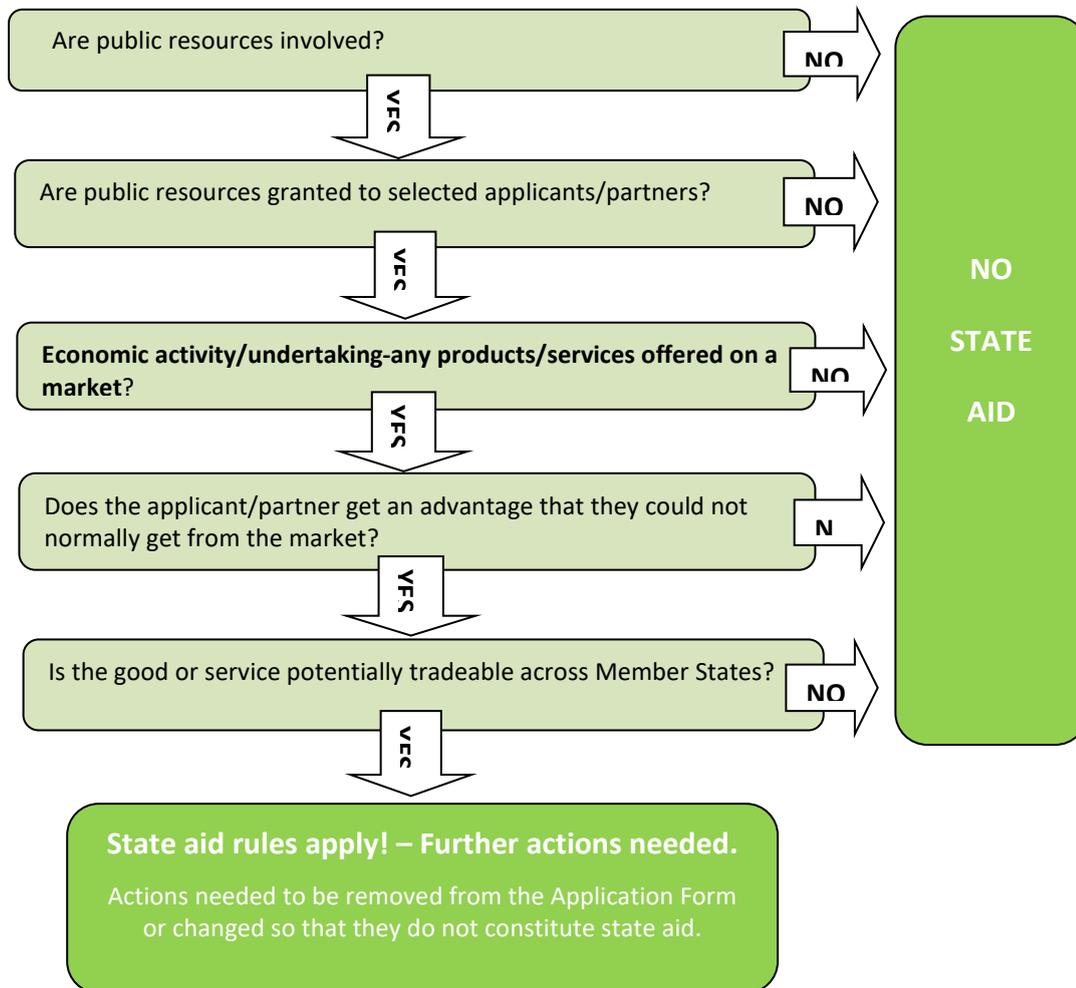
- actions that have already been approved for financing from other sources, including other EU programmes. If the action or its separate activities have been proposed for financing from other sources, the MA should be informed about this fact by the Lead Beneficiary;
- actions that have the purpose or effect of producing a profit for the Lead Beneficiary or Beneficiary(ies);
- actions concentrated only or mainly on charitable events;
- actions in which the Lead Beneficiary and Beneficiary(ies) re-grant the funding;
- actions in which Beneficiaries act as intermediaries i.e. are not directly responsible for the implementation of the action but hire a third party responsible for the implementation of project activities on their behalf for example:
  - the project is fully managed by contracted consulting company;
  - the project consists of set of trainings which are fully contracted within one tender to one company.
- regular events. However:
  - the start-up phase of regular events can be supported under the Programme;
  - if innovative elements are included to the organization of the regular editions of events – they may also be eligible. Such activities must be duly described in the Application Form;
- actions with negative impact on environment or not respecting other EU horizontal policy rules;
- actions constituting state aid.

According to Article 107 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. The definition of State aid includes several criteria. These criteria are cumulative, meaning that all five elements must be met for



the measure to be considered aid:

- the existence of an undertaking,
- financing of the measure through State resources,
- the granting of an advantage,
- the selectivity of the measure, and
- its potential effect on competition and trade within the Union.



**Important!**

If state aid appears, actions need to be removed from the Application Form or changed so that they do not constitute state aid.

The most important step is to establish whether a Lead Beneficiary/Beneficiary acts as an undertaking in the context of the project. From the remaining criteria the decisive one most often will be whether an advantage is granted to the Lead Beneficiary/Beneficiary.

**2.3.3. Number of project proposals and grants per Lead Beneficiary**

Lead Beneficiaries may submit **no more than three Application Forms**. A Lead Beneficiary may also be a Beneficiary in another project.



### 3. Evaluation and selection procedures

The project evaluation and selection procedure consists of the Administrative and Eligibility check and the Quality Assessment of the project. Both shall be carried out simultaneously by the JTS.

The project evaluation and selection is the overall responsibility of the Joint Monitoring Committee. The evaluation process starts with the receipt of the Application Form by the JTS. It ends with the JMC approval of a ranking list of submitted Application Forms which is followed with a final verification of eligibility of Beneficiaries. Project selection procedures shall ensure that the principles of transparency, equal treatment, non-discrimination, objectivity and fair competition are complied with.

#### Main principles of the call for proposals:

- the projects shall be selected and awarded on the basis of pre-announced assessment criteria defined in the evaluation grid. The assessment process will concern the applicant's ability to complete the proposed action or work plan and the quality of the project's proposal against the set objectives and priorities;
- the grants shall be subject to ex ante and ex post publicity rules;
- the applicants shall be informed in writing about the evaluation results. The MA shall ensure that the evaluation process is conducted in accordance with the Programme requirements, particular call for proposals requirements and approved project selection criteria. If the grant requested is not awarded, the reasons for the rejection of the application with reference to the selection and award criteria that are not met by the application shall be provided to the grant applicant;
- any conflict of interest shall be avoided;
- the same rules and conditions shall be applied to all applicants.

#### 3.1. Application Form

##### 3.1.1. Basic information

In the Application Form applicants have to explain in detail among the others the project's contribution to the Programme objectives and demonstrate a project's cross-border value. Furthermore, applicants should provide a detailed presentation of the planned activities for the entire project duration, plan the timetable and set out the responsibilities of the partnership.

Once approved by the JMC, the information provided in the Application Form will be binding. The projects will be accountable to the Programme on delivering the outputs and reaching the results exactly specified in the Application Form.

##### 3.1.1.1. Submission requirements of the Application Form:

1. The applicants shall fill in their Application Form using the Application Form e-application downloaded from the Programme website at: [www.pbu2020.eu](http://www.pbu2020.eu) and submit them to the JTS in two ways simultaneously:
  - a) electronic files (.pdf and .ffaf) of the whole Application Form – recorded on the mover (CD, DVD, pendrive, etc.) and submitted to the JTS, along with
  - b) one signed and stamped paper version. The paper version is considered as an official application. Application Forms submitted only in electronic version will be



rejected.

2. The Application Form shall be filled in only in English<sup>4</sup>. Application Form submitted in language(s) other than English will be rejected.
3. The Application Form must be computer-typed using the Application Form e-application published for this CfPs and available for downloading on the Programme website. A properly generated and validated Application Form will be given a unique checksum which shall be displayed on each page. Application Form validated shall be printed and submitted together with the electronic files to the JTS. The electronic version of Application Form should be identical to the paper version. It will be confirmed by the checksum generated by the Programme e-application (it should be identical on both versions).

Hand-written applications, applications filled in using an incorrect Application Form as well as draft versions, not validated (without checksum) will be rejected.

### 3.1.1.2. Where and how to send the paper version of the Application Form

The outer package must bear the following information:

- the reference number of the CfP – namely: PBU2;
- the project title;
- the full name and address of the Lead Beneficiary.

The packages must be submitted in a sealed envelope by registered mail, by private courier service or by hand delivery (in case of hand delivery, a signed and dated certificate of receipt will be given to the deliverer by the JTS) at the JTS address:

Joint Technical Secretariat  
Centre for European Projects  
39a, Domaniewska Street  
02-672 Warsaw, Poland

The Application Form sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses will be rejected.

If the Lead Beneficiary sends several different Application Forms, each one has to be sent in a separate package.

Call for proposals starts 1 August 2018 and lasts three months.

#### **Important!**

#### **Deadline for submission of Application Form**

The deadline for the submission of Application Form is **31 October 2018** and should be evidenced by the date of dispatch, the postmark or the date of the deposit slip. In the case of hand delivery the submission deadline is 15.00 local time as evidenced by the signed and dated certificate of receipt to be issued by the JTS. Any Application Form submitted after the deadline will be rejected.

### 3.2. Required annexes to the Application Form

Each Application Form should be provided with:

- the project Budget,
- declaration by the Lead Beneficiary,

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<sup>4</sup> Does not apply to field where proper names in national languages are requested.



- Partnership statements of Beneficiaries,
- Information on contact details for the project purposes – Lead Beneficiary/Beneficiary in electronic version only.

All this documents (annexes) will be generated using Application Form e-application.

Additional annexes will be required at later stages – after JMC decision, while contracting (more details in point 3.5).

### 3.3. Project selection criteria and evaluation system

The Application Form together with required annexes will undergo the simultaneous full Administrative and Eligibility Check (AaE) with the Quality Assessment (QA).

Applications which do not meet the criteria of the AaE check will not be subject to the QA.

Both the AaE check and QA of the AF is performed by two JTS assessors' in accordance with the criteria set up for the CfP. For each project only one common assessment grid is prepared.

#### Main steps of Administrative and Eligibility Check:

Action	Remarks
1. <b>Applications submission</b>	Only AFs that have met the deadline for submission will be subject to the AaE check.
2. <b>Administrative and eligibility check</b>	The JTS verifies the completeness and correctness of the submitted documents in accordance with the evaluation criteria set out in the evaluation grid (see annex 4 to this Manual). Each AF shall be assessed by at least two JTS assessors.
3. <b>Clarifications and corrections</b>	If some of the criteria described in the Manual are not fulfilled, the applicants will be asked by the JTS to submit clarifications or corrections to their Application Forms. Clarifications will be requested by the JTS when information provided is unclear, missing or is incorrect. <b>Important!</b> The Lead Beneficiary shall be asked to provide clarifications within the deadline set by the JTS but <b>not later than within 14 calendar days</b> since the request for clarification was sent by the JTS via e-mail. Should the applicant fail to provide adequate documents, the application is to be rejected.
4. <b>Information about the results of the administrative and eligibility check (email)</b>	The JTS will inform all Lead Beneficiaries via e-mail, whether their AFs met all the AaE criteria and whether it will be the subject of the QA. If the decision is negative, the reasons shall be given in the e-mail. <b>Important!</b> The Lead Beneficiaries shall be entitled to file a complaint in case they don't agree with the outcome of the AaE check. The reply to the Complaint shall represent the final decision of the MA regarding the application (more details in point 3.6).



5. **Quality assessment** Applications will be evaluated on relevance and the design of the project. The QA of the AF will be conducted by two JTS assessors.
6. **Project Selection Committee report** During the meeting, the PSC confirms that the assessment was carried out in accordance with all criteria. Once the PSC voting members have agreed on the outcome of the assessment they sign the *Report on the evaluation of the Application Forms*.
7. **Joint Monitoring Committee decision** The signed *Report on the evaluation of the Application Forms* shall be approved by the JMC. When taking *decisions on granting funds to projects*, the JMC shall endorse the results of the whole evaluation process. If the JMC decides not to follow all or part of the recommendations of the PSC, it shall explain its decision in writing.
8. **European Commission verification** The list of the projects selected for financing will be sent to the European Commission to consult different DGs and EU Delegations in order to avoid any double funding of projects and to identify possible synergies. Following these consultations the JMC may decide to reject proposals previously approved.
9. **Information about grant award** Following the JMC decision on the grant award, the JTS shall inform all applicants in writing of the JMC decision.  
**Important!**  
If the decision is negative, the reasons shall be given in the letter. Applicants can file a complaint about the results of the quality evaluation to the MA.
- 10 **Beneficiaries eligibility final verification** All relevant documents (register documents, statutes, relevant authorizations are verified, if applicable) shall be requested from the selected projects in order to be checked against provisions of point 2.2. of this Programme Manual. If any - Lead Beneficiary/Beneficiary proves to be ineligible, the project is to be rejected on that sole basis and  
it shall be replaced with a project from the top of reserve list.

Further details regarding the procedures for the whole evaluation process will be laid down in the Evaluation Assessment Manual and *PSC Rules of procedure*.<sup>5</sup>

The Quality Assessment is carried out in accordance with the evaluation criteria set out in the evaluation grid. Following aspects of the project will be assessed:

#### **Strategic assessment criteria**

- a) Project's context (relevance and strategy) - how well is a need for the project justified?
- b) Cooperation character and partnership relevance - what added value does the cooperation bring?
- c) Partnership relevance - to what extent is the partnership composition relevant for the proposed project?
- d) Project's contribution to the Programme's expected results and outputs - to what extent will the project contribute to the achievement of Programme's objectives?

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<sup>5</sup> The document needs to be approved by the JMC for the CfP and presented on the Programme website [www.pbu2020.eu](http://www.pbu2020.eu).



## Operational assessment criteria

- a) Management - to what extent are management structures and procedures in line with the project idea, size, duration and needs?
- b) Communication - to what extent are communication activities appropriate and forceful to reach the relevant target groups and stakeholders?
- c) Work plan - to what extent is the work plan realistic, consistent and coherent?
- d) Budget - to what extent does the project budget demonstrate value for money? To what extent is the budget coherent and proportionate?
- e) Sustainability.

The maximum score the application can obtain is 80 points.

The minimum score the application has to achieve in order to be taken into consideration for possible financing is 56 points (and at the same time at least 60% of maximum score in each of the strategic assessment and operational assessment parts of the quality assessment).

### 3.4. Grant award decision

A ranking list of projects reflecting the scores given by the PSC is to be annexed to the *Report on the Evaluation of the Application Form*. Projects recommended for financing are those that following the Quality Assessment received the highest number of scores and are covered by the budget foreseen for this CfP.

The JMC may approve the projects with recommendations. If the recommendations are not fulfilled by the Lead Beneficiary in the given timeframe before signing the Grant Contract with the MA, the project shall not be supported under the Programme.

The JMC may also establish a reserve list of projects, ranked by the scoring.

#### **Important!**

**The deadline for Grant Contract dossier preparation is 6 months.**

If the Lead Beneficiary awarded a grant does not decide to follow the recommendations of the JMC or decides not to implement its project, or preparation for Grant Contract conclusion will take longer than six months from receiving information about JMC decision, the grant award decision for the project will be cancelled and the available funds will be used to support reserve projects, starting from the project ranked on the first place.

In duly justified cases the deadline for Grant Contract dossier preparation may be prolonged.

### 3.5. Annexes required before the Grant Contract signature

At the final stage of the whole process (after JMC decision and before eventual Grant Contract signature) verification of eligibility of Lead Beneficiaries and Beneficiaries of the selected projects will take place. On the JTS request Lead Beneficiaries shall provide the following documents confirming Lead Beneficiary/Beneficiaries eligibility:

1. **Statutes** or other relevant documents e.g. internal regulations of the Lead Beneficiary and all Beneficiaries included in the project – not applicable for public institutions from Poland and Ukraine. For Belarusian public bodies – a copy of relevant national resolution (relevant legislative act relating to establishing and functioning of the institution) should be provided. If necessary for conducting a reliable evaluation- the JTS and the PSC may ask for additional clarifications/documents regarding the legal status of each Lead Beneficiary/Beneficiary;



2. If applicable, **authorisation** from the Lead Beneficiary that the person has the right to sign the Application Form (if the Application Form shall be signed not by the Head of the organisation). In case of Polish entities without legal personality a written statement on having the capacity to undertake legal obligations (including signing the Grant Contract) issued by supervisory institution shall be provided;

### 3. Register document applicable for the Lead Beneficiary/Beneficiaries:

FOR **POLISH** LEAD BENEFICIARIES/BENEFICIARIES: effective (up to date) extract from the National Court Register- Krajowy Rejestr Sądowy; (not applicable for public institutions).

FOR **UKRAINIAN** LEAD BENEFICIARIES/BENEFICIARIES:

*for public and non-public institutions – one of the following documents:*

- notarized copy or the original of an extract (витяг) **from the Unified State Register of legal entities and individuals, or**
- notarized copy or the original of excerpt (виписка) from the Unified State Register of legal entities and individuals.

*and for non-public institutions additionally:*

- an extract from the Register of non-profit institutions issued by Tax Inspection of Ukraine.

FOR **BELARUSIAN** LEAD BENEFICIARIES/BENEFICIARIES: a copy of the Certificate of state registration of legal person certified as a true to the original by the relevant issuing authority or by a notary (not applicable for public institutions).

The abovementioned documents shall be provided in electronic version (scan-copies) to the JTS within the deadline set by the JTS but not later than within 14 calendar days since the JTS request was sent by the JTS via e-mail.

At the same time, while submitting Application Form, if needed, the Lead Beneficiary shall confirm whether and which exactly permissions are necessary for project implementation. Before Grant Contract signature Lead Beneficiary/Beneficiaries are obliged to submit self-declaration that they possess all necessary infrastructural and environmental documents required by national legislation or declare that such documents are not required according to the national law. Existence and correctness of such documents will be verified by independent auditors within final report verification. Lack of necessary and declared permissions (or equivalent) will result in return of EU funds.

### 3.6. Complaints

Lead Beneficiaries believing that they have been harmed by an error or irregularity during the assessment or in case the Lead Beneficiary does not agree with the final decision of the JMC is entitled to file a complaint.

The complaint can be sent after each evaluation stage. The complaint can be filed in case the decision

- infringes the rights stipulated in the Programme legal basis and Regulations of the European Union;
- presents an encroachment to the published CfP or the procedures regulating the evaluation process.

MA shall be responsible for handling the complaint. Therefore, all the complaints shall be submitted to the MA via the JTS not later than 21 calendar days (as evidenced by the date of dispatch, the postmark or the date of the deposit slip) after the respective letter from the JTS was sent by e-mail. Any complaint submitted after the deadline will be rejected.



The complaint has to be:

- written in English;
- sent to the MA via the JTS by e-mail (pbu@pbu2020.eu) which should be followed by original sent by the regular mail at the address of the JTS;
- signed by the legal representative of the Lead Beneficiary;
- contain a clear and articulate reference to the nature of the encroachment based on the Programme legal basis, EU Regulations, and procedures for the Cfp.

The MA shall answer within 45 calendar days of receipt of the complaint by e-mail (which should be followed by the regular mail). The reply to the Complaint represents the final decision of the MA regarding the application.

## **4. Support of the Programme**

Appropriate preparation of the project idea is a key factor of its later success. That is why, the Programme bodies from the beginning of the Call for proposals will provide electronic tools and will organise a number of different events in all three countries which shall facilitate the generation of Application Form and to support the Beneficiaries in the project ideas development.

### **4.1. Support in preparing the Application Form**

#### **4.1.1. Programme website**

All the Programme documents necessary for submitting a Application Form as well as information sessions concerning this call for proposals are available on the Programme website [www.pbu2020.eu](http://www.pbu2020.eu) upon the opening of the call. The English version of the information is official and binding but the same content for information purposes will be available also in national languages. The Programme website provides a series of thematic issues which explain in detail the most important aspects of the cross-border cooperation projects. This Manual highlights the information which should be considered by the applicants when designing their projects. At the same time, the website will offer the answers to frequently asked questions, as well as a timeline, news and information on events.

Also questions concerning the call that may be relevant to other Lead Beneficiaries, together with the answers, will be published on the internet on the Programme website. It is therefore highly recommended to regularly consult the abovementioned website in order to be informed about questions and answers published.

#### **4.1.2. Partner Search Forum**

The open Partner Search Forums will be organised by the Programme in Belarus and Ukraine or Poland. A complete documentation of the event will be available on the Programme website. It provides a place for new potential applicants to submit or search for project ideas and profiles of potential partners. Please note, that project ideas shall be submitted only through a web-based tool.

#### **4.1.3. Trainings for potential Applicants**

Basic information on the procedures and requirements of the call for proposals together with a draft of the Application Form will be presented during the trainings organised in each eligible region of the Programme area. The open registration will be organised on the website where the applicants can see a full list of all the events organised in their region. These trainings will be conducted in national languages. Where possible, the trainings will be webstreamed.



At the same time, such information as well as other national specific requirements may be also received during the Open Days which will be organised during the call for proposals in the premises of the JTS (Warsaw) and all three Branch Offices (Rzeszów/Lviv/Brest) upon request. The interested applicants shall register their participation in these events in advance.

#### 4.1.4. Individual consultations with the JTS and emails

Individual consultations on all aspects of an application (content, financial and communication issues) are offered by the JTS when filling in the Application Form. Consultations are recommended as a follow-up to participation in the trainings for applicant. If a project cannot participate in the training, an individual consultation becomes highly recommended before submitting the Application Form. This consultation aims at providing technical advice focusing on the work plan and budget and will cover all content, financial and communication issues. Not more than one individual consultation will be granted to the same institution and it will last a maximum of half an hour.

Beneficiaries are also entitled to ask written questions concerning the call for proposals. Questions in writing may be sent to the JTS by mail or e-mail (no later than 21 calendar days before the deadline for the submission of the Application Form) indicating clearly the reference of the CfP.

JTS/MA has no obligation to provide further clarifications to questions received after this date.

Replies in writing will be given no later than 14 calendar days before the deadline for the submission of the Application Form.

## 5. Payments

Lead Beneficiaries of projects selected for financing will have to choose only one option of receiving funds from MA:

1. Option 1 – pre-financing,
2. Option 2 – reimbursement (one payment at the end of the project)

### Option1:

Pre-financing representing maximum 85% of the grant foreseen for the implementation of the Project will be paid by the MA within 30 days as from the date of approval by the Joint Technical Secretariat of correct documents provided along the signed Contract:

- i) request for payment conforming to the model which will be provided on the Programme website;
- ii) Partnership Agreement signed by all Beneficiaries;
- iii) Registration of the CBC project in accordance with the Decree of the President of Belarus No. 304 dated August 9th, 2019 “On Implementation of Financing Agreements for Cross-Border Cooperation” and the Resolution of the Council of Ministers of the Republic of Belarus dated September 26th, 2019 No.661 “On Implementation of the Decree of the President of the Republic of Belarus of August 9th, 2019 No. 304” – applicable only for project with Belarusian beneficiaries.

Final balance payment: representing at least 15% of the grant as a final balance will be paid by the MA within 60 days as from the date of receipt by the MA of:

- i) request for payment conforming to the model which will be provided on the Programme website;



- ii) project final report (narrative and financial parts) submitted to the MA not later than 3 months after the implementation period as defined in the Grant Contract;
- iii) expenditure verification certificates of all project Beneficiaries.

### Option 2:

Under this financing option all activities of the project will be pre-financed by the Lead Beneficiary and all project Beneficiaries and the expenditures incurred will be reimbursed.

The final balance (one-off) payment representing up to 100% of the grant foreseen in the Grant Contract as a balance payment will be paid by the MA within 60 days as from the date of receipt by the JTS of request for payment, final progress report (narrative and financial parts) and expenditure verification certificates of all Beneficiaries.

## 6. Cost eligibility criteria

The budget headings and related eligibility rules of the Programme are structured according to the requirements of the applicable EU regulations, in particular the Regulation (EU) No 236/2014, The Regulation (EU) No 232/2014 and the Regulation (EU) No 897/2014. The eligibility rules laid down in this Manual on the basis of art. 4 of the Regulation (EU) No 897/2014 cannot be overruled.

### 6.1. Settlement of costs incurred by Beneficiaries

In order to simplify implementation of projects, the following forms of settlement of costs incurred by Beneficiaries Beneficiaries may be used:

- a) settlement of the eligible costs actually incurred (real costs). Eligible costs shall be calculated in advance in the project budget on the basis of costs which will be actually incurred by the Beneficiary. When claiming those costs, Beneficiaries shall prove by relevant supporting documents that the expenditure has been incurred and paid;
- b) flat-rate financing. Indirect (administrative) costs shall be clearly identified in advance in the project budget based on calculations made by the applicant. Appropriate justification of the percentage rate of the flat rate will need to be provided in the Application Form, i.e. description of applied methodology. When claiming those costs Beneficiaries will not need to prove by relevant documents that the expenditure has been incurred and paid;
- c) lump sums. Grants shall cover certain specific categories of eligible costs (staff costs or travel costs) which shall be clearly identified in advance in the project budget. Beneficiaries can claim those costs only up to the certain threshold, in this case Beneficiaries will not need to prove by relevant documents that the expenditures have been incurred and paid;

In any case, grants shall not have the purpose or effect of producing a profit within the framework of the project.

### 6.2. Eligible Costs

Only “eligible costs” can be financed by the grant. All costs must be presented in the project budget. The categories of costs considered as eligible and non-eligible are indicated below. The budget is both a cost estimate and a ceiling for “eligible costs”. Real costs should be based on supporting documents.

#### 6.2.1. General rules regarding the cost eligibility



Eligible costs are costs actually incurred by the Lead Beneficiary/Beneficiary which meet all of the following criteria:

- a) they are incurred during the implementation period of the project. In particular:
  - i. costs related to services and works shall relate to activities performed during the implementation period. Costs related to supplies shall relate to delivery and installation of items during the implementation period. Signature of a Contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services, works or supplies after expiry of the implementation period do not meet this requirement; cash transfers between the Lead Beneficiary and the other Beneficiaries may not be considered as costs incurred;
  - ii. costs incurred should be paid before the submission of the final reports. They may be paid afterwards, provided they are listed in the final report together with the estimated date of payment;
  - iii. an exception is made for costs related to the final reports, including expenditure verification, audit and final evaluation of the project, which may be incurred after the implementation period of the project;
  - iv. procedures to award contracts, as referred to in Art. 52 of the IR and the following, may have been initiated and contracts may be concluded by the Beneficiary(ies) before the start of the implementation period of the project, provided the provisions of Art. 52 of the IR and the following have been respected;
- b) they are indicated in the project's estimated overall budget;
- c) they are necessary for the project implementation;
- d) they are identifiable and verifiable, in particular being recorded in the accounting records of the Beneficiary (separate accounts shall be created for the project purpose) and determined according to the accounting standards and the usual cost accounting practices applicable to the Beneficiary;
- e) they comply with the requirements of applicable tax and social legislation;
- f) they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency;
- g) they are supported by invoices or documents of equivalent probative value.

### **6.2.2. Eligibility of direct costs**

The following direct costs of the Beneficiary shall be eligible:

- a) the costs of staff assigned to the project,
- b) travel and subsistence costs of staff and other persons taking part in the project,
- c) purchase or rental costs for equipment (new or used) and supplies made specifically for the purpose of the project, provided they correspond to market prices;
- d) the cost of consumables specifically purchased for the project;
- e) costs entailed by contracts awarded by the Beneficiaries for the purposes of the project;
- f) costs deriving directly from requirements imposed by the IR and the project (such as information and visibility operations, evaluations, external audits, translations) including financial service costs (such as costs of bank transfers).



### 6.2.3. Eligibility of indirect (administrative) costs

Indirect costs may be calculated on a flat-rate of up to 7 % of eligible direct costs per project, excluding costs incurred in relation to the provision of infrastructure, provided that the rate is calculated on the basis of a fair, equitable and verifiable calculation method.

As indirect costs for a project shall be considered those eligible costs which may not be identified as specific costs directly linked to the implementation of the project and may not be booked to it directly according to the conditions of eligibility as defined in Article 48 of IR. For example, administrative costs may include costs of running the Beneficiary's office (or part of the office) that is in his possession and is used for the day-to-day implementation of the project. Administrative costs may not include ineligible costs or costs already declared under another cost item or heading of the budget of the project.

## 6.3. Non-eligible costs

### 6.3.1. List of non-eligible costs

The following costs relating to the implementation of the project shall not be considered eligible:

- a) debts and debt service charges (interest);
- b) provisions for losses or liabilities;
- c) costs declared by the Beneficiary and already financed by the Union budget;
- d) purchases of land or buildings for an amount exceeding 10% of the eligible expenditure of the project concerned;
- e) exchange-rate losses;
- f) duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation, unless otherwise provided in appropriate provisions negotiated with CBC partner countries;
- g) loans to third parties;
- h) fines, financial penalties and expenses of litigation;
- i) contributions in kind (as defined in Art. 14(1) of the IR);
- j) other costs specified as ineligible in the budget heading description.

## 6.4. Contribution in kind

Any provision of non-financial resources free of charge by a third party shall be considered as contributions in kind at project level. Contributions in kind are not eligible costs and may not be considered as a part of the minimum 10 % co-financing by the Lead Beneficiary/Beneficiary.

The cost of staff assigned to a project shall not be considered a contribution in kind but may be considered as a part of the minimum 10 % co-financing presented in the budget when paid by the Lead Beneficiary/ Beneficiaries.

Notwithstanding the above, if the description of the action as proposed by the Lead Beneficiary foresees the contributions in kind, such contributions have to be clearly presented in the application form but must not be presented in the project budget.



## **6.5. Competition and public procurement**

### **6.5.1. Basic rules**

Preparing and conducting public procurement, as well as awarding a contract within the project, should be carried out in a manner that guarantees compliance with the principle of transparency, fair competition and equal treatment of contractors, including potential contractors. In addition, with respect to all contracts awarded within the project, regardless of their value, the manner of selecting a contractor and awarding authority, it is required that the principle of sound financial management is complied with. Thus, this must be in accordance with the principles of economy, efficiency and effectiveness and the reasonability of spending public funds as well as with other conditions for the eligibility of expenditures as specified in the Programme.

### **6.5.2. Beneficiaries based in Poland**

Beneficiaries based in Poland have to comply with Polish law on public procurement. This law is compliant with the Union legislation applicable to procurement procedures.

In order to implement competition and public procurement principles referred to above, contracts within the project have to be awarded pursuant to EU and national regulations on tendering and awarding contracts if the regulations are applicable in awarding the given contract.

### **6.5.3. International organisations**

Where the Beneficiary is an international organisation, it may apply its own procurement rules if they offer guarantees equivalent to internationally accepted standards.

### **6.5.4. Specific Programme rules**

#### **6.5.4.1. Specific rules for beneficiaries from Belarus and Ukraine**

Beneficiaries from Belarus and Ukraine have to comply with rules set in Art. 52-56 of the IR, namely the contract shall be awarded to the tender offering best value for money, or as appropriate, to the tender offering the lowest price, while avoiding any conflict of interests.

Best international practices shall be respected and applicable Programme requirements shall be fulfilled.

Furthermore, Beneficiaries from Belarus and Ukraine have to comply with national law on public procurement, where applicable. In each case a stricter rule of national legislation shall apply. Nevertheless, types of public procurement required by national legislation, but not named by the Programme, shall be avoided.

#### **6.5.4.2. The principle of competitiveness**

Preparing and conducting public procurement by all Beneficiaries, as well as awarding a contract within the project, should be carried out in a manner that guarantees compliance with the principle of fair competition and equal treatment of contractors.



**Important!**

Specific procurement rules for Polish Beneficiaries are presented in Annex no 5a to the Manual. Specific rules for Ukrainian and Belarusian Beneficiaries are described in subchapter 6.5.4 and in Annex no 5b.

**The most common breaches in the area of awarding public contracts are related to the:**

- a) dividing or underrating the estimated value of the contract in order to avoid the application of the law;
- b) conducting the procedure in the wrong manner (e.g. the award of contracts using non-competitive procedures where there are no grounds for applying such procedures; in the case of priority services, the application of the procedure dedicated to non-priority services);
- c) non-competitive description of the subject of the contract by the groundless indication of trademarks, patents or the origin of goods, without allowing the equivalent tender submission and description of equivalence;
- d) setting improper deadlines for tender submission or illegal shortening of deadlines for the tender submission;
- e) determining improper conditions of participation in the public contract award procedure, leading to discrimination of contractors;
- f) determining the conditions of participation in the public contract award procedure that exceed the needs necessary to achieve contract objectives;
- g) demanding from consortium members to jointly meet all conditions of participation in the procedure;
- h) demanding submission of documents not required by the regulations;
- i) demanding proof of experience in the performance of contracts co-financed from EU or national funds where it is not necessary to confirm the contractor's abilities to perform the contract;
- j) non-compliance with the regulations on publishing the contract notice or any amendments thereto;
- k) illegal restriction of subcontracting;
- l) setting the improper tender evaluation criteria;
- m) conducting the procedure in breach of the principle of transparency, fair competition or equal treatment of contractors;
- n) illegal amendment of the content of the agreement concluded with the contractor.

**The most common breaches in the area of awarding contracts in accordance with the principle of competitiveness are related to the:**

- a) dividing or underrating the estimated value of the contract in order to avoid the application of the principle of competitiveness;
- b) failure to publish the request for quotation on a dedicated website if such website was created;
- c) if no website dedicated to the publication of requests for quotation was created, failure to send the request for quotation to the required number of potential contractors, or failure



to publish the request for quotation on the contracting authority's website, if the contracting authority has such website;

- d) failure to define the tender evaluation criteria;
- e) setting deadlines for tender submission in the manner preventing potential contractors from submitting their tenders;
- f) execution of an agreement with an entity having personal or capital ties to the contracting authority, if other potential contractor for a given public contract exists on the market;
- g) failure to publish or improper publishing of information about the selection of the best tender;
- h) concluding a verbal agreement.

#### **6.5.5. The conflict of interests**

In order to avoid a conflict of interests, persons who conduct the activities associated with the procedure of selecting the contractor on behalf of the contracting party, including participating in the evaluation of tenders, may not have personal or capital ties with the contractors. They should be impartial and objective.

A conflict of interests exists where the impartial and objective conducting the activities associated with the procedure of selecting the contractor by the project partner and persons authorized to incur liabilities on behalf of the project partner or persons performing actions connected with preparing and conducting the contractor selection procedure on behalf of the project partner is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other interest shared with the contractors.

Capital or personal ties are understood as mutual ties between the project Beneficiary and persons authorized to incur liabilities on behalf of the project Beneficiary or persons performing actions connected with preparing and conducting the contractor selection procedure on behalf of the project partner and the contractor which consist in particular of:

- a) acting as a partner in a civil partnership or a partnership,
- b) holding at least 10% of stocks or shares,
- c) acting as a member of the supervisory or management board, proxy, plenipotentiary,
- d) being a spouse, relative by lineal consanguinity or affinity, secondary relative in the second degree of consanguinity or the second degree of affinity, in a relationship of adoption, care or guardianship.

#### **6.5.6. The rules of nationality and origin**

The Beneficiaries should follow the rules of **nationality and origin** set in Articles 8 and 9 of Regulation (EU) No 236/2014 of the European Parliament and of the Council.

#### **6.5.7. The financial corrections**

In case of breach of the regulations or principles on the award of public contracts (this applies to all project partners) or the Programme procurement principles, the relevant expenditure will be deemed, in whole or in part, ineligible and the financial correction will be made. According to the Art. 71 of the IR the Managing Authority shall make the financial corrections taking into account the nature and gravity of the irregularities and the financial loss and shall apply a proportionate financial



correction. The criteria for establishing the level of financial correction to be applied are to be laid down by the Managing Authority in the *Guidelines on expenditure verification*.

Following Art. 48 point 3 of the IR, according to which the grant may be awarded retroactively, the Beneficiaries who launch the project before signing the grant contract are obliged to follow the above regulations and principles on the award of public contracts. In case of breach of the regulations or principles on the award of public contracts the rules regarding the financial corrections mentioned above also apply.

Please be advised that public procurement procedures have to be well documented. Documents such as public procurement notes, terms of reference, offers/quotes, order forms, and contracts have to be available for financial control and audit purposes.

## 6.6. Project Budget and Description of the Budget Headings

### 6.6.1. Staff costs

Budget Heading “Staff costs” shall include costs related to the project management (e.g. costs of project coordinator, project manager, financial manager, project manager assistant etc).

This cost category is settled as a lump sum. Beneficiaries may indicate an amount of up to 13 000 EUR of eligible costs per project and do not need to prove by relevant documents that the expenditure has been incurred and paid but they need to reach an assigned indicator as stipulated in grant contract. However, at the application stage they need to present appropriate methodology of the staff costs calculation.

### 6.6.2. Travel and subsistence costs

Expenditure on travel and accommodation costs of the management staff of the Lead Beneficiary/Beneficiary organisation related to the project implementation.

As a lump sum, a maximum limit of 2.000 EUR per project can be foreseen for this cost category. Appropriate methodology of the travel costs calculation shall be provided at the application stage and no prove that the expenditure has been incurred and paid will be required. Approval of the costs will be a subject of fulfillment of an assigned indicator, as provided in grant contract.

### 6.6.3. Equipment and supplies

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

Budget sub-heading	Examples of eligible costs
<b>3.1 Purchase or rent of vehicles</b>	Purchase of vehicle, fuel to run vehicles, maintenance and repair of vehicles, replacement/spare parts for vehicles needed for the project, cost of insurance.
<b>3.2 Furniture</b>	Furniture (including office furniture).



### 3.3 Computer equipment

Desktop computers, laptops, tablets, monitors, keyboards, mice, printers, scanners, IT software, digital projectors, digital/video cameras, mobile phones, maintenance and repairs of computer equipment, replacement/ spare material for computer equipment needed for the project.

### 3.4 Other (please specify)

Laboratory equipment, machines, instruments, tools, exhibition equipment, chemicals for a research activity, other goods needed for the project (not necessarily assimilated to equipment).

#### Specific requirements:

- All costs are subject to applicable public procurement rules and each Lead Beneficiary/Beneficiary is responsible for ensuring that these rules have been respected.
- Purchase cost of equipment is eligible, if it is used solely for the purpose of the project or the target group in line with objectives of the project and incurred within the eligible period.
- Full purchase cost of equipment (including cost of delivery and installation) is eligible, i.e. depreciation is non-eligible.
- Purchase cost of used equipment is eligible, provided the equipment complies with applicable norms and standards.
- Provision of equipment as in-kind contribution is non-eligible.
- Equipment cannot be purchased or rented from another project Beneficiary.
- Beneficiaries shall ensure that equipment is used in accordance with the project aims within five years of the project closure. Beneficiaries shall repay the Union contribution if it is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives. Sums unduly paid in respect of the project shall be recovered by the Managing Authority in proportion to the period for which the requirement has not been fulfilled.

#### Examples of supporting documents.

The following documents must be available for control purposes:

- Evidence of the procurement process (announcement, selection, award) in line with the national procurement rules (in case of Beneficiaries from Poland) or procurement rules set up in the Art. 52.2 of the IR and Programme requirements (in case of Beneficiaries from Ukraine and Belarus) depending on the amount of the contract.
- Supply contract
- Invoice providing all relevant information in line with the applicable accountancy rules.
- Delivery note.
- Proof of payment.

#### **6.6.4. Services**

Cost of expertise and services related to the project implementation, with exception of project management costs, provided by a public or private law body or a natural person other than the Beneficiary.

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#### **Budget sub-heading**

#### **Examples of eligible costs**

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<b>4.1 Salaries of technician staff (gross amounts)</b>	Salary payments and other costs directly linked to the salary payments of technician staff assigned by the Lead Beneficiary/Beneficiary for the project purpose.
<b>4.2 Publications</b>	Publication of strategies, handbooks, research reports, etc., not related to visibility actions.
<b>4.3 Studies, research</b>	Evaluations (other than the evaluation of the project), external research, design plans, technical documentation (except in case when both design and execution of works are foreseen within the same project, in such case cost of technical documentation shall be included under the budget subheading 6. Infrastructure component), environmental impact assessment of an investment, other external expertise and services related to investments, travel and accommodation for service providers, etc.
<b>4.4 External audit costs</b>	Cost of project expenditure verification
<b>4.5 Evaluation costs</b>	Evaluation of the project
<b>4.6 Translation, interpreters</b>	Translations (written or oral) not related to conferences, meetings and seminars
<b>4.7 Financial services</b>	Bank fees for opening and administrating the account(s)
<b>4.8 Costs of conferences/seminars</b>	Services related to organisation and implementation of events or meetings (e.g. rent of venue; catering, interpretation, except for external speakers, which shall be included in BL 4.1 Salaries of technician staff), travel and accommodation for participants and speakers.
<b>4.9 Visibility actions</b>	Services on promotion, communication, publicity, information (e.g. design, edit, print, distribution of brochures, leaflets, publications, etc., publishing of promotion articles, inserts in newspapers, press releases, visibility items, etc.), website development, modifications and update.
<b>4.10 Other (please specify)</b>	Notarial services, intellectual property rights, other services related to the project activities.

Specific requirements:

- Costs shall be strictly related to the project activities or derive directly from requirements imposed by the IR.
- Cost must be specifically incurred for the project, clearly identifiable and not covered



by any other heading of cost.

- Costs are eligible if they have been approved in the project budget.
- Service costs are subject to applicable public procurement rules and each Lead Beneficiary/Beneficiary is responsible for ensuring that these rules have been respected.
- Communication and visibility activities should be properly planned and budgeted at each stage of the project planning. These activities shall be in line with the relevant EU information and publicity requirements, set up in the Communication and Visibility Manual for EU External Actions<sup>6</sup> and ENI CBC Communication Guide<sup>7</sup>.
- Service Contract cannot be awarded to another project Beneficiary.
- Unpaid voluntary work is non-eligible.

#### Examples of supporting documents.

The following documents must be available for control purposes:

- Evidence of the procurement process (announcement, selection, award) in line with Annexes 5a and 5b .
- Contract laying down the service to be provided, with clear reference to the project and the Programme.
- Invoice providing all relevant information in line with the applicable accountancy rules.
- Service acceptance note.
- Proof of payment.
- Sample of service contract results (e.g. visibility item, publication, handbook, published article etc.).
- Proofs of implementation of organised events (e.g. agenda, list of participants signed for the each day of event, photos, sample of distributed materials, presentations etc).
- Documents related to the technician staff employed by Beneficiaries on the basis of labor law.

#### **6.6.5. Infrastructure component (works, services, other activities related to planned works)**

Microprojects are considered as soft ones with the emphasis of people-to-people activities and actions.

Nevertheless, a part of project budget can be spent on infrastructure/investments activities – these actions cannot exceed 20% of the EU grant.

These expenditure for the financing of infrastructure and construction works also covers costs related to creation of infrastructure that do not fall into the scope of other budget lines. This includes costs for site preparation, delivery, handling, installation, renovation, and purchase of land or building, other costs related to planned works, costs of supplies etc., when applicable.

#### Specific requirements:

- All costs are subject to applicable public procurement rules and each Lead Beneficiary/Beneficiary is responsible for ensuring that these rules have been respected.
- Full costs of infrastructure and construction works that form part of the project are eligible, i.e. no depreciation is eligible.
- Documents specifying the ownership of land and/or buildings where the works will be carried out must be provided.

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<sup>6</sup> [http://ec.europa.eu/europeaid/work/visibility/index\\_en.htm](http://ec.europa.eu/europeaid/work/visibility/index_en.htm)

<sup>7</sup> [http://admin.staging.enpi.interact-eu.net/downloads/8403/INTERACT\\_ENPI\\_ENI\\_CBC\\_Communication\\_Guide\\_06\\_2015.pdf](http://admin.staging.enpi.interact-eu.net/downloads/8403/INTERACT_ENPI_ENI_CBC_Communication_Guide_06_2015.pdf)



- Purchase of land or buildings cannot exceed 10% of the total eligible expenditure of the project.
- All compulsory requirements set by the EU and national legislation related to the respective investment in infrastructure must be fulfilled (e.g. feasibility studies, environmental impact assessments, building permission, etc.).
- EU visibility requirements regarding infrastructure-related actions shall be respected.
- Any project including an infrastructure component shall repay the Union contribution if, within five years of the project closure it is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives. Sums unduly paid in respect of the project shall be recovered by the Managing Authority in proportion to the period for which the requirement has not been fulfilled.

#### Examples of supporting documents.

The following documents must be available for control purposes:

- Evidence of the procurement process (announcement, selection, award) in line with the national procurement rules (in case of Beneficiaries from Poland) or procurement rules set up in the Art. 52.2 of the IR and applicable Programme requirements (in case of Beneficiaries from Ukraine and Belarus) depending on the amount of the contract.
- Contract laying down the works/infrastructure to be provided, with clear reference to the project and the Programme.
- Infrastructural and environmental permissions required by national legislation.
- Invoice providing all relevant information in line with the applicable accountancy rules.

Documents related to the infrastructure component (if applicable):

FOR **POLISH** LEAD BENEFICIARIES AND BENEFICIARIES: the building permission or its equivalent (e.g. notification of works component – zgłoszenie robót budowlanych)

FOR **BELARUSIAN** LEAD BENEFICIARIES AND BENEFICIARIES: “Decision of the local executive and administrative body on permission of the facility construction (Решение местного исполнительного и распорядительного органа о разрешении строительства объекта)”.

FOR **UKRAINIAN** LEAD BENEFICIARIES AND BENEFICIARIES: positive Expertise Decision , a registered Declaration on the beginning of construction works or building permission, if applicable.

#### 5. Environmental documents

FOR **POLISH** LEAD BENEFICIARIES AND BENEFICIARIES: Decyzja o środowiskowych uwarunkowaniach. If not applicable – a written statement issued by the relevant institution must be provided.

FOR **UKRAINIAN** LEAD BENEFICIARIES AND BENEFICIARIES:

- 1) Conclusion on Environmental Impact Assessment (Висновок з оцінки впливу на навколишнє середовище) issued by the relevant public body or Conclusion of the State Ecological Expertise issued by the relevant public body, *and*
- 2) Report on Environment Impact Assessment (Звіт про оцінку впливу на навколишнє середовище). If a.m. documents are not applicable – a relevant written statement issued by the Lead Beneficiary/Beneficiary must be provided.

FOR **BELARUSIAN** LEAD BENEFICIARIES AND BENEFICIARIES: 1. Conclusion of the State



Ecological Expertise issued by the Ministry (or its regional bodies) of Natural Resources and Environmental Protection of the Republic of Belarus (Russian: Заключение государственной экологической экспертизы, выданное Министерством природных ресурсов и охраны окружающей среды Республики Беларусь либо его территориальными органами) and 2. Report on the Environmental Impact Assessment (Russian: Отчет о результатах проведения оценки воздействия на окружающую среду). In case the above mentioned documents are not obligatory, the relevant letter, issued by the Ministry for Natural Resources and Environmental Protection of the Republic of Belarus (or its regional bodies), should be submitted.

**ADDITIONAL REMARK FOR UKRAINIAN AND BELARUSIAN LEAD BENEFICIARIES AND BENEFICIARIES:** If the project is listed in Annex I to the Directive 2011/92/EU of the European Parliament and of the Council 13 December 2011 on the assessment of the effects of certain public and private projects on the environment, the following documents as proof of the compliance with the 2011/92/EU should be provided: a) a copy of the non-technical summary - a document which has been used during the public consultations, b) information about the consultation with the public (when, where, information about public hearings, etc) and the environmental authorities, as well as other Member States, if transboundary consultations are applicable; c) a copy of the development consent, the information about mitigation and compensatory measures, and main considerations on which the decision is based including information about the public participation process. EIA should be also in line with the UN/ECE Espoo Convention on Environmental Impact Assessment in a Transboundary Context of 25 February 1991. If the project is covered by Annex II and the competent authority has determined that there is no need for the full EIA procedure for the project, the Beneficiaries have to provide an explanation on the reasons and to give the thresholds, criteria or case by case examination carried out to reach the conclusion that the project has no significant environmental effects.

#### 6.6.6. Administrative costs

This cost category includes office and administration costs. They cover operating and administrative expenses of the Lead Beneficiary/Beneficiary organisation that support delivery of project activities.

Examples of eligible administrative costs: office rent, utilities (e.g. electricity, heating water), office supplies (e.g. pens, paper-clips, binders, paper, photocopy toner coffee/biscuits for small project meetings), archiving of documents, data archiving and storage, maintenance and cleaning of office premises, security, license fee for the use of software (e.g. accounting system), communication costs (e.g. telephone, mobile phone subscription, fax, Internet, postal services, charges to use Skype or other online applications for communication) etc.

#### Specific requirements:

- Administrative costs will be reimbursed by the Programme on the basis of flat rate of up to 7% of eligible direct costs, excluding costs incurred in relation to the provision of infrastructure, provided that the rate is calculated on the basis of a fair, equitable and verifiable calculation method.
- As indirect costs for a project shall be considered those eligible costs which may not be identified as specific costs directly linked to the implementation of the project and may not be booked to it directly according to the conditions of eligibility as defined above. They may not include ineligible costs listed below or costs already declared under another cost item or heading of the budget of the project.
- Office equipment, IT hardware and software, and furniture cannot be included under this



budget line; the cost must be reported as equipment expenditure. This does not include IT system support of an administrative nature; the cost falls under the services budget heading.

- Costs of control and audit of the project cannot be included under this budget line; they must be reported as services costs.

As a rule the flat-rate funding in respect of indirect costs does not need to be supported by accounting documents. However, the Lead Beneficiary shall justify the requested percentage in the Application Form in accordance with methodology adopted by the Programme (see annex 3) and be aware of any control/audit requirements in this respect.



## PART B: for Beneficiaries

### 7. Basic rules

#### 7.1. Lead Beneficiary principle

The implementation of projects is based on the Lead Beneficiary principle. This means that for each project a Lead Beneficiary needs to be appointed and will be responsible for the submission and implementation of it in the “eyes” of the JTS and the MA. The main tasks of the Lead Beneficiary is specified below and described in detail in the Grant Contract.

##### 7.1.1. Main responsibilities of the Lead Beneficiary

The Lead Beneficiary is not only responsible for the drafting of the Application Form in cooperation with the project Beneficiaries and submitting it within the set deadline to the JTS, but also providing clarifications upon request of the JTS, as well as for project implementation.

After the approval of a project for financing from Programme funds, the Lead Beneficiary will sign a grant Contract with the MA and launch the project implementation. During the implementation phase, the main task of the Lead Beneficiary is the coordination and management of the whole project, including sound financial management of the project budget.

The Lead Beneficiary needs to make sure that all partners are “in the loop” and communicate with each other and the JTS. Good exchange of information enables successful delivery of project outputs and its implementation.

#### **Important!**

Remember: the Lead Beneficiary is solely responsible to the JTS and MA for the timely implementation of the project as a whole.

##### 7.1.2. Main responsibilities of the project Beneficiaries

Project Beneficiaries are mainly responsible for:

- delivering project outputs stipulated in the Application Form and specified in the Partnership Agreement;
- fulfilling all Programme requirements regarding monitoring and reporting in relation to implemented part of the project,
- ensuring good cooperation and communication with the Lead Beneficiary regarding realization of the project activities,
- assuming responsibility of any irregularity of the expenditure which they’d declared;
- repaying the Lead Beneficiary any amounts unduly paid in accordance with the Partnership Agreement;
- carrying out information and communication activities concerning the project activities;
- ensuring durability of the outputs of the project;
- keeping all documents related to the project available in a period of five years from the date of payment of the balance for the Programme.



**Important!**

The detailed division of tasks between the Lead Beneficiary and all Beneficiaries shall be laid down in the Partnership Agreement which minimum requirements are provided at the Programme website ([www.pbu2020.eu](http://www.pbu2020.eu)).

## 7.2. Grant Contract

The Grant Contract is signed between the Lead Beneficiary and the Programme Managing Authority. It constitutes the legal framework for the implementation of the project, defining the responsibilities and obligations of both parties and stipulating the maximum Programme financing for the project as well as the payment option and the reporting obligations for the project and providing other key implementing arrangements. The key elements of the final version of the approved Application Form are an integral part of the Grant Contract.

**Important!**

After the approval of the project by the Joint Monitoring Committee and, where applicable, after the fulfillment of all conditions for approval, a personalized Grant Contract is signed by the legal representative of the MA. After that, it is sent by the Joint Technical Secretariat on behalf of the MA to the Lead Beneficiary. Then, the Lead Beneficiary has 30 days (counting from the date of posting of the GC) for accepting the Contract and sending back three originals of the Grant Contract dated, signed and stamped by the authorized representative of the institution.

## 7.3. Partnership Agreement

The Lead Beneficiary shall define arrangements for relations with the Beneficiaries in an agreement comprising a clear division of tasks and responsibilities concerning the implementation of the project, inter alia, provisions which guarantee the sound financial management of the project budget, including the recovery of amounts unduly paid. While the Grant Contract establishes a legal bond between the MA and Lead Beneficiary, the Partnership Agreement establishes a legal bond between Lead Beneficiary and all Beneficiaries. However, the Partnership Agreement cannot be contradictory to the provisions of the Grant Contract.

**Important!**

The template of the Partnership Agreement is available at the Programme website <http://www.pbu2020.eu> and provides minimum compulsory requirements for this document. Additional elements may be included in order to tailor the agreement to the needs of the partnership. Additional provisions included in the document must in any case be in line with the Programme objectives and the legal framework constituted in the Grant Contract and in the Partnership Agreement template.

**Important!**

The Partnership Agreement shall be signed and submitted to the JTS within 30 days after the conclusion of Grant Contract.

The JTS/MA reserves the right to verify the Partnership Agreement as to its compliance with Programme requirements.

Partnership Agreement shall be prepared in English as obligatory and binding version and simultaneously in national languages.



#### 7.4. Registration of projects in Belarus

In order to receive Programme funding and implement activities of the project the Belarusian Lead Beneficiaries and Beneficiaries have to pass certain procedures to legalize the project in Belarus.

**The Decree of the President of Belarus No. 304 dated August 9<sup>th</sup>, 2019 “On Implementation of Financing Agreements for Cross-Border Cooperation”** ([http://www.pravo.by/upload/docs/op/P31900304\\_1565643600.pdf](http://www.pravo.by/upload/docs/op/P31900304_1565643600.pdf)) introduces special rules for CBC projects. In particular, the above mentioned Decree establishes a new procedure of *national registration* of CBC projects removing the procedure of national approval.

Furthermore the Decree allows tax and customs exemption for national co-financing within CBC projects, as well as defines that all procurements of goods, works or services within CBC projects, including those covered by national co-financing, shall be subject of the same procedural requirements envisaged by the Programme.

Details of the registration procedure and requirements to the pack of documents are set by **the Resolution of the Council of Ministers of the Republic of Belarus dated September 26<sup>th</sup>, 2019 No.661 “On Implementation of the Decree of the President of the Republic of Belarus of August 9<sup>th</sup>, 2019 No. 304”** ([http://pravo.by/upload/docs/op/C21900661\\_1569618000.pdf](http://pravo.by/upload/docs/op/C21900661_1569618000.pdf)). The registration procedure consists of two phases. First, the Lead Beneficiary or Beneficiary has to receive the statement of the Ministry of Foreign Affairs of Belarus on the implementation of the international technical assistance (ITA) project within CBC Programmes. When such statement is obtained the project must be registered in the Ministry of Economy of Republic of Belarus. Please be aware that according to the recent practices, the copy of Grant Contract with all its annexes is understood by the Belarusian relevant authorities as project document.

Additionally, please, make note, that according to the Resolution of the Council of Ministers of the Republic of Belarus dated September 26<sup>th</sup>, 2019 No. 661 “On Implementation of the Decree of the President of the Republic of Belarus of August 9<sup>th</sup>, 2019 No. 304” in order to use the mechanism of tax and customs exemption *for national co-financing* the Lead Beneficiary or the Beneficiary has to submit the List of goods, works or services procured by national co-financing to the relevant regional executive committee (or Minsk City Executive Committee). The List of goods, works and services for the grant financing has to be submitted to the Ministry of Economy of the Republic of Belarus in accordance with the requirements set by the Regulation of the Council of Ministers of the Republic of Belarus No. 1522 of 22 October 2003 (<http://www.pravo.by/document/?guid=3871&p0=c20301522>). More information on the List of goods, works and services for the grant financing may be obtained on the web-page of the Ministry of Economy ([http://www.economy.gov.by/ru/mtp\\_4-ru/](http://www.economy.gov.by/ru/mtp_4-ru/)).

#### 7.5. Project registration in Ukraine

In accordance with the regulation of the Cabinet of Ministers of Ukraine No. 153 of 15.02.2002 and legislation of Ukraine, projects carried out in the framework of the cross-border cooperation Programme Poland-Belarus-Ukraine 2014-2020 must be registered by the Ministry of Economic Development and Trade of Ukraine.

State registration is the basis for the right to receive benefits provided by legislation and international treaties of Ukraine.

In order to register a project at the Ministry of Economic Development and Trade of Ukraine, the following documents should be submitted:



- Letter-request (лист-клопотання) on the registration of the project from the Project Beneficiaries (the Ukrainian Lead Beneficiary and all Ukrainian Beneficiaries) in Ukrainian language,
- letter-request (лист-клопотання) on the registration of the project from the MA (if authorised) - an original in English as well as the translation of the original into the Ukrainian language,
- letter-request (лист-клопотання) on the registration of the project from the Regional State Administration from the territory of the project realisation in Ukrainian language,
- a copy of the project Grant Contract (together with Annexes 1, 2 and 3) certified by the MA or the Lead Beneficiary as well as the translation into Ukrainian language,
- a copy of the Partnership Agreement as well as the translation into Ukrainian language certified by the translator or the Lead Beneficiary,
- procurement plan (Annex 5 to the regulation of the Cabinet of Ministers of Ukraine No. 153 of 15.02.2002) – two originals in Ukrainian language signed by the Lead Beneficiary and the appropriate Regional State Administration. Preliminary, two originals of the Procurement Plan should be submitted in a package of documents to the appropriate Regional State Administration for signature - in case of tax exemption.

## 7.6. Accessibility

European Union has ratified the Convention on the Rights of Persons with Disabilities - an international human rights treaty of the United Nations intended to protect the rights and dignity of persons with disabilities. The Convention stresses that persons with disabilities should be able to live independently and participate fully in all aspects of life. Therefore persons with disabilities should participate in and implement EU projects equally to other persons. As accessibility can be grouped into three main groups: physical accessibility, service accessibility and accessibility to communication and information, appropriate measures should be taken to ensure that persons with disabilities have access, to the physical environment, transportation, information and communications technology and to other facilities and services open or provided to the public.

Taking the rights of people with disabilities into account while planning and implementing projects would facilitate the social integration of persons with disabilities and the elderly and their mobility across member states, thereby also fostering the free movement principle. Therefore universal design, or design for all (the way of designing products, environments, programmes and services to serve the greatest possible number of people, including seniors, mothers and fathers with prams and all those who have various functional needs, resulting, e.g. from obesity, ski injury, pregnancy or impressive height) is the best choice for all project that receive EU funding. Everything financed from the European funds must be accessible to all citizens, including persons with disabilities.

Examples of best practices:

- Each new building, service or other products, whose creation is financed by the European funds, should be accessible to all.
- Websites of projects and institutions involved in the implementation of the European funds must be accessible to people with various disabilities.
- Open meetings for which registration is not required should be organised in buildings accessible in architectural terms to persons with disabilities.
- New trains, museums, built road, places of care in kindergartens, computer labs must be accessible to people with disabilities.

## 8. Project financing and monitoring



## **8.1. General issues**

### **8.1.1. Euro exchange rate**

All payments from the Programme bank account to the Lead Beneficiary are made in euro. Any conversion in final progress reports into euro of the real costs borne in other currencies shall be done at the rate published on the InforEuro for the month in which the payment was done.

The exchange rate risk resulting from the conversion of national currencies into euro and of euro to national currencies is borne by the Lead Beneficiary and all Project Beneficiaries.

### **8.1.2. Project indicators**

All project indicators are monitored in the final progress report, however information in this respect is also presented by Lead Beneficiaries in brief progress report.

It is important to remember that the Lead Beneficiary bears overall responsibility for the project. Part of it is the delivery of the project outputs and results. Consequently, if challenges or the need for changes should occur during the course of project implementation, the Lead Beneficiary shall contact and inform the responsible Project Manager at the JTS in due time. In particular, each Lead Beneficiary is advised to contact the JTS in case that their project might face the risk of underachievement of the project's main outputs and results, including the potential impact on the underachievement of the Programme indicators. The close dialogue between the JTS and the Lead Beneficiary and all project Beneficiaries may allow both parties to discuss solutions and recommendations on how to deal with the situations mentioned above and to prevent the project from not achieving the project's indicators.

## **8.2. Financial management of the project**

Project expenditure incurred and paid out by each Beneficiary undergoes a number of verifications by different actors, in compliance with the management and control requirements set in the Programme. Therefore it is really important to settle an accurate and transparent accounting system of the project.

### **8.2.1. Accounting system of the project**

The Lead Beneficiary and all Beneficiaries shall keep accurate and regular accounts of the expenditure within the project, using an appropriate accounting and double-entry book-keeping system. These systems may either be an integrated part of the Beneficiaries' regular system or an adjunct to that system. This system shall be run in accordance with the accounting and bookkeeping policies and rules that apply in the country concerned.

Accounts and expenditure relating to the activities must be easily identifiable and verifiable. This can be done by using separate accounts for the activity concerned or by ensuring that expenditure for the activity concerned can be easily identified and traced to and within the Beneficiary's accounting and bookkeeping systems. Accounts must provide details of interest accruing on funds paid by the MA.

The Lead Beneficiary and all Beneficiaries shall ensure that all requests for payments which include financial reports as required under the Grant Contract are properly and easily reconciled to the Beneficiary's accounting and bookkeeping system and to the underlying accounting and other relevant records. For this purpose the Beneficiary shall prepare and keep appropriate reconciliations,



supporting schedules, analyses and breakdowns for inspection and verification.

Accounting records (computerised or manual) from the Lead Beneficiary's and Project Beneficiaries' accounting system such as general ledger, sub ledgers and payroll accounts, fixed assets registers and other relevant accounting information shall be accompanied by:

- Proof of procurement procedures such as tendering documents, bids from tenderers and evaluation reports;
- Proof of commitments such as contracts and order forms;
- Proof of delivery of services such as approved reports, time sheets, transport tickets,
- Proof of travel,
- Proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates), etc;
- Proof of receipt of goods such as delivery slips from suppliers;
- Proof of completion of works, such as acceptance certificates;
- Proof of purchase such as invoices and receipts;
- Proof of payment such as bank statements, debit notices, proof of settlement by the contractor;
- Proof that VAT that have been paid cannot actually be reclaimed;
- For fuel and oil expenses: a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs;
- Staff and payroll records such as contracts, salary statements, time sheets. For local staff recruited on fixed-term contracts, details of remuneration paid, duly substantiated by the person in charge locally, broken down into gross salary, social security charges, insurance and net salary.

In case of costs on a lump sum or a flat rate basis differences between estimated budget value and real costs borne in these categories may appear.

### **8.2.2. Invoice description**

The description of invoice/other documents with equivalent value of proof is crucial in proper preparation of the financial documents for the settlement. Appropriate description of the invoice should clearly demonstrate that the document is settled within the project and Programme. At the same time it should be also a guarantee that the same invoice was not financed within other EU Programmes.

The correct description of the invoice should contain the following elements: On each invoice should be indicated "Financed by the European Union within the European Neighborhood Instrument in the framework of the Cross-border Cooperation Programme Poland-Belarus-Ukraine 2014-2020".

In addition, the following information shall be included:

1. Project title,
2. Grant Contract number,
3. Invoice number,
4. Budget line (the exact budget item), under which the invoice was paid,
5. Registration number in the Lead Beneficiary's (or Project Beneficiaries') accounting system,
6. Description of expenditure,
7. Tender procedure – in case of Polish Beneficiaries respective article number in accordance with the public procurement law shall be indicated, in case of Beneficiaries from Belarus and Ukraine the title of used tender procedure shall be indicated,
8. Amount of total eligible expenditure in national currency,
9. Approval of expenditure by authorized person.



The description shall be prepared in English and be placed on the other side of the original invoice/other documents with equivalent value of proof. If there is no possibility to place the full description on the invoice the description shall be prepared on the separate sheet of paper and permanently attached to the invoice in a way which ensures that both documents (invoice and description) are joint and cannot act individually. To that aim it is recommended to stamp the place of connection of the both documents with the Lead Beneficiary's or project Beneficiary's seal.

### 8.3. Payment schedule

Payment options are described in part A of this Manual. Otherwise, please note that the verification and approval of each request for payment is carried out by several programme bodies (e.g. Independent Auditor, JTS, MA). Therefore when planning the project schedule the Beneficiaries shall take into the account the time required by each institution to perform its task.

The MA transfers the financing using OUR option which means that financial charges concerning the transfer are on the side of MA.

### 8.4. Project Monitoring

Good monitoring depends on reliable, relevant and timely information about the activities, outputs and outcomes of the project. The information needed for monitoring should be identified when the project is designed (and/or when reviewed) i.e. when the objectives, expected results and activities are specified and during the whole project implementation (collecting, analyzing and reporting information).

In order to monitor project's progress, LLead Beneficiaries will be obliged to produce two different types of reports, described below:

- brief narrative report
- final report.

#### 8.4.1. Independent Auditors

The financial part of the final report produced by the Lead Beneficiary and each project Beneficiary (expenditure declared by each Beneficiary in the request for payment) need to be verified and certified by an independent auditor.

The auditor should be independent from the Beneficiary as well as the Programme bodies (MA/JTS/AA). The auditor shall examine whether the costs declared by the Beneficiary and the revenue of the project are real, accurately recorded and eligible in accordance with the Grant Contract.

#### **Important!**

Scope of expenditure verification done by the auditor as well other Programme requirements in this respect are described in Guidelines on Expenditure Verification published on the website [www.pbu2020.eu](http://www.pbu2020.eu).

Each project Beneficiary will need to select an independent auditor to verify and certify the expenditure incurred within their part of the project.

Polish Beneficiaries shall remember that their auditor should be approved by the Polish Control



Contact Point no later than within three months from the date of the Grant Contract's signature.

Belarusian and Ukrainian Beneficiaries shall remember that their auditors are to be chosen from the list of auditors set by the Belarusian and Ukrainian Control Contact Points.

## **8.4.2. Reports**

### **8.4.2.1. Brief narrative reports**

Brief narrative reports are an official source of information for MA/JTS on the progress of project's implementation. The report has a short form and includes mainly narrative information on the progress made in the reporting period (without financial details). Therefore, the brief narrative report doesn't need to be verified by an independent auditor.

The Lead Beneficiary shall prepare the brief narrative report covering period of half project duration (max. 6 months) and should submit it to the JTS within 21 days after that period.

The brief narrative report should provide the necessary information about the implementation of project activities, revised activity plan, information about indicators or any problems that have appeared.

The report shall be dated, stamped with the Beneficiary's institution stamp and signed by the authorized person. One original version should be prepared and submitted to the JTS in a form of a binding printout as well as in a form of an electronic (scanned) version via e-mail.

Brief narrative report is to be submitted for information purposes only. It is provided at the Programme website ([www.pbu2020.eu](http://www.pbu2020.eu)).

### **8.4.2.2. Final report**

The final report summarizes information about the whole project's implementation. It consists of a narrative and a financial part and has to be verified by an independent auditor.

Special attention shall be paid to the reporting of the achievement of project's goal, objectives and output and result indicators. The financial part shall include information about the planned and real expenditure, costs and revenues, with a clear indication of which Beneficiary has borne the expenses. The report should also present the EU co-financing rate of each Beneficiary.

The final report shall be submitted to the JTS not later than 3 months from the end of implementation period as defined in the Grant Contract.

The end date means the deadline for realization of the following activities:

- Implementation of all activities within the scope of project,
- Reception of all works, deliveries and services,
- Payment for all project activities.

An exception from the rules mentioned above concerns the costs relating to expenditure verification, audit and final evaluation of the project. These costs may be incurred after the implementation period of the project.

The template of the final progress report is provided at the Programme website ([www.pbu2020.eu](http://www.pbu2020.eu)).

### **8.4.2.3. Request for payment**

The request for payment is a formal document which is a basis for Programme authorities to transfer grant tranches from the Programme bank account to the bank account of the Lead Beneficiary.



**Important!****For projects which have selected Option 1 (pre-financing) payment scheme:**

The first request for payment concerns the 85% of the grant awarded (pre-financing). The second request for payment is strictly related to the submission of the final report and certificates issued by the auditors.

**For projects which have selected Option 2 (refund) payment scheme:**

The request for payment is strictly connected to the submission of the final reports and certificates issued by the auditors.

Please note that the request for payment shall be signed by an authorized person (in accordance with the Grant Contract) and include specified bank account details, which should be in line with the Financial Identification Form attached to the Grant Contract.

The template of the request for payment is provided at the Programme website ([www.pbu2020.eu](http://www.pbu2020.eu)).

The balance of the final amount of the grant will only be payable after the end of the implementation period, when the request for payment together with final progress report has been approved by the JTS/MA. If the total amount of the transferred pre-financing is higher than the amount of eligible and accepted cost (ENI value), the difference shall be paid back by the Lead Beneficiary to the Programme bank account. To that aim, the MA issues and sends call for payment to the Lead Beneficiary which includes the amount of recovery and the deadline for the financial transfer.

The execution period of the Grant Contract is the period from the beginning of the implementation of the Grant Contract to the moment when the final payment is made by the MA, and in any case no more than **12** months as from the end of the implementation period. The Grant Contract can be modified only in the execution period.

## 9. Other Implementation Aspects

### 9.1. Pre-financing

The pre-financing payment is transferred from the Programme bank account to the Lead Beneficiary's account defined in the Grant Contract (Financial Identification) after the approval of the request for payment.

**Important!**

The Lead Beneficiary needs to set a separate bank account for the project.

The account needs to be run in euro.

The pre-financing tranche can be used only for the purpose of the project implementation. Any transfers not connected to the implementation of the grant can be considered as an irregularity (as defined in the Grant Contract). The Lead Beneficiary and all Beneficiaries need to keep transparent accounting to prove that the use of the pre-financing is correct.

All project Beneficiaries can use the received pre-financing in accordance with their needs in the project. There are no obligations regarding the terms of exchange of pre-financing in euro into national currency for the project purposes. The decision when to convert EUR into national currency to make payment belongs to Beneficiaries.

To avoid any issues concerning the pre-financing transfers between all project participants it is recommended that details of tranches division and conditions of financial transfers shall be set in the Partnership Agreement.



**Important!**

Please be aware that the Lead Beneficiary is obliged to inform the JTS about each payment made to Beneficiaries within 7 days of that payment.

### 9.1.1. Interests from pre-financing

Any interest or equivalent benefits from the pre-financing paid by the MA to the Lead Beneficiary and transferred to the project Beneficiaries will not be due to the MA and may be used by each Beneficiary for the activities. However, for the purpose of monitoring, the interest obtained will need to be stated in the final reports.

## 9.2. Non-profit principle. How to deal with project revenues?

**Important!**

The grant cannot produce a profit for the Lead Beneficiary or any of the project Beneficiaries. Profit is a surplus of the receipts over the eligible costs approved by the MA when the request for payment of the balance is made.

The final amount of the MA's contribution will take into account the non-profit principle, i.e. the financial contribution is limited to the amount required to balance the receipts and the approved eligible costs of the activities. The application of the non-profit principle should be made globally, at the project level (consolidated), not at the level of the each project Beneficiary.

Any payment received by any of the project Beneficiaries or the Lead Beneficiary arising from contractual penalties as a result of a breach of the contract between the respective Beneficiary and a third party(-ies) or which has occurred as a result of the withdrawal of an offer by a third party chosen under public procurement rules (the 'deposit') will not be considered as revenue and will not be deducted from the eligible expenditure in the project.

Revenues generated by the project are monitored throughout the whole project life cycle in narrative and financial reports. The revenues to be potentially generated within the project implementation may constitute the Lead Beneficiary's or the Beneficiaries co-financing (at least 10% of the project) if they have been predicted in the project budget. Any revenues above the threshold of the Lead Beneficiary's and Beneficiaries' co-financing shall be deducted from the reported eligible expenditures in the final payment claim submitted by the Lead Beneficiary.

Each Beneficiary is responsible for keeping account and documenting all revenues generated during and after (within the durability period) the project's implementation for control purposes.

The net revenues generated within the project in a period of 5 years after its completion (durability period) should be monitored by stating them in the durability reports. They should be prepared by the Lead Beneficiary and sent to the JTS once a year in a period of 5 years after the completion of the project.

**Important!**

Net revenue generated during project implementation is defined as:

- Cash in-flows directly paid by users for the goods or services provided by the project, such as charges borne directly by users for the use of infrastructure, sale or rent of land or buildings, or payments for services, decreased by
- Any operating costs and replacement costs of short-life equipment incurred during the corresponding period (at the same time these costs are not eligible within the project).



### **9.3. VAT (applicable only for Polish Lead Beneficiary and project Beneficiaries)**

The Lead Beneficiary or Beneficiaries will declare only non-recoverable VAT, as recoverable VAT is not eligible.

VAT is actually incurred when it is paid in full (in the price of acquired goods or services). If the Beneficiary has the possibility to fully recover VAT, which has been paid in relation to the project costs by whatever means (e.g. by reclaim from national tax authorities), the VAT cannot be reported as an eligible cost in the Programme. The Beneficiaries should be aware of their VAT status in relation to the planned project's activities.

Beneficiaries will be obliged to confirm their VAT status during the preparation of the project by confirming it in the declaration on the entitlement to the recovery of VAT which is a part of Lead Beneficiary declaration and partnership agreement attached to the Application Form.

If the VAT status of the Beneficiaries changes during the course of the project implementation, the Beneficiaries are obliged to inform the JTS and relevant independent auditor about the mentioned change. If costs that are subject to recoverable VAT have been reported and reimbursed from the Programme the Lead Beneficiary is obliged to pay back the amount in question in accordance with the terms specified in the Grant Contract.

### **9.4. Irregularities**

The Lead Beneficiary is obliged to inform the JTS on any irregularities or any other issues which can have influence on the proper project's implementation. The information should be submitted as soon as the Lead Beneficiary acquires the knowledge about the irregularities or any other issues mentioned above.

In accordance with IR "irregularities" means any infringement of a financing agreement, a contract or of applicable law resulting from an act or omission by an economic operator involved in the implementation of the Programme, which has, or would have, the effect of prejudicing the budget of the Union by charging an unjustified item of expenditure to the budget of the Union.

The information on the possible irregularity shall be sent to the JTS in a form of official letter with specific description of the situation and its influence on the project.

### **9.5. Recovery/ Offsetting**

When the award procedure or performance of the Grant Contract is vitiated by substantial errors or irregularities or by fraud attributable to the Lead Beneficiary or where is estimated that there has been a breach of national or union regulation, or the principles concerning project implementation, the MA may recover the amount already paid in proportion to the seriousness of the errors, irregularities or fraud.

If the project is at a final stage of implementation, the final payment, if possible, will be reduced by the amount of the irregularity found by the JTS or the MA. The JTS/the MA will inform the Lead Beneficiary about the amount of the reduction of the payment.

Where amount to be deducted is larger than the amount to be paid, the MA issues a call for payment and sends it to the Lead Beneficiary.

If the ineligible expenditure has been discovered after the final payment for the project has been conducted, the MA issues a call for payment, sends it to the Lead Beneficiary and recovers the amount(s) unduly paid.

The Lead Beneficiary undertakes any possible measures to repay any amounts mentioned above



or any amounts paid in excess of the final amount due to the MA within 45 days of the receiving of the debit note. In justified cases the MA may extend the deadline for recovery.

Should the Lead Beneficiary fail to make repayment within the deadline set by the MA, the MA should increase the amounts due by adding interest at the rate applied by the European Central Bank to its main refinancing transactions in euro, as published in the Official Journal of the European Union, C series, where payments are in euro, on the first day of the month in which the time-limit expired, plus three and a half percentage points. The default interest shall be incurred over the time which elapses between the date of the payment deadline set by the MA and the date on which payment is actually made.

Amounts to be repaid to the MA may be offset against amounts of any kind due to the Lead Beneficiary.

Bank charges incurred by the repayment of amounts due to the MA shall be borne entirely by the Lead Beneficiary.

**The Lead Beneficiary has to set up the procedure of recovering the irregularities/amounts unduly paid from the Beneficiaries in the Partnership Agreement.** If the Lead Beneficiary does not succeed in securing repayment from the concerned Beneficiary, he shall inform the JTS about this matter immediately. The MA shall formally notify the latter to concerned Beneficiary to repay the amount unduly paid to the Lead Beneficiary. If the concerned Beneficiary does not repay, the MA shall request the participating country in which the concerned Beneficiary is established to reimburse the amounts unduly paid in accordance with Article 74(2) to (5) of the IR.

Where the recovery relates to a claim against a project Beneficiary established in Poland and the MA is unable to recover the debt, the MA shall pay the due amount and claim it back from the Beneficiary. Where the recovery relates to a claim against a Beneficiary established in Belarus or Ukraine and the MA is unable to recover the debt, the level of responsibility of the respective country in which the Project Beneficiary is established shall be such as it is laid down in the relevant financing agreements between the EC and that country as referred to in Articles 8 and 9 of the IR.

The EC may at any time take over the task of recovering the amounts directly either from the Beneficiary or from concerned country.

A beneficiary has the right to appeal from the result of the auditor's verification to the JTS.

Beneficiary shall send a complaint to the JTS within 14 calendar days from receiving the auditor's decision on ineligible expenditure.

The JTS shall examine the beneficiary's objections within not more than 21 calendar days from the date of receiving the objections.

In the process of examining the objections, the JTS has the right to perform additional verification, request additional documents or clarifications. In each case when the JTS takes the above action, this suspends the deadline (21 days), until such clarifications or documents have been received or by the day when the JTS completes additional control activities. The JTS shall promptly notify the beneficiary about the prolongation of the deadline.

The result of the JTS' control shall be final and the beneficiary shall not have the right to further appeal the JTS' objections. In situations when the beneficiary's appeal, related to expenditures declared in the final report, are recognized as valid by the JTS, the beneficiary shall submit the final report again, including the expenditure that JTS has confirmed eligible. As provided by art. 48 of the IR, all costs incurred should be paid before the submission of the final report. They may be paid afterwards, provided they are listed in the final report together with the estimated date of payment.

## 9.6. Anti-corruption measures



In accordance with the Grant Contract the MA and Lead Beneficiary and all project Beneficiaries share a common concern in the fight against corruption, which jeopardizes good governance and the proper use of resources needed for development and, in addition, endangers fair and open competition based on price and quality. Therefore they declare their intention of combining their efforts to fight corruption and, in particular, declare that whoever asks for, lets himself/herself be promised or accepts an advantage for acting or refraining from acting in the context of a mandate or Contract within the framework of this Grant Contract will be considered to have committed an illegal act which shall not be accepted. Any actual case of this kind shall constitute sufficient grounds to justify termination of the Grant Contract, the annulment of the procurement or resulting award, or taking any other corrective measures laid down by the applicable law. In order to prevent the occurrence of corruption and fraud the MA issued Manual on combatting fraud available at the Programme website.

### 9.7. Ensuring equal opportunities

In line with the EU policies the Programme promotes equal opportunities and non-discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Lead Beneficiary and Beneficiaries have to consider their project's impacts regarding these principles and follow them through in project implementation. In addition, projects should also apply the principle on the operational level. Namely, projects should ensure that no discriminative activity is carried out within the projects and vis-à-vis any third parties (e.g. contractors, suppliers, external speakers). Furthermore, when selecting service providers, suppliers or contractors projects have to ensure equal opportunities for all interested parties.

### 9.8. Environmental issues

Lead Beneficiary and Beneficiaries should consider the impacts of the project on economical, ecological and social aspects within the region targeted. As a general principle, all stakeholders should strive to promote the sustainable development as far as possible both via the approach they take and the solutions and outputs they develop. Among other things this means that projects should consider environmental impacts when taking decisions on investments and their location.

Projects have to comply with the respective rules and regulations on the environment and sustainable development. They should also make sure the selected investment does not cause any environmentally negative effects.

## 10. Project Modification

### 10.1. Changes concerning the implementation of projects

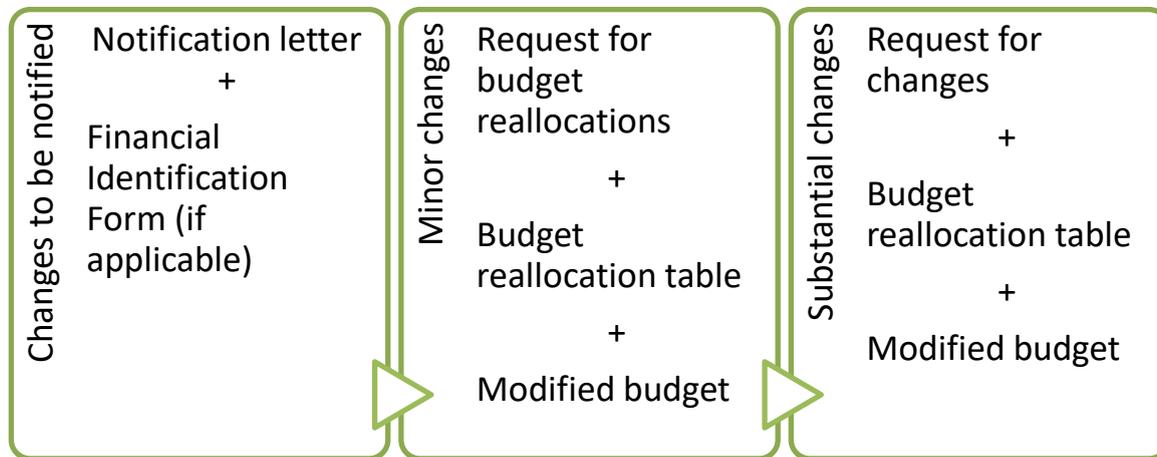
As a rule, each project should be implemented in line with the concept presented in the approved application and Grant Contract. Any modifications to the scope of the project, the planned activities and to the partnership should be avoided. The budget planned in the Application Form should be as precise as possible. The changes introduced should not result in substantial changes to the project objectives unless they are clearly justified by the change of external circumstances under which the project is implemented.

Contracts may need to be modified during project's implementation if the circumstances affecting project's implementation have changed since the initial Contract was signed. There are two types of project modifications, **minor** and **substantial**, described below, as well as in the Grant Contract. Some modifications can simply be notified in writing by the Lead Beneficiary to the JTS.



Please be reminded that changes in the project according to the Programme requirements do not have to mean the same according to the national legislation. In such cases a contact with National Authorities is recommended.

Documents to be submitted for different types of changes:



#### 10.1.1. Changes requiring notification: changes of address, bank account or an Independent Auditor

Changes of address, bank account or an auditor may simply be notified, although this does not influence the right of the MA to oppose the Beneficiary's choice of bank account or an independent auditor. The MA reserves the right to require that the auditor will be replaced if considerations which were unknown when the Contract was signed cast doubt on the auditor's independence or professional standards.

To introduce the abovementioned changes the Beneficiary needs to submit to the JTS written information (letter) regarding the scope of the change of data.

To change the bank account number, a validated Financial Identification Form (in 3 originals) will be required.

The JTS will then verify the submitted documents and inform MA on the change.

#### 10.1.2. Minor changes

When:

- the amendment to the Budget or Description of the Action does not affect the basic purpose of the activity

and

- the financial impact is limited to a transfer between items within the same main budget heading including cancellation or introduction of an item,

or

- a transfer between main budget headings involving a variation of 15% or less of the amount originally entered (or as modified by addendum) in relation to each concerned main heading for eligible costs,



the Beneficiary may amend the budget and inform the JTS in writing without delay on introduced changes.

In order to make minor changes following documents shall be submitted to the JTS:

- Request for budget reallocations in the project (up to 15% of budget lines value)
- Budget reallocation table
- Amended budget of the action

in 1 original version signed by authorized representative of the Lead Beneficiary

After the verification of submitted documents the Lead Beneficiary is informed (within three weeks from receiving of the request by the JTS) on the results of proceedings (acceptance or remarks to submitted documents).

**Important!**

This method may not be used to amend the heading for staff costs, travels costs and administrative costs.

### 10.1.3. Substantial changes

Substantial modifications to the Contract must be made in the form of an addendum. The addendum must be signed by both the MA and the Lead Beneficiary.

**Important!**

An addendum introducing the changes needs to be signed by both parties before the expiry of the execution period of the Contract.

The purpose of the addendum must be closely connected with the nature of the project covered by the initial Contract. No modification to the Contract may alter the award conditions prevailing at the time the Contract was awarded. The changes cannot be contrary to the principle of equal treatment of projects.

Any substantial amendment to the Grant Contract including the annexes thereto, must be set out in writing in an addendum. These may include extension of project duration (but in each case microproject duration may not exceed 12 months unless otherwise will be decided by the MA) or budget changes over 15% of budget line value.

If an amendment is requested by the Lead Beneficiary, they must submit that request to the JTS at least 30 days before the date on which the amendment should enter into force<sup>8</sup>.

In order to make substantial changes following documents shall be submitted to the JTS:

- Request for changes in the project
- Budget reallocation table
- Modified budget for the project
- Project Description, if applicable

in 3 original versions signed by authorized representative of the Lead Beneficiary.

The JTS will verify the submitted documents and prepares a draft of the Contract's addendum to the MA. The addendum is prepared and signed in three originals.

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<sup>8</sup> In special and duly justified cases the MA may agree to proceed within a shorter period.



**Important!**

Please note that all changes submitted within one request will be verified as a one package of changes without a division on changes which can be introduced individually in under 15% procedure and those which require a Contract addendum.

## 11. Project savings

The savings identified in the project's budget during its implementation can be used to broaden the scope of planned activities and/or undertake additional complementary activities.

**Important!**

In principle, the use of the extra funds should cause an increase of values the planned project's indicators.

All the additional activities, financed from the saved funds, should have a complementary character to the implemented project, ensure a stronger contribution to the project's results and objectives and guarantee greater benefits to the identified target groups across the borders.

In order to utilize the savings the Beneficiary shall follow the regular procedures of project's modification which are described in this Manual.

## 12. Project Information and Promotion Activities

### 12.1. Obligations

Beneficiaries also bear responsibility for ensuring that appropriate information is communicated to the public and must ensure adequate visibility of the EU contribution to Programmes and projects so that public awareness of the EU action is strengthened and a consistent image of EU support is created in all participating countries. More details can be found in this chapter.

Project's communication needs to contribute to the Programme's communication strategy included in the Joint Operational Programme.

### 12.2. Visibility requirements

Even the best project will not have the same impact if it is not effectively communicated outside. Of course, the implementation of the project and achieving all objectives and goals is the most important task. However, without a well-planned and coordinated promotion of all beneficiaries' work, almost nobody will know about its results and outputs and they will not be used by the target groups of the project, as smart and needed they may be.

Communication is a very important tool to:

- Inform about the existence of the project
- Provide the necessary information to all project stakeholders
- Inform about project's achievements
- Enhance the transparency of EU funding

It is necessary to promote a cross-border cooperation project throughout its whole duration to spread the effects of the project through the border by:

- informing about the start of the project and planned results will bring attention to the activities within the project,
- updating information on the state of play during the implementation will keep the audience



interested – this is especially important if the Lead Beneficiary or any of the Beneficiaries plan to organise events and receive as many participants as possible,

- widely sharing the information on the outputs will make people use them/visit them/share them further and thus the general objective and indicators will be achieved – this is crucial for such project’s results as any guidebooks, strategies, toolkits or reports as well as generally accessible services (including e-services) or objects, sites and monuments.

Communication activities should be an integral part of the project and should not be a set of separate additional activities that the Beneficiary is implementing to fulfill the visibility requirements. Only an effective promotion plan can help the Lead Beneficiary or any of the project Beneficiaries in getting a significant attention from media and final Beneficiaries.

### **12.3. Effective project promotion**

#### **12.3.1. Strategy – Information and Communication Plan**

A clear strategy of the implementation and management of promotion activities is extremely important and should be planned together with the overall management plan of the project. This is why already at the stage of the preparation of the Application Form the Lead Beneficiary and Beneficiaries need to provide a brief information and communication plan. All project Beneficiaries should work together on the layout of the plan and, if necessary, elaborate more detailed version of it later on.

#### **12.3.2. Defining the objectives**

The project communication objectives are not the same as the overall project’s objectives. Communication is a tool which can help achieve a project’s aims. Beneficiaries shall think of what effect their promotion should bring, what they expect, what is relevant to project activities and goals.

Some examples of project communication objectives:

- to change the perceptions/behaviours,
- to attract participants/users,
- to build awareness,
- to promote project results/outputs,
- to show transparency, etc.

#### **12.3.3. Choosing target groups**

Different communication objectives might be directed to different target groups, e.g. mainstream media, project’s stakeholders, project activities’ participants, project outputs’ users, local authorities, institutions, general public etc.

#### **12.3.4. Adjusting tools and activities**

Beneficiaries shall identify the best channels that will enable them to reach out to a specific target group identified in the previous step.

The communication channels should be chosen based on:

- the audience,
- the message that they want to convey,
- and the cost-effectiveness of the channel.



Repeating the message and using a mix of several communication channels can help this message actually reach project audience. More on specific tools can be found in the following chapters.

Examples of communication tools:

- events,
- publications,
- press releases/conferences,
- website,
- social media channels,
- videos,
- media relations etc.

### **12.3.5. Indicators and responsibilities**

The last step is a need to estimate specific values of indicators for defined tools. This will help to evaluate and measure the achievement of specific communication goals and the outcome of communication strategy. Beneficiaries can choose quantitative or/and qualitative indicators.

Examples of quantitative indicators:

- number of website visits, events/participants, publications, articles, etc.

Examples of qualitative indicators – feedback from realised communication activities:

- questionnaires, surveys, tone and position of articles, most visited pages etc.

Each Beneficiary will be responsible for specific communication objective.

### **12.3.6. How to plan the promotional activities budget?**

The amount allocated to the budget of communication activities in the project should be well balanced. It should at least be enough to have an impact in line with the objectives of the communication plan. According to the tools chosen in the previous steps and planned quantitative indicators, Beneficiaries should set the amounts which will enable them to implement that plan. Budget for communication should be estimated carefully as each project varies in size, subject, scope, partners and impact.





### 12.3.7. How to ensure project visibility?

#### 12.3.7.1. Mandatory visual elements

The Programme logo and EU emblem are mandatory in all project communication products. There are separate guidelines (available at the Programme website [www.pbu2020.eu](http://www.pbu2020.eu)) on how to use the mandatory elements.

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#### 12.3.7.2. Project messages

During the implementation of the project Beneficiaries will be often asked by media or Programme bodies to present briefly their project. From the beginning it is recommended to be ready and have 2-3 key messages which are short, simple and give a clear idea of what it is about. They should be flexible enough to be used across all communication tools frequently and consistently.



Messages could answer some of the following questions about a project:



*Elements adapted from the BSR 2007-2013 communication guidelines for projects*

### 12.3.8. Visibility activities and tools

Different activities may be appropriate at different stages of the project cycle. The following list contains an overview of possible examples of communication activities. These elements should be carefully analysed and chosen when drafting the Information and Communication Plan of the project.

In case of **infrastructure and investment activities** within the project, the Beneficiary is obliged to prepare adequate **information panels** during the construction **and commemorative plaques** after the end of infrastructure activities or equipment supply in case of investment actions. Following general rules should be taken into account:

- ✓ Should be of appropriate size to be clearly visible so that those passing are able to read and understand the nature of the action. Both EU flag and Programme logo should be of adequate size to be seen from far.
- ✓ Should be produced from solid materials of good quality, resistant to the weather conditions. This concerns also the plaques for the equipment such as vehicles.
- ✓ Information panels should be at the place of infrastructure activities from their start.
- ✓ Permanent plaque should be placed in the most visible part of the building.
- ✓ In case of smaller equipment, it is acceptable to produce one visible enough plaque at the entrance of the equipped space (e.g. room, ward etc.).

If there are any **soft activities** planned within the project (e.g. seminar, training, conference, etc.), remember that the appropriate visibility should be ensured, i.e. information banner (e.g. roll-up), handouts, publications, invitations, flyers etc. – all properly marked with EU flag and Programme logo and information on the project. All participants should be made aware that the Programme funded by the EU is financing the event.

The tools listed below can be used by the project of any character, according to the communications objectives and target groups:



- ✓ **Websites**
  - consider if there is a reason and necessity to invest sources into a new, project's website or if adding new sections within existing websites is a better solution;
  - multilingual websites are strongly recommended – pay attention to correct and good quality translations;
  - maintain a project website or a dedicated project section on partners' websites throughout the project lifetime and for 5 years beyond the end of the project;
- ✓ **Publications** (e.g. leaflets, brochures, newsletters etc.)
  - should be adapted to the planned audience in terms of text, used language, visual design;
  - paper publications should be available in electronic form;
  - carefully plan needed number of copies of each publication and if the paper version is necessary at all;
  - all written outputs but also the website and audiovisual materials developed by projects must include the following disclaimer: "This document has been produced with the financial assistance of the European Union, under the Cross-border Cooperation Programme Poland-Belarus-Ukraine 2014-2020. The contents of this document are the sole responsibility of <Lead Beneficiary's/Beneficiary's name> and under no circumstances can be regarded as reflecting the position of the European Union, the MA or the Joint Secretariat of the ENI CBC Programme Poland-Belarus-Ukraine 2014-2020";
- ✓ **Media relations** (e.g. articles, press conferences/visits etc.)
  - mass media are a good option for target groups with a larger number of people (such as general public);
  - think of the cooperation with local and regional media.
- ✓ **Project events**
  - carefully plan what kind of events are needed in order to reach chosen target groups with project promotion;
  - be sure to inform all interested parties about possible participation – ensure equal access and planned audience;
  - remember about people with disabilities who might like to participate in the event, think about their needs while planning the event;
  - think of events in a larger context – this may range from project participation in the annual events of the Programme to organisation of European Cooperation Day;
- ✓ **Promotional materials**
  - choose carefully promotional items to be produced – if they are needed, how will you distribute them, who will receive them and plan number of items; take into account the quality of produced items and remember that the logos should be permanent (avoid stickers);
- ✓ **Photographs and videos**
  - it is mandatory to archive all the main activities (major steps, events, positive changes introduced by the activities, results, etc.) within the project;
  - photos and videos may be subsequently used for other promotional activities;
  - plan well in advance photo and video sessions/services;



- ✓ **Social media**
  - this tool is in most cases available for free and is effective when you want to reach a wider audience;
  - think which social media are relevant to your needs and targets groups of your communication strategy;
- ✓ **Joint communication activities with other projects**
  - communication focused on the same thematic issues could be beneficial for Programme's and projects' capitalisation purpose;
  - the Programme shall seek thematic strands to help to cluster the communication efforts of projects which share similar target groups, the same can be done by Project Beneficiaries;
  - projects may take advantage of a central database of projects [www.keep.eu](http://www.keep.eu) to find a similar initiatives from a selected area;
- ✓ **Storytelling:** how to convey information through stories - stories not only make the content more interesting to the audience, they make it much more likely that they will remember it. Storytelling may give the Programme and projects a human face. More information is available on the website: <http://enpi.interact-eu.net>

#### **Important!**

The choice of appropriate promotion tools and budget should be well thought and is just a part of the whole strategy reflected in the Information and Communication Plan. It is crucial to design this plan carefully and make it one of the management tasks because successful promotion is directly affecting the final result of the whole project.

### **12.3.9. Cooperation with the Joint Technical Secretariat**

The Joint Technical Secretariat is there to assist Beneficiaries with any doubts regarding their communication strategy and activities. Please, do not hesitate to contact Communications Managers of the JTS and ask them for help. During the implementation of the project active cooperation with them can boost the results of project efforts. All Lead Beneficiaries are asked to:

- ✓ Assign a person responsible for communication and provide the JTS with her/his contact data from the beginning of the project;
- ✓ Deliver relevant news about the progress in the project for communication purposes;
- ✓ Inform in advance on planned events – it can be included in the calendar on the Programme website and thus it will have a stronger promotion;
- ✓ Share any video, photo gallery and written publication in electronic version with Communication Managers; all foreground intellectual property, i.e. outputs created within the project must be made publically available;
- ✓ Render physical and immaterial contributions to cluster network sessions, trainings and thematic events as well as to Programme annual events and other publicity measures;
- ✓ Assist in photo and video sessions organized by the JTS (aimed at promoting the projects);
- ✓ Maintain an archive with photographs, videos and media coverage about the project and / or cluster activities;
- ✓ Contribute to the Programme impact investigation (e.g. success stories that bring about positive change);



### 12.3.10. Where to look for additional information and inspiration?<sup>9</sup>

This chapter was elaborated with the use of the content of the following publications which you might find helpful:

- ✓ Communication and Visibility Manual for EU External Actions:  
<http://ec.europa.eu/europeaid/node/17974>
- ✓ ENI CBC Communication Guide 2014-2020:  
[http://www.interact-eu.net/library?field\\_fields\\_of\\_expertise\\_tid=3#395](http://www.interact-eu.net/library?field_fields_of_expertise_tid=3#395)
- ✓ Communication Toolkit version 2.0 of Interact  
<http://www.interact-eu.net/library#798>

Please consult also these documents:

- ✓ Graphics guide to the European emblem:  
[http://ec.europa.eu/regional\\_policy/en/information/logos/](http://ec.europa.eu/regional_policy/en/information/logos/)
- ✓ Graphics guide to the Programme logo: [www.pbu2020.eu](http://www.pbu2020.eu)
- ✓ About the European Cooperation Day campaign:  
<https://www.facebook.com/CooperationDay/?fref=ts>

## 13. Complaints on the Implementation of the Grant Contract

A complaint against the decision of the MA regarding the implementation of the Grant Contract is lodged pursuant to the provisions of the Grant Contract. Only the Lead Beneficiary is entitled to file objections on the findings of the MA regarding the implementation of the Grant Contract. After lodging the complaint, the JTS and the MA will analyze arguments and reevaluate the matter.

The MA and Lead Beneficiary shall do everything what is possible to settle amicably any dispute arising between them during implementation of the project. In the event of failure to reach an amicable agreement, the dispute may by common agreement of the MA and Lead Beneficiary be submitted to the conciliation of the European Commission. In the event of failure of the above measures, each party may submit the dispute to the courts of the country of the MA.

## 14. Audits, On-the-spot checks and Monitoring Visits of the Projects

### 14.1. Project audits

Except the verifications of expenditures carried out by the Independent Auditors and on-the-spot checks carried out by the JTS/BO the Lead Beneficiary and all project Beneficiaries shall allow the Audit Authority, European Commission, the European Anti-Fraud Office, the European Court of Auditors and any authorized institution to perform audits. The audit may be carried out, if necessary, on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the activities.

The Beneficiary provides auditors with an access to sites and locations at which the activity is implemented, including its information systems, as well as all documents and databases concerning the technical and financial management of the activity. The Beneficiary is obliged to take all steps to facilitate the work of the auditors. This access shall be given on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject. Documents must be easily accessible and filed so as to facilitate their

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<sup>9</sup> Links may to change



examination and the Beneficiary must inform the MA of their precise location.

Audits on projects are performed during the entire Programme lifetime. When a project is selected for an audit, the Lead Beneficiary as well as one or more project Beneficiaries may be audited. The same Beneficiary might be audited more times if the same project is selected more than once or if the Beneficiary is involved in more than one project. During the audit, auditors analyses a number of processes related to the implementation of the project, including the following:

- Compliance of the project with the Application Form;
- Compliance with obligations set in the Grant Contract and Partnership Agreement;
- Confirmation of eligibility of expenditure certified by independent auditors;
- Actual payment of expenditure;
- Compliance with the EU and national rules (including public procurement);
- Existence and soundness of the audit trail;

Audits may be carried out on the premises of the Beneficiary and/or in any other place where the project is being implemented. In case of detected non-compliances/infringements, audit findings are raised, which may result in financial corrections for the project.

#### **14.2. On-the-spot checks and monitoring visits**

The on-the-spot checks and monitoring visits are conducted by the JTS and CCP staff which monitors project implementation process on a daily basis. Additionally the Branch Office (BOs) may perform monitoring visits with the prior approval of the JTS. On-the-spot checks are performed by the controller at the premises of the Beneficiary as well as in any other place where the project is being implemented.

On-the-spot check means verification of the project undertaken by the JTS/CCP on the premises of a Beneficiary or any other project-related site. During on-the spot check the entire project's implementation process is reviewed, especially original documents confirming expenditures, such as invoices and other probative financial documents. During on-the-spot check the existence of the project is verified, especially the items to which the budget lines refer to, as well as the equipment and infrastructure/works and accounting documents forming part of the audit trail. Furthermore the existence of an accounting system on the level of the controlled Beneficiary is checked.

The aim of the on-the-spot check is to provide a reasonable level of assurance that the project is implemented effectively and the objectives are achieved, and also to prevent errors and irregularities within the project.

The Beneficiary will be informed about the date of the on-the-spot check at least 5 working days in advance. The information will be sent by letter or by email.

Within 10 working days after the on-the-spot check the a report will be prepared and sent to the Beneficiary accompanied by respective documents (if any) and recommendations (if any). All weaknesses and errors detected during the on-the-spot check shall be included in the report (if applicable).

The monitoring visit can be carried out to monitor the implementation stage of the project and its effectiveness but also in case of any difficulties or problems arising during the implementation of the project. The scope of the monitoring visit is limited. The JTS /BO staff members performing the monitoring visit verify only selected elements of project's implementation (e.g. promotional event, conferences, workshops, seminars, action workgroup meetings, location of investment, tender documentation etc.).



Since the monitoring visits concern mostly the participation of the JTS /BO in projects' events or working meetings with project representatives the written information (letter or email) on findings shall be prepared by the JTS/BO only in case of identification of errors in project's implementation process.

### **14.3. Audit trail**

In order to enable an efficient process of audit as well as expenditures' verification an audit trail shall be set by the Lead Beneficiary and all project Beneficiaries. An audit trail is to be understood as a chronological set of accounting records that provide documentary evidence of the sequence of steps undertaken by the Beneficiaries and Programme bodies for implementing the project. According to this definition, the proper keeping of accounting records and supporting documents plays a key role in ensuring an adequate audit trail.

At the level of each Lead Beneficiary and Beneficiary, an adequate audit trail includes the following elements:

- The Grant Contract (and its amendments);
- The Partnership Agreement;
- The latest version of the approved Application Form;
- Adequate documentation of all outputs and deliverables produced during the project lifetime;
- Documents proving, for each cost item claimed within the project, the expenditure incurred and the payment made (invoices or other equivalents, extract from a reliable accounting system of the Beneficiary, bank statements, etc.);
- Adequate documentation of all procurement procedures implemented for selecting experts, service providers and suppliers (from the planning of the procedure until the signature of the Contract and its possible amendments);
- Any other supporting document applicable to each budget line;
- Physical and financial reports submitted to the auditor with the purpose of validating project expenditure;
- Documents issued by the auditor validating all expenditure claimed within the project;
- A copy of all project's requests for payments including final report submitted and approved by the JTS.

All documents composing the audit trail shall be kept either in the form of originals, or certified true copies of the originals, or on commonly accepted data carriers including electronic versions of original documents or documents existing in electronic version only. The certification of conformity of documents held on commonly accepted data carriers with original documents shall be performed in compliance with national rules on the matter. In case of Beneficiaries using e-archiving systems, where documents exist in electronic form only, the systems used shall meet accepted security standards that ensure that the documents held comply with national legal requirements and can be relied on for audit purposes. As a good practice, e-archiving or image processing systems (original documents are scanned and stored in electronic form) should ensure that each e-document scanned is identical to the paper original and that the accounting and payment process for each e-document is unique (it should not be possible to account for or pay the same e-document twice).

Lead Beneficiary and all Beneficiaries shall keep all documents related to the project for five years from the date of payment of the balance for the Programme. In particular they shall keep reports, supporting documents, as well as accounts, accounting documents and any other document relating to the financing of the project. Additionally records pertaining to audits, Complaints, litigation or pursuit of claims arising from the project performance shall be retained until such audits, Complaints, litigation or claims have been completed.



#### 14.4. Avoiding of double financing

The most important element to be taken into account when setting up the audit trail is the need to avoid the double funding from different co-financing sources of the same expenditure item. Whereas analytical accounting systems help in this respect, more straightforward measures must also be foreseen, as for instance the annulling of invoices and other probative documents. The practice of annulling the originals of invoices and other probative documents is compulsory in the framework of the ENI Cross-Border Cooperation Programme Poland-Belarus-Ukraine 2014-2020. Where available, the annulling of originals of expenditure documents should be carried out by the use of a stamp bearing at least the following information:

- The information that the expenditure has been co-funded by the Programme;
- The number and the name (acronym) of the project;
- If applicable (e.g. same document covering different cost items), a statement on the share of expenditure claimed in the concerned project.

More requirements concerning the marking of documents submitted within requests for payment are described in part Invoice description.

#### 14.5. Project Sustainability and Ownership

Ownership, title and intellectual and industrial property rights in the results of the project, reports and other documents relating to it shall be vested in the Lead Beneficiary and all Beneficiaries responsible respectively for implementation their part of project. The Lead Beneficiary and all project Beneficiaries shall grant the MA/JTS the right to use freely and as it sees fit all documents deriving from the project without prejudice to existing industrial and intellectual property rights.

Unless otherwise determined in the Partnership Agreement, where several Beneficiaries have jointly carried out work generating outputs and where their respective share of the work cannot be ascertained, they shall have joint ownership of it/them.

For the duration of the project, goods procured under the Contract shall remain at the unrestricted disposal of the project and shall not be transferred without prior written approval of the MA. No ownership transfer not foreseen in the project is allowed within 5 years after the completion of the project, unless the contracting parties agreed otherwise.

##### **Important!**

No ownership transfer of outputs having the character of investments in infrastructure within the project is allowed for at least five years following the final payment to the Lead Beneficiary, unless otherwise is decided by the MA..

The occurrence of any of the following situations would result in a violation of rules concerning sustainability:

- Change in the ownership of the infrastructure;
- Substantial change affecting the nature, objectives or implementation conditions of the investment, which would result in undermining its original objectives.

Should any of the above conditions not be met at a certain point of time, the MA/JTS must be immediately informed by the concerned Lead Beneficiary. The MA will recover the unduly paid ENI contribution in proportion to the period for which the requirements have not been fulfilled.

In case of the activities which have different character than the investment, the sustainability of outputs shall be kept in line with the description in application form which is attached to valid contract.



In the light of the Programme's responsibility for efficient and effective ENI implementation, projects should strive to achieve the target values and quality of Programme indicators, main outputs and indicators concerning project goal and objective in accordance with the Application Form. The Programme anticipates certain flexibility in terms of achievement of the project indicators and outputs – both in the form of deviations and project changes.

#### **List of annexes:**

##### **Part A**

- 1. 1. Application Form**
- 2. Project budget**
- 3. Methodology of administrative costs calculation**
- 4. Administrative, eligibility and quality assessment grid.**
- 5.**
  - 5a Specific procurement rules for Polish Beneficiaries**
  - 5b Specific procurement rules for Belarusian and Ukrainian Beneficiaries**

##### **Part B**

- 6. Grant Contract template**
- 7. Partnership agreement (minimal scope) template**
- 8. Brief narrative report template**
- 9. Final report template (narrative part)**
- 10. Final report template (financial part)**

